



COMMUNICATION ON PROGRESS YEAR 2017

The Communication On Progress (COP) is the annual reporting document, through which, Tecniconsult S.P.A. discloses its stakeholders the actions taken aimed at implementing the ten principles of the United Nations Global Compact.

Headquarter: BUSTO ARSIZIO (VA)

Date: 23/03/2018

Note: GC ACTIVE LEVEL

INTRODUCTION

The Communication On Progress (COP) is the annual reporting document, through which, **Tecniconsult S.P.A.** discloses its stakeholders the actions taken aimed at implementing the ten principles of the United Nations Global Compact.

The identified level is the “GC ACTIVE LEVEL”; the format used (Basic COP Template) for the preparation of this document contains the following three elements:

- a statement by the Chief Executive Officer expressing the continued support for the Global Compact and renewing the **Tecniconsult S.P.A.** constant commitment to the initiative and its principles.
- A description of the practical actions that **Tecniconsult S.P.A.** has undertaken (and intends to adopt) to implement the Global Compact Principles in each of the four thematic areas (human rights, labor, the environment, the fight against corruption).
- A measurement of the results.

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STATEMENT OF CONTINUED SUPPORT

Busto Arsizio (VA), 23 MARCH 2018

Dear Sirs,

It is a great pleasure to confirm and renew, as Chairman of the Board of Directors of Tecniconsult S.P.A., our commitment and full support for the year 2018 to the 10 principles of the Global Compact.

Tecniconsult S.P.A. has joined the Global Compact on 12 April 2017; this document therefore turns out to be the first COP drawn up, and send, by the Company, with which our Stakeholders are informed of the activities and results achieved during the year 2017.

The commitment of Tecniconsult S.P.A. in the initiative is in line with our corporate policy and with the desire to provide a concrete contribution.

Best regards,

Eng. Andrea Pelizzola
 Chairman of the Board of Directors of
 Tecniconsult S.P.A.

CORPORATE INTRODUCTION

Tecniconsult S.P.A. was established on 04-05-1976; since 1996 it has been working in the municipality of Busto Arsizio (VA – Italy). The Company’s purpose is the study, design, development, manufacture, marketing and sale of pultruded products, consisting of thermoplastic and/or thermosetting materials possibly reinforced with fibers.

The Company’s main market is that of reinforcing elements of fiber optic cables for telecommunications and the like.

1976	Company’s establishment
1996	Establishment of the Company in the town of Busto Arsizio (Varese – Italy)
1999	First certification in compliance with the UNI EN ISO 9001 standard
2012	First certification in compliance with the UNI EN ISO 14001 standard
2018	First certification in accordance with the International SA8000 Standard

TECNICONSULT AND ITS STAKEHOLDERS

Tecniconsult S.P.A., always very attentive to relations with all its stakeholders, upon the introduction of the Management System for Social Responsibility has further underlined the importance of maximum trust and transparency.

Stakeholders (or the “parties concerned”) are all subjects (persons, organizations, institutions ...) that are, in any way affected by the activity of and have been identified as follows:

- Staff
- Customers
- Suppliers
- Lenders
- Community (socially useful NPO project and schools)
- Public Administration

During 2017, all preparatory activities were carried out (including the preparation of the Corporate Financial Statements) to achieve the SA 8000:2014 certification (international standard prepared in 1997 by the American Organization SAI, containing nine elements (sections of the standard) aimed at increasing the competitive capacity of those companies that voluntarily provide a guarantee of the ethical nature of their production chain and cycle).

The conformity of the Social Responsibility System at **Tecniconsult S.P.A.** has been certified by DNV as an independent third party (Certificate No. 254833-2018-ASA-ITA-SAAS of 31 January 2018) with an audit mechanism similar to that used for the systems quality management according to UNI EN ISO 9000 series or environmental management according to UNI EN ISO series 14000.

