

1. PRESENTATION

A TLC, global leader in the telecommunications market, develops, manages the manufacture and testing, markets and provides technical assistance for 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 A TLC's approach to the market, whose solutions are entirely designed in Italy. The company, based in Ancona and with about 75 employees (65% in technical areas, R&D/Engineering/Product MNGM/Validation), focuses on 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.

The manufacturing of the equipment is carried out in cooperation with qualified production partners, through the approval of the assembly processes, the remote management of the test stations and the direct control of the test results.

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 FTTdP scenarios.

Moreover, the synergy among the companies of the ab medica Group allows A TLC 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 Milan, corso Magenta 56; 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

Innovation. Excellence. Win together.

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.

This corporate policy is reviewed periodically, at least once a year, by the management, in order to ensure its continual adequacy, depending on changes internal and external to the organization.

It is available to all stakeholders via the company website.

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 with SGS Italy (1996 edition)
2006	Aethra spa	Achievement of ISO 14001 certification with SGS Italy (2004 edition)
2010	A TLC srl	Achievement of ISO 14001 certification with SGS Italy (2004 edition)
2017	A TLC srl	Achievement of ISO 14001 certification with SGS Italy (2015 edition)
2019	A TLC srl	Achievement of ISO 14001 certification with TÜV Süd (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 ISO 45001: 2018 (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 2019 A TLC has positively carried out the following programs related to the environmental management:

- **LEGAL COMPLIANCE**
 - update of internal procedures for the implementation of the new ROHS delegate directive about the inclusion of phthalates
- **CONTINUAL IMPROVEMENT**
 - migration of the ISO 9001 and ISO 14001 certifications to TÜV Süd
- **PERSONNEL INVOLVMENT AND DEVELOPMENT**
 - training course for managers on business continuity
- **REDUCTION OF ENVIRONMENTAL IMPACTS AND POLLUTION PREVENTION**
 - adhesion to the energy saving event "M'illumino di meno" with an initiative of internal sensibilization
 - monitoring of the reduction of emissions associated with employee mobility through the "smart work"
 - use of compostable glasses and dishes for corporate events
 - replacement of sign lighting with LED lamps
 - optimization of electrical systems and reduction of the power used
- **REDUCTION OF RISKS AND SAFETY PREVENTION**
 - implementation and integration of ISO 45001 in the company management system
 - replacement of hoses in toilets
 - 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 for electronic assembly with a certified environmental management system
 - qualification of a new international manufacturer of plastic mechanical components with a certified environmental management system

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, together with some remarks useful for a correct interpretation of the data.

