Dear all,

it is with great pride that I introduce to all of you this second edition of the sustainability report of LAST Technology srl.

From this year the report is enriched by a new strategical approach towards the enterprise’s social responsibility that considers sustainability as a strategical incentive for growth.

The orientation towards sustainability makes the attention to human resources an even more central topic. To them a full sharing of strategies, a strong commitment and motivation are requested in order to achieve the objectives that were outlined for the future. For this reason the enhancement and development of competences, the training, the health safety and the welfare of the company have been fields of large dedication also in 2017.

The investments in training activities were big, involving 100% of the 20 employed people of the corporate staff, as also the commitment to strengthen the competence system of the company, also by appointing young people with particular attention to those aged under 30 (66% of the new employed).

The concrete results that we can account in 2017, derive from the daily effort put in the management of our activities, as outcome of the professionality and dedication of the women and men of LAST, and from the solidity of the value system that guides our operating.

The results are outlined in the pages of this document, meant for meeting the information and knowledge needs of our stakeholders. That’s why their participation and collaboration in the project is essential to better our reporting, but especially to develop initiatives with positive economical, environmental and social feedbacks.

The integrated and strategical approach of the social responsibility underlies this report and the industrial plan that sees LAST committed to take a proactive role towards the environment, with the opportunity of being pushed to accelerate the technological, process and social innovation. The integrated reporting cancels every contrast between the enterprise’s sociality and economy, every claim of hierarchy, more or less disguised, in values which are fundamental at the same level.

It lies with the management to develop and harmonize the various interests in a time dimension, that can be compatible with the different needs and expectations surrounding the company and ensure that it is correctly and truly «readable» by its stakeholders.

The President

Massimo Castellarin
LAST TECHNOLOGY is an Italian innovative company, specialized in the design, manufacturing and supply of machinery for the prevention of bacterial infections in pharmaceutical productions, bio-medical research centers and for the healthcare and cosmetic sectors.

# OUR HISTORY

2013
LAST Technology srl was created from the idea of three managers to design and produce sterilization and washing machinery for the prevention of infections throughout the world.

2014
LAST presents the first GMP machinery to the Pharmaceutical and Biotechnology industries.

2015
The company obtains ISO 9001:2008 certification and introduces the «Lab» division to serve research centers and microbiology laboratories.

2016
The company obtains BS OSHAS 18001:2007 Certification for the health and safety management in the working environment.

2017
2017 is characterized by a high activity of development that has substantially increased the range of the products dedicated to the pharmaceutical industry and has brought to the development of the "Medical" series designated to the healthcare sector.
THE PHILOSOPHY OF THE CODE OF ETHICS

Since the beginning of its activities LAST was oriented towards the design and creation of high quality products characterized by a high technological content and high performances: innovation and design are essential elements in the development of the company’s strategy.

VALUES

# Innovation  # Design
# Customer satisfaction # Compliance with requirements
# Human Resources enhancement

CODE OF ETHICS

It defines the values and principles of conduct which are significant for LAST for the well functioning, the reliability, the respect of the laws and rules as also for the reputation of the company.

The Code is designed to guide us in the daily work, in the strategical planning and in the decision-making processes.

LEGALITY RATING

LAST is present in the list of undertakings with a Legality Rating as provided for the art. 8 of the Regulation of the Italian Competition Authority (Autorità Garante della Concorrenza e del Mercato)
THE ORGANIZATIONAL STRUCTURE

The company is legally incorporated as a Limited Liability Company. The governance is of traditional type and is constituted in the Shareholders Assembly and the Management Board. The Management Board defines the strategic guidelines inherent to the development of the business and the management of the products portfolio in the markets of reference.

In 2017 Last has in more detail organized the functions of its hierarchical-functional organizational structure. This shows the clear willingness of the Board to allocate tasks and responsibilities to its collaborators.

«All people part of the organization are committed to make LAST a place they can be proud to work for, to learn and to achieve and celebrate success in.»
LAST has a worldwide presence thanks to its network of sales agents that can offer to the clients the most advanced technologies for the safety of processes, prevention of infections and to guarantee the sterility of medicines such to contribute for a better quality of life of people.