In this context, a plan of actions has been defined for the community, including:

- Collaboration with 4 Local High Schools to host at least 12 students a year for a work experience.
- Adhesion to the “Generazione d’Industria” project promoted by the Union of Industrialists of the Province of Varese for the reception of high school students who want to combine a summer internship with a work experience.
- Economic support of the “Progetto Donne e ragazze Bahir Dar” (“Bahir Dar Women and Girls Project”) coordinated by the non-profit organization AMARE based in Brescia operating in Ethiopia.

Tecniconsult S.P.A. submitted the General Secretary of the United Nations on 12.04.2017, an application for membership of the UNITED GLOBAL COMPACT.

Finally, as a guarantee of **Tecniconsult S.P.A.**’s commitment to its Stakeholders and to the attention dedicated to the satisfaction of its customers, the Company, in the year 2017-2018, managed the transition of the UNI EN ISO 9001 standard, achieving in February 2018 the quality certification (UNI EN ISO 9001: 2015). The relevant certificate is shown below.

HUMAN RIGHTS PRINCIPLES



Principle 1

Businesses should support and observe the protection of internationally proclaimed human rights;

Principle 2

Make sure that they are not complicit in human rights abuses.

ACTIONS

Tecniconsult S.P.A. is firmly convinced of the importance of its human capital and of maintaining a serene atmosphere in the Company in which individuals cannot only be protected but also valued.

The Company is attentive to the continuous improvement of the working environment and the health and safety of workers and supplies great importance to the updating and training of workers, in the belief that a positive environment at work has great impact for the whole existence of the worker and his/her family, as well as for the achievement of the corporate objectives.

The Company employs 29 people; its production activity takes place on three shifts from Monday to Friday, as well as the support and clerk activities take place on the day for 5 days a week.

While managing relations with its employees, **Tecniconsult S.P.A.** pays particular attention to the protection of privacy, observance for freedom, the protection of workers, the implementation of an appropriate working time, the right to leave, the periods of sick leave and the personal problems.

The person and the respect of the fundamental rights he/she enjoys are always in first place according to the provisions of the Italian law: all employees are hired on the basis of the national collective agreement (CCNL rev. of 10 December 2015 for the rubber industry) workers electrical and related cables and the plastics industry; for all workers, registration with INPS (national institute social security) and INAIL (national institute for accident insurance at work) is scheduled.



MEASUREMENT OF OUTCOMES

The most significant data analyzed are as follows:

Health and Safety

	Year 2016	Injury days	Year 2017	Injury days
Accidents no.	0	0	2	67
At workshop	0	0	2	67
Ongoing	0	0	0	0

Employees percentage with safety training

	Year 2016	Year 2017
High risk (4h base + 12h)	100%	100%
Low risk (4h base + 4h)	100%	100%

Training activities were regularly carried out to improve staff skills in the areas of Quality, Health and Safety, Environment as well as specific professional skills.

Work organization

	Total n.	Men 22	Women 7
no. of permanent contract employees (including both full-time and part-time)	12	6	
part-time employees	-	4	
no. of targeted placement employees (*)	1	-	
part-time			
Staff leasing	2	1	
Assignment of fixed-term work	8	-	

(*) For targeted placement, in accordance with current national legislation, we mean the set of “tools that make it possible to adequately assess people with disabilities in their work skills and to place them in the right place, through job analysis, forms of support, positive actions and solutions to problems related to environments, tools and interpersonal relationships in the workplace and in relationships”.

The institution of mandatory recruitment derives from the targeted placement. Companies with more than 14 employees must reserve a quota for:

- disabled persons with a disability rate of between 46% and 100%, disabled persons with a disability rate of over 33%, disabled persons for service (former civil servants, including the military ones), war disabled persons and civilians of war with disabilities from the first eighth category, the blind persons and the deaf-mutes;
- protected categories: Italian refugees, orphans and widows/those who died as a result of work, war or service and are the like (the spouses and children of large disabled persons declared to be not subject to placement, of the disabled for service or war with a first-class pension assimilated to widows and/or orphans), victims of duty, terrorism and organized crime.

