



2021 Sustainability Report

Consolidated Non-Financial Statement 2021 pursuant to D.Lgs.254/2016

[GRI 102-53]

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Letter from the Chief Executive Officer to the stakeholders

The socio-economic scenario of 2021, in continuity with 2020, was conditioned by the persistence of the economic crisis, the consequent reduction in consumption, the drastic reduction in mobility due to containment measures, the gap in the level of education exacerbated by the discontinuity of face-to-face teaching.

In this complex context, the National Recovery and Resilience Plan, approved in July by the European Union, has the objective to guide and finance Italy's recovery. The PNRR is developed around three strategic issues that we consider key with regards to ESG: digitization and innovation, ecological transition and social inclusion.

The TIM Group participates in this important project to favor growth of the country by building state-of-the-art infrastructures to manage data and services in a safe, fast and environmentally sustainable way and by offering customers innovative solutions to foster a "smart" production system and sustainable lifestyles.

This vision is an integral part of our long-term strategy and is represented by the ESG targets of the Strategic Plan.

The objectives achieved in 2021 are in line with the 21-23 Plan targets:

At the Group Level:

- 53% are the Group renewable energy sources with respect to total energy consumption;
- Reduction of 37% of the Group's indirect emissions with respect to 2019;

At domestic level:

- Domestic ecoefficiency reached 90% with respect to 2019, well above the target expected by 2025;
- Improvement of 20 p.p. with respect to 2019 in the involvement level of our people, which exceeded our target expected by 2023;
- Total of 4.9 million hours of training provided, to reinforce competencies of our workforce;
- Allocation of Euro 60 million for investments in innovative and sustainable start-ups;

With the activities implemented, we have embarked on an important path of transformation of the Group from an environmental point of view. Data Centers powered by renewable energy, compensating CO2 emissions generated by websites, circular economy initiatives to extend the useful life of company furnisher and equipment, the expanded portfolio of services for business customers oriented towards sustainability are some examples of this transformation.

To reinforce our commitment to climate change, we have also formalized our proposals for reducing emissions to the Science Based Target Initiative, in order to achieve the 1.5°C temperature containment.

At the social level, we have consolidated our organizational model based on Agile Work and the optimization and sharing of working spaces, supported by the adoption of digital collaboration and communication tools.

Finally, in 2021 Noovle changed its legal form to become a Benefit Company, by integrating within its corporate purpose also specific objectives of common benefit for its stakeholders. The same path was recently started by Olivetti.

The adherence of the Group's objectives and initiatives to the best international ESG standards led us again this year to be present in the most prestigious and rigorous international sustainability indexes, such as the Dow Jones Sustainability World and Europe Index. We have also been included in the new specialized index, the MIB ESG, the first blue-chip ESG index in Italy that combines the measurement of economic performance with ESG impacts, in line with the principles of the United Nations Global Compact that we adhered to in 2002.

Looking ahead, we believe that the restructuring of the Group also involves the elimination of the pay gap, and a rebalancing between men and women in roles of responsibility.

Finally, we aim to redesign our internal processes by adopting new sustainable behaviors. The goal is to be energy efficient, adopt green materials, recycle products and disused materials, structure our relationship with suppliers in a sustainable supply chain.

By applying this behavior to the entire TIM system, from the refurbishment of a store to the choice of suppliers, we will implement a transformation not only from an environmental point of view but also in terms of efficiency and risk control.

Pietro Labriola
Chief Executive Officer

[GRI 102-14]

2021 Sustainability Report

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BEING SUSTAINABLE IN TIM

TIM is pursuing digital transformation as a key to social and economic development, reducing its environmental impact and assisting the communities in which it operates in the move towards decarbonization, alongside the challenge of using the Group's infrastructure and skills to contribute to the digital evolution of our society, which starts with digital inclusion.

The continuous search for energy efficiency, limiting emissions and the increasing contribution of renewable energy enable TIM to move forward on the path to carbon neutrality by 2030 and net zero by 2040, by improving efficiency indicators and developing infrastructure and Data Centers to provide more services with ever lower resource use.

Since 2020, the Group has placed sustainable development at the center of its long-term strategy, setting targets in environmental, social and governance areas, and integrating them with other targets of the Business Plan. The Sustainability Plan is TIM's concrete contribution to achieving the objectives of the 2030 Agenda of the United Nations for Sustainable Development, a commitment that is constantly rewarded by the inclusion of our stock in the main ESG indexes and scoring for almost 20 years.

The updating of TIM's ESG ambitions takes the form of new targets for the three-year period '22-'24, which are founded on the pillars of fighting climate change and promoting the circular economy, digital inclusion and strengthening governance instruments.

The evolution of Plan targets

Group Targets

NEW	E Net Zero (Scope 1+2+3)	2040
	E Carbon Neutrality (Scope 1+2)	2030
NEW	E Scope 3 ¹ Reduction	-47% 2030
	E Renewable energy on total energy (%)	+100% 2025
NEW	G Women in leadership position ²	29% 2024

• Human Rights commitment: update due diligence, policy and remedies

Domestic Targets

	E Green Products & Smartphones	≥50%	2024
NEW	E Circular Economy ratio ³	+11%	
	S IoT and Security service revenues	+20% CAGR	2024
NEW	S Digital Identity Services	+15% CAGR	
NEW	S % People trained on ESG skills	90%	2024
NEW	S Young Employees Engagement	≥ 78%	
NEW	S FTTH Coverage	≥60% of POP	2026

• Reorganization via voluntary staff reduction tools only

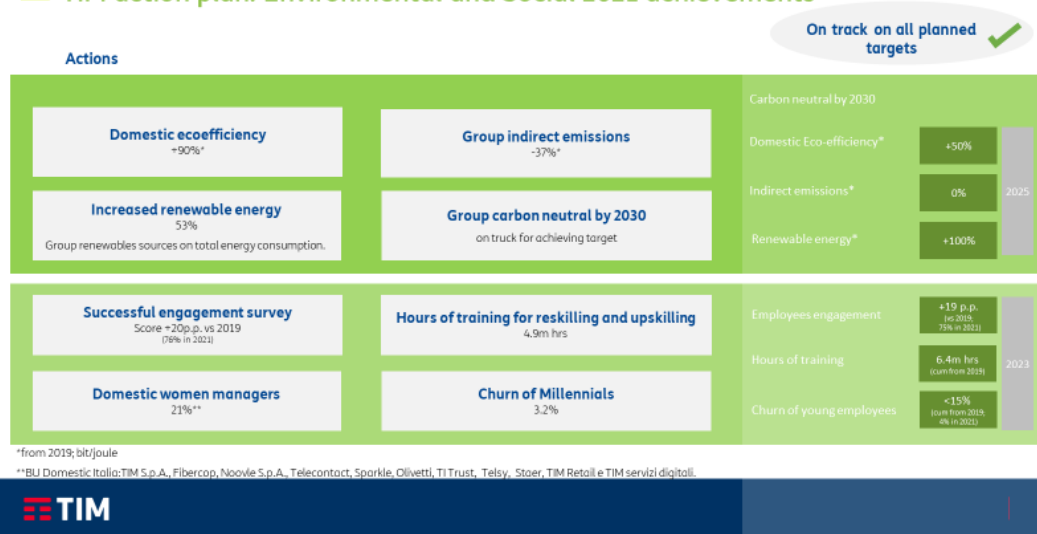
	(1) col.1, 2 e 11
	(2) Average between Domestic Scope target = 27% and Brasil Scope target = 35%
	(3) Unit revenues from reselling of used materials and assets and waste recycling per kg of waste produced. Base line 2021 0,044€/kg

Objectives of the 22-24 Plan, presented to the financial community in March 2022

This Sustainability Report allows for an in-depth analysis of the achievement of the annual targets and the progress of the multi-year targets into which the Sustainability Plan is grouped, highlighting the contribution to the Sustainable Development objectives.

The Plan's objectives, where possible with reference to 2021, were all achieved, with the excellent performance of the "eco-efficiency" and "engagement" clusters, the latter improved by 20 points compared to 2019, exceeding the growth target expected.

TIM action plan: Environmental and Social 2021 achievements



Protection of the environment, natural capital and digitization



Group

- 53% of our electricity consumption comes from renewable sources¹
- Scope 1, 2 and scope 3 2030 reduction targets sent to SBTi² in line with a 1.5C temperature increase

Domestic

- Energy consumption since 2019 has decreased by (14)%, while data traffic on our networks has increased by almost 2/3 over the same period, with the ecoefficiency indicator outperforming the targets set for 2025.
- A PPA³ was concluded to purchase 3.4 TWh of energy from renewable sources for the period 2022-2031
- LEED Gold certification was started for 2 Noovle Data Centers that use 100% renewable energy
- Emissions of the institutional and business websites were neutralized due to carbon off-setting projects
- 97% of fixed lines on the TIM network in Italy are ultrabroadband⁴; over 1.3 km of fiber laid during the year
- 75% of white areas⁵ reached by ultrabroadband
- 99% of the Italian population covered by 4G

Brazil

- the ecoefficiency exceeded the established targets
- With respect to 5G, TIM acquired 11 lots, with a total value offered of R\$ 1.05 billion

¹ In Italy mainly due to the acquisition of Guarantees of Origin

² Science Based Target initiative

³ Power Purchase Agreement

⁴ Download speeds ≥ 30 Mbps

⁵ These are areas lacking UBB, where private investors do not intend to make investments

Proximity to our people and contribution to the community



Group

- Results show highly significant engagement of our people, exceeding established targets
- Over 3,500 hires, of which over 2,100 in Brazil

Domestic

- Almost 5 million hours of internal training
- 4 Weeks 4 Inclusion, a format dedicated to the different aspects of inclusion: 200 companies and 500,000 people involved, 212 hours of live coverage for 189 digital events in the 2021 edition
- 70,000 Italians trained on digital and over 1,000,000 people made more aware through Operazione Risorgimento Digitale starting in 2019

Brazil

- +25% of employees trained on digital
- Sponsor of and participation in AfroPresença initiative⁶

Sustainable business management



Group

- 22% of variable remuneration linked to ESG indicators (+2p.p. YoY)
- Women in executive positions grew to 20%
- Gender pay gap on executive positions eliminated
- Increased presence in ESG indexes and ratings
- Sustainability bond issue

Domestic

- Consumer Customer Satisfaction Index up YoY, exceeding the established target
- Noovle became a Benefit corporation in 2021, process for Olivetti launched

Brazil

- Relations with customers strengthened
- +2p.p. of black workers (36%)

⁶ an online event promoted by the Ministry of Labor and by the United Nations Global Compact to disseminate work opportunities for black university students

METHODOLOGICAL NOTE

Scope and criteria

[GRI 102-45] The Consolidated Disclosure of Non-Financial Statement (hereinafter “Statement” or “Sustainability Report”) complies with the obligations laid down in Italian Legislative Decree 254/2016 on the disclosure of non-financial information.

For TIM, that Statement, which coincides with the Sustainability Report and is a separate report from the Group Report on Operations, represents the result of the commitment to notify its stakeholders of the performances and results achieved in the sustainability area, already undertaken in previous years.

According to the requirements of Italian Legislative Decree 254/2016, the Statement describes the management methods, policies and risks generated and/or incurred with regard to the topics in the five areas set out in the Decree (environmental, social, personnel-related, respect for human rights and the fight against active and passive corruption).

[GRI 102-46] The Statement contains data and information referring to the Company TIM S.p.A. and its fully consolidated subsidiaries as of December 31, 2021 (hereinafter “the TIM Group” or “the Group”), as presented in the Annual Financial Report.

Environmental performance data is presented excluding entities with fewer than 30 employees⁷. Greater details on this are provided in the Environment chapter. More generally, at the start of each chapter and/or section, if necessary, the scope of reference is specified.

Those limitations are not relevant to understand the company business, its performance, and results and the impact produced by the Group.

[GRI 102-47] The Report is based on a multi-stakeholder approach involving the joint analysis of actions taken in respect of the main stakeholders with whom the Company interacts. For the details on the material topics, see the specific paragraphs.

[GRI 102-50] [GRI 102-51] [GRI 102-52] The 2021 Sustainability Report, prepared annually over the calendar year, respects the same deadlines as the Group Annual Financial Report.

[GRI 102-10] [GRI 102-48] In 2021, following the completion of the agreement between TIM S.A. (Brazil Business Unit) and IHS Fiber Brasil - Cessão de Infraestruturas Ltda. (IHS Brasil), IHS Brasil now holds 51% of the share capital of FiberCo, while the remaining 49% is held by TIM S.A.. FiberCo is the company established by TIM S.A. for the segregation of its network assets and the provision of infrastructure services.

Note that the information relating to “Fondazione TIM” and “Istituto TIM”, entities not consolidated within the Group, constitute qualitative elements useful to understanding the attention to the social context.

[GRI 102-54] The Sustainability Report has been prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI) (in accordance-comprehensive option). The process suggested by the AA1000APS principles (inclusivity, materiality and responsiveness) were also considered in the document.

Reference to the GRI disclosures are reported in the text highlighted with the symbol [GRI no. disclosure].

Moreover, for purposes other than meeting the requirements of Italian Legislative Decree 254/2016, the indicators published by the Sustainability Accounting Standards Board (SASB) are reported in a separate document.

Those indicators are clearly identified using the specific reference code [SASB TC-TL no. disclosure].

Lastly, the information on the European Taxonomy is reported at the end of the Sustainability Report.

The Sustainability Report is drawn up according to a system of indicators (KPI - Key Performance Indicators) which measure the company's performance and the degree of achievement of objectives previously established for areas in which the Company has major impact.

The KPIs are defined on the basis of:

- the analysis of the GRI, an international organization which develops universally applicable guidelines for drawing up sustainability reports;
- the demands received from stakeholders;
- the questionnaires sent out by the leading rating agencies for the purpose of admission to the stock market sustainability indexes;
- the experience the Company has gained in the field of sustainability in over 20 years.

⁷The scope of reporting of the Non-Financial Statement coincides with the Annual Financial Report. Also note that the scope of environmental data reporting excludes the companies with fewer than 30 employees, as their environmental impacts are deemed immaterial. The TIM Group companies included in the scope of environmental reporting are listed below: TIM S.p.A., Olivetti, Noovle S.p.A., Telsy SpA, TI Sparkle Italia, TI Sparkle Greece S.A., TI Sparkle Turkey, Telecontact Center S.p.A., TI Trust Technologies, Telecom Italia San Marino S.p.A., Telefonía Mobile Sammarinese SpA, FiberCo SpA, TIM Retail and TIM S.A.

The KPIs - mainly those relating to environmental data - are managed on a dedicated application system (BPC) that uses the same platform used for financial reporting and control.

In terms of internal control of the content presented, the Company has set up a system that envisages:

- dedicated Operating Rules, which define the roles, responsibilities and procedures to be followed by Group companies in order to ensure adequate management and reporting of non-financial information;
- an internal control system, active on some of the data categories such as the environmental one, to ensure the correct tracking and reporting of non-financial information;
- the signing of a letter of attestation by senior management concerning the data constituting the paragraphs of the Financial Statements for which they are responsible.

[GRI 102-56] In terms of external control, the Non-Financial Statement and related data are subject to limited assurance engagement by EY S.p.A., the Group's independent auditors, whose Report is available at the end of this Report.

The present document was approved by the Board of Directors of TIM S.p.A. on March 02, 2022.

Governance

Organizational model

[GRI 102-1] [GRI 102-2] The TIM Group offers fixed and mobile communication services and ICT solutions, as well as digital content. In Italy, the Group operates the biggest fixed voice and data infrastructure, covering the whole country, and provides one of the country's most extensive and advanced mobile network platforms.

[GRI 102-5] The Parent Company is TIM, joint-stock company organized under the laws of the Republic of Italy⁸ [GRI 102-3] where the parent company has its registered office.

[GRI 102-10] [GRI 102-48] *Noovle S.p.A. (Domestic Business Unit)*: starting January 1, 2021, the conferral is effective to Noovle S.p.A. of the TIM S.p.A. business unit comprising the assets and liabilities and employees involved in the supply of services for the Cloud and Edge Computing and the rent of spaces, including virtual, also offered through a dedicated network of data centers;

- *FiberCop S.p.A.; Flash Fiber S.r.l. (Domestic Business Unit)*: starting March 31, 2021, the conferral is effective to FiberCop S.p.A. of the TIM S.p.A. business unit comprising the goods, assets and liabilities and legal relations organized functionally for the supply of passive fiber or copper access services, used by TIM, and at the service of other authorized operators (OAOs), by means of the secondary network (the "last mile"). At the same time, the purchase was completed by Teemo Bidco, an indirect subsidiary of KKR Global Infrastructure Investors III L.P., of 37.5% of FiberCop from TIM and Fastweb has subscribed FiberCop shares corresponding to 4.5% of the company's capital, through the conferral of the stake held in Flash Fiber, which was simultaneously incorporated into FiberCop;
- *TIM Tank S.r.l. (Other activities)*: on April 1, 2021, it was merged into Telecom Italia Ventures S.r.l. with accounting and tax effects backdated to January 1, 2021;
- *Telecom Italia Trust Technologies S.r.l. (Domestic Business Unit)*: starting April 1, 2021, the investment in the company was conferred by TIM S.p.A. to Olivetti S.p.A.;
- *TIM S.p.A. (Domestic Business Unit)*: on June 30, 2021, the purchase of the BT Italia Business Unit was completed, offering services to public administration customers and small and medium business/enterprise (SMB/SME) customers. The purchase also includes support for customers of the SMB Business Unit, supplied by Atlanet, the BT Contact Center of Palermo;
- *TIM Servizi Digitali S.p.A. (Domestic Business Unit)*: company established on July 30, 2021; the company's corporate purpose is the development and maintenance of plants for the supply of telecommunications services; to this end, we note that in September 2021, the company stipulated a rental contract with Sittel S.p.A. for a business unit consisting of the "construction", "delivery" and "assurance" of telecommunications networks and plants;
- *Panama Digital Gateway S.A. (Domestic Business Unit)*: company established in July 2021 for the construction of a digital hub that seeks to offer a reference hub for the whole of Central America, the region of the Andes and the Caribbean;
- *Staer Sistemi S.r.l. (Domestic Business Unit)*: company acquired by Olivetti S.p.A. on September 30, 2021. The company's corporate purpose is the carrying out of activities connected with the production and marketing of electronic systems and programs and activities connected with energy efficiency plants;
- *I-Systems S.A. - formerly FiberCo Soluções de Infraestrutura S.A. (Brazil Business Unit)*: starting November 2021, following completion of the agreement between TIM S.A. and IHS Fiber Brasil - Cessão de Infraestruturas Ltda. ("IHS Brasil"), IHS Brasil now holds 51% of the share capital of FiberCo, while the remaining 49% is held by TIM S.A.. FiberCo is the company established by TIM S.A. to segregate its network assets and the provision of infrastructure services. On the date of this operation, FiberCo was renamed I-Systems, and is now accounted for by the TIM Group using the equity method;
- *Olivetti Payments Solutions S.p.A. (Domestic Business Unit)*: company established on 1 December 2021; its business purpose is the management of equity investments, study and research activities, commercial, industrial, financial movable and real estate activities.

[GRI 102-4] [GRI 102-6] [GRI 102-7] The Group's activities are encompassed in the following Business Units (or operating segments)⁹:

- **Domestic**: includes the activities in Italy relating to voice and data services on fixed and mobile networks for end users (retail) and other operators (wholesale), the activities of the Telecom Italia Sparkle group which, at international level (in Europe, the Mediterranean and South America), develops fiber optic networks for wholesale customers, the operations of the company FiberCop for the provision of passive access services on the secondary copper and fiber network, the activities of Noovle S.p.A. (Cloud and Edge Computing solutions), the activities of Olivetti (Information Technology products and services) and support structures for the Domestic sector. See the section "Financial and Operating Highlights of the Business Units of the TIM Group – Domestic Business Unit" of the Report on Operations for more details;
- **Brazil**: includes mobile and fixed telecommunications operations in Brazil (TIM S.A.);
- **Other Operations**: include the financial companies (Telecom Italia Capital S.A. and Telecom Italia Finance S.A.) and other minor companies not strictly related to the TIM Group's core business.

⁸ [GRI 102-5] Also see the TIM Group Consolidated Financial Statements.

⁹ [GRI 102-45] For more information on the structure of the Group and details of the countries where TIM operates, see the "The companies of the TIM Group" note in the Group's Consolidated Financial Statements, which also lists the Group companies and subdivides them by consolidation method.

[GRI 102-2] The Group's main brands are:

- **TIM** is the brand which operates in the domestic market offering fixed and mobile telephony, internet, digital content and cloud services. The TIM brand is also present in Brazil, where it markets mobile phone, mobile Internet and fixed line services.
- **Kean Mobile** is the second brand for the domestic retail segment. Established in 2017, it is intended for private customers only, and offers no frills mobile services¹⁰.
- **Sparkle** offers international voice, data and Internet solutions to fixed and mobile telecommunications operators, Sips/Asps, content and media players and multinational companies.
- **Olivetti** markets information technology products and services for residential and business customers.
- **Noovle** is the Group's cloud company.

The Group is particularly attentive to the needs of the communities in which it operates and implements wide-ranging initiatives and projects aimed at the social and economic development of the areas in which it has a presence.

This was the intention behind the establishment of Fondazione TIM in 2008, which was followed by Instituto TIM in Brazil in 2013.

Although the primary purpose of TIM's business model is to create long-term value, for the Company and its stakeholders, the Group has for some time set itself the essential objective of pursuing this aim while ensuring a balance between economic, social and environmental sustainability.

¹⁰ Offers only basic services.

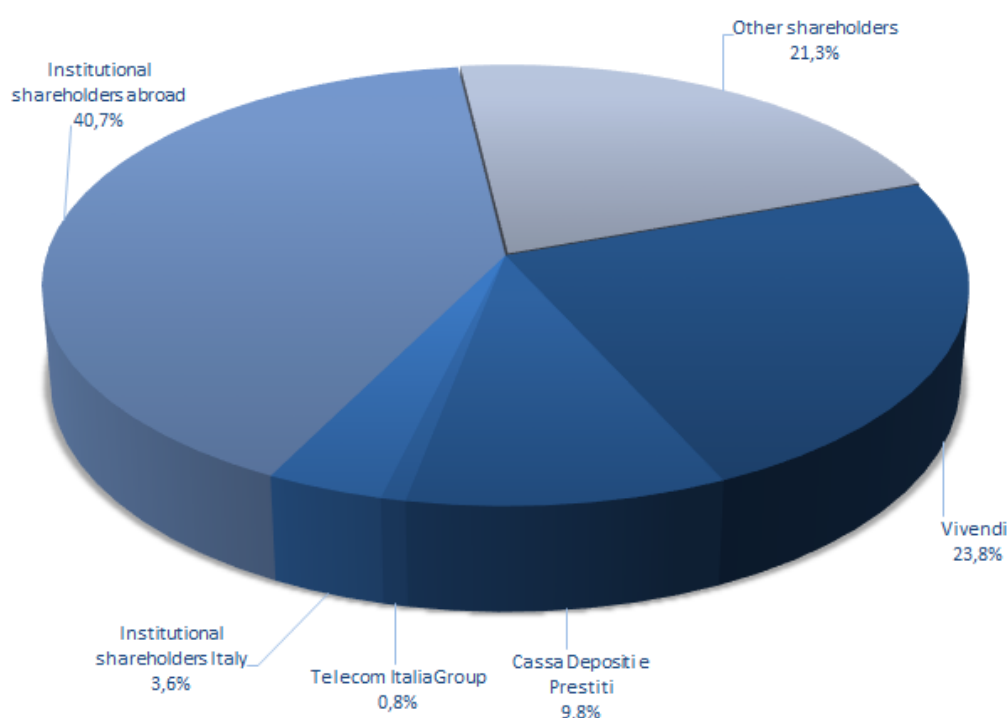
Main Shareholders of TELECOM ITALIA S.P.A.

[GRI 102-5] As at December 31, 2021, the reference shareholder is the French Vivendi S.A., with 23.8% of the ordinary share capital¹¹. [GRI 102-10] Cassa Depositi e Prestiti confirms its shareholding of 9.8%.

The structure of the Net Equity and the number of shares in circulation are shown in the Group's Consolidated Financial Statements. For further information relating to reports made to Consob regarding significant shareholdings, see the Report on Operations of the TIM Group.

During the three-year period 2019-2021, the number of TIM ordinary shares held by Vivendi S.A. remained the same; the entries in the shareholders' register¹² show a decrease in foreign institutional shareholders (-14.7%), while Italian institutional shareholders increased (+0.7%), as well as other shareholders (+9.7%).

Composition, as a percentage, of the share ownership as at December 31, 2021



¹¹ The percentages refer to the total ordinary shares making up TIM's share capital, as resulting from the last deposit with the Business Register as at the update date. In particular, following the November 27, 2020 issue of 126,343,913 ordinary shares following the public offering for subscription in exchange for payment reserved for employees under the scope of the "2020 Broad-Based Share Ownership Plan", all ordinary shares making up the share capital of TIM come to 15,329,466,496 and this was registered with the Business Register on December 28, 2020.

¹² Pursuant to the law, the shareholders' register should be updated in accordance with the disclosures and reports made by intermediaries during corporate actions identified by the law itself. For a better understanding of the comparative findings in the three-year period in question, it should be noted that:

- the entries in the shareholders' register as of December 31, 2020 mainly relate to the recording of the dividend payment on June 23, 2021, which in fact generated the superseding of all previous records of that type;
- the same situation occurred in 2020, following payment of the dividend on June 24, 2020;
- the last previous opportunity for similar comprehensive updating of the share ownership structure in the shareholders' register prior to 2021 and 2020, dates back to the dividend payment in 2013; this provided the basis of reference also for subsequent years, up until 2020, together with partial updates to the share ownership structure in relation to other corporate actions (usually requests to attend shareholders' meetings).

Economic value generated and distributed

The Group aims to achieve a balance between the three dimensions:

- environmental sustainability: maintaining the function of ecological systems, ensuring a balance between the use of natural resources and the company's activities;
- social sustainability: promoting the principle of fairness between generations and within the same generation;
- economic sustainability: maintaining and increasing capital.

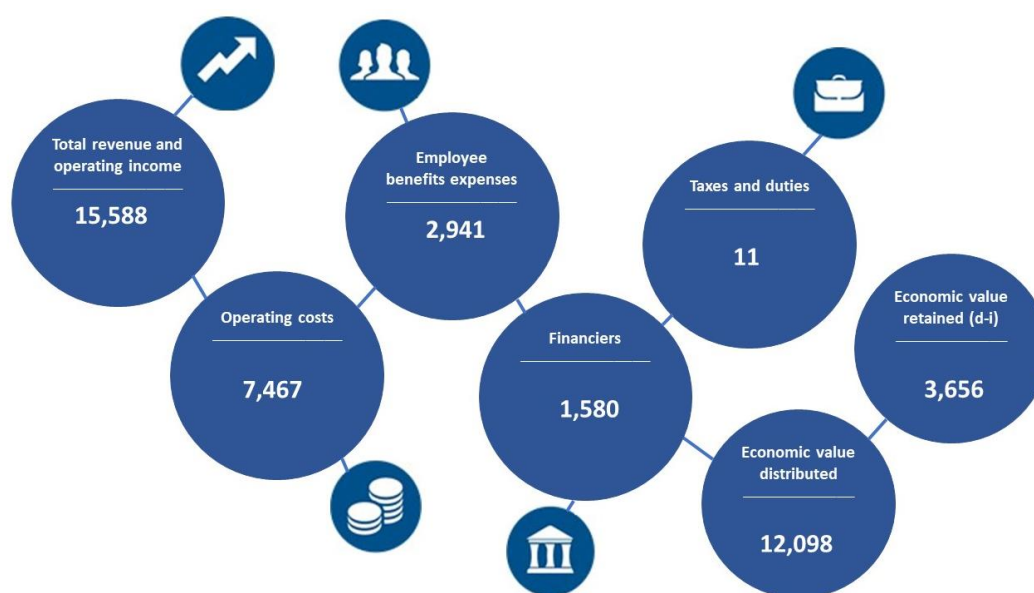
[GRI 102-7] TIM reports on what it does to achieve this objective in the Sustainability Report, which focuses primarily on environmental and social sustainability, as well as aspects that are both of a social and economic nature (e.g. customer care and innovation management) and the Annual Financial Report, which discusses the Group's economic performance in detail.

In order to give a comprehensive view of the Group's sustainability, we have provided some summary data of economic performance in the Appendixes, which are drawn from the Annual Report.

The distribution of revenue by product and service and the trend in the Group's capitalization and debt is shown in the "Revenues" note of the TIM Group's consolidated financial statements and the Report on Operations of the TIM Group.

[GRI 201-1] The economic value produced and distributed to the stakeholders is shown below. Since 2008, the presentation method recommended by the Global Reporting Initiative has been adopted, with appropriate adaptations.

TIM Group - Economic value produced and distributed (millions of euros).



[GRI 102-7] The following table shows one of the main classes of management data of the Group, the trend of access lines to fixed and mobile telephony services.

TIM Group – Number of lines at year end

(thousands)	12.31.2021	12.31.2020	12.31.2019
DOMESTIC FIXED			
Physical connections	16,376	16,765	17,217
Active Broadband accesses of TIM Retail	7,733	7,635	7,592
DOMESTIC MOBILE			
Number of lines	30,466	30,170	30,895
BRAZIL			
Number of lines	52,066	51,433	54,447

Corporate Governance

[GRI 102-18] [GRI 102-19] [GRI 102-24] TIM S.p.A.'s governance system is structured in the conventional way and provides for a management body (Board of Directors) and a control body (Board of Statutory Auditors).

The Board of Directors is appointed by the Shareholders' Meeting on the basis of slates presented by shareholders that overall own at least 0.5% of the ordinary share capital¹ or by the outgoing Board of Directors.

[GRI 102-22] [GRI 102-24] The only stakeholders represented in the Board of Directors are the shareholders. The assignment (and revocation) of powers to Directors is reserved to the Board, which defines the purpose, limits and methods of exercising the assigned powers.

TIM's Articles of Association require the least represented gender to account for at least two fifth of the total number of directors, rounded up to the next unit in the event of a fraction.

TIM's Articles of Association provide that at least half of the candidates drawn from the majority slates and at least half of those drawn from the minority lists must meet the independence requirements set by law, with the result that the number of TIM's independent directors is higher than that required by law.

The qualification requirements for Directors' independence are established by the CLF² and the Corporate Governance Code of Borsa Italiana, to which TIM adheres.

[GRI 102-22] The Board of Directors in office (appointed by the Shareholders' Meeting of March 31, 2021 for a three-year term, i.e. up to the approval of the annual report at December 31, 2023) is composed of 15 members, of which 11 independent.

On the company's website (<https://www.gruppotim.it/en/group/governance/board-of-directors/composition.html>), each director's role, nationality, appointment date, slate of presentation, independence status (if any) and membership in the Board committees are shown; the CV of each member is also available on the website www.gruppotim.it/it/gruppo/governance/consiglio-di-amministrazione/membri.html. The Directors' skills range from specific TLC sector experience to media and content, from mergers and acquisitions to risk management and top management in large companies.

The company website also sets out the skill matrix of the Board of Directors (www.gruppotim.it/it/gruppo/governance/consiglio-di-amministrazione/composizione.html item: consult the skill matrix).

More details are available via the [gruppotim.it](http://www.gruppotim.it) website.

[GRI 102-31] 17 meetings of the Board of Directors were held in 2021. The Board of Directors carried out its usual self-assessment activity with the support of Spencer Stuart (a company selected by the Nomination and Remuneration Committee).

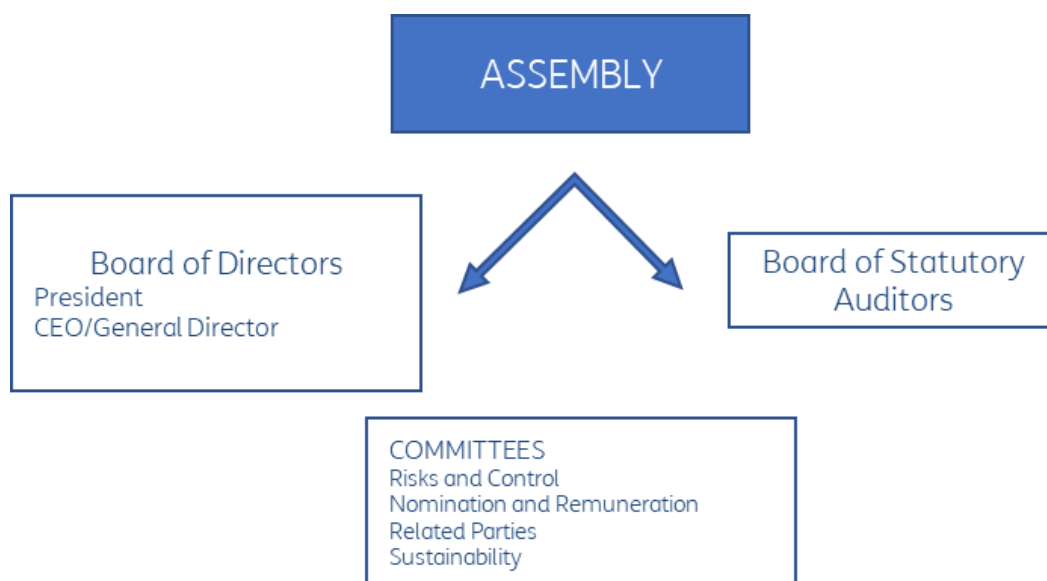
[GRI 102-27] The Directors take part in specific meetings with the management or external consultants, aimed at providing adequate knowledge of the industry in which TIM operates, business dynamics and their evolution. Workshops on new technologies and educational-informative meetings are held prior to strategic meetings. Updates regarding the relevant legislative framework are provided in specific briefing notes.

[GRI 102-18] [GRI 102-24] The Committees are established and renewed in order to: support and monitor the implementation of strategies and the development of plans and results; ensure the overall coordination of business actions and the governance of related cross-cutting issues; strengthening the operational synergies needed between the different functions involved in the different innovation, technological, business and support processes. encourage the integrated development of the Group's innovation processes.

The committees currently set up within the Board of Directors are the Control and Risk Committee, the Nomination and Remuneration Committee, the Related Parties Committee and the Sustainability Committee. Each Committee has its own rules of procedure which describe the composition of its members, how they are appointed and how they operate: more details are available on the www.gruppotim.it/it/gruppo/governance/strumenti-governance/regolamenti.html website.

¹ Or any other amount that may be required by the regulations issued by Consob.

² Consolidated Law on Finance.



[GRI 102-28] For the 2021 financial year, the self-assessment of the size, composition and operation of the Board and its Committees was carried out with the support of the consultant Spencer Stuart, as already mentioned.

The board review is carried out every year (since 2005). The assessment methods and results are illustrated in the Report on Corporate Governance. Specifically, in the 2021 self-assessment, the Board of Directors decided to recommend, on providing guidance, ever increasing analyses and focuses on the business issues, in order to further enrich the Board's skills and experience, in addition to increasingly integrate sustainability issues in the Company's strategy.

[GRI 102-19] [GRI 102-20] [GRI 102-23] [GRI 102-26] The Shareholders' Meeting of March 31, 2021 appointed the new company bodies - the new Board of Directors and the new Board of Statutory Auditors. The Board of Directors was appointed based on slates submitted by the outgoing Board of Directors and by a group of fund managers and investment companies, while the Board of Statutory Auditors was appointed on the basis of slates submitted by the two reference shareholders (Vivendi and CDP) and a slate submitted by a group of fund managers and investment companies. The Board of Directors, in its meeting of April 1, 2021, confirmed the positions of Chairman for Salvatore Rossi and of Chief Executive Officer (CEO) and General Manager (GM) for Luigi Gubitosi. On November 26, 2021, the Board of Directors acknowledged Luigi Gubitosi's relinquishment of his powers and relieved him of his duties as CEO and General Manager. At the same meeting the Board resolved to reorganize its corporate governance, appointing Pietro Labriola as General Manager, who nevertheless retained the position of CEO of the subsidiary TIM S.A., determining his duties, authorities and powers, so as to guarantee absolute continuity and stability in the management of the corporation, and, at the same time, assigned to the Chairman, Salvatore Rossi, responsibilities and powers relating to Partnerships & Alliances, Institutional Communications, Sustainability Projects & Sponsorship, Public Affairs, as well as the responsibility for managing TIM's assets and activities of strategic importance for the national defense and security system.

On December 17, 2021, the board member Gubitosi submitted his resignation from TIM's Board of Directors.

At its subsequent meeting of January 21, 2022, the Board of Directors agreed with the recommendation from the Nomination and Remuneration Committee and co-opted Pietro Labriola, appointing him Chief Executive Officer of the Company. Pietro Labriola, who retained his role as General Manager, was assigned all organizational responsibilities and powers previously attributed to the Chairman of the Board of Directors on November 26, 2021. Chairman Salvatore Rossi retained the powers regarding communications relating to the non-binding expression of interest from KKR & Co and the resulting process.

[GRI 102-19] [GRI 102-20] The system by which powers are delegated (the Executive Directors delegate powers to the executives answering directly to them, and they in turn to their staff) is the subject of a specific company procedure that establishes the methods by which powers are granted (Granting and Revocation of Powers of Attorney) and the periodic controls to which they are subject. The issue of sustainability is assigned to the Head of Sustainability Planning & Performance Index Analysis (under Investor Relations), which is in charge of ensuring climate change and ESG Plan target monitoring and communication, and the Head of Sustainability Projects & Institutional Digital Channels (under Institutional Communications Sustainability Projects & Sponsorship), in charge of defining and managing social and environmental sustainability projects. The first organizational reports may in turn delegate certain powers to their collaborators; [GRI 10221] in particular, powers are granted in this way to manage relations with stakeholders (customers, suppliers, public administration, employees, etc. described in the Stakeholder Engagement section of this document). In December 2020, TIM adopted an Engagement Policy (<https://www.gruppotim.it/en/group/governance/governance-tools/procedures.html>), which formalized the matter of dialog with the entirety of shareholders, recommended by the Corporate Governance Code of Borsa Italiana (January 2020 version).

[GRI 102-25] At its meeting on June 23, 2021, the Board of Directors updated the company procedure for carrying out related-party transactions³, drawn up in compliance with Consob Regulation No. 17221 of March 12, 2010, adjusting it to the provisions of European law. It is available on the company's website (<https://www.gruppotim.it/en/group/governance/governance-tools/procedures.html>) and outlined in the Report on Corporate Governance (Interests of Directors and transactions with related parties). The disclosure of any transactions with related parties during the relevant period is included in the "Transactions with related parties" chapter of the Annual Financial Report.

[GRI 102-29] [GRI 102-30] [GRI 102-11] The internal control and risk management system consists of a set of rules, procedures and organizational structures intended to ensure the healthy and proper management of the company, in a way that is consistent with the established goals, through an appropriate key risk identification, measurement, management and monitoring process. Being responsible for the internal control and risk management system the Board of Directors defines the system guidelines, verifying their adequacy, effectiveness and proper operation, so as to ensure that the main risks facing the company (including operational, compliance, economic and financial risks) are correctly identified and managed over time.

The establishment and maintenance of the internal control system are entrusted to the Executive Director and to the Executive responsible for preparing the company's accounting documents (for TIM the CFO) in his/her area of responsibility, so as to ensure the overall adequacy of the system and its effectiveness, from a risk-based perspective, which is also considered when determining the agenda of Board meetings. The coordination of subjects involved in the internal control and risk management system is outlined in the Report on Corporate Governance. The internal control system is contained in the so-called "Organizational Model 231", i.e. an organizational and management model adopted pursuant to Legislative Decree 231/2001, aimed at preventing offenses that may result in liability for the company.

In that regard, on November 10, 2020, the Board of Directors of TIM adopted the current version (vers. 7.1) of the Organizational Model 231 pursuant to Legislative Decree no. 231/2001 endorsing the regulatory changes regarding the liability of entities following Directive (EU) 2017/1371 (the PIF Directive).

[GRI 102-33] [GRI 102-34] [GRI 102-17] TIM's Whistleblowing Procedure⁴ governs the process of managing whistleblowing reports regarding the TIM Group, whose ownership is attributed to the Supervisory Bodies of each Group company, without prejudice to the responsibilities and prerogatives of the Boards of Statutory Auditors for the reports addressed to them.

The procedure, which also aims to implement Law No. 179 of November 30, 2017⁵ governing whistleblowing in the private sector and protecting employees that report alleged crimes, requires that the Supervisory Bodies avail of the Audit Department of TIM S.p.A. to manage all reports through an IT application, which whistleblowers can access both via the internet and through the company intranet, guaranteeing the confidentiality of the content and identity of the whistleblower, without prejudice to legal obligations.

Reports can also be submitted anonymously, by anyone who is a stakeholder on their own behalf and/or that of third parties, or becomes aware of alleged irregularities regarding the TIM Group.

For each report, the system assigns an unequivocal ID code which allows the whistleblower to check its progress in an anonymous way.

[GRI 102-17] [GRI 1031] As stated in article 4 of the Group Code of Ethics and Conduct, any requests for clarification regarding the appropriateness of one's own conduct or the conduct of other people, in order to ensure full compliance with the Code and the values set by the Code itself, must be addressed to the Chief Audit Executive of TIM S.p.A. or to the Chief Audit Executive of the Group's overseas company directly involved, in accordance with specific internal procedures.

[GRI 102-17] Using the Whistleblowing procedure, the same entities must be promptly informed, by the recipients of the Code and those who have undertaken to comply with it, of any conduct (including mere omissions) by TIM personnel or third parties in relation to work or collaboration carried out on behalf of TIM or national subsidiaries of the TIM Group (as well as Fondazione TIM, Telecom Italia San Marino S.p.A. and Telefonía Mobile Sammarinese S.p.A.) in breach of laws and regulations and/or of the Code of Ethics and Organizational Model 231, as well as of the rules and procedures in force in the Group.

Any organizational departments/positions of the Group and of the relevant subsidiaries directly receiving reports must ensure the absolute confidentiality of whistleblowers and the individuals reported. In this regard, it should be noted that, pursuant to article 4 of the Telecom Italia Code of Ethics and Conduct, there shall be no negative consequences for anyone making reports in good faith, and the identity of whistleblowers shall be protected in accordance with specific internal procedures, without prejudice to any legal obligations.

[GRI 102-34] In 2021, the Whistleblowing procedure resulted in 141 reports made in Italy. The Human Rights section of this report illustrates the reports received concerning alleged violations of Human Rights and employment rights.

The Board of Statutory Auditors' Report states the number of reports received by the Board of Statutory Auditors and provides a summary of the assessments carried out by the Board itself. More specifically, from March 2021 to March 2022, 13 reports were received, all commercial in nature.

[GRI 102-35] [GRI 102-36] The remuneration policy for the members of the Board of Directors is determined in accordance with legal requirements and the bylaws, according to which:

- [GRI 102-37] The Shareholders' Meeting determines the total gross annual remuneration of the Board of Directors (and of the directors holding specific offices: Chairman and CEO); expresses an opinion on the first section of the Remuneration Report (RR); passes resolutions regarding remuneration plans based on the allocation of financial instruments;

³ "Related party" of TIM shall mean the parties identified as such based on the international accounting standards, to which reference is made in Art. 3 subsection 1a) of Consob Regulation adopted under resolution no. 17221/2010, as amended. Further details are available in "Transactions with related parties" in the Report on Operations.

⁴ The first version, dating back to 2015, was most recently updated in November 2020.

⁵ "Provisions on the protection of parties reporting offenses or irregularities they become aware of in the context of a public or private employment relationship."

- The Board of Directors resolves, on the proposal of the Nomination and Remuneration Committee, on the allocation of the fees determined by the Shareholders' Meeting (when established as a total amount for the body as a whole); it defines, again on the proposal of the Committee, the remuneration policy of Executive Directors and Key Managers with Strategic Responsibilities. The Board of Directors is also responsible for making proposals to the Shareholders' Meeting regarding remuneration plans based on the allocation of financial instruments for Directors and employees and for drawing up the Remuneration Report (RR).

In order to ensure that the decisions taken regarding remuneration are appropriately investigated and conform to the rules on transparency and strict regulation of potential conflicts of interest, the Board of Directors makes use of the support of the Nomination and Remuneration Committee.

To perform its functions, the Committee (whose meetings are attended by the Chairman of the Board of Statutory Auditors or, if he is unable to attend, another Statutory Auditor designated by him) makes use of the collaboration of the competent bodies within the Company and can avail itself of the support of external consultants who are not in situations such as to compromise the independence of judgment.

[GRI 102-35] With the exception of the Chairman and the CEO, the Directors receive fixed remunerations only.

The "Remuneration paid to members of the management and control body and key managers with strategic responsibilities" table in the RR states all the types and amounts of remuneration received by each director.

Details of the fixed and variable remuneration components (including any stock option), benefits and severance pay attributed to the CEO, the Chairman and the key managers with strategic responsibilities are illustrated in detail in the Remuneration Report (for directors with strategic responsibilities the data is aggregate).

In particular, the objectives assigned to the CEO for 2021 are mainly of an economic, financial and ESG nature.

The sustainability targets used to determine the management incentive system are stated in the Remuneration Policies section of the "Human capital" chapter of this report.

Fight against corruption

[GRI 103-1] [GRI 205] Corruption is amply acknowledged as one of the factors that harms company competitiveness, socio-economic growth and community well-being.

Confirming the ongoing Group commitment to fight any form of corruption, in 2019 the Parent, TIM S.p.A. adopted the Anti-bribery Management System (also 'SGA') for which it attained UNI ISO 37001 "Anti-bribery Management Systems" certification through a credited body.

The anti-bribery management system was defined to support the company in the prevention, recognition and response to actions linked to corruption, in accordance with applicable anti-corruption laws and the other voluntary undertakings that apply to its business, and is integral to the broader internal control system implemented by the company.

The SGA includes the following tools:

- The Code of Ethics and Conduct, in respect of which a new updated version is expected to be adopted;
- the Group Anti-Corruption Policy (adopted in 2012, updated in 2019 and subject to further updates in 2021), to provide a systemic reference framework for how to manage preventing corruption¹;
- The document "Anti-Corruption Management System of TIM S.p.A." (updated, revision number two, in September 2021);
- company protocols, especially Organization and Operating Procedures.

The TIM Anti-bribery Management System incorporates the very broadest anti-bribery compliance program, also consisting of the Organizational Model 231 (adopted in 2003 pursuant to Italian Legislative Decree 231/2001 on the administrative liability of entities) which also includes the bribery prevention area.

In 2020, the Board of Directors of TIM adopted the current version of the Organizational Model 231 (vers. 7.1), endorsing the regulatory changes regarding the liability of entities following Directive (EU) 2017/1371 (the PIF Directive).

[GRI 205-1a] The anti-bribery management system applies to TIM and the members of its corporate bodies, employees and various business partners.

Subsidiaries are required to apply the anti-bribery management system or certain controls for the prevention of corruption to the extent that is reasonable and proportional with respect to the risk of corruption that said organizations are subject to. With regard to the latter, on March 15, 2021, TIM Brasil received its Standard ISO 37001 certification, and that standard is being adopted also by Olivetti S.p.A., Telecontact S.p.A. and Telecom Italia Trust Technologies s.r.l.

In greater detail:

- the Code of Ethics and Conduct applies to the entire Group;
- the Organizational Model 231 applies to TIM S.p.A., the domestic subsidiary companies and the main foreign subsidiaries;
- the Anti-Bribery Management System applies to TIM and TIM Brasil, and is being adopted by the main domestic subsidiary companies;
- the Anti-Bribery Policy applies to the entire Group;
- the Whistleblowing Procedure applies to TIM and its domestic subsidiary companies; instead, a specific procedure adopted ad hoc applies to TIM Brasil.

TIM assessed a total of 280 operational units as per UNI ISO 37001:2016 certification obtained by TIM S.p.A. in 2019 and reconfirmed in the years 2020-2021.

All of the operational units (100%) are assessed for risks linked to corruption within the scope of TIM.

The significant risk scenarios analyzed regard conduct that can be linked both to active and passive corruption, in the direct and indirect forms and in relation to both public and private entities.

On conclusion of the Anti-Bribery Risk Assessment, TIM identified the following areas at risk of types of active/passive corruption:

- general - control environment - governance
- procurement, purchasing, supplier relations, purchasing cycle
- investments (including network infrastructure and IT systems)
- financial statements, financial reporting, accounting records
- sales, marketing, customer acquisition (including commissioning)
- logistics (inventory)
- human resources
- finance (treasury, finance-banking)
- taxation.

From an organizational point of view, the Compliance Department, assigned to the Group Compliance Officer, is attributed the compliance function role for preventing corruption, responsible for implementing and monitoring the Anti-Bribery Management system in the company organization and, more generally, its compliance with Standard ISO 37001 requirements. The 231 Steering Committee is also assigned general responsibility for implementing and compliance with the Anti-bribery Management System.

¹ <https://www.gruppotim.it/en/group/governance/governance-tools/procedures.html>

[GRI 103-2: Management Approach] [GRI 205] The Anti-corruption Policy identifies the following sensitive areas, specifically monitored to guarantee compliance with the prohibition to accept or offer bribes:

- gifts and entertainment expenses;
- events and sponsorships;
- donations/membership fees;
- buying of goods and services;
- consultancy, brokering, Business Partner;
- joint ventures, acquisitions and sales;
- screening, recruitment and management of staff.

[GRI 205-1b] When the corruption risk assessment process was over, TIM identified a non-negligible corruption risk related: (i) to specific categories of transactions, projects or activities, (ii) to relationships expected or already in place with relevant third parties or (iii) specific categories of people (relevant positions). On these transaction, project and activity categories, Relevant Third Parties or Relevant Positions due diligence audits were carried out (Anti-corruption Due Diligence) going in-depth into the type and extension of the corruption risks.

