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COMPANY ENVIRONMENTAL POLICY

The Retelit Group designs, supplies, implements and manages broadband telecommunications systems and after-sales services for national and international carriers, internet service providers (ISP), application service providers (ASP), and public and private organizations.

Sensitive to the legitimate civil, social and environmental needs of the community and its employees, and with the intention of guaranteeing the highest standards of quality and environmental protection, the Retelit Group undertakes to continuously apply and improve a series of policies aimed at minimizing the environmental impacts of its activities by promoting the pursuit of the following goals and strategic guidelines:

- To act responsibly in compliance with environmental legislation.
- To analyze business processes and services in order to identify areas for potential improvement, and to pursue innovation and improvement goals in the field of the environment protection.
- To uphold management’s proactive role in the promotion of continuous environmental improvement.
- To further reduce environmental impacts relating to atmospheric emissions and the use of primary resources, such as paper, in its primary and support processes.
- To guarantee the proper application of technologies, and, where possible, to pursue the improvement of technologies or the adoption of more advanced technologies from an environmental perspective.
- To continue in-depth assessments on energy savings in relation to the management of data centers.
- To ensure the engagement, participation and co-responsibility of all personnel in the development of an environment-oriented culture.
- To ensure that all personnel receive adequate information and training on environmental requirements and understand the implications regarding their roles within the company.
- To select and promote the development of suppliers and contractors according to the principles of this policy, committing them to upholding conduct consistent with it.
- To guarantee a reliable and comprehensive system for collecting data necessary for monitoring performance indicators.
- To carry out checks and audits to identify and prevent any situations of non-compliance with established environmental requirements.
- To pursue an open and constructive attitude towards customers, public authorities and other stakeholders.
- To periodically review the policy and the application of environmental provisions in order to assess their correctness and effectiveness, with a view to continuous improvement.

This policy is communicated to all of the organization’s employees, contractors, suppliers and customers. It is available to the public and whomever requesting it.

The top management undertakes to pursue this policy with adequate means and resources.

The Management
0. **INTRODUCTION**

Retelit obtained in 2014 ISO 14001 certification, and implemented the procedures for the management of the environmental impacts that company activities generate. This includes the set of activities, products and services which generate or can potentially generate environmental impacts, and which the organization can control or be expected to have an influence on. It also includes activities carried out by third parties within the company and the defined scope of action.

Described below are the organizational resources and mechanisms invoked by Retelit Group to implement the Environmental Policy and its Environmental Management System (EMS), and to pursue its goals and monitor its milestones.

The following are outlined:

- the responsibilities for Environmental Management;
- the resources dedicated to the EMS;
- the methods for managing training on environmental aspects;
- the methods for guaranteeing and managing internal and external communications;
- the methods for managing documentation relating to environmental aspects;
- the methods for managing activities with a significant influence on environmental impacts;
- the methods for managing environmental emergencies.

0.1 **Definitions**

**Organisation**

A group, company, business, enterprise, body, institution, or their parts or combinations, whether or not in an associated form, whether public or private, which has its own functional and administrative structure.

Note: In the context of the application of this Procedure, “organization” is given to mean the Retelit Group as a whole, as explained in the introduction.

**EMS**

Environmental Management System.

**EMSM**

Environmental Management System Manager. Appointed by General Management

**Environmental aspect**

Element of the activities, products or services of an organization that relates to environmental concerns.

**Significant environmental aspect**

Environmental aspect that has, or may have, a significant environmental impact.

**Normal conditions**

Routine operations.

**Anomalous conditions**

Operations associated with routine maintenance, plant start-up / shutdown and other occasional operations in which control is fully exercised.

**Emergency conditions**

Operations associated with unforeseeable risk situations.
Environmental impact
Any modification of the environment, whether positive or negative, caused wholly or partially by the environmental aspects of an organization.

Environmental objective
Overall environmental objective coherent with the environmental policy that an organization decides to pursue.

Stakeholder
Person or group involved or influenced by the environmental performance of an organization.

Probability of occurrence
Numerical estimation of the possibility that a certain event occurs in relation to a given random phenomenon.

0.2 Retelit Group profile

Retelit is a major Italian provider of digital and infrastructure services to the telecommunications market and has been listed on the Milan Stock Exchange since 2000, joining the STAR segment on September 26, 2016.

