1. PRESENTATION

A TLC, global leader in the telecommunications market, develops, manufactures and markets advanced and high performance network and carrier solutions, aiming at supporting Telecom Operators in the implementation of Next Generation Networks, especially in the SOHO/SMB (Small Office Home Office – Small Medium Business) segments, offering a complete line of reliable, advanced and affordable solutions.

Aethra Telecommunications® is the commercial brand used by A TLC srl, established in 2009 after the acquisition of the telecommunication business of Aethra Spa partly by the company **ab medica** SpA.

Innovation and research are the core of Aethra Telecommunications®' approach to the market. The company, based in Ancona and with about 70 employees (65% in technical areas, R&D/Engineering/Product MNGM/Validation), focuses on solutions entirely designed in Italy and relies on more than 40 years' experience in telecommunications. The broadband CPE product portfolio includes all the access network technologies (copper, fibre, mobile) and fits a wide range of application scenarios. Aethra Telecommunications® products are designed to provide advanced and cost-effective solutions to Small/Medium Enterprises as well as branch offices of large Corporations, ensuring a high flexible and scalable field deployment and absolute reliability. The CPE product lines are complemented by a set of solutions to help carriers delivering NGANs, by offering either copper-based remote powering systems for FTTCab architectures or complete solutions for the upcoming FTTdP scenarios. Moreover, the synergy among the companies of the ab medica Group allows Aethra Telecommunications® in adopting profitably its own design skills in new technological scenarios, committing itself both in system development for vertical solutions (e.g, M2M in Telemedicine) and financed research activities aimed to high potential market segments.

The legal office is in Rome, via Pierfranco Bonetti 88/90; the operating plant is in Ancona, via 1° Maggio 26; the warehouse is in Osimo (AN), via Crespi 36A.

MISSION

Design, produce and market high performance access devices and customized solutions for Telecom Operators and System Integrators.

VISION

Support Telecom Operators in the implementation of Next Generation Networks, especially in the SOHO/SMB (Small Office Home Office – Small Medium Business) segments, offering a complete line of reliable, advanced and affordable solutions.

VALUES

A TLC leading values are stated in the company Ethical Code, published in the intranet for the workers and in the website for all other stakeholders.

Further information are available in the updated company profile, that can be found in the company website.

2. INTEGRATED COMPANY POLICY FOR QUALITY, ENVIRONMENT, HEALTH AND SAFETY

The A TLC management, addressing the general principles of ab medica holding S.p.A group, intends to operate for the sustainability and for the achievement of the expectations of its customers and all stakeholders, recognizing as fundamental value the environment protection and people's health and safety.

According to this, A TLC is committed to implement and maintain an integrated Management System for Quality, Environment and Safety, coherent with its strategic guidelines and with its own context and based on the following key points:

1. LEGAL COMPLIANCE

Guarantee the compliance with laws, regulations, technical standards and other agreements applicable to corporate processes, products and services, with special reference to products applicable directives, both for telecommunications products (2014/30/UE, 2014/35/UE, 2014/53/UE) and medical devices (93/42/CE), to products traceability, to workers' health and safety, to environmental protection and other relevant aspects of social responsibility.

2. CONTINUAL IMPROVEMENT

Ensure the effectiveness of the management system and pursue the continual improvement of performances and the efficiency of processes related to the company management systems, according to the needs and expectations of all stakeholders, keeping an active system for planning the objectives, monitoring them and communicating the results.

3. PERSONNEL INVOLVMENT AND DEVELOPMENT

Foster the satisfaction of the personnel through a continuous process of development, in terms of competence, training, information, awareness and active involvement, both in each specific operative field and in environment and safety topics.

4. CUSTOMER SATISFACTION

Focus everyone's effort on the Customer, understanding his needs and expectations, providing him with informative and technical support during all stages of the relationship, verifying at the end the achieved level of satisfaction.

5. TECHNOLOGICAL INNOVATION

Pursue the continuous innovation of products and processes, assuring the marketing of products characterized by a high quality and technological level, through the implementation of advanced test procedures, together with ecological excellence, including "design for environment" specifications in R&D procedures.

6. MARKET EXPANSION

Pursue market expansion, aiming at exploring new medical applications in addition to the traditional telecommunications market sector, as well as the development and the creation of a new technical and foreign trade network that contributes to the acquisition of new customers.

7. REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION

Reduce any environmental impact of products and activities, prevent the pollution, control the use of water, energy and natural resources, optimize the waste management and monitor fuel consumption and gas emissions due to products transportation.

8. REDUCTION OF RISKS AND SAFETY PREVENTION

Reduce any risk of injury, industrial accident and illness for workers, contractors and all stakeholders, with special reference to electrical safety, handling of loads, use of tools, plant systems maintenance, ergonomics and microclimate of workspaces.

9. SUPPLIERS INVOLVMENT

Establish the relationship with its suppliers on the basis of corporate social responsibility principles, selecting them according to quality and environmental, social and economic sustainability criteria, involving them effectively in the common commitment towards the excellence of products and services.

3. ENVIRONMENTAL MANAGEMENT SYSTEM

A TLC Environmental Management System (EMS) has been developed basing from Aethra heritage, whose first steps started in 1998.