RAW MATERIALS

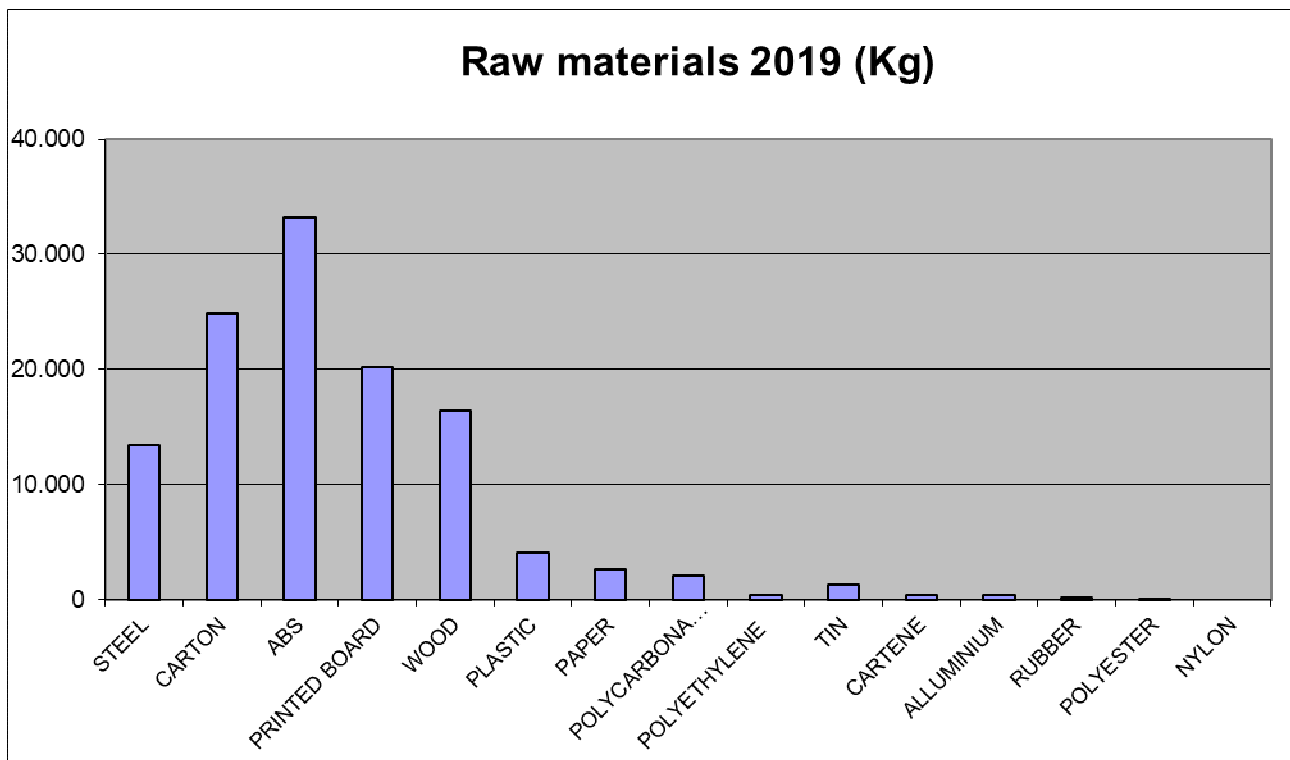
Raw Material	2017	2018	2019	2019vs2018
ABS	26.919	24.340	33.226	36,5%
CARTON	38.701	30.568	24.835	-18,8%
PRINTED BOARD	25.096	23.139	20.209	-12,7%
WOOD	27.567	20.469	16.475	-19,5%
STEEL	43.370	33.303	13.386	-59,8%
PLASTIC	5.434	4.803	4.044	-15,8%
PAPER	4.832	2.128	2.665	25,2%
POLYCARBONATE	959	1.702	2.127	25,0%
TIN	1.739	1.370	1.316	-3,9%
CARTENE	356	395	455	15,0%
ALLUMINIUM	150	299	429	43,3%
POLYETHYLENE	2.063	1.574	419	-73,4%
RUBBER	83	122	184	50,3%
POLYESTER	16	49	75	54,6%
NYLON	0	0	0	0,0%
TOTAL	177.288	144.259	119.846	-16,9%

The main contribution is represented by: plastic and metal materials (used for product box and cabinet), packaging materials (carton and wood), 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 2019 is 32,5%.

