



Green Procurement Policy

Introduction

In line with the strategy adopted by Telecom Italia at the end of the nineties on the subject of environmental, social and economic Sustainability, the current policy of Green Procurement has been defined in order to minimise any impact on the environment directly attributable to the company and to its suppliers, in the light of continuous improvement and alignment with best practice in the sector.

The document lays out the approach to be followed in the acquisition process, and has taken shape as the natural evolution of the choices the company made which have led to the attainment of the ISO 9001:2000 and ISO 14001 certificates within the Purchasing Department.

The current policy is the outcome of a series of initiatives launched with the Telecom Group's suppliers, through a process of stakeholder involvement, which have led to the definition of:

- the prerequisites of a social nature and of the ethics of negotiation in the supply chain, through the "Suppliers policy in the purchasing process of the Telecom Italia Group" (<https://suppliersportal.telecomitalia.it/AreaPubblica/pdf/SUPPLIERS%20POLICY.pdf>) ;
- the "Guidelines for the analysis of the life cycle of products" under which the evaluation of the environmental impact of specific categories of commodities is to be carried out (<https://suppliersportal.telecomitalia.it/AreaPubblica/pdf/SUPPLIERS%20POLICY.pdf>) ;
- the e-community of suppliers for the evaluation of the best initiatives in the area and for the definition and dissemination of operational best practices.

Applicability

This policy is to be applied to all acquisitions made by Telecom Italia SpA and TIM Brasil for the provision of commercial and non-commercial products/services (including network operations, support activities, logistics, maintenance, TLC equipment, etc.). It is addressed to direct suppliers who are also responsible for providing sub-suppliers and sub-contractors with proper information and controlling them.

Methodology

The policy of Green Procurement is based on the Life Cycle Thinking approach, which provides for the evaluation and quantification of the energy and environmental burden of the impacts associated with a product, process or activity throughout the entire life cycle, from design to the end of its life.

This approach leads to the definition of guidelines regarding

- Design;
 - Production processes;
 - Utilization phase;
 - End of life.
-

Design: Telecom Italia undertakes to pursue the best “design for environment” solutions with specific reference to:

- Energy used;
- Use of natural resources (including raw materials and water);
- Alteration/contamination/depletion of the soil;
- Atmospheric emissions, in particular carbon dioxide (CO₂);
- Water emissions;
- Reduction, reuse and recycling of waste.

Other aspects that are relevant to the environment may be evaluated according to their characteristics under the product/service category.

Production processes: Telecom Italia positively values suppliers who possess environmental certification – such as ISO 14001 and EMAS – which constitute, in categories of major environmental risk, critical prerequisites to qualify for inclusion in the Supplier’s Registry of Telecom Italia Group. Telecom Italia, furthermore, intends to favour suppliers who adopt production processes that are optimised with particular reference to:

- Energy used;
- Use of natural resources (including raw materials and water);
- Alteration/contamination/depletion of the soil;
- Atmospheric emissions, in particular carbon dioxide (CO₂);
- Water emissions;
- Reduction, reuse and recycling of waste.

Utilisation phase: the utilisation phase is assessed by Telecom Italia with consideration of environmental aspects such as:

1) Energy efficiency:

- prerequisites deriving from the codes of conduct for product categories and/or energy labelling programmes;
- where applicable, further criteria of energy efficiency and consumption reduction with regard to the various states of operation of the products.

2) Other environmental aspects:

- electromagnetic emissions;
- atmospheric emissions;
- acoustic emissions;
- other environmental aspects (for example, the visual impact).

End of life: Telecom Italia undertakes to ensure the “end of life” of products favours the recovery of material (reusing and recycling products or their components) minimising the portion of waste to be sent for disposal at landfills.

Use of the policy in the process of the selection and control of suppliers

The level of conformity with this policy is assessed and evaluated in the processes of the rating/control of suppliers and in the selection of services/products, with specific operational methods for each category of acquisition/supplier.

In particular, the details of the environmental requirements are defined in the applicable specific procedures for categories of product/service, and the level of suitability of a supplier or a product/service will also be assessed in the light of the cited evaluation.

Telecom Italia will carry out checks, directly or through outside bodies (including independent bodies), during the validation phase of the prototype and, on the basis of samples for productions of series, on the correspondence of the products/services acquired with this *Policy* and with the application procedures.

Should the checks not give positive confirmation, suitable corrective measures will be adopted according to the provisions of the contract.

Evaluation of Best Practice

Telecom Italia undertakes to encourage continuous research on the part of its suppliers into innovative technological solutions in the field of environmental sustainability, in addition to social and economic sustainability, publicising *Best Practice* and duly taking account of them in its Vendor Rating methodology.

Should the need arise, especially in cases in which difficulties are encountered in meeting the environmental prerequisites, Telecom Italia will carry out specific training activities and the joint management of the problems with the suppliers.