Hereby follow the main milestones of its evolution:

1999	Aethra spa	Execution of the initial environmental review Issue of the first Environmental Report
2000	Aethra spa	First internal audit First management review
2005	Aethra spa	Achievement of ISO 14001 certification (1996 edition)
2006	Aethra spa	Achievement of ISO 14001 certification (2004 edition)
2010	A TLC srl	Achievement of ISO 14001 certification (2004 edition)
2017	A TLC srl	Achievement of ISO 14001 certification (2015 edition)

A TLC Environmental Management System is integrated with the Quality Management System (ISO 9001: 2015 certified) and with the Health & Safety Management System based on the standard BS OHSAS 18001: 2007 (implemented but not yet certified by a third part body).

A TLC Environmental Management System covers the following environmental aspects:

- use of water and energy
- use of raw materials
- wastes management
- package management
- plant systems maintenance
- design for environment

The operational control of each environmental aspect represents the basis of the whole EMS and is described in a specific Procedure, which includes the following topics:

- operating criteria
- responsibilities
- performance monitoring
- non conformity management
- emergency preparedness and response

4. ENVIRONMENTAL OBJECTIVES

According to the company policy and strategic guidelines, during year 2017 A TLC has positively carried out the following programs:

- LEGAL COMPLIANCE
  - start up of the supervisory body for the organizational model according to Legislative Decree n° 231/2001

- CONTINUAL IMPROVEMENT
  - achievement of the ISO 14001: 2015 certification

- PERSONNEL INVOLVMENT AND DEVELOPMENT
  - empowerment of internal communication through a structured plan of inter-functional meetings with the top management
  - introduction of new ways of working from home (“smart working”)
  - cooperation with schools and educational institutions (stages, bachelor’s and PhD’s thesis, visits of students)

- REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION
  - adehesion to the energy saving event "M'illumino di meno" with an initiative of internal sensibilization
  - reduction of emissions associated with employee mobility through the introduction of telework (“smart work”)
  - evaluation of the benefits of using power supplies with energy efficiency exceeding the minimum legal limits
  - creation of an area in the warehouse dedicated to packaging materials for re-use
  - introduction of an emergency drill related to the escape of oil from the means of transport
  - introduction of IT material recovery and waste sorting procedure through disassembly
  - introduction of power factor monitoring of electrical systems

- SUPPLIERS INVOLVEMENT
  - search for new production partners, based on sustainability criteria besides technical criteria
  - quality, environment and safety audit of the manufacturing partners (both Italian and foreign)
  - implementation of environmental improvement programs agreed with active contract manufacturers

5. ENVIRONMENTAL PERFORMANCES

The main environmental performances achieved in year 2017 (compared to those in years 2016 and 2015) are shown in the following tables, togheter with some remarks useful for a correct interpretation of the data.

RAW MATERIALS

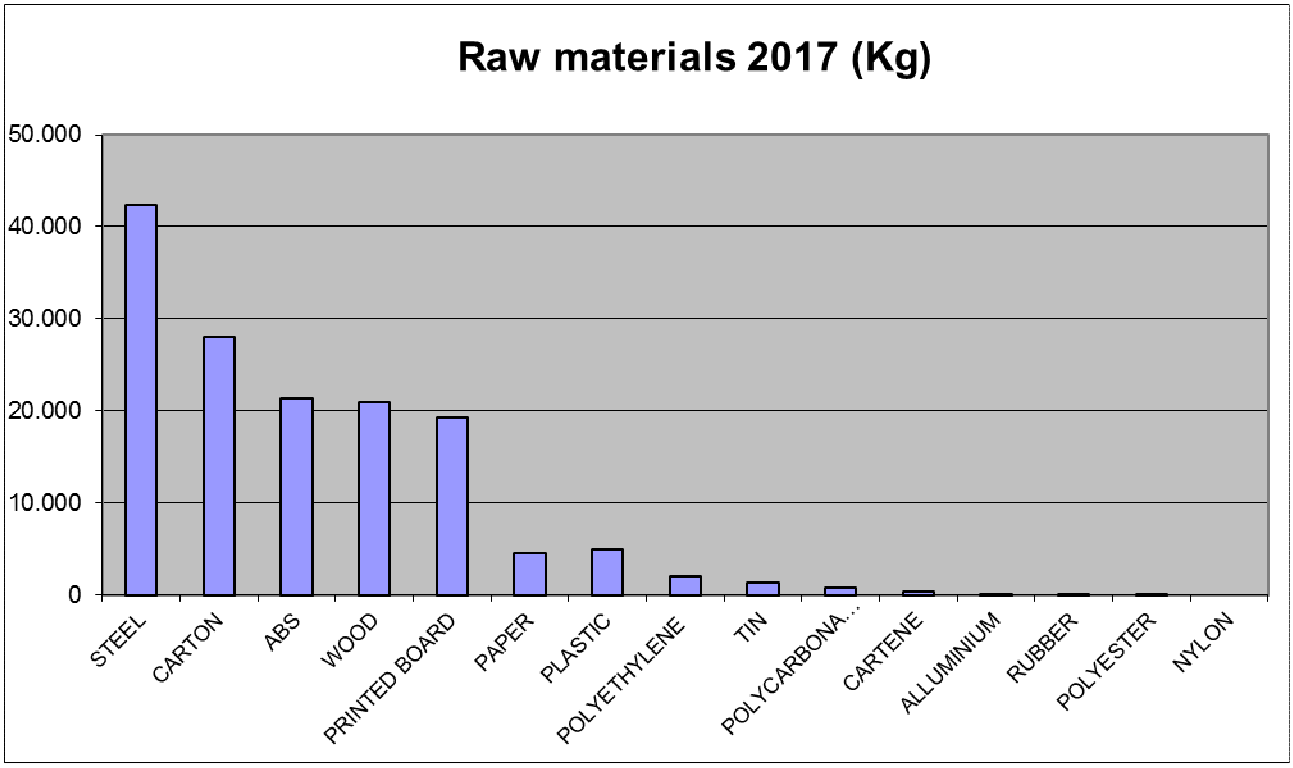
RAW MATERIAL	2015	2016	2017	2017vs2016
STEEL	27.279	30.640	42.297	38,0%
CARTON	28.037	32.203	28.057	-12,9%
ABS	19.596	26.187	21.363	-18,4%
WOOD	16.890	23.629	20.941	-11,4%
PRINTED BOARD	15.769	20.115	19.266	-4,2%
PAPER	5.908	5.903	4.578	-22,5%
PLASTIC	2.941	3.585	4.915	37,1%
POLYETHYLENE	1.036	1.450	2.014	38,9%
TIN	1.009	1.310	1.331	1,6%
POLYCARBONATE	743	840	808	-3,8%
CARTENE	464	362	326	-10,0%
ALLUMINIUM	192	111	124	11,3%
RUBBER	190	101	74	-26,7%
POLYESTER	36	19	12	-35,6%
NYLON	27	1	0	-100,0%
TOTAL	**92.838**	**146.456**	**146.105**	**-0,2%**