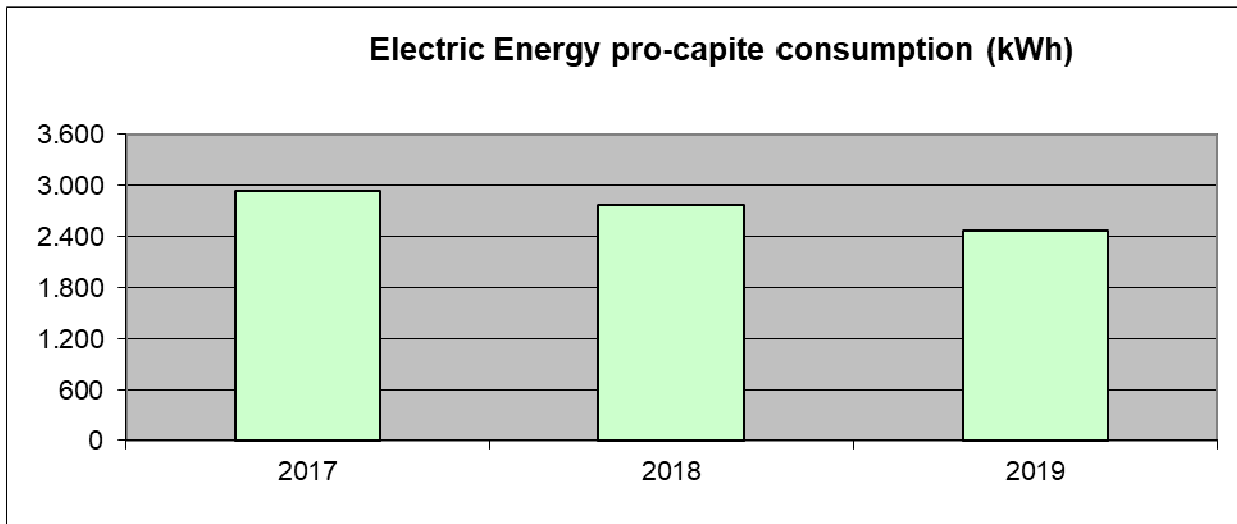
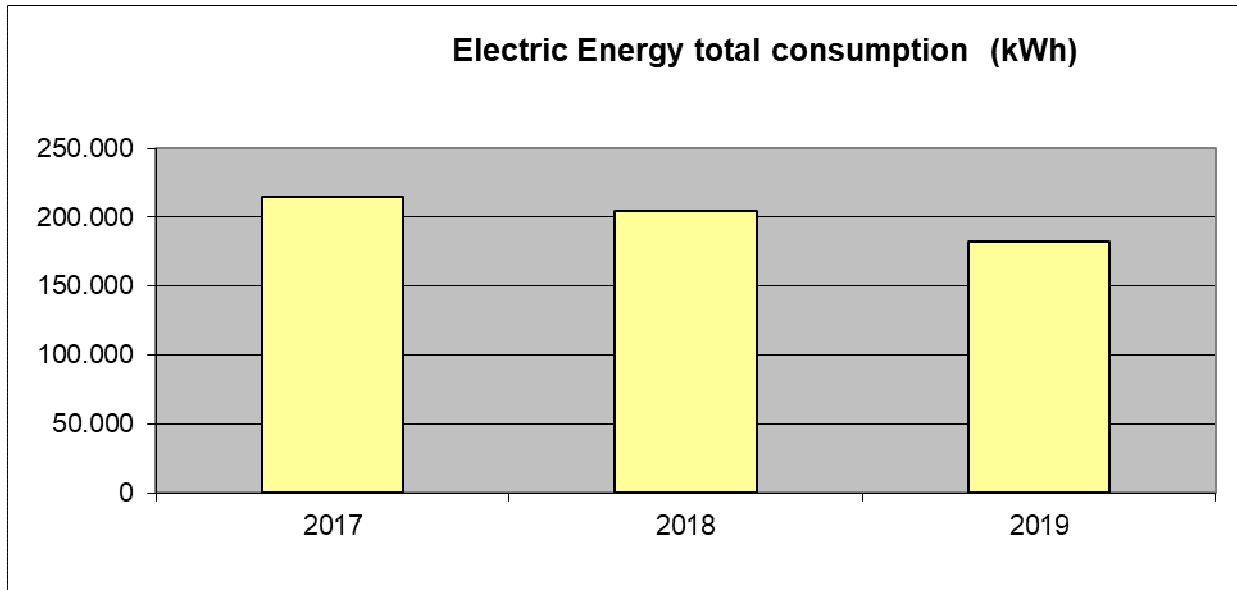
The average coverage index of the pallet area is 94,7%.



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 80 kW low voltage in the main plant and 10 kW in the warehouse.

Electric Energy 2017 (kWh)	Electric Energy 2018 (kWh)	Electric Energy 2019 (kWh)	Variation 2019-2018	Pro-capite 2017 (kWh)	Pro-capite 2018 (kWh)	Pro-capite 2019 (kWh)	Variation 2019-2018
214.691	204.083	182.590	-10,5%	2.940	2.775	2.470	-11,0%