The company’s fiber optic infrastructure covers over 12,500 kilometres (equivalent to approx. 320,000 km of fiber-optic cables), connecting 10 Metropolitan Networks and 15 Data Centers across Italy. With 4,000 on-net sites and 41 Data Centers reached, Retelit’s network extends also overseas, leveraging a Pan-European ring with PoP’s in Europe’s major cities, including Frankfurt, London, Amsterdam and Paris.

Retelit is member of AAE-1 (Africa-Asia-Europe-1), the submarine cable system connecting Europe to Asia through the Middle East, reaching 19 Countries, from Marseille to Hong Kong, owning a landing station in Bari and the Open Hub Med Consortium, a digital telecommunications hub in the Mediterranean, with a proprietary Data Center in Carini (PA).

The company has been part of NGENA (Next Generation Enterprise Network Alliance) since November 2018, a global alliance of telecommunications players created to share the proprietary networks of members and provide a stable and scalable global data connectivity network.

These assets make Retelit a perfect technological partner for operators and businesses, providing a complete range of high-quality, reliable and safe infrastructure. The services range from fiber optic Internet connectivity to the Multicloud, from Cyber Security services to Application Performance Monitoring and to SD-WAN technology based network services.

Finally, Retelit offers Colocation solutions with over 10,500 square meters of equipped and secure fibre optic connected spaces, for the outsourcing of Data Center services and the satisfaction of Disaster Recovery and Business Continuity needs.

Retelit’s Carrier Ethernet services are in addition Metro Ethernet Forum (MEF) certified. The MEF CE 2.0 certification is added to the ISO ALLA/NALLA technology certification for the provision of military services.

The Retelit Group also certified its management systems to the following regulations:
- ISO 9001 for “Design, supply, installation and assistance of network services for broadband communication and colocation and housing services at data centers. Design and provision of Cloud services”
Further information on Retelit’s strategies and the development of its core business are available in the quarterly financial statement reports published on the website www.retelit.it.

1. RESPONSIBILITY

Illustrated below are the implemented organizational structure and defined responsibilities for effective implementation and maintenance of the EMS.

Under specific documentation, the General Management has delegated the EMSM to functionally oversee ecological and environmental impact aspects through operational decisions to be implemented by all corporate roles, and to manage relations with competent public authorities.

The activities also involve various services managed by external suppliers under the control of the Procurement and General Services Department.

The EMSM is appointed by the General Manager (GM) as a representative and has the role, responsibility and authority to:

- Guarantee the conformity of the EMS to defined requirements (with particular reference to those demanded by customers);
- Report to the GM on the performance of the EMS for the purposes of review and improvement.

The appointment of the EMSM is formalized through a specific letter of appointment from the GM.

The Procurement and General Services Department is required to monitor the environmental aspects and impacts relating to services provided internally (e.g. air-conditioning, paper consumption, waste management, company fleet, electricity consumption) and the services provided by suppliers.

The Operations Department is required to monitor all aspects and environmental impacts relating to the provision of services to customers, such as data center consumption, the management of obsolete materials, and so on.

The Legal Department is entrusted to provide support on environmental, policy and general coordination matters concerning correct application of legal provisions.

---

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibility</th>
</tr>
</thead>
</table>
| General Management             | • Issue the environmental policy  
• To transmit, disseminate and make the Environmental Policy available to the public.  
• To approve and support environmental objectives, milestones and programs.  
• To support and approve environmental management programs.  
• To appoint the EMS Manager (EMSM).  
• To allocate resources necessary for environmental management.  
• To conduct a management review and report its results on the dashboard platform.  
• To commission EMS audits. |
| EMSM                           | • To guarantee that the requirements of the EMS are established, applied and upheld.  
• To report the implementation, application and improvement status of the EMS to the GM.  
• To verify the correct application of legal and corporate requirements, also through audits.  
• To identify and manage necessary resources.  
• To mitigate situations of imminent environmental danger.  
• To propose environmental objectives, milestones and programs by collecting suggestions from departments.  
• To coordinate, with the power to intervene directly in the event of an emergency, activities relating to significant environmental aspects at the various company sites.  
• To prepare and update EMS documentation.  
• To define environmental indicators and the EMS monitoring system, and guarantee reporting.  
• To perform or commission process audits to guarantee the application of legal procedures and requirements.  
• To manage communications with authorities and the community.  
• To define environmental indicators and the monitoring system for processes with environmental impacts entrusted to suppliers and in relation to contract management. |
| Procurement and General Services Department | • To ensure suppliers undersign procedures to be applied in processes controlled by Retelit (e.g. waste management).  
• To identify and implement all activities necessary for reducing environmental impacts of site activities. |
| Operations Department          | • To support the EMSM in identifying environmental aspects and significant environmental impacts.  
• To monitor indicators relating to service delivery processes.  
• To identify and propose improvements for reducing the service provision impacts. |
| Legal Office                   | • To guarantee applicable legislative and regulatory updates. |
| Human Resources                | • To assess training needs, in collaboration with the EMSM, and organize necessary courses.  
• To implement environmental communications programs to engage personnel.  
• To record and maintain documentation on environmental training. |
| All other functions            | • To propose improvements to the EMS.  
• To implement actions to reduce environmental impacts within the perimeter of their own specific roles and competences. |