In **Brazil**, TIM S.A. has internal rules that strengthen compliance with regulations and ethical conduct. The company also has due diligence procedures and contractual clauses to combat corruption in the value chain. In March 2021 the company obtained ISO 37001 certification, which attests to the security and effectiveness of the anti-bribery management system.

The TIM Integrity Program, also known as the Anti-Bribery Management System, sets out a series of rules and actions to guarantee compliance with the applicable anti-corruption regulations. Under the supervision of the Compliance Department, the program aims to prevent, identify and mitigate any corruption practices, establishing internal controls and monitoring sensitive activities by conducting tests.

Included in the Integrity Program, the Anti-Bribery Program ensures the constant monitoring of 20² activities considered sensitive and more exposed to the risk of corruption. The process entails the assessment of internal controls, the annual monitoring of a risk matrix of sensitive activities, action plans and the identification of opportunities for improvement in these processes and the defense mechanisms.

To support best practices and constant improvement, the institutional documents of the TIM Integrity Program were recently updated: Code of Ethics and Conduct (latest version dated March 2021); Anti-Bribery Policy (latest version dated December 2020); Organizational Model (latest version dated February 2021); Conflict of Interest Policy (latest version dated July 2020); Related-Party Transactions Policy (latest version dated October 2020) and the Anti-Bribery System Manual (latest version dated July 2021).

[GRI 1033] [GRI 205] The Head of the Compliance Department is appointed by the Board of Directors of the Company to which it reports.

The variable short-term remuneration plan (MBO) assigns the Head of Department objectives in keeping with the so-called predicate offenses under Legislative Decree 231/2001 and applying that set forth by ISO 37001, in compliance with the relative regulations.

The Group adopts the Whistleblowing Procedure that, unless specifically forbidden by local laws, encourages and allows employees and third parties in general to report an attempted, suspected or effective corruption action, in good faith or based on a reasonable conviction, by reporting it to the TIM Audit Department. For that purpose, a single report transmission channel is available thus allowing reports to be managed with a maximum guarantee of confidentiality and protects those making a report in good faith or based on a reasonable conviction, of an attempted, suspected or effective action of corruption or a breach of the Code of Ethics and Conduct and/or the 231 Organizational Model and/or the Anti-corruption Policy against reprisals. The Whistleblowing Procedure does not apply to Telecom Italia Capital Luxembourg and Telecom Italia Finance Luxembourg.

[GRI 205-3a] [GRI 205-3b] [GRI 205-3d] No incident of corruption has been verified in the Group companies in the past 3 years, nor have any legal proceedings been started on grounds of corruption against Group companies in the same period. It follows that none of the Group's companies recorded penalties or concluded plea bargains in relation to corruption in the last three years.

[GRI 205-3c] With regard to suppliers, in the past 3 years TIM has never terminated a contract for reasons related to corruption.

The Group's commitment to the topic is also demonstrated by its participation in various working groups.

TIM is a member of the "231 and Legality" Working Group organized as part of the Confindustria initiatives and during the course of 2018 contributed to the drafting of the new Confindustria Guidelines.

In addition, TIM participates in the working groups set up at B20 for the implementation of the recommendations made at G20/B20 level on anti-corruption matters.

[GRI 103-3] [GRI 205] At the end of 2018, TIM took part in a survey conducted by Transparency International amongst the main Italian companies in the private sector to map the anti-corruption commitment. It was concluded with an index on transparency (Business Index on Transparency-BIT).

² Contracts; legal, administrative and arbitration proceedings, authorizations and licenses; dealings with institutions and public authorities and their representatives; gifts; entertainment expenses; events; commercial and institutional sponsorships; donations/contributions to non-profit organizations; subsidies funding and loans; purchases of goods and services; sales of goods and services; hiring of employees; management of the variable component of employee remuneration; health, safety and the environment; investments; business partners; payments; acquisitions and disposals of equity investments and/or incorporation of companies and operations carried out directly by the CEO of TIM.

[GRI 103-2: Management Approach] [GRI 205] Moreover, since 2016, TIM has participated in the Business Integrity Forum promoted by Transparency Italia to develop activities in the private sector relating to cultural programs and the dissemination of tools to support integrity, transparency and anti-corruption. From this perspective, in October 2021, TIM participated in BIF TALKS, an initiative of Transparency International Italia, in partnership with the Scuola Superiore Sant'Anna of Pisa focusing on the contribution of new technology to preventing crimes and the adoption of actions in favor of the private and public sectors.

[GRI 103-2: Management Approach] [GRI 205] The document "Anti-corruption Management System of TIM S.p.A.", the Anti-corruption Policy, the 231 Organizational Model and the Code of Ethics and Conduct are communicated to employees through specific initiatives and are published on the intranet portal. The Organizational Model 231 (General Section), Code of Ethics and Conduct and the Anti-Corruption Policy are communicated to third party recipients through publication on the website, whereas third parties doing business with Group companies are obliged to commit contractually to complying with the principles laid out in those documents.

TIM regularly provides suitable, appropriate training to corporate bodies and employees on anti-corruption subjects as well as on application of the Organizational Model 231.

As part of the on-boarding training for new recruits to TIM S.p.A., specific anti-corruption is also provided. With regard to 2021, the on-boarding of new hires continued, for which a specific session on the following issues was planned: Compliance in the TIM Group the Organizational Model 231 and the Anti-Bribery Management System (three sessions for a total of 334 participants).

TIM also provides periodic targeted training campaigns, which are held when internal regulations, such as the Organizational Model 231, are updated.

Moreover, managerial training was held for the following Group companies: Telsy S.p.A., Olivetti S.p.A., TI Sparkle S.p.A. and TeleContact Center S.p.A.

In November 2020, the video lesson on ISO 37001 TIM's Anti-Bribery Management System was launched, dedicated to the entire company (12,576 views at December 31, 2020 in TIM and its Subsidiary Companies; 23,095 views at December 31, 2021), while during 2021 an e-learning course was developed on the Organizational Model 231, targeted to all employees of TIM S.p.A. and the Italian subsidiaries of the Group (around 42,000 resources), which will be usable starting from the first half of 2022.

Periodically, the Compliance Department sends all first and second reporting levels in the organization a 'compliance summary' containing the main regulatory and legal changes also on anti-corruption and the liability of entities.

[GRI 205-2] Training campaigns

Domestic	2021		Brazil	2021	
	n°	%*		n°	%*
Senior Managers	84	15%	Senior Managers	69	116%
Middle Managers	872	19%	Middle Managers	362	101%
Office Staff	9,491	25%	Office Staff	8,762	99%
Total	10,446	24%	Total	9,193	99%

* Number of participants out of the total of the category. Coverage refers to the percentage of participants compared to the number, i.e. how many resources have participated in at least one training event per single category. For this reason, some percentages may exceed 100%.

TIM Group	2021	
	n°	%*
Senior Managers	153	25%
Middle Managers	1,234	24%
Office Staff	18,253	39%
Total	19,639	38%

*Number of participants out of total of the category

[GRI 205-2] The TIM Group began reporting on this indicator at consolidated level, with detailed tables, in 2021.

Legal Framework and Compliance - Group Conduct

[GRI 103-1, GRI 103-3: Management Approach] [GRI 206] [GRI 415] The Group's activities are conducted in full compliance with current laws in the countries in which it operates and with universally accepted ethical principles, based on transparency, fairness and loyalty.

[GRI 103-2: Management Approach] [GRI 415] [GRI 206] [GRI 415-1] In particular, the Code of Ethics explicitly bans any direct or indirect disbursements, contributions, advantages or benefits of any kind to political parties, political movements or trade unions or to their representatives or candidates.

[GRI 206-1] Total amount of monetary losses following legal proceedings associated with anti-competitive conduct regulations.

Italian Competition Authority Case A428

At the conclusion of case A428, in May 2013, AGCM (Italian Competition Authority) imposed two administrative fines of 88,182,000 euros and 15,612,000 euros on TIM for abuse of its dominant position. The Company allegedly (i) hindered or delayed activation of access services requested by OLOs through unjustified and spurious refusals; (ii) offered its access services to end users at economic and technical conditions that allegedly could not be matched by competitors purchasing wholesale access services from TIM itself, only in those geographic areas of the Country where disaggregated access services to the local network are available, and hence where other operators can compete more effectively with the Company.

TIM appealed against the decision before the Regional Administrative Court (TAR) for Lazio, applying for payment of the fine to be suspended. In particular, it alleged: infringement of its rights to defend itself in the proceedings, the circumstance that the organizational choices challenged by AGCM and allegedly at the base of the abuse of the OLO provisioning processes had been the subject of specific rulings made by the industry regulator (AGCom), the circumstance that the comparative examination of the internal/external provisioning processes had in fact shown better results for the OLOs than for the TIM retail department (hence the lack of any form of inequality of treatment and/or opportunistic behavior by TIM), and (regarding the second abuse) the fact that the conduct was structurally unsuitable to reduce the margins of the OLOs.

In May 2014, the judgment of the Lazio Regional Administrative Court was published, rejecting TIM's appeal and confirming the fines imposed in the original order challenged. In September 2014 the Company appealed against this decision.

In May 2015, with the judgment no. 2497/15, the Council of State found the decision of the court of first instance did not present the deficiencies alleged by TIM and confirmed the AGCM ruling. The company had already proceeded to pay the fines and the accrued interest.

In a decision notified in July 2015, AGCM started proceedings for non-compliance against TIM, to ascertain if the Company had respected the refrain notice to comply requiring it to refrain from undertaking behaviors analogous to those that were the object of the breach ascertained with the concluding decision in case A428 dated May 2013.

On January 13, 2017, TIM was served notice of AGCM's (the Italian Competition Authority) final assessment, which recognized that TIM had complied in full with the A428 decision and, as such, the conditions for the imposition of a fine for non-compliance were not present.

AGCM recognizes, furthermore, that TIM's behavior subsequently to the 2013 proceedings has been directed towards continuous improvement of its performance in the supply of wholesale access services concerning not only the services which were the subject of the investigation, but also the new super-fast broadband access services. In assessing compliance, AGCM recognized the positive impact of the implementation, albeit not yet completed, of TIM's New Equivalence Model (NEM). The AGCM decision orders TIM to: (i) proceed with the implementation of the NEM until its completion which is expected to be by April 30, 2017; (ii) to inform the Authority about the performance levels of the systems for providing wholesale access services and about the completion of the corresponding internal reorganization plan by the end of May 2017. The Company quickly complied with both orders, and AGCOM communicated its satisfaction on August 9, 2017.

Vodafone disputed the final decision adopted by the AGCM on the non-compliance proceeding with the Lazio Regional Administrative Court. TIM filed an appearance, as in the other lawsuits filed in March 2017 by the operators CloudItalia, KPNQWest Italia and Digital.

Vodafone (A428)

In August 2013, Vodafone, as incorporating company of operator Teletu, submitted to the Milan Court a huge claim for damages for presumed abusive and anticompetitive conduct (founded principally on AGCM case A428) which TIM allegedly implemented in the period 2008 - 2013. The pecuniary claim was quantified by Vodafone as an estimated sum of between 876 million euros and 1,029 million euros.

In particular, Vodafone alleged technical boycotting activities, with refusal to activate lines requested for Teletu customers (in the period from 2008 to the month of June 2013), together with the adoption of allegedly abusive price policies for wholesale network access services (period from 2008 to the month of June 2013). Furthermore, the other party complained of the presumed application of discounts to business customers greater than those envisaged ("margin squeezing") and the carrying out of presumed illegal and anticompetitive win-back practices (in the period from the second half of 2012 to the month of June 2013).

TIM filed an appearance, challenging the claims made by the other party regarding the merits and the amount and making a counterclaim. Following the August 2016 decision by the Court of Cassation which confirmed that the Milan Court had jurisdiction to decide the dispute, the merits of the case will be decided at the hearing in December 2016.

With a writ of summons dated May 28, 2015 before the Milan Court, Vodafone has advanced further claims for damages, based on the same ICA case A428 and referring to alleged damages it suffered in the period July 2013 - December 2014 (and therefore over a period of time subsequent to the period of the similar compensatory judgment mentioned above), for approximately 568.5 million euros.

The case also contains a reservation of further damages to be quantified, during the proceedings, for the following periods, the plaintiff alleging that the presumed abusive conduct of TIM continued. TIM filed an appearance, challenging the claims made by the other party regarding the merits and the amount and making a counterclaim.

By order of October 6, 2016, the judge received Vodafone's application for the two A428 lawsuits brought by it to be joined. At the end of the reinstatement proceedings of December 21, the terms were established for the preliminary briefs and a hearing was fixed for July 11, 2017 for the admission of evidence. When the first preliminary brief was filed, following the favorable outcome for TIM of proceedings A428C (which confirmed the absence of improper conduct by the Company under A428 after 2011), Vodafone decided nonetheless to file further claims for 2015-2016, thus restating its total claim to be 1,812 million euros, which was also disputed and rebutted by TIM.

The case was settled as part of a global settlement with Vodafone.

Colt Technology Services

With writ of summons before the Milan Court served in August 2015, the operator Colt Technology Services filed a claim for damages based on the A428 decision, requesting compensation for alleged damages suffered from 2009 to 2011 as a result of purportedly inefficient and discriminatory conduct by TIM in the wholesale service supply process. The damage claimed was quantified as 27 million euros in loss of profits for the alleged non-acquisition of new customers, or for the alleged impossibility of supplying new services to the customers it had already acquired; the other party also formulated a request for compensation for the damages to its image and commercial reputation. This case follows the extrajudicial claim for approximately 23 million euros, previously advanced by Colt in June 2015, which the Company rejected in its entirety. TIM filed an appearance, contesting all of the plaintiff's allegations.

COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.)

With writ of summons before the Rome Court, COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.) filed a claim for damages for a total of 37 million euros in compensation for alleged anticompetitive and abusive conduct over the period 2009–2011, in the form of technical boycotting (refusals to activate wholesale services – KOs); the claim was based on the contents of the decision of AGCM (the Italian Competition Authority) that settled the A428 case. TIM filed an appearance, contesting all of the plaintiff's allegations. In the judgment with ruling in April 2019, the Court of Rome partially received the petitions of COMM 3000 S.p.A. (formerly KPNQWest Italia S.p.A.), sentencing TIM to pay an amount significantly lower than the amount in the counterparty's claim for damages. In June 2019, TIM appealed against the judgment. In the judgment given in April 2021, the Court of Appeal of Rome partly upheld TIM's appeal, reducing the amount of the compensation due to COMM 3000, which was in any case entirely covered by the relevant provision. In November 2021, TIM has appealed to the Court of Cassation over the judgment of the Court of Appeal of Rome in.

Teleunit

With a writ of summons issued in October 2009 before the Milan Appeal Court, Teleunit asked that TIM alleged acts of abuse of its dominant position in the premium services market be ascertained. The plaintiff quantified its damages at a total of approximately 362 million euros. TIM filed an appearance, contesting the claims of the other party.

After the judgment of January 2014 with which the Court of Appeal declared that it was not competent in this matter and referred the case to the Court, Teleunit reinstated the case before the Milan Court the following April. TIM filed an appearance in the reinstated proceedings challenging the plaintiff's claims.

In its judgment of May 2017, the Milan Court rejected Teleunit's claim in its entirety, and ordered the company to pay the legal costs of the case. This judgment was appealed by Teleunit, in June 2017, before the Milan Court of Appeal. TIM filed an appeal challenging the arguments presented by the other party and asking that the judgment at first instance be fully confirmed. With an order in March 2018 the Milan Court of Appeal declared Teleunit's appeal pursuant to art. 348-bis of the Italian Code of Civil Procedure to be manifestly without foundation, and hence inadmissible. In May 2018 Teleunit appealed the judgment of the Court of Appeal to the Court of Cassation. TIM lodged a counter-appeal seeking confirmation in full of the order being appealed (and thus of the judgment at first instance).

MC-Link

With writ of summons before the Rome Court, MC-Link filed a claim for damages for a total of 51 million euros in compensation for alleged anticompetitive and abusive conduct over the period 2009–2012, in the form of technical boycotting (refusals to activate wholesale services – KOs). The claim was based on the contents of the decision of AGCM (the Italian Competition Authority) that settled the A428 case. TIM filed an appearance, contesting all of the plaintiff's allegations. In August 2021, the case was settled as part of a global settlement with the opposing party.

Eutelia and Clouditalia Telecomunicazioni

With a writ of summons dated May 2020, Eutelia in Extraordinary Administration and Clouditalia Telecomunicazioni S.p.A., purchaser of Eutelia's TLC branch, brought an action against TIM before the Court of Rome, making claims for damages, of around 40 million euros, for damages allegedly suffered, in the period 2009–2012, following the technical boycott and margin squeeze conduct, subject of the AGCM A428 procedure. TIM filed an appearance, contesting the claims made by the opposing party and formulating a counterclaim, subject to quantification of the damages incurred during the proceedings.

Italian Competition Authority Case I761

With a ruling issued on July 10, 2013, AGCM (the Italian Competition Authority) extended to TIM the investigation started in March of the same year into some firms active in the fixed network maintenance sector. The investigation aims to establish if an agreement exists that is prohibited under article 101 of the

Treaty on the Functioning of the European Union. The proceedings were initiated after Wind filed two complaints in which AGCM (the Italian Competition Authority) was informed that, based on an invitation to bid for the assignment of network corrective maintenance services, it had encountered substantial uniformity of prices offered by the aforementioned enterprises and a significant difference from the offers submitted subsequently by other and different companies.

AGCM (the Italian Competition Authority) alleged that TIM carried out a role of coordinating the other parts of the procedure, both during the formulation of the offers requested by Wind and in relation to the positions represented to Italian Communications Authority.

TIM challenged these proceedings before the Regional Administrative Court, sustaining that the ICA does not have competence in this matter.

On July 7, 2014, AGCM (the Italian Competition Authority) notified the objective extension of the proceedings to check if the Company, abusing its dominant position, put in place initiatives that might influence the conditions of the offer of accessory technical services when the offers of the maintenance businesses to Wind and Fastweb were being formulated. With the extension provision, the Authority has also extended the deadline for closing the proceedings from the original date of July 31, 2014 to July 31, 2015. This extension was also challenged before the Lazio Regional Administrative Court sustaining that the Italian Competition Authority does not have competence in this matter.

In November 2014, for reasons of procedural economy and also convinced that it was acting legitimately, TIM presented to the Authority a proposal of undertakings in order to resolve the competition concerns subject of the investigation. On December 19, 2014, AGCM issued its decision finding that the undertakings were not clearly unfounded and subsequently ordered their publication for market testing.

On March 25, 2015, AGCM (the Italian Competition Authority) definitively rejected the aforesaid undertakings, considering them not suitable for removing the anticompetitive aspects investigated.

On July 21, 2015 the Communication of the Results of the Investigation was served on the parties to the proceedings, in which the Offices of AGCM (the Italian Competition Authority) expressed their position in the sense of (i) archiving the complaints regarding the abuse of dominant position and (ii) confirming, instead, that there exists between TIM and the maintenance firms an agreement to coordinate the economic offers drawn up for Wind and Fastweb, and to prevent the unbundled supply of the ancillary technical services.

On December 16, 2015, the final order was issued, confirming the conclusions of the Communication of the Results of the Investigation, sustaining that, between 2012 and 2013, there existed an agreement that restricted competition, and as a result imposed a fine of 21.5 million euros on the Company, paid in March 2016. The relevant market is that for corrective maintenance (assurance) services, or, more precisely, troubleshooting on TIM LLU lines. The purpose of the conduct maintained by the Company and the network firms would have been to limit competition and prevent the evolution of forms of unbundled supply of ancillary technical services.

TIM appealed the order before the Lazio Regional Administrative Court. In judgment no. 09554/2016 issued in September 2016, the appeal was dismissed, and the Company appealed this decision to the Council of State. On the outcome of the proceedings, with the judgment of December 2019, the Council of State, deciding in favor of TIM, annulled the AGCM I761 provision and referred the task of conducting a new investigation to AGCM, within the limits that decided by the Council of State itself. In 2020, TIM obtained the return of amounts paid by way of sanction.

Following analysis, in a letter dated April 2, 2021, AGCM (the Italian Competition Authority) reported that it had archived case I761.

Vodafone (I761)

With a writ of summons before the Milan Court, Vodafone has sued TIM and some network companies, bringing claims for damages from the Company for around 193 million euros for damages arising from alleged anti-competitive conduct censured in the known AGCM case I-761 (on corrective maintenance) referring to the period from 2011 to 2017.

Vodafone claimed that TIM had allegedly infringed antitrust regulations in the wholesale markets for access to its fixed-line network (LLU lines; Bitstream; WLR) through the abuse of a dominant position and an unlawful agreement with maintenance companies to maintain a monopoly on the offer of corrective maintenance services on its network. Specifically, the restrictive agreement allegedly concerned the coordination, by the Company, of the economic terms and conditions contained in the bids for maintenance services prepared by the aforementioned companies for OAOs, with artificially high prices with respect to the cost of the maintenance included in the regulated access fee, with a view to discouraging the disaggregation of the service itself. The Company filed an appearance, contesting all of the other party's requests. The case was settled as part of a global settlement with Vodafone.

Italian Competition Authority Case A514

In June 2017 AGCM (the Italian Competition Authority) started proceedings A514 against TIM, to ascertain a possible abuse of its dominant market position in breach of article 102 of the "Treaty on the Functioning of the European Union". The proceedings were started based on some complaints filed in May and June 2017, by Infratel, Enel, Open Fiber, Vodafone and Wind Tre, and concerns a presumed abuse of TIM's dominant position in the market for wholesale access services and for retail services using the broadband and ultrabroadband fixed network. In particular, AGCM (the Italian Competition Authority) hypothesized that TIM had adopted conduct aimed at: i) slowing and hindering the course of the Infratel tender processes so as to delay, or render less remunerative the entry of another operator in the wholesale market; ii) preemptively securing customers on the retail market for ultrabroadband services by means of commercial policies designed to restrict the space of customer contendability remaining for the competitor operators.

After the start of the proceedings, the Authority's officials carried out an inspection at some of TIM's offices in the month of July 2017. On November 2, 2017, TIM filed a defense brief in which, in support of the correctness

of its actions, it challenged all the arguments that the conduct it had allegedly engaged in, and which was the subject of the case, was unlawful.

On February 14, 2018, AGCM (the Italian Competition Authority) resolved to extend the scope of the case to investigate further behavior concerning TIM's wholesale pricing strategy on the market for wholesale access to broadband and ultrabroadband, and the use of the inside information of customers of the alternative operators.

On July 5, 2018 TIM filed proposed undertakings which, if accepted by the Authority, would close the investigation without any offense being established or sanction being administered. The undertakings were considered as admissible by the Authority, that market tested them in August and September.

On October 30, 2018, TIM replied to observations made by third parties and modified its proposed undertakings. With its decision notified on December 4, 2018, AGCM (the Italian Competition Authority) once and for all rejected the proposed series of undertakings as it considered them unsuitable in light of the objections raised.

On March 4, 2019, TIM requested AGCM (the Italian Competition Authority) for an extension of the deadline for closing the proceedings (initially set for May 31, 2019).

On April 10, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until September 30, 2019. On May 17, 2019, AGCM (the Italian Competition Authority) notified TIM of the results of the investigation (CRI). In the CRI, AGCM (the Italian Competition Authority) essentially confirmed the case for the prosecution outlined in the start-up and extension of the proceedings orders.

On June 12, 2019 AGCM (the Italian Competition Authority) extended the deadline for deposit of TIM's final defense to September 20, 2019 and set the final hearing for September 25, 2019.

On September 18, 2019, AGCM (the Italian Competition Authority) resolved to extend the deadline for conclusion of the proceedings until February 28, 2020.

On March 6, 2020, TIM was notified of the decision to close the investigation: AGCM (the Italian Competition Authority) ruled that TIM had abused its dominant position, finding that TIM had put in place an anti-competitive strategy designed to hinder the competitive development of investment in Ultrabroadband network infrastructure.

The fine imposed on TIM for the anti-competitive offense is 116,099,937.60 euros. TIM appealed the aforementioned fine before the Lazio Regional Administrative Court (TAR). By judgment given on 02.28.2022, the Lazio Regional Administrative Court rejected TIM's petition; TIM now intends to lodge an appeal with the Council of State by the legal deadline.

On June 25, 2020 TIM sent AGCM (the Italian Competition Authority) the so-called compliance report as ordered in the final provision. The hearing before the Lazio Regional Administrative Court was held on November 3, 2021. The Company is awaiting the judgment.

In May 2021, the Company paid the fine.

Open Fiber

In March 2020, Open Fiber (OF) sued TIM before the Court of Milan, claiming damages of 1.5 billion euros for alleged abuse of an exclusive and dominant position in relation to OF. The alleged actions consist of: (i) pre-emptive investments in FTTC networks in white areas; (ii) initiating specious legal action to obstruct Infratel tenders; (iii) spurious repricing of certain wholesale services; (iv) commercial lock-in offers on the retail market; (v) false disclosure to AGCom in connection with the approval of a wholesale offer and spreading rumors about TIM being interested in acquiring OF; (vi) discriminatory access conditions to TIM passive infrastructure. TIM filed an appearance, contesting the arguments of OF. Enel S.p.A. intervened in the proceedings, asking that TIM be ordered to compensate all damages suffered and being suffered by Enel and OF. During the course of the proceedings, this amount was increased to 2.6 billion euros.

Vodafone

In January 2021, Vodafone Italia S.p.A. summonsed TIM to the Court of Milan, making a claim for damages of approximately 100 million euros for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by the AGCM, with the provision that concluded case A514.

The conduct of TIM sanctioned by the Authority allegedly resulted in a slowing of the penetration of UBB infrastructures on the market of white areas and, consequently, the delayed or failed acquisition of new customers by Vodafone, as well as a hindrance to acquiring additional customers as a result of the alleged binding practices over the whole of national territory. TIM will file an appearance with a series of solid legal arguments for its own protection. The case was settled as part of a global settlement with Vodafone.

Fastweb

In February 2021, Fastweb S.p.A. summonsed TIM to the Court of Milan, making a claim for damages of approximately 996 million euros for damages allegedly suffered as a consequence of the unlawful conduct of TIM, as sanctioned by AGCM (the Italian Competition Authority), with the provision that concluded case A514, as well as allegedly opportunistic suspensions of activation orders sent by Fastweb.

Fastweb complains that TIM allegedly delayed the wholesale offer of ultrabroadband services by Open Fiber in the white areas, consequently slowing the offer of said services by Fastweb to its end customers in these areas; binding practices were implemented in relations with the end customer, hindering access to the market by alternative operators (including Fastweb). In addition, TIM allegedly instrumentally managed the supply process of wholesale access services to its fixed broadband and ultrabroadband network, opportunistically suspending the activation orders submitted by Fastweb and thereby hindering its activation of new customers. TIM filed an appearance laying out solid arguments refuting Fastweb's claims. In August 2021, the case was settled as part of a settlement with Fastweb.

Italian Competition Authority Case I799

At its meeting on February 1, 2017, AGCM (the Italian Competition Authority) initiated an investigation for possible breach of Article 101 of the TFEU (prohibition of agreements that restrict competition) against TIM S.p.A. and Fastweb S.p.A., following the signing of an agreement aimed at setting up a cooperative joint venture called Flash Fiber S.r.l.. TIM, in agreement with Fastweb, submitted to AGCM some amendments to the agreements signed, in the form of proposed undertakings, aimed at closing the investigation without any breach being ascertained and, therefore, without any fine.

On March 28, 2018, AGCM (the Italian Competition Authority) resolved to approve the undertakings, making them binding on the Parties, and closed the case without imposing any fine.

On January 30, 2019, TIM sent the planned annual report on the provided coverage to AGCM (the Italian Competition Authority), supplemented by a subsequent communication dated March 29, 2019. TIM transmitted further details to AGCM (the Italian Competition Authority) in July and AGCM acknowledged it on October 15, 2019. On January 31, 2020 TIM sent AGCM (the Italian Competition Authority) the third report on the implementation of the undertakings given. Finally, on January 29, 2021 TIM sent AGCM (the Italian Competition Authority) the fourth and final report on the implementation of the undertakings given.

On June 11, 2018 Open Fiber S.p.A. and Wind Tre S.p.A. filed separate appeals to the Lazio Regional Administrative Court (TAR) against the order closing case I799 with the acceptance of the undertakings. They allege that this order has a series of procedural and substantial defects.

Open Fiber S.p.A. also asked for the precautionary suspension of the order.

In a judgment of March 2020, the Regional Administrative Court rejected in full the appeal by Open Fiber. A hearing on the merits has not yet been scheduled for Wind Tre's appeal.

[GRI 206-1] For more information on the main pending disputes, of which there are 21, refer to Note 24 "Disputes and pending legal actions, other information, commitments and guarantees" in the Annual Financial Report available at the following link: [TIM Group financial reports](#).

Eutelia and Voiceplus

In June 2009, Eutelia and Voiceplus asked that alleged acts of abuse by TIM of its dominant position in the premium services market (based on the public offer of services provided through so-called Non Geographic Numbers) be investigated. The plaintiffs quantified their damages at a total of approximately 730 million euros.

The case follows a precautionary procedure in which the Milan Appeal Court prohibited certain behaviors of the Company relating to the management of some financial relations with Eutelia and Voiceplus concerning the Non Geographic Numbers, for which TIM managed the payments from the end users, on behalf of such OLOs and in the light of regulatory requirements. After the judgment with which the Milan Court of Appeal accepted TIM's objections, declaring that it was not competent in this matter and referring the case to the Civil Court, Eutelia in extraordinary administration and Voiceplus in liquidation resubmitted the matter to the Milan Court. The first hearing took place in the month of March 2014. TIM filed an appearance challenging the claims of the other parties. After the collapse of Voiceplus, the Milan Court declared the case suspended, in an order in September 2015. The case was later resumed by Voiceplus.

With a judgment issued in February 2018, the Milan Court accepted TIM's defense and rejected the plaintiffs' claim for compensation, ordering them, jointly and severally, to pay the legal costs. In March 2018 Eutelia and Voiceplus proposed an appeal against the judgment at first instance.

TIM appealed against the claim, requesting confirmation in full of the judgment at first instance. The appeal of Eutelia and Voiceplus was fully rejected with the judgment of August 5, 2019. In December 2019 Eutelia and Voiceplus appealed to the Court of Cassation over the judgment of the Court of Appeal. TIM notified a counterclaim asking confirmation of the judgment appealed against.

28 day billing

With resolution 121/17/CONS AGCom introduced instructions on billing intervals for telephony, prescribing, for fixed telephony, that the interval should be monthly, or multiples thereof, and, for mobile telephony, that it should be at least four-weekly. TIM appealed Resolution 121/17/CONS to the Regional Administrative Court. The judgment rejecting the appeal was published in February 2018. TIM appealed this judgment to the Council of State in June 2018. On September 23, 2020, the non-definitive judgment was published whereby the Council of State joined the appeals submitted by TIM, Vodafone, Fastweb and Wind Tre and ordered the prejudicial deferral to the European Union Court of Justice (EUCJ) on whether or not the Authority had the power to regulate the frequency of renewal of the commercial offers and invoicing periods, at the same time rejecting the other grounds of appeal submitted by the operators and suspending proceedings. In February 2021, TIM deposited the written observations on the requests for prejudicial judgment with the EUCJ. At the request of the CJEU, the Council of State, in an order published on November 23, 2021, confirmed the referral to the Court of Justice on the preliminary questions raised; the proceedings before the Council of State therefore remain suspended pending the CJEU's decision.

With its Resolution 499/17/CONS, having confirmed the breach of Resolution 121/17/CONS, AGCom fined TIM 1,160,000 euros, ordering it to make provision – when the billing cycle was restored to monthly intervals or multiples thereof – to return the amounts corresponding to the fee for the number of days that, from June 23, 2017, had not been used by the users in terms of the supply of service due to the misalignment of the four-weekly and monthly billing cycles.

In March 2018 with resolution no. 112/18/CONS AGCom (i) revoked the preceding resolution 499/17/CONS in the part in which TIM was ordered to repay the amounts presumably lost from June 23, 2017 onwards, with the four-weekly billing cycle, (ii) cautioned TIM, with regard to fixed-line voice services only, against postponing the starting date of invoices issued after the return to monthly invoicing by the same number of days as those presumably deducted starting from June 23, 2017 with the four-weekly invoicing cycle.

Under Presidential Decree 9/18/PRES, AGCom amended the provisions of Decision 112/18/CONS requiring the deferral of billing once the billing cycle was restored to monthly intervals, or multiples thereof, while also ordering that the timescales for complying with the order would be identified after hearings with the operators and the main consumer protection associations.

In July 2018, AGCom issued resolution 269/18/CONS, with which it set December 31, 2018 as the date by which the operators had to return to their fixed network customers a number of days of service equal to those eroded as an effect of 28-day billing, or propose to the affected customers any alternative compensatory measures, after having notified them to AGCom. TIM has appealed all of the above resolutions.

With the judgment published in November 2018, the Regional Administrative Court canceled the pecuniary administrative fines of 1.16 million euros imposed with Resolution 499/17/CONS, and confirmed the obligation of restitutio in integrum to the fixed-line customers by December 31, 2018. TIM filed its preventive appeal before the Council of State to suspend the execution of said decision and, with its ruling of December 20, 2018, the Council of State, in upholding TIM's appeal, suspended the effectiveness of the aforesaid decision for the reversal order only, until May 21, 2019 while awaiting publication of the grounds for the judgment.

The date of the hearing to discuss the introductory appeal and additional grounds submitted in the meantime by TIM is still to be set. On July 12, 2019 the ruling mechanisms with which the Council of State rejected the similar appeals made by Vodafone, Wind Tre and Fastweb were published and in February 2020 the judgments containing the grounds were published.

In September 2019, TIM also challenged resolution 221/19/CONS, before the Regional Administrative Court (TAR), with which the sanction pursuant to Resolution 499/17/CONS, canceled by the Regional Administrative Court of Lazio, was recalculated to the amount of 580,000.00 euros, with the maximum fine provided for by Art. 98, paragraph 16 of the CCE in force at the time of the events applied.

In August 2019, AGCom initiated new proceedings (CONT 12/19/DTC) for failure to comply with the order to refund the days eroded by billing every 28 days for fixed network and convergent customers, according to the procedures established with resolutions nos. 112/18/CONS and 269/18/CONS. On conclusion of these proceedings, by means of Resolution 75/20/CONS, the Authority found that TIM did not comply with the above resolutions, imposing a fine of 3 million euros. The measure was challenged by TIM before the Regional Administrative Court in July 2020.

Moreover, since June 2019, TIM has offered its fixed network customers, active prior to March 31, 2018 and subject to billing every 28 days, the possibility of accepting a compensatory solution, an alternative to refunding the eroded days pursuant to AGCom resolution no. 269/18/CONS and from September 2019 it has been accepting requests for reimbursement of eroded days. In both cases, TIM informed customers with several messages in the bill, on the web in the main newspapers. The initiatives just described were communicated to AGCom as part of the aforementioned penalty proceedings.

In the civil proceedings, by judgment published on October 14, 2021 the Court of Milan, under the scope of the case on the merits brought by Associazione Movimento dei Consumatori in 2018 regarding the pricing and 28-day renewal for fixed line and converging offers, confirmed the order given on 6/4/2018 by the same Court upon closure of the complaint brought by TIM pursuant to Art. 669 terdecies of the Italian Code of Civil Procedure and the measures set out therein, ordering TIM to fulfill the requests for repayment of amounts paid as a result of customer maneuvers - including discontinued, as indeed TIM had already been doing since 2018, at the same time also extending the period relevant to the recognition of the reimbursement through to April 1, 2017 and therefore earlier than June 23, 2017, the date on which the operators had to comply with Resolution no. 121/17/CONS. TIM has appealed the judgment of the Court of Milan, at the same time filing an request for suspension of its enforcement. With ordinance of January 11, 2022, the Court of Appeal of Milan partially accepted TIM's request, suspending the charge in the judgment relating to the order to send a registered letter to all terminated consumer customers that were subject to billing every 28 days to inform them of the possibility that they could obtain a refund of the additional amounts paid as a result of the maneuver.

Italian Competition Authority Case I820

On February 19, 2018, AGCM (the Italian Competition Authority) initiated a I820 preliminary proceeding against the companies TIM, Vodafone, Fastweb, Wind Tre and the industry association ASSTEL to investigate the alleged existence of an agreement among the major fixed-line and mobile telephone operators to restrict competition by coordinating their respective commercial strategies, in breach of Art. 101 of the TFUE.

The presumed coordination, according to the opening provision of the proceedings by AGCM (the Italian Competition Authority), would take the form of implementation of the obligation introduced by Article 19-quinquiesdecies of Legislative Decree 148/2017 (converted by Law 172/2017) which requires operators of electronic communication services to send out monthly (or monthly multiples) bills and renewed offers for fixed and mobile services.

On March 21, 2018, AGCM (the Italian Competition Authority) issued a provisional precautionary measure against all the operators involved in the proceedings with which it ordered the suspension, pending the proceedings, of the implementation of the agreement concerning the determination of repricing communicated to users at the time of reformulating the billing cycle in compliance with Law 172/17 and to independently redetermine its commercial strategy. With its decision no. 27112 of April 11, 2018, AGCM (the Italian Competition Authority) confirmed the precautionary measure.

On June 12, 2018, TIM filed an appeal with the Regional Administrative Court for the quashing of said measure.

On January 31, 2020, TIM was notified of the decision to close the investigation, in which AGCM (the Italian Competition Authority) confirmed the existence of the agreement between Telecom, Vodafone, Fastweb, WindTre, but excluding Asstel from participation in the agreement. The fine imposed on TIM for participation in the anti-competitive agreement was 114,398,325 euros. In April 2020, TIM also challenged the sanction order.

In a judgment published on July 12, 2021, the Lazio Regional Administrative Court upheld the petition and the grounds added and submitted by TIM, canceling the measures taken by AGCM (the Italian Competition Authority), including that relating to the existence of the agreement and application of the sanction.

On September 11, 2021, AGCM (the Italian Competition Authority) presented a petition to the Council of State, requesting the cancellation of the judgment given by the regional administrative court.

Italian Competition Authority Case I857

On July 6, 2021, AGCM (the Italian Competition Authority) started an investigation in regard to TIM and DAZN for a possible understanding reached with a view to restricting competition in connection with the agreement for the distribution and technological support for TV rights for Serie A football in the 2021-2024 period.

The investigation also aims to verify the restrictive nature of the understanding with reference to additional elements regarding the possible adoption by TIM of technical solutions not available for competitor telecommunications operators and which may effectively hinder the adoption of their own technological solutions.

The proceedings are expected to end by June 30, 2022.

At the same time, the Authority has also initiated proceedings for the potential adoption of protective measures.

By resolution passed on July 27, 2021, AGCM (the Italian Competition Authority) closed the interim proceedings, considering that the initiatives and amendments to the agreement proposed by TIM and DAZN in the meantime are presently able to prevent any serious and irreparable damage to competitors while investigations are completed.

Indeed, said measures aim, as a whole, to avoid possible discrimination in the use of the DAZN service, due to its activation by users using Internet connection services other than those offered by TIM. In addition, the agreement between TIM and DAZN has been amended to guarantee DAZN complete freedom in applying discounts and promotions. TIM has also undertaken to provide DAZN with a sufficient number of white label set-top-boxes to also guarantee DAZN customers the viewing of matches over digital terrestrial TV, in the event of connection problems.

Finally, TIM has undertaken to supply wholesale services to OAOs interested therein to manage traffic peaks deriving from live data transmissions, regardless of the type of contents transmitted.

On October 29, 2021 TIM submitted a proposal for undertakings to AGCM (the Italian Competition Authority) with a view to resolving the competitive concerns that were the subject of the investigation and closing the proceedings without the finding of any infringement and therefore without any sanction being applied.

On December 14, 2021, AGCM (the Italian Competition Authority) approved the publication of the aforementioned proposal for undertakings on the Authority's website, as these undertakings, taken as a whole, do not appear to be manifestly unfounded and are capable of removing the restrictions to competition hypothesized in the measure initiating the investigation in question.

On January 5, 2022, with the aforementioned publication on the AGCM website, the so-called market test began, which will end on February 4 next, the date by which all interested parties will be able to send the Authority their comments on the undertakings in question.

Italian Competition Authority Case PS10888 “TIM Passepartout”

On June 15, 2021, AGCM (the Italian Competition Authority) initiated proceedings for unfair commercial practice concerning the lack of transparency of the information provided by the TIM Passepartout payment management platform and alleged activations of services not requested. The proceedings have been initiated on the basis of reports made by individual consumers and should draw to a close in March 2022. On July 29, 2021, commitments were submitted that, if accepted, will allow the proceedings to close without any findings of infringement and, therefore, without any application of sanctions. The undertakings consist of improving information aspects of the TIM Passepartout platform (active only for Customer Base offers) and implementing a communication campaign aimed at soliciting contact from those who do not recognize the TIM Passepartout charges in order to assess whether there are grounds for a refund.

Iliad

By writ of summons served during the first quarter of 2020, Iliad Italia S.p.A. sued TIM before the Court of Milan for alleged anti-competitive conduct, including through the Kena Mobile brand, which was allegedly aimed at hindering its entry to and consolidation in the mobile phone market in Italy, seeking damages of at least 71.4 million euros.

TIM filed an appearance, fully disputing the requests of Iliad Italia S.p.A.; and, in turn, submitting a counterclaim in accordance with Art. 2598 of the Italian Civil Code, with reference to the denigration implemented by Iliad Italia S.p.A. in regard to TIM and formulating a symmetrical claim for compensation for damages. In the first preliminary brief, Iliad updated its claim for damages, taking it to 242.8 million euros. Upon lifting the reservation on the preliminary motions, the Court adjourned the hearing to May 4, 2022 for the closing arguments.

Iliad

By writ of summons notified in September 2021, Iliad Italia S.p.A. summonsed TIM before the Court of Milan for the alleged application to customers of unlawful contractual conditions in terms of time limits and economic costs for withdrawal with reference to mobile and fixed telephone offers, with a consequent petition to order TIM to compensate damages, currently quantified as 120.4 million euros. On February 1, 2022, the first hearing was held and the terms assigned for the briefs pursuant to article 183, subsection VI of the Italian Code of Civil Procedure.

Community

[GRI 103-1: Management Approach] [GRI 413] The materiality analysis emphasized the increasing importance attributed to ESG indicators by institutions and society in general. As the Group companies are fully integrated with the areas where they operate and with the social, economic and production fabric of such areas, they aim to contribute to the economic well-being and growth of the communities by providing increasingly digitalized services, increasingly focused on favoring sustainable lifestyles.

As private entities requiring cost-effective management, Group companies take the social impact of telecommunications services into account in their decision-making activities, responding to the needs of society, including its weakest members.

[GRI 103-2: Management Approach] [GRI 413] In **relations with local communities**, TIM works every day to ensure that relations with regional administrations and local bodies are lasting and satisfactory, in the belief that this is the only way to create the conditions for developing local areas and improving people's quality of life, while allowing the institutions and TIM to achieve their respective objectives. All activities are implemented in that view to limit any negative impacts in creating networks.¹

In organizational terms, TIM's relationship with local entities is managed through structures specifically dedicated to that purpose: the Local Institutional Affairs central function and the local authority accounts.

Refer to the section dedicated to Institutions in this report for a more detailed description.

Below we report not only the instruments and contributions provided to the community, but also the actions by Fondazione TIM in Italy and Instituto TIM in Brazil, which represent the Group's more specific social commitment.

Lastly, the section focuses in particular on safety and the management of emergencies.

[GRI 103-3: Management Approach] [GRI 413] For Operazione Risorgimento Digitale (the project for digital literacy in Italy) and the work done by the Group for COVID-19, see the chapter Society of this report.

Sustainable instruments available to the community: fund raising through solidarity numbers

In a national and international context in which crisis and conflict scenarios are multiplying, against an ever-increasing number of people in need and emergency situations, **private solidarity fundraising** is a key factor in "person-to-person" cohesion and support.

For over 18 years, TIM has been a key player in the solidarity chain, supporting humanitarian, scientific and environmental protection projects by allowing people to make a donation of 1 or 2 euros with a text message, or 2, 5 or 10 euros with a call to a dedicated number from a landline.

The amounts collected are fully paid by TIM to the promoters (non-profit organizations, non-government organizations and volunteer associations), in accordance with requirements of transparency and sustainability, without any withholdings or application of tax rates.

The new Self-Regulatory Code issued by AGCOM - Autorità per le Garanzie nelle Comunicazioni (Italian Communications Authority) in 2017 ordered the creation of 60 numbers dedicated to solidarity fundraising (30 permanent numbers lasting one year and 30 temporary numbers lasting a maximum of 21 days), regulated with a special price list.

Two free numbers are dedicated to emergencies or natural disasters, on request by the Civil Protection Department.

120 solidarity campaigns were launched in 2021, which raised approximately 9.2 million euros. The largest amount of funds were raised for scientific research projects, followed by healthcare and social assistance in Italy.

The commitment of Fondazione TIM

The TIM Group has always stood out for its sensitivity and attention to the needs of our society, including through the work of its foundation.

Fondazione TIM (FTIM) promotes and disseminates the culture of innovation by means of initiatives and projects that facilitate social inclusion, research and education and the protection of the historic and artistic heritage. The foundation is able to operate, in Italy and abroad, with methods and strategies that are in line with the company's purposes and values as set out in the bylaws.

FTIM pursues its mission with tenders or the direct allocation of donations. In accordance with its Regulations, it can fund private and public non-profit bodies or religious bodies.

The projects supported by FTIM must be able to stand out for their innovative and experimental nature, the use of information and communications technologies and the speed at which the project is finalized in the face of sudden events. The projects must belong to the foundation's three priority areas of intervention:

- 'Social inclusion', with educational and support initiatives dedicated to vulnerable or otherwise disadvantaged people;
- 'Education and research', the latter in the fields of medical and natural sciences, economics and law;

¹[GRI 206-1] The potential negative impacts arising exclusively from excavations for installing cable ducts or positioning base transceiver stations are mitigated through the use of low environmental impact technologies, such as mini trenches, and thanks to prior agreements with local communities, e.g. regarding aerial installation sites.

- 'Art', to protect and enhance the historic and artistic heritage, by developing ways and means of using and disseminating knowledge about the heritage, and to support the world of entertainment and music.

In 2021 FTIM dedicated resources amounting to around 2,000,000 euros to 9 tenders classified in 3 areas, confirming that the objectives of each tender include the attention to the correlation with the effects of the pandemic in the recovery phase.

For Social Inclusion:

1. *Conoscersi e riconoscersi* (Knowing and Recognizing Each Other)

The purpose of this tender was to highlight, within the Group, ideas and positive experiences, through the presentation by colleagues of projects in partnership with non-profit entities, to increase the awareness that the personal commitment of everyone can concretely improve our society as a whole.

The elderly have been harshly impacted with the feeling of loneliness caused by the measures to limit contagion of the pandemic. FTIM decided to do something to support this section of society, dedicating a tender with a value of 200,000 euros. The objective of this tender was to identify a simple but organized technological model to overcome the loneliness of the elderly and build a network of acquaintances so that they are no longer alone.

The awardees of the tenders were: the **Atlas Onlus association, which presented its project *Senti chi Parla* (Look Who's Talking)** - an app addressing the needs surveyed among the elderly, which enables them to communicate, build relationships and share experiences and knowledge - and the **TICE Social Cooperative, which presented the DEL + DEL project**, which aims to grant the elderly in Italy dignity and social utility and create a new narrative regarding them. For each project, the amount of the grant amounted to 100,000 euros.

2. *A tavola insieme* (Let's Eat Together)

The pandemic changes Italians' lifestyles and consumption habits, accentuating pre-existing difficulties that drove players in the voluntary sector to study new, more efficient and sustainable solutions to meet the emerging social, local and education needs. FTIM turned to entities in the voluntary sector to propose the tender "*A tavola insieme*," with a value of 300,000 euros, which identified innovative solutions to assist persons who, in this scenario, had and have problems affording a daily meal. Many of these associations found different ways to do this, also due to the limits imposed as a result of the pandemic. The tender "*A tavola insieme*" provided support to the people that have made and continue to make this effort. Specifically, the tender aimed to develop solutions based on innovative, accessible, effective and efficient technologies in order to favor social inclusion, starting with the right to food. The objective was to identify a replicable model for recovery surplus food, collecting and distributing it to the poor. The entity selected by FTIM was **which was assigned a grant amounting to 274,183 euros for the project *Comunità Emmanuel Onlus, #Nonsolopane* (Not Just Bread)**. The project aims to organize the immediate distribution of food packages by creating software that optimizes internal management and facilitates dialog between the Food bank service, the Municipalities in the Province of Lecce, large-scale retail trade and people in need, who can use those services, after receiving a specific card.

3. *Mai più soli* (No Longer Alone)

Through the "*Mai più soli*" tender, FTIM aimed to develop a project to identify innovative solutions, using technological support, to assist the elderly, the disabled and, in general, the most vulnerable in their day-to-day activities, and enable them to live a fully autonomous life in their environment. The goal of the tender was to identify projects that could create areas of autonomous living for all people who are not self-sufficient due to a physical or cognitive disability. The Associazione Italiana **Rett Onlus (AIRETT)**, which was awarded the tender for an amount of 135,000 euros, presented the ***Libere di muoversi* (Free to Move) project, which aims to develop a smart walker capable of helping girls with Rett syndrome to walk autonomously again, improving their lives and supporting their caretakers.**

For Education and Scientific Research:

1. Scholarships - “*Studiamoci su*” (Let’s Study It)

In such an uncontrollable and inscrutable context, caused by the pandemic, science, research and medicine have never been a more strategic asset for humanity. While in the first year and a half of the emergency, it was crucial to dedicate efforts to expanding the task force of experts operating in the fields of medicine and research to stem the overwhelming spread of the virus, it is now fundamental to focus attention and resources on a long-term strategy. The COVID-19 emergency shone a spotlight on the decisive role of technology in science and medicine: artificial intelligence and data technology enable the analysis of complex phenomenon and the identification of solutions, with connected assessment of risks and benefits, spreading at the same pace as the virus. Scientific research and technology are a crucial resource for overcoming the global crisis and preparing the world for increasingly complex challenges. For this reason, investing in science and innovation are the focal point for all areas of the economy and the main objective of corporate social commitment.