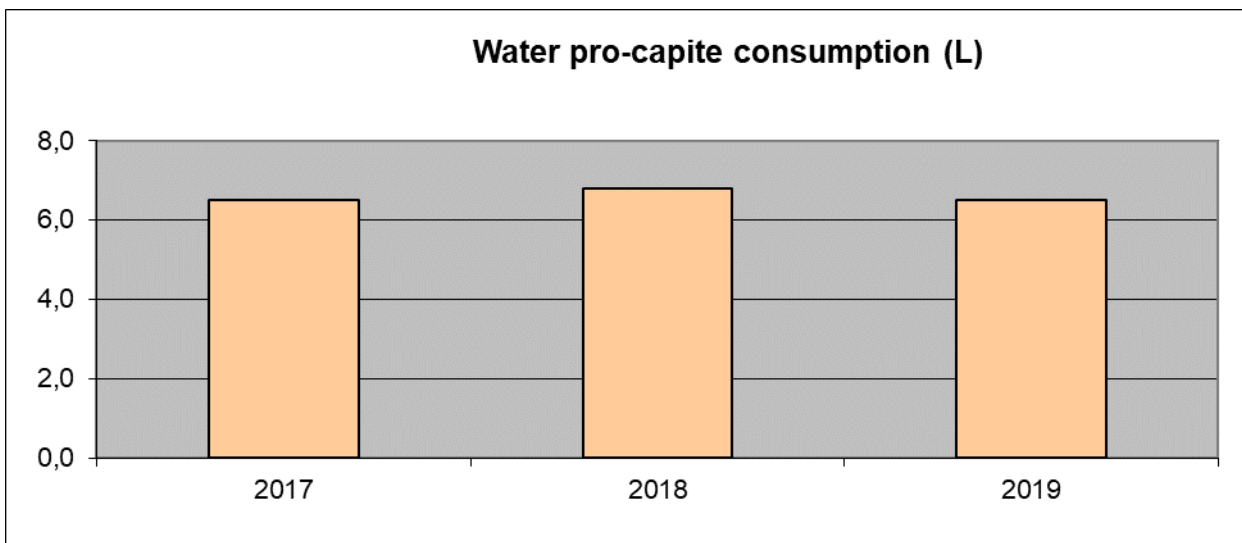
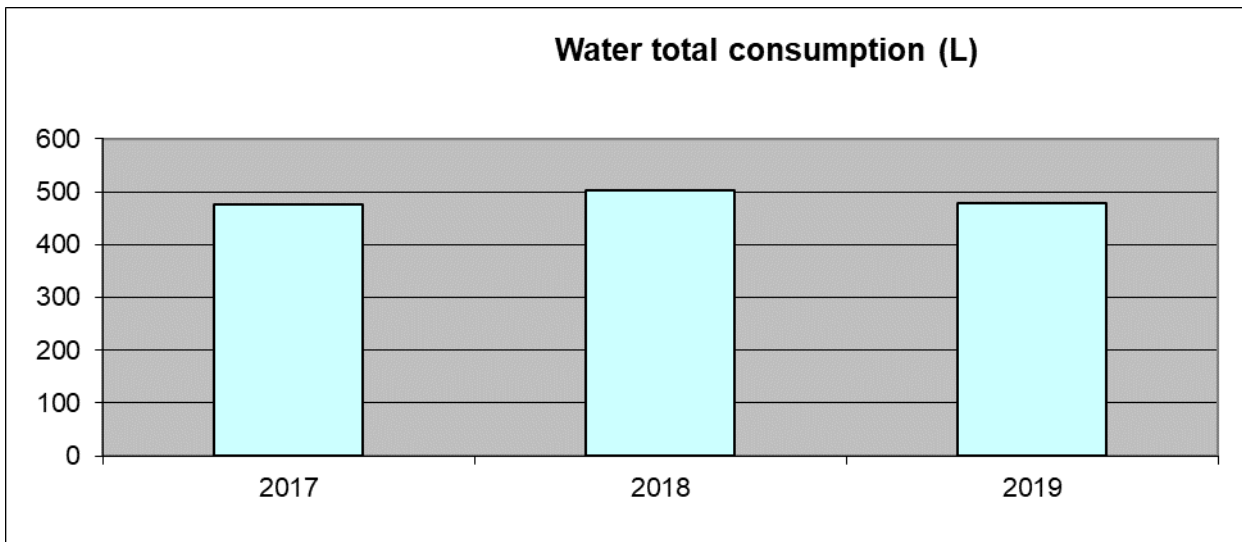


The comparison between 2019 and 2018 highlights a decrease of the consumption (-10,5% overall and -11,0% pro-capite); this can be considered a consequence of the natural climatic conditions of the year.

