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; the company is also fully committed to the network virtualization revolution of NFV and SDN.

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 2018 A TLC has positively carried out the following programs:

- PERSONNEL INVOLVMENT AND DEVELOPMENT
  - empowerment of internal communication through a structured plan of inter-functional meetings between the top management and all workers
  - extension of the "smart working" project and formalization in a second-level contract
  - 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")
  - integration of articles relevant environmental information (REACH and ROHS compliance) in the informative ERP platform
  - replacement of vending machines by new units with low environmental impact
  - UPS replacement in the data center

- REDUCTION OF RISKS AND SAFETY PREVENTION
  - repainting of the road markings in the parking area
  - feasibility study for migration from OHSAS 18001 to ISO 45001

- 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 2018 (compared to those in years 2017 and 2016) are shown in the following tables, togheter with some remarks useful for a correct interpretation of the data.

RAW MATERIALS

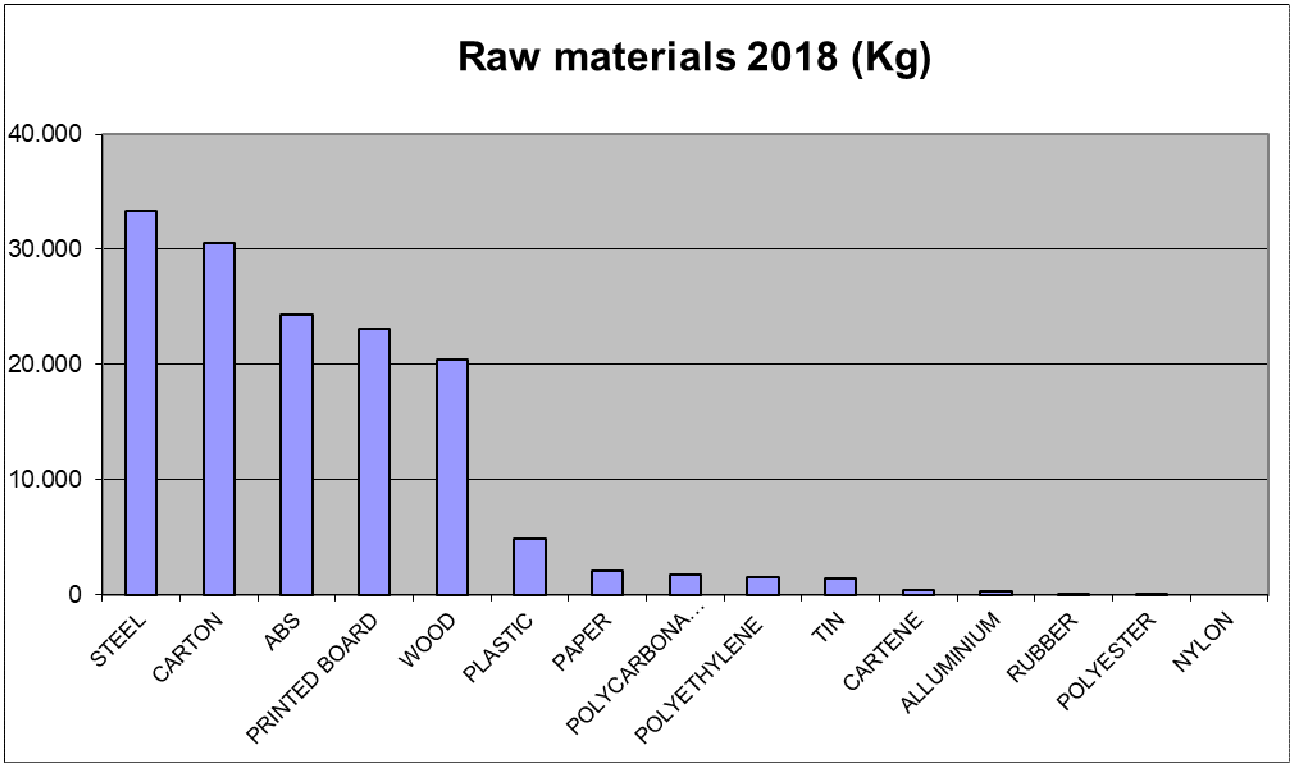
Raw Material	2016	2017	2018	2018vs2017
STEEL	30.640	43.370	33.303	-23,2%
CARTON	32.203	38.701	30.568	-21,0%
ABS	26.187	26.919	24.340	-9,6%
PRINTED BOARD	20.115	25.096	23.139	-7,8%
WOOD	23.629	27.567	20.469	-25,8%
PLASTIC	3.585	5.434	4.803	-11,6%
PAPER	5.903	4.832	2.128	-56,0%
POLYCARBONATE	840	959	1.702	77,4%
POLYETHYLENE	1.450	2.063	1.574	-23,7%
TIN	1.310	1.739	1.370	-21,3%
CARTENE	362	356	395	10,9%
ALLUMINIUM	111	150	299	99,2%
RUBBER	101	83	122	47,2%
POLYESTER	19	16	49	195,1%
NYLON	1	0	0	0,0%
TOTAL	**146.456**	**177.288**	**144.259**	**-18,6%**