From this perspective, FTIM decided to launch the tender Scholarships – “*Studiamoci su*,” targeted to colleges, university clinics and research entities, to finance 2 annual scholarships for biotech and medical research projects on the impacts of the Coronavirus on people and society.

The awardees of the two grants with a value of 50,000 euros each were:

- **Federico II University – Department of Translational Medical Science – Pediatrics Section**, for the **e-PediatricChronic Care (ePCC) project**, an app dedicated to families and child patients suffering from chronic illnesses, who require long-term, stable hospital care. The project’s goal is to improve the participation in treatments and ensure - in times of COVID-19 - continuous care, also outside medical facilities.
- **Fondazione Alfieri per il Cuore, for the FOUR-T TRIAL – Medicine 4.0 project**, a clinical study targeting cardiopathic patients who have undergone operations, who have tricuspid valve heart disease and heart failure, who are “randomly” assigned post-surgery support through either the current standard (H - GPs) or an innovative process through local clinics, supported by telemedicine, with impact assessment also in terms of healthcare costs.

2. *Insegnami ad insegnare* (Teach Me to Teach)

Experimental, innovative projects (tutorials, webinars, ...) for training regarding remote learning targeted to teachers in schools of all levels. The pandemic and resulting lockdown exposed the inability of many teachers not only to use technology, but also, and especially, their inability to teach remotely, engaging students and holding their attention, managing to understand the learning difficulties or individual problems of each student, aspects which are crucial to a teacher’s ability in in-class learning. It was important to focus on relationship aspects and on how technology can assist in improving learning and developing specific aptitudes. This tender was targeted to schools of all levels, associations and research institutes that provide refresher courses for teachers.

The two projects selected were:

- **Fondazione Giovanni e Irene Cova** for the **Digital pills for teach [sic]** project, with a grant assigned of 72,240 euros. The project sets out a call to action for teachers, to engage a group of 120 teachers on an interactive web platform that will enable them to undertake a training course shared with colleagues through the entire country.
- **ALPIM/Associazione Ligure per i Minori (Ligurian Association for Minors) for the project InOutPut - Il digitale per una nuova alleanza educativa (Digital Services for a New Education Alliance)**, with a grant assigned of 74,700 euros. The project aims to increase the skills of elementary school teachers for teaching in a digital environment, to favor the active participation of students through the ‘we school’ platform.

3. *Compagni di scuola* (Classmates)

Through the tender “*Compagni di scuola*,” FTIM decided to dedicate resources to creating and developing innovating instruments to share the new methods of attending school, which, unfortunately, have been caused by the effects of the pandemic. The tender aimed to support projects presented by teachers and students of middle schools and high schools, focused on reinventing - remotely - all that the experience of school offers in addition to actual lessons (recess, teacher conferences after lessons, waiting for lessons to start, etc.).

Don Pietro Margini Cooperativa Sociale in Sant’Ilario d’Enza di Reggio Emilia received a grant of 150,000 euros for the **STUDEO project**, a new instrument on a web app and mobile app, called STUDEO, based on asynchronous functionality, which is useful both to in-class teaching and remote teaching. The main purpose of the app is to revolutionize the handling of homework, to teach a studying method and, above all, favor dialog between classmates, and between students and teachers, which has been lost during the pandemic.

For Art and Culture:

1. *Che lo spettacolo abbia, di nuovo, inizio!* (Let the Show Begin Again!)

Through the tender "*Che lo spettacolo abbia, di nuovo, inizio!*", FTIM aimed to stimulate types of shows that could once again bring applause and sharing experiences to the forefront, where safety measures could be an additional element of emotional support, rather than a barrier, where digital streaming could be a means to reach all fans and expand audiences.

The tragic experience of the pandemic created a process to be developed: streaming. The numerous events broadcast through streaming during 2020 resulted in the gradual adoption by theaters and cultural organizations of innovative, usable formulas for participation. Moreover, commitment and creativity, strength and passion kept artists going, as they developed extremely creative and generous shows. However, it is undoubted that streamed performances strongly missed the audience in the theater.

FTIM posed the question of show business in the post-lockdown period, and thus decided to promote projects that combine the two types of enjoyment, digital and physical attendance. The objective of this tender is to capture the significant potential participation that technology permits and reopen the traditional forms of attendance that were missed during this period of suspension, inventing a new, innovative formula for going to the theater, a concert or the movies.

The awardees of the grant of 125,000 euros each were:

- **Fondazione La Società dei Concerti of Milan**, for the **Swipe Your Stage!** project, which brings a new format for enjoying live classical music to the Milanese music scene. 10 concerts in the Milan area, both in the city and suburbs, in which viewers can experience excellent music due to the software developed by Diagon s.r.l., 400 tablets and 6 professional video cameras installed in the concert halls.
- **Fucina Culturale Machiavelli for the VIRTUAL LIVE project**. The goal of this initiative is to bring live plays to the largest possible audience, using virtual reality and live broadcasting, which can be viewed anywhere in the world, on any device. This involves an actual movie in real time: a single, long sequence shot, which the viewer enjoys live, in which the actors act following a plot that includes several decisions and possible split offs. The spectator is the one to choose which action to take.

2. *Facciamola facile* (Let's Make It Easy)

Through the tender "*Facciamola facile*," FTIM aimed to identify new ways of "reconnecting" with cultural events through technology, but also through personal services, starting with the fundamental concept of the equality of every human being, which does not divide the audience into categories, but makes culture, content and places equally usable and accessible to everyone.

The objective of the tender was to stimulate the creation of projects that make it simpler to experience cultural activities in museums, theaters and auditoriums for all people, with the support of technology, but also through personal services. The tender aimed to provide significant opportunities to projects whose use of technologies such as artificial intelligence solutions, apps, augmented reality, web-based solutions, computer programs and virtual viewing platforms were their empowering strengths.

Polytechnic University of Turin – Automation and IT Department, for the Reading (&) Machine Project, was awarded a grant with a value of 100,000 euros. The project moves along two lines that are parallel to each other, but highly interconnected. On one hand, it works on designing and implementing a system of recommendation, with the assistance of artificial intelligence technologies, to represent, expand and enrich the experience of reading. On the other hand, it assists readers using a system of discovery and navigation, enabling them to move through a virtual library, where each user can explore the books ordered based on his/her interests, and interact with authors, publishers, critics and other users. This assistance can be used from home, via the internet, as well as at libraries and bookstores, due to physical installations.

3. *... di nuovo musica, Maestro!* (Play It Again!)

Through the tender "*... di nuovo musica, Maestro!*," FTIM focused resources and attention to music, to give life to ideas and initiatives dedicated to new ways of enjoying live music. Music has always been an instrument of emancipation, inclusion and integration, a form of expression that frees up new energies and breaks down social barriers, an area for which FTIM has always demonstrated sensitivity and commitment.

This tender specifically proposed the creation and development of projects to identify innovative solutions, using the support of technology, to assist those who currently have difficulty affording costs, specifically due to the economic effects of the pandemic in this artistic area.

The awardees were:

- **Officine Buone OdV of Pioltello, Milan**, with "**Open Stage - Da Sanremo all'Eurovision**" (**Open Stage - From Sanremo to Eurovision**), an innovative project that makes emerging artists protagonists in their towns, using technology and a traveling contest that stops in Sanremo, Milan and Turin, site of the Eurovision Contest 2022, for an amount of 125,000 euros. This initiative will develop an innovative urban entertainment platform with numerous functions that can be activated using IoT and 5G technology.
- **Jonathan Livingston Association of Palermo**, with the "**TIM Ecotourism-Music Live**" project, for an amount of 123,115 euros. This is an app which provides users with the option to take virtual tours of natural reserves managed by the G.R.E. and receive information on all musical events and live tours that are developed in the sites involved in the project.

In 2021 FTIM decided to develop highly sensitive initiatives in line with the objectives of the Fondazione based on its mission, through 4 donations to entities that have distinguished themselves due to the worthy projects presented:

1. Sanità di Frontiera Onlus

Given the positive evolution of the “Polo psichiatrico-psicologico per giovani a rischio dipendenze” (Psychiatric-Psychological Hub for Youth at Risk of Addiction) project, which was previously supported in its start-up phase in 2020, FTIM decided to contribute also in 2021, with an amount of 50,000 euros. Based on the results obtained, the steady increase in users reached and the emerging needs expressed by the scenario in which it operates, it was deemed essential to be able to guarantee uninterrupted work in the local areas for another 12 months. The project entails the creation of “low threshold” Psychiatric-Psychological Hubs in the San Lorenzo, Tor Marancia and Pietralata districts of Rome, to support and work in line with the services already present in the local areas to prevent and combat psychological-social difficulties among the most vulnerable young people, both foreign and Italian (children and young adults) at risk of addiction to psychoactive drugs and alcohol, difficulties which are currently exacerbated by the coronavirus emergency.

2. Fondazione Campagna Amica

A grant of 50,000 euros for a Solidarity Campaign to distribute packages of 100% Italian food to families in need for Easter 2021. This solidarity initiative, sponsored by the Presidency of the Council of Ministers, included agricultural and agrifood companies, the management and national and local structures of Coldiretti (Italian Agricultural Trade Association) and the Campagna Amica markets for direct sale of agricultural products.

3. European Brain Research Institute (EBRI) Rita Levi Montalcini

FTIM awarded a donation in the amount of 60,000 euros to the “*Sostegno alle Ricercatrici Afghane*” (Support to Afghan Women Researchers) project. The project intends to provide scientific information, cultural growth and a better future to Afghan women who have taken on a scientific career in biomedical research and saw the possibility of pursuing studies and work in their country suddenly vanish. Specifically, the project aims to award 2 scholarships to Afghan women researchers who have educational and post-gradual training levels that could integrate into research projects in the field of neuroscience carried out by the EBRI.

The EBRI will welcome the two scholarship winners in its labs, offering them all the necessary support and supervision within the research team they will be assigned to. The grant from FTIM will make it possible to execute part of the project, covering one of the research scholarships and the related room and board of one Afghan woman researcher, for 2 years.

4. With Giacomo against Vascular Ehlers-Danlos Syndrome-APS

With a grant of 10,000 euros, FTIM decided to support this association that carries out the social promotion of scientific research on diagnosis and treatment of Vascular Ehlers-Danlos Syndrome, a rare genetic disease that results in the irregular production of collagen, which puts veins, arteries and hollow organs at risk of hemorrhage. The goal of the association is to protect the rights of people affected with that disease, favor their social integration and improve the quality of life of patients and their families.

Mausoleum of Augustus

The Mausoleum of Augustus, the largest circular tomb in the ancient world, an emblem of the architectonic excellence of ancient Rome, reopened to the public on March 1, 2021. The Mausoleum was closed in 2007 due to the start of archaeological investigations in preparation of the extensive project of recovery and restoration carried out by Roma Capitale. FTIM immediately joined the project for restoration and enhancement of the Mausoleum to give life back to one of the most visited sites in the world. FTIM believes that it is important that private patrons also work to conserve and promote Italy's historical and cultural assets.

Instituto TIM

On the Brazilian front, the social investment strategy implemented by TIM aims to promote the social inclusion of disadvantaged groups in Brazilian society, particularly children and teenagers, by running educational programs relating to Science, Technology and Innovation (STI).

Instituto TIM was founded in 2013, with the aim of defining strategies and providing resources for the dissemination of science, technology and innovation to support the development of community in Brazil.

Four areas were identified as being important for Instituto TIM's contribution to the development of Brazilian society:

- education/teaching,
- applications,
- work,
- Social inclusion.

INSTRUMENTS	STRATEGIC OBJECTIVES	SELECTION AND MONITORING OF PROJECTS
<ul style="list-style-type: none"> Partnerships with organizations, institutions and public and private entities. Open-source / free software technologies and materials. 	<ul style="list-style-type: none"> Implementation of educational projects for the social inclusion of children, teenagers and young people. Implementation of projects to encourage the everyday use of free technology in public entities for swifter, more efficient public administration. 	<ul style="list-style-type: none"> The projects are selected on the basis of how relevant they are to the strategies and requirements of Instituto TIM. The initiatives are monitored and a final report is drafted for each project. The report provides a detailed description of the initiative and the results achieved, including in terms of the numbers.

Instituto TIM's work has already reached all 26 Brazilian states and the Federal District, involving over 700,000 people.

Instituto TIM-OBMEP scholarships

The Instituto TIM-OBMEP Scholarships are dedicated to the winners of the Brazilian Public School Mathematics Olympics (OBMEP) who have started a degree in Astronomy, Biology, Computer Science, Economics, Engineering, Statistics, Physics, Mathematics, Medicine or Chemistry at a state university and come from low-income families. The program is the result of a partnership between Instituto TIM and the Brazilian National Institute for Pure and Applied Mathematics (IMPA).

Since 2015, scholarships of around 1,000 reais have been paid every month for a maximum duration of 4 years. 150 students receive these subsidies each year.

Academic Working Capital

Academic Working Capital (AWC) is a business education program supporting students wishing to transform their final degree project (*Trabalho de Conclusão de Curso*, TCC) into a technology-oriented company. The students attend bi-weekly workshops and monitoring sessions that help them to create an ecosystem in which the idea of "business" permeates the thoughts and actions of all participants. AWC offers financial support for the purchasing of consumables for the creation of authentic production engineering prototypes. At the end of the year, the groups present their products to investors and entrepreneurs.

Since 2015 the program has involved 448 college students, with 161 projects supported and 58 start-ups launched.

Garatêa

The Garatêa-ISS initiative takes pupils' scientific experiments into space and brings the study of space sciences into schools. As a result of those initiatives, from 2015 to 2020 over 250 college students received support and 141 space-related science experiments were carried out by students throughout Brazil.

In 2020, due to Coronavirus and implementation of distance learning, the Garatêa project suspended its activities in schools. But, as always, on completion of the project, a Selection Board, along with specialized technicians working at NASA, chose the best scientific experiment. At the end of the year, the winning experiment for the 2019-2020 project, "The Influence of Microgravity on the Breakdown of Lactose and the Development of Bacteria in the Gut Flora", developed by pupils in their second year of the Colégio Regina Coeli in Sorriso, Mato Grosso, was sent to the International Space Station (ISS). In 2021 Garatêa was concluded, terminating its cycle with this important award.

TIM Tec

TIM Tec is an MOOC² platform and free software that offers free online courses in line with the Information and Communication Technology course that is part of the PRONATEC program³. Anyone can register to follow courses that teach, for example, programming languages, game, website and database design. There are also courses for primary school teachers and for honing skills considered fundamental for the training of all professionals, such as writing.

The technology and content of the TIM Tec platform are shared with the public training establishments with the support of the Department of Vocational and Technological Education of the Ministry of Education (Setec/MEC). TIM Tec software was installed by 23 federal institutions and 2 state institutions and used as a remote training platform.

Over the last two years, Instituto TIM has focused its efforts on making people's lives easier during the pandemic. Registrations for the free online courses on the TIM Tec platform rose by 200% in the first half of 2020, enabling more than 100,000 Brazilians to use the period of social isolation to improve their vocational skills with the 31 courses on offer. In 2021 a new course was launched, dedicated to topics relating to technology, agriculture and food.

Busca Ativa Escolar – Instituto TIM and UNICEF

There are 3.8 million children and teenagers out of school in Brazil. These children, aged from 4 to 17 years old, are denied the rights guaranteed under the constitution and the chance to acquire the skills they will need in

² Massive Open Online Courses

³ *Programa Nacional de Acesso ao Ensino Técnico e Emprego*, National Program for Access to Technical Training and Employment

adulthood. To guarantee the right to learning, the United Nations Children's Fund (UNICEF) launched the *Fora da Escola Não Pode*⁴ initiative to combat school exclusion.

In 2014, Instituto TIM entered into a partnership with UNICEF to develop the technological solution Busca Ativa Escolar, a free IT platform that will facilitate and encourage the work of municipalities in the active search for those 3.8 million children and teenagers. The objective is to provide high-level civil servants with an innovative approach, so that they can find out-of-school children using information and communications technologies (ICT).

This technical solution improves coordination of the various government departments, as everyone has access to the same database. This system enables each municipality to monitor children who do not attend school that are present in the territory under their responsibility. With this information collected, public officials have additional tools to monitor school exclusion in their municipalities and decide how to combat it. There are currently over 3,000 municipalities registered on the platform, equal to 54% of all municipalities in Brazil.

O Círculo da Matemática do Brasil (Brazilian Math Circle)

One of the greatest obstacles to scientific and technological progress in Brazil is the poor standard of maths teaching in schools. According to the Ministry of Education, only 42% of pupils in the third year of primary school can do simply arithmetic like addition and subtraction. In the PISA⁵ 2018, based on the results obtained by students in math, Brazil ranked 70th out of a total of 79 countries on the list.

Focusing on the very first years of primary school, the *O Círculo da Matemática do Brasil* (The Math Circle in Brazil) project, working with its founders, Harvard University Professors Bob and Ellen Kaplan, introduced the Math Circle approach in the country, adjusting and adapting its content to the Brazilian context. The strength of the Math Circle lies in its educational aspect, according to which pupil participation and reflection are fundamentally important for acquiring mathematical knowledge. Since 2013, the project has involved 25,000 pupils and 4,500 teachers in 29 cities.

More information on Instituto TIM is available on the website institutotim.org.br/en/

Security and management of emergencies

With the aim of ensuring maximum cooperation, in terms of security and management of emergencies and crises, national and local institutions and affected communities, TIM has signed and implemented the following agreements:

- A “memorandum of understanding between the Department of Civil Protection of the Presidency of the Council of Ministers and the providers of electronic communication services to allow emergency information to be sent across national geographical areas.”
- An “agreement between the Crisis Unit at the Ministry of Foreign Affairs and International Cooperation and providers of electronic communication services for the supply of messaging services for Italian citizens abroad in emergencies.”
- The “Convention for implementing a device to generate Missing Child Alert” launched with the Italian Ministry of the Interior, Department of Public Security;
- A “contract for the supply of information on the location of SIM cards used in TIM phones” with the national mountain and cave rescue corps to locate people lost in the mountains.

Furthermore, as required by the relevant laws on **training**, we:

- test the soundness of the emergency planning and the ability of the company's operational Crisis Management Systems to respond;
- maintain staff, structures and tools of the emergency management system in a state of readiness;
- Identify, where necessary, actions to improve internal company processes and the processes used to interface with the relevant stakeholders (institutions, communities and customers).

Throughout 2021, TIM took part in the “Leonessa 2021” drill on risks of Civil Defense, organized by the Brescia Prefecture.

TIM's involvement in these drills is necessary as the company delivers essential services and is part of the National Civil Protection Department (Law 225/1992), together with other public and private organizations and the Ministry of the Interior's Interministerial Technical Commission for Civil Defense. It should be noted that, compared to past years, the Institutions reduced the organization of both protection and civil defense drills to a minimum in 2020 and 2021 due to the COVID-19 pandemic.

In the area of training, with the goal of contributing to strengthening the culture of risk prevention and expanding the awareness and knowledge of safe conduct, TIM supported “*Io non Rischio*” (I Won't Risk It), the national communications campaign on good civil protection practices, promoted by the Civil Protection Department.

Finally, TIM has made sure it is represented in national and local institutional crisis units – in times of both crisis and calm – and that service requests are satisfied and dealt with within 12 hours and 24 hours as set out in Prime Ministerial Directive 3.12.2008 on “operating directions for managing emergencies”.

Lastly, below are the **five emergencies managed during 2021**, with particular reference to the work carried out during the pandemic:

⁴Out of school is not an option!

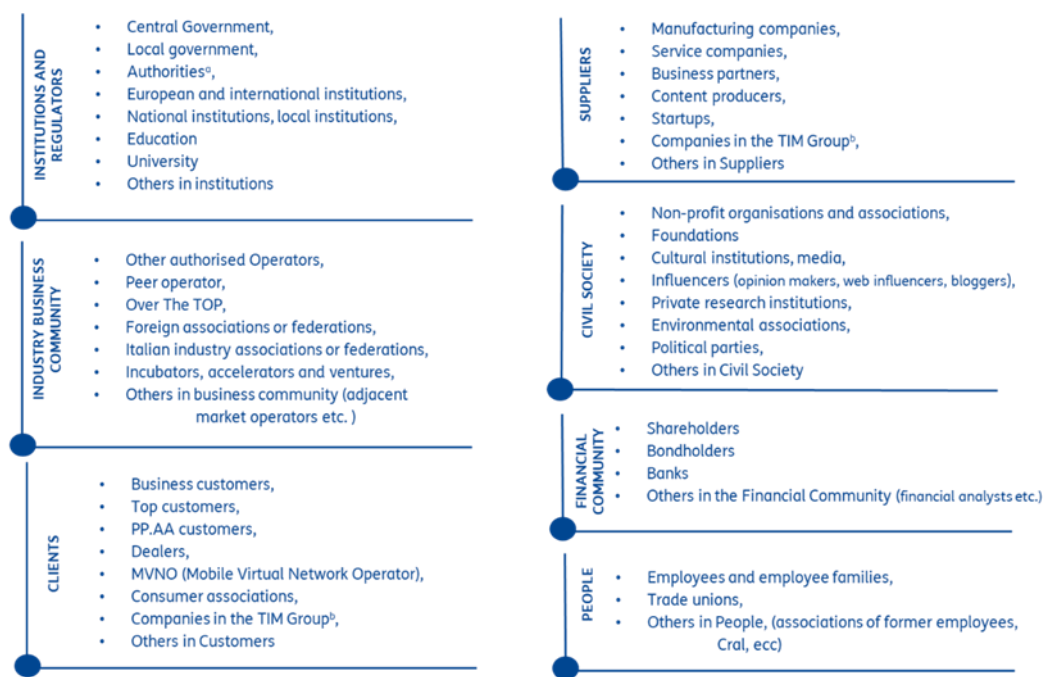
⁵ Programme for International Student Assessment

1. COVID-19 pandemic
 - Implementation of the Crisis Management System
 - Setting up of the Crisis Management Committee chaired by the CEO;
 - Formation of all 17 Operational Crisis Teams (OCT) made up of the heads of the departments considered essential for crisis management;
 - Cooperation with Central and Local Institutions
 - Representation on the Operational Committee of the Italian Civil Protection Department (CPD), set up on a permanent basis from January 31, 2020;
 - Cooperation with the “Essential Services” Sector of the Civil Protection Department.
2. Lost hikers on Monte Cimmarani (in L'Aquila);
3. Snowfall in Garfagnana;
4. Missing child in Palazzuolo sul Senio (Florence);
5. Oristano (Sardinia) Fire;

Stakeholder engagement

TIM believes it is fundamentally important to consider the opinions and expectations of its stakeholders, that is to say the parties who for various reasons have an interest in or impact on the Company's activities, and vice versa.

[GRI 102-40] The stakeholders with whom TIM comes into contact in the conduct of its business are many and very varied. To facilitate their management, stakeholders were grouped into seven main categories, as a result of the dual activities of benchmarking comparable companies and, in parallel, internal consultation:



Notes in the table:

a: by Authority is meant independent authorities, for example of supervision and control such as the Italian Communication Authority or the Italian data protection authority, or, in Brazil, ANATEL (National Telecommunications Agency) and MCTIC (Ministry of Science, Technology, Innovation and Communication).

b: the "Companies of the TIM Group" have been considered as stakeholders and, more specifically, as "Customers" (e.g. TMS - Telecom San Marino) and "Suppliers" (e.g. Olivetti) both to facilitate the mapping process of the stakeholders who have a relation with TIM and to highlight possible feedback issued to determine materiality.

[GRI 102-42] [GRI 1024-3] The stakeholder engagement process takes place on a regular basis both during the course of the company's operations and in the implementation of specific projects.

Based on the company's business and other objectives, for each project: firstly, the stakeholders of reference are identified, then the processes for dialog and listening are studied and implemented (individual meetings, group meetings, information sessions, joint projects, surveys, focus groups, etc.), and, lastly, the most suitable solutions and initiatives are identified and implemented to provide a concrete response to their needs. Stakeholder involvement also continues beyond this and serves to monitor and adjust the development of initiatives.

In this regard, TIM has drawn up "general Guidelines for group stakeholder engagement" and a set of policies associated with different kinds of stakeholders (including customer service charters, a policy on relations with suppliers in purchasing processes, the code of conduct for protecting the data of other local operators, guidelines for relations with local authorities and other organizations, guidelines for voluntary contributions to the Community).

Among the various stakeholder engagement initiatives organized in 2021, the most important were the web conference "5G: *Innovazione, Opportunità e Regole*" [5G: Innovation, Opportunities and Rules], organized by TIM in partnership with Consumers' Forum²⁵. Following this event, representatives of 9 of the leading Italian Consumer Protection Associations were interviewed, including six associations participating in the protocol with TIM²⁶, representing over 500 thousand members, which were engaged and listened to in discussing the risks and opportunities linked to 5G. The topics that arose during the event showed priority for the topics of privacy and data protection in addition to the correct use of data collected using 5G technology, topics which were found in the 2021 Materiality Analysis.

²⁵ This is an independent association created in 1999 and composed of the most important consumer protection associations, institutions, numerous industrial and service companies and their trade associations.

²⁶ ADOC, U.Di.Con, Adiconsum, Codacons, Cittadinanzattiva and Federconsumatori.

Shareholders

The Group is aware of the importance of providing accurate information on its activities to the financial market, investors and the community in general. Subject to the need for confidentiality in the running of the business, communication with the financial market is carried out in a way that ensures transparency, fairness, clarity, promptness and equality of access to information, ensuring equality of treatment for all categories of shareholders, as required by the bylaws. The external communication of information is governed by specific internal procedures, in line with the regulations in force. The Investor Relations Department manages relations with the main stakeholders: institutional and retail investors (including minority shareholders' associations), bondholders, socially responsible investors, equity and credit analysts. The Company has set up dedicated channels of communication with shareholders, bondholders and stakeholders interested in receiving information about the financial and non-financial aspects of the Company. Once again in 2021, in line with the past and within the limitations imposed by the pandemic, the Company organized quarterly conference calls, online meetings and attendance at trade conferences; these activities were accompanied by direct contact and telephone conversations managed by the Investor Relations team on a daily basis.

In relation to TIM's strong interest in establishing and maintaining a constant and ongoing relationship with institutional investors, managers, shareholders and the main stakeholders, in addition to its duty to the market, in November a meeting promoted by Assogestioni was held, involving around 20 managers, representing 10 asset management companies. During the meeting, topics linked to Group strategies, the increasing competitiveness of the market - linked to environmental and social factors - and the improvement of Company governance were discussed.

Lastly, financial communication focuses on the web as an important means of sharing information with the outside world: in this sense, the "Investors" channel on the website gruppotim.it/en is constantly updated with presentations of the Three-Year Strategic Plans, including the Sustainability Plan, the quarterly financial results, intermediate and annual reports, the Sustainability Report, notices and documentation useful for the Shareholders' Meeting and the financial calendar of the company.

In addition to the web channel, the financial community and general community can contact the company using the dedicated email addresses at Investor_relation@telecomitalia.it and groupsustainability@telecomitalia.it or the twitter account www.twitter.com/TIMNewsroom.

[GRI 102-43] [GRI 102-44] The Group's main stakeholder engagement initiatives taken in 2021 are summarized in the Appendix.

In the diagram, each initiative is marked by an icon that represents the type of relationship:

- "information" refers to one-way communications by the Company with stakeholders;
- "consultation" refers to the occasions when stakeholders are asked for their opinion through surveys or similar tools;
- "dialogs" refers to the discussions and ongoing and stable cooperation between the Group and stakeholders;
- "partnership" refers to the specific projects that are managed together.

In 2019, with the aim of knowing and analyzing the external vision with respect to the most relevant issues for its strategy, TIM invited a selection of its stakeholders to register in the area reserved for consultation on the RE2N collaborative platform²⁷.

Specifically, this initiative is part of the new methodology adopted by TIM for materiality analysis (described in the dedicated paragraph in this chapter) that leverages the potential of digital, including through sustainability activities.

²⁷ a company that develops innovative tools for sustainability and Shared Value

Materiality Matrix

[GRI 102-46] As envisaged in Legislative Decree 254/2016 and in accordance with the requirements of the Global Reporting Initiative Standards, TIM carried out the materiality analysis process again in 2021, to identify the priority socio-environmental and governance topics.

Process to identify the material topics

In addition to confirming the topics detected in 2020, the analysis to determine the 2021 topics change several topic names and descriptions to include new aspects and factors or emerging sub-topics.

Initially, the taxonomy¹ to be used in the semantic engine was updated. In addition to considering the most recent “sustainability” and “digital” references used in 2020², their number was increased by adding new sources deemed particularly important³. Moreover, for the first time, for the purpose of strengthening the entire process of structuring the taxonomy, a university technical committee was established.

Through the iterations and on the basis of occurrences⁴ present in the more than 200 documents analyzed, the new tree of relevant topics has been identified:

- *Climate change*
- *Cyberbullying, child pornography and online gambling*
- *Human rights*
- *Ethics and corporate governance*
- *Digital inclusion*
- *Infrastructure and emerging technologies*
- *Work and human capital*
- *Equal opportunities in the Company*
- *Procurement policies focused on Environmental Social and Governance (ESG) issues*
- *Privacy and cybersecurity*
- *Relations with customers*
- *Environmental Social and Governance (ESG) reporting*

For the topic to be material for the Company and for external stakeholders, consultation activities were launched: internally, a significant sample of representatives of company management was asked to express their opinion by filling in an online questionnaire; externally, the usual online questionnaire, whose answers were suitably weighted, was enriched with big data analysis⁵, based on our collaborative platform⁶.

¹ Each taxonomy is made up of interrelated concepts and keywords with different correlation and significance levels. Each taxonomy was constructed using both Italian and English terms.

² Such as, for example, the Global Reporting Initiative Standard, ISO 26000, the Sustainable Development Goals or the DJSI - Dow Jones Sustainability Index.

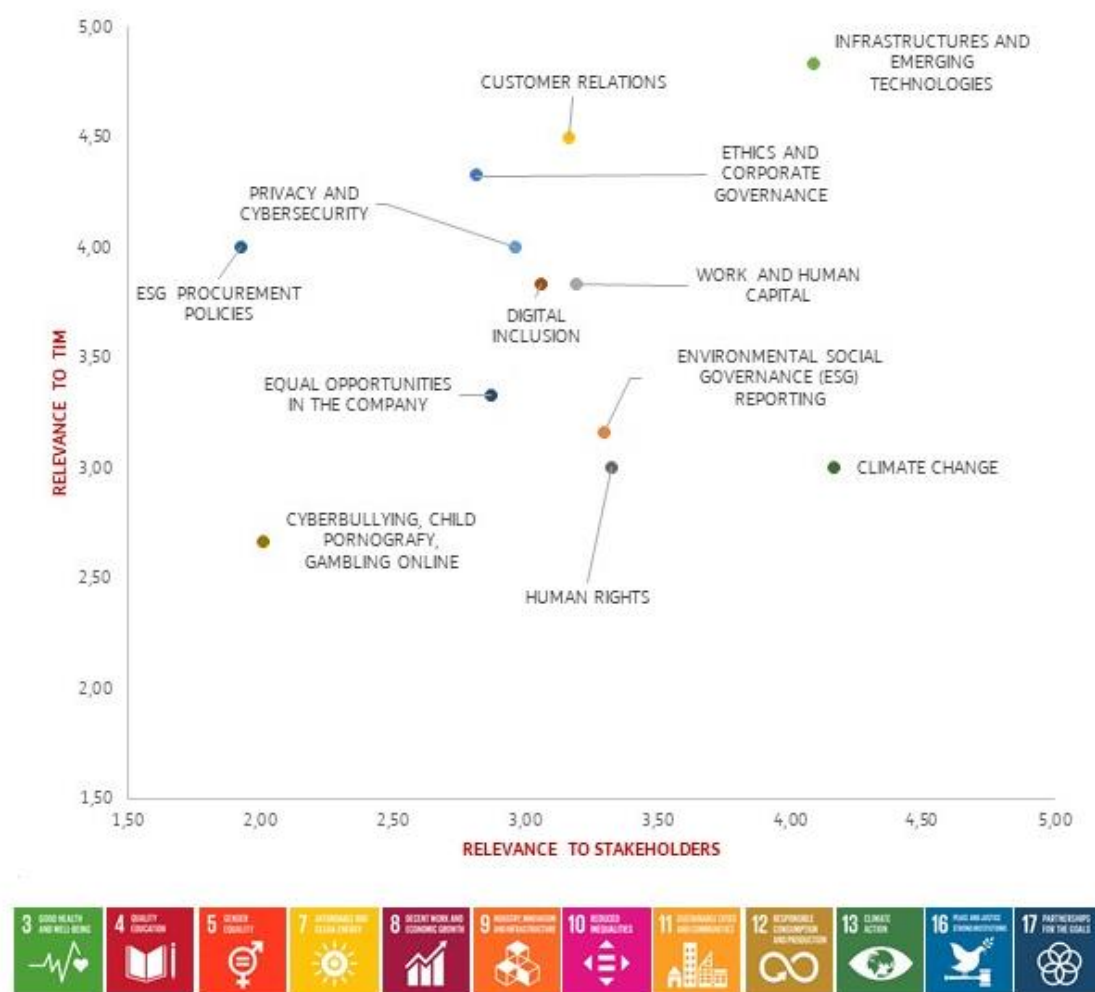
³ Such as the EU Taxonomy or the TCFD - Task Force on Climate Related Financial Disclosures.

⁴ Meaning the number of times that a concept (or a specific term) is detected within the document by the semantic engine. This provides an indication of the significance of the topic detected in the context of the document.

⁵ Using the TIM Data Room, the stakeholders' points of view on the topics were investigated, examining both their statements made on the related institutional sites as well as the discussions posted on social networks.

⁶ On the TIM collaborative platform, stakeholders pertaining to the categories of the TIM Group were engaged and consulted.

The 2021 TIM Materiality Matrix⁷, validated by the Control and Risk Committee in December 2021 along with the GRI indicators reported on in this document, is shown below:



The key issues for the Group and its stakeholders reflect the Sustainable Development Goals which TIM believes it can help achieve to a greater extent through its own personnel, technologies and services, adopting business policies that promote and safeguard human rights and the environment.

Specifically, the relevant Goals are:

- No. 3: Ensure healthy lives and promote well-being for all at all ages;
- No. 4: Quality education
- No. 5: Gender equality
- No. 7: Affordable and clean energy
- No. 8: Decent work and economic growth
- No. 9: Industry, innovation and infrastructure
- No. 10: Reduced inequalities
- No. 11: Sustainable cities and communities
- No. 12: Responsible consumption and production
- No. 13: Take urgent steps to combat climate change and its consequences;
- No. 16: Peace, justice and strong institutions;
- No. 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development.

⁷ Based on the analysis of institutional sources, the opportunity arose to combine several topics which, as a result of the effects of the COVID-19 pandemic and in the current context, were no longer separate, but consequences of each other. For this reason, in 2021, 12 topics were identified instead of the 17 in 2020.

Validation and Review

The validation of the topics and of the entire materiality analysis process was carried out by the Investor Relations' Sustainability Planning and Performance Index Analysis department, with the support of RE2N and TIM Data Room. The results reported in the Matrix were validated by the Sustainability Committee and the Control and Risk Committee, and, following its approval, the Matrix forms the basis for creating the Group's ESG-based Strategic Plan, in addition to the non-financial reporting for 2021.

The review phase is due to take place as a preparatory stage prior to the next reporting cycle, with the aim of submitting the results of the analyses carried out, updated in the following year, to specific stakeholder engagement activities.

Boundaries

[GRI 102-47] All the themes that are judged to be material have major implications both inside and outside the Company and are cross-cutting topics that are relevant to all the consolidated companies in the Group, wherever these may be, without exception, and which are relevant to all external and internal stakeholders, these being. The material topics identified, in order of importance, are:

- Infrastructure and emerging technologies
- Relations with customers
- Climate change
- Ethics and corporate governance
- Work and human capital
- Privacy and cybersecurity
- Digital inclusion
- Environmental Social and Governance (ESG) reporting
- Human rights
- Equal opportunities in the Company
- Procurement policies focused on Environmental Social and Governance (ESG) issues
- Cyberbullying, child pornography and online gambling

[GRI 102-49] Finally, there have been no significant changes in the business perimeter (and therefore of boundary importance) in the last few years. During 2020, INWIT S.p.A. exited the scope of consolidation of the Group.

Material topics and Sustainable Development Goals in the '22-'24 Strategic Plan

For the Group, the Materiality analysis is an important tool to identify the most important ESG priorities, in line with its business strategy.

The diagram below shows the 2021 ESG topics and the related sustainable development goals, aligned with the 6 pillars of the '22-'24 Plan, described at the beginning of this report.



Sustainability governance system

[GRI 102-18] [GRI 102-26] The Sustainability Committee, composed of independent directors and chaired by the Chairman of the TIM Group, performs consultation, proposal, monitoring and investigation duties, to support and steer the activities of the full board and the management, in the areas of environmental and social sustainability and governance (ESG), in terms of positioning, objectives, processes and specific initiatives of TIM and the Group.

The Committee interacts with the Nomination and Remuneration Committee with regard to possibly including ESG considerations in the remuneration policy (for example, for the incentive parameters and targets), in addition to monitoring the adoption and implementation of measures to promote equal treatment and opportunities between genders within the company organization and with the Control and Risk Committee in the preliminary analysis of the Sustainability Report/Consolidated Non-Financial Statement and in analyzing company ESG risks.

Responsibility for monitoring the Group's ESG issues and identifying sustainability projects and initiatives lies with the Sustainability Metrics & Performance Index Analysis department (SP&PIA) - of Investor Relations - and the Sustainability Projects & Institutional Digital Channels department (SP&IDC), which reports to the Head of Institutional Communications, Sustainability Project & Sponsorship.

[GRI 102-32] The Sustainability Steering Committee, chaired by the CEO and composed of the Group's main Departments and Companies, is responsible for overseeing drafting of the Sustainability Report/Consolidated Non-Financial Statement, including the materiality analysis. The Control and Risk Committee prepares the financial and non-financial communication for the period prior to examination by the full board.

[GRI 102-31] During 2021, the Board of Directors met with those responsible for sustainability activities in February for the ESG Plan and for the approval of the Sustainability Report, in addition to further meetings with the Sustainability Committee/Control and Risk Committee held in June, September, October and December.

[GRI 102-19] Socio-environmental responsibilities are delegated, in the same way as all other powers delegated by the company, by applying the procedure granting and revoking powers. Specifically, [GRI 102-20] the responsibility for communications on environmental and social issues lies with the SP&IDC department, while SP&PIA, coordinating with the Financial Reporting department, is responsible for planning and monitoring ESG issues as well as managing relationships with rating agencies and Socially Responsible Investing (SRI) investors. The responsibility for the drafting of the Sustainability Report lies with the Consolidated Financial & Sustainability Statements department of Financial Reporting, Accounting & Revenue Assurance. Responsibility for managing individual socio-environmental themes remains with the departments that directly manage operations relating to these themes. [GRI 102-26] These latter departments in particular identify specific strategies and targets for improving socio-environmental performance, each in its own area of responsibility, coordinating with the staff departments SP&IDC and SP&PIA.

[GRI 102-21] Responsibility for dialog with stakeholders is delegated to the departments that are operationally responsible for dealing with the Company's stakeholders. However, it is noted that at the meeting of December 16, 2020, the Board of Directors approved the Engagement Policy (available on the website gruppotim.it/en, About Us section - Governance/Governance Tools/Procedures channel), a document which formalized the matter of dialog with the entirety of shareholders, recommended by the Corporate Governance Code of Borsa Italiana.

References

In defining and implementing its sustainability strategy and programs, the Group is inspired by the guidelines issued by the main global guidance and standardization organizations in the field of corporate responsibility. The system of sustainability management also takes into account the principal reference regulations and international standards:

- decrees, directives, recommendations and communications of the Italian Parliament and the European Commission;
- the OECD guidelines directed at multinational enterprises;
- standards UNI EN ISO 9001, 14001, 27001, 37001 and 45001, respectively for quality, environmental, information security, anti-bribery and health and safety management systems;
- principles of the International Labour Organization (ILO) Conventions on respecting the fundamental rights of workers;
- GRI Sustainability Reporting Standards, comprehensive option;
- Sustainability Accounting Standards Board (SASB);
- Taxonomy of eco-compatible activities (Regulation EU 2020/852);
- AA1000 AccountAbility Principles Standard.

[GRI 10212] [GRI 10213] TIM has long been a member of many environmental and social organizations, both national and international, formed to disseminate universally recognized values including respect for Human Rights, employment rights and environmental protection.

The main associations which the Group is signed up to or part of are listed below:

- Global Compact, the main global benchmark launched in 2000 by the UN, to which TIM has been signed up since 2002. TIM is a member of the Global Compact Network Italy;
- ITU (International Telecommunications Union) the UN's main agency for Telecommunications and Information, as well as a reference point for governments and the private sector in the development of networks and services;

- ETSI (European Telecommunications Standards Institute), the main European standardization organization for telecommunications;
- GSM Association, an international association of leading mobile phone operators, conducts studies on the positive contribution of technology to reduce greenhouse gas emissions and achieve the UN's Sustainable Development Goals;
- GRI, Global Reporting Initiative, the organization that defines and develops globally applicable standards for drafting of the sustainability report;
- GeSI (the Global e-Sustainability Initiative), a global partnership of ICT companies to promote the sustainable development of new technologies;
- ETNO (European Telecommunications Network Operators' Association), a trade association which aims, among other things, to develop a competitive and efficient European telecommunications market through coordination between operators and dialog with state bodies;
- JAC (Joint Audit Cooperation), a joint initiative between telecommunication operators to perform sustainability audits of the production plants of their respective suppliers in geographical areas that present a high social and environmental risk. TIM is one of the three founding members;
- Sustainability Makers (formerly CSR Manager Network Italia), the association for the sharing of trend studies and analysis on topics related to sustainability and business performance improvement through the integration of sustainability best practices.

Codes, Policies and Charters

[GRI 102-16] In the belief that the success of the company cannot be separated from business ethics, the Code of Ethics and Conduct and the Human Rights Policy of the TIM Group set out the objectives and values of the Company's activities in respect of the main stakeholders with whom the Group interacts.

The Service Charters, which are intended to simplify the relationship with customers and make it more direct, set out the principles of conduct and undertakings given by TIM regarding the quality of the services offered. They also provide information regarding the ongoing improvement of quality standards and contact channels available to customers.

The Service Charters are available via the Group's commercial websites (tim.it, timbusiness.it).

Furthermore, in order to comply with the various resolutions of the Italian Communications Authority regarding quality, the objectives set for each year for the individual services (fixed and mobile voice services, Internet access services, call center services for customer support) are published on the relative websites.

Among the other codes relevant to sustainability to which TIM has signed up, we should mention the Equal Opportunities Charter, the Self-regulation code for mobile services, the Code of Conduct for premium rate services and the Corporate Governance Code for commercial communication (available on the gruppotim.it website).

Information on the Group's other commitments are available in the Sustainability section of the website, via the following link gruppotim.it.

For more details on TIM S.A., refer to the website ri.tim.com.br/en/esg/regulations-and-policies/

Risk management

[GRI 102-15] [GRI 102-29] [GRI 102-30] [GRI 102-11]

The TIM Group has adopted a Risk Management model that is constantly evolving, aligned with international regulations and standards, to allow the identification, assessment and management of risks in a uniform way within Group companies, highlighting potential synergies between the actors involved in the assessment of the internal control and risk management system.

The Risk Management process is designed to identify potential events that may affect the business, to manage risk within acceptable limits and to provide reasonable assurance regarding the achievement of corporate objectives.

The Risk Management Model:

- classifies risks based on their impact into:
 - strategic (resulting from the evolution of factors underpinning the main assumptions used for the development of the Strategic Plan)
 - operational (resulting from the evolution of risk factors, both endogenous and exogenous, that might compromise the achievement of business targets);
- assesses the risks not just individually but also in terms of the risk portfolio (correlation analyses);
- identifies and updates the overall set of risks to which the Group is exposed through:
 - analysis of the Business Plan
 - monitoring of the reference context (for example, the macroeconomic and regulatory context)
 - specific analyses of risks to which corporate assets may be exposed
 - cyclical monitoring and analyses with the Risk Owners, in order to intercept any changes and/or new risk scenarios.

The approach adopted is dynamic and therefore requires a review of the risk scenarios not only following periodical assessments, but also at times of significant change within and outside the Group and when new risk situations are identified and/or occur. It also has cyclical pattern linked to the stages of the strategic planning process.

The management process includes the following stages:

- a. definition of the context and level of acceptance;
- b. assessment;
- c. handling;
- d. communication and consultation;
- e. monitoring and review;
- f. recording and reporting.

The process is managed by the Risk Management Steering Committee, which is chaired and coordinated by the Chief Financial Officer. The Steering Committee ensures the governance of the Group's risk management, aimed at guaranteeing the operational continuity of the business, monitoring the effectiveness of countermeasures taken.

For more details on the process and its phases, please refer: www.gruppotim.it/it/sostenibilita/fondamenti-business/gestione-rischio/risk-management.html

The Risk Management process carried out at Group level has highlighted that commercial activities of the Domestic BU show a different risk profile than those of TIM S.A. in Brazil. For greater clarity, descriptions of the solutions adopted in each perimeter have been reported separately. The table below summarizes the risks associated with the material topics, while the Annual Report contains a brief summary of the main types of risk identified by the Risk Management system.