The main contribution is represented by: packaging materials (carton and wood), plastic and metal materials (used for product box and cabinet), printed electronic circuits.

The increase of metal materials (steel and aluminium) and the decrease of ABS is confirmed, due to the launch of new products rack mounted.

The medium ratio between the weight of packaging and the whole product in 2017 is 25,9% (20,6% in 2016).

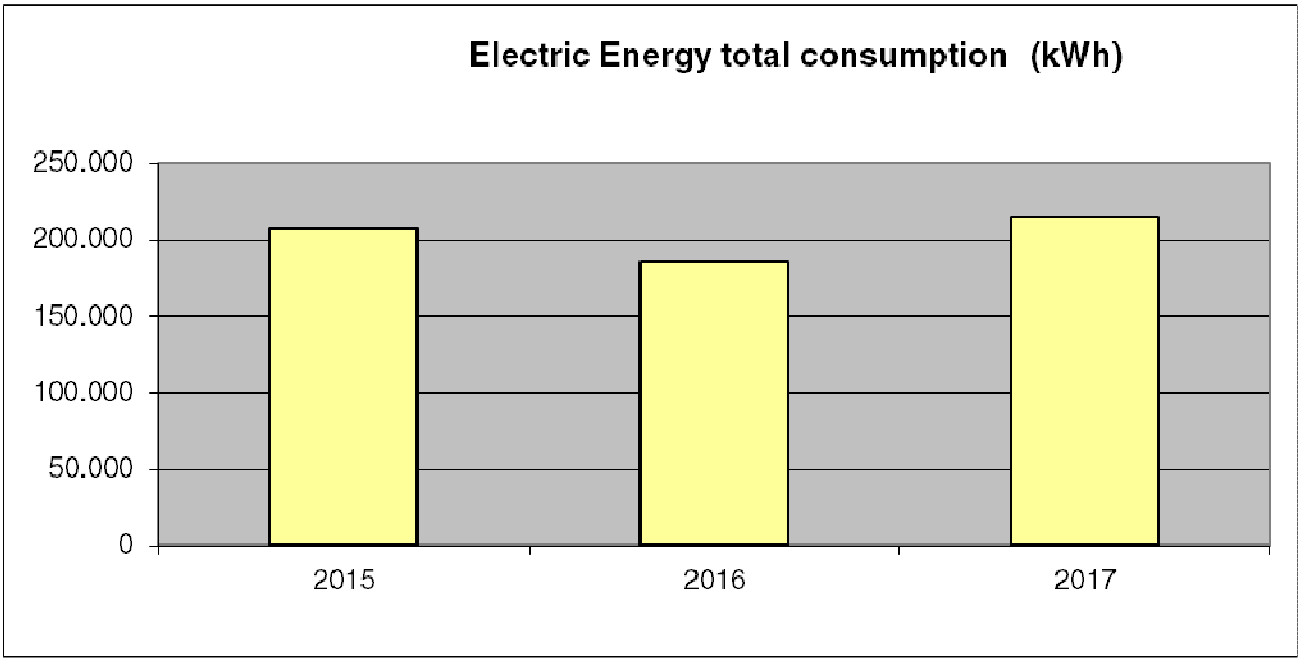
The average coverage index of the pallet area is 90.8% (the same in 2016).