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

A decrease of most materials has occurred as a consequence of the overall production during 2018.

The medium ratio between the weight of packaging and the whole product in 2017 is 31,4%.

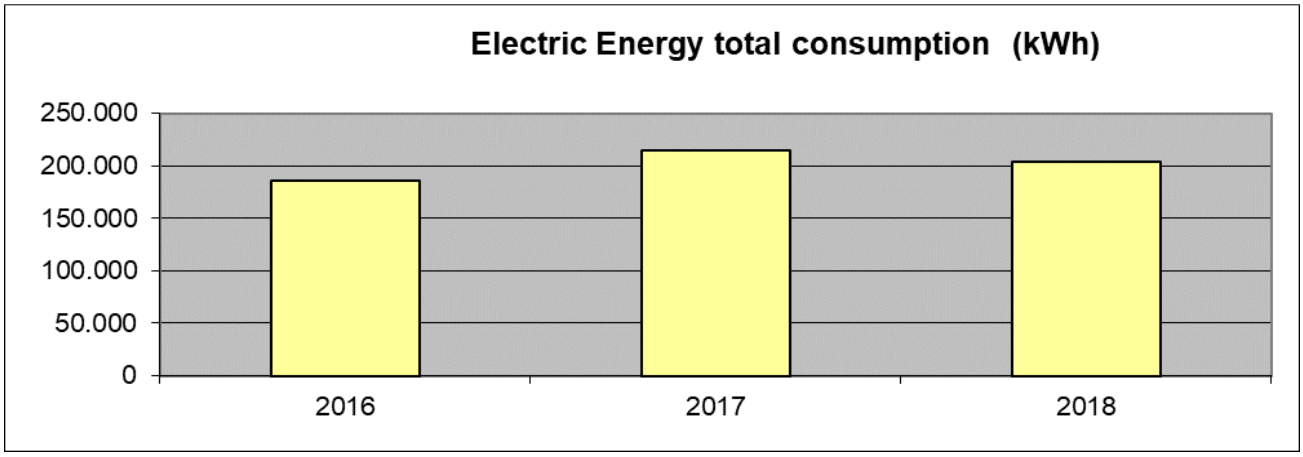
The average coverage index of the pallet area is 83.3%.