**Table 1 - Responsibilities**
2. **COMMUNICATION**

Retelit has implemented a system to manage internally and externally originating communications on environmental aspects. The communications management system revolves around the figure of the EMSM as the confluence of internal and external environmental information flows that allow for the implementation of opportune interventions.

Internal communications relating to the EMS are forwarded to the EMSM and contain elements that allow for their tracking (issuer, date, recipients, etc.). The EMSM assesses the impact on the EMS and activates the relevant competent departments. If deemed necessary, the EMSM records the internal communications, in the “Stakeholder Concerns Register”. All externally originating communications relating to environmental aspects reach the General Management, which, after examined them will forward them to the EMSM. The EMSM assesses the communications relating to environmental aspects and any legal implications, records them in the “Stakeholder Concerns Register”, and defines possible responses. The response, approved by the General Management, is sent to the stakeholder and recorded and archived by the EMSM.

The Management, in collaboration with the EMSM, assesses any need for external communications regarding significant environmental aspects, and, if deemed necessary, agrees on such communications with competent parties, who define the most suitable form of intervention.

Decisions taken in this regard are formalized, including decisions not to implement active communications.

3. **ASPECTS AND IMPACTS**

The interventions described below must be implemented in the following cases:

- During the initial implementation of the Environmental Management System, in conformity with reference standards, as the basis for the definition of environmental objectives and programs;
- In case of a process change or significant change in the context in which the organization operates, for which the procedure may be applied to all activities or only to those implicated in the changes;
- After achieving environmental objectives, in order to identify new “significant environmental aspects”.

The identification and assessment of significant environmental aspects can be subdivided into three distinct phases:

- Identification of activities and services
- Identification of possible aspects and environmental impacts;
- Assessment of significant environmental aspects.

The assessment of environmental aspects relating to Retelit Group has highlighted that significant impacts are predominantly associated with activities and specific aspects of the following operating areas:

- Provision of the service - (Data Center, network, equipment management);
- Offices;
- General Services (managed by external service providers).

The significant impacts concern
1) resource consumption;
2) energy consumption;
3) waste production.

These include all aspects relating to “Scope 1”, “Scope 2” and “Scope 3”, as per the definition provided by the World Business Council for Sustainable Development (WBCSD) regarding greenhouse gas emissions classified by “scope” and subdivided into direct and indirect emissions of different origins.

- Scope 1: Direct emissions from operations owned or controlled by the reporting company, e.g. production or service provision emissions.
- Scope 2: Indirect emissions from the generation of purchased or acquired energy consumed by the reporting company, typically deriving from the plant where the energy is produced.
- Scope 3: All other indirect emissions that occur in the value chain of the reporting company that derive from sources not controlled or owned by the company itself, e.g. emissions from materials extraction or the transport of purchased fuel.

**Scope1:**
- Emissions deriving from the company car fleet;

**Scope2:**
- Emissions deriving from the air-conditioning of data centers, offices, etc.

**Scope3:**
- Paper recycling management.

### 4. SERVICE INDICATORS MONITORING

#### 4.1 Company fleet emissions

Retelit Group manages a fleet of diesel cars equipped with Diesel Particulate Filters (DPF) and Euro 5 or Euro 6 engines. On contract expiries, the Group replaces long-term rental cars with news cars offering lesser environmental impact.
2016 - 2018 CO₂ emissions expressed in equivalent kg/km:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>Fleet</th>
<th>km travelled</th>
<th>CO₂ Emissions (in Kg)</th>
<th>Emissions Kg/Km</th>
<th>Emissions g/Km</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>33</td>
<td>679,517</td>
<td>75,590</td>
<td>0.1112</td>
<td>111.2</td>
</tr>
<tr>
<td>2017</td>
<td>35</td>
<td>745,903</td>
<td>82,860</td>
<td>0.1111</td>
<td>111.1</td>
</tr>
<tr>
<td>2018</td>
<td>37</td>
<td>817,904</td>
<td>89,620</td>
<td>0.1096</td>
<td>109.6</td>
</tr>
</tbody>
</table>