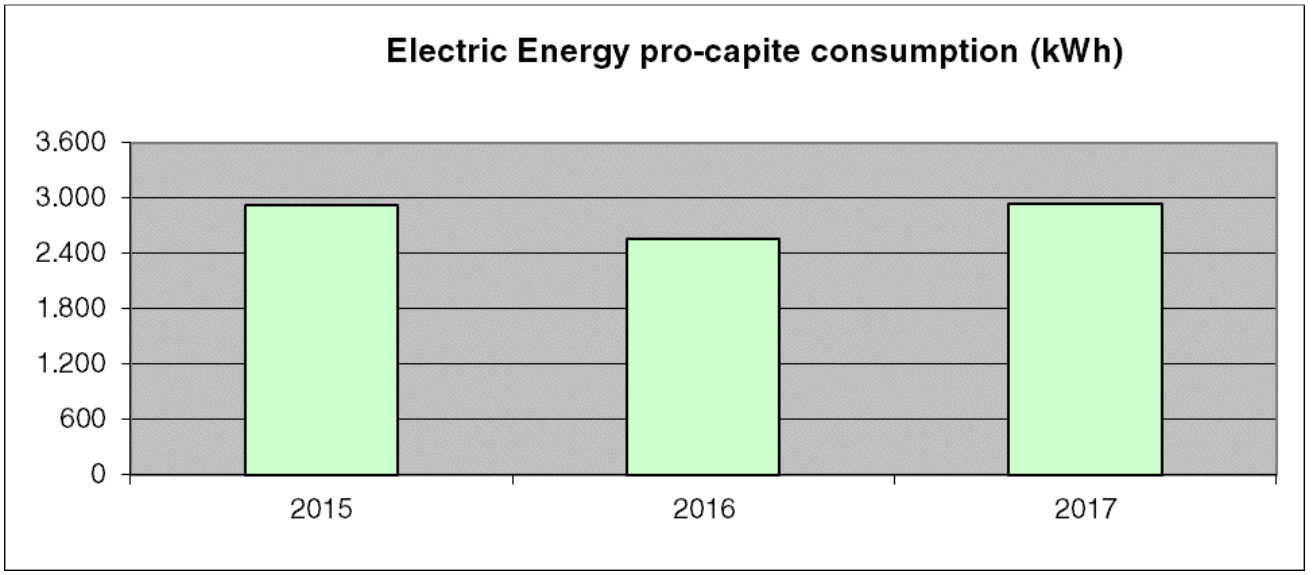


ELECTRIC ENERGY

The electric energy is used for lighting, air conditioning, heating, feeding of computer, test device and other electronic devices, not for production purpose. The total installed power is 150 kW low voltage in the main plant and 10 kW in the warehouse.

Electric Energy 2015 (kWh)	Electric Energy 2016 (kWh)	Electric Energy 2017 (kWh)	Variation 2017-2016	Pro-capite 2015 (kWh)	Pro-capite 2016 (kWh)	Pro-capite 2017 (kWh)	Variation 2017-2016
207.313	185.730	185.730	+15,6%	2.921	2.552	2.940	+15,2%