Material topics	
ETHICS AND CORPORATE GOVERNANCE	
Risks	Management
<p>Management of emergency civil defense events (conventional terrorist attacks, sabotage, etc.) and civil protection events (earthquakes, fires, volcanic eruptions, weather and hydrogeological events, industrial, environmental and health events, etc.), which could damage human resources, tangible and intangible resources of the Group.</p>	<p>The TIM Group constantly improves its organizational model and processes of the Group Crisis Management System, updates emergency planning and procedures, keeps up the readiness of human resources involved in emergency/crisis management and the efficiency of management tools, through training and internal communication. As part of crisis management, to guarantee that essential communications services keep working for all stakeholders, drills are carried out to test the crisis management process and assess the responses and recovery times. In this regard, drills are organized to simulate the management of critical and emergency events caused by natural disasters, civil protection events, IT faults, etc.. As regards the management of the impacts of the COVID-19 pandemic, TIM immediately took all steps necessary to fully implement the emergency provisions issued by the government and regional authorities, in multiple tranches, to limit the virus contagion. TIM has extended the weekly agile working to all professional figures able to do so, including call center operators, and specific prevention and protection Protocols were defined, modulated taking into account the specific nature of the work at hand, for all those needing to continue to work on-field (technicians, store operators and data center operators), equipping them with suitable Personal Protective Equipment and, in line with the legal guidance and taking into account government and health authority guidelines, in accordance with Italian Legislative Decree no. 81/2008, a specific document has been formalized dedicated to COVID-19 and setting out all personnel protection measures aimed at preventing contagion.</p>
<p>In Brazil Risks associated with corporate governance, the integration of strategy with values and corporate culture, management of transactions with related parties and contracts, violations of anti-corruption laws. To prevent interruption in the supply of materials and the provision of services and network infrastructures, thereby guaranteeing business continuity and disaster recovery procedures.</p>	<p>TIM has a policies and standards that regulate internal processes, consistent with the principles set forth in the corporate Code of Ethics and Conduct. In this way, we promise our stakeholders that we will adopt a responsible management approach. In accordance with the TIM Bylaws (article 29 (VII)), the Board of Statutory Auditors is in charge of reviewing, assessing and expressing an opinion on any contracts entered into between TIM or its subsidiaries and majority shareholders or affiliated companies (including all entities under common control or with a controlling stake in a majority shareholder of TIM or otherwise regarded as related parties), in order to ensure compliance with the requirements of free competition. Since 2011, the Company has voluntarily joined Novo Mercado, the highest level of corporate governance on the Brazilian Stock Exchange, as well as being the first and only telecommunications operator named as a Pro-Ethical (Pró-Ética) company by the Brazilian Comptroller General (CGU) and the first to obtain ISO 37001 certification, in 2021. As part of TIM's effort to increasingly improve its governance systems, the Company has goals and commitments in the 2021-23 ESG Plan regarding: customer satisfaction, ethics and transparency, security information and data privacy. In addition to these efforts, TIM aims to create efficient mechanisms to balance the interests of all its stakeholders equally.</p>

Environmental Social and Governance (ESG) REPORTING

Risks	Management
<p>Risks connected with the integration of sustainability issues in the company's strategic vision.</p> <p>In Brazil Risk related to the lack of integration of the corporate strategy on the theme of sustainable development and to the operational management issues in terms of the social, ethical and environmental impact of the company's activities.</p>	<p>Since 2020, TIM has placed sustainable development at the center of its long-term strategy, setting targets in environmental, social and governance areas, and integrating them with other targets of the Long-Term Business Plan.</p> <p>The projects that TIM deploys to achieve these targets contribute to the implementation of 11 of the 17 Sustainable Development Goals of the United Nations Agenda 2030. The governance system envisages two committees dedicated to sustainability: one committee within the Board of Directors, chaired by the Chairman of TIM, with fact-finding and consulting functions and another managerial committee, chaired by the Chief Executive Officer, tasked with strengthening the operational synergies between the technological, business and staff departments of the Group Companies.</p> <p>Through the Sustainability Report, TIM communicates its environmental and social performance, guaranteeing transparency to its stakeholders.</p> <p>In January 2021, TIM placed its first Sustainability Bond, with a value of 1 billion euros, maturing in 8 years.</p> <p>TIM oversees relations with its stakeholders through dedicated departments. These carry out various initiatives and projects to involve and consult stakeholders, to improve the Company's environmental, social and governance performance, maximizing reputation and value.</p> <p>Sustainability Planning and Performance Index Analysis oversees the various stakeholder engagement initiatives and monitors their outcomes.</p> <p>TIM supports and promotes important initiatives on topical ethical, environmental and social matters, and incorporates industry best practices into its governance approach. As part of its management approach, it has signed global treaties and programs and has raised awareness of these issues among both internal and external stakeholders. In addition, it promotes the continuous improvement of its environmental performance and compliance with the Group's regulations, regulatory requirements and guidelines, reinforcing its commitment to sustainable development.</p> <p>In 2020, for the first time, TIM made long-term commitments in its Strategic Plan in a joint effort with the Group. This shows that the operational activities are increasingly geared towards the responsible management of aspects that go beyond mere tax considerations and generate positive and lasting value for society.</p> <p>The ESG Plan, updated annually since then, confirms and definitively integrates ESG aspects to the core business, presenting objectives and targets linked to what is most relevant to our stakeholders and the United Nations Sustainable Development Goals (SDGs).</p>

WORK AND HUMAN CAPITAL

Risks	Management
Implementation of the Upskilling/Reskilling plan. Personnel engagement. Hiring plan.	<p>TIM has launched a hiring program, searching out professional profiles that are compatible with the company reindustrialization/reorganization plan and a program for all personnel for the adjustment of competences in support of requalification, reskilling and upskilling processes, also regarding important insourcing of evolved and traditional, technical-specialized core activities.</p> <p>Following the 2020 Engagement Survey, the plan for TIM personnel has been prepared, with the aim of increasing engagement over a 3-year period. TIM has launched Well-Being initiatives to safeguard the well-being of its human capital, structured in various lines of action relating to the prevention of certain diseases (e.g. Cancer prevention), the promotion of exercise and physical activity (e.g. Partnerships with platforms to access fitness structures) and projects to reduce stress, such as participation in webinars, e-learning courses for well-being and psychological support services provided by external professionals.</p>
<p>In Brazil</p> <p>Risks associated with monitoring employee performance and implementing practices that improve that performance, as well as policies for staff development and occupational health and safety</p>	<p>For TIM, employees represent the company and drive performance through their knowledge, skills and attitudes. With a view to being recognized as an innovative company, the Company aims to attract and retain diverse talents, as well as provide motivation to its employees. The emergence of the Coronavirus pandemic has heightened the importance of focusing on employee health and well-being. The Company responded promptly with several measures such as frequent surveys and telemedicine services, as well as health care plans, and a number of existing benefits such as extended maternity and paternity leave.</p> <p>The COVID-19 pandemic has also brought about a sharp transformation in labor relations around the world. For TIM, the challenge was no different. Employees have had to adapt to working remotely from home and assimilating to new digital skills. However, it was determined that TIM's willingness to provide resources, equipment and training to the work team has helped maintain continuity of services and restore the same level of efficiency.</p> <p>TIM provides employees with training aimed at expanding skills and promoting the personal development of its employees. TIM employees participate in ongoing development programs and initiatives focused on technical skills, competencies and diversification factors aligned with the needs of the business. Our training model promotes knowledge sharing through understudy programs, in which employees observe how colleagues perform various tasks, as well as through feedback and discussions in forums and communities. Employees also participate in formal trainings, courses, lectures, and workshops, both in-person and online, and conduct reading exercises.</p>

RELATIONS WITH CUSTOMERS

Risks	Management
<p>The risk correlated with the evolution of demand. Risks related to the application of the current legislation on privacy and to protection and security of personal data.</p>	<p>The Company adopted a Quality and Customer experience surveillance and improvement model based on "quality by design", with implementation in the departments of surveillance dedicated to defining, developing and verifying customer experience models, as well as planning, developing and verifying customer journeys. In this respect, KPIs and SLAs are defined consistent with the customer promise, by working together to define the improvement plans.</p> <p>The various initiatives are based on transparency, simplicity and respect for the customer, with the objective of offering excellent customer experience. Within this context, improvement plans were launched, with targeted actions aimed at transforming the culture and engaging all employees using innovative methods, such as the "make the difference" project dedicated to customer care workers rewarded based on the best customer experience offered. To drive this transformation TIM has developed an extensive listening system, which picks up on customer experience in the different "moments of truth" of the customer journey, for example: web browsing, purchasing a service, calling customer care, reporting a malfunction. Of the surveys conducted, the monitoring of the Customer Satisfaction Index (CSI), based on the ACSI standard (American Customer Satisfaction Index), is particularly significant. The aim is to collect information on the quality perceived by TIM customers and the main competitors.</p> <p>TIM analyses its customer experience data to assess the risks connected with the adequacy of the offer in relation to the evolution of demand.</p> <p>During this period of health emergency, TIM has supported customers with free of charge offers in the Consumer as well as Business segments. It offered citizens innovative digital solutions free of charge to support healthcare, families and older people and to ensure the continuity of educational activities in schools, TIM joined the MIUR project #LaScuolaContinua [lit: #SchoolGoesOn], providing platforms and information support to enable distance learning.</p> <p>Through a system of procedures and controls, TIM ensures compliance with applicable regulations on the protection of personal data. With particular reference to the new privacy regulation GDPR No. 2016/679, the TIM Group, starting with the operating model already in place under current Privacy legislation, activated that necessary for compliance with GDPR, defining the Data Protection Officer organizational structure and processes.</p>
<p>In Brazil</p> <p>Risks associated with improving quality, innovation and customer experience</p>	<p>For the Company, it remains an imperative to improve the experience and perception of this performance by users.</p> <p>TIM's three-year strategic plan aims to accelerate digital transformation and improve the customer experience with a quality and value proposition based on three strategic pillars:</p> <ul style="list-style-type: none"> • Create offers based on the individual needs of customers; • Promote the expansion and evolution of the network infrastructure; • Manage activities through integrated direct sales and service channels for an effective approach. <p>TIM reaches out to its customers by offering various physical or digital service channels. In managing service and process improvements, the Company takes into account customer feedback provided through these channels, conducts surveys and monitors systemic errors.</p> <p>TIM also examines the customer experience through CX Monitoring, which allows structured monitoring of customer interactions based on control panels and satisfaction indicators. The data collected serves as input with which to improve the user experience. TIM is already able to manage recurring contacts attributable to the same cause, taking into account characteristics such as customer profile, age range and time period.</p> <p>Another initiative launched to improve the quality of data provision and telephony services is the Users' Council, a project by Anatel that brings together operators, users of the mobile segment and representatives of consumer protection bodies, aimed at increasing society's involvement in the provision of operator services.</p> <p>The multi-channel service system adapts to the customer's life: it operates 24 hours a day, including the Call Center, and allows self-service for almost all services. Through the app, computer or phone, customers can submit complaints, questions or suggestions, self-manage their accounts, and purchase services and products.</p> <p>In 2020, among the objectives of the ESG Plan, TIM set itself the goal of reducing, by 2023, the number of complaints with the regulatory body by 50% compared to 2019.</p>

PRIVACY AND CYBERSECURITY

Risks	Management
<p>Risks related to the application of the current legislation on privacy and to protection and security of personal data.</p> <p>Management of ICT risk guidance, prevention and monitoring procedures to set up appropriate countermeasures, manage the centralized security platforms and manage the monitoring process and IT incidents. Obsolescence of platforms and systems.</p>	<p>TIM has a system of procedures and controls which ensure compliance with current regulations, puts in place concomitant monitoring activities on the evolution of the regulatory scenario and performs ongoing dissemination and internal training activities.</p> <p>With particular reference to the new privacy regulation GDPR No. 2016/679, starting with the operating model already in place under current Privacy legislation, the TIM Group activated that necessary for compliance with GDPR, defining the Data Protection Officer organizational structure and processes, extending the tools necessary to ensure compliance with the GDPR, also activating specific organizational oversights. In particular, a steering committee was established on compliance with the GDPR, overseen by the company's senior management and that provides guidance in pursuing the conformity objectives. The conformity assessments have been submitted to the committee, along with the results of the ex ante and ex post controls carried out by the Compliance Department in accordance with the Group Data Protection Officer, who operate autonomously, in accordance with segregation of duties and who take part in the Company's Internal Control System. The Company's operative processes have been adapted according to the principle of privacy-by-design, with special attention paid to the commercial, relations with customers and technological processes, adopting the methods defined by corporate regulations dedicated to the application of the GDPR and which incorporates the directives of the Data Protection Authority. Personal data processing is subject to preventive assessment according to the indications of the European Data Protection Board (EDPB), it is censused and the related responsibilities are attributed to the suitable managerial level of the Company's organization, as envisaged by the Personal Data Protection Code in application of the accountability principle laid down by the GDPR. TIM constantly monitors the level of conformity with the GDPR, by adopting specific controls and risk indicators.</p> <p>Protecting networks from the main threats (e.g. viruses, malware, hackers, data theft) was of fundamental importance. With a wide range of attackers (Cyber-Criminals, Cyber-Terrorists, Insiders, etc.), TIM carries out activities not only to safeguard its infrastructure but also – with a strong sense of responsibility – to protect customers' information assets, that are a priority target for the company. As regards prevention, TIM monitors cyber risk analyses, defining security plans for the company's IT assets, to identify the actions necessary to mitigate cyber risk in advance and guarantee a security by design approach, also monitoring the plans of these actions and controls on actual adoption in the field. As for its response to cyber attacks, the Security Operation Center (SOC), operates 24/7, 365 days a year, in order to manage IT security incidents and help limit their impacts. TIM has also implemented an insurance program to cover cyber risks.</p>
<p>In Brazil</p> <p>Risks related to information technology in terms of protection and security of personal data, confidentiality of information and enforcement of privacy regulations</p>	<p>The General Data Protection Regulation (GDPR) No. 13709/2018, which went into effect in September 2020, brought challenges for companies on a number of critical issues - data protection and customer privacy - further increasing the telecommunications industry's responsibilities. At TIM, these issues already form part of customer care.</p> <p>To promote the structured management of the various activities necessary for compliance with the law, TIM has acted, among other things, through:</p> <ul style="list-style-type: none"> • the creation of the Privacy Committee; • compliance with the legal requirements of the Data Subjects; • the creation of the Privacy Center on the TIM website; • the creation of an internal security flow for any accidents or leaks of personal data. <p>TIM conducts its activities on the basis of ISO 27001 - the international standard that describes best practices for information security management and NIST (Cyber Security Framework) that provides support for the management and reduction of information security risk. Although the company has not yet achieved ISO 27001 certification, the requirements for certification were assessed in 2020 and a level of compliance of more than 90% of the requirements was identified. Therefore, the Company will make the necessary adjustments to achieve certification in 2022.</p>

INFRASTRUCTURE AND EMERGING TECHNOLOGIES

Risks	Management
<p>Risks connected with the correct sizing of the fixed and mobile access network.</p>	<p>TIM's technical departments oversee the company's technological processes in the general context of the engineering and planning of network/service infrastructures, the development of next-generation networks (FTTx - 5G) and evolution towards cloud networks, also taking into account the quest for innovative services, which the commercial departments contribute to developing by organizing <i>ad hoc</i> service offers meeting the evolving needs of the community, companies and institutions. At the same time, the Company is moving forward with an integrated digital transformation program that includes the architectural and application simplification of IT systems and the network infrastructures. As part of upgrading the network and 5G services, collaborations with other ecosystem players represent a fundamental lever to develop the intelligent infrastructure on which the global economy of the future and the services enabled by it will be based. The first half of 2021 saw the collaboration begun in 2019 within the Ministry of Economic Development (MISE) Competence Center for Industry 4.0 (Competence Industry Manufacturing 4.0) continue, where TIM Innovation Labs collaborate with the Polytechnic and University of Turin, as well as with another 23 Turin companies for the research, testing and diffusion of Industry 4.0 solutions, including 5G, to SMEs. In May 2021, under the scope of the agreement between TIM and Google Cloud, stipulated in March 2020, for a technological collaboration for the creation of innovative public, private and hybrid cloud services to enrich the range of technological services offered by TIM, TIM and Noovle have launched the development of Italy's first "5G Cloud Network".</p> <p>TIM, during the first half of 2021 was one of Europe's first operators (and the only one in Italy) to also launch an Open RAN (Open Radio Access Network) development program for the innovation of the mobile access network. This initiative will see the Group implement new solutions on its commercial network to benefit customers and businesses thereby speeding up the deployment of digital services.</p> <p>TIM assesses and monitors the risks related to the development of the FTTX coverage plan for fixed telephony and 5G for mobile telephony, and the recovery actions aimed at reducing those risks.</p>
<p>In Brazil Risks associated with the design and implementation of infrastructures for innovative solutions, the preparation and installation of network infrastructures.</p>	<p>TIM is committed to providing the best user experience and guaranteeing quality in customer services. That is why it continually invests in expanding and improving its network infrastructure and coverage area. In doing so, it ensures the quality of its services and competitiveness in the sector, while complying with legislation. The perception of users that this is an essential service has increased the demand for network reliability.</p> <p>TIM continued to invest in infrastructure, primarily in IT and technology projects, in 4G through 700M Hz, in the transport network and in FTTH expansion (to which around 13% of total investments made during the year were allocated).</p> <p>These investments in infrastructure and network coverage enable user connectivity and, therefore, access to information is considered the main indirect economic impact generated by TIM.</p> <p>In 2020, TIM signed a TAC (Term of Adjustment of Conduct) with Anatel, through which the company committed to bringing 4G to 350 municipalities with a low Human Development Index (HDI) and expand its infrastructure to a further 1,388 cities.</p> <p>TIM recognizes its role as a technology leader in the country's telecommunications industry and as a leader in innovation. The Company seeks to meet new consumption and respond to the market in a proactive manner, following the change in the profile and behavior of its customers and in the new technologies to develop and offer products and services.</p> <p>With respect to 5G, TIM believes that its implementation will help keep the Brazilian market abreast of international developments and boost innovation and knowledge creation.</p> <p>The 5G auction was held in November 2021 and TIM acquired 11 lots, with a total value offered of R\$ 1.05 billion, in 3 frequency bandwidths: 3.5 GHz, 2.3 GHz and 26 GHz. The bandwidths acquired have a series of obligations that must be satisfied with financial contributions or the construction of mobile and fixed network infrastructures. Consequently, TIM guarantees the spectrum capacity necessary to pursue its growth nationally on the mobile market, being ready to respond to its customers' demands and to explore new applications and develop innovative solutions calling for high speed connectivity and capacity.</p>

EQUAL OPPORTUNITIES IN THE COMPANY

Risks	Management
<p>Risks related to the protection of workers' rights.</p>	<p>TIM pays particular attention to the issues of inclusivity and valuing diversity, for their positive impact on the ability to generate innovation and improve performance, increasing people's productivity and the quality of their working life. An inclusive organization that puts the value of individuals, with all of their characteristics, in the center of it all, increasing company well-being and also improving the work-life balance.</p> <p>This process began with the development of the internal awareness of this issues and, subsequently, specific processes were launched to promote various types of diversity.</p> <p>TIM was among the first Italian companies to set up an Equity & Inclusion Management program: in 2009, the year in which the Diversity Manager was appointed.</p> <p>TIM oversees Equity & Inclusion projects which are effectively considered a driver for development of people and the organization, as well as an integral part of the new TIM Welfare System. The "Progetto Donna" [Woman Project] project, is particularly important. This represents TIM's commitment to increase the culture of equal opportunities and accelerate the professional growth of women in the company.</p>
<p>In Brazil</p> <p>Risks connected with the integration of the strategy into company values and culture, talent management and issues of sustainability and social responsibility.</p>	<p>Promoting a corporate culture of respect and appreciation of the differences between people has become a key issue. TIM believes that the more diverse a group is, the greater the exchange of experiences and solutions, which contributes to a healthy work environment, with benefits for the processes of attractiveness, engagement, innovation and competitiveness.</p> <p>The theme's governance is headed by a dedicated management team within the area of Human Resources, responsible for the formalization of policies, programs and structured initiatives, in line with the ESG strategy and internal culture. Established across the board, the commitments envisaged by the Diversity and Inclusion Program guide internal processes on gender, sexual orientation, ethnicity, different generations and people with disabilities. And through a diversity and inclusion calendar that follows the UN's international agenda, the communication and training plan, made available to all employees and managers, continually promotes broad reflection and dialog on the topic, as well as on the specific challenges faced by minorities.</p> <p>With regard to senior management, the Diversity and Inclusion Committee monitors and evaluates ongoing initiatives, under the coordination of the TIM Chairman.</p> <p>At the forefront of awareness and engagement efforts, Affinity Groups, created in 2020, have mobilized nearly 500 employee volunteers, working to foster a welcoming space for dialog, sharing ideas, mapping gaps, and proposing and implementing initiatives that promote diversity and an increasingly inclusive culture.</p>

DIGITAL INCLUSION

Risks	Management
<p>Risks connected with the integration and management of sustainability issues in the company's strategic vision.</p> <p>Risk of insufficient/delayed investments for digitalization of the country.</p>	<p>TIM also works on social digital inclusion, especially in terms of economic benefits and specific measures for certain categories of customers, such as deaf, blind or visually impaired customers, customers with low income who are in a situation of "economic hardship" and "social card" holders.</p> <p>In addition, TIM guarantees to support customers residing in areas affected by natural disasters (seismic events, floods), both in the phase of emergency management and in the medium/long term, to protect their needs.</p> <p>With Operazione Risorgimento Digitale, TIM, working with the main consumer protection associations, has developed free webinars for all individuals and consumers, to educate them in the informed, safe and secure use of the internet, to capture all opportunities and benefits of digital life, preventing the main online risks: from how to correctly use digital tools to manage money to online purchases, to new methods of accessing information, products and services.</p> <p>An extensive education program for people of all ages, in all parts of Italy. Free online courses to inform people of the opportunities offered by the digital universe and to simplify life through the day-to-day use of new technologies.</p> <p>For companies, Operazione Risorgimento Digitale hosts: conferences, i.e. direct training and information sessions for a limited number of attendees for SMEs that intend to undertake or have begun their process of digital transformation; workshops targeted to specialists, on a specific issue for training purposes, lasting 1 hour and a half, featuring surveys and Q&A sessions.</p>
<p>In Brazil</p> <p>Risks associated with the lack of integration of the company's strategy on sustainable development issues and matters attributable to operational management in terms of social, ethical and environmental impact, as well as the lack of innovation in the company's activities, products, solutions and technologies.</p>	<p>The Company believes that collective transformations through individuals and companies can be important drivers of change. In its 2021-23 ESG Plan, TIM emphasizes that new skills are a key factor in maintaining its leadership and for this it translates its social performance into goals through themes such as diversity and inclusion, engagement, training and digital inclusion.</p> <p>Widespread access to mobile telephony and the Internet, according to TIM, represents an opportunity and a transformation in the lives of many people. With the pandemic, the process of digitizing countless activities and services has been accelerated. As a result, there has been an urgent need for the telecommunications sector to provide accessible solutions to the majority of the population. The trend toward greater use of technology and connectivity, both in private life and in businesses and essential public services, reinforces the importance for TIM to extend access to 4G connectivity to all municipalities in Brazil by 2023.</p> <p>The social investment strategy implemented by TIM aims to promote the social inclusion of disadvantaged groups in Brazilian society, particularly children and teenagers, by running educational programs relating to Science, Technology and Innovation.</p> <p>Instituto TIM was founded in 2013, with the aim of defining strategies and providing resources for the dissemination of science, technology and innovation to support the development of community in Brazil.</p> <p>Instituto TIM's work has already reached all 26 Brazilian states and the Federal District, involving over 700,000 people.</p>

ESG PROCUREMENT POLICIES

Risks	Management
Excessive concentration of activity by TIM on one supplier, reducing negotiation abilities and/or entailing significant impacts on the interruption of the service.	At TIM, the supply chain process has recently been revised, to streamline it and decrease its dependence on possible problems linked to suppliers. With regard to the latter aspect, the risk of a high concentration of activity by TIM on one supplier is emphasized as a potential cause of business interruption: the controls recently implemented by Procurement, aimed at reducing the risk of dependence, limit the overall level of this risk. Also regarding the potential risk of excessive dependence of turnover of suppliers on TIM, which could give rise to disputes and possible damages to reputation, no specific problems were found.
Risks relating to delays in or shortages of critical products	TIM, in the supplier qualification phase, in accordance with the Anti-Corruption Policy, provides for the adoption of due diligence questionnaires and the application of the conflict of interest procedure. In addition, in accordance with the Group's environmental policy, the company also selects its suppliers and partners and purchased or outsourced products and services on the basis of environmental sustainability criteria and assesses products and services taking into account their whole life cycle, periodically checking compliance with the above criteria. The company recently issued a policy on the purchasing of products and services which states that one of the aims of the purchasing process is to contribute to environmental protection by identifying solutions able to minimize impact on the ecosystem, by outlining obligations and responsibilities with a view to continuous improvement. The Company also identifies and assesses the environmental risks generally present at the various stages of its supply chain and, in close collaboration with its direct suppliers and also through partnerships at national and international level, takes appropriate corrective actions and adopts improvement plans to reduce the environmental impact of products and services purchased and the processes with which they are produced. Periodic spot checks are also made on Risk linked to the selection and purchase orders to ascertain whether there are purchases of goods for resale and production that do not comply with the provisions of the conflict minerals regulation. Finally, Ethics and social Sustainability checks are carried out in order to assess both suppliers' adherence to schemes and principles of ethical business conduct and the adoption of procedures to ensure the health, safety and rights of workers, compared with the principles underlying the Global Compact and using international parameters referring to the SA 8000 and ISO 14001 standards. Work groups have been set up to identify, assess and mitigate risks relating to the supplies of critical products such as chipsets and polymer which, in this pandemic period have been impacted by problems of shortages and price hikes, as well as transport.
In Brazil Risks related to the selection and qualification of suppliers and supply chain management.	TIM's Supplier Relationship Policy presents the sustainability commitments required of its suppliers, including subcontractors, from respect for human rights to environmental standards. Through contracts, suppliers agree to conduct their business and operations in accordance with legal requirements and good compliance practices. The contracts also require suppliers to comply with TIM's Compliance Program, which includes the Code of Ethics and Conduct and the Principles of the Global Compact, with express mention of the rejection of child or slave labor. To monitor possible risks in its supply chain, TIM conducts ethical, conflict-of-interest and social-environmental questionnaires with its suppliers prior to their engagement.

CYBERBULLYING, CHILD PORNOGRAPHY AND ONLINE GAMBLING

Risks	Management
Risks associated with the management of activities in the field of logic security (cyber security, information/security system protection), penalties from regulatory non-compliance and risks to reputation and compliance with relevant regulations (Legislative Decree 231/2001).	The TIM Group – in accordance with current regulations – provides the customer with a series of tools to protect minors from accessing the sensitive content provided, providing constant updating and related communication. TIM deploys resources, technologies, processes and tools to prevent and tackle "abuse", i.e. any activity committed in violation of the rules of conduct and the legislation that govern the use of network services, digital systems or means of communication in general with continuous supervision carried out by the Security Operations Center in collaboration with the involved internal departments and with the competent external authorities.
In Brazil Risks related to cybersecurity, access to information and personal data security, confidentiality of information and enforcement of privacy regulations.	TIM is part of the cooperation agreement against pedophilia with SaferNet and other bodies/companies, taking on the task of fighting and preventing crimes committed via the Internet. TIM offers adult content services and as a child protection measure, users wishing to access the content provider's web portal must declare that they are of legal age, via a disclaimer with a password to restrict access to minors. Furthermore, TIM limits its adult content portfolio to the 3.2 classification (international code).

HUMAN RIGHTS

Risks	Management
<p>Risks of compliance with the relevant legislation (Legislative decree 231/2001)</p>	<p>The TLC sector is strategic for respecting human rights, as it generates impacts, for example, on the accessibility of technology and services (geographic and social digital inclusion), specifically for the most vulnerable, the right to privacy and the protection of personal data, the right to freedom of expression, specifically online, the protection of minors from adult content and gambling, from cyberbullying and harassment, and electromagnetic fields.</p> <p>TIM's commitment to human rights is reported in its Code of Ethics and Conduct and in all relevant policies, as in those regarding Human Resources, suppliers and customers, specifically the most vulnerable. In 2002 TIM signed the United Nations Global Compact, committing to being a proactive leader in initiatives and networks regarding human rights, both at local and international level, within and across sectors.</p> <p>The Group makes grievance mechanisms available to be used in the event of a violation, as expressly required by the Guiding Principles on Business and Human Rights. These mechanisms are available on the Group's websites.</p>
<p>In Brazil</p> <p>Risks associated with creating a corporate culture and values, as well as social, ethical and environmental impacts that are not in line with the strategic plan</p>	<p>As a signatory to the Global Compact since 2008, TIM holds itself responsible for promoting and respecting human rights. Since 2015, TIM has been a member of the Working Group on Human Rights established by the Global Compact Network Brazil. In carrying out its activities, TIM agrees that it is important to respect rights such as data protection, Internet security, access to information and freedom of speech.</p> <p>As part of the due diligence process, the Human Rights Capacity Diagnostic (HRCDD) questionnaire, developed by the Global Compact Network Germany, is used to assess the level of human rights engagement and management in relevant departments. We believe that the stakeholders most vulnerable to the impact of these factors are children and adolescents, women, people with disabilities, and the elderly.</p> <p>TIM also makes a whistleblowing channel available to internal and external stakeholders, in both Portuguese and English. The channel can be used to file complaints and report human rights concerns. The identity of the whistleblower remains confidential, unless otherwise required by law. It is also possible to submit reports anonymously.</p> <p>TIM's stakeholders and employees at all levels are bound by a set of internal rules that certify the Company's commitment: TIM Group's human rights policy; the policy on relations with suppliers and the social responsibility policy. The Code of Ethics and Conduct is also part of these regulations.</p> <p>In addition, TIM has an online human rights course that is available to all employees on TIM's training platform.</p>

CLIMATE CHANGE

Risks	Management
<p>Hydrogeological risk linked to the flooding of waterways and windstorm risk (non-tropical storms and tornadoes).</p> <p>Risks connected with climate change and energy consumption.</p>	<p>The climate change recorded in the last few years has resulted in the occurrence of extreme weather including flash floods and windstorms, which make climate risk an emerging risk. The widespread distribution throughout the country of TIM's assets needed to carry out its business therefore exposes the company to possible direct and indirect damages deriving from these events. In the last quarter of 2020, analyses were conducted to estimate the potential direct loss (property damage) deriving from the occurrence of such phenomena. Specifically, probability analyses were conducted both for overflows/flash floods and for storms. In particular, that assessment was conducted to estimate the potential impact of a catastrophic event. The actions deployed, such as overflow protection systems, appropriate locations of plants and interment of wires where possible, make it possible to limit damages associated with the most frequent situations. Moreover, to cover the losses deriving from this type of event and, more specifically, to cover catastrophic losses, the TIM Group has set up a suitable All Risks Property insurance program.</p> <p>In terms of energy, TIM is constantly committed to improving its performance, adopting purchasing policies that take account of environmental issues and proposing innovative technological solutions for lowering environmental impact. Moreover, each year the company sets a goal of reducing emissions and energy consumption, even in relation to continuous development of next generation networks, while increasing the use of energy from renewable sources in the corporate processes. In this regard, TIM has defined a structured process to optimize and monitor energy consumption within the group. Lastly, TIM's strategy for the environment in the energy field includes areas of action featuring management strategies to optimize the use of energy sources and natural resources. In addition, TIM's new project to organize its corporate spaces plan provides for the optimization of such spaces, with the introduction of desk sharing and an increase in smart working, for example extended to Caring, which will make it possible to rationalize workstations and close some offices. This will significantly cut property management-related costs, as a result of: closing offices (vacating offices, reducing operating costs, sublease) and related energy consumption. TIM has also activated a process of "climate risk" assessment and management, in line with the ESG strategies defined in the Business Plan.</p>
<p>In Brazil</p> <p>Risks related to the lack of and/or inefficient practices for the use and management of energy, as well as social, ethical, and environmental impacts that are not consistent with the strategic plan</p>	<p>TIM manages climate-related risks and sees climate change as an opportunity to create solutions to mitigate its emissions and those of its customers. Extreme weather events can damage a company's facilities and infrastructure, directly impacting business. Therefore, TIM considers studies and corrective actions to be important to anticipate these negative effects, as well as for the development of structured processes and practices. One example of this activity was the decision to map the occurrence of extreme weather events, over the long term, by inventorying the infrastructure that is most vulnerable and which poses the greatest risk to TIM, such as the sites, BTS, industrial buildings, Greenfield sites, rooftops, etc. Based on this risk study, TIM also carried out an adaptation survey for each of the climatic events assessed. And since 2019, it has proposed a plan that includes the main climate risk monitoring measures, as well as the related corrective actions. Energy scarcity is another factor that would lead to negative impacts on TIM's operations, such as a consequence of prolonged droughts. As such, the company has taken initiatives to reduce energy consumption and continues to increase the weight of renewable energy in its portfolio, such as the Distributed Generation Project, with investments underway since 2017 and aims to reach 60 company-owned units by the end of 2022, including solar, hydro and biogas plants.</p>

Environment

Approach to environmental protection and the fight against climate change¹

[GRI 103-1, 103-3: Management Approach] [GRI 302] [GRI 305] [GRI 306] [GRI 307] In 2021, TIM went beyond the objectives of the previous Sustainability Plan with a target of zero Scope-2 emissions in 2025, compared to the previous -70%. This target will be reached due to the purchase of renewable energy to cover 100% of the domestic needs, which **Brazil** will align with, in the new 22-24 Plan, increasing its share of renewable energy to 100%.

The year 2021 began with TIM issuing a Sustainability Green Bond for 1 billion euros and a Sustainability-Linked Bond for 216 million euros in **Brazil**.

2021 also saw TIM take on the guidelines of the Science Based Target Initiative: in July TIM sent its letter of commitment to SBTi in which it expressed its ambition to contribute, through near-term targets and related actions, to holding global warming to below 1.5 °C; in November the targets relating to Scope 1 and 2 and Scope 3 emissions were sent to SBTi, validation of which is expected by SBTi in the first half of 2022. The goal of Carbon Neutrality² by 2030 remains firm. TIM is deploying the most suitable actions to achieve this goal, based on an interfunctional analysis that takes shape in the energy transition matrix of TIM Domestic.

Moreover, the new 2022 Sustainability Plan will steer the Group towards new environmental objectives, illustrated in the chart below.

 Group Targets					 Domestic Targets			
NEW	Net Zero (Scope 1+2+3)	2040			NEW	Green Products & Smartphones	≥50%	2024
	Carbon Neutrality (Scope 1+2)	2030				Circular Economy ratio	+11%	
NEW	Scope 3 reduction (cat. 1, 2, 11)	-47%	2030		Unit revenues from: reselling of used materials and assets and waste recycling per kg of waste produced. Base line 2021 0,044€/kg			
	Renewable energy on total energy (%)	+100%	2025					

The TIM Group has always been aware of its role in building a low-carbon future: every ICT company can make a specific contribution to reducing global emissions thanks to its distinctive solutions: videoconferencing platforms, smart working, telemedicine, sharing platforms and e-learning are all services that can encourage more sustainable lifestyles and ensure the performance of activities while safeguarding the environment³.

The TIM Group is also present and active in industry associations and non-profit organizations whose objectives include environmental protection⁴. The relevance of environmental issues for TIM is also highlighted in the materiality matrix that incorporates the assumptions of the Sustainable Development Goals translated into the TIM strategy for the environment, which is described and disseminated through the Group Environmental Policy⁵:

- definition of guidelines and management procedures for optimizing the use of energy sources and natural resources; allocation of human, technological and economic resources for actions to protect the environment;
- progressive reduction of direct and indirect greenhouse gas emissions;
- selection of suppliers and partners, products and services based on environmental sustainability criteria;
- Application of environmental sustainability criteria in assessing potential mergers and acquisitions.
- development of solutions and products that contribute to the fight against climate change;
- variable remuneration for management upon the achievement of objectives with a positive environmental impact;
- dissemination to employees and stakeholders of a correct approach to environmental issues.

In this regard, TIM has proposed a training plan to internal staff and business partners with training meetings on environmental issues for a total of 3,795 hours.

TIM areas with a potentially significant environmental impact have adopted an Environmental Management System (EMS) certified in accordance with ISO 14001 to manage their operating processes in a sustainable way.

In some cases, the EMS is integrated with the Quality Management System based on the ISO 9001 standard, for which the relative certification has been obtained.

At some particularly important sites, an Energy Management System has been developed.

¹The scope of reporting of the Non-Financial Statement coincides with the Annual Financial Report. Also note that the scope of environmental data reporting excludes the companies with fewer than 30 employees, as their environmental impacts are deemed immaterial. The TIM Group companies included in the scope of environmental reporting are listed below: TIM S.p.A., Olivetti, Noovle S.p.A., Telsy SpA, TI Sparkle Italia, TI Sparkle Greece S.A., TI Sparkle Turkey, Telecontact Center S.p.A., TI Trust Technologies, Telecom Italia San Marino S.p.A., Telefonía Mobile Sammarinese SpA, Fiberop SpA, TIM Retail and TIM S.A.

² Regarding the Group's Scope 1+Scope 2 emissions.

³ The complete adoption of ICT services will lead to the reduction of global emissions by 1.34 Gt in 2030, offsetting the foreseeable growth in emissions of the ICT sector itself (189% in 2030 compared to the base year 2019). Source: Global e-Sustainability Initiative - Digital with Purpose: Delivering a SMARTer2030.

⁴ European Telecommunications Network Operators' Association (ETNO), European Telecommunications Standards Institute (ETSI), Global e-Sustainability Initiative (GeSI), International Telecommunication Union (ITU).

⁵ Commitment to environmental sustainability in the TIM Group, December 2018
www.telecomitalia.com/content/dam/telecomitalia/documents/Sostenibilita/it/Politiche/TIM-Policy-Ambientale-dic2018DEF.pdf

In line with previous years, TIM, through the Energy & Utilities Management department and the Group's company Noovle S.p.A., has once again obtained ISO 50001 certification for its offices in Bologna (via Stendhal), the Piacenza Centro central office and the data centers in Rozzano 1, 2, 3, Padua, Bologna Roveri and Acilia. Note that in 2021, all data centers and offices in the domestic scope were fueled by renewable energy. By mid-2021, all the TIM stores were also fueled by renewable energy.

In **Brazil**, the operational activities of the technical network in the States of Rio de Janeiro, São Paulo and Espírito Santo – the areas in which the country's industrial and commercial activities are mostly concentrated – have had an ISO 14001 certification since 2010. The activities of TIM S.A. are also carried out in accordance with the company's environmental policy, revised in 2021, which reinforces its commitment to reduce waste and use natural resources in a sustainable way.

[\[GRI 103-2: Management Approach\]](#) [\[GRI 302\]](#) [\[GRI 305\]](#) [\[GRI 306\]](#) [\[GRI 307\]](#) TIM has always been committed to implementing energy efficiency and rational resource consumption programs: the Procurement Department includes the Energy Management & Procurement section, which focuses on energy issues and is tasked with identifying and finalizing suitable energy efficiency measures in Italy. Furthermore, in connection and functional coordination with the competent structures of the Chief Technology Office, the department ensures consistency in the design and implementation of the solutions adopted with respect to the Company's efficiency plans.

In **Brazil** energy is a material issue given the continued grid expansion activity.

A BPR (Business Process Redesign) is being developed that will examine the various processes related to energy management, aiming to increase the focus on this issue by combining end-to-end management activities. This program includes energy efficiency measures and is part of the operational goals for all areas directly involved. In addition to this, TIM Brasil continues to implement projects to reduce energy consumption, such as the Decommissioning project launched in 2017, which involves adjustments to network equipment while virtualization is encouraged, equipment is replaced with equipment that is more efficient, and unused equipment is removed. The effective application of the electricity sector regulations is monitored by a control system, based on periodic assessment procedures reviewed by those responsible for limiting energy consumption. Taking into account these activities and responding to the goal of reducing the environmental impacts, and reinforcing efficiency initiatives, a report has been produced that describes the activities implemented to contain consumption, the results obtained and the status of improvement. In terms of governance, TIM Brasil uses a centralized management area for all electricity at the BSO (Business Support Office). The Energy and Efficiency area includes 6 professionals responsible for controlling and planning electricity consumption, monitoring energy efficiency projects and controlling the evolution of regulatory issues as well as energy purchases. The TIM Power Plant project was launched in partnership with Enel, in the state of São Paulo, to generate electricity from the burning of biological material. Biogas plants are based on anaerobic digestion, a fermentation process in which waste from landfills is digested by microorganisms to produce methane gas (biogas). Biogas is converted into mechanical energy using an internal combustion engine. The mechanical energy then rotates an electrical generator that generates electricity. Expected production: 27.96 GWh/year.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 302\]](#) [\[GRI 305\]](#) The performance of the Group's key indicators is shown in the table below.

For further details, see the section on TIM's environmental performance in this Chapter.

Indicators	2021 Final result
Total consumption of electricity procured and produced	Steady
Total consumption of electrical energy from renewable sources	Up
Total CO2 atmospheric emissions	Down
Eco-efficiency indicator	Up
% of waste recycled	Steady

The 2021 targets set in 2020 were all achieved.

The actions taken by TIM in the fight against climate change can be summarized by three guidelines:

- actions to reduce its own direct and indirect greenhouse gas emissions and contain the emissions from other sectors and customers by supporting dematerialization and offering services and solutions that promote new sustainable ways of working, learning, traveling and living;
- communication of its emissions and strategies for combating climate change in the Sustainability Report and through the responses provided to the rating agencies (RobecoSAM, VigeoEiris, Oekom, FTSE4Good), TIM participates in the CDP survey in both Italy and Brazil. TIM Brasil has been confirmed for the fourteenth consecutive year in the Corporate Sustainability Index (ISE) and has been selected to compile the Carbon Efficient Index (ICO2) and the S&P/B3 Brazil ESG, all within the scope of the São Paulo Stock Exchange (B3). TIM Brasil also publishes its GHG emissions in the Public Emissions Register of the Brazilian GHG Protocol Program. TIM Brasil has also been selected to compile the ICDPR-70, the Climate Resilience Index launched by CDP Brazil and partners in 2020.
- spreading a culture in support of the actions that everyone can implement to contribute to the reduction of emissions. Digitalization and dematerialization to achieve energy savings and reductions in CO₂ emissions into the atmosphere: TIM's solutions and products represent a real opportunity for climate change mitigation. In particular:
 - audio/videoconferencing services and flexible work
 - online billing and payments
 - telemedicine services
 - infomobility systems
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In all cases, these are services characterized by reduced energy consumption that, in addition to optimizing production processes and logistics flows, help customers to reduce the emissions generated by physical travel and reduce energy consumption.

The improved efficiency, savings in economic terms and reduction of environmental impacts associated with the effective use of TIM services also represent a real business opportunity for the Company: the sensitivity of stakeholders and citizens towards issues related to climate change is growing, resulting in a focus on companies capable of ensuring a sustainable future for the planet and society.

The risks associated with climate change for the TLC sector have implications of a physical, economic and regulatory nature, with repercussions on the image and reputation of the Group companies.

For TIM, the risk of flooding is one of the most serious physical risks with the highest probability of occurrence.

The associated damage impacts the reduction in usage up to and including the loss of business infrastructure, resulting in zero service delivery capability.

In order to prevent the potential damage, TIM's new exchanges and buildings are built at a safe distance from rivers and bodies of water in general and, in order to ensure continuity of service, the network is designed considering appropriate levels of resilience and redundancy.

Network infrastructures in areas of high hydrogeological risk are monitored using the TIM Ci.Pro system. - Civil Protection, which uses a continuously updated land and infrastructure database for timely planning of necessary interventions.

Company assets inevitably subject to physical risks have insurance coverage commensurate with the value of the property, equipment and severity of the potential damage with respect to the service they provide.

In **Brazil**, 65% of national electricity comes from hydroelectric generation⁶.

For this reason, extreme levels of rainfall or long periods without rain can compromise the water level in reservoirs and impact the national energy supply. In this case, TIM may be affected by energy rationing measures and fluctuations in the average kWh price due to the effects of climate change, as well as the increase in the average value of the CO₂ Emission Factor associated with power generation from the GRID. In addition, increases in the frequency and strength of extreme weather conditions could damage transmission towers, increasing business expenses due to having to acquire new equipment and maintain existing equipment. This could also lead to increased insurance costs and signal interruption or loss of quality to the detriment of telecommunications services. In addition, changes in air humidity and salinity have a direct effect on assets and equipment located underground and near coastal areas, resulting in increased operating costs. In the event of an increase in average temperature, the cooling of electronic devices, whose performance is directly related to stable temperatures, may require an excess of energy. It should be pointed out that climate change could also increase the cost of staff absences, as well as cause greater difficulty in reaching workplaces or locations where staff are located, which would have an indirect impact on business performance.

⁶ According to the Brazilian National Energy Balance 2019 (BEN, 2019).

Electromagnetism and compliance with existing environmental legislation

The Group has always paid great attention to the issue of electromagnetic emissions which specifically consist of:

- careful management of its equipment during its entire life cycle and in compliance with current regulations and internal standards of efficiency and safety;
- in designing and optimizing the radio access network, guaranteeing that serious attention is paid to the issue of electromagnetic emissions at every stage of the equipment life cycle.
- use of, and constant research into, the latest technological instruments for checks and controls.

Systematic monitoring of the levels of electromagnetic field emissions from plants is aimed at ensuring compliance with legal limits and maintaining high safety standards for the population and workers.

Despite Italian regulations on electromagnetic emissions being among the strictest in the world, with levels set much lower than the European average, checks carried out in Italy have shown that electromagnetic emissions generated are within the legal limits.

TIM invests in the development of software for the prediction of electromagnetic field emissions, which is continuously updated to the state of the art. In particular, the GUARDIAN tool calculates the level of exposure of sites that host aerials and ensures that the levels established by law are respected.

Combined with the TIM plan design platform, its use allows the location of sites and orientation of the aerials in relation to a specific context (housing, roads, meeting places) to be optimized.

TIM also participates actively in the committees and working groups of the CEI (Italian Electrotechnical Committee) and the IEC (International Electrotechnical Commission) for issuing guidelines and technical standards on methods used to measure and forecast levels of exposure to electromagnetic fields issued by mobile radio systems.

Accurate planning and optimization of the mobile radio network (optimum choice of sites, optimum use of radio transmission parameters) improves the efficiency of the network for the same amount of coverage, maximizing the capacity and quality of the service and minimizing interference, thus contributing to reducing the power transmitted by mobile terminals and base transceiver stations.

In 2021 the following activities continued:

- support and training for local organizations in Electromagnetic Impact Analysis (EIA) activities;
- evolution of software tools developed internally to predict exposure (GUARDIAN);
- evolution of the ARPIE web application for monitoring and evaluation of the average power transmitted by base transceiver stations of 2G, 3G and 4G systems in compliance with Legislative Decree 179/2012 "Further urgent measures for the growth of the country" and its application guidelines;
- Preparation of guidelines aimed at the territorial realities of designing the access network of 5G technology, with the implementation of the methodologies provided for by the regulatory framework of the international and national sector;
- Participation in joint TIM-ARPA round tables for the implementation of 5G network design methodologies.

In addition, the introduction of Active Antenna Systems, which make it possible to generate irradiation diagrams "on a user basis" and no longer only on a "cell basis", has required a review of the design criteria and regulatory aspects related to the issue of exposure to electromagnetic fields.

For this reason, TIM has been involved in and contributed to the activities carried out and still underway by the international (IEC, NGMN, 3GPP) and national (CEI, ISPRA-SNIPA) reference standards bodies.

The APOGEO procedure has been applied to mobile radio systems allowing TIM to ensure that its systems are built in full compliance with the design, which in turn is fully compliant with legal requirements for protecting the health of the population.

APOGEO is an innovative methodology, patented by Telecom Italia in 2003 at the European Patent Office, which uses high precision topographic and satellite instrumentation for the 3D survey of all GSM, UMTS, LTE and Radio Bridge radiant systems and their infrastructures.

With regard to the development of the 5G system, it is important to remember that the current limits, defined with a wide safety margin by law, are not related to specific technologies, but cover all emissions including small cell solutions that, due to their intrinsic technological nature, use radio powers lower than those of the Base Transceiver Stations.

In light of these considerations, the electromagnetic emissions generated by 5G technology do not appear to represent a business risk. The emission levels associated with base transceiver stations and wireless networks, designed and built in compliance with the current regulatory framework, are fully in line with the safety and precautionary criteria set out in national and international legislation.

TIM, along with the entire telecommunications sector, pays attention to the issue by proactively monitoring possible developments and always acting in compliance with legislation.

In **Brazil** the non-ionizing radiation emitted by TIM S.A.'s base transceiver stations is fully within the parameters dictated by the World Health Organization and adopted by the National Telecommunications Agency (ANATEL). Non-ionizing radiation emissions are monitored through internal controls and evaluated through theoretical analyses or through direct measurements of the Electric, Magnetic, and Electromagnetic Fields (EMFs) emitted by all base stations, allowing the maintenance of operating licenses issued by the regulatory agency.

In terms of compliance, the Group provides everyone, with the utmost guarantee of confidentiality, a single channel for sending or transmitting requests for clarifications or reports of alleged violations of environmental legislation.

The system assigns each report submitted a unique identification code, which enables the reporter to check the processing status in complete anonymity¹.

As active and responsible members of the community, the Group's companies are committed to observing and ensuring the observance of the laws in force in the countries in which they operate and adopt the organizational tools needed to prevent the violation of legal provisions.

[GRI 307-1] During 2021, no significant financial penalties were imposed on TIM in Italy for violations of environmental legislation in the areas in which they perform their activities.

This consideration also applies to the previous two years.

[GRI 307-1] During 2021, TIM received one significant environmental penalty in **Brazil** of 500,000 reais². The penalty shown in the 2020 Sustainability Report of 500,000 reais due to failure to comply with official deeds issued by the environmental agency was revoked following appeal to the competent bodies.

As part of its commercial and web operating routines, in order to provide telecommunications services, TIM generates electronic waste (e-waste) which are those products that have electronic circuits or components such as power supplies or batteries.

Therefore, in its environmental policy and under certain rules, the Company provides the proper management of waste in order to comply with legislation, such as the Brazilian National Policy on Solid Waste (Law No. 12,305/10) and Federal Law No. 10,240/20 that establish shared responsibility among generators of electronic waste, whether it is considered hazardous or not. This is the case for those who manufacture, import, market and distribute mobile phones and their batteries and accessories such as cables, chargers, headsets.

Going beyond its obligations and aiming to reduce the impact of electronic products and their damage to the environment and public health, TIM Brasil has established a Reverse Logistics program in partnership with an authorized and certified supplier, with the aim of contributing to the creation of a circular economy, i.e. intervening in the entire life cycle of electronics and promoting economic and social development in the Reverse Logistics chain through collection at TIM stores and offices.

¹ Full information about this is available by clicking on this link: www.gruppotim.it/it/gruppo/governance/il-sistema/whistleblowing.html

² In Italy, significant financial penalties for the Group are considered to be those for an amount exceeding 500,000 euros; Brazil uses an amount of 500,000 reais which is equivalent to 78,932 euros at the exchange rate of December 31, 2021.

Approach to environmental protection and fight against climate change¹

[GRI 103-1, 103-3: Management Approach] [GRI 302] [GRI 305] In 2021, TIM went beyond the objectives of the previous Sustainability Plan with a target of zero Scope-2 emissions in 2025, compared to the previous -70%. This target will be reached due to the purchase of renewable energy to cover 100% of the domestic needs, which **Brazil** will align with, in the new 22-24 Plan, increasing its share of renewable energy to 100%.

The year 2021 began with TIM issuing a Sustainability Green Bond for 1 billion euros and a Sustainability-Linked Bond for 216 million euros in **Brazil**.

2021 also saw TIM take on the guidelines of the Science Based Target Initiative: in July TIM sent its letter of commitment to SBTi in which it expressed its ambition to contribute, through near-term targets and related actions, to holding global warming to below 1.5 °C; in November the targets relating to Scope 1 and 2 and Scope 3 emissions were sent to SBTi, validation of which is expected by SBTi in the first half of 2022. The goal of Carbon Neutrality by 2030² remains firm. TIM is deploying the most suitable actions to achieve this goal, based on an interfunctional analysis that takes shape in the energy transition matrix of TIM Domestic.

Moreover, the new 2022 Sustainability Plan will steer the Group towards new environmental objectives, illustrated in the chart below.

 Group Targets					 Domestic Targets			
NEW	Net Zero (Scope 1+2+3)	2040			NEW	Green Products & Smartphones	≥50%	2024
	Carbon Neutrality (Scope 1+2)	2030				Circular Economy ratio	+11%	
NEW	Scope 3 reduction (cat.1, 2, 11)	-47%	2030			Unit revenues from reselling of used materials and assets and waste recycling per kg of waste produced. Base line 2021 0,044€/kg		
	Renewable energy on total energy (%)	+100%	2025					

The TIM Group has always been aware of its role in building a low-carbon future: every ICT company can make a specific contribution to reducing global emissions thanks to its distinctive solutions: videoconferencing platforms, smart working, telemedicine, sharing platforms and e-learning are all services that can encourage more sustainable lifestyles and ensure the performance of activities while safeguarding the environment³.

The TIM Group is present and active in industry associations and non-profit organizations with specific objectives including the protection of the environment⁴; the relevance of environmental issues for TIM is also highlighted in the materiality matrix containing the Sustainable Development Goals and translates across to TIM's strategy for the environment, which is described in and circulated by the Group's environmental Policy⁵:

- definition of guidelines and management approaches for optimized use of energy sources and other natural resources; allocation of human, technological and economic resources for actions to protect the environment;
- gradually reducing its own direct and indirect emissions of greenhouse gases;
- selecting suppliers, partners, products and services based on environmental sustainability criteria;
- applying environmental sustainability criteria when assessing possible mergers and acquisitions;
- development of solutions and products that contribute to the fight against climate change;
- variable remuneration for management to achieve objectives with a positive environmental impact;
- disseminating a culture that promotes a correct approach by employees and stakeholders to environmental issues.