The processes of machines design, engineering, manufacturing, assembling and final testing are completely performed in our headquarters located in the North East of Italy, in Friuli Venezia Giulia region.
# HIGHLIGHTS OF 2017

- +23.5% Employed people with respect to 2016
- +20% Of sales agents with respect to 2016
- 15,112 hours dedicated to R&D activities by qualified employees
- 4.17 mln of production value
Designed for sterilization by saturated steam of heat-resistant and moisture-stable materials used in the CSSDs (central sterile service departments) such as metal surgical tools, medical clothes, rubber and plastic items, etc.

Designed for the processes of cleaning, thermal-disinfection and drying of materials used in the CSSDs (central sterile service departments) such as metal surgical tools, rubber and plastic items, anesthesia instruments, etc.
**PHARMA**

- Regular Steam Autoclaves type # RSA
- Depyrogenation Ovens type # DHS
- Tray Dryers type # TD
- Terminal Sterilizers type # TS
- Utensils and Containers Washers type # UCW
- Closure Processing Equipment type # CPE
- Clean Steam Generators type # CSG
- VHP Isolation Technologies type # VHPIT

**LAB**

- cGLP Saturated Steam Autoclaves type # NEBULA
- cGLP Glassware & Containers Washers type # AQUA
The analysis of the materiality is the starting point to identify the most relevant topics related to sustainability and to define coherently with the business strategy, the content of the Sustainability Report. We define as material those aspects that have a significant impact on the economical, social and environmental performances of LAST, and that could influence in a substantial way the evaluations and decisions of the stakeholders.
LAST considers it very important to maintain a constant and solid relationship with all its internal and external stakeholders.

The stakeholders have a wide range of different interests and for LAST it is crucial to consider their different points of view, both in the daily operating activities and in the long-term strategical planning.

Moreover, the sustainability management system takes into account also the international norms and standard principles:

- UNI EN CEI ISO 9001:2015;
- UNI EN ISO 13485:2016;
- BS OSHAS 18001:2007;
- CE directives, recommendations and communications.
The generated and distributed economical values represent the capacity of a company to create wealth in a direct way and to allocate it equally between its stakeholders.

- Directly generated economical value: 4.174 in 2017 vs. 4.318 in 2016
- Distributed economical value:
  - a) Revenues: 4.174 in 2017 vs. 4.318 in 2016
  - b) Operating cost: 3.255 in 2017 vs. 3.268 in 2016
  - c) Salaries and benefit: 594 in 2017 vs. 544 in 2016
  - d) Payments to Capital Suppliers: 15 in 2017 vs. 17 in 2016
  - e) Payments to Public Administration: 106 in 2017 vs. 122 in 2016
- Retained Economical Value: 204 in 2017 vs. 367 in 2016

The following table shows some figures of the economical performance of the Company inferred from the Financial Statement of 2017.

<table>
<thead>
<tr>
<th>Economic Data</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production value</td>
<td>4.174</td>
<td>4.318</td>
</tr>
<tr>
<td>Gross operating margin</td>
<td>217</td>
<td>500</td>
</tr>
<tr>
<td>Operating result</td>
<td>56</td>
<td>354</td>
</tr>
<tr>
<td>Net Profit</td>
<td>62</td>
<td>247</td>
</tr>
<tr>
<td>Financial Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net fixed-assets</td>
<td>277</td>
<td>310</td>
</tr>
<tr>
<td>Net working capital</td>
<td>311</td>
<td>2.179</td>
</tr>
<tr>
<td>Risk and burden funds</td>
<td>16</td>
<td>64</td>
</tr>
<tr>
<td>Severance indemnity funds</td>
<td>72</td>
<td>41</td>
</tr>
<tr>
<td>Net assets</td>
<td>612</td>
<td>550</td>
</tr>
<tr>
<td>Debt / Liquidity</td>
<td>(1.031)</td>
<td>30</td>
</tr>
<tr>
<td>Operational Data</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td>56</td>
<td>48</td>
</tr>
<tr>
<td>Number of employees</td>
<td>16</td>
<td>14</td>
</tr>
<tr>
<td>Number of employees by the 31/12</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>
The development of the ISO 9001 standards in 2017 has brought LAST to evaluate its organization and context through a deep analysis of external and internal factors, considered as relevant for its objectives and strategies, or that influence in some way its ability to achieve the expected results. For this purpose the Management has formalized the objectives of the Company analyzing also the related risks and focusing its attention on the events that may influence, positively or negatively, their achievement.