WATER

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

Water 2017 (mc)	Water 2018 (mc)	Water 2019 (mc)	Variation 2019-2018	Pro-capite 2017 (mc)	Pro-capite 2018 (mc)	Pro-capite 2019 (mc)	Variation 2019-2018
477	503	479	-4,8%	6,5	6,8	6,5	-4,4%



The comparison between 2019 and 2018 highlights a slight increase of the consumption (-4,8% complessivo, -4,4% pro-capite), not caused by specific events.

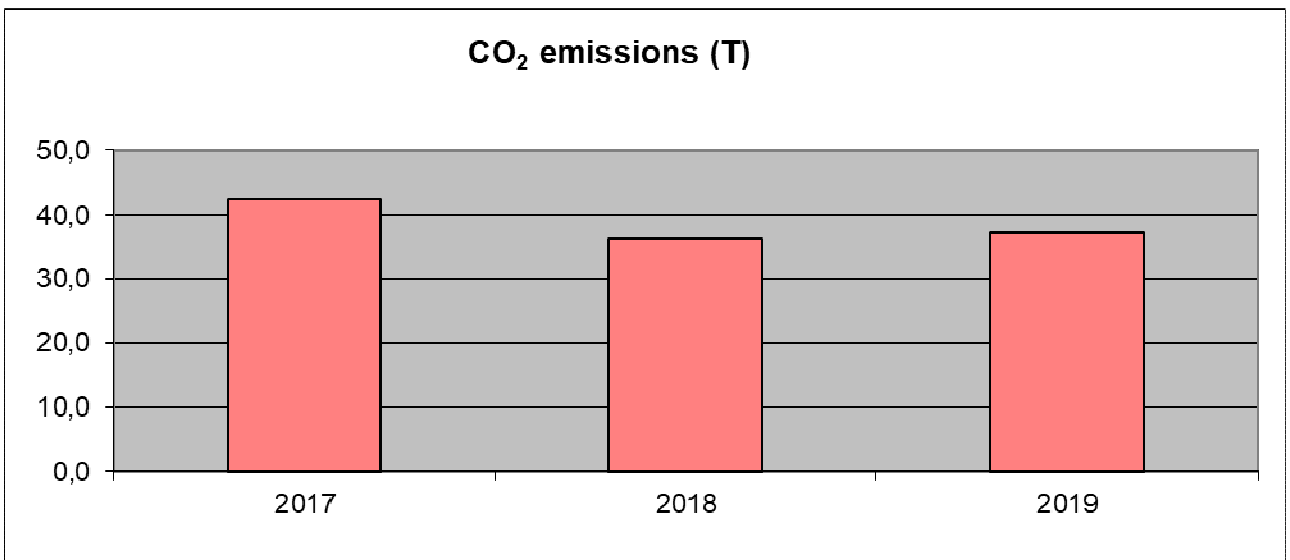
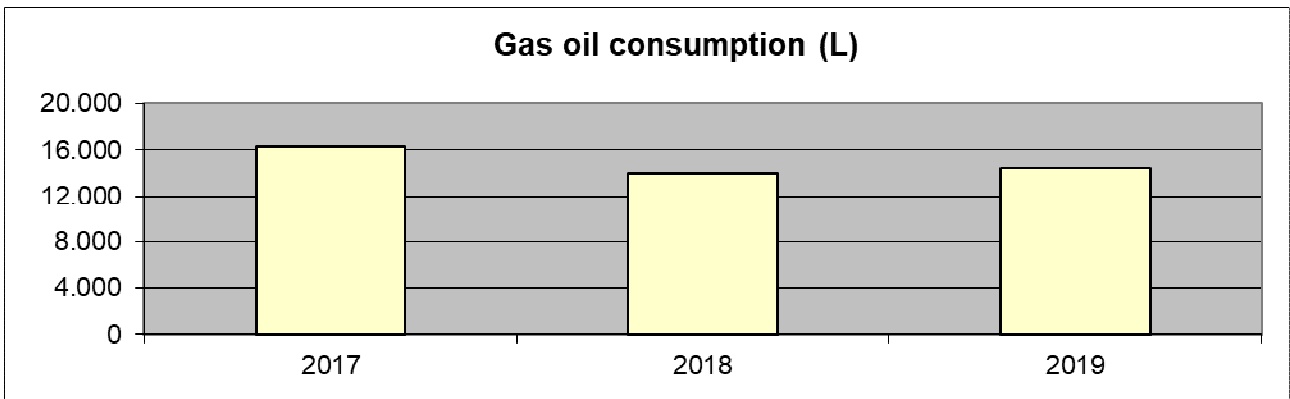
FUEL AND EMISSIONS

The total fuel consumption during year 2019 was 14.431 litres and the total CO₂ emissions 37,4 Tons.