In this regard, TIM offered a training plan to internal staff and business partners with meetings on environmental issues for a total of 2,280 hours. The partnership with ASviS - Alleanza Italiana per lo Sviluppo Sostenibile (the Italian Alliance for Sustainable Development) involved people working at TIM at all levels in seminars and debates on issues including the environment, held through video conferencing during working hours.

To ensure the sustainable management of operational processes, the areas of TIM which have a potentially significant environmental impact have an ISO 14001-certified Environmental Management System (EMS). In some organizations, the Environmental Management System has been integrated with the Quality Management System based on the ISO 9001 standard, for which the respective certification has been obtained. At some particularly representative sites, a certified Energy Management System has been developed.

¹ The scope of reporting of the Non-Financial Statement coincides with the Annual Financial Report. Also note that the scope of environmental data reporting excludes the companies with fewer than 30 employees, as their environmental impacts are deemed immaterial. The TIM Group companies included in the scope of environmental reporting are listed below: TIM S.p.A., Olivetti, Noovle S.p.A., Telsy SpA, TI Sparkle Italia, TI Sparkle Greece S.A., TI Sparkle Turkey, Telecontact Center S.p.A., TI Trust Technologies, Telecom Italia San Marino S.p.A., Telefonía Mobile Sammarinese SpA, Fibercom SpA, TIM Retail and TIM S.A.

² For Scope 1+Scope 2 emissions, Group level.

³ The complete adoption of ICT services will lead to the reduction of global emissions by 1.34 Gt in 2030, offsetting the foreseeable growth in emissions of the ICT sector itself (189% in 2030 compared to the base year 2019). Source: Global e-Sustainability Initiative – Digital with Purpose: Delivering a SMARTer2030.

⁴ European Telecommunications Network Operators' Association (ETNO), European Telecommunications Standards Institute (ETSI), Global e-Sustainability Initiative (GeSI), International Telecommunication Union (ITU).

⁵ TIM Group commitments to environmental sustainability, December 2018
https://www.gruppotim.it/content/dam/telecomitalia/documents/Sostenibilita/en/Policies_ENG/TIM-Policy-Ambientale-dic2018ENG-DEF.pdf

In **Brazil**, the operational activities of the technical network in the States of Rio de Janeiro, São Paulo and Espírito Santo – the areas in which the country's industrial and commercial activities are mostly concentrated - have had an ISO 14001 certification since 2010. The activities of TIM S.A. are also carried out in accordance with the company's environmental policy, revised in 2021, which reinforces its commitment to reduce waste and use natural resources in a sustainable way.

[GRI 103-2: Management Approach] [GRI 302] [GRI 305] TIM has always been committed to implementing energy efficiency and rational resource consumption programs: the Procurement Department includes the Energy Management & Procurement section, which focuses on energy issues and is tasked with identifying and finalizing suitable energy efficiency measures in Italy. Furthermore, in connection and functional coordination with the competent structures of the Chief Technology Office, the department ensures consistency in the design and implementation of the solutions adopted with respect to the Company's efficiency plans.

In **Brazil** energy is a material issue given the continued grid expansion activity.

A BPR (Business Process Redesign) is being developed that will examine the various processes related to energy management, aiming to increase the focus on this issue by combining end-to-end management activities. This program includes energy efficiency measures and is part of the operational goals for all areas directly involved. In addition to this, TIM Brasil continues to implement projects to reduce energy consumption, such as the Decommissioning project launched in 2017, which involves adjustments to network equipment while virtualization is developed, equipment is replaced with equipment that is more efficient, and unused equipment is removed. The effective application of the electricity sector regulations is monitored by a control system, based on periodic assessment procedures reviewed by those responsible for limiting energy consumption. Taking into account these activities and responding to the goal of reducing the effects created, and reinforcing efficiency initiatives, a report has been produced that describes the activities carried out to contain consumption, the results obtained and the status of improvement. In terms of governance, TIM Brasil has a centralized management area for all electricity at the BSO (Business Support Office). The Energy and Efficiency area includes 6 professionals responsible for controlling and planning electricity consumption, monitoring energy efficiency projects and controlling the evolution of regulatory issues and energy purchases. The TIM Power Plant project was launched in partnership with Enel, in the state of São Paulo, to generate electricity from the burning of biological material. Biogas plants are based on anaerobic digestion, a fermentation process in which waste from landfills is digested by microorganisms to produce methane gas (biogas). Biogas is converted into mechanical energy using an internal combustion engine. The mechanical energy then rotates an electrical generator that generates electricity. Expected production: 27.96 GWh/year (biogas).

[GRI 103-3: Management Approach] [GRI 302] [GRI 305] The performance of the Group's key indicators is shown in the table below.

For further details, see the section on TIM's environmental performance in this Chapter.

Indicators	2021 Final results
Total consumption of procured and produced electricity	Steady
Total consumption of electricity from renewable sources	Up
Total CO2 atmospheric emissions	Down
Eco-efficiency indicator	Up
% of waste recycled	Steady

The 2021 targets set in 2020 were all achieved.

The actions taken by TIM in the fight against climate change can be summarized by three guidelines:

- actions to reduce its own direct and indirect greenhouse gas emissions and contain the emissions from other sectors and customers by supporting dematerialization and offering services and solutions that promote new sustainable ways of working, learning, traveling and living;
- communication of its emissions and strategies for combating climate change in the Sustainability Report and through the responses provided to the rating agencies (RobecoSAM, VigeoEiris, Oekom, FTSE4Good), TIM participates in the CDP survey in both Italy and Brazil. TIM Brasil has been confirmed for the fourteenth consecutive year in the Corporate Sustainability Index (ISE) and has been selected to compile the Carbon Efficient Index (ICO2) and the S&P/B3 Brazil ESG, all within the scope of the São Paulo Stock Exchange (B3). TIM Brasil also publishes its GHG emissions in the Public Emissions Register of the Brazilian GHG Protocol Program. TIM Brasil also has been selected to compile the ICDPR-70, the Climate Resilience Index launched by CDP Brazil and partners in 2020.
- spreading a culture in support of the actions that everyone can implement to contribute to the reduction of emissions. Digitalization and dematerialization to achieve energy savings and reductions in CO2 emissions into the atmosphere: TIM's solutions and products represent a real opportunity for climate change mitigation. In particular:
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⁶ According to the National Energy Report for Brazil 2021 (BEN, 2021).

TIM initiatives for the environment

The concrete actions implemented by TIM in order to limit the impact of the company's activities on the environment are outlined below.

Energy efficiency and device recovery measures and equipment restoration

In 2021, TIM continued to implement a process of continuous improvement through initiatives and projects (renewable energy, energy efficiency, trigeneration, consumption monitoring) aimed at minimizing the environmental impact of the company's activities, its customers and stakeholders in general, with a view to limiting consumption and achieving a progressive green transition, of which energy efficiency continues to represent one of the most significant levers.

During the year, confirming TIM's continuous commitment to improving energy performance, purchasing policies mindful of environmental issues were adopted and an Energy Management System was also implemented, controlled and developed with reference to the ISO 50001 standard.

The COVID emergency, which continued in 2021, resulted in a reduction in consumption linked to the closure of the offices during the state of emergency. Energy efficiency measures, on the other hand, did not stop, with further compacting of plants and data centers in Italy, and the continuation of the so-called space plan (rational reduction of office space). In this scenario, we record an overall net reduction in YoY withdrawals of approximately 54 GWh.

The commitment to reducing emissions also extends to the implementation of energy monitoring and control solutions. In fact, during 2021 significant projects were launched, across several corporate departments, to monitor fixed and mobile network consumption aimed at their optimization. Special platforms have therefore been developed to receive data relating to the plants subject to efficiency upgrading, the monitoring of sensors installed on base transceiver stations during 2021 and relating to the characteristic data of trigeneration plants. The savings related to the monitoring project on the fixed network will be appreciable from 2022 (an estimated 8 GWh).

Renewable energy

TIM has continued to work to reduce emissions and energy consumption linked to the ongoing development of new generation networks, at the same time increasing the use of energy from renewable sources in business processes.

2021 sees the start of analyses aimed at identifying new business models through external partnership agreements, using a non-capital intensive logic. In addition to the installation of 14 photovoltaic plants, posted to TIM CAPEX, for a capacity of around 700 KW, which are planned to start operation in 2022, a project to build photovoltaic plants on medium-sized exchanges. Self-generation from renewable sources associated with that project will be finalized starting in 2023.

The purchase of guarantees of origin was also increased for a total purchase target in 2021 of 33% of the requirement of the Domestic BU, in line with an incremental coverage path that plans to reach 100% green coverage in 2025. Note that as of 2021, all data centers and offices in the domestic scope are fueled by renewable energy. As of mid-2021, the stores are now also fueled by renewable energy.

Also in 2021, TIM completed the signing of the largest Corporate Power Purchase Agreement (PPA), in terms of volume, concluded between two Italian counterparties. This contract for the purchase of energy from renewable sources for a volume of 3.4 TWh over 10 years confirms both the company's strong commitment to the targets of the recent Sustainability Plan and its desire to contribute to the achievement of the national targets for the development of renewables set by the National Energy and Climate Plan (NECP) for 2030. The Group, a leading energy consumer at national level, confirms its proactive and innovative role in the ongoing energy transition.

Energy efficiency of sites

In 2021, interventions have focused both on re-engineering of cooling systems for the purpose of improving energy performance through a further plan of Reengineering interventions (Phase 4) for the adaptation of infrastructures and upgrading of air conditioning systems on sites for industrial use, and on the replacement of obsolete CDZ fans with new «FanUTA» fans, with IE4 motor and DDMP system (direct driven magnet permanent). The savings associated with these projects will be appreciable from 2022 (a total of around 12 GWh is estimated).

A series of further energy efficiency interventions (site energy management, energy stations, machine learning experimentation) were also carried out on 300 sites within the central and data center perimeter and a New Organization Project of Company Space Plan was launched with introduction of desk sharing and increase of Agile Work extended to Caring, which will make possible to rationalize workstations and close some offices with a significant reduction in energy consumption.

Trigeneration

Due to the pandemic, the authorization and deployment times of the 6 project plants have been postponed by approximately 12 months. In 2021 The construction of the Trigeneration plant in Bologna was completed with a saving of approximately 1.5 GWh in the same year. The remaining 5 plants are expected to be completed in 1H2022 for a total installed power of 9.4 MW, with an estimated electricity saving of approximately 45 GWh/year in 2022 and approximately 86 GWh/year when fully operational.

Interventions for sustainable mobility

In order to encourage sustainable mobility, in 2021 TIM began in Italy the implementation of a charging infrastructure for electric vehicles at the company's main offices.

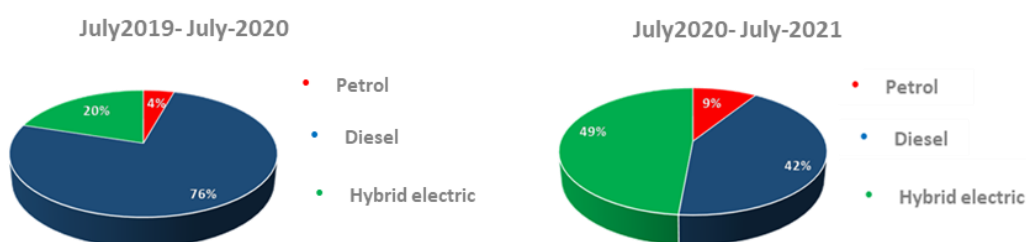
The project involved the installation of 76 stations at 27 locations in the cities of: Rome, Milan, Turin, Naples, Padua, Bologna, Palermo, Florence, Venice, Bari, Ivrea, Pomezia, Genoa, Cagliari. Currently, 40 workstations have been installed at the offices in Rome, Milan and Turin; the installation in Padua and Mestre is planned for December 2021.

The plan to replace 25% of the vehicles used in Car Sharing with fully electric vehicles has also been initiated; the project involves 13 cities and a total of 50 vehicles.

There is a sharp increase in low-emission vehicles in the fleet and in the mixed-use "Car List".

Following an initial inclusion in the Car List, due to expire on 06/30, of 51 models with Full Electric, Full Hybrid, Plug-in Hybrid and Mild Hybrid power supplies, there has been a significant percentage increase in the number of vehicles ordered that use electric power supplies, as shown below.

Report Orders for TIM Domestic mixed-use vehicles



In order to have cars that comply with the latest European directives on pollutant gas emissions and equipped with increasingly advanced technologies, and for further attention on sustainability, a frequent renewal of the Car List is expected (every 6 months).

In September, a Mobility Survey was submitted to the entire Tim Domestic population in order to collect the data necessary for the formulation of Home-Work Travel Plans (HWTP), an activity that has become mandatory following the publication in the Official Gazette of the Italian Republic of the Decree 05/12/2021 regarding the "Implementation of the provisions relating to the role of the Mobility Manager".

As confirmation of how topical the issue of mobility is, there was extraordinary participation of 79%.

Following the results of the survey, which had a 79% participation rate, HWTPs were developed for 63 locations and sent to local authorities.

In addition, a tender is being launched for the remodeling of the company shuttle services for the year 2022, where it is planned to introduce advanced technologies such as a booking App, detection of actual use and travel times, and the guarantee of distancing and maximum safety.

To encourage the use of micro-mobility, areas have been set up in the company car parks for the storage and recharging of bicycles and electric scooters.

Reduction of pollution

TIM has a total of 25,400 lead batteries installed at its Fixed Network locations in Italy, and their autonomies are set based on the type of plant.

The total weight of these batteries at the end of 2021 came to around 49,500 t, of which approximately 70% is comprised of lead.

Observing the quality of national electricity and the annual dynamics around the average duration of interruptions makes it possible for TIM to implement numerous initiatives to streamline the total number of batteries installed, by gradually reducing the requirements of backup.

The improvement target is continuous (year over year) and is implemented through the review of the rules on calibrating the autonomies. Benefits derive from both replacements that are no longer necessary (systems that have decreased in efficiency due to being outdated, but still capable of guaranteeing the service required by the new parameters) and by replacements of systems that are no longer suitable with new, smaller batteries. Over time, this will gradually reduce the overall weight of lead batteries in operation while introducing new, less polluting technologies with greater energy density.

The total improvement expected is a reduction of around 33% in the quantity of pollutant calculated on the average of the installed number of batteries, net of the new solutions that TIM is testing. Using the replacements in the last two years as reference, the equivalent weight of lead avoided comes to around 400 t/year.

IoT and environmental research

TIM has always been proactive in research and innovation, due to the skills of its innovation center, which monitors the market and develops solutions from design to prototype, up to issue of the service in the field. TIM has obtained numerous patents and created many projects for Internet of Things (IoT) ICT solutions, with positive environmental impacts in various areas of application.

The main projects financed that continued in 2021 are shown below:

PROJECT NAME	PARTNER/ADDR ESSEE	CONTEXT	DESCRIPTION
CTE NEXT Project (TO)	Municipality of Turin	Casa delle Tecnologie Emergenti [House of Emerging Technologies]	Creation of a center for wide-ranging technology transfer on the emerging technologies linked to 5G in sectors identified as strategic for the Turin area: smart mobility (with a focus on autonomous and aerial mobility), Industry 4.0 and innovative urban services.
SUMMA Cassino Project	Municipality of Cassino	Deployment of ultrabroadband	Development of a system to analyze mobility, using cutting edge sensors and cameras that leverage specific algorithms based on neural networks to recognize the people and objects captured.
Bari Project	Municipality of Bari	Casa delle Tecnologie Emergenti [House of Emerging Technologies]	Development of an innovation hub in the metropolitan city of Bari that can test new technologies and operating protocols with specific regard to the issue of autonomous and semi-autonomous driving using 5G as the enabling technology and the use of AI, the next generation IOT and drones.
MIUR Cluster ITS	ITS Italy 2020	Increase efficiency and effectiveness in the transport of goods, developing innovative solutions in the ITS field	
MIUR Smart Cities - HEALTH@HOME	Health @ Home	System to improve the "quality of life" of people/families, focusing on remote management and the decrease in travel.	
MIUR Cluster MIE	MIE	Reduction of the environmental impact of transport and increase in safety for urban public and private movement of goods, focusing on eco-mobility.	

Through its Innovation Department, TIM has also worked on the issue of smart cities for years now. In this field, we note several Smart Control Room projects (Venice). Inaugurated in September 2020, this "control tower" supported by 5G was built and is managed by TIM in collaboration with the Municipality and Local Police. It allows local administrations to manage services for the city in an integrated manner, including lighting, waste collection, mobility, and citizen and tourist safety. Data from the Control Room can be used and analyzed for decision-making and to intervene in real time. TIM aims to improve mobility and city safety by creating a smart urban model that can be extended to all Italian Municipalities.

TIM initiates several research projects for ICT solutions in the Internet of Things (IoT), applied to the world of Smart Cities with a positive environmental impact. Below are some examples.

REPLICATE(Firenze Smart City) The project focuses on smart energy, smart mobility and smart waste solutions and the development of IoT platforms for managing the distribution of water and waste management in collaboration and partnership with the municipality of Florence. The project began in 2016 and was completed in 2021, with the field testing of the solutions developed.

TIM Smart Roads Projects is the partner of various smart road projects, including C-ROADS 1 and 2, 5GCARMEN, 5GSMARTG (Genova Smart Roads). With the goal of developing the Smart Roads Platform which enables and handles the exchange of messages and information between the IT systems of roadway operators, road infrastructures (Road Side Units), vehicles (On Board Units) and the other parties that travel on the roads. The enabling technology is 5G, due to its low latency, and C-V2X (Cellular V2X) solutions for exchanging messages between vehicles via the mobile network. The use cases addressed regard scenarios of safe driving, assisted driving and, in future, also self-driving, addressing also cases of controlling and reducing consumption and, as a result, environmental emissions. Testing is conducted on real infrastructure, which includes, for example, the A22 Autobrennero and A4 motorways and the municipalities of Trento, Verona, Turin and Genoa.

Smart Agriculture. TIM is a partner of the "MIND FoodS Hub" project, along with Arexpo, the University of Milan, Auxologico, Agricola Moderna and various players in the field of smart, sustainable agriculture and the digitization of the agri-food chain, including product certification through blockchain. The project, launched in 2020 and financed by the Lombardy Region, will conclude in 2022, and entails the use of Nb-IoT wireless sensors, 5G radio gateways to monitor the health and growth of several crops in order to monitor their nutritional parameters, also working with the agriculture departments of the university. The project involves the use of a robot in the greenhouse, which, using 3D sensors and multi-spectral video cameras, and 5G transmission and subsequent processing of the project's data lake, conducts an accurate analysis of the growth process of the plants, and the archiving and historicizing of data, even for a single plantation. The expert agronomist can access all the data in the field in real time, also through applications and devices using augmented reality. The service entails a trial in the field during 2022 in a farm near Milan, in the MIND Milano Innovation District.

In Brazil TIM, following a survey of agribusiness needs, identified a fully technology-driven ecosystem, but with significant gaps in connectivity, the main enabler of digital agriculture. In order to achieve goals such as energy efficiency, reduced use of chemicals, reduction of fossil fuels and water consumption, the "TIM No Campo" service was developed, which provides solutions to deploy 4G LTE 700MHz connectivity in rural areas throughout Brazil.

Consumer Products: TIM Green

In order to improve the environmental efficiency of products offered to private and business customers alike, attention has to be paid to their energy aspects, optimizing consumption while meeting the needs of the

services delivered and applying "Design For Environment" rules that reduce their environmental impact, particularly during the production phase and the end-of-life management of equipment. TIM researches and develops products with a low environmental impact throughout their entire life cycle.

At the end of the 1990s, TIM launched a series of internal research and development activities aimed at creating environmentally friendly terminals known under the TIM eco-friendly logo.

For each product and for the initiatives under this logo, information is provided on the characteristics and the specific solutions adopted to demonstrate eco-compatibility and environmental benefit. In the case of products, this information appears in the environmental statement drawn up in accordance with the UNI EN ISO 14021 standard, as well as in the sustainability section of the gruppotim.it website, where information can also be found about the "eco-friendly" features of initiatives and projects.

Today, this family of fixed telephony products falls under the TIM Green initiative and logo, which includes the proposal to customers of reconditioned smartphones and the new green SIM, smaller in size (half the size of previous SIMs) and composed of 60% recycled plastic. The packaging housing it is made of biodegradable material and the brochure was resized and printed on FSC paper (Forest Stewardship Council).

The TIM eco-friendly range includes dedicated products for businesses and consumers developed in cooperation with suppliers. The electricity savings also translate into an equivalent reduction of greenhouse gas emissions. The entire TIM eco-friendly range of products are designed using eco-design criteria. The casing and packaging are made using uniform, recycled and/or recyclable materials. In 2021, TIM Hub+ was certified, a product of the eco-friendly line, with excellent results in environmental tests and suitably accompanied by an environmental declaration.

All of TIM's products, even those not belonging to the TIM Green family, are sold in recycled cardboard packaging printed using soy ink. The method of disposal of each part of the product contained in the packaging is also stated.

TIM's environmental performance¹

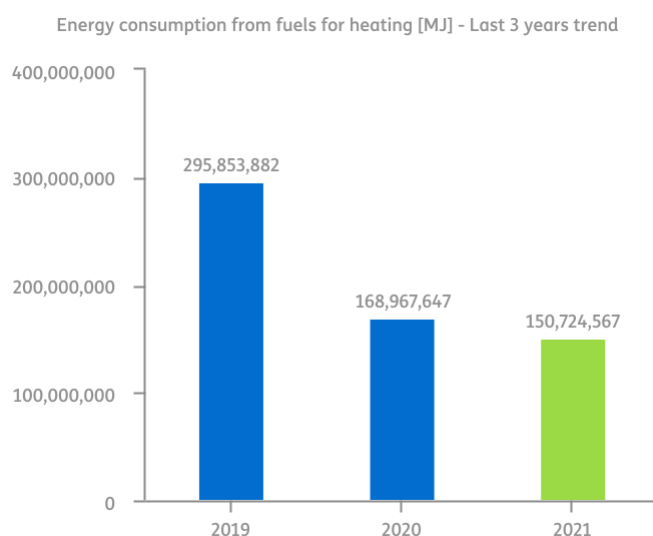
Energy consumption

[GRI 302-1], [GRI 302-2], [GRI 302-4] The Group's energy consumption is presented broken-down into consumption for heating, transport and purchased and produced electricity. In 2021, the Group consumed a total of 8,493,465 GJ of energy.

Heating systems

The data show a significant reduction in 2021 compared to previous years, mainly attributable to real estate rationalization and the extension of agile working at home to all departments and throughout the entire duration of the Covid-19 emergency. In **Brazil**, given the particular climate conditions throughout the year, indoor heating is not used. Compared to 2019, consumption of energy for heating decreased in 2020 by 126,886,235 MJ.

		Group	Domestic	Brazil
Energy generated by heating oil	MJ	1,551,680	100%	—%
Energy generated by methane	MJ	149,172,887	100%	—%
Total energy for heating	MJ	150,724,567	100%	—%
2021 v. 2020		(11%)	(11%)	NC
2021 v. 2019		(49%)	(49%)	NC



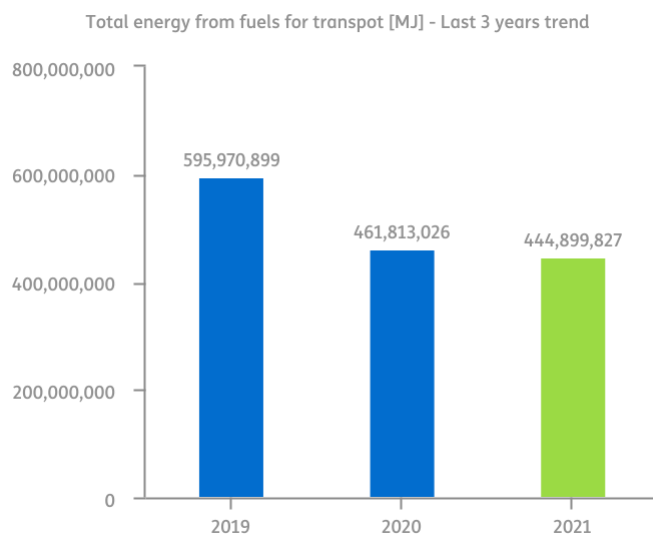
¹ The reporting scope of the Non-Financial Statement coincides with the Annual Financial Report. It should also be noted that the environmental data reporting scope excludes companies with fewer than 30 employees and not considered material in relation to their environmental impact. The TIM Group companies included in the environmental perimeter are listed below: TIM SpA, Olivetti, Noovle SpA, Telsy SpA, TI Sparkle Italia, TI Sparkle Greece SA, TI Sparkle Turkey, Telecontact Center SpA, TI Trust Technologies, Telecom Italia San Marino SpA, Mobile Telephony Sammarinese SpA, Fibercop SpA, TIM Retail, TIM SA

Transport

The data shown here refers to all the Group's vehicles (industrial, commercial, used by senior managers/middle managers/sales people), both owned and hired. The vehicles, consumption and mileage of vehicles owned or in use by the sales force of TIM in Brazil have been included only where usage is significant and continuous. In general, energy consumption due to transport gradually decreased thanks to a rationalization of the fleet and restrictions on travel.

		Group	Domestic	Brazil
Energy from unleaded petrol	MJ	31,655,676	81%	19%
Energy from diesel fuel	MJ	413,231,373	100%	—%
Energy from LPG	MJ	12,778	100%	—%
Total energy for transport*	MJ	444,899,827	99%	1%
2021 v. 2020		(4%)	(2%)	(61%)
2021 v. 2019		(25%)	(22%)	(79%)
Total number of vehicles	n	14,230	98%	2%
2021 v. 2020		(5%)	(1%)	(66%)
2021 v. 2019		(6%)	(4%)	(55%)
Total distance travelled	km	188,120,274	99%	1%
2021 v. 2020		(6%)	(4%)	(61%)
2021 v. 2019		(25%)	(23%)	(77%)

* Represents conversion into megajoules of the consumption of unleaded petrol, diesel and LPG (expressed in liters) and natural gas (expressed in kg)



Use of fuels for electricity generation

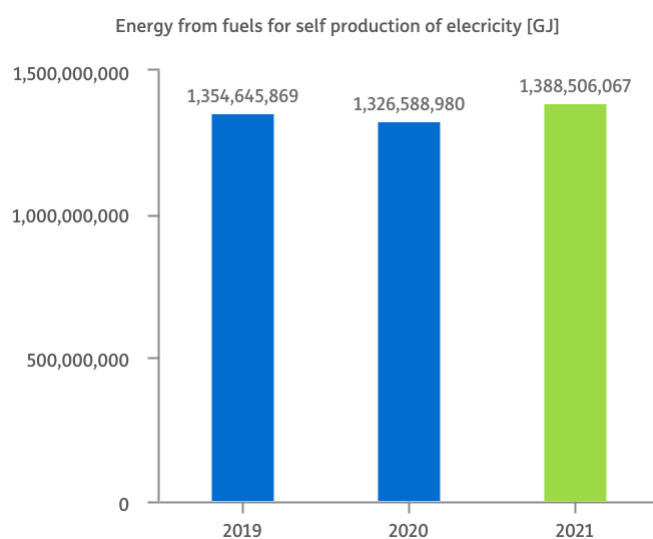
Part of the energy required to meet TIM's needs is self-generated using trigeneration plants and generator sets. The latter, which are diesel-powered, guarantee not only the continuity of TIM's operations in the event of an interruption in the supply of electricity from the grid, but also the possibility of operating systems where connection to the electricity grid is not possible or in the event of special requirements or emergencies.

Trigeneration plants, on the other hand, are powered by methane and allow the use of dispersed heat to both heat and cool rooms. Thermal energy is converted into cooling energy by means of absorption chillers, thus reducing the use of conventional cooling units and the consequent consumption of electricity. At the moment they are only used in Italy.

The table and graph below show the consumption of fuels used for self-generation of electricity over the past three years.

		Group	Domestic	Brazil
Diesel consumption for electricity self production	MJ	20,144,204	33%	67%
Natural gas consumption for electricity self production	MJ	1,368,361,863	100%	—
Total of fuels for electricity generation	MJ	1,388,506,067	99%	1%
2021 su 2020		5 %	5 %	8 %
2021 su 2019		2 %	2 %	34 %

The consumption of methane for tri-generation increased in 2021 compared to 2020 (+5%), when it had increased by +11% compared to the previous year, the electricity produced having increased correspondingly. The Group's diesel consumption changed (-17% on 2020, -84% on 2019) in line with the reduction in properties occupied. In 2021, overall fuel consumption for self-generation of electricity increased slightly compared to 2020 (+5%), around the levels of consumption of 2019, with a deviation of 2 percentage points.



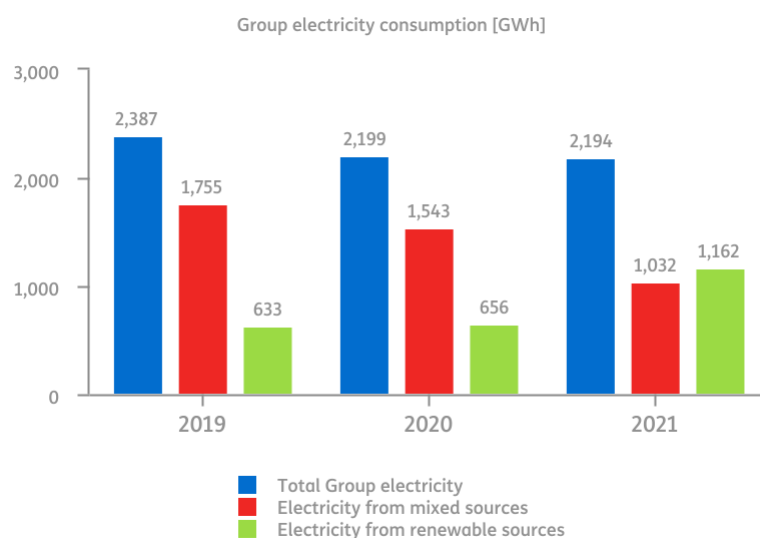
Electricity procured and produced

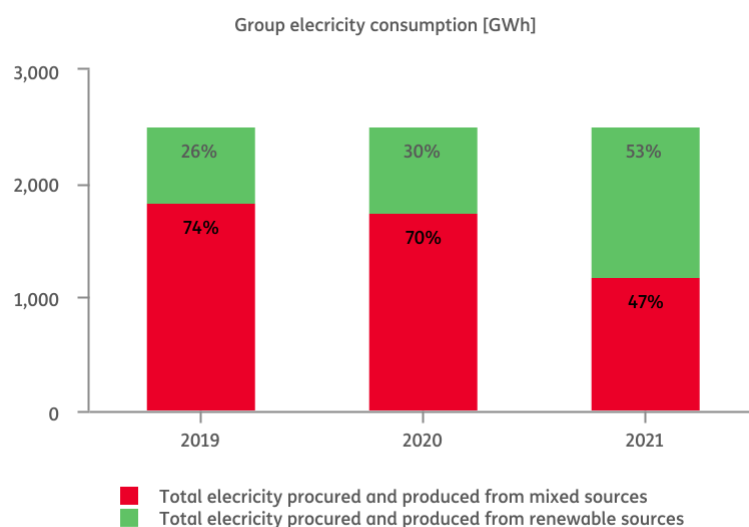
Energy from renewable sources constitutes 53% of all energy consumed by the Group. Guarantees of origin covering 525 GWh were purchased in Italy in 2021.

The electricity purchased corresponds to 82% of the total electric energy consumed by the Group.

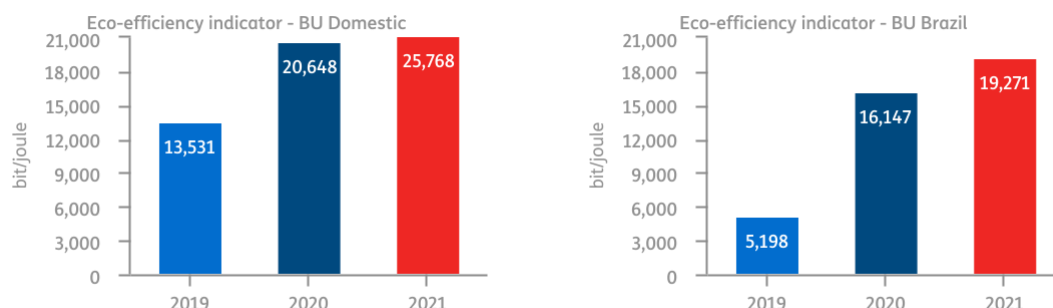
		Group	Domestic	Brazil
Electricity from mixed sources	kWh	1,031,623,713	100%	—%
	GJ	3,713,845		
		(33%)	(11%)	(100%)
2021 v. 2019*		(41%)	(27%)	(100%)
Electricity from renewable sources*	kWh	1,162,220,783	44%	56%
	GJ	4,183,995		
2021 v. 2020		77%	23%	170%
2021 v. 2019		84%	33%	161%
Total electricity consumption	kWh	2,193,844,496	70%	30%
	GJ	7,897,840		
2021 v. 2020		—%	(2%)	4%
2021 v. 2019		(8%)	(14%)	11%

*Including the purchase of Guarantees of Origin.





[GRI 302-3] The Group measures its energy efficiency by using an eco-efficiency indicator that establishes a relationship between the service offered to the customer (bits transmitted) and the company's impact on the environment (joules of energy consumed). The factors taken into consideration are the amounts of data and voice traffic of the fixed and mobile networks, and energy consumption for industrial purposes (transmission and climate control in exchanges), domestic purposes (electricity for office use, air conditioning and office heating) and vehicles. The graphs below show the level of the eco-efficiency indicator over the past three years for the Domestic and Brazil BUs. The indicators calculated by the Group for Brazil and Italy are different. This is because the two organizations function very differently from an operational and environmental perspective: e.g. in Brazil the traffic is primarily mobile and, as previously mentioned, no heating fuels are used in view of the particular climate conditions.



In 2021, the value of the indicator calculated for the Domestic BU was 25768 bits/joules, up by over 24.79% compared to 2020 and 90.43% compared to 2019. This is the result of a substantial increase in data traffic, policies for limiting consumption and the effect of COVID-19 on these two components already in place. The data used in the calculation of the indicator refer only to the Group's Italian companies, i.e. Domestic, Sparkle Greece and Turkey are excluded from the perimeter.

The eco-efficiency index calculated for **Brazil** also continues to improve: in 2021 it significantly grew by 19.35% compared to 2020 and by 270.74% compared to 2019.

Atmospheric emissions

[GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-5] [GRI 305-6] The Group's greenhouse gas emissions consist almost exclusively of carbon dioxide generated by fossil fuels for heating, transport, power generation and the purchase of electricity from third parties. In addition to these, fugitive emissions of hydro chlorofluorocarbons, hydro fluorocarbons (HCFCs and HFCs) and other gases from air conditioning and fire prevention systems are also considered and converted into kg of CO₂ equivalent (see table Emissions of ozone depleting gases in this section). For atmospheric emissions as well, use is made of the GHG Protocol approach, distinguishing between direct or Scope 1 emissions (use of fossil fuels for transport, heating, power generation and fugitive ozone depleting emissions), indirect or Scope 2 emissions (purchase of electricity for industrial and civil use) and other indirect or Scope 3 emissions. Nitrogen oxides (NO_x) and sulphur oxides (SO_x) emissions [GRI 305-7] are negligible in Group emissions.

[GRI 103-3: Management Approach] [GRI 305] The following table shows Scope 1 and Scope 2 market based emissions.

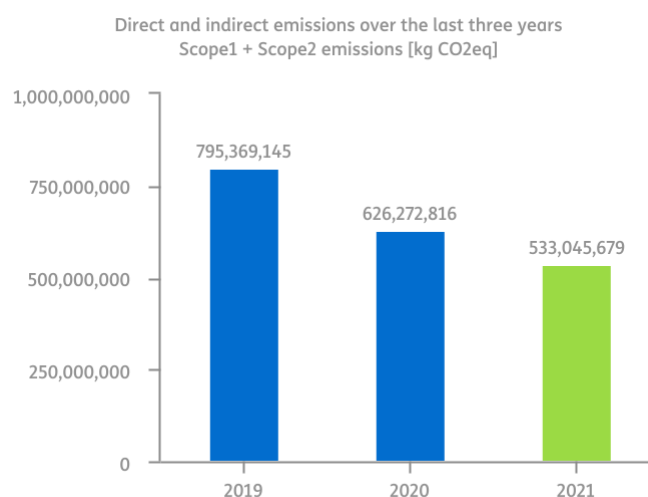
		Group	Domestic	Brazil
CO ₂ emissions from transport*	kg	31,017,337	99%	1%
CO ₂ emissions from heating*	kg	8,521,733	100%	—%
Emissions of CO ₂ equivalents for ozone depleting gases**	kg	9,688,453	49%	51%
CO ₂ emissions from electricity generation by cogeneration*	kg	77,174,832	100%	—%
CO ₂ emissions from electricity generation using diesel* [^]	kg	1,408,143	33%	67%
Total direct emissions of CO₂ – ex Scope1 GRI**	kg	127,810,498	95%	5%
2021 v. 2020		(2%)	1%	(35%)
2021 v. 2019		(17%)	(16%)	(30%)
CO ₂ emissions from purchases of electricity generated from mixed source***	kg	405,235,181	100%	—%
Total indirect emissions of CO₂ – ex Scope2 – market based	kg	405,235,181	100%	—%
2021 v. 2020		(18%)	(14%)	(100%)
2021 v. 2019		(37%)	(34%)	(100%)
Total indirect and direct emissions of CO₂ – ex Scope 1 + 2 – market based	kg	533,045,679	99%	1%
2021 v. 2020		(15%)	(11%)	(81%)
2021 v. 2019		(33%)	(31%)	(82%)

* The emission factors used in 2021 are the CO₂ equivalent factors published by DEFRA (Department For Environment, Food and Rural Affairs).

**The valuation of the equivalent CO₂ emissions of HCFCs, HFCs and other refrigerant gases is carried out with reference to the respective Global Warming Potential (GWP) reported in the specific table: the index is based on a relative scale that compares the gas considered with an equal mass of carbon dioxide whose GWP is equal to 1.

*** A residual mix value of 458.57 grams of CO₂ per kWh (AIB, 2020) was used in 2021 to calculate the emissions related to the consumption of electricity from mixed sources purchased on the Italian market (Scope 2 – market based) and in 2020, a residual mix value of 465.89 grams of CO₂ per kWh (AIB, 2019) was used, while for 2019 the same source was used. For Greece and Turkey, which fall within the Domestic scope, the 2020 Terna coefficient is used for Turkey equal to 415 gCO₂/kWh, and for Greece the 2020 AIB coefficients equal to 490.4 gCO₂/kWh is used. For Brazil, the average network factors for 2021, 2020 and 2019 calculated and published by the local Ministry of Science, Technology, Innovation and Communication were used, equal to approximately 126.41, 61.70 and 75.00 grams of CO₂/kWh.

The three-year performance of direct and indirect emissions shows a positive trend thanks to policies for limiting consumption, energy efficiency plans and the Group's continuous investment in energy from renewable sources.



Scope 2 location based

Scope 2 Location Based emissions are calculated for the companies that are consolidated within the BU Domestic scope, using the atmospheric emission factors of greenhouse gases in the electricity sector of the 2021 ISPRA report (277.6 gCO₂/kWh) for Italy, and using the 2020 Terna coefficients for Greece and Turkey (428 and 415 gCO₂/kWh respectively); for Brazil, the average factor of the Ministry of Science, Technology, Innovation and Communication was used, equal to 126.41 grams of CO₂/kWh.

Scope 2- Location Based		2021	2020	2019	2021/2020	2021/2019
BU Domestic	kg	391,241,422	427,057,791	524,571,439	(8%)	(25%)
BU Brazil	kg	51,355,228	31,785,689	35,058,014	62%	46%
Total Group	kg	442,596,650	458,843,480	559,629,453	(4%)	(21%)

Ozone depleting gases emissions

The details of the types, quantities and related emissions of gas dispersed in the atmosphere in 2021 due to leaks from refrigeration systems are shown below. CO₂e emissions were calculated using the factors published in the 4th Assessment Report of the IPCC.

For the Domestic BU, the gas leaks of TIM SpA and Noovle SpA plants are reported.

Domestic BU

Gases	Dispersed quantity [kg]	ODP	CFC 11 eq. [t]	GWP (100 yrs)	CO ₂ Emissions [kgCO ₂ e]	Type
R134A	707.20	—	—	1,430.00	1,011,296.00	HFC
R407C	596.89	—	—	1,774.00	1,058,883.00	HFC
R410A	460.85	—	—	2,088.00	962,255.00	HFC
R417A	592.85	—	—	2,346.00	1,390,826.00	HFC
R422D	117.40	—	—	2,729.00	320,385.00	HFC
R427A	10.00	—	—	2,138.00	21,380.00	HFC
R22	11.00	0.06	—	1,810.00	19,910.00	HCFC
Total HFC	2,485.19		—		4,765,024.36	
Total HCFC	11.00		—		19,910.00	
Total other gases	—		—		—	
Total	2,496.19		—		4,784,934.36	

Brazil BU

Gases	Dispersed quantity [kg]	ODP	CFC 11 eq. [t]	GWP (100 yrs)	CO2Emissions [kgCO2e]	Type
R134A/HFC-134a	794.18	—	—	1,430.00	1,135,677.00	HFC
R407C	181.84	—	—	1,774.00	322,584.00	HFC
R410A	287.76	—	—	2,088.00	600,843.00	HFC
HFC-227ea	206.80	—	—	3,220.00	665,896.00	HFC
R401A	1	0.03	—	1,182.00	1,182.00	HCFC
R22/HCFC-22	1,175.09	0.06	0.06	1,810.00	2,126,913.00	HCFC
HCFC-141b	69.55	0.11	0.01	725.00	50,424.00	HCFC
Total HFC	1,470.58		—		2,725,000.00	HFC
Total HCFC	1,245.64		0.07		2,178,519.00	HCFC
Total other gases	—		—		—	Other
Total	2,716.22		0.07		4,903,519	

[GRI 103-3: Management Approach] [GRI 305] The table shows some categories of Group's Scope 3 emissions¹. The breakdown into categories of the 2021 reporting has changed: compared to the previous years, in addition to emissions for 6 and 7, emissions for categories 1, 2 and 11 were added. The details are shown below.

		Group	Domestic	Brazil
CO2 emissions from capital goods*	kg	3,914,963,924	86%	14%
CO2 emissions from purchased goods and services*	kg	912,841,871	90%	10%
CO2 emissions from use of sold products**	kg	442,226,914	100%	—%
CO2 emissions from work-home commuting***	kg	6,394,698	100%	—%
CO2 emissions from business travels****	kg	465,068	35%	65%
Total indirect emissions of CO2 – Scope 3 GRI	kg	5,276,892,475	96%	4%

*Spending method with GHG Protocol and Quantis Scope 3 Evaluator

**Internal calculation model relating only to the Domestic BU

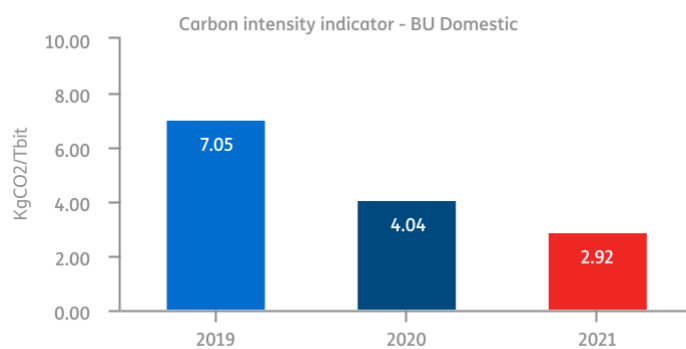
*** In determining the impact of home-work commuting, reference is made to statistical data produced on the company's personnel. This data refers to the BU Domestic.

**** Emissions due to air travel were calculated by the study and research center of American Express (the Travel Agency used by TIM) supported by DEFRA (Department of Environment, Food and Rural Affairs of the United Kingdom) based on the number of journeys actually made, subdivided by the duration of each individual journey (short, medium or long).

[GRI 305-4] TIM also measures the “Carbon Intensity” of its Domestic BU by using an indicator that establishes a relationship between the company's direct and indirect operational CO2 emissions (Scope 1 and Scope 2, measured in kg and generated by Company's activities), with the service offered to the customers (Tbits transmitted).

The factors taken into consideration are the amount of data and voice traffic of the fixed/mobile network and direct emissions produced by using fossil fuels for heating, vehicles and self-production of electrical energy together with indirect emissions due to purchase and consumption of electrical energy from grid.

¹ Greece and Turkey are excluded from the Sparkle count. Only car and motorcycle journeys by employees who do not own company cars were considered. Travels on public transports are excluded.



In 2021, the value of the indicator decreased, amounting to 2.92 kgCO₂/Tbit, a value equal to -27.72% compared to 2020 and -58.70% compared to 2019. The increase in traffic combined with policies to limit consumption already in place at TIM are two factors that were further enhanced by the COVID-19 pandemic in 2020.

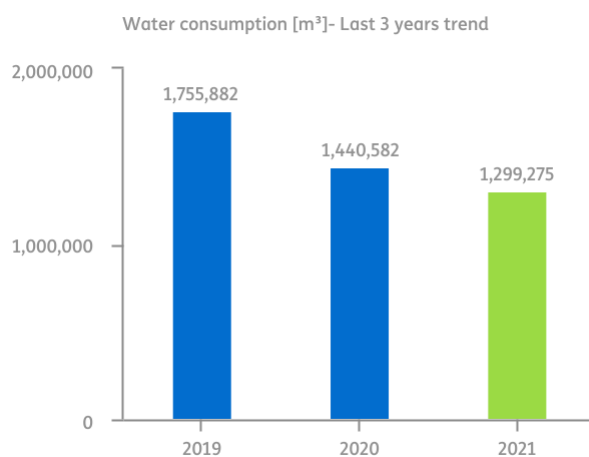
The data used in the calculation of the indicator refer only to the Group's Italian companies, i.e. Domestic, Sparkle Greece and Sparkle Turkey are excluded from the scope.

Consumption of natural resources

Water consumption

The downward trend in water consumption is continuing thanks to targeted management and staff awareness-raising actions and continued in 2021 as a result of the closure of sites used as offices caused by the pandemic.

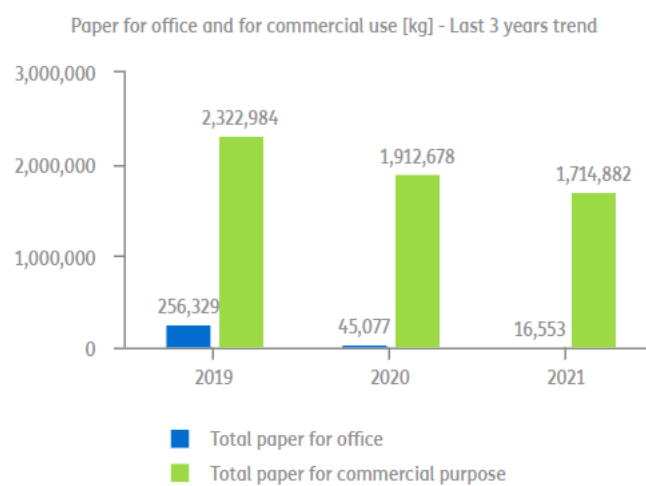
		Group	Domestic	Brazil
Consumption of water drawn from artesian wells	m3	51,476.61	99%	1%
Consumption of water provided by water supply companies	m3	1,247,633.39	97%	3%
Consumption of water drawn from other sources	m3	165	—%	100%
Total water consumption	m3	1,299,275	97%	3%
2021 v. 2020		(10%)	(8%)	(46%)
2021 v. 2019		(26%)	(24%)	(57%)



Paper for office and commercial purposes

Purchases of paper for office and commercial use (telephone bills) continue to be directed at product types that meet the highest environmental standards based on the responsible management of forests according to the Forest Stewardship Council (FSC) requirements.

		Group	Domestic	Brazil
Non-recycled and non-certified paper purchased for office use	kg	4	100%	—%
FSC certified paper purchase for office use	kg	15,528	99%	1%
Total paper purchased for office use	kg	16,553	99%	1%
2021 v. 2020		(63%)	(60%)	(97%)
2021 v. 2019*		(94%)	(92%)	(100%)
Total paper purchased for commercial use	kg	1,714,882	77%	23%
2021 v. 2020		(10%)	(7%)	(20%)
2021 v. 2019		(26%)	(25%)	(29%)



Waste

[GRI 306-2] The data shown in the table refer to TIM S.p.A., Olivetti, Sparkle Italia, Noovle, TIM San Marino and TIM S.A., for the weight of consigned waste¹ and recorded by law².

		Group	Domestic	Brazil
Hazardous waste	kg	3,115,582	82%	18%
Non-hazardous waste	kg	8,314,364	89%	11%
Total waste consigned*	kg	11,429,946	87%	13%
2021 v. 2020		14%	24%	(25%)
2021 v. 2019		30%	28%	43%
Waste sent for recycling or recovery	kg	11,387,514	87%	13%
% Waste sent for recycling or recovery		100%	100%	98%

* The data does not include the Domestic BU telephone poles because these are not disposed of as ordinary waste but under the framework agreement signed in 2003 with the Ministry of the Environment and Land Protection, the Ministry of Production Activities and the production and recovery companies, subject to the favorable opinion of the conference of State-Regions-Autonomous Provinces. In 2020, TIM decommissioned 169,750 poles weighing a total of 13,580 tons.

The data in the table below refers to TIM S.p.A., Noovle, Sparkle Italia and Olivetti. No comparison is shown with the previous reporting years, as the details were only prepared for the first time in 2021, aligning with the new standard GRI 306 (2020). The Group will also make the effort to collect complete data next year.