The analysis has been done following these steps:
- Identifying the external context, that is the opportunities and threats, that could influence the organization;
- Identifying the internal context, that is the strengths and weaknesses, of the organization;
- Define the more appropriate actions for the strategy that the company wants to follow.

The context analysis is in other words the analysis of the «organizational» risks while the decisions related to the resulting defined structure are the answer.

The output of the analysis process as above described is outlined in the SGQS document named «Context Analysis». This document is periodically updated by the Top Management to include also potential new elements of risk and/or reassess the existing ones.
# OUR CUSTOMER

«They represent the ultimate goal of the entire business activity, therefore LAST is deeply committed to manage the relations with them thoroughly».

«The customer satisfaction is a primary value»

The Company supervises the degree of customers’ satisfaction through periodical questionnaires, which have shown an evidence of good results also for 2017.

The turnover in 2017 is divided as follows:
- 96,4% international markets
- 3,6% domestic markets

34 active clients

Released machines with respect to 2016

+32%

2016 Nr.22 2017 Nr.29
LAST recognizes the primary role of its suppliers for the Company's development.

To choose our suppliers we always follow objective, documentable, and traceable criteria and perform actions which are oriented towards the highest competitive advantage for the company, while ensuring and guaranteeing to all suppliers loyalty, fairness and equal opportunities for collaboration.

The qualification and evaluation processes for the suppliers are regularly performed by verifying their technical, economical and organizational quality and the environmental, safety and corporate social responsibility norms adopted by them.

LAST undertakes to ensure that the suppliers are selected in accordance with the internal procedures aimed to select the provider that offers the best services based on each specific requirement. This allows us to guarantee the creation of stable and long-lasting relationships based on the principles of transparency and fairness.

### Goods and Services purchasing turnover by geographical area

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>93%</td>
<td>85%</td>
</tr>
<tr>
<td>Europe</td>
<td>4%</td>
<td>2.5%</td>
</tr>
<tr>
<td>World</td>
<td>3%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

865 ORDERS ISSUED TO SUPPLIERS DURING 2017

3,3 mln OF TURNOVER
# OUR SALES AGENTS

LAST provides worldwide sales and after-sales services through the support of a qualified network of exclusive Agencies and commercial partners.

The Company looks after commercial partners (sales, distributors), with the aim of increasing the number and widespread coverage of commercial platforms and international services.

During 2017 LAST has been concentrated on the expansion of its commercial network, searching collaborations with specialized operators in the markets with highest growth rates in the pharmaceutical and R&D sectors.

Asia has been the geographical area with the highest requests of quotations in 2017.
# OUR STAFF

We are committed to enhance the value of our human resources through the growth of competences, of the involvement, of the motivation and consciousness of all collaborators such that each of them acts in dual role as Client and Supplier:

- **As Client**, by demanding the highest level of quality by whom exercises work upstream of their position;
- **as Supplier**, by ensuring the highest level of quality in the product/service of his work, suggesting improvements and undertaking themselves to process it correctly such to avoid repetitions.

«Great vision without great people is irrelevant.» - Jim Collins
By December 31st, 2017, the workforce of LAST is equal to 20 units, with a growth with respect to 2018 by 4 workers allocated in the production department.

The primary contact type employed remains the of permanent type, followed by apprenticeship contact for the resources coming from the school. 100% of the contacts is of full-time type.

The average age of the employed is 36.