The company owns 7 cars with medium fuel consumption from 3,8 to 6,0 L/100Km and CO₂ emissions from 98 to 152 g/Km.

The overall gas oil consumption has been almost stable if compared to the previous year (+2,89%), as well as the CO₂ emissions (+2,75%).

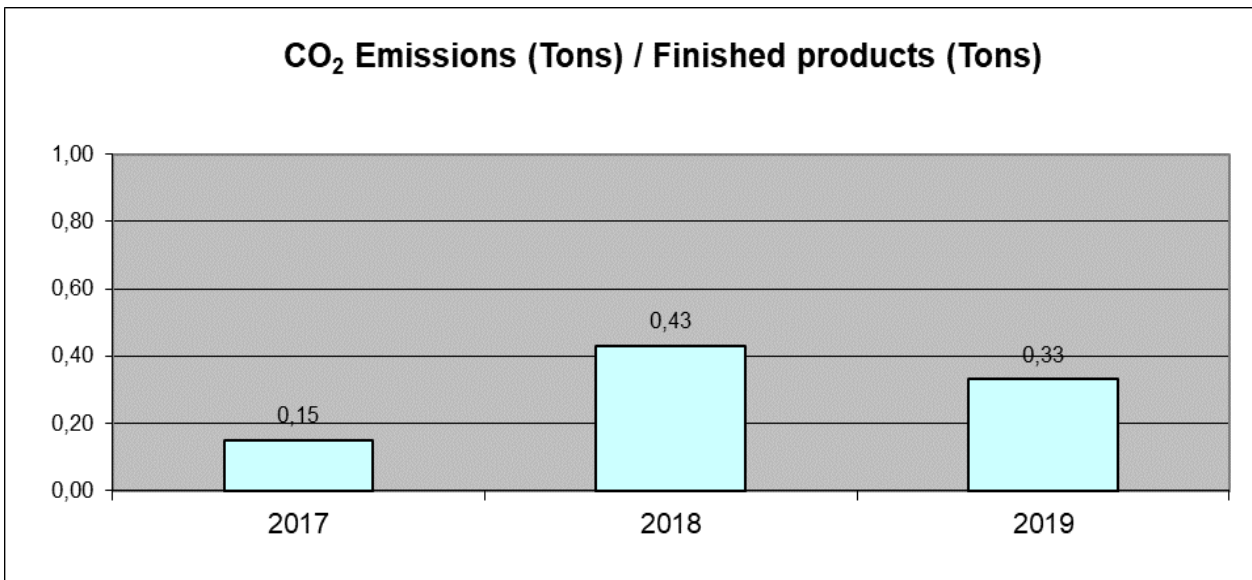
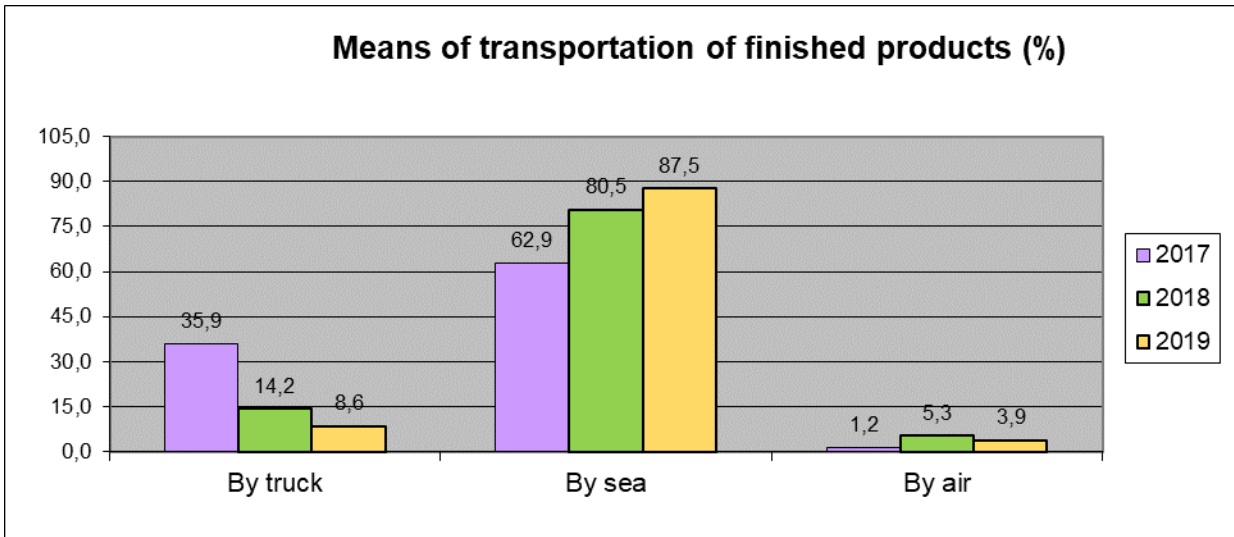
Gas oil 2017 (L)	Gas oil 2018 (L)	Gas oil 2019 (L)	Variation 2019-2018	CO ₂ 2017 (T)	CO ₂ 2018 (T)	CO ₂ 2019 (T)	Variation 2019-2018
16.278	14.014	14.431	+2,98%	42,5	36,4	37,4	+2,75%



