

United Nations GLOBAL COMPACT Communication on the 2018 Progress



COMMUNICATION ON
PROGRESS

This is our **Communication on Progress** in implementing the principles of the **United Nations Global Compact** and supporting broader UN goals.

We welcome feedback on its contents.

Developing tomorrow's networks, today

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I. GENERAL MANAGER'S EDITORIAL

Moirans, 18/05/2018

For the second year, Telenco networks addresses a communication in order to share its progress on social responsibility with you. We have committed to Global Compact in 2016. However, we have been convinced long before that sustainable development is the only viable economic model. It's been seven years now since we have applied our environmental charter and four years that we have asked our employees to adhere to our code of ethics.

In June 2016, we have formalized our commitment through an active adhesion to Global Compact. This act symbolizes our will to encourage our stakeholders – beginning with Telenco group's subsidiaries – to embrace sustainable development.

On the occasion of this editorial, I renew this year, on behalf of the entire Telenco networks company, our commitment to the United Nations Global Compact, as well as our adhesion to its 10 principles. Now, at the GC Active level, we are taking a new step further in our progress in terms of sustainable development through full application of the Global Compact's 10 principles.

In this communication we will present you the guidelines chosen by Telenco networks, the progress that we have made, as well as our results. We hope our experience feedback will be beneficial to the community, just as we were able to benefit from the other participants' experience feedback in the past.



*Denis Falliex
CEO at Telenco networks*

A handwritten signature in black ink, consisting of a stylized 'D' followed by a flourish and a period.

Denis Falliex

II. TELENCO NETWORKS



Telenco networks designs a range of innovative solutions for copper and fiber wired telecommunications networks both in France and abroad. The company manufactures or assembles its products at Moirans production unit (France) and Porto (Portugal) and commercialize its offering to EMEA and South America markets.

Telenco networks is a leading brand on the accessories market for fixing and connecting aerial copper and FO networks. With a particularly innovative R&D team, the company is a major player on the market of full-service solution for FTTH deployment in built-up and residential areas. Telenco's offering fully covers connectivity from external poles to the subscriber optical terminal port.



II. TELENCO NETWORKS

Our offer

A wide range of material and solutions for telecommunication fixed networks:

- Fixing solutions for aerial copper and fiber cables
- Connexion solutions for copper and fiber cables
- Deployment solutions for copper and fiber cables

Our skills

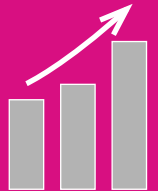
Telenco networks' optical and copper production units – based in France and Portugal-, allow us to offer our customers a wide range of anchoring and connection products and to ensure short supply deadlines. The integration of the optical, mechanical and electrical testing laboratory within the company empowers Telenco networks to increase responsiveness towards its customers by entirely respecting their technical specifications.



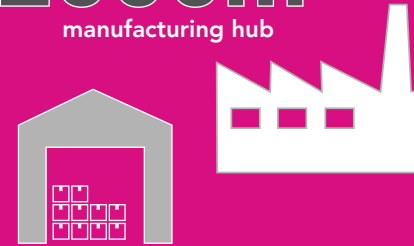
145
employees

2017 Turnover:

€32
millions



2000m²
manufacturing hub



6700m²
logistics hub



Exports to over

50
countries



III. THE UN GLOBAL COMPACT AND ITS 10 PRINCIPLES

The compact global is a voluntary initiative, led by the United Nations. Today, this organization brings together more than 12,000 entities from 170 countries, adopting a social responsibility approach. Signatory companies and organizations are committed to respecting and upholding the 10 universally recognized principles.



HUMAN RIGHTS

1. Companies are encouraged to promote and respect the protection of international human rights law.
2. Companies are urged to be careful not to be complicit in human rights abuses.



INTERNATIONAL LABOUR STANDARDS

3. Companies are encouraged to respect freedom of association and to recognize the right to collective bargaining.
4. Companies are encouraged to contribute to the elimination of all forms of forced or compulsory labour.
5. Companies are encouraged to contribute to the effective abolition of child labour.
6. Companies are encouraged to contribute to the elimination of all discrimination in employment and occupation.