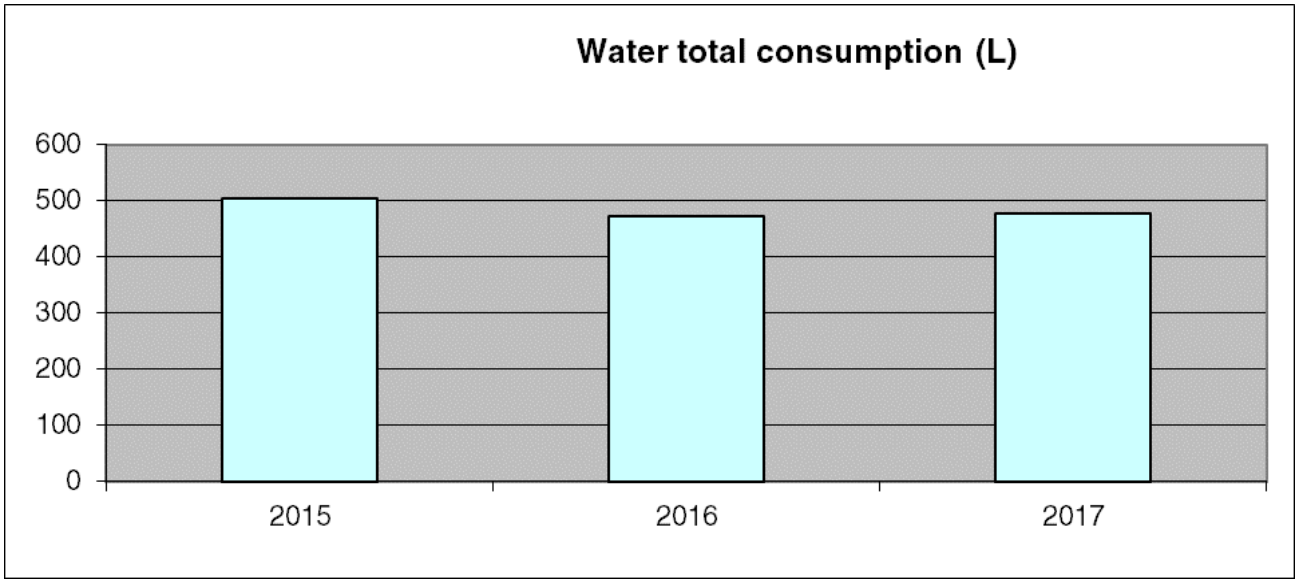


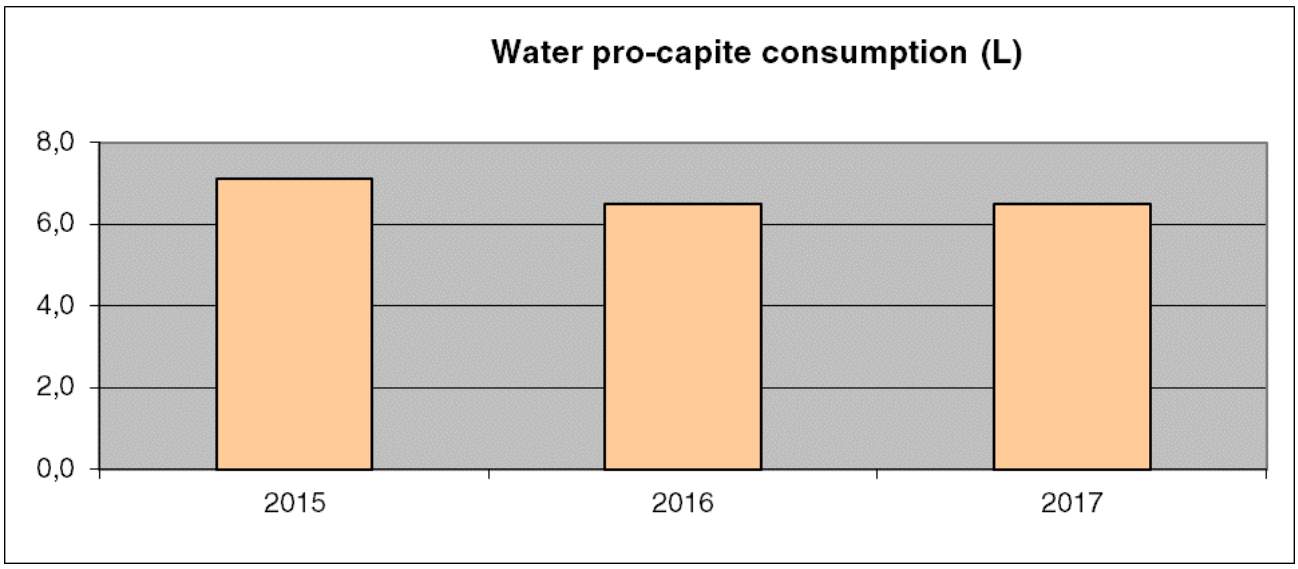
The comparison between 2017 and 2016 highlights a certain increase of the consumption (+15,6% overall and +15,2% pro-capite); this can be considered a consequence of the natural climatic conditions of the year.

WATER

The water is supplied by the public waterworks and is used only for drinking and toilet facilities, not for production purpose.

Water 2015 (mc)	Water 2016 (mc)	Water 2017 (mc)	Variation 2017-2016	Pro-capite 2015 (mc)	Pro-capite 2016 (mc)	Pro-capite 2017 (mc)	Variation 2017-2016
503	472	477	+1,1%	7,1	6,5	6,5	0,0%





The comparison between 2017 and 2016 highlights a stable situation (+1,1% overall, the same pro-capite amount).