### NUMBER OF EMPLOYED

- Directors: 3 (2017), 3 (2016)
- Employees: 9 (2017), 9 (2016)

### TYPE OF CONTRACT

- Permanent: 50%
- Fixed term: 25%
- Apprenticeship: 15%
- Others: 10%

### EMPLOYED BY AGE GROUP

<table>
<thead>
<tr>
<th>(Age)</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 30</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>31-40</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>41-50</td>
<td>6</td>
<td>6</td>
</tr>
<tr>
<td>&gt; 50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totale</td>
<td>3</td>
<td>17</td>
</tr>
</tbody>
</table>

The total number of employees in 2017 is 20, and in 2016 is 15.
**STAFF TURNOVER**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>% of absenteeism</td>
<td>0.3</td>
<td>1.4</td>
</tr>
</tbody>
</table>

The staff turnover in percentage terms is halved thanks to the stabilization of the average number during 2017.

**TRAINING/FORMATION AND DEVELOPMENT**

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Expenses for development</td>
<td>5,200</td>
<td>12,695</td>
</tr>
<tr>
<td>Hours of development</td>
<td>169</td>
<td>535</td>
</tr>
</tbody>
</table>

In 2017 the company has delivered the obligatory training for the OSH at work to all new staff, looking forward to deliver the ad hoc training courses planned for 2018 through the Fonarcom fund to which the Company adheres to.
TELEWORKING

2017 has been a year of experimentation...
The company has allowed the flexibility to work occasionally from home with a teleworking formula to workers penalized by a long distance from the working place.

10% of the employed uses the teleworking formula.

HEALTH & SAFETY AT WORK

Conducting its activity the Company guarantees health and safety of all workers and potentially involved contractors with the aim of:
- Risk prevention;
- accidents at work and professional diseases reduction.

To pursue its objectives, LAST keeps the Occupational Health and Safety Management System active in accordance with the BS OHSAS 18001:2017 and is committed to spread an appropriate culture and awareness about the problems related to safety at work, fostering the continuous exchange of information between all actors and, in particular, between the Employer, the service of protection and prevention, the responsible authorities, the workers’ safety representatives and, more in general, all the workers.
In its safety policy LAST emphasizes the «zero accidents» objective and supports the commitment of all to carry out their activities with the highest attention on safety aimed at reducing accidents/injuries at the minimum.
One accident occurred in 2018. This has generated a distortive effect on the indicators due to the yet restrained staff of the company.

<table>
<thead>
<tr>
<th>OSH INDICATORS</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incidence Index</td>
<td>5</td>
<td>0</td>
</tr>
<tr>
<td>Severity Index</td>
<td>0.96</td>
<td>0</td>
</tr>
<tr>
<td>Frequency Index</td>
<td>3.2</td>
<td>0</td>
</tr>
<tr>
<td>N° of accidents</td>
<td>1</td>
<td>0</td>
</tr>
</tbody>
</table>

Health and safety training hours at work in 2017.

**PARTICIPATION**

Involvement of the workers’ representatives in the definition of the new safety policy. Higher attention to the cross-sectional effort of the entire company staff, independently from the position or level, to consider safety at work as integrating part of the company management and as a goal to be followed firmly and responsibly by all.

**OPPORTUNITIES FOR THE SSL**

The company will switch from the BS OSHAS 18001 to the UNI ISO 45001 in 2019 to manage and document in an efficient way the high number of activities that are requested for the prevention and protection of safety at work.

**CONSULTANCY**

Consultation implies a dual way communication that involves dialogue and exchanges.

There have been periodical consultations between the Prevention and Safety Service Manager and the Workers’ Safety Representative with the aim of bettering the working environment as far as the OSH is concerned and of preventing dangerous situations that may cause accidents.
# NEW GENERATION

The dual training system «learning-working» project

LAST recognizes the importance of supporting the educational institutions in order to favor young people to the entry into employment.

Hence the company is registered in the special Business Register for the dual training system «learning-working» such to take part in the realization of an organic connection between educational and training institutions and the working environment.

Bringing young students near to the working environment with training activities and experience allows LAST to identify and select young talents to be employed in the company staff in the medium-long term at the end of their educational path.
# FINANCIAL INSTITUTIONS

LAST has ongoing relationships with credit institutions to share medium and long term goals, allocation of investments and the company’s performances, always with the view of a reciprocal respect and fairness of information sharing.