ENVIRONNEMENT

7. Companies are encouraged to help apply the precautionary approach for environmental issues.
8. Companies are encouraged to take initiatives to promote greater environmental responsibility.
9. Companies are encouraged to promote the development and diffusion of environmental friendly technologies.



FIGHT AGAINST CORRUPTION

10. Companies are encouraged to take action against corruption in all its forms, including extortion and bribery.



IV. HUMAN RIGHT PRINCIPLES

HUMAN RIGHT

- Companies are encouraged to promote and respect the protection of international human rights law.
- Companies are urged to be careful not to be complicit in human rights abuses.



Our policy

Telenco networks respects the principles enunciated by the Universal Declaration of Human Rights (UDHR), as well as by the French law in the interest of its teams. Telenco networks also encourages its suppliers, as far as its influence capacities allow, to respect international rules and to closely follow the Global Compact values.

Our actions

Telenco networks respects the French law, and more specifically the Labour code for its contractual relations with its employees. We also respect the Commercial code for our relations with our suppliers of goods and services.

As stipulated in the article 3 of the UDHR , "Everyone has the right to life, liberty and security of person". In order to enhance the protection of the physical and moral integrity of its employees, a security coordination has been set up within Telenco group. This coordination aims to make use of all the resources and best practices of the different subsidiaries, for the benefit of all the group's employees.

In order to promote our approach to all the third parties that we can reach, we have clearly displayed our social commitments on all of our group's websites.

Thus, you can find these pages at:

http://www.telenco.com/groupe_engagement_en.php

<http://www.telenco-networks.com/en/our-commitment-sustainable-development>



IV. HUMAN RIGHT PRINCIPLES

Finally, the Telenco networks' management has always wanted to encourage the practice of a regular physical activity among its employees. We are convinced that sports has a real contribution to well-being. For us, the right to practice a physical activity is covered by the article 24 of the UDHR: "Everyone has the right to rest and leisure [...]". Since early 2018, Telenco networks hosts the Telenco group's gym. Apparatus have been carefully selected to suit to the needs of different user profiles: fitness, bodybuilding, crossfit, etc. This sports space is open to all Telenco staff, regardless the type of their contract (temporary worker, permanent employee...). The gym is accessible in the morning, during the lunch break and at the end of the working day. Employees have the right to ask their manager to adjust their schedule in order to facilitate their sporting activities.

Discover the association «Les Enfants de l'Ovale»
www.enfantsdelovale.org

At a global level, this year's sporting challenge took place in Boulieu, with a new challenge to rise for the benefit of "les Enfants de l'Ovale" organization. Teams from all Telenco subsidiaries, including Portuguese, converted the 1,274 km that they ran in 1,274 € collected for the children of this organization. The event has been shared on social media, where 466 "likes" and 122 "shares" have added altogether 710 € to the final funding pot. Thus, our volunteer runners helped "les Enfants de l'Ovale" of France, but also of Madagascar, Ivory Coast, Mali, Morocco, Nigeria and Senegal.



Our results and objectives

18,7

The injury frequency rate
for 2017 per million of
worked hours
(national average: 22.7)



0,26*

The injury severity rate
for 2017 per thousand of
worked hours
(national average: 1,5)

32%

of employees practice a physical
activity during their lunch break,
at least once per week since the
inauguration of the gym
(only 24% of employees engaged
into a physical activity before the
opening of Telenco gym)



11 732€

have been collected
for « Les Enfants de
l'Ovale » in 2017

* Injury severity rate 2017: 2.5 days of workplace injury per thousand hours worked. This rate is altered by a long term sick leave, dating from 2014. This accident distorts the indicator supposed to represent the level of security at a T given time, especially that we are few. In order to provide you with a representation that is closer to the current and real level of security of our company, we suggest a corrective indicator that excludes this accident from consideration.

V. PRINCIPLES OF INTERNATIONAL LABOUR STANDARDS

INTERNATIONAL LABOUR STANDARDS

- Companies are encouraged to respect freedom of association and to recognize the right to collective bargaining.
- Companies are encouraged to contribute to the elimination of all forms of forced or compulsory labour.
- Companies are encouraged to contribute to the effective abolition of child labour.
- Companies are encouraged to contribute to the elimination of all discrimination in employment and occupation.