LABOUR PRINCIPLES



Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
Principle 4	The elimination of all forms of forced and compulsory labor.
Principle 5	The effective abolition of child labor.
Principle 6	The elimination of discrimination in respect of employment and occupation.

ACTIONS

Freedom of association is a right enshrined in the Italian Constitution where, in this regard, art. 18, states that “citizens have the right to join freely, without authorization, for purposes that are not prohibited to individuals by criminal law”.

Tecniconsult S.P.A. shares the important content of the above article, thus supporting this freedom and, at the same time, encouraging cooperation among all employees, in order to solve collective problems.

Tecniconsult S.P.A.’s transparency is the basis of every single activity such as, among others, contracts and communications that involve both internal and external staff to the Organization, as well as the commitment to always act in compliance with ethical standards.

Employees who are part of a trade union representation are in no way discriminated against or treated differently.

No form of forced labor or the use of child labor is tolerated within **Tecniconsult S.P.A.** or by its suppliers. The minimum age of a worker required by Italian law is 16 years, but **Tecniconsult S.P.A.** employs adults who are over 18 years.

Particular attention has always been given to the possibility of combining the work commitment with the needs of the family. In particular, the majority of women working at **Tecniconsult S.P.A.** do a part-time job in order to combine work with family commitments.

Tecniconsult S.P.A. guarantees equal opportunities and freedom to follow own religious and political principles and convictions, without any form of discrimination or behavior detrimental to personal freedom.

Even when recruiting new staff, assessments are based on objective parameters such as the experience gained, the level of education achieved and the skills appropriate to the task required. No investigation is made of any political, trade union, religious or ethnic origin beliefs that may influence decisions.

In 2018 **Tecniconsult S.P.A.** obtained the SA8000-2014 certification, at the conclusion of a path started in 2017; this certification is the result of the effort undertaken and the active participation of the people making up the Company.

This certification is valid for three years.

The next audit by the Third Certified Body is scheduled for the month of June 2018.

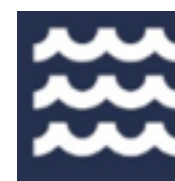
The SA8000-2014 certificate is shown below.

MEASUREMENT OF OUTCOMES

- Industrial relations
 - Unionization rate: #3 employees registered for a union.
 - Hours % of strike on working hours: no strike time in 2017
- Upon completion of the SA8000 certification, the Company takes into account the improvement opportunities reported by the Authority and plans its implementation, with a view to the continuous improvement of its Management System.



ENVIRONMENTAL PRINCIPLES



Principle 7	Businesses should support a precautionary approach to environmental challenges.
Principle 8	Undertake initiatives to promote greater environmental responsibility.
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.

ACTIONS

Tecniconsult S.P.A. is UNI EN ISO 14001:2015 certified (the certificate is shown below)

Obtaining this certificate is a guarantee of complete compliance with all legislative requirements relating to the environment, applicable to the corporate business, and to the desire to improve environmental performance.

In particular, 2017 has foreseen an activity dedicated to monitoring and keeping under control environmental aspects related to:

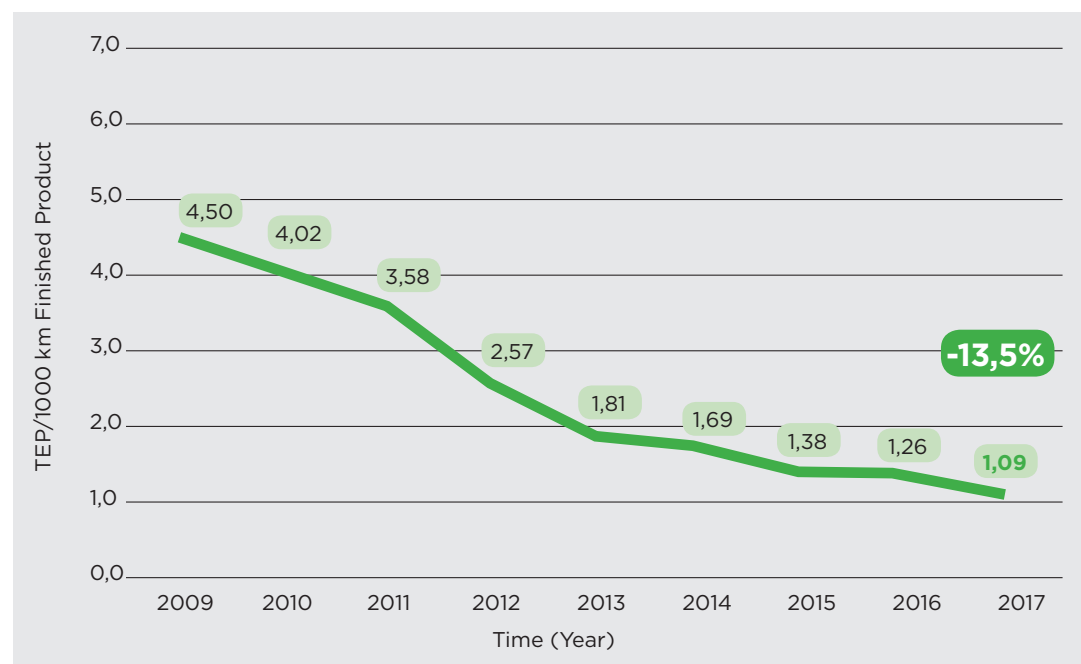
- Energy consumption
- Consumption of raw materials, generation and waste management
- Emissions in the atmosphere

MEASUREMENT OF OUTCOMES

ENERGY CONSUMPTION

2017 recorded a decrease in energy consumption (assessed in TEP/1000km of finished product) equal to -13.5%, namely this is a consequence of technological improvements in production departments and continuation of activities implemented in recent years.