BU DOMESTIC in details [kg]

	Recycling	Reuse	Incineration	Disposal	Reconditioning prior to disposal activities
Hazardous waste					
Mains batteries	2,390,920				
Disused mobile phones, batteries and accessories	1,150	—	—	6,280	—
Lamps	—				
Electrical or electronic equipment	157,940	—	—	—	—
Other hazardous waste	1,773	—	19	—	—
Total hazardous waste	2,551,783	—	19	6,280	—
Non Hazardous waste					
Electrical and electronic waste and cables	1,679,261	—	—	—	—
Metals	640,079	—	—	—	—
Paper	554,720	—	—	—	—
Plastic material	386,119	—	—	—	—
Wood	1,047,030	—	—	—	—
Batteries	106	—	—	—	—
Glass	37,260	—	—	—	—
Customer electrical equipment	—				
Other non hazardous waste	3,015,046	—	1,710	69	1,530
Total non hazardous waste	7,359,621	—	1,710	69	1,530
Totale	9,911,404	—	1,729	6,349	1,530

The data relating to waste shows a variable trend over time in relation to quantity and type of waste. The most significant figure is that of the ratio of waste produced and that sent for recycling/recovery, which remains at a high level. ICT can accelerate the obsolescence of products and require the resulting technological waste to be managed. TIM has entered into contracts with companies specialized in handling used, faulty and end-of-life products, with the aim of reclaiming components and raw materials and at the same time obtaining tangible economic benefits deriving from their recovery.

¹ The term "consigned waste" describes waste delivered to the haulier for transport to the recycling and recovery or disposal facility.

² Slight variations compared to the situation on December 31 may occur until the following March 30, because the source of the data is the records of waste loaded and unloaded, which are consolidated once the actual weight at destination has been verified; The information is supplied to the producer of the waste within 3 months of consignment, which is the reason for the potential variations in the data. In this regard, ascertained waste production for 2019 was lower (-1.05%) than stated in the last Report. However, this increase was not taken into account in the 2021 on 2019 comparison of waste produced.

In 2021 the various management activities made it possible to regenerate commercial logistics products (63,026 pieces) and network materials (19,038 pieces), and to send commercial logistics products totaling 476,528 kg for component and raw material recovery, almost exclusively for fixed telephony.

In 2021, the resale of used cellular phone products was carried out for a total of 16,427 pieces.

[GRI 306-3] Regarding underground tanks, 30 leak tests were conducted in Italy in 2021. No leaks occurred during the year.

In terms of equipment recovery, TIM is aware that its devices must be kept in operation as long as possible: their often inevitable disposal generates waste, new production and, thus, new atmospheric emissions.

The modems returned to TIM by customers due to defects or termination of contract are refurbished by a third party entity and reused by TIM to replace non-working equipment at customers' homes through technical support. Refurbishment consists of inspecting the returned product to detect defects that make it impossible to recover. In that case, the product is disposed of, as the process does not entail the replacement of damaged plastic parts. If the product passes inspection, the modem's functioning is checked, subsequently upgrading its firmware, cleaning the plastic parts, relabeling and packaging in boxes made from recycled cardboard. Modems that do not work but are still under the provider's warranty are replaced. When they are no longer under warranty, they are sent for disposal: the process does not entail the product being opened to replace any damaged electronic parts. The resale of refurbished modems is not currently planned.

TIM also oversees the reuse for other functions or services of previously existing data devices (Juniper MX240) that would otherwise be removed or scrapped. The devices are given a new purpose, dismantling them and reinstalling them in different stations or locations. This recovery method also supported the urgent need to make wholesale sales to other operators, guaranteeing the timescales as per the SLA (Service Level Agreements) in relation to the potential delay of supplies of new materials.

TIM implemented a similar process of refurbishing TIM Live ultrabroadband modems, which extends their lives, also in **Brazil**. In addition, in **Brazil** as part of its commercial and web operating routines, in order to provide telecommunications services, TIM S.A. generates electronic waste (e-waste) which are those products that have electronic circuits or components such as power supplies or batteries.

Therefore, in its environmental policy and under certain rules, the Company provides the proper management of waste in order to comply with legislation, such as the Brazilian National Policy on Solid Waste (Law No. 12,305/10) and Federal Law No. 10,240/20 that establish shared responsibility among generators of electronic waste, whether it is considered hazardous or not. This is the case for those who manufacture, import, market and distribute mobile phones and their batteries and accessories such as cables, chargers, headsets.

Going beyond its obligations and aiming to reduce the impact of electronic products and their damage to the environment and public health, TIM Brasil has established a Reverse Logistics program in partnership with an authorized and certified supplier, with the aim of contributing to the creation of a circular economy, i.e. intervening in the entire life cycle of electronics and promoting economic and social development in the Reverse Logistics chain through collection at TIM stores and offices. In-store disposal is made available for the general service of the entire population, which includes their employees, third parties, customers and non-TIM customers. Disposal in TIM's buildings is intended to encourage and attract employees and other people who may have access to the company.

TIM has domestic post-consumption boxes for the disposal and storage of electronic products that have been made in line with the concept of environmental sustainability, using wood from reforestation in compliance with careful storage of hazardous waste, for example, using strength of materials to support the deposited material and guard against the leakage of any liquids.

The disclosure is made on TIM's institutional website, through the Reload the Planet program.

A performance monitoring team shall provide the Ministry of Environment, by March 31 of each year, with the annual performance report, with information and data consolidated during the period from January 1 to December 31 of the previous year, provided by the management companies.

Appendix

	2019	2020	2021	2021 v. 2020
Total energy for heating	295,853,882	168,967,647	150,724,567	(11%)
Total energy for transport	595,970,899	461,813,026	444,899,827	(4%)
Total energy procured from mixed sources	5,803,784,086	5,032,817,134	3,184,671,649	(37%)
Total energy procured from renewable sources	1,847,575,746	1,954,655,250	3,298,629,369	69%
Energy from self production by renewables sources	429,688,649	405,331,636	885,365,449	118%
Energy from generators	55,200,838	23,098,381	9,988,027	(57%)
Energy from trigeneration	458,354,272	499,447,433	519,185,689	4%
Group total energy consumption (MJ)	9,486,428,371	8,546,130,507	8,493,464,577	(1%)

Group water consumption (m3)	2019	2020	2021	2021 v. 2020
Total water consumption	1,755,882	1,440,582	1,299,275	(10%)

Group total paper purchased (kg)	2019	2020	2021	2021 v. 2020
Total paper for office use	256,329	45,077	16,553	(63%)
Total paper for commercial use	2,322,984	1,912,678	1,714,882	(10%)
Total paper purchased	2,579,313	1,957,755	1,731,435	(12%)

Group CO2 emissions Scope 1 (kg)	2019	2020	2021	2021 v. 2020
CO2 for ozone depleting gases	15,186,313	11,816,301	9,688,453	(18%)
CO2 for transport	43,833,717	33,959,890	31,017,337	(9%)
CO2 for heating	16,850,916	9,851,888	8,521,733	(14%)
CO2 from electricity generation by cogeneration	68,889,975	73,229,289	77,174,832	5%
CO2 from electricity generation using diesel	9,067,693	1,792,764	1,408,143	(21%)
Total direct emissions – Scope 1 GHG Prot.	153,828,614	130,650,132	127,810,498	(2%)

Total indirect emissions - Scope2 GHG Prot.(kg)	2019	2020	2021	2021 v. 2020
Scope 2 - Market Based	641,540,530	495,622,685	405,235,181	(18%)
Scope 2 - Location Based	559,629,453	458,843,480	442,596,650	(4%)

Totale emissioni indirette di CO2 – Scope3 Gruppo (kg)	2019	2020	2021
Totale emissioni indirette di CO2 – Scope 3*	59,344,885	8,390,698	5,276,892,475

* The YoY variance depends on the varied and expanded reporting: in 2019 and 2020 only categories 6 and 7 were calculated; in the 2021 reporting, categories 1, 2 and 11 are added to the aforementioned categories.

Total consigned waste (kg)	2019	2020	2021	2021 v. 2020
Hazardous waste	2,209,309	2,096,759	3,115,582	49%
Non-hazardous waste	6,585,661	7,910,807	8,314,364	5%
Total consigned waste	8,794,970	10,007,566	11,429,946	14%

	2019	2020	2021	2021 v. 2020
Total waste sent for recycling or recovery	8,426,811	9,778,423	11,387,514	16%

Social

Research and Development

[GRI 103-1: Management Approach] [GRI 203] Research and development of innovative technologies and services, processes and business models is a fundamental factor in keeping pace with the profound transformations of ICT, as well as being a necessary and driving asset for customers and the countries in which the Group operates, contributing to overcoming the socio-cultural barriers that limit the possibility of participating in the information society and enjoying its benefits. The section below describes TIM's activities in Italy and TIM S.A.'s activities in Brazil.

In Italy

[GRI 103-2: Management Approach] [GRI 203] TIM has always considered innovation to be a strategic asset and takes great care in governing individual aspects, from its strategic role to its responsibility, objectives and policy.

In 2021, TIM continued to strengthen an innovation model that leverages the eco-system concept, which is fundamental to nurturing a virtuous circle for scouting, incubating and planning innovative initiatives. This is realized, on the one hand, through labs as multi-site centers open virtually and connected in a unique digital environment to support open innovation, and on the other hand, through collaboration with Universities of excellence, thus creating a synergy oriented to the digital transformation of society, and which certifies TIM as a reference partner in Italy.

In line with this, the Group has taken action in several ways:

- by continuing the action to strengthen internal innovation lines, focusing the activity of laboratories and research groups on the fundamental trends in the evolution of fixed and mobile networks towards 5G standards¹, Open Ran and Edge Cloud, on the issues of service platforms and new operation systems;
- selecting, accelerating and co-creating innovative ideas, products and services from the world of startups² and small and medium-sized enterprises (SMEs), in line with emerging innovative trends of interest to TIM, in order to improve the commercial offer and internal processes, and encourage the growth of the Italian startup ecosystem through the TIM WCap acceleration program and venture capital investments made by TIM Ventures, the corporate venture capital arm³ of TIM.

[GRI 103-2: Management Approach] [GRI 203] Innovation management is mainly overseen by the Innovation Standard&IPR and Portfolio department within the Chief Technology & Operation Office, and involves different stakeholders inside and outside the Company:

- other areas of the company involved from time to time, both as internal customers for the innovation output solution and as centers of expertise on the topic;
- traditional and digital partners, for the joint go2market⁴ of digital services;
- research centers and Universities, for cooperation and joint projects. [GRI 203-1] In 2021, research contracts were initiated with five Italian universities for a total value of approximately 900,000 euros;
- at international level, a vast set of standardization bodies, associations, alliances, telco open communities, which play a fundamental role in the evolution of the TLC industry/sector for networks, platforms and services, in which TIM collaborates in partnership with the main stakeholders of the sector. In 2021, despite the continuing international crisis due to the pandemic, TIM confirmed its membership of the main standardization bodies and associations with 30 registrations for a total commitment of around 800,000 euros, placing the emphasis on interaction, not only with associations closely linked to the world of telecommunications, but also integrating with other industrial sectors such as the automotive sector and industry 4.0. Participation in international bodies has enabled TIM to increase its intellectual assets, both in terms of the acquisition of know-how and through direct contribution, aimed at promoting its industrial strategy and intellectual property (with the approval of solutions based on TIM patents in standards);
- at national level there are numerous collaborative relationships with various Ministries, the European Union, Public Bodies (e.g. the National Research Council and local authorities), for the realization of projects financed through participation in calls for tenders and partnership initiatives. In this regard in 2021, the collaboration that was started in 2019 continued with the Competence Industry Manufacturing 4.0, aimed at fostering the transfer of technological skills and innovation in production processes, products and business models, as well as the collaboration with B-REX in Bologna.

TIM's technological evolution is based on its Technology Plan, part of the Business Plan; specifically the Technology Plan identifies the technological strategy in terms of guidelines, specific technologies and the roadmap of adoption over a multi-year period. The three-year technological plan is the reference policy for the Group and includes also the technological evolution plans of subsidiaries. The qualitative and/or quantitative goals have been given an annual framework. They are defined so that they can be objectively measured in compliance with quality standards (ISO 9001) and environmental standards (ISO 14001), and operational innovation processes; in the same way as TIM processes, in general, are based on Telemanagement Forum's reference standard E-Tom⁵.

[GRI 203-1] Overall, in 2021 TIM committed around 1,300 people to working on technological innovation and engineering in Italy, for an overall investment for the TIM Group of 1,016 million euros.

¹ Acronym for fifth generation mobile technology and standards.

² New companies characterized by a high degree of innovation

³ TIM Ventures is the TIM Group company that invests in "corporate venture capital".

⁴ It can be defined as the strategy of an organization, which utilizes internal and external resources (e.g., sales force), in order to deliver its unique value proposition to customers and gain a competitive advantage.

⁵ The Business Process Framework (eTOM) can be considered an operating model framework for telecommunications service providers; the model describes the required business processes, defines the key elements and how they should interact. eTOM is a standard maintained by the TM Forum, an association for service providers and their suppliers in the telecommunications and entertainment industries.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 203\]](#) **Innovative technological activities with a focus on 5G, Edge Cloud and Open RAN**

In 2021 TIM continued its commitment to innovative activities with a focus on 5G, Edge Cloud and Open RAN.

Open-RAN and Edge Computing technologies are considered decisive to allow 5G to fulfill its technological and business potential. The Open Radio Access Network (O-RAN) is a concept based on the interoperability and standardization of the elements of the 4G and 5G radio access network, including a unified interconnection standard for open source hardware and software elements from different vendors, and the introduction of network elements that enable more intelligence in the network according to the principles of Artificial Intelligence and Machine Learning. Edge Computing moves traffic and service processing from a centralized cloud to the edge of the network and closer to the customer, allowing full advantage to be taken of high speed and low latency on the network.

TIM, a member of the O-RAN ALLIANCE since 2018, during the first half of 2021 was one of Europe's first operators (and the only one in Italy) to launch an Open RAN (Open Radio Access Network) development program for the innovation of the mobile access network. This initiative will see the Group implement new solutions on its commercial network to benefit customers and businesses thereby speeding up the deployment of digital services.

The initiative is covered by the signing of a Memorandum of Understanding in February 2021 with the main European operators to promote Open RAN technology with the aim of speeding up the implementation of new generation mobile networks, in particular 5G, Cloud and Edge Computing.

In this context, TIM has launched a series of field trials and laboratory tests:

The first trial, launched in April 2021, sees Faenza as the first city in Italy to adopt this open network model, where, thanks to the collaboration with JMA Wireless, a leader in mobile coverage activities and in the development of Open RAN software, TIM uses a solution that decouples the components (hardware and software) of the radio access network, according to a logic of supplier diversification, with a view to fostering a broader industrial ecosystem. In this case, the radio node, on a 4G network, was built by combining the JMA software baseband with the radio units supplied by Microelectronics Technology (MTI). Looking ahead, this activity will also extend to 5G solutions.

In October, the solution was also activated in Saluzzo, in the province of Cuneo, thus creating some of the most extensive Open RAN coverage in Europe.

In September, a solution that follows the architecture and interfaces defined in O-RAN was also activated in Matera, thanks to the collaboration with Mavenir for the RAN components and with MTI for the 4G Radio Unit. This solution, also developed with Dell Technologies, Intel and VMware, makes it possible to decouple the components (hardware and software) of the radio access network, according to a logic of supplier diversification, with a view to fostering a broader industrial ecosystem.

In addition, the first stand alone Open RAN 5G connection (i.e. completely independent from 4G) was carried out at the TIM Innovation Lab in Turin and will soon be activated also in the field in Matera. The result was achieved on the 3.7 GHz frequencies of TIM's 5G network in collaboration with Mavenir for core and radio networking capabilities, Dell Technologies and Intel for infrastructure, and VMware's Telco Cloud platform for end-to-end control of network functions and software automation.

The development of Open RAN solutions, characterized by an open environment, allows, in line with the objectives of TIM's 2021-2023 plan, to combine the potential of the cloud and Artificial Intelligence with the evolution of the mobile network. This technology allows operators to reinforce security standards, improve network performance and optimize costs in order to provide increasingly advanced digital services, such as those related to new solutions for Industry 4.0, Smart City and autonomous driving.

TIM is also one of the world's first operators (and the only one in Italy) to launch the "European OTIC Lab." The Open Test and Integration Center - OTIC Lab, in line with the standards envisaged by O-RAN ALLIANCE, the set-up of which will be completed during the second half of the year, will be based at the TIM Group Innovation laboratories in Turin and operate in synergy with the entire Open RAN ecosystem (manufacturers, start-ups, system integrators, etc.) in order to try out new solutions and speed up this technology for the development of the new pan-European architecture of the mobile network (5G, Cloud and Edge Computing).

As part of the activities carried out in TIM's OTIC laboratory, during the months of October and November TIM hosted the third edition of the Plugfest. The focus of the plugfest was the verification of compliance and interoperability of some interfaces defined in O-RAN and the end2end performance testing of some solutions implemented according to the specifications defined within the scope of O-RAN.

Other partnerships and activities with a focus on 5G

The Torino City Lab initiative continues⁶: TIM's contribution in 2021 focused mainly on the activities of the Turin Casa delle Tecnologie⁷. The City of Turin is in fact first in the rankings of the tender of Axis 1 of the Program in support of emerging technologies and the four-year project presented, known as CTE Next (in which TIM is the reference technological partner), has been awarded the MISE (Ministry of Economic Development) loan.

Over the 4 years, many Torino City Lab initiatives will be conducted through CTE Next, which provides a series of calls for testing and calls for innovation, for which it will catalyze the potential experiments by start-ups and SMEs interested in carrying out activities in the territory of Turin. The project reference verticals are the classic sectors on which the city of Turin focuses: Smart Mobility, Urban Air Mobility (drones), Industry 4.0, Innovative Urban Services, and the gaze, as always, will be turned towards the social aspects and potential replication in other contexts of the solutions tested. In addition to the locations for experimentation already used in Torino

⁶ Torino City Lab: project started in 2019 and born from the partnership between TIM and the Municipality of Turin. In particular, TIM is a TLC partner, for the establishment of simplified trial areas for digital services to allow for strategic collaboration to continue in the dissemination phase of the commercial 5G service.

⁷ Casa delle tecnologie: project inaugurated in July 2021 from which the House of Emerging Technologies was born, which aims to characterize the city as a large open innovation center to attract projects in the field of solutions for Smart Cities and Smart Mobility.

City Lab (Doralab and the urban circuit of Smart Roads), the CSI Next site, the CIM 4.0, the Clik laboratories of the Polytechnic and the laboratories of the Links Foundation (all places where TIM has set up the 5G reference infrastructure) will be added.

Thanks to CTE Next, the activities of Torino City Lab are significantly expanded, and made more structured and formalized, ensuring better effectiveness for the sustainable development of the territory. It should be pointed out that in CTE Next, TIM represents the 360-degree technological reference point for both the construction of the Casa delle Tecnologie and the innovation activities that will be carried out in it, assuming an even more central and decisive role for the success of the initiative.

A further collaboration with the Municipality of Turin concerns the automotive trial in the context of the 5GAA (5G Automotive Association), which also sees the participation of other mobile operators (British Telecom and Telefonica), Cisco, Intel, Capgemini and Harman as technology providers, and Stellantis as car maker. The goal is to ensure greater livability of city streets, increasing the safety of all road users (pedestrians, cyclists, motorists), with the testing of Vulnerable Road User (VRU) and Intersection Movement Assist (IMA) use cases, which are based on TIM's 5G network and Edge Computing solutions, the same technological assets that are characteristic of CTE Next. These activities concluded in December, with a demo conducted on private roads with a commercial 5G Network, the service scenarios were successfully demonstrated, specifically applied to foreign users of British Telecom and Telefonica roaming on the TIM network.

The involvement in this initiative of 5T, the in-house company of the Municipality that manages mobility systems and services in Turin and Piedmont, guarantees that the solutions designed and demonstrated in the tests are consistent and can be integrated with the development of the traffic management platforms used in Turin. From this perspective, TIM and the other partners of the project are deciding whether to execute the second phase in 2022, involving the trial of this type of application scenario under real traffic conditions (or at least under controlled traffic conditions in real scenarios).

In **the automotive sector**, among the main applications, agreements and use scenarios of TIM's 5G implemented in 2021, we highlight:

- The C-ROADS Italy project, in which TIM participates as an enabler of the infrastructure dedicated to hybrid communication, i.e. based on the interaction between cellular and proximity communication. TIM has collaborated with project partners, in particular Autostrada del Brennero and Centro Ricerche Fiat (Stellantis) for the implementation of pilot projects in the field. To this end, TIM ensured mobile coverage on all stretches of the Brenner Highway and developed and made available for experimentation the Interchange Entity, i.e. the application component of the C-ROADS platform that enables the exchange of messages between all operators in the smart transport ecosystem world, such as highways and the connected car.
- The MASA project - Modena Automotive Smart Area, an 'open-air' laboratory for the testing and certification of new technologies in autonomous driving, assisted driving and mobility, born from the partnership between the Municipality of Modena and the University of Modena and Reggio Emilia. The collaboration will make it possible to test increasingly advanced autonomous and connected driving solutions and services, with the aim of developing the communication infrastructure that will be the basis of the new mobility services using the potential offered by the most modern network technologies. In particular, TIM will provide innovative solutions enabled by its 4G and 5G mobile radio networks, as well as by Edge Computing technologies, which ensure better performance in terms of high bandwidth and low latency, for automotive applications related to mobility and traffic management.
- The agreement with ALIS for smart and sustainable mobility through the digitization of over 1,500 transport, logistics and intermodal companies. The aim is to make the mobility of goods and people smarter and more efficient, as well as greener, thanks to digital technologies generating a positive impact in terms of economic, social and environmental sustainability in the transport, logistics and intermodal supply chain.
- "Arena del Futuro" - the world's first collaborative innovation project for zero-emission mobility of people and goods towards carbon neutrality together with the A35 Brebemi-Aleatica highway, ABB, Electreon, FIAMM Energy Technology, IVECO, IVECO Bus, Mapei, Pizzarotti, Polytechnic of Milan, Prysmian, Stellantis, Roma Tre University and University of Parma. The collaboration is aimed at creating the conditions for the development of an innovative zero-emission mobility system for people and goods along highway transport corridors by demonstrating the effectiveness and efficiency of technologies related to the powering of electric cars, buses and commercial vehicles through dynamic non-contact inductive charging.
- In December 2021, TIM presented the Autonom Shuttle by Navya, a 100%-electric, self-driving shuttle that interfaces with the 5G network and Smart Mobility and Smart City platforms. This is the Autonom Shuttle developed by Navya, a French company that is a leader in the self-driving vehicle sector, dedicated to the first and last miles, tested at the TIM Innovation Lab in Rome. The 100%-electric, self-driving mini bus is capable of dialoging, through the 5G network, with the apps on TIM's Smart Mobility and Smart City platforms, to ensure safety. The self-driving electric shuttle can transport up to 15 passengers (11 seated and 4 standing). It reaches a maximum speed limited to 25 km/h, using an electric engine of nominal 22.6 kW (peak of 34). The possible evolutions of the technology implemented by the shuttle include performing surveillance services.

In **the Industry 4.0 sector**, collaborations can be pointed to with top-level Competence Centers such as CIM 4.0 and B-REX.

Within Competence Industry Manufacturing 4.0 (CIM 4.0) of the Ministry of Economic Development Competence Center, TIM Innovation Labs collaborate with the Polytechnic University and University of Turin, as well as with 23 other companies from Turin for the study, testing and dissemination in SMEs of Industry 4.0 solutions, including 5G. The collaboration that began in 2019 continued into 2021, not only on the higher education front with active participation in the CIM Academy, but also on the technology front: TIM has brought ultra-fast XGS-PON connections to CIM: FTTH fiber connections with XGS-PON technology, which make a bandwidth of 10 GB/second available symmetrically, and the use of new Edge Cloud infrastructure, technological enablers designed ad hoc to foster the best digital performance and greatest flexibility of use.

At BI-REX, Bologna center, the focus placed on the development areas of Big Data, Additive Manufacturing, Robotics, finishing and metrology, the alliance between the TIM network and the technologies present in BI-REX's pilot line, a reference point already active for companies, research centers and SMEs throughout Italy, engaged in the processes of technology transfer and digital transformation, demonstrates an example of how 5G could accelerate the digitization of companies.

On BI-REX's pilot line, TIM has made a professional push-to-talk communication platform available to ensure greater safety for working staff on the move. This platform allows you to geolocate and follow the worker, ensuring adequate protection even when isolated, thanks to the activation of the "man down" feature, which detects any irregularities in the worker's posture, enabling on-site supervision.

TIM's new fifth-generation network, integrated with the Augmented and Virtual Reality solutions already present on the pilot line, will enable timely future maintenance activities, with remote technical assistance, thanks to constant monitoring of the operation and the alarm indicators of the connected systems, minimizing any downtime and costs.

Collaboration between TIM and BI-REX is also concerned with the sphere of training, aimed at updating the skills of people and companies at the center of change: the online training activities on technologies for Industry 4.0 of the TIM Corporate Academy, will in fact complement the educational offer already provided by BI-REX, both on site with the pilot line itself, and remotely.

In May, under the scope of the agreement between TIM and Google Cloud, stipulated in 2020, for a technological collaboration for the creation of innovative public, private and hybrid cloud services to enrich the range of technological services offered by TIM, TIM and Noovle have launched the development of Italy's first "5G Cloud Network". The solution will allow for the faster development of new digital applications in 5G, thanks to the automation of industrial processes and the real time implementation of services thanks to EDGE Computing, on the basis of specific needs. The project, which will enable the automation of the functions of TIM's 5G core network and all Cloud applications, will use the TIM Telco Cloud infrastructure, Google Cloud solutions and Ericsson technologies.

Among the initiatives in the **entertainment** field, a sector over which TIM's innovation presides through all of its components, and in support of TIM's large commitment on the commercial front, the 5G-TOURS European project is of importance, whose various uses include use of the 5G network in remote and distributed TV production and where TIM participates as site manager in Turin. In that context, in November the first test of the "itinerant orchestra" was held at Palazzo Madama: over 100 spectators at the Gran Salone dei Ricevimenti enjoyed the musical work "The Garden of Forking Paths" by Andrea Molino, in which a group of musicians and actors moving through the streets of downtown Turin played in harmony with an instrumental ensemble located in the theater, despite the performers' physical distance from each other. This was all made possible due to TIM's 5G network, which guaranteed steady high speeds with extremely low latency, to ensure the contemporary broadcast of numerous high definition video streams from the video cameras to the control center.

Service Innovation Initiatives

Operating activities to develop 5G technology, Open RAN and Edge Computing, as well as the enhancement of innovative solutions linked to Quantum Communication, Metamaterials, the Corporate Technology Plan and Digital Services carried out in partnership with companies, institutions, universities and start-ups, most of which are part of TIM's Open Innovation ecosystem, are accompanied by structured technical communication activities that range from the TIM Technical Bulletin editorial plan, to promotions with press releases and events to disseminate scientific information, also at the customer's premises.

[GRI 103-2: Management Approach] [GRI 203] Research with Universities

In 2021, participatory research and development activities have been strongly focused on a model that ensures an eco-system vision that pursues Open Innovation also through collaboration with some Universities of excellence. In fact, in 2021 TIM will focus on the creation of a real "Open Innovation Ecosystem" centered on the collaboration with Italian Universities in order to develop new Open Lab and Research Projects, as well as through PhD contribution to internalize specialized knowledge, but also for the sharing of technological trends, heralding new growth opportunities within an increasingly global market.

Open Innovation therefore grafts into an integrated ecosystem with the strategic European and Italian departments comprising orders, PhDs, PoCs, the development of demo prototypes, Community Open Source, financed projects and dissemination.

The research with the Universities for Innovation of 2021 identifies specific topics; real structured courses on some medium/long-term topics to complete and enrich the internal know-how and construct an all-round overview:

- setting medium-term paths and collaborations;
- continuity with the Framework Agreements of the previous year with 4 universities (Turin Polytechnic, University of Catania, Secondary School Sant'Anna of Pisa and the NRC);
- launch of an agreement with the University of Bologna on 5G for Industry with the corresponding framework agreement on possible architectures that allow the integration of the 5G network within an industrial plant. This will be based on the specific requirements determined by the different use cases of Industry 4.0 and communication protocols used for industrial automation based on the evolution of the features offered by the 5G network for Industrial IoT in the various releases of the standard. TIM, which employs approximately 60 TIM reference technicians, 65 university researchers involved in specific activities, envisages an economic commitment for 2021 of around 900,000 euros.

Another important step in the support for research and innovation is the path undertaken by TIM with the financing of 30 PhDs. In particular, the Innovation department has provided the Human Resources department with technical collaboration to propose research topics for establishing and tutoring 9-10 scholarships for the 36th cycle and 6 additional scholarships for the 37th cycle. The universities chosen are: the Polytechnic of Turin, the Polytechnic of Milan, the University of Milan, the University of Trento, the Scuola Superiore Sant'Anna of Pisa, the Federico II University of Naples, the University of Catania and the Alma Mater Studiorum of Bologna.

The partnership between the University of Modena and Reggio Emilia and the Municipality of Modena for the testing and certification of new self-driving technologies and assisted driving that is part of the MASA – Modena Automotive Smart Area project was activated, where TIM implements 4G/5G mobile radio and Edge Computing solutions.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 203\]](#) **Funded research activities**

In 2021, TIM continued to be active in participating in innovation and research initiatives funded by the European Union and national public authorities, taking part, in particular, in international projects on issues that are key for TIM. In the four-year period between 2018 and 2021, in the European research and innovation programs (such as Connecting Europe Facility, Horizon 2020 and its recent evolution Horizon Europe) TIM participated in more than 50 project proposals of which more than a third were accepted and then funded for about 16 million euros. In this context, the activities carried out in the projects funded on the topics of 5G, virtualization and smart mobility services, and more recently "Beyond 5G", which will lead to the definition of the new generation of mobile systems of the near future, are those that have allowed, on the one hand, the enrichment of expertise and, on the other hand, the acquisition and consolidation of an internationally-recognized role.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 203\]](#) **Patents and Intellectual Property Rights⁸**

In 2021, the Group's patent portfolio maintained a size comparable to that of previous years. The production of new patent applications remained in line with previous years (16 patent applications filed on new inventions) as did the new patents granted during the year. The rationalization of the patent portfolio has led to some patents being abandoned which, with technological evolution, are no longer of any value. The Group's patent areas relate to the entire ICT sector, with specific excellence in the mobile sector, in particular in radio access, where TIM is among the leading TLC operators in the world.

In detail, TIM's patent portfolio at the end of 2021, relating to 538 patented inventions, includes over 3,000 inventions, both patent applications and patents granted: the latter (granted following examination by over 35 national patent offices) account for around 90% of the total.

A significant aspect of patent activity is represented by the high number of patents resulting from collaboration with universities and research institutes: 13% of patented inventions are the result of such collaborations.

Also noteworthy is the participation in several patent pools⁹ managed by Via Licensing and Avanci on 3G, 4G and 5G, with three patented inventions that were found to be essential to the standards. The patent pools acquired new participants during the year (with a current total of 29 licensees for Via Licensing's LTE patent pool and 48 licensees for the Avanci 3G 4G automotive patent pool) and granted licenses to 56 companies (Via Licensing's LTE patent pool) and 19 car brands (Avanci's 3G+4G automotive patent pool), respectively.

TIM has equipped itself with a policy that envisages a recognition for patents when first granted and for those that have led to an economic return. The inventors are assigned a reward that takes into account the importance of the patents, assessed by an internal committee.

In Brazil

[\[GRI 103-1: Management Approach\]](#) [\[GRI 203\]](#) [\[GRI 103-2: Management Approach\]](#) [\[GRI 203\]](#)

The Architecture & Innovation Technology department¹⁰ is responsible for Research and Development (R&D) activities; its main tasks are to define technological innovation for the network and information technology, to identify evolutionary needs for new technologies and devices, converging architectonic guidelines and strategic alliances in order to use the new business models and guarantee that the network infrastructure evolution is in line with the corporate strategy.

In 2021, the Architecture & Innovation Technology department was made up of 52 people, including telecommunications, electrical and electronic, IT engineers and other specialists with professional skills and experience, which cover all areas of network knowledge, meeting the need to innovate and support research and development activities.

TIM Lab is the multifunction environment focused on innovation, which also plays a strategic role in supporting credibility tests and trials, as well as PoCs (proofs of concepts), collaborating with the main suppliers and technology partners through knowledge sharing, technological infrastructure for interoperability tests, staff assessment and the definition of technical requirements; in synergy with the R&D department, it facilitates innovation activities and promotes collaborations with universities and research institutes.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 203\]](#) The TIM Lab Innovation Center in Barra da Tijuca, in the State of Rio de Janeiro, has a surface area of 650 m² and can also be used as an innovation space open to new

⁸ Intellectual Property Rights.

⁹ It is a consortium of companies that agree to grant a single license for their patents, necessary for a given technology concerned by the standard.

¹⁰ Architecture and Innovation Technology, within the Chief Technology and Information Office (CTIO).

opportunities, guiding innovation on the Brazilian telecommunications market and acting as national point of reference for R&D¹¹.

To strengthen the validation capacity regarding new software, features, solutions, technologies, services and devices, in 2020-2022, TIM S.A. has planned additional investments for over 10 million reais.

The Architecture & Innovation Technology Department has continued to work on projects and initiatives for the evolution of the business of TIM, which can be grouped into the macro groups:

- next generation network;
- with positive impact on the environment and society;
- future Internet applications;
- Open Lab Initiatives.

[GRI 103-3: Management Approach] [GRI 203] Next generation network projects

The reassignment of the 1,800 MHz, 850 MHz and 2,100 MHz bands from 2G/3G to 4G, with a multilayer distribution configuration gives TIM S.A. three important competitive advantages:

- a reduction in costs for the LTE implementation¹²;
- the extension of the LTE coverage area and the activation of the carrier aggregation strategy, improving the customer experience through a higher throughput;
- the best indoor coverage. In addition to the expansion of coverage, use of the 850/1,800/2,100 MHz bandwidths could increase the capacity in cities already covered by the LTE bandwidth at 2.6 GHz, at limited additional cost.

In this scenario, over 99% of current LTE terminals are compatible with the 1,800 MHz, 2,600 MHz bands and other available bands. Therefore, the implementation of the multilayer LTE continues to be an excellent strategy that benefits from the spread of devices.

The implementation of the 700 MHz LTE layer has continued to significantly improve coverage expansion and indoor penetration, promoting the presence of LTE on a national level and consolidating TIM S.A.'s leadership in LTE. 89% of TIM S.A.' current user base of LTE devices is 700 MHz enabled (December 2021).

At the end of December 2021, 3,900 cities had 700 MHz LTE coverage, namely over 93% of the urban population; spectrum cleaning was completed in June 2019 in all cities of Brazil, enabling a bandwidth of 700 MHz. At end 2022, the total number of cities covered by TIM S.A. with a 700 MHz bandwidth should be 4,100, as envisaged by the Business Plan.

[GRI 103-3: Management Approach] [GRI 203] Projects entailing a reduction of energy consumption

The expansion of "RAN Sharing 4G", in partnership with other mobile operators in Brazil, aims to define the architectural requirements, technical assumptions and specifications for the "LTE RAN sharing¹³" solution, optimizing network resources and costs¹⁴. At present, this is the largest agreement for RAN sharing worldwide and it supplies 5G services to the main cities of Brazil.

The RAN sharing agreement allows TIM S.A. to promote the evolution of the spread of LTE in the Brazilian campaign, effectively sharing access and backhaul¹⁵. Currently, 4G RAN Sharing is based on three national partners, expanding the benefits and efficiency of this technical model. The energy consumption recorded for the site, dependent on the access technology and coverage conditions, showed a reduction of up to 10%.

In December 2019, TIM S.A. and Telefónica stipulated new sharing contracts aimed at increasing the network cost efficiency through the following initiatives:

- Single network: sharing of the 3G and 4G networks in cities with fewer than 30 thousand inhabitants in which both operators provide their services. The underlying idea is to have, in the cities included in the agreement, a single telecommunications infrastructure that is entirely shared by the operators, thereby allowing them to switch off redundant sites and save on energy, rent and maintenance costs. This also allows for greater efficiency in future investments thanks to the sharing of the spectrum in MOCN mode.
- Switching off of the 2G: nationwide sharing of the 2G network using GWCN technology, enabling both operators to switch off part (approximately 50%) of their network with the same technology, consequently saving on energy and maintenance costs.

[GRI 103-3: Management Approach] [GRI 203] New generation network projects, future Internet applications, positive environmental and social impacts

¹¹ TIM Lab of TIM S.A. also collaborates with TIMLab Italy, which has more than 50 years of experience.

¹² Long Term Evolution.

¹³ Sharing the "Radio Access Network."

¹⁴ The costs of the infrastructures are mainly linked to the introduction of new radiating systems and that of other electronic components, passive site infrastructures and transport networks; therefore, the sharing of resources provided by LTE RAN represents a significant optimization of costs for telecommunications operators.

¹⁵ In the telecommunications sector, a backhaul network or return network is the portion of a hierarchical network that includes intermediate connections between the core network (or backbone network) and the small sub-networks at the "margins" of the same hierarchical network.

Internet of Things - It was back in 2018 that TIM S.A. launched the very first commercial NB-IoT¹⁶ network in South America, to develop innovative services, aware that the mass introduction of the IoT can change the mobile telephony market considerably, because it leverages the creation of services and - amongst others - is a potential tool for agricultural uses, the connection of cars, traceability solutions and social-health care. In 2020, access to the NB-IoT network was extended.

Agrobusiness - since 2018, together with Nokia and BR Digital, TIM S.A. has been focusing on agro-food potential in Brazil, offering connections in rural areas (not only for business applications but also for the digital inclusion of agrobusiness employees and residents of small towns). In 2020, TIM strengthened its position in relation to vertical agriculture¹⁷, with the creation of the ConnectarAgro ecosystem (conectaragro.com.br) which brings together TIM S.A., solution providers for the agro segment and telecommunication solution providers.

5G - Commercial launch in 2020 involving the following towns: Bento Gonçalves (RS), Itajubá (MG) and Três Lagoas (MS). The technology will be used to supply wireless residential broadband with FWA (Fixed Wireless Access) technology, exploiting the old frequencies of the 2G, 3G and 4G networks through dynamic spectrum sharing (DSS).

Connected Car - In 2021, the telemetry and connectivity solutions for Connected Car user services were developed for Stellantis, designed to support the advanced telemetry and Stellantis assistance services for its vehicles, as well as WI-FI connectivity and other added value services for car owners. These are the first full digital services for connected cars available in Brazil.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 203\]](#) **Open Lab Initiatives**

TIM S.A. joined the Telecom Infra Project (TIP) in 2017, an initiative founded by Facebook, SK Telecom, Deutsche Telekom, Nokia, Intel and other companies, which aims to create a new approach to building and implementing the telecommunications network infrastructure. TIM S.A. transformed TIM Lab into the first TIP Community Lab in Latin America, available to TIP members to create universal standards for solutions (initially transport networks, Open Optical Packet Transport working group), to overcome the challenges related to interoperability of different supplier products.

In 2018, TIM S.A. also joined a new working group within the TIP, together with Vodafone and Telefonica, called DCSG (Disaggregated Cell Site Gateway¹⁸). This project is an opportunity to define a common set of operator requirements and coordinate with companies that manufacture devices, which have wider and more flexible capacities and are cheaper; in June this year, the main functions of the solution were demonstrated with the help of Facebook, core EDGE suppliers and TIP members.

Finally, in 2020, TIM S.A. and the TIP partners completed their validation of the TSS (Total Site Solution), an inexpensive, unrestricted 4G NodeB solution, powered by solar energy and connected by satellite to the core TIM S.A. network, to be used in remote zones with low population density. During the year, TIM also adhered to the OpenRAN initiative with the OpenField project, to validate OpenRAN 4G and 5G solutions focused on the separation of hardware and software at a RAN level.

¹⁶ Narrowband Internet of Things (NB-IoT) is a standard LPWAN (Low Power Wide Area Network) radio technology developed by the 3GPP for communication to a wide range of mobile devices and services.

¹⁷ Above ground crops in closed large system greenhouses, which are on several height levels, air-conditioned and automated. These systems are 75% more productive than traditional field agriculture and consume about 95% less water.

¹⁸ Based on an open and unbundled architecture, the new DCSG is designed for the economic backhaul of cellular site traffic on existing mobile networks and emerging 5G infrastructures.

Digital inclusion

[GRI 103-1: Management Approach] [GRI 203] The Group's strategy concentrates on spreading an inclusive digital culture that enables innovation and economic development in communities. In particular, it overcomes the geographical digital divide, including in rural areas, thanks to broadband and mobile network coverage for which the pandemic has given added urgency.

The 2021 materiality analysis confirmed that boosting the development of an inclusive digital society and access to digital services are material themes. The ICT sector offers potential to allow everyone to participate in the future's New Digital Normal, as well as solutions for a better future, saving time and natural resources¹. The following paragraphs refer to Italy and Brazil.

Geographical digital inclusion

[GRI 103-2: Management Approach] [GRI 203] The 5G technology²

TIM is driving 5G technological innovation at global level and, in this role, it was awarded the best 5G frequencies in Italy by the Ministry of Economic Development (available up to 2037), as a result of the tender concluded at the end of 2018.

In Milan, TIM reached more than 90% 5G coverage. The service is available in other cities for individuals and businesses and many municipalities will be able to make use of 5G, also through superfast connections using the FWA solution³.

TIM's mobile 5G network has been recognized as Europe's fastest download network by Opensignal, the independent global standard for measuring the user experience of mobile networks. TIM customers, in fact, have reached an average download speed of 296.5 Mbps. TIM has also entered the world's top 30 for having enabled an improvement in the switch from the 4G to the 5G network in terms of download and upload speeds in the spread of videos and gaming experience⁴. In July 2021, Ookla®, a world-leading fixed and mobile network measurement and analysis company, assessed TIM's 5G network as the fastest in Italy for the period April - June 2021.

This new technology goes beyond a simple evolution of 4G performance, aiming to create an entire innovative network and service platform capable of meeting the future demands of digital society⁵.

5G is the new telecommunications paradigm that will bring about a radical *evolution of the fixed and mobile network*, with performance ten times higher than current technology in terms of connection speed and reliability, in order to:

- support the country's digitization;
- relaunch the competitiveness of the industries;
- improve our way of communicating and living.

The previous generations of mobile networks were designed to offer telecommunications services and improve just one aspect of the previous generation:

- 2G introduced mobile telephone portability for voice communication and messages,
- 3G introduced data transmission while on the move,
- the focus of 4G was high data speed.

5G will also enable services that revolutionize everyday life, turning cities into smart systems, benefiting key sectors of our economy such as industry, automotive, health, education, tourism, entertainment and security.

5G will have clear *advantages* for:

- consumers, thanks to a wide range of innovative services dedicated to the Internet of Things, or in entertainment, where this technology will provide a real immersive 3D experience;
- businesses, because the performance of the new production processes will be increased by artificial intelligence, cloud computing⁶ and smart robotics⁷;
- citizens, because smart cities will become a reality thanks to the availability of data provided by millions of sensors attached to objects (e.g. lampposts, traffic lights, etc.) connected to the network. Each town will have its own Control Room⁸.

¹ According to the "McKinsey Global Institute 2018/smart cities: digital solutions for a more livable future", less waste is also produced

² Acronym for fifth generation mobile technology and standards.

³ Fixed Wireless Access

⁴ gaming experience

⁵ 5G is gradually being introduced because, in the first phase (early drop), 5G radio access will be "supported" by the LTE (Long Term Evolution) network, which will play an integral and subordinate role.

⁶ It is technology that, through a remote server, software and hardware resources (e.g., mass storage for data archiving), is offered for use as a service, by a supplier.

⁷ These aim to develop smart, flexible, secure, easy-to-use robotic solutions.

⁸ The control room is effective and efficient when it has the resources necessary to monitor events and can take prompt action to avoid crises and damages.

Main applications will target:

- the automotive and transport sector:
 - the area of connectivity between vehicles and between vehicles and infrastructures, aimed both at increasing safety, saving energy and reducing traffic;
 - infotainment connectivity⁹, where large volumes of data can be transmitted on the move (e.g. GPS¹⁰, parking sensors, voice commands, guidance systems and assisted braking);
 - self driving and connected cars which - thanks to a system able to receive all the information about the surrounding environment - can be remotely controlled and driven;
- industry 4.0, namely:
 - digital transformation of the industrial world with the adoption of robots, three-dimensional printers (3D printing) and other complex tools;
 - the systematic addition of sensors to products, to produce data to improve production and processes;
 - the evolution of the supply chain to enable real-time management of relations with suppliers and end customers;
- the new media world, with changing use habits and new formats, including virtual and augmented reality solutions and 360° video formats, which require new transmission capabilities;
- healthcare, with remote assistance, to enable specialists to assist patients with chronic diseases from afar;
- public safety, with mobile video surveillance solutions that can integrate data and images with a far more extensive overview - guaranteeing higher levels of public safety than in the past;
- smart cities, which range from the control and security rooms to new environmental monitoring solutions with drones;
- smart agriculture, which - with sensors and drones collecting data about weather conditions, soil characteristics and crop health - guarantees increased productivity and improved product quality;
- assistance for tourists who can have information and multimedia content on their visits at their fingertips, thanks to sensors on their smartphones;
- the information sector which can ensure live connections with a better video quality without complex instruments, thanks to a greater bandwidth availability, combined with a reduced latency.

⁹A word of Anglo-Saxon derivation that merges the words information and entertainment. Car infotainment is the set of multimedia functions at the service of a car.

¹⁰ Global Positioning System.

Some TIM scenarios and applications of the use of 5G.

■ Health 5.0

the TIM Home Doctor platform and the OPTIP viewer¹¹, thanks to which the patient can be guided through self-monitoring & remote assistance and obtain a real-time diagnosis without leaving their home;

■ Cars and Transport:

- TIM participates in the C-ROADS Italy project an enabler of the infrastructure dedicated to hybrid communication, i.e. based on the interaction between cellular and proximity communication;
- in 2021, TIM joined the MASA - *Modena Automotive Smart Area* project, the "open-air" laboratory for the experimentation and certification of new technologies in autonomous and assisted driving and mobility, resulting from the partnership between the Municipality of Modena and the University of Modena and Reggio Emilia;
- Smart Road project in Turin: the first remote-driven car with 5G is presented in Italy. The control platform on the car collects the data and multimedia content from the various sensors, cameras and radars installed on the vehicle. In the future, remote-driven cars may be used in protected, equipped areas of cities or in industrial environments;
- in some areas of the Metropolitan City of Genoa (Alta Val Polcevera and Valle Scrivia), testing with 5G technology to monitor traffic and road safety infrastructure (Smart Roads project) got under way in the wake of TIM's success in the Italian Ministry of Economic Development's call for tenders. 5G solutions also use Narrow Band-Internet of Things technology, dedicated platforms, drones with solutions based on Artificial Intelligence (AI) algorithms.
- *The Monza Eni Circuit* becomes Europe's first 5G racetrack, offering an experience that is even richer in content during the competitions.
- TIM has signed up to a Horizon 2020 Framework Programme to test automated, cooperative and connected mobility solutions: '5G for Cooperative, Connected and Automated Mobility'. Together with 25 partners who have joined the international 5G Carmen project, TIM has demonstrated usage scenarios on the A22 motorway section between Trento and San Michele All'Adige, testing 5G solutions that can guarantee safe, immediate and stable interaction for new smart transport scenarios.

■ Smart Agriculture

Testing at the vineyards of the Voerzio-Martini winery in the Langhe area to improve the quality of wine crops using 5G technology integrated with other innovative tools such as drones, sensors, artificial intelligence, big data¹² and blockchain¹³ was concluded in 2021. The aim is to improve efficiency and cost optimization through a targeted use of resources, crop control and protection, traceability and improved quality, while also lowering the environmental impact.

TIM Easy Farm is the precision agriculture and farm management service for agricultural companies and consortia, which improves operations on site and the use of resources, optimizing management and production costs.

■ Automation and industrial robotics

Interconnecting, exchanging data and remotely managing industrial systems, with the guarantee of greater efficiency, reliability and security and significantly improving the production cycle. The use of a dedicated 5G private network achieves the objectives of very low latency and good data security required by production companies. In 2021, TIM:

- connected the first factory to 5G in May, working with EXOR International, a manufacturer of digital platforms for the industrial sector, specializing in Industrial IoT and Edge Computing¹⁴ solutions. In Verona the first Italian smart factory, connected via TIM's private 5G network¹⁵ optimizes the innovative Industry 4.0 solutions, using the extremely low latency and high level of security and reliability that characterize the dedicated internal coverage;
- continued the collaboration with COMAU (begun in December 2020) for the digital transformation of manufacturing companies, to accelerate IoT technologies and innovative solutions for businesses, leveraging the potential of 5G and Olivetti artificial intelligence - the digital farm of the TIM Group, which makes available the specialized expertise matured in the IoT field, guaranteeing support and technical assistance in all phases, from remote to on-site.

5G technology implementation must be done in compliance with energy efficiency constraints (measured in bit/Joule) since, according to the ITU IMT-Vision recommendation (M.2083), energy consumption of the new system must be appropriately monitored and "not greater" than that of existing networks. TIM controls total consumption through suitable modernization of 2G-3G systems; for example, hardware modernization on a base transceiver station, with the same configuration, gains approximately 20% in terms of electricity consumption with respect to the 2G-3G systems. The modernization is proposed as part of the development plan, according to a given strategy and is based on the use of new, multi-standard hardware, simplification and positioning - mainly externally - of the hardware, with benefits that also impact the air conditioning costs

¹¹ That makes it possible to communicate through holopresence (i.e., providing remote assistance and supporting the person physically caring for the patient) in real time.

¹² Huge quantities of non-homogeneous data by source and format, which can be analyzed in real time.

¹³ The blockchain uses a computer network of nodes and enables the unambiguous, secure management and update of a register that includes data and information (for example transactions) in an open, shared, distributed manner, with no need for a central control and verification entity.