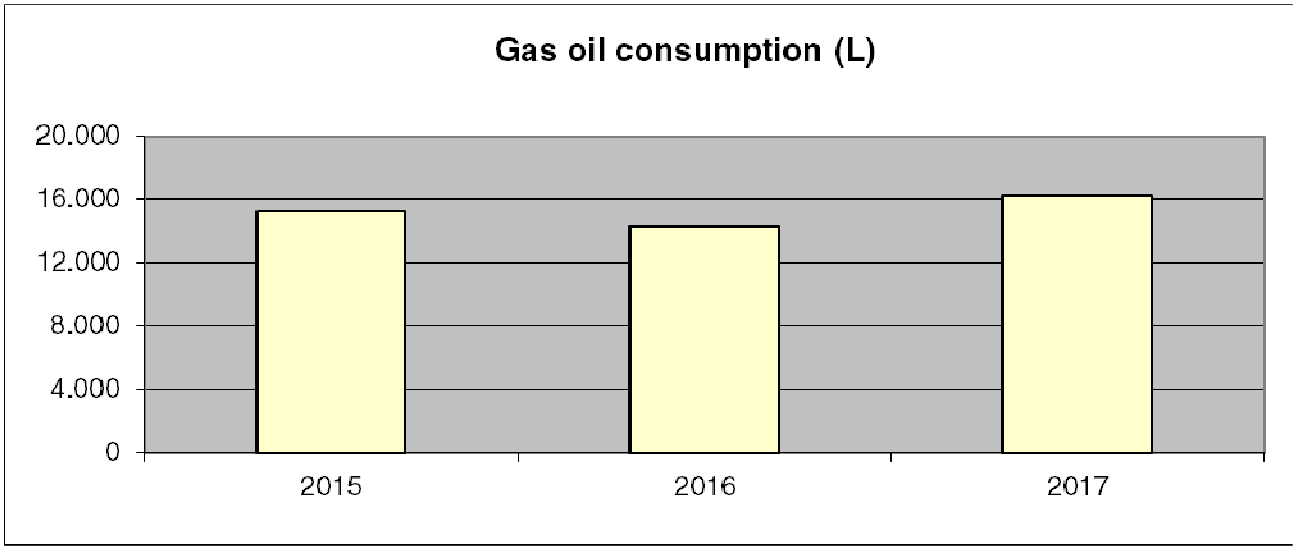
FUEL AND EMISSIONS

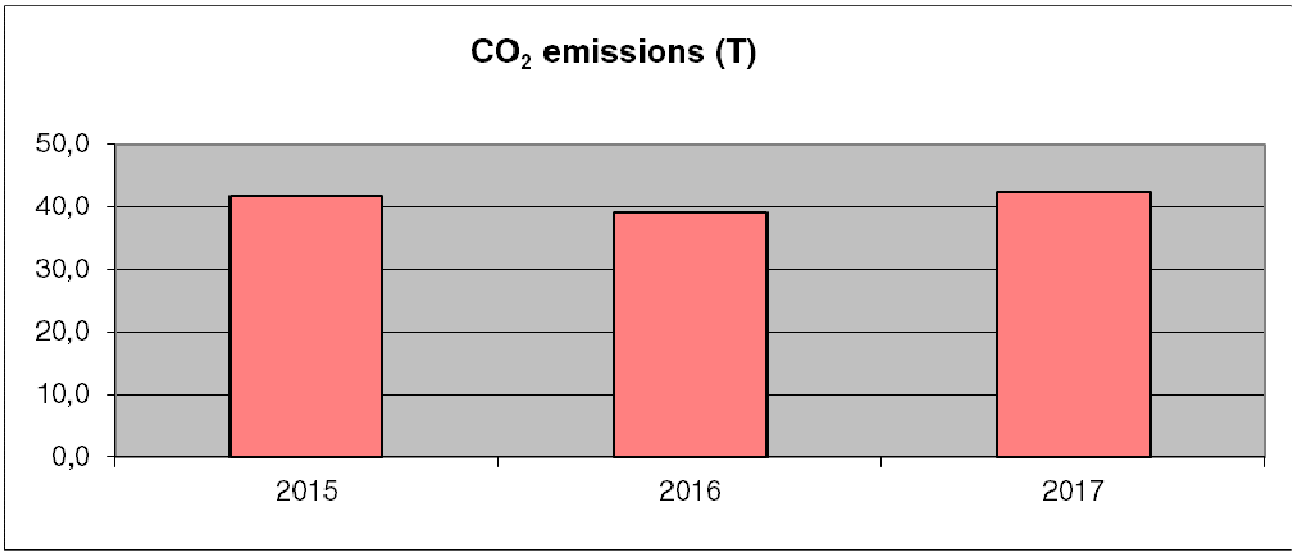
The total fuel consumption during year 2017 was 16.278 litres and the total CO_2 emissions 42,5 Tons.

The company owns 8 cars (2 more than in 2016) with medium fuel consumption from 3,8 to 5,6 L/100Km and CO_2 emissions from 98 to 144 g/Km.

The overall gas oil consumption has increased if compared to the previous year (+13,5%), as well as the CO_2 emissions (+8,7%), due to the introduction of 2 more cars.

Gas oil 2015 (L)	Gas oil 2016 (L)	Gas oil 2017 (L)	Variation 2017-2016	CO_2 2015 (T)	CO_2 2016 (T)	CO_2 2017 (T)	Variation 2017-2016
15.447	15.277	16.278	+13,5%	42,0	41,8	42,5	+8,7%