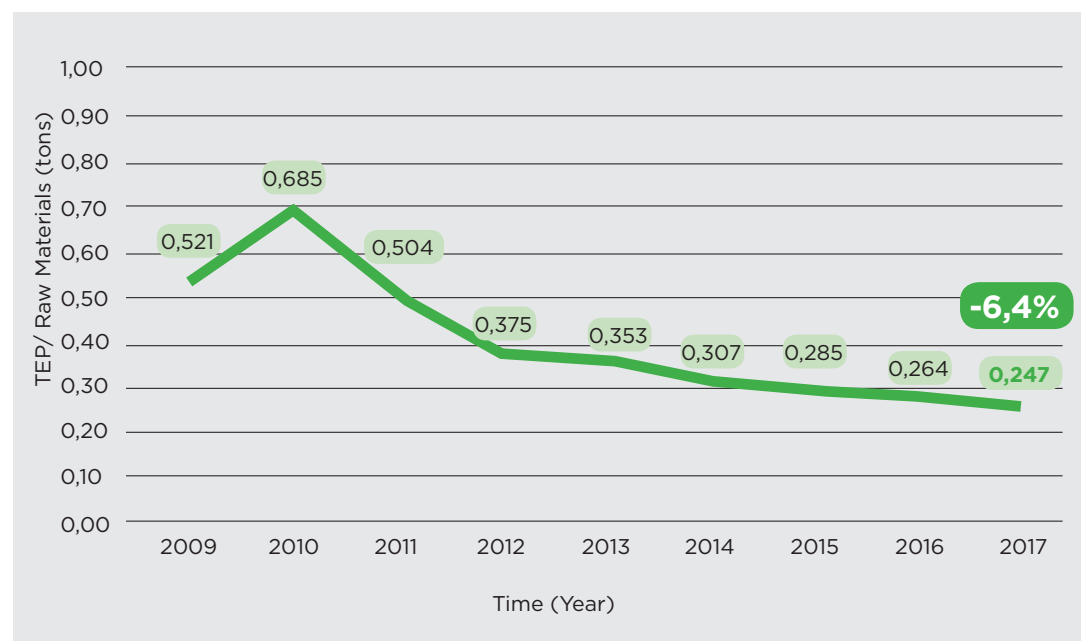
TEP/1000 km Finished Product



RAW MATERIAL CONSUMPTION, WASTE PRODUCTION AND MANAGEMENT

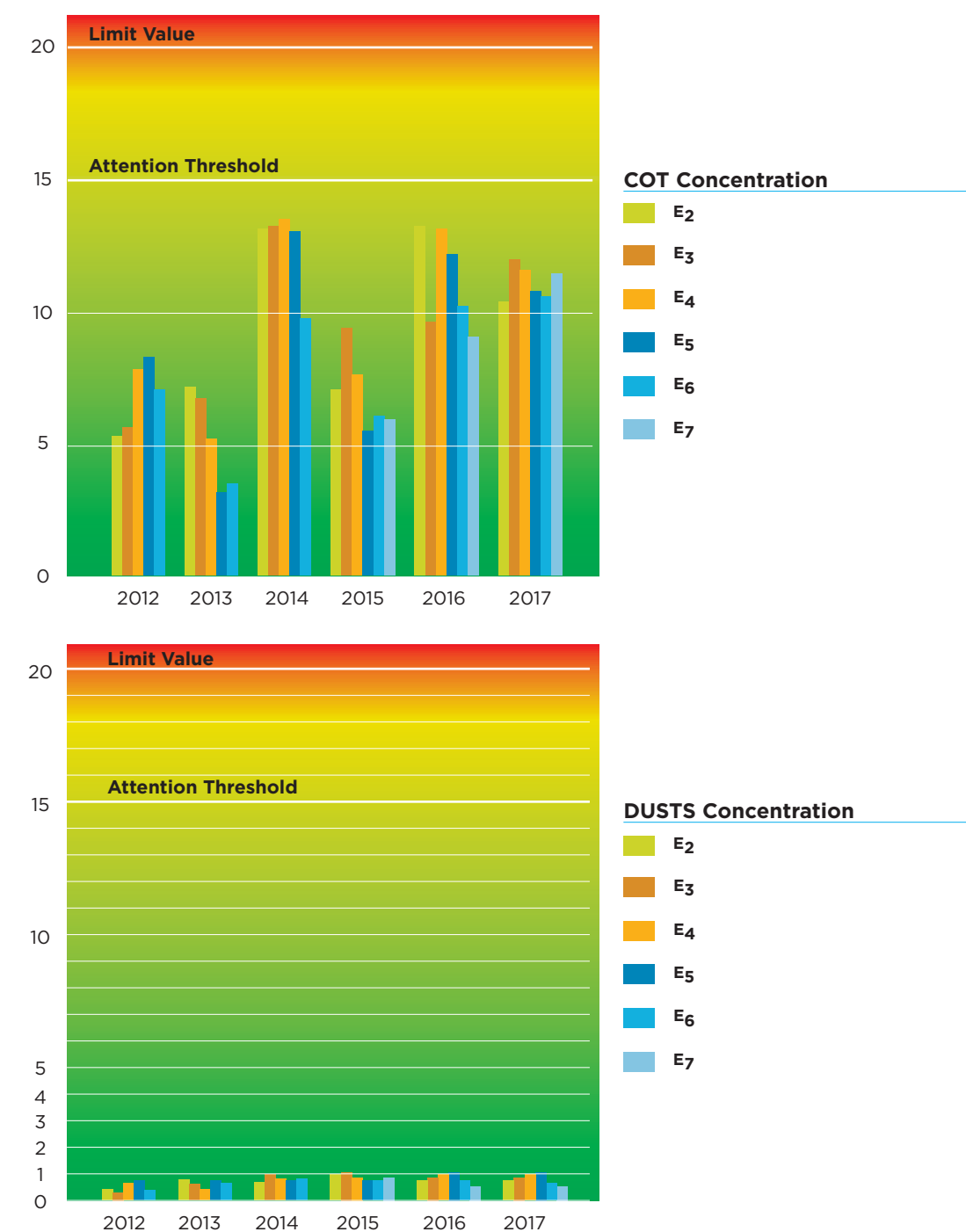
2017 recorded a decrease in the consumption of raw materials (evaluated in TEP/Raw materials [tons]) equal to -6.4%.