The outstanding debt of the company in 2017 was characterized by short-term funding, mostly composed of advanced payments on purchasing.

# CERTIFICATION BODIES

LAST certifies its processes on voluntary base complying with the UNI EN ISO 9001:2015 and OHSAS 18001:2017 standards.

LAST maintains a collaborative and transparent relationship with the certifying bodies in order to ensure a correct representation of the company’s position.
# OUR SOCIAL NETWORKS

LAST is present in social media platforms from 2015 to take advantage of the opportunities offered by these new web communication channels.

The ongoing renewal process of the corporate digital identity has found the highest level of success through LAST’s new website.

The totally renewed website, highlights the three productive divisions of the company, Pharma, Lab & Care, making it easier to search for the right range and characteristics of the solutions offered by Last Technology.
LAST undertakes to direct its decisions such to guarantee the compatibility between economical initiatives and environmental needs.

The company is committed to offer to its clients, coherently with the technological and market changes, a wide range of solutions for limiting energy consumptions and ensuring minimal operating costs.

Above mentioned solutions are developed for healthcare institutions and pharmaceutical industries with continuous and intensive production cycles as the repeatability of processes allows a significant consumption reduction in the medium-term and consequently the limitation of costs. Those machines are thought for the geographical areas part of the developing world, where water is a limited resource and a bigger attention is our on consumptions.
## OUR COMMITMENTS

<table>
<thead>
<tr>
<th>STAKEHOLDER</th>
<th>2016-2019 GOALS</th>
<th>COMPLETION LEVEL BY 31/12/2017</th>
<th>COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALL STAKEHOLDERS</td>
<td>Updating the management system to make it comply with UNI EN ISO 9001:2015 standards.</td>
<td>COMPLETED</td>
<td>LAST obtained the updated certificate with the new requirements of the standards UNI EN ISO 9001:2015 in 2018.</td>
</tr>
<tr>
<td>ALL STAKEHOLDERS</td>
<td>Obtaining UNI EN ISO 13485:2016 certification for medical devices.</td>
<td>IN PROGRESS</td>
<td>The reference standard for the management of Quality Systems for Medical Devices, is preparatory for Organizations that want to design, produce, distribute, install and take care of the maintenance of medical devices.</td>
</tr>
<tr>
<td>STAFF</td>
<td>Introduction of a project that rewards employees that propose innovative solutions for any field related to the working environment.</td>
<td>IN PROGRESS</td>
<td>Project dedicated to improvement ideas of the staff.</td>
</tr>
<tr>
<td>ALL STAKEHOLDERS</td>
<td>Specific training/informative activities related to safety at work.</td>
<td>IN PROGRESS</td>
<td>Switch to the international standard UNI EN ISO 45001 (Occupational Health and Safety Assessment Specification) to guarantee the compliance to requisites provided for the Health &amp; Safety Management Systems at work and to allow the organization to better evaluate risks and improve performances, considering with attention the own context and interested parties.</td>
</tr>
<tr>
<td>STAKEHOLDER</td>
<td>2016-2019 GOALS</td>
<td>COMPLETION LEVEL BY 31/12/2017</td>
<td>COMMENTS</td>
</tr>
<tr>
<td>---------------</td>
<td>---------------------------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>ALL STAKEHOLDERS</td>
<td>Continue to add value to the quality, environmental safety and social responsibility management systems.</td>
<td><strong>IN PROGRESS</strong></td>
<td>All quality management system values increased with respect to 2016.</td>
</tr>
<tr>
<td>CLIENTS</td>
<td>Leveling of the management systems processes related to Customer Service requests that come from all over the world.</td>
<td><strong>IN PROGRESS</strong></td>
<td>The homogenization and centralization of the management process of Customer Service requests was started by extending the CRM system to B2B activities. The project wants to make the Customer Service the main contact area between the consumer, the client and LAST during the phases of sales, after-sales, logistics, technical assistance and quality.</td>
</tr>
</tbody>
</table>

“The ability to learn faster than your Competitors may be the only sustainable competitive advantage”

Arie de Geus