EMISSIONS ASSOCIATED TO FINISHED PRODUCTS TRASPORTATION

Manufacturing options have relevant effects related to CO₂ 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.

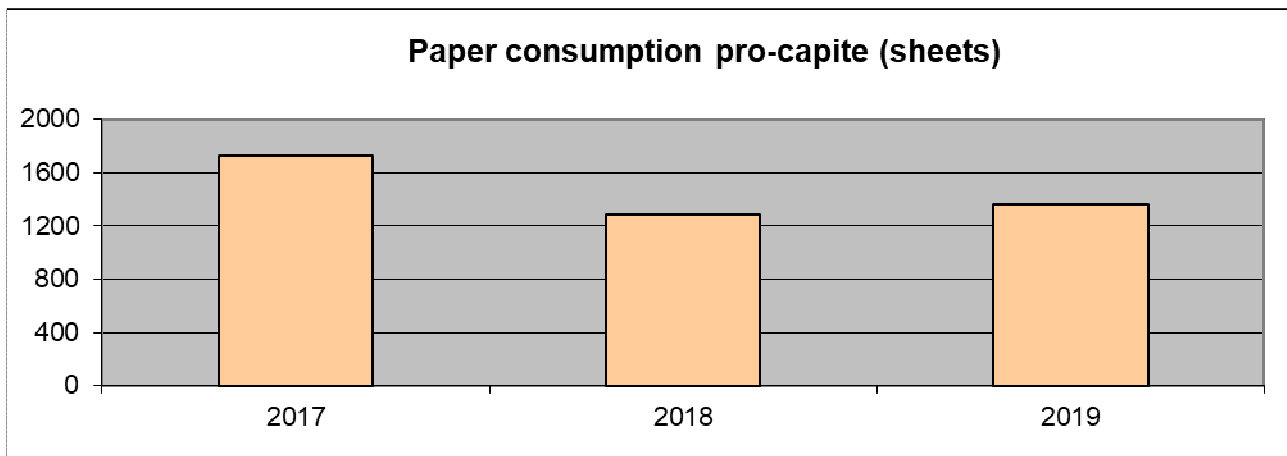
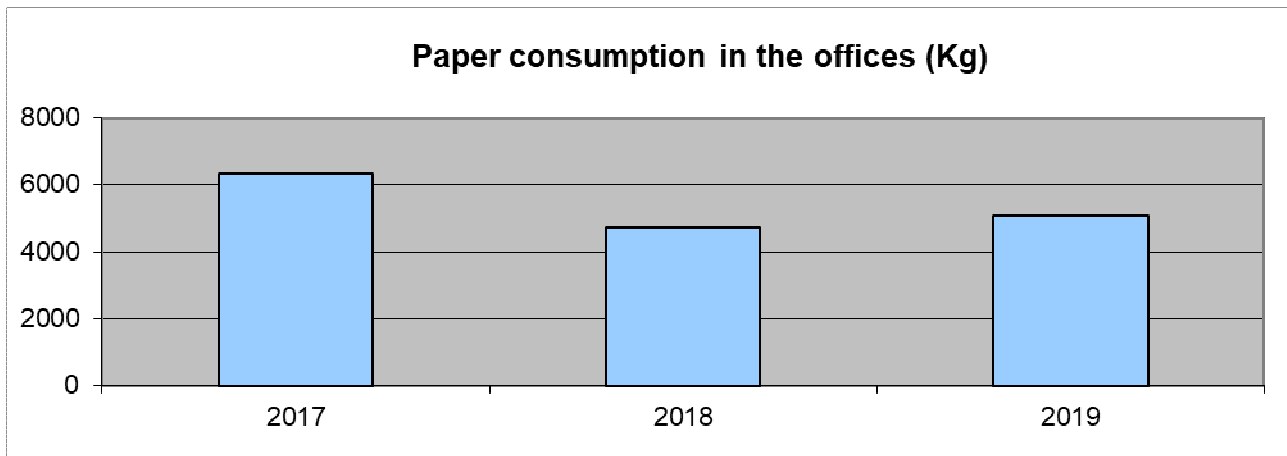
During 2019 there was a decrease in the use of air transport of products (-25.8%), with the consequent benefit of the associated environmental impacts (the indicator CO₂ emissions per unit of product weight went from 0.43 to 0.33).