¹⁴ This entails a calculation model in which data processing takes place as near as possible to the location where the data is produced. That model is the opposite of the centralized processing of data typical of cloud computing.

¹⁵ Which uses the 3.7 GHz and 26 GHz frequencies (at millimeter wavebands) acquired by TIM in the Ministry of Economic Development's call for tenders.

of the equipment rooms. Both in 2020 and 2021, 900 actions were implemented to modernize TIM's base transceiver stations.

To support the development of 5G services, TIM is investing in Open RAN (Open Radio Access Network)¹⁶ and Edge Cloud technologies.

In 2021, the TIM Group's program to develop Open RAN solutions on its mobile network continued in Matera and Turin, with the goal of accelerating the development of 5G and Edge Computing digital services through new centralized and cloud services to benefit individuals and businesses. Specifically, following the launch in Faenza, the first town where TIM launched the Open RAN technology, the solution was also activated in Matera, due to the collaboration with Mavenir for the RAN components and MTI for the 4G radio units. This solution, also developed with Dell Technologies, Intel and VMware, makes it possible to decouple the components (hardware and software) of the radio access network, according to a logic of supplier diversification, with a view to fostering a broader industrial ecosystem. In addition, the first stand alone Open RAN 5G connection (i.e. completely independent from 4G) was carried out at the TIM Innovation Lab in Turin and will soon be activated also in the field in Matera.

In June 2021, working with Noovle, the TIM Group's cloud company, TIM kicked off the construction of the first 5G Cloud network in Italy, which will speed up the creation of 5G digital applications, thanks to the automation of industrial processes and the development of services in real time due to EDGE Computing. The project will make use of TIM's Telco Cloud infrastructure, Google's Cloud solutions and Ericsson 5G Core Network and Automation technologies and will allow companies to offer innovative integrated solutions that can improve the efficiency of logistics and production processes. Thanks to the '5G Cloud Network' companies that intend to adopt 5G services and connectivity will be able to use the ultrabroadband radio network (RAN) without needing to build the physical infrastructure of the core network at their logistics or production sites.

[GRI 103-2: Management Approach] [GRI 203-1] [GRI 203-2] TIM's ultrabroadband network

Starting from 2012, TIM has been developing its ultrabroadband network¹⁷ with the aim of bringing high speed connectivity services with optical fiber to most of the Italian territory and contribute to the economic growth of the country. TIM chose to implement two different NGAN network architectures for the supply of high speed services with optical fiber:

- FTTC (Fiber To The Cabinet) architecture. The fiber optic cables leave the exchange and go to the street cabinet, where an active device is installed (ONU) that transfers data traffic on twisted double copper cables to reach the modem/routers at the customer's site. Thanks to eVDSL¹⁸ technology, the FTTC network can reach speeds of 200 Mbps, and, with further technological evolution, it can reach up to 300 Mbps;
- FTTH (Fiber To The Home) architecture. The fiber optic cables leave the exchange and arrive directly inside apartments (through the so-called "vertical"). At the customer site, an active device is installed (ONT) that transfers data traffic from the fiber optics to the modem/routers. The FTTH network technology GPON¹⁹ can reach speeds of one gigabit per second and is developed in areas already covered by FTTC technology, so as to ensure to customers choice in terms of connection speed.

At the end of 2021, the TIM Group, with around 20.7 million kilometers of fiber laid across the country, reached around 5,700 Italian municipalities with ultrabroadband services for the benefit of individuals, businesses and the public administration. Ultrabroadband coverage is currently provided for 94% of households using the fixed network, while on the 4G mobile network over 99% of the population are served.

Thanks to the major investment program undertaken in the last two years, Puglia and Friuli-Venezia Giulia have become the first regions in which TIM has bridged the digital divide. The Company is continuing with its plan to extend fiber to bridge the digital divide across the country.

In July 2021 TIM made it possible for customers and other (wholesale) operators to test the ultrabroadband service on FTTH optical fiber with speeds of up to 10 Gigabits²⁰ per second, using XGS-PON network technology. This technology enables connections at speeds of up to 10 Gbps (gigabits per second) for download (from the network to the customer) and up to 2Gbps for upload (from the customer to the network), higher than the current speeds of 1Gbps for download and up to 300Mbps for upload (Executive offer) or up to 2.5 Gbps for download and 1Gbps for upload (Premium offer activate from February 4, 2022).

The XGS-PON standard is currently being tested in 11 cities (Milan, Turin, Trento, Trieste, Bologna, Florence, Rome, Naples, Cagliari, Taranto and Brindisi), and coverage is expected to be extended from 2022 onwards, opening up the commercial offering, beginning with the main Italian cities.

In September 2021, in Turin, TIM was the first in Italy to test FTTH fiber at 25 Gigabits per second, a download speed of up to 25 Gbps, equal to 10 times the speed of GPON FTTH and 2.5 times that of XGSPON FTTH. A new first, which joins that previously achieved with FTTH up to 10 Gigabits per second, confirming that the Company is the leader in innovation and the development of new generation services and networks.

¹⁶Telecommunications operators (including TIM) and technology providers, among others, participated in this initiative to "open" the radio access network to the possibility to use different types of equipment for the various functional blocks, that can operate with each other through a set of standard open interfaces and protocols.

¹⁷ Also known as NGAN, Next Access Generation Network.

¹⁸ Enhanced Very High-speed Digital Subscriber Line.

¹⁹ Gigabit Passive Optical Network.

²⁰ A gigabit equals one billion bits.

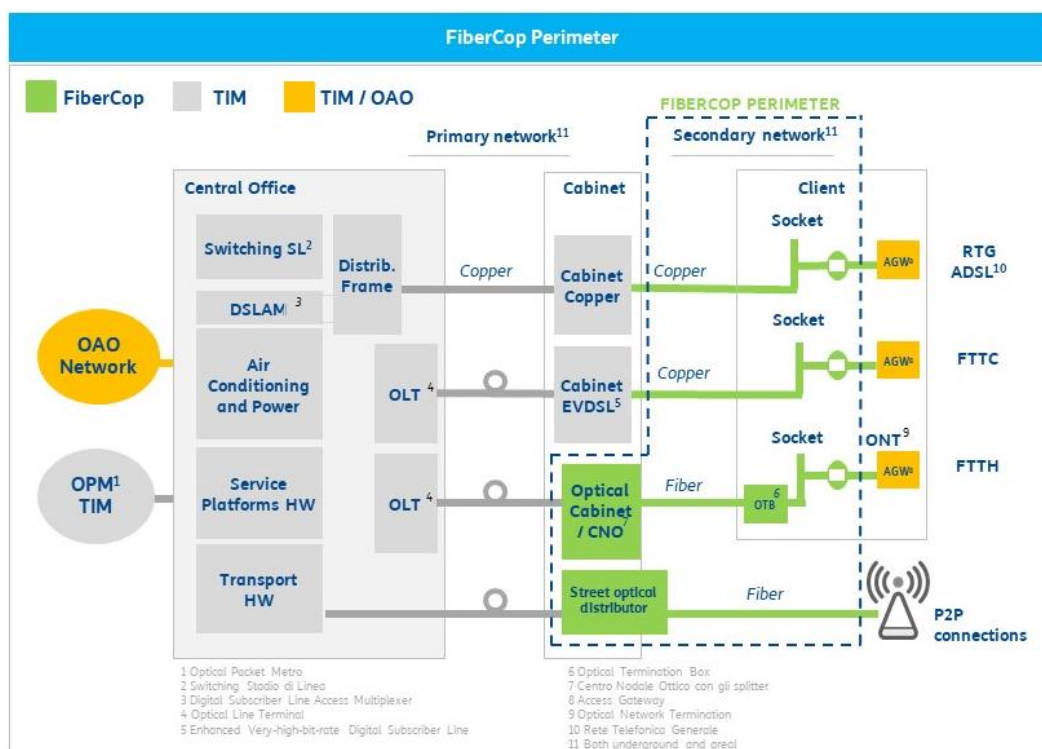
The FiberCop project

FiberCop S.p.A. was established on November 2, 2020 with share capital fully paid in by the single shareholder TIM. On March 31, 2021 the following transactions were finalized:

- transfer of the secondary network of TIM;
- transfer of the equity investment of Fastweb in Flash Fiber;
- merger of Flash Fiber, backdating the accounting and tax effects to January 1, 2021, which resulted in the contribution of the fiber optic network previously developed in 29 cities;
- purchase by Teemo Bidco Sarl (a subsidiary of KKR Infrastructure) of 37.5% of FiberCop from TIM.

Following these transactions, the share capital of FiberCop S.p.A. broke down as follows at December 31, 2021:

- TIM S.p.A. 58%;
- Teemo Bidco Sarl 37.5%;
- Fastweb S.p.A. 4.5%.



The road cabinets used for the copper network remain within the scope of TIM; the optical cabinets used for the secondary fiber network flow into the scope of FiberCop.

FiberCop's "mission" focuses on the following aspects:

- to exclusively operate in the wholesale market for the provision of passive services related to the secondary fiber and copper network until it is completely switched off;
- to deploy the FTTH access network nationwide in 2,580 cities and towns, i.e. over 60% of Italy's population by 2026;
- to extend co-investment to 2,549 municipalities of the FTTH coverage plan, which already envisages engaging other operators (Fastweb, Tiscali), opening it up to all interested operators even in more limited geographical areas, with the option to join also at a later stage. In particular, during 2021, FiberCop signed coinvestment agreements with the operators Iliad, Connectivia, Netop, Wirlab, Springo and Afinna One, while other agreements are being defined.

GRI 103-3: Management Approach [GRI 203-1] [GRI 203-2] The following table shows the percentages of coverage as of December for the past three years.

Indicators	2021	2020	2019
LTE Coverage (*)	>99	>99	99
Next Generation Plan coverage (fixed telephony) FTTX (**)	89.1	85.2	80.5
of which FTTH	24.3	18	16.2

(*) The percentage refers to the resident population, equal to 98% of Italian municipalities. Coverage values are subject to change based on ISTAT and urbanization updates.

(**) FTTX stands for Fiber To The X, where X can be C for cabinet, H for house, B for building or E for exchange. The percentage is determined by the ratio between the number of properties connected with "cabinets" reached by access optic fiber (or which can be served directly from an exchange if within acceptable distances) and the total number of properties that have or have had active telephone lines in the past.

[GRI 103-3: Management Approach] [GRI 203] [GRI 203-1] [GRI 203-2] At the end of December 2021, TIM's FTTX ultrabroadband network covered:

- 5,706 municipalities reached by coverage of the FTTC fiber technology service;
- 453 municipalities reached also by coverage of the FTTH fiber technology service.

[GRI 103-2: Management Approach] [GRI 203] [GRI 203-1] [GRI 203-2] The principal objective to increase Italian geographical digital inclusion, for 2026, is shown in the following table.

Indicator	Unit of measurement	2026
FTTH Coverage	% POP	equal to or >60

[GRI 103-1: Management Approach] [GRI 203] A focus on innovation and investments in new infrastructure and technologies also characterizes TIM's action in **Brazil**. The development of fixed and mobile Ultrabroadband (UBB) networks and 5G have led to an unprecedented acceleration in the telecommunications sector. This is a phenomenon that is opening up new possibilities, and that is profoundly changing people's habits, as they become increasingly accustomed to living in a smart and connected world.

[GRI 103-2: Management Approach] [GRI 203] TIM continues to invest in **Brazil**, with a focus mainly on new generation infrastructure construction, actively contributing to the modernization of the country. With respect to 5G, TIM acquired 11 lots, with a total value offered of R\$ 1.05 billion.

[GRI 203-1] In order to improve the reach and accessibility of TIM SA mobile broadband, and as part of the technological evolution outlined in the most recent Industrial Plan presented to the financial community, 4G coverage is set to be extended (compared to the LTE 700 MHz bandwidth), with the expansion of VoLTE8, an increase in the number of bio-sites installed, and support for the launch of the fiber optic network alongside the ultrabroadband plan.

[GRI 203-2] In December 2021 **TIM S.A.** reached 4,700 towns, in addition to supporting the development of technical partnerships for social and business initiatives. Through its open innovation program, TIM S.A. invests in initiatives that promote the renewal and exchange of knowledge with universities, for the development of various innovative IoT projects and to test 5G technology. The company plays an active role in the development of the IoT ecosystem for rural, smartcity and health solutions, having taken part in different IoT pilot projects selected by BNDES (Banco Nacional de Desenvolvimento Econômico e Social)²¹.

[GRI 103-2: Management Approach] [GRI 203] [GRI 203-1] [GRI 203-2] In **Brazil**, TIM S.A. has continued to promote commercial offers to encourage the spread of the mobile web, particularly among poorer classes. These consist of low cost services which are suited to helping increase socio-cultural digital inclusion, such as TIM live rural internet.

Moreover, the mission of *Instituto TIM* is to create and promote strategies to make science, technology and innovation in Brazil democratic. TIM Tec is the virtual platform developed by *Instituto TIM*, which offers remote MOOC (massive open online course²²) training courses so that anyone, in any location, can increase their skills and knowledge, enhancing their professional opportunities through digital education. Lastly, financial education courses have also been offered through TIM Tec.

In addition, the Data Connections project - required by ANATEL of operators who purchased the frequencies specified in Bidding On Notes No. 004/2012 (e.g., Claro, Oi, TIM and Vivo) - ensures coverage of the rural zones in **Brazil**, including public schools, in compliance with the breakdown between operators. TIM guarantees this service in the states of Rio de Janeiro, Espírito Santo, Paraná and Santa Catarina. In August 2021, TIM S.A. received a new list of 4,292 public schools, which is its current commitment. In December 2021, 86% of the project had been developed. Further information is available at the link: www.gov.br/anatel/pt-br/regulado/universalizacao/plano-banda-larga-nas-escolas.

[GRI 103-2: Management Approach] [GRI 203] [GRI 203-1] [GRI 203-2] The principal objectives to increase geographical digital inclusion in Brazil are shown below.

Indicator	Unit of measurement	Target 2021	2021 Result	Target 2022
FTTH Coverage	Homes passed	>4	4.2	5.7

In addition, the target set by TIM S.A. in connection with 4G coverage is ~ 5,320 cities (99% of the urban population) by 2022.

Social digital inclusion

[GRI 103-2: Management Approach] [GRI 203] **Operazione Risorgimento Digitale**

TIM's commitment to the "Operazione Risorgimento Digitale" program continued in 2021, with the aim of accelerating digital skills for citizens, businesses and public administrations. Today, digital is the main tool for

²¹Banco di Sviluppo Economico e Sociale (Bank for Economic and Social Development), the leading development bank in Brazil.

²² Online course open to anyone.

inclusion, participation and access to the world and its opportunities. Being aware of the possibilities that technology offers and having the basic skills to take advantage of them is now an imperative. Using the network during a health emergency has become the only way to stay connected to the real world. It is therefore necessary that everyone has access to a connection they can use to its full potential, safely and with respect for themselves and others.

The actions carried out in 2021 were outlined according to the four thematic axes identified in the National Strategy for digital skills and developed within the framework of the "Digital Republic" initiative of which TIM is an active member.

Higher Education and Training

- New Digital Teachers: e-learning course on teaching methodologies provided by DDI (integrated digital teaching) aimed at primary, lower and upper secondary school teachers, in collaboration with WeSchool. 6,000 teachers have been trained, of which 60% have put into practice what they have already learned in the school year 2020-21 or have expressed their intention to do so in 2021-22.
- Webinar series 'Digital Citizenship', aimed at primary, lower and upper secondary school teachers, created with the Publishing Group La Scuola SEI, which involved 6,600 teachers.
- On Safer Internet Day, the international day of internet safety, "*Genitori in Rete/Consigli per i figli Social*" [Parents on the Internet/Advice for Children on Social Networks] was held: an informational talk conducted by Riccardo Luna, to discover all there is to know about helping children use the internet, which generated 111,000 views.
- Internet School for All "STEM²³ Edition": a training program aimed at high school students (in their third, fourth and fifth years) to ensure the utmost use and awareness of tools and platforms for communication and sharing. 3,700 students participated in this course.
- KidsVille, in partnership with Junior Achievement Italia, a citizen education program aiming to develop life skills²⁴ for children from nursery school through to primary school, and their teachers, also designed to apply to their families. The digital world is described as a considerable resource for the community, to be used with respect for oneself and others, using critical thinking. The project was started on September 30, 2021 and will develop also through 2022. Up to December 2021, 1,700 children were involved. An impact analyses is planned, through interviews with their teachers.

Active workforce

- Public Administration (P.A.) Digital Skills²⁵, an e-learning course targeted to administrative employees of municipalities, local health authorities (ASL²⁶) and schools on the digital transformation of the P.A. This course has been available on the Civil Service's "Syllabus" training platform for over 3 million civil servants from January 2022.
- A cycle of live, on demand webinars on the trends and enabling factors of the digital transformation for SMEs²⁷ and professionals, which generated over 5,000 views in 2021.

ICT specialist skills

- In 2021 the partnership with 42 Roma Luiss, **the special free school of coding was created**. Based on the French *École 42* model, the school – targeted to 150 students – does not have any age or education limits or requirements, but only requires a commitment to and passion for computer programming, known as coding, to be enjoyed through self-managed learning processes and reciprocal exchanges. TIM expanded the program with training meetings and workshops on digital skills. In 2021 TIM interviewed 10 students and selected 4 for the company internship to be held in 2022.

Citizens

- **Internet School for All:** a digital literacy program targeted to individuals of all ages who have had the opportunity to concretely learn how digital applications and services can simplify daily activities. **That process was made possible due to the voluntary involvement of 120 TIM employees, who have formed an actual Community of Teachers & Tutors.** During the year, the Internet School for All developed its own real cooperation network, comprised of hybrid alliances between government and private organizations: we worked with organizations and associations (community holders) that work in the general interest, to jointly increase human. From the local health authority of Taranto to the Municipality of Quartu Sant'Elena, from the 50&Più (50 and up) association to the Time Bank Network of Lombardy, up to the Università della Terza Età (University for Seniors) and the Municipality of Trieste, more than 110 local entities, associations and voluntary organizations throughout Italy found concrete opportunities in the project to meet the needs of their users, individuals, communities and local areas. Specifically, the partnership with the Municipality of Genoa gave rise to a special edition of the course with a detailed focus on Digital Identity and Fascicolo del Cittadino (Individual Dossier) of Genoa. In total, 970 courses were provided, with 45,800 participations in the single modules and over 15,000 unique participants.
- The '*Consumatori digitali, consapevoli e sicuri*' [Digital, Aware and Safe Consumers] training course, providing free lessons and content to individuals and consumers to favor the intelligent, safe and aware use of technology and new digital services and prevent online risks for the entire family, in collaboration with consumers protection associations, Adiconsum, ADOC, Altroconsumo, Cittadinanzattiva, Codacons,

²³ Acronym of science, technology, engineering and mathematics, to specify scientific-technological fields and related courses of study.

²⁴ Life skills, i.e. the set of human abilities acquired through learning or direct experience, useful to handle problems and situations in daily life.

²⁵ Digital skills.

²⁶ Azienda Sanitaria Locale (Local Health Authority).

²⁷ Small and Medium Enterprises.

Federconsumatori and U.Di.Con. In total, 4,000 unique users participated in the live (directly streamed) webinars, with over 4,500 views to use the on demand content.

- **Dire, Fare, Digitale! [Say It, Do It, Go Digital!]:** a 4W4 event that was part of the digital inclusion day - due to contributions from experts and testimonies from the “silver generation”, useful tools to improve digital life and reduce the gap between the connected and disconnected were presented. 6,600 people connected to the live broadcast
- To meet the need to favor increased awareness of the potential offered by the digital world, TIM and RaiPlay created the docu-series *Storie di Risorgimento Digitale* [Stories of Digital Rinascimento]: 8 episodes in which each story is a voyage within its protagonist's life, which also intends to act as an inspiration for the communities targeted, a process of awareness of the new possibilities that are available to us all, often using our smartphone. The series is available from December 7 and, based on an initial survey, in the first few days of January 2022, it reached 15,000 views (figure continuously being updated).

[GRI 103-2: Management Approach] [GRI 203] AGCom resolutions²⁸

TIM's commitments in Italy, in terms of discounts and specific measures, as in the past, essentially concerned the following categories of customers:

- the deaf, blind and visually impaired and disabled with severe limitations to their ability to walk. In compliance with the resolution of the Authority for Communications Guarantees (AGCom) No. 46/2017/CONS, TIM has given both internet and landline and mobile line concession offers to deaf, blind or partially sighted customers²⁹. These concessions never expire and once activated do not require any request for renewal, and are also reserved for the nuclear family in which the deaf, blind or partially sighted person lives (for further information regarding concessions, it is possible to contact TIM customer service 187 and 119). Assistance can also be provided for the deaf by contacting TIM customer service 187 and 119 with the Pedius app, available for Apple and Android, which uses voice recognition and speech synthesis technologies, transforming the voice of the operator into written text for the customer.

Moreover, in October 2021, TIM made the new technical assistance service TIMinLIS available: a simple guided process using the grammar of Italian Sign Language to open a help ticket and resolve failures. A video call with the assistance of an LIS (Italian Sign Language) interpreter for all technical assistance services enables deaf customers to directly communicate using their personal computer, smartphone or tablet with an LIS video interpreter and a TIM online technician.

In October 2021, with resolution 290/21/CONS, AGCom approved a series of changes for 2022, which include, on a test basis, extending these concessions also to the “disabled with serious limitations to their ability to walk” (receivers of tax benefits pursuant to art. 30, subsection 7 of Italian Law 388/2000, certified by a disability certificate). Therefore, at the end of November, in compliance with that resolution, TIM informed the market of that test through a specific update to its website, in the section “Agevolazioni per utenti con disabilità” [Concessions for users with disabilities]. That resolution, which replaces resolution 46/17/CONS, requires that, for mobile telephony, at least three mobile offers with a 50% discount must be available, with a specific data limit, among the portfolio of offers of each operator, and for fixed telephony, voice and data bundle offers (with a 50% discount) are required, but the exemption from the VOICE subscription charge is no longer provided for new customers, for whom free ADSL is planned.

Customers already benefited from the previous concessions (free voice and 180 hours of free ADSL internet) will continue to benefit from them. Another important change is the availability of a free dedicated digital channel, from 8:00 a.m. to 12:00 a.m. to assist disabled consumers, which allows them, after identifying themselves, to report a failure or theft of their mobile device, request technical assistance, send a complaint or receive information. That channel must guarantee response times aimed at the utmost efficiency of the service;

- people on low incomes who find themselves in a situation of “economic and social hardship.” TIM reserves such concessions - established by AGCom³⁰ or by the Company on its own initiative³¹ - for customers with an ISEE³² family unit income not exceeding 8,112.23 euros/year, for telephone use service in their primary residence (on the traditional PSTN network³³). The concession is valid for the same duration as their ISEE³⁴ certificate (January 15 of the year following issue) and the request must be renewed annually;
- “social card” holders³⁵. On its own initiative, TIM gives these customers a reduction on the telephone service subscription amount (14.69 euros/month including VAT). The benefit is valid for one year and is automatically renewed on January 1 of each year. In this case, these benefits cannot be combined with each other and the customer can request only one;

²⁸ Autorità per le Garanzie nelle Comunicazioni (Italian Communications Authority).

²⁹ [GRI 103-2: Management Approach] [GRI 203] In accordance with the aforementioned resolution, for:

- fixed telephony, for the benefit of deaf customers, is exempt from the telephone service subscription fee (Voice Offer), with 180 free monthly hours of internet (broadband ADSL connections) on the offer “by usage” already active on the line (the benefit was only available to customers who had activated a by usage offer before January 14, 2018). There is also a discount of 50% on the subscription to an additional internet offer or a discount of 50% on the subscription to voice+internet offers, as specified for blind and partially sighted customers (different offers in the TIM SMART HOME and FIBRE range);
- mobile telephony the TIM concessions guarantee a 20 Gb volume of data traffic and the sending of SMS Unlimited for deaf customers (TIM Easy SMS+GB), while, for blind and partially sighted customers, an offer consisting of unlimited minutes of voice traffic and a volume of data traffic of 10 Gb (TIM Easy VOICE+GB). These dedicated offers are on the tim.it websites: tim.it/agevolazioni-per-non-vedenti-e-non-udenti/offerte-fisso; tim.it/agevolazioni-per-non-vedenti-e-non-udenti/offerte-mobile.

³⁰ AGCom Resolution No. 258/18/CONS (already approved by AGCom 314/00/CONS and 330/01/CONS) provides for a 50% reduction of the subscription amount for the voice offer (9.44 euros/month VAT included) and a total of 30 minutes of free calls per month to national landlines and mobile phones. Once the free minutes limit has been exceeded, national calls to landlines and mobile phones are charged at the expected by usage prices for the voice offer (10 cents/min including VAT, without a connection fee).

³¹ Customers holding social cards, in compliance with the Ministry of the Economy and Finance Decree of September 16, 2008.

³² Indicator of the Equivalent Economic Situation.

³³ Public Switched Telephone Network.

³⁴ Indicator of the Equivalent Economic Situation.

³⁵ Customers holding social cards, in compliance with the Ministry of the Economy and Finance Decree of September 16, 2008.

In addition, TIM guarantees to support customers residing in areas affected by natural disasters (seismic events, floods), ensuring business continuity both in the phase of emergency management and in the medium/long term, to protect their needs.

At the end of 2020, for consumer customers, the Voucher Offer was prepared (connectivity offer with a public contribution of 500 euros), firstly available only for the list of municipalities coming under the scope of the Voucher Plan and, during 2021, extended to the entire country, reserved for households with ISEE (Equivalent Financial Situation Index) income of less than 20,000 euros and whose homes do not have any connectivity service activated with a speed of at least 30 Mbit/s. The marketing of the Voucher Offer lasted 12 months, as set out in the government regulations, and therefore, it was stopped at the end of 2021.

The Voucher offer envisaged a contribution of:

- 200 euros to activate an internet connection with a speed of at least 30 Mbit/s;
- 300 euros if a tablet or computer is purchased at the same time.

Human capital

Commitment to our people

[GRI 103-1: Management Approach] [GRI 401] The intellectual capital represented by expertise, skills, capacity and knowledge produces innovation. Motivation and enthusiasm produce quality and high service levels.

The Human Resources department therefore becomes increasingly strategic for all companies, precisely because it has the important objective of creating the ideal conditions so that each person can give the best of themselves, thereby enhancing the performance of the company.

This principle is particularly valid for TIM, a historical company in the ICT world, an extremely competitive sector with rapid technological evolution where no one can afford not to cultivate the most valuable and profitable capital: professionalism, creativity, the ability to work in a team, and people's desire to win.

The development of the company's human capital, therefore, and the management of contracts of employment, are also confirmed in 2021 as relevant topics in the materiality analysis.

By way of strengthening and guiding our commitment to people, in 2021, the Policy was published that guides and inspires the management and development of all TIM people.

The policy envisages commitments and indications on certain specific aspects:

- Engagement, respect and inclusion
- Work-life balance and support for People
- Development and Training
- Protection of Health and Safety and prevention of Occupational Diseases.

The 2021-2023 Sustainability Plan includes ESG objectives regarding human resources, to be achieved by the end of 2023: the targets through to 2022 have been revised upwards in relation to people engagement and gender equality and inclusion objectives added to the remuneration of management.

ESG targets of the 2021-2023 Plan, Domestic BU:

- **Employees engagement:** +19pp, expected for 2023 compared to 2019; the growth of 19pp was easily reached in 2021, with an improvement of 20 pp.
- **Retraining:** reaching 6.4 million hours of training by 2023. 4.9 million hours of training were provided in 2021.
- **Young adult churn (limitation of the churn rate of employees aged under 37):** the target churn, of less than 15% over the three-year period 2021-23, stood at 3.2% in 2021.

In the 2022-2024 ESG Plan, presented to the financial community on March 3, 2022, the following targets through to 2024 are envisaged for the Domestic BU:

- **Employees engagement on young adults:** reach/exceed 78%.
- **% of employees trained on ESG topics:** 90%.

In managerial remuneration, the structure of the ESG objective for 2021 strengthens the centrality of employees in the pursuit of the strategic objectives, such as employee engagement - already envisaged in 2020 - adding a diversity & inclusion component, represented by the goal of reducing the pay gap between men and women on the management team. With the 2021-2023 plan, gender equality objectives are consolidated with the introduction of targets on the pay gap and managerial representation of women.

In addition, the objective of restructuring the buildings and extending agile working to most employees has been hastened by the pandemic. Up to October 4, 2021, due to the health emergency, all TIM employees in Italy worked remotely, with the exception of the departments in which their physical presence was indispensable. After that date, they were given the choice between working in the office or agile working.

The health emergency, which has changed the way people work and required action to be taken on several fronts to ensure that people's health and performance continue to be guaranteed, required the well-being of people within the Company and their sense of belonging to be strengthened, expanding and implementing remote work alongside an appropriate organization of work.

Digitally upgraded training courses, work reorganization and the need to increase the use of agile work have been fundamental for the overall well-being of people and therefore the Company.

The primary importance of recruitment and of ensuring a good work-life balance was confirmed; in this context, action was taken to keep interpersonal relationships strong despite the lack of proximity.

The results of the activities of the engagement plan are essentially measured through the annual engagement survey. The evolution of TIM Citizens' engagement in the last 3 years was:

- 2019: 56%, with participation of 64% of the population
- 2020: 72%, with participation of 76% of the population
- 2021: 76%, with participation of 83% of the population.

Again as part of the engagement survey, the average personal satisfaction value was recorded, which, on a scale from 1 to 5 was: in 2019 – 3.15; in 2020 - 3.63; in 2021 - 3.82.

The percentage of people fully satisfied (values 4 and 5 out of a scale of 1 to 5) was 42% in 2019 and 65% in 2020, while it rose to 73% in 2021.

[GRI 103-2: Management Approach] [GRI 401] The Head of the Human Resources & Organization department is appointed by the Chief Executive Officer. The variable short-term remuneration policy (MBO) assigns the Head of Department objectives aligned with the strategy aimed towards Human Resources.

[GRI 103-2: Management Approach] [GRI 401] [GRI 402] [GRI 404] In **Brazil**, TIM continued with work aimed at maintaining the efficiency of its workforce, promoting a healthy, safe, productive and inclusive work environment for its employees.

The company continued pursuing the goal of reconciling the company's needs with those of employees, through enhanced, proactive listening. As regards the results of people engagement, in **Brazil** 97% of the entire workforce participated in the annual Corporate Climate Survey in 2021. Though within the complex scenario that marked the period, the general level of satisfaction of employees continued to be exceptional, reaching a result of 83% and keeping TIM among the best companies in the country for people engagement.

All the remote working methods and dynamics were consolidated. Therefore, TIM was able to define a structured plan to enable employees to gradually return to working at the office, in accordance with all the prevention and safety protocols and rules. The testing phase of the "*ritorno*" (return to the office) was implemented in October 2021 by establishing a personalized hybrid model that provides various percentage mixes of in-office and remote work, depending on the various departments, in line with the organizational characteristics of the various areas, for the purpose of assessing and understanding employees' responses to the hybrid model.

The company continued investing in personnel development, also due to the opportunities provided by the dissemination of digital instruments. Specific attention was focused on the training plans relating to new skills and critical business knowledge (e.g. Journey 2 Cloud and Agile Methodologies), operating efficiency (Sales and Customer Care) and a wide range of behavioral content on a variety of topics, including remote working practices, well-being, mental health, health protocols, new working methods and so on.

Despite the impacts of the pandemic, in 2021 the company continued operating in an extremely dynamic labor market and a highly competitive business context, which led to TIM increasing the flexibility of its HR policies (ex. revising remuneration and hiring requirements) and strengthening its focus on operating efficiency as well as on investments in new skills and on developing talents, which is indispensable to face the challenges laid down by the telecommunications sector.

For all of 2021, the Human Resources department conducted frequent surveys to investigate specific issues. These surveys include the second annual survey on working from home (1,767 respondents) to assess the experience of remote working, analyzing aspects such as engagement, productivity, work flow, interaction with colleagues, leadership and others. Additional surveys were also carried out, such as those on connectivity, IT systems and security, as well as constant measurement of the eNPS¹, which measures employee recommendations about our products, services and the Company.

In addition to the surveys, a structured internal program was created, called "We are All Customers," to engage employees in assessing, building and improving Customer Experience processes. From February to December, a total of 12 projects were assessed, with a total of 4,900 participants. The internal communication plan developed in 2020 continued to prevent the dissemination of unstructured communications regarding the repercussions of the pandemic also in 2021. Moreover, in order to guarantee full comprehension of the strategic challenges and engagement of personnel, structured communications plans were implemented, as well as a series of "cascade" meetings regarding the Business Plan, the strategic targets and results.

In dealing with the issues relating to the efficiency and effectiveness of processes, the Company's organizational structure underwent continuous evolution, to achieve the strategic objectives. For this reason, a structured process re-engineering project was confirmed, aimed at disseminating new work methods (e.g. Agile, DevOps) and innovative, cross-functional models capable of increasing productivity.

The Head of the HR department in Brazil continues to report directly to the CEO of TIM S.A..

¹ Net Promoter Score employee

Concise figures¹

[GRI 102-7] A summary of the numbers relating to the Group people can be seen in the table below:

	12.31.2021	12.31.2020	Changes
Italy	42,331	42,667	(336)
Outside Italy	9,582	9,666	(84)
Total personnel on payroll	51,913	52,333	(420)
Agency contract workers	16	14	2
Total personnel	51,929	52,347	(418)

Excluding agency contract workers, the Group's headcount has decreased by 420 people compared to December 31, 2020.

The changes per BU are detailed in the following tables.

	Recruited	Departed	Change
Domestic	3,271	3,607	(336)
Brazil	2,142	2,226	(84)
Other Operations	1	1	—
Turnover	5,414	5,834	(420)

Turnover: detail by BU	Hirings	Departed	Internal transfers within the Group +	Internal transfers within the Group -	Change
Domestic	1,409	1,993	1,862	1,614	(336)
Brazil	2,142	2,226	—	—	(84)
Other Operations	1	1	—	—	—
Total	3,552	4,220	1,862	1,614	(420)

Terminations: detail by BU	Early retirement incentives	Retirements	Dismissals	Voluntary resignations	Other causes
Domestic	1,513	20	35	309	116
Brazil	—	2	1,105	954	165
Other Operations	—	—	—	—	1
Total	1,513	22	1,140	1,263	282

As regards the incentives given to take redundancies, 97% is concentrated in the parent, TIM S.p.A.

For more details on the unbundled data, refer to the Appendix to the chapter and, for costs, to the note called "Employee benefits expenses" of the Group's Consolidated Financial Statements.

[GRI 102-8] TIM does not use self-employed workers to carry out its business activities, although it is possible that, on an occasional basis, some consultancy type activities may be entrusted to self-employed professionals.

The Group's activities do not vary seasonally, hence changes in the workforce are correctly shown by the annual trends.

For further details about the characteristics of Group personnel go to Appendix of this chapter, which, with respect to the requirements of the GRI Standard, contains the following indicators [GRI 102-8], [GRI 401-1], [GRI 401-3], [GRI 404-1], [GRI 412-2], [GRI 405-2].

¹ Unless otherwise stated, the data shown in the tables contained in the chapter relates to all the Group companies.

Equity and gender inclusion

[GRI 103-1: Management Approach] [GRI 405] There is still a long way to go before true gender balance can be achieved in the telecommunications sector which, like all sectors where the main activity is strictly linked to research and development of new technologies, still continues to have a mainly male workforce. As women have embraced the world of work and, in a parallel fashion, scientific and technological culture and studies, their presence has gradually grown within companies, seeing them take on more important roles with higher salaries.

In particular, TIM's Bylaws will be amended to reflect the allocation criteria established by Law No. 160/2019 for both the Board of Directors and the Board of Statutory Auditors, maintaining their applicability on an ongoing basis; it will not be necessary to change the composition of the corporate bodies that already reflect the new shareholding (6/15 on the Board of Directors and 2/5 on the Board of Statutory Auditors, respectively).

The current development model pays close attention to ensuring that individual growth paths, starting from the moment employees are hired, do not contain any restrictions relating to gender or age differences, and particular attention is paid to women, where skills and performance are equal. Furthermore, under the current competence model, specific competencies are considered, pertaining to leadership, communication and inclusive collaboration¹.

[GRI 103-3: Management Approach] [GRI 405] To reduce the gender gap, TIM implemented a three-year plan (2018/2020) with the aim of increasing manager awareness of unconscious prejudice by 25%. The following actions were carried out:

- Review the managerial model, adding a conduct specifically related to inclusion, in particular of gender, in line with the Code of Ethics and the Human Rights Policy.
- Develop a self-assessment campaign on gender prejudice, through intranet news and the on-line "Implicit test" prepared by the University of Harvard on various prejudices.
- Introduction of an e-learning training course on unconscious prejudice.
- Introduction of flexibility measures for pregnant women.
- Introduction of flexibility measures for maternity/paternity leave.
- Launch of a "Manifesto for the reduction of the gender gap."

As regards the spread of the equal opportunities culture, by December 31, 2021, TIM proposed it would strive to achieve the following objectives:

- at least 50% of the company population shows awareness of the initiatives (the target was reached and exceeded by 12.17%);
- development dedicated to a pool of women employees and involvement of at least 80% of them (the target was reached and exceeded by 19.75%).

As regards female managers and the pay gap, managerial incentives have been introduced that expect to achieve the following for Italy, by December 31, 2023:

- 26% of all executives will be female.
- the gender pay gap for management staff will be zeroed.

In the **2022-2024 ESG Plan**, TIM strengthened its commitment to reducing the gender gap, expanding the basin of reference to all women holding top positions (executives+middle managers) in Italy and specifically defining the growth targets up to 2024: 23.8% by 2022, 25.3% by 2023 and 27% by 2024. At a Group level, the target through to 2024 is 29%².

In **Brazil**, TIM continued its gender diversity work, one of the main pillars of its Diversity & Inclusion plan. Gender equality is one of the main focuses of Diversity & Inclusion. Various initiatives were developed throughout 2021, as described in the following chapters. In 2020 TIM Brasil was included in the TEVA index as the third company in country (listed on BOVESPA, the Brazilian stock exchanged) in terms of the number of women on the BoD.

¹ For further information, refer to "The skills model" paragraph in this chapter and the "Inclusion" chapter.

² Average of Domestic target of 27% and Brazil of 35%.

[GRI 405-1] Members of the Board of Directors of TIM S.p.A. by age and gender	12.31.2021	12.31.2020	12.31.2019
Total number of members	15	15	15
Men < 30	—	—	—
Men 30-50	1	—	—
Men > 50	8	9	9
Women < 30	—	—	—
Women 30-50	1	—	—
Women > 50	5	6	6

[GRI 405-1] Members of the Board of Directors of TIM S.A. by age and gender	12.31.2021	12.31.2020	12.31.2019
Total number of members	10	10	9
Men < 30	—	—	—
Men 30-50	—	—	—
Men > 50	7	7	7
Women < 30	—	—	—
Women 30-50	1	2	1
Women > 50	2	1	1

In the Group, there are 118 women in managerial positions, equal to 20% of the total category; among these, 10 (16% of the category) are level one (CEO³ n-1), and 38 (28% of the category) are level two managers (CEO n-2).

There are 60 managers not in staff departments (equal to 10% of the managerial category).

There are 352 women in positions of responsibility, including junior, middle and senior management (equal to 25% of the Group's managers); these include 93 resources with degrees in STEM. With regard to education, the Group comprises 786 women with degrees in engineering (of which 471 at the Parent Company and 255 at TIM Brasil).

There are 181 women in charge of departments that generate turnover, excluding Staff (equal to 20% of the category).

For the year, the representation of women on the Group's managerial committees is summarized in the table below

	no.	%
Men < 30	—	—%
Men 30-50	15	21%
Men > 50	40	57%
Women < 30	—	—%
Women 30-50	10	14%
Women > 50	5	7%

³ Group CEO and CEO of the consolidated companies. For TIM S.p.A., there are 2 level-one female managers.

The table below gives details of the breakdown of professional categories.

[GRI 103-3: Management Approach] [GRI 405] [GRI 405-1] Members of the Group's professional categories by gender and age

	2021				2020				2019			
	Executives	Middle managers	Workers	Total	Executives	Middle managers	Workers	Total	Executives	Middle managers	Workers	Total
Total	600	4,628	46,685	51,913	579	4,387	47,367	52,333	555	4,404	50,234	55,193
Men	80%	69%	61%	62%	81%	70%	61%	62%	82%	71%	62%	63%
Women	20%	31%	39%	38%	19%	30%	39%	38%	18%	29%	38%	37%
Up to 30 years	—%	—%	7%	6%	—%	—%	6%	5%	—%	—%	7%	6%
From 30 to 50	28%	31%	43%	41%	27%	33%	46%	45%	27%	34%	47%	46%
After 50	72%	69%	50%	52%	73%	67%	48%	50%	73%	66%	46%	48%

The generational imbalance is mainly due to the Italian component that, due to adverse market conditions and in order to guarantee work for its employees, has in the past renounced generational renewal through major new hiring campaigns. Since end 2019, the Group has been hiring with a specific focus on key figures for the sector.

Within the Group, there are 3,374 employees that are part of ethnic minorities, all concentrated in the Brazil BU.

New skills and development

The skills model

[GRI 103-1: Management Approach] [GRI 103-2: Management Approach] [GRI 404] The TIM Competence and Leadership Model has undergone a major overhaul and has been restructured according to the new corporate identity. During 2022, communication and training initiatives will be launched to support the dissemination and knowledge of the underlying skills.

Below are the main development activities that defined 2021:

- **Young Adult Development:** [GRI 404-2] The development course (Beyond the Garden) started in 2020 and which continued throughout 2021 involved 250 young adults aged under 35, with the aim of fostering the strengthening of competences, increasing engagement, facilitating the intergenerational exchange and the development of management skills through mentoring, coaching, job shadowing and hackathons, all much appreciated by participants.
- **Performance Management** [GRI 404-3]: the annual appreciation process of working performance generally involves the evaluation of the goals and competences of the entire workforce and is divided into five phases (assignment of objectives, mid-year review, evaluator's selection, evaluation and feedback). Insofar as regards the 2021 Performance Management process, the decision was made to take into account the exceptional situation brought about by the pandemic emergency and, therefore, the assessment only regarded competences. Specifically, in 2021, approximately 41,000 resources from the Domestic scope were involved in the performance assessment process: 97% received an assessment from their manager and 79% of these confirmed they had also received dedicated feedback from their manager.
- **Skill Assessment** [GRI 404-2]: is an online assessment tool, which makes it possible to focus on a picture of the population in terms of skills, knowledge and motivation, useful for the timely detection of training needs in support of organizational changes and changes in business skills. Projects developed in 2021 regarded smart working, digital culture, ICT, transversal skills (agile, data culture, cybersecurity, etc.), knowledge and competence in sale, etc., for the whole population or specific segments, depending on the areas investigated. Adhesion rates to the various initiatives were decidedly high, coming in at more than 91% for all surveys.
- **Potential evaluation system:** [GRI 404-2] is a process that contributes to the identification and enhancement of the Company's current and future managerial assets and which supports the people involved in their development path. In 2020, the entire system was refined and following validation of the new system of competences (end October 2021), the tests and reports of the various types of assessment (individual, group, operative coordination, managerial and executive) will be revised.
- **TIM professional system:** The major transformations in the company, the switch to new development models and the evolution of economic balance require companies to play a strategic role. In this scenario, the scene of professional roles and associated competences are also particularly dynamic. The challenge TIM has addressed, therefore, is to make the professional system consistent with changes in the employment market, integrating it with new jobs, describing the core competences and promoting the acquisition of emerging competences. During 2022, the review of professional roles, the relevant competences and reference grading, will be validated with the lines.

In July 2020, an agreement was signed with INAPP - the National Public Policy Analysis Institution - with a view to identifying points of correlation between the current company professional system and the INAPP Employment Atlas. It is expected that the anchorage of TIM's professional system with the employment atlas will be completed by June 2022.

Development activities and skills in Brazil

[GRI 404-2] [GRI 404-3] During 2021, **TIM S.A.** implemented numerous programs and measures to manage and support the development of skills for personnel that are necessary to implement the business strategies.

- **New skills model:** In Q1 2021 a new skills and conduct model was developed and communicated to all employees. The model was created in cooperation with the entire company, and is used to handle various processes, such as Internal and External Recruitment, Performance Management, Talent Management, Training and Development and Management of Remuneration.
- **New Performance Management Process:** **TIM S.A.** completed the 2020-2021 performance management cycle, which involved over 7,700 employees, with several important changes, such as the addition of new targets (Sales & Caring team, Interns), with an extensively personalized approach. The assessment focused on the skills model and the ability to implement it. Another change involved the implementation of a new Performance Management platform, personalized to offer the employees involved the best digital experience.
- **Solutions for developing digital leadership:** During the year, TIM launched two innovative solutions for developing its leaders: the E-Coaching Program and the Executive Mentoring Program. Over 350 leaders tested a digital professional development solution, personalized based on their needs. The E-Coaching program is a short coaching program comprising 5 sessions with an ICF-certified coach. It has been offered to more than 270 recently-promoted junior leaders. In addition to these 5 sessions, the participants can use a digital platform with numerous functions and extensive content to speed up the solving of problems and the development of their managerial conduct. Executive Mentoring was offered to 80 executives of TIM S.A., who had the opportunity to have a 1-hour discussion with an external expert selected from a base of

over 90 mentors. Over 340 discussions were held to develop new skills, share best practices and stimulate new drivers for business development.

- **Succession management:** This year, succession mapping continued, to guarantee the acceleration of the development and readying of replacements for the most critical senior management and executive positions. Over 25 senior managers were subject to a Top Executive Assessment by an external Leadership Advisory company, and had their development plans implemented. TIM S.A. also continued to encourage the internal succession of managers, in accordance with its own recruitment policies and before turning to the external market to find candidates.
- **Inter-company mentoring for women:** in July 2021, TIM, along with an increasing number of large companies, implemented an initiative to accelerate the professional growth of women. The initiative is included in the "Mulheres Positivas" project, which aims to enable and accelerate women's access to the Brazilian labor market. In 2021, 2 rounds of tutoring were held, which involved 149 women.
- **Internal and external recruitment:** In 2021 TIM consolidated the digitization of the entire Recruitment and Selection process, using artificial intelligence and people analytics, with a view to increased quality and efficiency. We have also strengthened our commitment to diversity policies, introducing customized targets for racial inclusion (around 60% of people in our internship programs are black) and gender inclusion (the shortlists for leadership positions are 50% women). In line with TIM's business and strategic plans, our focus was expanded to attracting and recruiting new skills and profiles, concentrating on the necessary professionals such as: Big Data, Cybersecurity, Cloud, Agile. Internal selection opportunities generated by TIM S.A.'s recruitment policy, as an integral part of its HR practices, reached the target of filling 33% of all vacancies through internal staff rotation positions (employees + managers).

[GRI 404-3] Percentage of Group's employees receiving periodic performance and professional development reviews

	2021	2020
Total	98%	92%
<i>by professional category and gender</i>		
Executives	77%	67%
of whom men	79%	66%
of whom women	70%	67%
Middle managers	97%	96%
of whom men	97%	96%
of whom women	95%	96%
Workers	98%	92%
of whom men	99%	92%
of whom women	96%	93%
<i>by gender and professional category</i>		
Man	99%	92%
of whom executives	79%	66%
of whom middle managers	97%	96%
of whom employees	99%	92%
Woman	96%	93%
of whom executives	70%	67%
of whom middle managers	95%	96%
of whom employees	96%	93%

Details are not available for 2019: aggregated data is reported for the Domestic BU and the Brazil BU

	2019
Domestic BU	99.9%
Brazil BU	98.0%

Training

[GRI 103-3: Management Approach] [GRI 404] [GRI 404-2] The transformation of the TLC industry towards digital company models, the technological evolution of infrastructure and market challenges linked to the development of new digital and innovative services are all part of an employment market undergoing profound transformation. Continuing with what has been launched in recent years, TIM Academy boosted the development of systems and paths to disseminate and share of knowledge, promote organizational learning and adapt the skills of TIM people to changes in business and technology.

With the professional requalification and training plan, TIM Academy involves almost all employees in the 14 courses for the evolution and adjustment of the portfolio of competences in support of the company transformation process and the necessary update of the professional technical skills. The plan started last June 2021, following the agreement signed with the trade unions and the Ministry of Labor, and will continue up to 2022.

Starting out from the strategic drivers of the business plan, the needs, plans, methods of delivery and supporting tools, were identified.

[GRI 404-1] At a Group level, in 2021, over 5.3 million hours of training were delivered, with an average of approximately 102 hours per head; the investment came to approximately 15.7 million euros during the year, making for an average per capita investment of approximately 300 euros. The investment in training involved financing from FONDIMPRESA of 5.5 million euros to the Parent Company.

Training Program

One of the pillars of the People's Plan is a continuous training program to support the digitization process and update skills. In keeping with the identified program definition drivers¹, the TIM Academy platform, which is always available with multi-device access, presents learning plans that are customized to the person and role, with an "open" training offer with guided self-learning courses on specialized skills and professions.