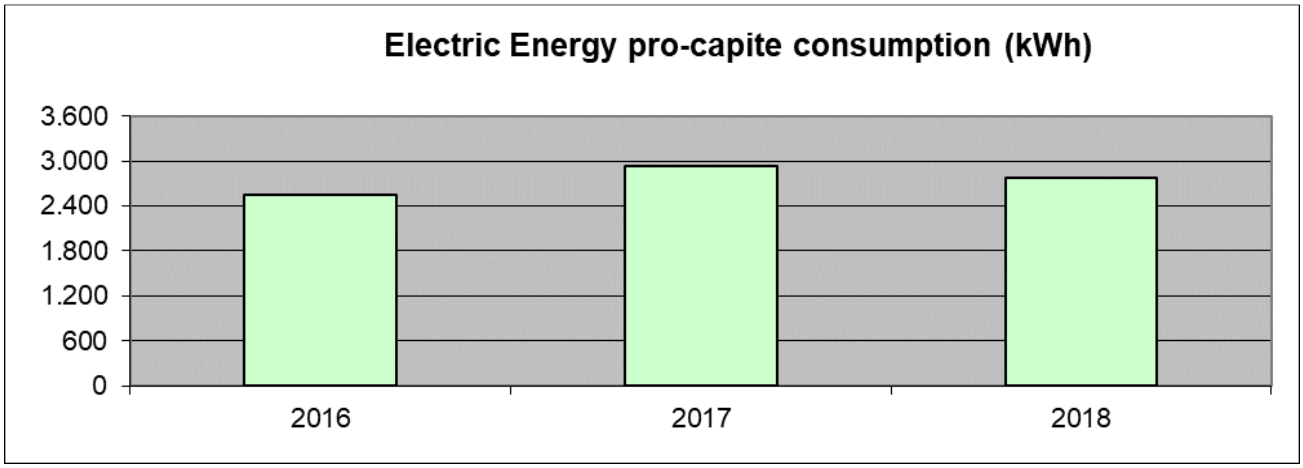


ELECTRIC ENERGY

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 2016 (kWh)	Electric Energy 2017 (kWh)	Electric Energy 2018 (kWh)	Variation 2018-2017	Pro-capite 2016 (kWh)	Pro-capite 2017 (kWh)	Pro-capite 2018 (kWh)	Variation 2018-2017
185.730	214.691	204.083	-4,9%	2.552	2.940	2.775	-5,6%