Our policy

Telenco networks applies the Syntec collective agreement, which is more favorable to employees than the Labour code. We expect our suppliers to respect at least international labour law, as well as the local law if this last one protects even more their employees. We refuse to collaborate with suppliers who use child labour or corporal punishment. We deny ourselves any discrimination.

Our actions

In order to include employees in the management choices made by the executive, Telenco networks proceeded to the election of staff representatives. This sole employee representative body (called DUP) centralizes the missions of staff representatives, workers' committee and committee of health, safety and working conditions. The DUP is composed of women and men, managers or simple employees, from the administrative and technical department. They are consulted in order to make the employees' voices heard, particularly in terms of negotiating social benefits and rights, security and working conditions. They may also have to defend an employee as individual in the event of a dispute with the company or with another employee.

Finally, they have a budget allowing them to organize events (Christmas, outings...) or to improve the daily work lives of employees (coffee machines, etc.).



V. PRINCIPLES OF INTERNATIONAL LABOUR STANDARDS

Telenco networks applies French law and therefore does not practice compulsory labour or child labour. Minors hired by Telenco would be in compliance with the labour code, that is to say only in the context of studies (internship, work and studies programme...). For its suppliers, Telenco networks includes in its General Conditions of Purchase (CGA) the n° 6 requirement of Annex 1:

«The supplier agrees to proscribe:

- discrimination in respect of employment and the practice of a profession
- all forms of forced and compulsory labour
- child labour
- mental and corporal punishment »

The commitment of our suppliers is verified by our purchasers during their regular visits to ours suppliers' production sites.

Finally, Telenco networks clearly prohibits any discrimination within the company itself (the articles of law with respect to this subject are notably displayed). In cases of harassment or inappropriate words, disciplinary sanctions are immediately applied (they might go from a simple warning to the dismissal for misconduct, depending on the seriousness of the facts). Our company relies only on the skills (knowledge, soft and hard skills) of candidates for the selection of new employees. You will find in our team people of different origins, different faiths, different sexual orientations, at all hierarchical levels and in various departments.

Our results and objectives



6

6 unique staff representatives
(4 workers, 2 managers)

75%

of the workforce is on permanent contract
(25% on fixed-term, temporary or assisted contract)

0

minor employee

0



worker without employment contract

We do not keep statistics about origins, religious beliefs or other such criteria about our team. For us, these individual particularities must not be taken into account in the professional sphere and are not part of the selection or the evaluation criteria of our employees.



VI. PRINCIPLES RELATED TO ENVIRONMENT PROTECTION

ENVIRONMENT

- Companies are encouraged to help apply the precautionary approach for environmental issues.
- Companies are encouraged to take initiatives to promote greater environmental responsibility.
- Companies are encouraged to promote the development and diffusion of environmental friendly technologies.



Our policy

The charter



While manufacturing its products, Teleno networks commits to:



"Think life cycle"

- Consider environmental impact starting with the phase of the need expression and analysis
- Analyzing environmental impacts from a global point of view: from resources exploitation until the end of the product life cycle. Thus, we consider much more than the manufacturing phase
- Consider different environmental aspects (resource limitations, pollution, gas emissions, ecosystems degradation,...)



"Choose our materials"

- Do not choose forbidden materials listed by REACH and RoHS European regulations or by Dodd-Frank American law
- Prefer recycled materials for the manufacture of our products and their packaging (acceptance rate of recycled materials/research suppliers for recycled materials during R3 and R4 steps)
- Choose efficient energy consumption materials and reduce the amount of waste production (materials of natural origins, materials manufactured using a low energy consumption process and a reduced proportion of waste/adjustment of refining process if needed: without unnecessary bleach and additives)



"Responsible manufacturing"

- Promote the least polluting processes, with a minimum waste production (new technologies, acceptance rate of waste recycling)
- Reduce the transportation related to the manufacturing by avoiding technologies that imply far away sources and approach impact and global cost transportation in R3 and R4 steps



"Anticipate products' end of life cycle"

- Ease the dissembling of products at the end of life cycle and the material selection. By promoting the detachably connecting profiles using standard tooling and avoiding "sandwiches" materials
- Restrain the number of compounds and various materials in order to reduce valuation steps
- Promote recycling materials for the manufacturing of our products and their packaging: cardboard, metals, wood or ultimately, fully recycling plastics (PET, PEHD, PS, ABS, PVC,...)