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 slight increase over the last year (+7,27% by weight, +6,31% sheets pro-capite).

Paper weight (Kg) 2017	Paper weight (Kg) 2018	Paper weight (Kg) 2019	Variation 2019-2018	Pro-capite sheets 2017	Pro-capite sheets 2018	Pro-capite sheets 2019	Variation 2018-2017
6.332	4.716	5.059	+7,27%	1.729	1.283	1.364	+6,31%



WASTE

During 2019 the company decided to dismantle a large part of the obsolete warehouse, resulting in the disposal of a significant quantity of waste, as shown below.

Besides, the company ordinarily produce some 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)	2017 (Kg)	2018 (Kg)	2019 (Kg)
WEEE not hazardous (16 02 14 e 16 02 16)	-	11.700	6.070
Packaging in paper and cardboard (15 01 01)	-	800	5.020
Cables (17 04 11)	-	2.540	3.600
Plastics (17 02 03)	-	4.000	2.950
Iron (16 01 17)	-	1.020	600
Packaging in wood (15 01 03)	-	-	240
WEEE hazardous (16 02 13*)	-	560	100
Nickel cadmium batteries (16 06 02 *)	-	-	30
Absorbents, filter materials, rags and protective clothing other than 15 02 02 (15 02 03)	-	-	10
Inorganic waste (16 03 04)	-	850	-
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, with the exception of waste code 15 02 02 (10Kg; 0,05%), that had to be sent to the landfill.

The amount of hazardous waste produced is 0,7% of the total.

TRAINING

The total amount of training about environment during year 2019 was 53 hours, besides 42 hours devoted to the management of emergency (fire, earthquake, flooding, chemical spillage), attended by 100% of personnel.

The main topics of the training were:

- introduction to the EMS for new recruits
- update about environmental regulations RoHS II, ELV, REACH, Conflict Minerals
- update about packaging regulations (CONAI)
- update about waste regulations (SISTRI, MUD)
- internal training about RoHS implications on Purchase, Design and Engineering processes

6. NEW PROJECTS

The guidelines for further developments of the Environmental Management System are being issued in the new improvement programs for 2020, further to the management review of year 2019.

Hereby follow the new strategic keypoints:

- 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
 - homologation of new power supplies with better energy performance than the limits set by the new EU Regulation 1782/2019 under the Directive 2009/125 / CE (ErP - Eco-friendly design)
 - replacement of the radiant panel and space heaters with a new air conditioner in the warehouse to save heating energy
 - adaptation of home heating times to climatic variations

- REDUCTION OF RISKS AND SAFETY PREVENTION
 - installation of video surveillance system in the main plant
 - technical and organizational interventions to prevent coronavirus infections
 - continuous training update (internal event on ISO 45001 and office risks)
 - reorganization of the AMM office to improve microclimate

- SUPPLIERS INVOLVEMENT
 - start of operation with new production partners with environmental certification for electronic assembly and plastic parts molding