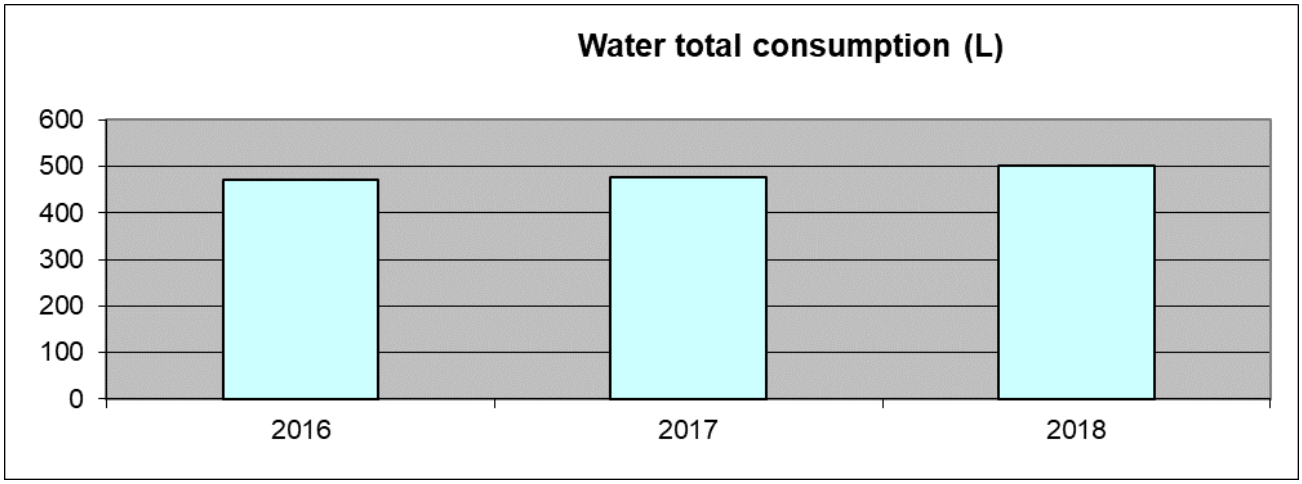


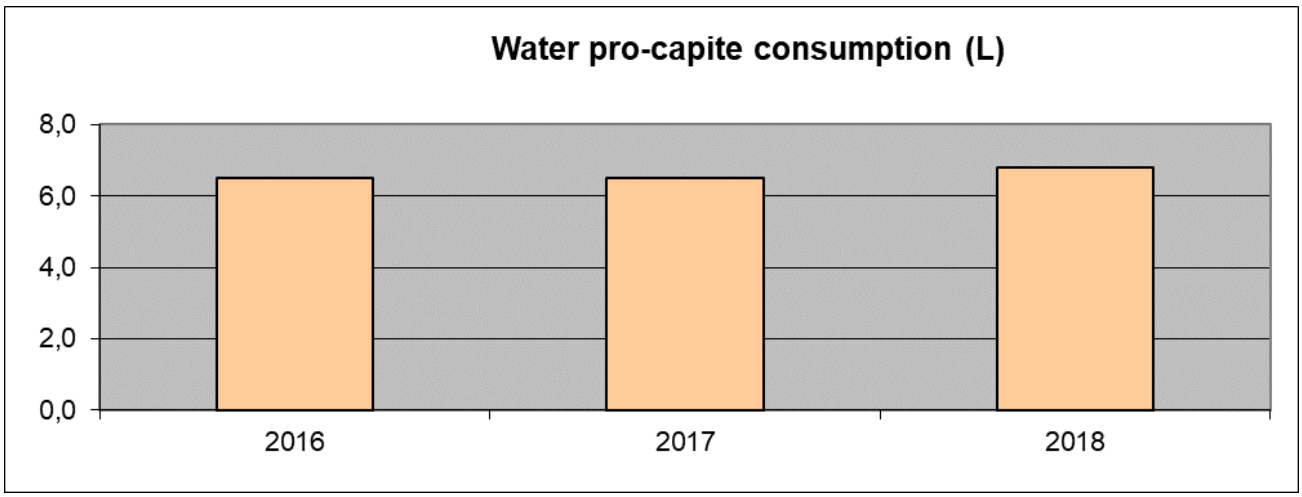
The comparison between 2018 and 2017 highlights a slight decrease of the consumption (-4,9% overall and -5,6% pro-capite); this can be considered a consequence of the natural climatic conditions of the year.

WATER

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

Water 2016 (mc)	Water 2017 (mc)	Water 2018 (mc)	Variation 2018-2017	Pro-capite 2016 (mc)	Pro-capite 2017 (mc)	Pro-capite 2018 (mc)	Variation 2018-2017
472	477	503	+5,5%	6,5	6,5	6,8	+4,6%





The comparison between 2018 and 2017 highlights a slight increase of the consumption (+5,5% overall, +4,6% pro-capite), not caused by specific events.