The charter



On a daily basis, Teleno's staff and management commit to:



"Sort and recycle"

- Recycle cardboards, packaging, paper, wood, metals and coffee pads during work hours. But also during break time at work
- Throw anchor cartridges, batteries and hardware by respecting WEEE regulations in force
- Manage the recycling of dangerous products used for the manufacturing of our products



"Consume with moderation"

- Use the verso of the error printed paper as draft copy
- Developing computer archiving
- Avoid printing e-mails as much as possible



"Energy consumption controlling"

- Turn off the light when leaving the office or the common parts of the building
- Systematically turn off the desktop and the printing machines...
- Turn off the tap after using it
- Finding the best cold/hot balance during summer and winter time
- Using eco-responsible technologies as much as possible for the installation and the renovation of our premises



"Alternative mobility"

- (Cutting-off transport-related greenhouse gas emissions)
- Adopt an eco-friendly driving tactics
- Develop carpooling
- Choose phone calls rather than systematically travel
- Adopt environmental friendly modes of transport

The company commits

"To train and inform" (for better taking action)

- Sharing the charter with the entire staff
- Make available and clearly pointing out the selecting areas

"Purchasing better"

- Adopt eco-responsible purchasing and long lasting or rechargeable expendables
- Develop partnerships with local stakeholders and/or adopt ISO 14001 standard
- For all the electronic repair needs, supply with RoHS compliant components

"Communicate"

- Raising awareness among our employees and encourage them to become part of the company's environmental initiatives
- Communicate our commitment for a sustainable development to our interested parties, especially through the UN Global Compact that Teleno networks subscribed at

"Assure the monitoring of this charter"

- Realize an annual monitoring of energy consumption and put in place actions to solve the pointed problems



VI. PRINCIPLES RELATED TO ENVIRONMENT PROTECTION

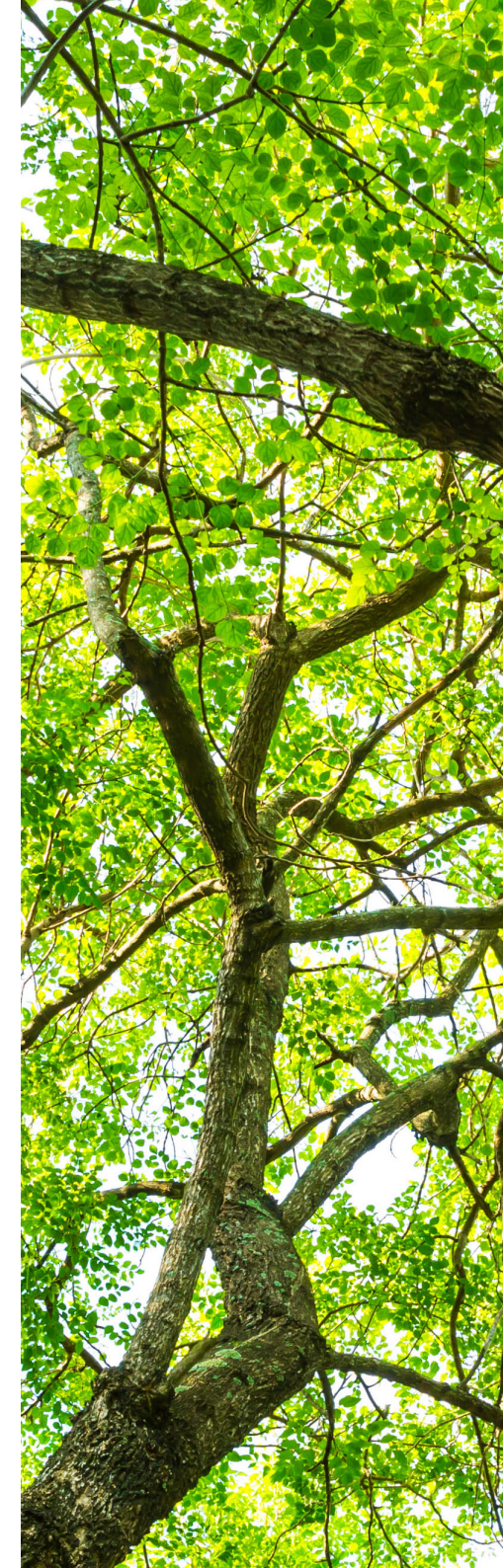
Our actions

In 2017, Telenco networks has further raised its environmental ambitions. The implementation of an environment and sustainable development coordination has contributed to harmonize environmental practices within Telenco group. Waste management and energy consumption monitoring is now centralized, supervised and communicated to decision-makers and employees. Entities in Portugal are also concerned by this globalization of the environmental approach.