Car fleet % car per bracket Tons

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>%</td>
<td>%</td>
<td>%</td>
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<tr>
<td></td>
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<td>0</td>
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<tr>
<td>1</td>
<td>11</td>
<td>13</td>
<td>15</td>
</tr>
<tr>
<td>14</td>
<td>91%</td>
<td>91%</td>
<td>95%</td>
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<tr>
<td>5</td>
<td>7.4</td>
<td>10.5</td>
<td>12.68</td>
</tr>
<tr>
<td>3</td>
<td>9%</td>
<td>9%</td>
<td>9%</td>
</tr>
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<td>0</td>
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<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>33</td>
<td>35</td>
<td>37</td>
</tr>
<tr>
<td></td>
<td>75.6</td>
<td>82.9</td>
<td>89.6</td>
</tr>
</tbody>
</table>
4.2 Energy

Energy consumption is both an important environmental and cost management aspect. Electricity use is constantly monitored with a view to increasing the property management efficiency, both at data centers and company offices.

In 2018, the supply of electricity to the company headquarters was entrusted to ENI S.p.A. under the guarantee that the energy would be derived from renewable sources that do not emit greenhouse gases.

Also in 2018, the supplier issued a Guarantees of Origin Cancellation Certificate No. 84261FA620B8026E0530AA000910026, dated to 15/3/2019 (renewable/biomass gas/from agricultural activities/from energy crops).

Indicated below are consumptions relating to the headquarters and to Premium Data Centers.

From 2017 onwards, several consumption optimization projects have been implemented in Premium Data Centers. For example, Bologna and Milan Data Centers have been prepared for Direct Free Cooling.

During 2018, activities to consolidate and increase the energy efficiency of company servers continued with the adoption of new lower energy consumption and greater processing and storage capacity equipment.

<table>
<thead>
<tr>
<th>Place</th>
<th>Consumption 2016 (kWh)</th>
<th>CO₂ Emissions (Ton)</th>
<th>PUE (average)</th>
<th>Consumption 2017 (kWh)</th>
<th>CO₂ Emissions (Ton)</th>
<th>PUE (average)</th>
<th>Consumption 2018 (kWh)</th>
<th>CO₂ Emissions (Ton)</th>
<th>PUE (average)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data Center Milan</td>
<td>1,640,160</td>
<td>820</td>
<td>1.50</td>
<td>1,582,932</td>
<td>791</td>
<td>1.47</td>
<td>1,841,685</td>
<td>921</td>
<td>1.40</td>
</tr>
<tr>
<td>Data Center Bergamo</td>
<td>1,347,084</td>
<td>674</td>
<td>1.75</td>
<td>1,167,924</td>
<td>584</td>
<td>1.57</td>
<td>1,056,786</td>
<td>528</td>
<td>1.56</td>
</tr>
<tr>
<td>Data Center Bologna</td>
<td>783,479</td>
<td>392</td>
<td>1.75</td>
<td>910,732</td>
<td>455</td>
<td>1.75</td>
<td>983,578</td>
<td>492</td>
<td>1.65</td>
</tr>
</tbody>
</table>


4.3 Paper

Paper consumption is one of the environmental aspects for which the Group has decided to implement an improvement plan that reduces both environmental impacts and economic costs.

The main uses of paper are:

- Internal use: for printing and photocopying work documents (mainly A4 and A3 sheet paper) in General Management offices, the Sales Network, and Operations, Legal and Human Resources departments;
- External use: for communications to customers, advertising materials (brochures and posters), the printing of company financial statements, and communications to shareholders.
The digitalization system for the issuing of orders, invoicing and the recording of supplier invoices has been consolidated definitively. In particular:

- The use of the electronic Purchase Requisition Management System (PRMS) has resulted in annual savings of approximately 60 kg of paper.
- Another approximately 30 kg of paper per year have been saved thanks to the use of the company’s electronic system for receivable invoice authorizations, as a replacement for paper copies.
- Further paper consumption savings were made by agreeing to use electronic document signatures with numerous suppliers.
- For the sending of Purchase Orders and the management of acceptances, Retelit has introduced the use of certified email (PEC) to replace traditional post, achieving an annual saving of approximately 40 kg of paper.
- Since mid-2017, all customer invoices have been sent digitally, resulting in a saving over 40 kg of paper in a period of 6 months.