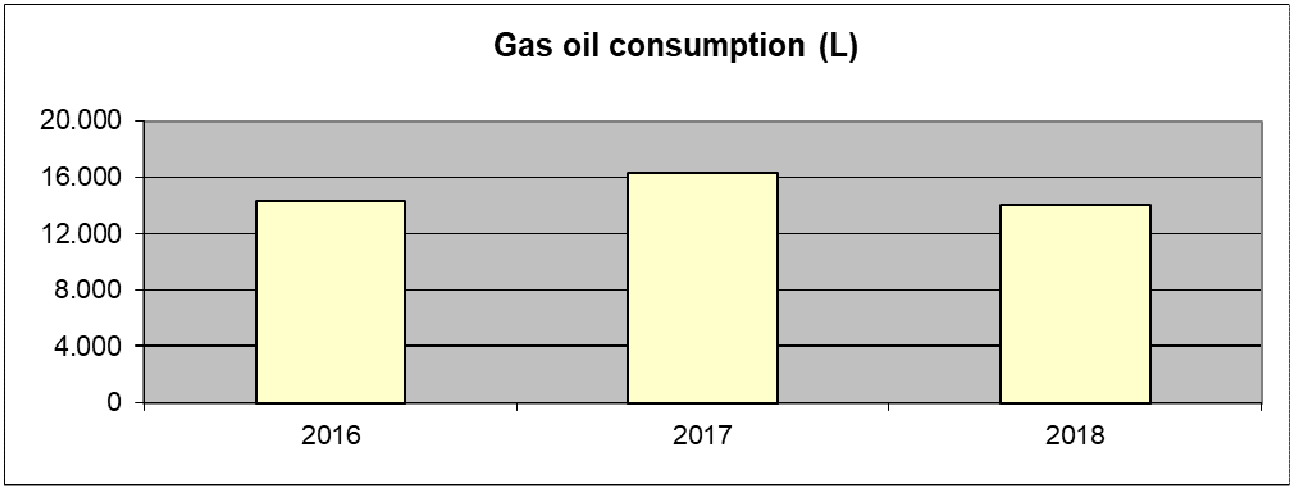
FUEL AND EMISSIONS

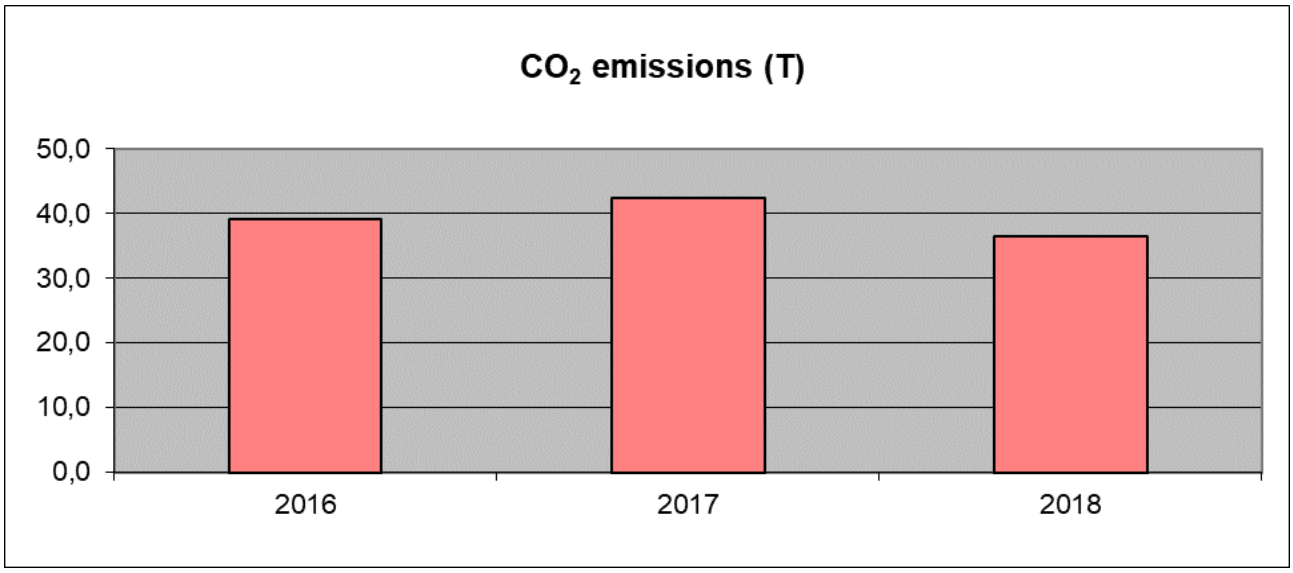
The total fuel consumption during year 2018 was 14.014 litres and the total CO_2 emissions 36,4 Tons.