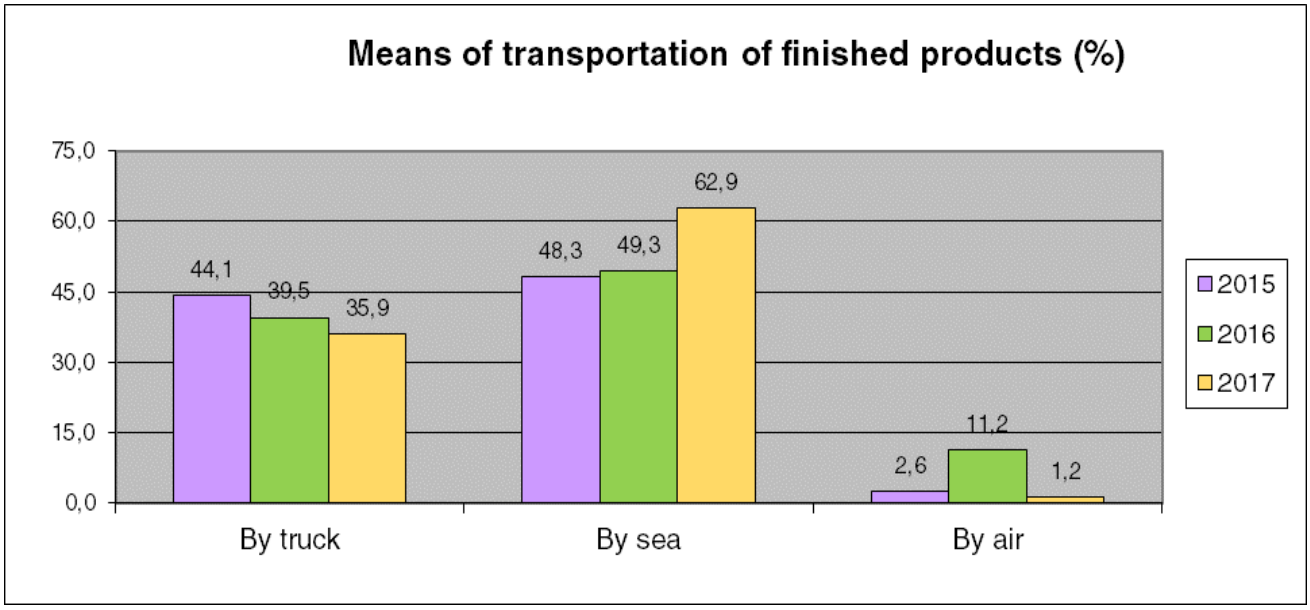


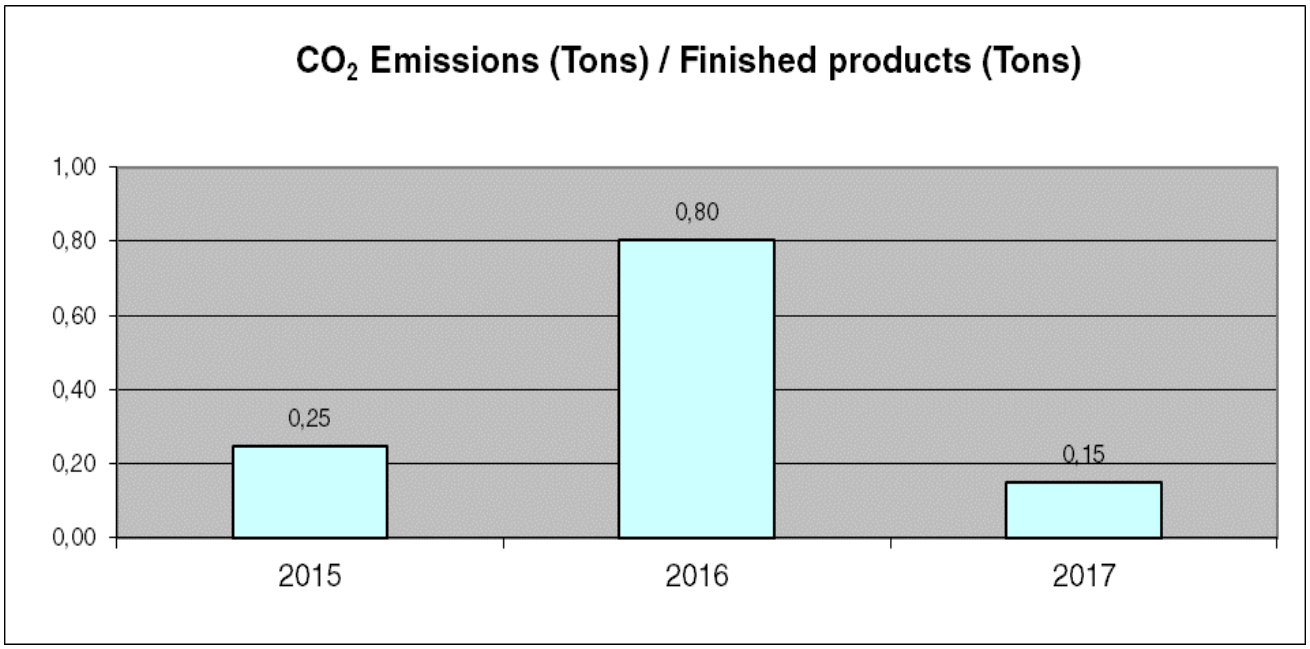


EMISSIONS ASSOCIATED TO FINISHED PRODUCTS TRASPORTATION

Manufacturing options have relevant effects related to CO_2 emissions due to products transportation from the manufacturing plant to the company local warehouse, where they will be temporary stored before the final shipment to the customers.

During 2017 ship transport of products (+13,6% vs 2016) was privileged compared to the air route (-10% vs 2016), with a consequent reduction of the associated environmental impacts (the indicator CO_2 emissions per unit of product weight decreased from 0.80 to 0.15).