Since January 2013, the Group has used reams of A4 paper with a weight of 75 grams, completely replacing the previously used 80 gram paper. 75 gram paper can be used in exactly the same way as 85 gram paper, and is compatible with all commercially available copiers and printers. Moreover, 75 gram paper pollutes the environment less than equivalent 80 gram paper, in terms of:

- Transport economics: each sheet is lighter and consequently the weight of an A4 ream is reduced by 6%; decreasing from 2.49 kg to 2.34 kg;
- 18% reduction in wood consumption: 75g paper is derived from the eucalyptus tree, which boasts a 10-year renewal cycle,
  compared to the 25-year cycle of conifers regularly used to produce 80g paper;
- Reduction of water by 14%;
- Reduction of energy by 23%;
- Reduction of waste by 6%.

To further limit paper waste, all printers are set to a default of double-sided prints, while the default black and white setting is used to reduce toner consumption.

### 2016 - 2018 paper consumption

<table>
<thead>
<tr>
<th>Type</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No. reams</td>
<td>Consumption (kg)</td>
<td>Consumption (kg / dip)</td>
</tr>
<tr>
<td>A4</td>
<td>315</td>
<td>737.1</td>
<td>9.6</td>
</tr>
<tr>
<td>A3</td>
<td>5</td>
<td>18.7</td>
<td>0.2</td>
</tr>
</tbody>
</table>


### 4.4 Smart-working and business mobility

Since June 2017, Retelit has implemented a smart-working policy, allowing employees to work remotely, thus reducing commuting and contributing to a reduction in CO₂ emissions.

In addition, in order to further reduce impacts relating to mobility requirements involving various corporate structures, the Retelit Group has equipped meeting rooms with Telepresence systems and particularly Skype for Business for audio and video connection.

<table>
<thead>
<tr>
<th>Resource</th>
<th>Journeys month</th>
<th>Means</th>
<th>Emissions per journey (AVR) CO₂ (g)</th>
<th>CO₂ emissions per year (2 trips per month) (Ton)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales BS</td>
<td>2</td>
<td>Car</td>
<td>27,500</td>
<td>0,605</td>
</tr>
<tr>
<td>Sales RM</td>
<td>2</td>
<td>Train (FR)</td>
<td>23,800</td>
<td>1,225</td>
</tr>
</tbody>
</table>

### 4.5 Separated collection

A waste sorting system has been implemented at the Milan Restelli and Viviani, and Bologna and Rome offices. For this purpose, specific containers are allocated. Waste management rules have also been adapted to meet municipal standards.

Moreover, since 2016, Retelit has entrusted a company belonging to the Register of Environmental Operators to directly manage the disposal of sorted special waste.

### 4.6 ISO 14001

In April 2019, the first oversight of the three-year certification of the ISO 14001 environmental management system was passed.

### 4.7 Turnover in relation to purchased energy

The following turnover to energy ratio was elaborated to indicate the total amount of energy used to generate turnover

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>kWh</th>
<th>Euro / kWh</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>49,393,446</td>
<td>9,889,699</td>
<td>4.99</td>
</tr>
<tr>
<td>2017</td>
<td>65,374,000</td>
<td>9,115,529</td>
<td>7.17</td>
</tr>
<tr>
<td>2018</td>
<td>72,957,000</td>
<td>6,799,745</td>
<td>10.7</td>
</tr>
</tbody>
</table>

In particular, the number of kilowatt-hours purchased to produce Euro 1000 of turnover was calculated over a time interval from 2016 to 2018.
The result is presented in the following graph, which indicates that 200 kWh, 139 kWh and 93 kWh were purchased to generate Euro 1000 of turnover in the respective years 2016, 2017 and 2018.

![Graph showing kWh acquired to produce €1,000 of revenues]

5. **LEGAL COMPLIANCE**

During 2018, all applicable environmental legislation was collated by the General Services and Legal Managers.