The company owns 9 cars with medium fuel consumption from 3,8 to ,06 L/100Km and CO_2 emissions from 98 to 152 g/Km.

The overall gas oil consumption has decreased if compared to the previous year (-13,9%), as well as the CO_2 emissions (-14,3%), due to a lower use of the vehicles.

Gas oil 2016 (L)	Gas oil 2017 (L)	Gas oil 2018 (L)	Variation 2018-2017	CO_2 2016 (T)	CO_2 2017 (T)	CO_2 2018 (T)	Variation 2018-2017
15.277	16.278	14.014	-13,9%	41,8	42,5	36,4	-14,3%

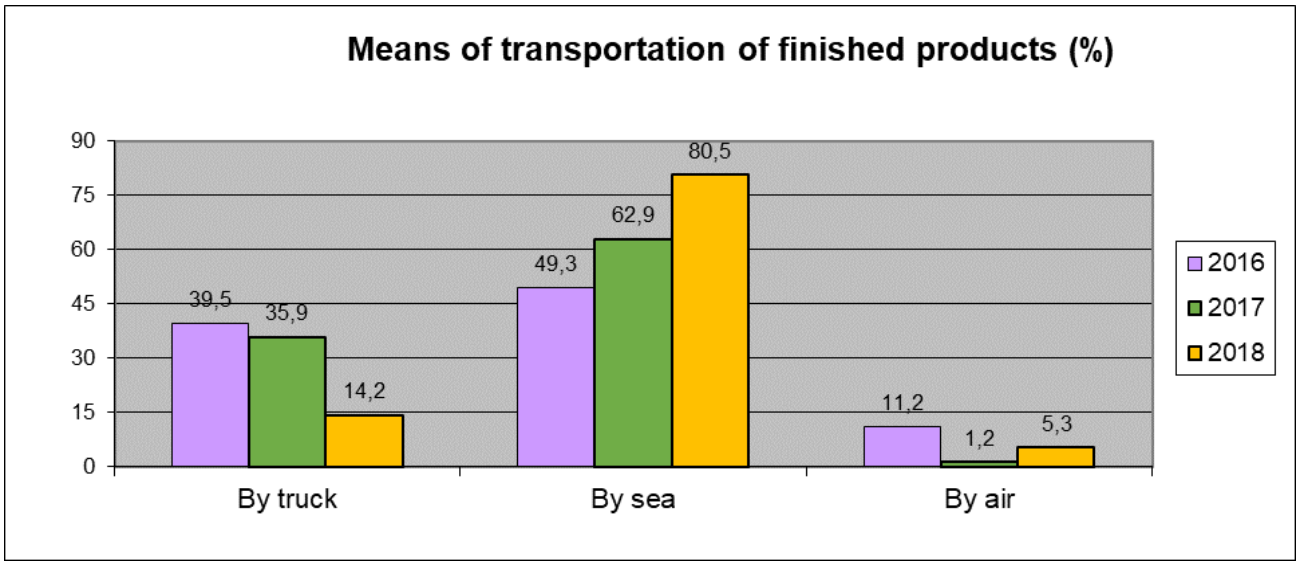


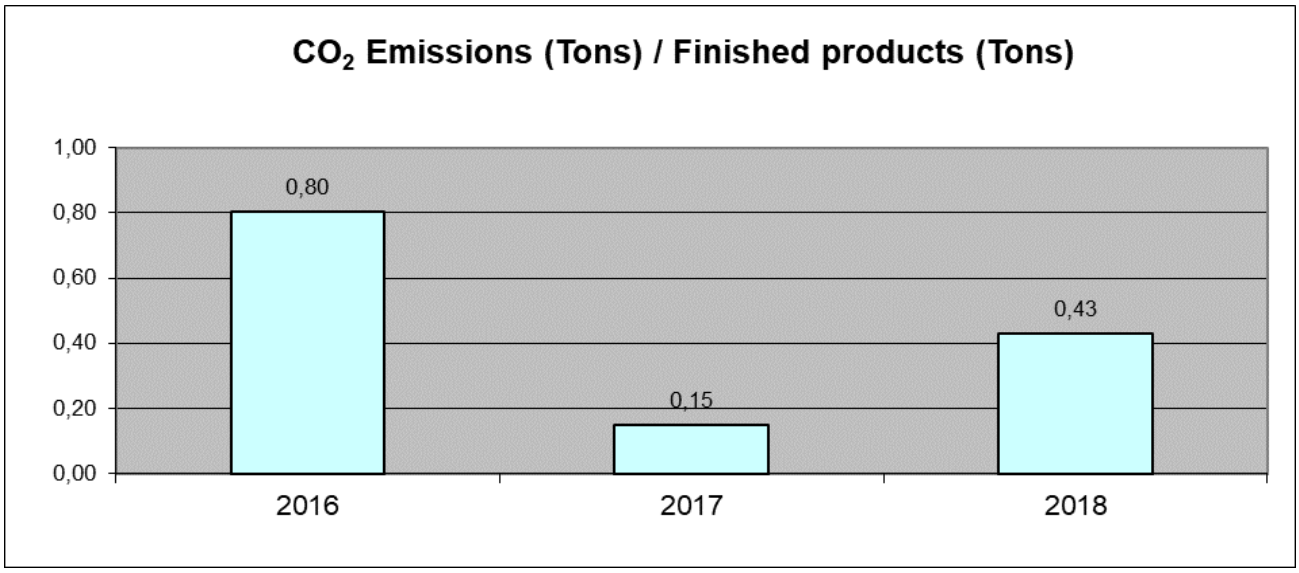


EMISSIONS ASSOCIATED TO FINISHED PRODUCTS TRASPORTATION

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 2018 the delivery needs caused an increase in the use of air transport of products (+ 4.1%), with a consequent increase in the associated environmental impacts (the indicator CO_2 emissions per unit of product weight went from 0.15 to 0.43).