TEP / Raw Materials (tons)



EMISSIONS IN THE ATMOSPHERE

2017 recorded a complete compliance with the authorization limits for atmospheric emissions, linked to the production areas and to the heating of workplaces.





ANTI CORRUPTION PRINCIPLES



Principle 10 Businesses should work against corruption in all its forms, including extortion and bribery.

ACTIONS

Tecniconsult S.P.A. works according to criteria of transparency, correctness and impartiality.

No corruption situation has ever been tolerated and all activities have been carried out in full compliance with the rules and the law.

In 2017, an “Organization, Management and Control Model was launched in the Company, pursuant to Legislative Decree no. 231/01”; this model will be validated during 2018.

This model includes:

- The appointment of a Supervisory Body
- The implementation of a Code of Ethics

MEASUREMENT OF OUTCOMES

Tecniconsult S.P.A. is constantly complying with and fulfilling the procedures and timescales for all legislative requirements, both tax, social, environmental nature and the one related to the health and safety of people working in the Company.

During 2017

	Year 2017
Convictions or sanctions imposed by authorities	0
No penalties for regulatory violations related to security, products, labeling, privacy, misleading advertising	0

CORPORATE PERFORMANCES

At the end of this COP, it's shown an extract of the Corporate Financial Statements, drawn up by the Company (first draft of October 2017), in which aspects of social performance are outlined.

For 2017 **Tecniconsult S.P.A.** has decided to embark on the path for the SA8000 Certification, in order to give even more evidence to the commitment that distinguishes it in the management of relationships with all its stakeholders.

The Company pays great attention to the quality of the work environment and the lives of its employees; respect for the environment and transparency in relations with the institutions.

Obtaining the certificate in accordance with the requirements of the SA8000 Standard will give further evidence of the Company's commitment.

CHILD LABOR

The Company has made a commitment not to rely on child labor but also not to cooperate with those who rely on it.

The fulfillment of compulsory schooling is the minimum condition for establishing a working relationship that, in any case, must be guaranteed in the health and safety of the lender.

The Company does not exercise any form of coercion towards its personnel and establishes working relationships exclusively in the forms provided for by law and by category contracts, with the respect of the protections indicated by them. Both at the beginning and during the employment relationship, the Company requests the worker only the documents prescribed by law. None of the rights of employees is bound to particular contents of the work performance.

The Company uses methods designed to pursue the stability and continuity of the workplace, favors the conditions for the best implementation of work activities and ensures that the workplace has characteristics of serenity and professional stimulation.

OBLIGED WORK

Tecniconsult S.P.A. excludes any form of coercion against its personnel.

The employment relationships are based exclusively on the law and on the contracts of category, and all the protections indicated in them are observed.

The documents requested to the worker at the time of hiring are only those required by law. The Company seeks to retain its staff thanks to a serene and stimulating work environment.

DISCRIMINATION

Tecniconsult S.P.A. categorically rejects any discrimination and has always reserved for every employee fair treatment, regardless of sex, religion, origin, union or political affiliation; this is during hiring and in the subsequent phases of the employment relationship.

FEES

Tecniconsult S.P.A. provides remuneration that complies with the provisions of the national collective labor agreement (national collective labor agreement for workers in the rubber and related industries and the plastics industry) and any further agreements on the subject.

The payrolls are drafted by an external consultancy firm of proven competence and fully comply with the contractual arrangements and provide for withholding taxes and tax benefits under the regulations.



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