First sign of this reinforcement, the sorting of waste is refined in order to capture even more valuable part. Even the coffee pods now have their own trash and are recycled! In terms of energy consumption associated with heating, an under-slab insulation layer has been realized under the Telenco networks office area, in order to further improve the energy performance of the building. Charging stations for electric cars have finally been added to the already existing charging points for electric bicycles.

However, Telenco networks is not relying solely on the direct impact of its infrastructures to improve its environmental impact. We are

also concerned about the impact of our products. That is why we have brought modifications to our environmental charter - Tel'éco, to add a focus on the design of our products. Therefore, we are engaged to a life cycle perspective for the design of our products. We choose the materials, produce responsibly and anticipate the end of life in order to best protect the environment starting with the design phase of all our products. This approach is gradually setting up, although already showing results: for example, the plastic reel of our fiber optic kits (products sold by thousands each year) is replaced with a cardboard reel.



VI. PRINCIPLES RELATED TO ENVIRONMENT PROTECTION

Finally, we have implemented several actions to promote a more environmental friendly society. First of all, the sustainable development section (<http://www.telenco-networks.com/en/our-commitment-sustainable-development>) on our website aims to encourage our interested parties to join us in this process. This section particularly mentions our Global Compact and Ecovadis commitments. Here, you can also find our Tel'eco charter.



To promote cleaner and alternative mobility among our employees, we participate to the eco-mobility challenge organized by the Region which consists of rewarding, during a day, the company whose largest number of employees came to work otherwise than alone by car. To encourage them to adopt the alternative mobility, that day the company offers the breakfast to all employees who came to work by train, on foot, by bike or by carpool. This generally makes some realize that leaving their cars at home is also pleasant.

Last action for cutting-off transport-related greenhouse gas emissions, when welcoming new employees we give them information on environmentally friendly modes of transport and the compensation to which they are entitled if they adopt them. For example, there are two train stations in the municipality where we are installed and we reimburse half of the public transport price and/or bike rental subscriptions.

Our results and objectives

91%

of the waste is recovered
(related to the number of
dumpster retrieve)

6 

charging stations: 4 for
bicycles and 2 for cars



2 162€

compensation for public
transport was paid by Telenco
networks in 2017

1341km 

have been traveled otherwise
than by car by 62 of Telenco
employees on 8th of June 2017

VII. PRINCIPLES RELATED TO FIGHT AGAINST CORRUPTION

FIGHT AGAINST CORRUPTION

- Companies are encouraged to take action against corruption in all its forms, including extortion and bribery.




Our actions






Since four years now, Telenco networks has its own ethical code, signed by all its employees, no matter their level of responsibility. Now, we wish to take this commitment further and to encourage our stakeholders to engage to the same values. That is why we have created the more «visual» version of our code of ethics, version that you have just discovered in the “Our politics” section of this chapter. This document is intended to be displayed in our premises, distributed to our customers, our suppliers, as well as available on all our websites.

The first companies to join us in this initiative are, logically, the other subsidiaries of the Telenco group. Telenco services and Telenco distribution presented to their teams what has become the Telenco Code of Ethics (and no longer just Telenco networks’ code). All the staff of these three subsidiaries is now signatory and committed to this process of integrity.