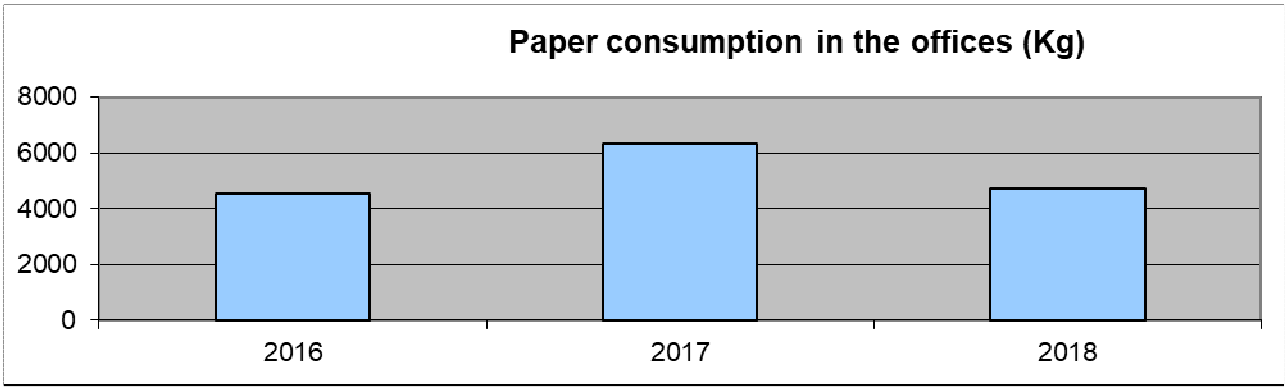


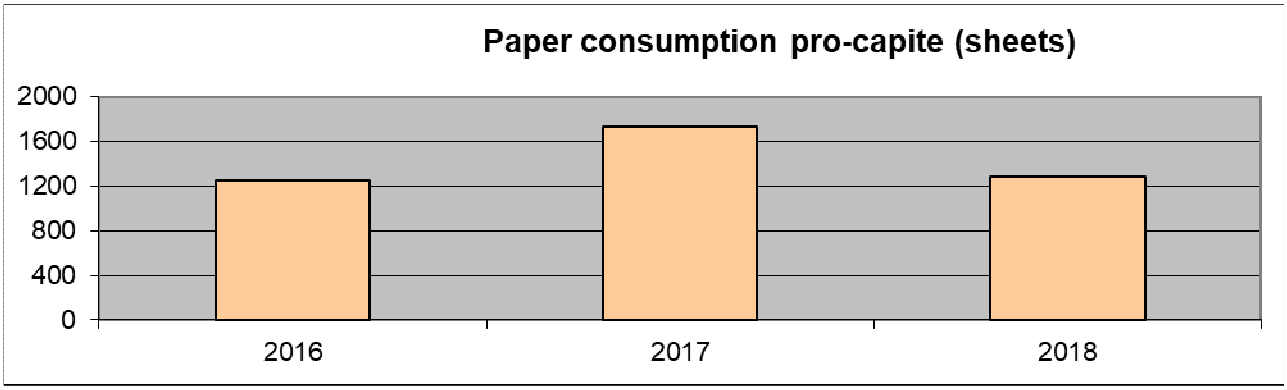


PAPER USE IN THE OFFICES

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) 2016	Paper weight (Kg) 2017	Paper weight (Kg) 2018	Variation 2018-2017	Pro-capite sheets 2016	Pro-capite sheets 2017	Pro-capite sheets 2018	Variation 2018-2017
4.517	6.332	4.716	-25,5%	1.244	1.729	1.283	-25,8%





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)	2016 (Kg)	2017 (Kg)	2018 (Kg)
WEEE not hazardous (16 02 14 e 16 02 16)	-	-	11.700
Plastics (17 02 03)	-	-	4.000
Cables (17 04 11)	-	-	2.540
Iron (16 01 17)	-	-	1.020
Inorganic waste (16 03 04)	-	-	850
Packaging in paper and cardboard (15 01 01)	-	-	800
WEEE hazardous (16 02 13*)	-	-	560
Bulky waste (20 03 07)	-	-	200
Toner exhausted (08 03 18)	-	-	10
Lead Batteries (16 06 01*)	-	-	10
TOT (Kg)	**-**	**-**	**21.690**

All the aforementioned waste has been sent for recycling.

The amount of hazardous waste produced is 2.6% of the total.

TRAINING

The total amount of training about environment during year 2018 was 76 hours, besides 60 hours devoted to fire and earthquake emergency, attended by 100% of personnel.

The main topics of the training were:

- product and process life cycle analysis (LCA)
- convention Ecomondo 2018
- 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 2019, after the management review of year 2018 to be held in January.

Hereby follow the new strategic raccomandations for environment:

- CONTINUAL IMPROVEMENT
  - Business continuity plan

- 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
  - monitoring of emissions reduction associated with employee mobility through extension of teleworking
  - use of compostable glasses and crockery for company events
  - replacement of lighting signboard with LED lamps
  - feasibility study for replacing the CED air conditioner with a more efficient unit

- REDUCTION OF RISKS AND SAFETY PREVENTION
  - migration from OHSAS 18001 to ISO 45001
  - installation of video surveillance system in the warehouse
  - replacement of hoses in toilets
  - feasibility study for the installation of a solenoid valve of the water system for the interruption of the supply in the absence of personnel

- SUPPLIERS INVOLVEMENT
  - qualification of a new international contract manufacturer with quality, environment and safety certifications