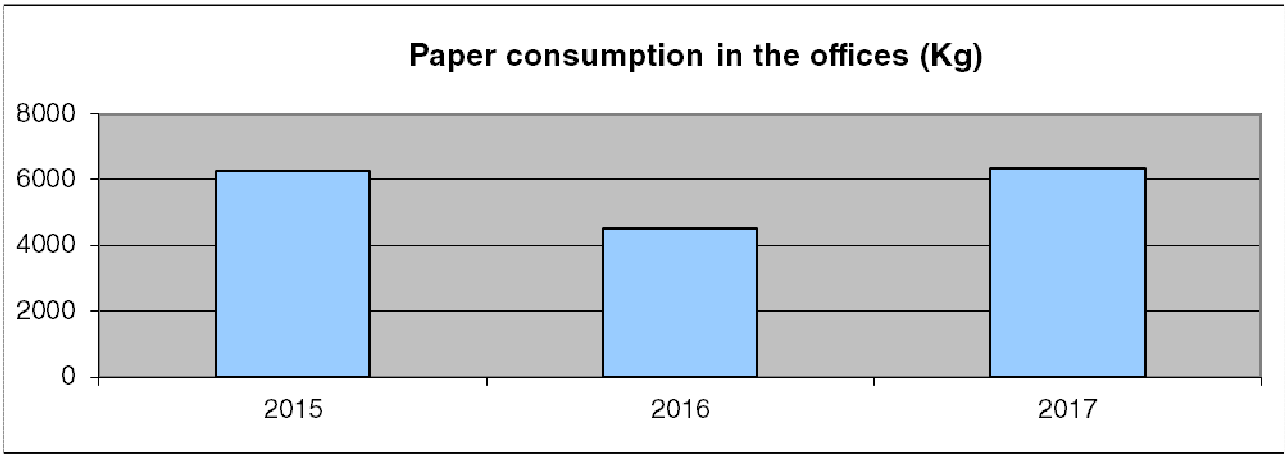


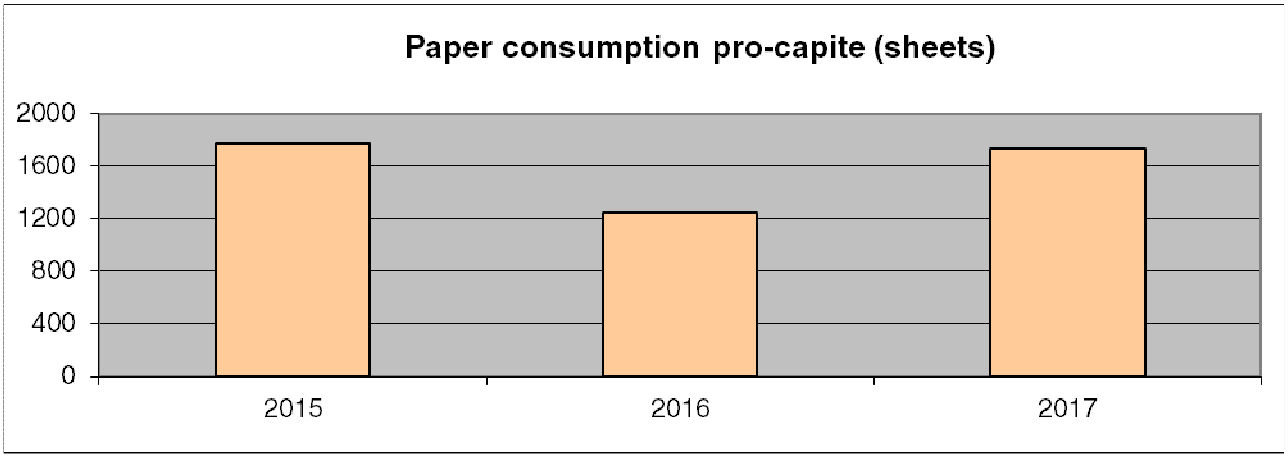


PAPER USE IN THE OFFICES

The following tables show the results concerning the monitoring of paper consumption by the offices in the last three years. In particular, there is a fluctuating trend, with a marked increase over the last year (+40,18% by weight, +38,99% sheets pro-capite).

Paper weight (Kg) 2015	Paper weight (Kg) 2016	Paper weight (Kg) 2017	Variation 2017-2016	Pro-capite sheets 2015	Pro-capite sheets 2016	Pro-capite sheets 2017	Variation 2017-2016
6277	4517	6332	+40,18%	1768	1244	1729	+38,99%





WASTE

No waste at all have been produced in 2017, with the exception of urban wastes collected and treated by AnconAmbiente for the main plant and Astea for the warehouse (paper and carton, glass and cans, plastic, organic waste, generic waste).

Exhausted toner and fluorescent tubes are withdrawn by the companies responsible for the maintenance of the printing stations and electrical systems.

The following table summarize the wastes disposed during the last three years

Waste (European Code)	2015 (Kg)	2016 (Kg)	2017 (Kg)
WEEE not hazardous (16 02 14 e 16 02 16)	150	-	-
WEEE hazardous (16 02 13*)	-	-	-
Neon tubes with mercury (20 01 21*)	-	-	-
Exhausted Toner (08 03 18)	7	-	-
Lead Batteries (16 06 01*)	-	-	-
Ni-Cd Batteries (16 06 02*)	-	-	-
Other Batteries (16 06 05)	-	-	-
Liquid wastes (16 10 02)	1.980	-	-
TOT (Kg)	**2.137**	**-**	**-**

TRAINING

The total amount of training about environment during year 2017 was 50 hours, besides 32 hours devoted to fire emergency, attended by 100% of personnel.

The main topics of the training were:

- internal procedures of DFE (design for environment) in LCA (product life cycle) perspective;
- emergency drill related to spills of polluting substances;
- convention Ecomondo 2017;
- introduction to the EMS for new recruits.

6. NEW PROJECTS

The guidelines for further developments of the Environmental Management System will be issued in the new improvement programs for 2018, after the management review of year 2017 to be held in January.

Hereby follow the new strategic raccomandations for environment:

- PERSONNEL INVOLVMENT AND DEVELOPMENT
  - cooperation with schools and educational institutions (stages, thesis, doctorate, visits of students)

- REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION
  - adhesion to the energy saving campaign named "M'illumino di meno", with internal launch of a sensitization initiative
  - reduction of emissions associated with employee mobility through extension of teleworking
  - integration in the ERP software platform (SAP) of relevant environmental information (REACH, ROHS compliance)
  - feasibility study for replacing the CED air conditioner with a more efficient unit

- SUPPLIERS INVOLVEMENT
  - audit of main manufacturing partners (both Italian and foreign), with special attention to environmental management, health and safety of workers, commitment for social responsibility