Our policy

Code of Ethical Conduct



	1. Ensure the safety of all our employees <ul style="list-style-type: none">• Guarantee a secure working environment and good working conditions for all employees• Follow the company's rules and procedures - they are mandatory for the safety of all (keep our working places clean, free from alcohol and drugs, wear the required personal protective equipment at all times)	...
	2. Treat others with respect and dignity <ul style="list-style-type: none">• Understand and consider the importance of diversity and inclusion• Promote a working environment that excludes shocking, hostile, insulting or intimidating behaviors	...
	3. Protect the environment <ul style="list-style-type: none">• Reduce our emissions, preserve the energy and other resources, re-use and recycle the derived products	...
	4. Manage business with integrity and exclusively for the company's benefit <ul style="list-style-type: none">• Abstain from any behavior that may damage the company's reputation• Avoid any situation where accepting a gift might be inappropriate	...
	5. Manage our activities in a lawfully and equitable manner <ul style="list-style-type: none">• Respect national and international laws and regulations• Provide only honest and exact information about our products and services• Forbid child labor and all forced labor	...
	6. Guarantee data security and the protection of personal data <ul style="list-style-type: none">• Preserve and protect all personal data that we own• Do not use confidential information outside our responsibilities or for a personal benefit	...



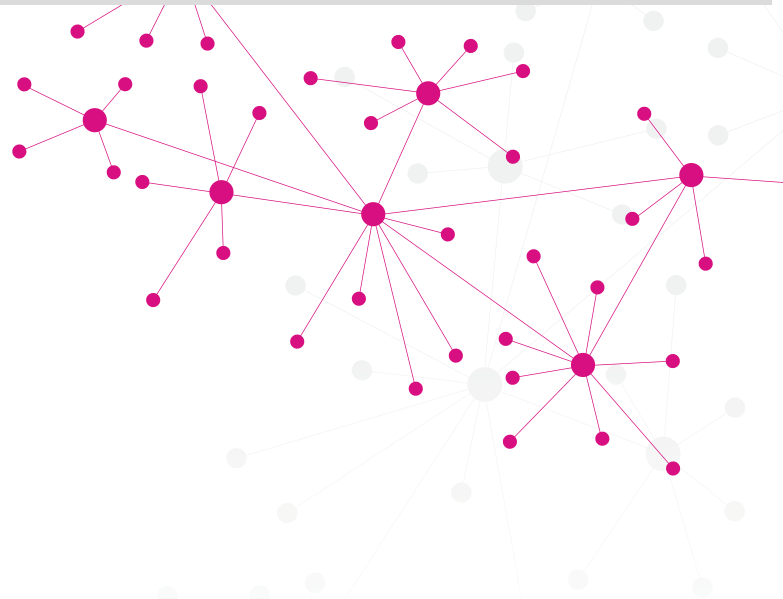
VII. PRINCIPLES RELATED TO FIGHT AGAINST CORRUPTION

Moreover, each one of the 3 Telenco subsidiaries has designated an Ethics Referent Officer, every time among the members of the Management Board. This referent is in charge with the correct application of the code of ethics, its diffusion as well as the management of the corruption attempts in case they would take place (opinion on the acceptance of a gift, legal recourse in the event of a corruption attempt or extortion,...). The designation memo of the ethical referent also includes: the definition of an «acceptable» gift, a gift acceptance procedure, contract or transaction procedure in case of doubt, as well as an alert procedure.

To translate words into action, Telenco networks' sales representatives, marketers, purchasers and service managers have been trained against corruption, based on a training support conceived by Transparency International. This session was animated by the ethical referent of Telenco networks in December 2017.



You can find the training support on:
<http://www.transparency.org.uk>



Our results and objectives

100% 
of our employees are
signatories of the
Telenco code of ethics

3
ethical referents within
the Telenco group,
including 1 for Telenco
networks

20 
employees of Telenco
networks exposed to
third parties were trained
against corruption

 **0**
Tolerance 0 in case
of proven corruption
event, even for very
small market values

VIII. CONCLUSIONS ON 2018

By reading our Communication on the Progress made in 2018, you could have noticed that Telenco networks is taking social responsibility to the next level. To access the GC Active Stadium, we have made some choices, consistent with the modest size of our company. These decisions were made with respect to our values, notably with respect to our passion for sports and our convictions in terms of Human rights and environment.

The implemented actions have been integrated into our organization. However, when this organization slowed us down, we did not hesitate to adapt these actions in order to meet the reinforcement of our requirements. To be more concise, we have applied the usual strategy of Telenco networks to social responsibility: our organization is constantly adapting to the evolutions of its context.



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