The main areas of activity are:

- **Development of digital skills:** the NexTIM training and development plan includes 7 transversal courses² to the company departments to acquire the new capabilities required by the evolution of the context and the emergency situation that has significantly hastened the digital transformation.
- **Requalification of role skills:** the NexTIM training and development plan envisages 12 courses³ per business line, dedicated to the competences of the role and the area to strengthen employability and learn the professions of the future. By way of example, the tech training course, intended for approximately 2000 participants, is made up of technical courses delivered on subjects such as cyber security, the core 5G network, quantum computing, an advanced course for technical staff and specialized courses on programming languages and the web, native cloud development and IT infrastructure and the cloud.
- **Management education:** the plan of action for the managerial target includes various inspirational and immersive education projects⁴ intended to enhance distinctive skills and affirm TIM's leadership and competitiveness in the digital age. The broader plan involving the entire management is supported by individual coaching, group coaching and individual paths.
- **English@TIM Language Training:** online language training courses, personalized based on levels of knowledge, aimed at helping people learn English, with a view to the digital transformation. Over 1,000 people used the training content available in the TIM Academy.
- **Institutional and corporate culture:** this training aims to support the transformation of the organizational culture in line with the evolution of the social, environmental and economic context and at disseminating knowledge of the content required by the legal formalities. This training, which is mandatory for all company personnel, aims to raise awareness and spread knowledge on content put forward by the Compliance (on topics related to Market Abuse Regulation and ISO 37001 on Anti-corruption), Regulatory and Equivalence (on Antitrust and Regulatory topics), Privacy and ITS Compliance (for GDPR and MIMIP topics) departments. With regard to health and safety at work training, which is promoted by the Health Safety & Environment department, all staff are trained according to the legal requirements set by Legislative Decree 81/08, as amended, and the profiles identified for each worker as part of the DVR (Risk Assessment Document). All personnel operating in the Security Department of TIM are trained and updated on national and European Community legislation and regulations governing company safety, and carry out their duties in complete compliance with all current company procedures and policies in force. Security personnel do not perform crowd control duties nor escort people or valuables, which is instead a task institutionally assigned to the police force.
- **Training for young people:** since the beginning of 2021, more than 400 newly-hired employees have been involved through dedicated training courses, participation in the OrienTIMing community, information and training webinars and the assignment of approximately 130 tutors as contacts for the department to which they belong. Furthermore, the development pathway launched in 2020 for 250 young people under 35 already working in the Company (Beyond the Garden) for several years, with the aim of encouraging the enhancement of skills, increasing engagement, promoting intergenerational relationships and managerial development, is about to be completed.

¹Such as: requalification and promotion of professional expertise; development of digital skills in the entire company population; evolution of the managerial profile; and training for young people.

²The 7 training courses: Agility: orientation towards new ways of working - Data Culture - Spread of agile methodology - Enabling Tools - Digital Renovation - New leadership for a new start - Evolution of the business

³The 12 focuses of requalification: Administration and Control - Procurement - Caring Services - Cybersecurity and Fraud - Executive Assistants - Human Resources - Market: Business strategies and technological development - TLC Designer Operations - TLC Technician Operations - TLC Operations - Specialized course for technical certifications - Tech Training

⁴Feedback Flow Project - Tad Talks Project - Tad Talks Inclusion Project - Dream Team Project - Security Awareness Project - Security - "Agile Working, time, space and people"

Training in Brazil

In **Brazil**, TIM's training strategy in 2021 focused on supporting the evolution and transformation of the company towards the Digital Telco model. During the year, it specifically focused on developing new skills through upskilling/reskilling programs and a concerted effort was made to improve the alignment of skills in the operational departments.

We consolidated our objective, spreading an environment of digital and company learning and developing customized programs for specific issues and recipients, expanding the digitization of our training activities. The main development and training programs are listed below:

For all employees:

- **Main institutional and conformity issues:** all employees attended courses on key institutional and compliance issues, such as ethics, human rights, sustainability and environmental policies, safety, security and anti-corruption policies in alignment with Group guidelines and international and national laws.
- **Cross-training initiatives:**
 - **Digital Learning Roadmap:** the new "Talent HUB Aprendizagem" online training platform includes individual and collective roadmaps for digital learning. The roadmap focused on strategic issues such as digital mentality, new skills, innovation, responsibility, customer experience, execution, cooperative approach online and change management.
 - **COVID-19 plan:** Support to adapting to the "new normal" through digital content. As a result of the COVID-19 pandemic, TIM Brasil arranged training initiatives dedicated to topics such as mental and emotional health, care, well-being and also made the Onboarding programs content available in digital format. Furthermore, all training initiatives have been adapted to the distance method. Leadership was involved through meetings and seminars to talk about day-to-day management, remote leadership and how to take care of professionals, raising awareness about the new form of remote working and ensuring employee productivity.
 - **TIM Talks:** the Annual Training, Development and Communication program of TIM S.A. Just like in 2020, the event was attended by the internal and external public. The program started in November with an opening event, and continued till the end of December, with a range of workshops focused on strategic issues for the sector, such as 5G, Cloud Computing, IA and Privacy. Representatives of the market, the academic world and institutions in general participated in the workshop as well as, for the first time, international guests. More than 12,000 people participated in the program, as well as 9,000 accesses on TIM's YouTube channel and a Net Promoter Score of 92%.

Vertical paths: TIM has created personalized learning paths for the various Departments based on the different needs related to the activity.

Initiatives for the sales force: Evolution program (Consumer and Business): learning path for TIM stores, designed in an innovative way, based on the principle of a big game, which translated into greater involvement, new knowledge with a different "footprint", and greater value for the company. A unique, personalized and humanized experience. The model of virtual training was retained and improved during 2021.

Internships and apprenticeships: Young apprentices & interns program: TIM offered specific Onboarding and face-to-face and digital training activities to over 300 young people including apprentices and interns.

Path towards the Cloud and Agile Working Path: In line with our digital transformation and innovation plan, TIM implemented a structured upskilling plan for all professionals involved in the migration of infrastructure to a multi-cloud environment, and for users of new Data and Analytics technologies. More than 500 people were involved in the two-year period 2020-2021. The Agile working program was developed in 2021, with the goal of disseminating the culture, methods and tools of Agile working, and involved more than 170 people.

For both paths, a structured internal communications plan has been implemented, to demonstrate the importance of the initiatives and increase the engagement of participants. Working with our main suppliers and technology partners, an external communications plan was then developed.

Group training figures

[GRI 404-1] The tables below show Group training hours by professional category and gender. The appendix contains a comparative focus with 2020 and 2019, along with a breakdown at TIM Group level of the most important training strands (environment, health and safety, human rights, anti-corruption, privacy, sustainability).

2021	Hours	Per capita hours	Coverage rate ⁵
Total	5,316,361	102	100%
Executives	5,338	9	85%
<i>of whom men</i>	4,430	9	84%
<i>of whom women</i>	908	8	91%
Middle Management	608,921	120	91%
<i>of whom men</i>	421,897	117	88%
<i>of whom women</i>	187,024	130	99%
Workers	4,702,102	101	101%
<i>of whom men</i>	2,956,045	104	100%
<i>of whom women</i>	1,746,057	97	99%

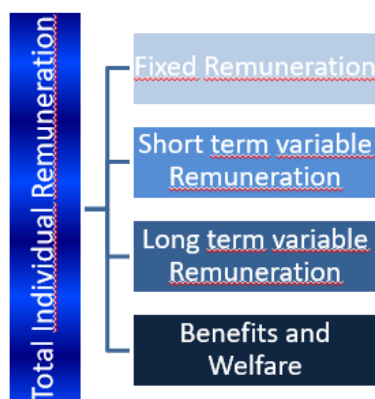
⁵ Coverage refers to the percentage of participants compared to the total, i.e. the % of human resources who took part in at least one training session compared to the total number of human resources in each individual category. For that reason, some percentages may exceed 100%. Coverage and per capita are calculated on the average number of staff in 2021 (figure higher in quantity than the amount existing as at 12/31).

Remuneration policy

[GRI 102-37] The TIM Group's remuneration policy is intended to ensure the necessary levels of competitiveness of the company on the labor market and to support the achievement of the Company's strategic objectives as a lever for implementing some of the business strategy guidelines. For 2021, the guidelines of the remuneration policy are defined in accordance with the resolutions of the Shareholders' Meeting of March 2021 and the remuneration tools already in use.

The resulting remuneration architecture is intended to balance remuneration (fixed and variable) and enhance the benefit and welfare system, supported by other tools, such as the Broad-Based Share Ownership Plan, with a view to pursuing sustainable results in the long term in line with TIM's risk management policy.

The components of individual remuneration are:



The fixed component takes into account the breadth and strategic nature of the position held and is dictated by performance in the reference markets.

Periodic comparisons of internal remunerations and external market remuneration practices allow the establishment of the remuneration strategy to be adopted; TIM's comparative remuneration market is Italian companies of comparable size and/or market capitalization, and international telecoms and media companies. The need to ensure financially sustainable management of the business requires selectivity in the application of salary increases, which - in the same way as the previous year - will be granted to employees considered to be highly valuable and where there is misalignment with respect to the reference market.

In addition to changes to fixed remuneration, during salary reviews, other variable remuneration instruments (One-Off Bonus) can be put in place - excluding Senior Management with Strategic Responsibilities - to reward outstanding performance or particularly good results during extraordinary initiatives not part of normal activities.

Variable remuneration

The growing commitment to sustainability issues has been consistently applied in the variable remuneration policy of recent years: for 2021 the presence of targets connected to the impact of TIM's activities on the environment and employee engagement was further strengthened. Diversity & Inclusion objectives were introduced for the first time: the short-term incentive system includes an objective that pursues a reduction in the gender pay gap, while the long-term one includes a parameter that measures the percentage of women managers.

The **short-term variable remuneration (MBO)** aims to establish a transparent link between pay and the degree of fulfilment of annual targets. To this end, the targets were fixed according to quantitative indicators that represent and are consistent with the strategic priorities and business plan, measured according to pre-established and objective criteria.

For 2021, the MBO system again includes a "gate" target consisting of the Group EBITDA indicator, a condition for accessing the bonus linked to all the incentive objectives, with differentiated minimum levels of access to the bonus, in order to appreciate the different level of challenge required of management. The structure of the ESG objective for 2021 strengthens the centrality of the two essential stakeholders for the Company, external customers and internal employees, in pursuing the strategic objectives, alongside the Customer Satisfaction and Employee Engagement objectives - already required in 2020 - also a component of Diversity & Inclusion, represented by the objective of reducing the pay gap between women and men among the executive staff.

While remaining central, the weight of the employee engagement objective has been re-proportioned compared to last year due to the very positive result achieved in 2020 compared to the targets previously communicated to the market. The overall weight of the indicator is 22% of the total of the objectives assigned.

With regard to the remaining targets set in MBO, for direct reporting to the Chief Executive Officer, the focus is on the economic and financial objectives attributed to the Chief Executive Officer and a strategic departmental objective has been introduced; for the other managers, the most significant economic and financial objectives and specific departmental objectives, which are objectively measurable, are considered. For those who report directly to Executive Directors, the bonus target values are consistent with the previous years and constitute up to 50% of the fixed component. For the remaining incentivized staff, the target values are set - based on the role complexity - at up to 30% of the fixed component.

With regard to the incentive system payout, the potential impact of the corrective payout reduction factor introduced in 2019 was confirmed for 2021 with the aim of increasing the attention and sensitivity of managers to the Company's internal control and risk management issues.

The accrued bonus is fully liquidated in cash form, at the time that the results achieved are confirmed¹. Executives will also be free to choose between having the bonus paid with their salary or having some or all of the amount paid into their complementary pension fund.

Long-term variable remuneration is aimed at promoting consistency between the interests of management and those of shareholders, through sharing of the business risk.

The 2nd Incentive Cycle of the 2020-2022 Long Term Incentive (LTI) Plan approved by the Shareholders' Meeting in April 2020 was launched in 2021. This is an equity based, rolling Plan that provides for three incentive cycles. Each cycle has a three-year vesting period² and a two-year lock-up.

Consistent with the 1st cycle 2020-2022, it provides for the assignment of a performance share component (70%) and an attraction/retention share component (30%), with the exception of the Chief Executive Officer who is only assigned performance shares.

The **performance share** component provides for the free assignment of TIM ordinary shares with a vesting period subject to an access "gate" linked to the value of the share and to two equity and business performance conditions.

The **attraction/retention** share component provides for the free assignment of TIM ordinary shares with a vesting period subject to continued employment with TIM or Group companies.

A payout gain/loss mechanism is applied to both components, which are linked, for 2021, in equal measure, both to the growth in the % of renewable energy out of the total energy purchased and to the growth in the presence of woman managers. For both the MBO system and long-term plans, a contractual claw-back mechanism³ is in force, which allows for retrieval of the variable remuneration paid out to Executive Directors and managers with strategic responsibilities starting from 2016. As defined in the policy, the claw-back clause can be triggered in the three years following payment of the sums.

Moreover, **the new 2022-2024 Long-Term Plan**, the stock option plan proposed to the Shareholders' Meeting of April 7, 2022, includes economic-financial (cumulated reported EBITDA - CAPEX) and ESG performance conditions, the latter linked to gender diversity and renewable energy. Specifically, the plan requires that the exercise of 30% of option rights may be exercised only based on:

- the percentage of women in positions of responsibility at the end of 2024, out of the total holders of positions of responsibility, with a minimum of 25%, a target of 27% and a maximum of 28%;
- the ratio of renewable electricity to electricity consumed 2024, with a minimum of 75%, a target of 80% and a maximum of 83% of electricity from renewable sources.

The remaining 70% of the option rights may be exercised if the economic-financial parameter is achieved.

Benefits and welfare constitute non-monetary elements of remuneration.

In particular:

- benefits are goods and services made available to beneficiaries, depending on their role, and are aimed at improving their well-being; these goods and services generate an economic value separate from both fixed salary and other forms of variable remuneration;
- welfare is the package of non-monetary services available to the entire corporate population regardless of role, aimed at increasing individual and family well-being of all employees.

Finally, with regard to the Broad-Based Share Ownership Plan launched in 2020, it should be noted that 126.3 million shares were issued on November 27, 2020. Under the Plan Regulations, if the shares are held and the owner remains in employment - one year from the date of assignment - one free share (bonus share) is awarded for every three subscribed shares. Therefore, on December 3, 2021, having verified the two conditions mentioned above, 38,604,270 new shares were issued, with no capital increase.

¹ To provide accurate information on the relationship between Senior Management remuneration and that of the Company population [GRI 102-38], [GRI 102-39], in accordance with the "Policy for Information Classification and Management in terms of confidentiality", TIM provides some information, useful for the calculation, in the usual table form, in the Remuneration Report and in the Annual Financial Report.

² The vesting period is the period between the time when the plan is assigned and the time when performance shares mature, corresponding to the financial years 2020, 2021 and 2022 for the 1st incentive cycle.

³ Contractual clause allowing variable remuneration paid to be recovered in the event that the disbursement was a result of willful misconduct or gross negligence of the executives involved, or in the event of a data formulation error that led to a Balance sheet restatement. For the 2020-2022 LTI Plan, the claw-back clause is applied to all recipients.

Below are the main types of objectives connected with sustainability present in the company MBO system.

Stakeholder of reference	Targets subject to incentives	% of managers (to whom the target applies)
Customers	Customer satisfaction index	54%
	Quality of the service perceived by consumer and business customer	45%
	Quality of the service perceived by other national fixed and mobile telephony operators	2%
Human Resources	Health and safety of employees	3%
	Welfare activities (People Caring) and employees' welfare	100%
Environment	Energy saving and environmental protection	6%
Shareholders and Institutions	Creating Value for the Company	100%
	Quality and speed of company information delivery	2%
Community	Quality of initiatives, events and corporate projects	2%

Remuneration policy in Brazil

The Remuneration Policy in Brazil is aligned with the Group Policy and establishes the rules and principles for defining and developing remuneration in a competitive manner, according to market practices, in order to attract, engage, recognize and retain the human resources necessary to achieve the company's strategic objectives, always in compliance with the corporate governance requirements for companies listed on the Brazilian stock exchange. The resulting remuneration structure must balance (fixed and variable) remuneration and expand the benefit system, aiming for sustainable long-term results for TIM.

The total compensation is composed of five elements:

1. **Fixed remuneration:** Its purpose is to recognize and reflect the scope and value of the position, both internally and externally, as well as the individual performance, experience, education and knowledge of managers.
2. **Benefits:** the objective is to offer products and services that increase the financial and social well-being of people and their families, acting on the value perceived by employees, for the purpose of attracting them and retaining them with the Company. The Company offers a large benefits package, capable of covering the various aspects of well-being, with admission criteria that may be specific or correlated with the employee's level and position. Benefits evolve based on market practices and the trade union agreements for the specific categories, as well as the evolution of people's expectations and needs. Several examples of benefits offered by the Company are: private pensions, extended maternity leave, extended paternity and wedding leave, healthcare coverage, dental care coverage, life insurance, childcare assistance and meal vouchers. The company also offers its employees the option to personalize their benefits packages to best meet their needs through a flexible benefits platform. In 2021, the company continued investing in improving its range of benefits offered. The Dental Care plan was restructured, adding numerous plans to the portfolio and greater flexibility for each employee in choosing the plan most suited to his/her needs. The company also agreed with the trade unions on implementing a healthcare plan for all employees up to May 2022.
3. **Variable component:** Rewarding the achievement and outperformance of the company targets, in line with the budget, strategic planning and market practices. The objective of this instrument is to reach or outperform the organization's targets and objectives defined in the three-year business plan presented to the market. The variable component, in turn, is divided into three groups, i.e.:
 - 3.1 **Short-term incentive:** MBO (Management By Objectives) is a short term variable remuneration program based on the concept of profit sharing, linked to the Company's strategic business indicators, containing company as well as department-based purposes and objectives. Again in 2021, the MBO system establishes a threshold consisting of the EBITDA indicator as a condition of access to the bonus applied equally to all recipients of the plan. For 2021, the weight of the strictly departmental targets remained low in favor of the company targets. The business objectives are tied to financial and operative challenges and some are linked to ESG topics: Customer Satisfaction Index, Employee Engagement and Management Gender Salary Gap, both assigned to 100% of participants.
 - 3.2 **Bonus (one-off):** The bonus is an instrument based on the assessment of individual performance, which may be used to recognize exceptional performance as well as reward the results of specific initiatives and projects relevant for the Company.
 - 3.3 **Long-term incentive:** TIM's long-term incentive plan is share-based, and aims at: (i) achieving alignment between the top management's interests and those of shareholders, through participation in the business risk; (ii) implementing an integrated incentive systems, to balance the time horizon with the nature of the targets; (iii) increasing the competitive nature of the benefits package and (iv) increasing the loyalty of the Company's key resources. In May 2021, the Board of Directors approved the 2021 Grant for the 2021-2023 Long-Term Incentive Plan, with a vesting period of three years. This Plan is reserved to the Chief Executive Officer, the Deputy Chairman and the holders of strategic positions that have a greater impact on the business results. The Long-Term Incentive Plan combines two methods: Restricted Shares, subordinate to the participant remaining with the Company for a specific period, and Performance Shares, subordinate to the achievement of specific targets and the participant remaining with the Company for a certain period. The performance objectives are linked to economic/financial indicators and/or share performance metrics (for example: Total Shareholder Return). The number of shares may increase or decrease based on the performance and the assignment of dividends, if any, taking account of the criteria set out in each Allocation.

4. **Hiring/retention bonus:** In analyzing the conditions of the market, the context and the business challenges and, in order to guarantee business continuity and the achievement of the strategic plan, the company may offer to pay a one-off bonus to guarantee the hiring and/or retention of people in key positions. Hiring bonuses specifically allow for more attractive offers to be made to external candidates and reduce to the minimum occasional losses that may arise in personnel changing companies.
5. **Severance pay:** This refers to amounts and conditions, either legal or complementary in nature, to be provided in the event of termination of the employment relationship with the Company.

The definition of the structure and amounts is supported by the analysis of market practices, mainly on the high-tech and telecommunications markets, as well as of companies of similar size and governance (part of the Novo Mercado at the Brazilian Stock Exchange, or listed on the New York Stock Exchange, etc.); it is updated annually, in line with changes in the market and the Company's strategic planning. The methodology entails the analysis of remuneration applied in the market (fixed, variable, benefits, fees for participating in committees, etc.), considering the benchmark companies and the analyses conducted by companies specializing in remuneration (Korn Ferry Hay Group, Willis Towers Watson, etc.). The comparisons take account of the various statistics available (median, average, 3rd quartile, etc.). Total Compensation considers the importance of the role held by the employee in the organizational structure, based on market parameters. The elements Fixed Remuneration, Variable Remuneration and Benefits are weighed based on the assessment of the work and the combination of positions.

Industrial relations

[GRI 103-1: Management Approach] [GRI 402] The 2021 materiality analysis confirmed “Managing employment relationships” as a material topic for the whole Group. [GRI 103-2: Management Approach] [GRI 402] TIM has always entertained open and transparent relationships with trade unions and workers’ representatives, in the belief that it is only through continuous, constructive dialog that the best possible balance can be struck with respect to the expectations of all stakeholders.

[GRI 102-41] All Group workers, both in Italy and in Brazil, are covered by Collective Labor Agreements reached with trade union organizations and all personnel are guaranteed the possibility of attending union meetings, in terms of paid leave and company space to enable them to be held, as well as of freely participating in consultation procedures for the election of trade union representatives. In no Group operations is the right to union participation at risk or disputed. Amongst other things, union agreements lay down the ways in which these rights can be enforced and establish the bodies in charge of controlling compliance therewith.

[GRI 402-1] The minimum notification period for operational changes is governed by the collective agreements applied to all TIM employees. TIM takes care to listen to and engage with workers’ representatives, including through reorganization processes.

[GRI 408-1], [GRI 409-1] Collaboration with workers’ representatives, together with internal control systems and procedures, has ensured that no violation or risk has been reported with regards to the application of the Group’s Social Responsibility policies protecting the essential employment rights, such as the ban on forced or child labor¹.

The Industrial Relations model

The structure of TIM’s current industrial relations model, formalized with the trade unions, is aimed at enhancing collaboration on matters required by law and collective bargaining, in the areas of information, consultation and negotiation, both at national and regional level.

[GRI 407] At a local level, there is a widespread presence of trade union representatives in all the Italian regions, which fosters active decentralized participation allowing the specific regional needs and opportunities to be better understood and combined by both parties. Today, around 400 TIM people hold the office of trade union representative. In addition to the protections and rights provided by law and the national collective bargaining agreement for the telecommunications sector, TIM grants specific prerogatives to union representatives in the company, as defined by company agreements in force at the time. TIM S.p.A.’s unionization rate recorded in December 2021 was 38% (around 13,926 registered employees).

Due to the organizational complexity and multi-regional presence, trade union representatives elected a national representative body, called the National Trade Union Representatives Coordinator, delegated to manage negotiations with the company for matters of a national nature.

The industrial relations system is set up with a focus on preventive phases of information and union discussions, also through specific corporate bodies (in the form of permanent joint commissions) with the task of the technical development of specific subjects such as training and occupational health and safety, welfare and equal opportunities.

Management of the various stages of the COVID-19 health emergency

In a situation of extreme difficulty for our country, following the epidemiological emergency caused by COVID-19, TIM managed the inevitable unforeseen repercussions by taking specific action in accordance with government provisions. The company committed itself to reconciling the different needs in this new and dynamic context, with the dual aim of protecting the health of people and the country and ensuring business continuity.

Consequently, in order to continue working and limit the chances of infection, remote work was quickly extended to 36,000 employees in the domestic market, 6,400 personal computers were immediately distributed and software solutions developed to allow the use of personal PCs/tablets pending completion of the planned company equipment plan. For TIM people unable to work from home (e.g. “on-field” technicians, specialists who manage the equipment), specific forms of flexibility were identified and all the measures and equipment to work safely were provided.

At the end of April 2020 TIM and the trade unions, with the common goal of safeguarding the health of all workers, signed a memorandum of understanding relating to the management of the second phase of the COVID-19 emergency, in order to identify the most suitable measures to deal with the health emergency, as well as the guidelines and consequent measures to be implemented. The guidelines, drawn up with the collaboration of experts, change the way work was organized in order to ensure maximum protection for the people involved, in compliance with the provisions issued by the relevant government and health authorities for a gradual return to work by geographical region and organization.

In August 2021, a Survey was sent to all employees in which they were given the opportunity to choose to return to the office on a voluntary basis:

- gradually returning to the office starting from October 4 (1 day a week for the daily plan and 1 week a month for the weekly plan),
- choosing to continue working in agile mode for 5 days a week, initially until December 31, 2021, an option subsequently extended to March 31, 2022.

¹ [GRI 103-3: Management Approach] [GRI 408] In terms of child labor, the policies allow for some completely legal exceptions, such as, for example, training contracts for which incentives are provided by the Brazilian government.

Agile Working

Agile working was already part of TIM's DNA. Our plan was launched in 2016.

Before the pandemic, 21,000 people could already choose to work once a week remotely, with very flexible working hours and the opportunity to independently organize daily activities.

The emergency expanded the use of agile working, making it necessary to work from home for 5 consecutive days a week.

We reacted quickly to this change, enabling remote work even for activities that had not previously been regarded as remotable, such as Customer Care.

To do this, new software was provided along with kits to allow installation and connection to corporate platforms, with simple and streamlined digital instruction manuals available to allow colleagues to have the same tools they used in the office, all in record time, guaranteeing everyone a laptop in addition to the latest generation smartphone with unlimited data and voice traffic already included, as well as videoconferencing platforms, digitized archives and document sharing environments.

Furthermore, discounts were provided on fiber connections for everyone, as well as free WIFI modems for people who are in direct contact with customers.

In order to support and encourage this important job change and put everyone in a position to make the best use of the tools provided, an ad hoc training course on Agile Work was also organized for managers and employees.

The use of these digital tools allowed them to continue their work by moving meetings, events, and training courses completely online, so as to avoid travel, business trips and contacts that could have turned into dangerous opportunities for the virus to spread.

Now, however, we need to leave the emergency behind us and develop new organizational models to enhance flexibility, balancing on-site and remote work, in order to allow personal independence and responsibility to coexist with the sharing and socializing opportunities we all need (and enjoy).

In August 2020, an important trade union agreement was signed which, in addition to providing for the working methods used in a transitional period in which the emergency still exists, governs a new TIM Organizational Work Model based on alternating work inside and outside the company premises. The agreement is based on two models depending on the organizational areas of the roles covered: one provides for 1 week in the office and 1 of agile working, while the other provides for 3 days in the office and 2 of agile working within the same week.

Work can be done anywhere outside the office, provided that the premises are not open to the public and have a good level of connectivity, while desk sharing applies for days spent in the office: workers can book their own work station for the days spent in the office and make use of the appropriate rooms and spaces provided for them to meet with other colleagues while having the opportunity to concentrate for individual work.

Important modernization work is being completed in various locations throughout Italy to create premises which, once the emergency and the need to maintain social distancing are over, allow people to share ideas and work efficiently.

The voluntary nature of the arrangement however remains firm under this Model. Employees are in fact free not to participate and to work on site for 5 days a week.

The right to disconnect was duly considered in designing this form of agile work with the trade unions. TIM operates around the clock because it operates public utility services, therefore applying "automatic" disconnection systems is unthinkable. A decision was therefore taken to use the reverse approach: 2 time bands were established (2.5 hours in the morning and 2 hours in the afternoon) when everyone - both in the office and remotely - must be on duty and available for meetings, handovers or prompt communications. For the rest of the day, each person is free to state their period of availability/unavailability using the Skype for Business application, managing their breaks independently and flexibly.

The campaign to sign up to the new agile working Model took place between December and January and the new arrangements will come into effect as soon as the social distancing requirements are lifted. A very high number of people whose work is compatible with the working arrangement signed up, representing 93% of workers across the country. This shows that people appreciate this new way of working that allows them to get the most out of working remotely and on-site.

Agreement 04/23/2021

In April 2021, TIM met the National and Local Trade Unions, together with the National Trade Union Coordination Office, and signed an agreement that identified actions and tools to support TIM's digital transformation and achieve the objectives set out in the plan, while at the same time establishing measures to value the professional contribution made by people.

The main contents of the agreement are the following:

Agreement on the Expansion Contract

The agreement - which is preliminary to the Expansion Contract being signed with the government - provided for the scheme to be applied for 16 months, during which a hiring plan would be implemented in 2021/2022, working hours reduced and a training plan implemented that focuses on reskilling and the development of new skills appropriate to the role.

Dynamics of professional structures and adaptation of individual working hours

Completion, between 2021 and 2023, of 1,450 promotions, which are additional to the 1,580 already planned for 2019-2021 by the agreement of July 18, 2019.

Furthermore, 550 promotions are planned in the same 3-year period for staff involved in "network and technological system design" activities.

25% increases in working hours are planned in 2021-2023 for a total of 400 part-time workers.

In addition to the Expansion Contract agreement illustrated above, a further agreement was signed - on the same date - for a one-off payment to be made to staff affected by the reduction in working hours envisaged by the Expansion Contract, payment of which will be made in bimonthly advances. The agreement also specifies the regulatory and contractual arrangements that will not be subject to re-proportioning as a result of the Expansion Agreement being applied.

The Expansion Contract

We are all aware of how important it is for the economic and social recovery for the production system to be able to govern technological innovation and service digitalization. The health emergency has made the need to accelerate the digitalization process of the country even more evident.

The macroeconomic context and the reference market as well as the outlines of the 2021-2023 Strategic Plan, with the related organizational implications, were presented by TIM S.p.A. on April 6, 2021, to the stipulating trade unions and to TIM's National RSU Coordination Office, highlighting, among other things, that the technological evolution and the fixed, mobile, cloud and data center infrastructures have been accelerated and strengthened by the partnerships launched with leading companies worldwide.

In this context, TIM deemed it necessary to continue with the process of renewing the professional mix of skills, strengthening the action already taken to support the process of technological transformation and the consequent reorganization plan, while promoting employability through the following specific actions, as provided for in the agreement of April 23 and formalized in the Expansion Contract signed with the government on May 17, 2021:

- launch of a recruitment program aimed at acquiring professional profiles consistent with the company reindustrialization/reorganization plan
- implementation - for the staff employed by the company - of dedicated training courses - to support the re-skilling and upskilling processes - aimed at adapting and developing skills in line with the thrust of technological innovation and aimed at enabling virtuous migration paths towards professions that allow a more rational use of resources
- the company has undertaken to ensure compliance with gender equality both in recruitment and in training courses
- reduction of working hours in line with the general purposes of the Contract.

Hirings

During the two-year period 2020-2021, TIM intends to hire a total number of 650 resources. In 2021, 330 resources were hired, and 320 will be hired in 2022 - with permanent contracts and professional profiles that are compatible with the company reorganization plan. The company also reserves the right to hire people on a professionalizing apprenticeship contract.

People will be hired in all company areas, technological and commercial, as well as support departments, with the aim of introducing the skills needed to launch the new services.

Training and retraining project

Through the Training and Retraining project, TIM aims to increase the value of human capital over time, operating in a socially responsible manner to ensure that the risk of discontinuity does not negatively impact the skills of workers as well as business activities.

The training and retraining project is always focused on the individual, their development and training.

The project guidelines are to update and evolve professional skills and core professions, in line with the goal of stabilizing and relaunching the domestic business; to acquire the knowledge and skills to cover the new professions required by the evolution of TIM's business and its entry into adjacent markets; to expand the number of people able to fill core and strategic roles.

Reductions in working hours

The reductions in working hours, with two distinct percentages (3.5% and 12.1%) differentiated by organizational structures, have been applied starting from May 24, 2021, for 16 months.

The reduction will not exceed 3,196 FTEs and will affect the whole company, with a few exclusions.

Industrial Relations activities in Brazil

In Brazil, TIM held a total of 22 meetings with the trade union representatives committee in 2021. The committee represents the country's 27 trade unions.

During the first half of the year, the agreements on the profit-sharing program - PPR 2021 were negotiated with 2 negotiating cycles with each union federation. The rules of the program were negotiated, as well as its objectives, the Management Incentives program (MBO), as well as the maintenance of the targets for judging achievement of the results.

The negotiations of the collective labor agreements for 2021-2022 (supplementing the 2020-2022 Agreement in force) were concluded in November. The amendment aims to regulate salaries, benefits and the payment of salary bonuses. The renewal also achieved agreement on the profit sharing program for 2022. The proposal included the addition of new benefits (assistance and medical). The transfer of employees to FiberCO was also formalized, which guarantees that the resources involved will maintain their current TIM contractual conditions.

TIM S.A. maintained close relations with unions throughout the year, optimizing collective bargaining, worker representation and union freedom.

4.5% of employees are members of unions. Collective bargaining regarded 100% of employees

Health and safety

[GRI 103-1: Management Approach] [GRI 403] The 2021 materiality analysis confirmed the protection of health and safety as a material topic for the entire Group. The GRI 403 indicators refer only to workers in the TIM Group.

[GRI 103-2: Management Approach] [GRI 403-1] Within Italy, the regulatory provisions for occupational health and safety, in addition to defining the necessary criteria for risk identification and assessment, provide that adequate participation and consultation of workers through the Workers' Safety Representatives has been implemented.

TIM ensures that the Company complies in full with national legislation and agreements reached with trade unions; it also establishes numerous initiatives aimed at ensuring comparison tables are put in place to maintain high safety standards.

[GRI 403-1] TIM's Safety Management System Model involves the full involvement of all players that participate in the safety process: company management, operational coordination figures, appointed doctors, workers and Workers' Safety Representatives (WSR).

[GRI 103-3: Management Approach] In order to supplement and strengthen these initiatives, a new management system that complies with the recognized standards (ISO 45001) is being implemented that covers all the processes relating to office and mixed use property assets under the responsibility of the Real Estate department.

[GRI 403-2] The identification and assessment of risks found at the Company, which is the priority activity of the preventive actions, is ensured through constant oversight of company processes and their evolution in close connection with the management lines. These activities are performed by specialized internal staff capable of conducting instrumental analyses and surveys on safety in the workplace (high and low frequency electromagnetic fields, noise, vibrations, natural radioactivity, lighting, micro-climate, manual handling of loads, etc.). Work activities are classified at low and medium risk levels, in line with the ATECO classification criteria of the National Institute of Statistics. There are no high-risk activities carried out at TIM S.p.A. or at the other Group associates.

The control measures applied to eliminate or contain the risks include:

- numerous health and safety training programs, differentiated according to the risks and professional profiles found at the Company;
- the latest generation of personal and/or collective protective equipment and devices, often designed ad hoc in collaboration with the most important multi-nationals on the market;
- any organizational arrangements implemented in collaboration with the departments, which can guarantee an acceptable level of risk, where it cannot be eliminated.

The most significant performance indicators to measure the effectiveness of the actions adopted include the outcomes of the accidents analysis, which generates improvement plans defined on the basis of the causes that led to the events and that can lead to the updating of the Company's risk assessment.

In this context, the "Health, Safety & Environment" (HSE) department supports Company organization in the management of health, safety and environmental issues by assessing risks and identifying the most appropriate prevention and protection measures and in line with technological development.

The COVID-19 pandemic emergency had an impact on all prevention and protection activities, changing the intervention priorities. Some actions were reviewed to ensure that everyone in the company was protected from the main health risk of contagion.

The following actions were also taken:

- ongoing information and awareness campaign aimed at all staff;
- flu vaccination campaign in fall 2021;
- specific procedures for dealing a proven or suspected positive status.

[GRI 403-3] The monitoring campaigns that use instruments to measure physical phenomena: indoor/outdoor noise, electromagnetic fields and ionizing radiation, vibrations, outdoor/indoor micro-climate parameters lighting, which in 2020 were suspended and rescheduled, due to the closure of sites as a result of the pandemic, were relaunched in 2021, where possible.

With reference to accidents, careful analysis of events and, where necessary, potential identification of corrective actions continued with the direct involvement of the lines affected and of the HR department for greater synergy. Expansion of the pilot project for detecting and managing near misses¹ continues. In 2021, it involved 50% of on-field engineers (around 3,500 people) of the Chief Technology & Operations Office, with detection work also launched for workers assigned to Real Estate

[GRI 403-4] The number and method of designation or election of workers' safety representatives, together with the salaried working hours and the tools used to fulfill their duties are agreed during the collective bargaining process. The corporate relationship model in terms of safety, which has always been based on participation logic, includes about 80 Representatives throughout the country, who support five committees made up of a mix of company/trade union members with specific workers' health and safety functions. These

¹ any work-related event which could have caused an accident, harm to health (illness) or death but which, purely by chance, did not cause it: an event that therefore has the potential to produce an accident.

Committees present at national and local level, according to the agreements stipulated with the trade union organizations, play a participatory and collaborative role aimed at guaranteeing joint analyses and discussion by the company party and the union party of all matters relating to health and safety at work, on a national and local level. In the context of the COVID-19 emergency, they also completed the tasks set out in the Government-Social Partners Protocol of March 14, 2020, supplemented on April 24, 2020, and updated by the Protocol of April 6, 2021.

[GRI 403-5] Health and safety training – TIM Group Employees

	2021		2020		2019	
	TIM Group		TIM Group		TIM Group	
	Hours	% of total hours	Hours	% of total hours	Hours	% of total hours
Health and safety	172,772	3%	155,186	8%	131,989	9%

The Group is reviewing the sustainability questionnaires to be submitted to its suppliers to record the training hours of non-employees.

[GRI 403-6] To support preventative staff health care, TIM provides all those who are 45 years of age or older, the chance to join a flexible and personalized health prevention program every two years.

ASSILT (supplementary healthcare association for the employees of TIM Group companies), funded by the Group companies, by employee members and retired members, is a non-profit-making organization providing services to its members and beneficiaries that are supplementary to those provided by the Italian national health service, including -together with public healthcare establishments -collective and individual research, knowledge-gathering initiatives and health prevention activities, and the promotion of health education initiatives to protect the health and physical well-being of its members. In 2021, the Association disbursed refunds totaling approximately 23 million euros. As of December 31, 2021, 79,000 people were registered with the Association, including 39,000 employees and 33,000 pensioners. In 2021 Assilt disbursed grants to its members of over 23 million euros.

ASSIDA provides senior management staff with refunds for the cost of supplementary health services to those provided by the Italian national health service. At December 31, 2021, the Association had 1,698 beneficiaries and 523 registered managers and had disbursed approximately 1.3 million euros.

[GRI 403-7] TIM guarantees the fulfillment of all legal OSH obligations that have an impact on its customers and contractors in the context of ordinary customer-supplier relationships. It therefore guarantees maximum collaboration and cooperation to minimize risks and guarantee the safety of its own personnel and third parties.

[GRI 403-8] Workers covered by a health and safety at work management system.

A new management system compliant with recognized standards (ISO 45001) has been implemented, having as its perimeter the real estate assets under the responsibility of the Real Estate department.

Some Group companies (Noovle and Sparkle Italia) also have a system certified by an external body and subject to internal audit.

[GRI 403-8] The data regarding employees covered by a health and safety at work management system for 2021 is shown below. The data for the previous years is not available.

TIM Group	2021	
	n	Rate
Employees covered by a health and safety at work system	51,913	100 %
Employees whose work and/or workplace is controlled by the organization, who are covered by a health and safety in at work management system that has been externally audited	3,716	7 %
Employees whose work and/or workplace is controlled by the organization, who are covered by a health and safety in at work management system that has been internally audited	10,648	20 %
Square meters covered by the health and safety at work certification system	1,741,126	28 %

Injuries and occupational diseases

[GRI 403-9] Shown below are the main data and accident rates for the TIM Group recorded in 2021.

TIM Group	2021		2020		2019	
Hours worked	79,947,741.80		81,211,899.09		81,793,387.25	
	n	Rate	n	Rate	n	Rate
Accidents recorded at work (including deaths)	239	2.99	249	3.07	432	5.28
accidents at work with serious consequences (>6 months of absence), excluding deaths	1	0.01	3	0.04	7	0.09
deaths	—	—	—	—	—	—
travel accidents (only if transport was arranged by the organization)	4	0.05	13		na	

The table below provides further indicators on Group accidents.

The rates shown are calculated without taking into account the accidents and the hours lost resulting from accidents suffered by executives or those occurring in transit, nor do they include so-called medication injuries, which did not therefore result in absences of at least one day (UNI 7249:2007 standard); moreover, agency contract workers are not taken into account.

TIM Group	2021	2020	2019
Number of accidents (excluding in progress)	235	236	432
Severity index (the number of conventional working days lost due to accident per thousand hours worked)	0.12	0.11	0.16
Frequency index (no. accidents/total hours worked/1,000,000)	2.99	2.91	5.28
Average injury duration in days	39.81	37.18	30.67
Unproductivity index (the number of hours lost due to accidents per thousand hours worked)	0.78	0.71	1.05
Accidents per 100 workers	0.47	0.57	0.70

In 2021, accidents at work decreased by approximately 4% at TIM Group level. The "frequency" index, slightly increasing, is conditioned by the reduction in the number of hours worked, while the "severity" and "unproductivity" indexes were impacted by the increase in the average duration of accidents, which rose from 37 days to around 40 days. The trend in accidents in the three-year period 2019–2021 saw a sharp decrease in the number of events, specifically in 2020 (-45%).

There were no fatal accidents at work in 2021. Details on the accidents, occupational diseases and absences required by the GRI [GRI 403-2] standard are given in the Appendix to this chapter.

The main types of accidents identified were, in descending order: personal falls, traffic accidents, sprains/pulled muscles, shocks, injuries resulting from materials/equipment handling, crushing, injury from falling objects and other types of minor accidents.

In TIM S.p.A., to ensure correct management of accident events, a procedure has been put in place describing the rules and requirements of each subject in the "genesis" process, the management and closure of reports of incidents at work and/or while traveling involving workers for which companies are required to pay an INAIL premium².

[GRI 403-10] Occupational diseases

With regard to occupational diseases, complaints submitted to INAIL (National Institute for Insurance against Accidents at Work) relating to employees in the reference year and subject to recognition procedures were taken into account.

In 2021, 5 complaints were filed in connection with employees (14 cases in 2020, 12 in 2019) regarding musculoskeletal, respiratory and auditory system diseases.

[GRI 403-4] In **Brazil**, collective agreements usually provide for a duty to provide information on the prevention of accidents at work and occupational diseases, and TIM complies with this procedure.

[GRI 103-2: Management Approach] [GRI 403-1] In Brazil, there is a broad regulatory framework governing Health, Safety and Environment issues at federal, state and even municipal level, which requires constant monitoring of new developments on the subject. Since 2020, there has been great expectation of legislative changes, particularly as regards health and safety, as the current federal government wishes to reduce the bureaucracy involved with a view to stimulating the creation of jobs. TIM is therefore willing to adapt the processes to any legal change, amongst others taking part in commissions guided by the union to which,

² National institute for insurance covering accidents at work.

together with other telecommunications companies, it adheres, in order to take part in a legal review process, which may directly impact our sector, such as, for example, legislation governing electricity and overhead works.

In light of the foregoing, all work programs in 2020 and 2021 were focused on adapting internal regulations for the legislative review, notably taking into account the company's commitment to comply with current legislation; however the COVID-19 pandemic has led the federal government to suspend its review programs in 2020 to then gradually resume them in 2021. Therefore, only very specific subjects, less than envisaged, have changed.

Despite the events, since early 2020, high quality work has been done for the company, which continued in 2021, [GRI 403-2] [GRI 403-7], including the inspection of all TIM buildings for the production of mandatory reports, such as the PPRA (Environmental Risk Prevention Program), the Report on Construction Infrastructures, the Report on Accessibility, the Recording of Carbon Monoxide Emissions produced by GMGs (generators) and the identification of structures still in use in which asbestos-containing materials are present.

Since the arrival of the COVID-19 pandemic, the Health, Safety & Environment work has needed to be rapidly changed to supply employees, third parties, families and communities with all the technical support necessary to address the emergency. Various different planning, communication and monitoring activities have been carried out, as well as technical studies of products and services and support actions for the various areas involved, with more than three thousand people monitored by the Department, without including the employees working from home.

Great progress has also been made in the area of documentation, with the review and update of the various regulatory documents for which the area is responsible.

Furthermore, audits and/or inspections are regularly carried out to assess the effectiveness of prevention measures in the processes and workplaces with a view to continually improving health and safety conditions. The HSE (Health Safety & Environment) team numbers 28 members, distributed strategically throughout the regional sites of TIM Brasil.

The Department focuses on monitoring the technical and support developments, not only to guarantee the health and well-being of everyone, but also to verify compliance with good practices, as demonstrated by the certifications.

People Caring

TIM's welfare model combines tradition and future with specific strategic and organizational awareness, which places welfare at the heart of the Human Resources strategy, enabling the use of services and initiatives aimed at encouraging company, family and social sustainability. The emergency linked to the spread of COVID-19 required the company to show a spirit of responsibility, attention, caution and adaptation to the global pandemic scenario. TIM is committed to tackling the virus and making it possible for everyone to continue working, in safety and with increased workability. TIM's welfare system therefore revolves around the well-being of individuals, considering their day as a whole, the fine lines between working life and private life in this global scenario, taking into account the burdens of care placed upon them in their working and non-working life, with an awareness that organizational well-being is closely related to people's satisfaction and engagement and therefore performance.

The plan has been called "For TIM Citizens" and includes initiatives aimed at ensuring personal and organizational well-being, helping people to work and live better in the company as part of TIM's even broader Sustainability Plan. The main areas of TIM's Welfare Plan are described below.

Listening

The internal listening plan takes the form of qualitative and quantitative periodic internal surveys¹ to record the needs, requirements, experiences and perceptions of TIM's people. Engagement is the real development driver of TIM, which, through inclusion, care and constant listening intends to support and assist TIM's employees in their professional experience. Surveys such as the Engagement Survey and the Welfare Survey, in synergy with the plans for direct, informal meetings, contribute to developing and constantly improving welfare services.

People Caring for people and families

People Caring initiatives, primarily focused on the work-life balance, are the first pillar of TIM's welfare, based on the belief that performance and organizational well-being are connected to each other and to the organization of family and work life. Promoting a balance between work and private life is essential for all TIM employees in the three different dimensions of their lives: work, family, personal. The main people caring initiatives for people and families implemented in 2021 include:

- **Special Welfare:** TIM offers its employees the chance to convert their performance bonus into a series of tax-free welfare goods and services, which can be used as follows: refunded services, vouchers, shopping vouchers or payment to the Complementary Pension Fund.
- **Discount Agreements & Promos:** TIM's employees have the chance to access various discount agreements, which are continuously being updated, including banking, insurance, rentals, fair trade, health, education and mobility. CRALT (the Corporate Recreational Club for the Workers of the Telecom Italia Group)

¹ The main surveys are: Engagement Survey, Great Place to Work, Welfare Survey and TIMinAscolto

agreements that offer services at various kinds of commercial establishments across the country are also active.

- **TIM Estate (TIM Summer):** an initiative aimed at the children of employees, allowing them to enjoy summer vacations full of entertainment, sports, art, nature and educational guidance. In 2021, the initiative took place again but with a mixture of online and face-to-face activities, overcoming the restrictions set by the pandemic through an extraordinary program of additional security measures, managing to accommodate all the applications received.
- **MioNido (MyNursery) and MiaMaterna (MyKindergarten):** To promote a good work-life balance and improve the quality of life in the company, TIM provides 7 kindergartens and 1 nursery school within company headquarters for employees' children aged between 3 months and 6 years. In March 2020, following the COVID-19 emergency, the company's kindergartens and nursery school were closed temporarily. The reopening, initially scheduled for October 2021, was then postponed to 2022 due to the potential continuation of remote working until the end of 2021.
- **MioRimborso (MyRefund):** Colleagues with children aged between 3 months and 6 years who attend state, private, municipal childcare facilities or use babysitting services are entitled to a refund based on the income bracket declared.
- **Refund of university fees:** TIM and its Group companies refund the fees paid by employees to register their children for university degree courses, including bachelor, master's and combined degree courses. Around 700 colleagues were reimbursed in 2021.
- **Foreign study (Intercultura) bursaries:** An initiative that provides the most deserving children of employees with scholarships to study abroad. 38 scholarships were used in 2021.
- **TIM Studio:** From April to June 2021, thanks to the partnership with ALATEL (the Association of retirees and workers of the Telecom Italia Group), within the experimental "Assistance for remote study" project, TIM offered support and specialized supplementary training for lower and upper secondary school students, intended to support their integration in school and strengthen their preparation. The pilot project involved 65 young people who are the children or grandchildren of TIM employees. The teachers were all volunteer ALATEL members, who were assisted by volunteers from TIM. The second edition started in early November with the involvement of about 70 young people.
- **Support for parents & caregivers:** MultiMe, the digital Life-Based Learning program that promotes and disseminates experience of care of children or of an elderly parent, was launched. In September 2021, training courses began for the colleagues that set up profiles on the platform, based on their carer roles. Also in September 2021, the "Profession: Parents" initiative was launched to offer guidance and tools for parents and their children.
- **Elder care:** considering the socio-demographic evolution of TIM's people, the elder and fragile care needs have increased. The first initiative taken to respond to these new needs is the launch of the TIM Care platform, which supports caregivers by offering services such as family assistance at home (home care, professional caregiver, transport services and aids), assistance for retirement homes or day centers (all private facilities) and support at various levels (administrative, legal, economic, psychological).
- **Subsidies:** The company provides financial assistance to colleagues or families of colleagues who are in particularly disadvantaged financial situations.

Wellbeing

for TIM, the well-being of its people is essential to create a peaceful and collaborative work environment, in which its employees feel happy and free to express themselves and ensure their happiness in their professional and personal life. For this reason, in 2019 TIM created the Well-Being Project, a set of initiatives and training courses specifically focused on stress reduction, the promotion of exercise and physical activity, improvements in lifestyles and health prevention. Moreover, the TIMmyHealth service has been identified in association with TIM myBroker (the new insurance brokerage company wholly-owned by TIM). This is a Health Assistance policy that provides complete health care for the whole family and offers a telemedicine service.

Diversity and Inclusion

[GRI 103-2: Management Approach] [GRI 405] [GRI 406] [GRI 103-3: Management Approach] [GRI 405] [GRI 406] [GRI 405] Particularly in this context, inclusion is therefore a key area of TIM's welfare system, but also the most challenging one, and it is no coincidence that it is also considered a profoundly identity-based and strategic lever. In fact, it clearly permeates all founding documents of the new organizational identity: from the Ethics Code to the Human Rights Policy and values. TIM's management Diversity & Inclusion program aims to implement a concrete, sustainable and long-term vision for the company, guaranteeing equal opportunities, inclusion and the promotion of and full respect for diversity for all of the TIM Group's people. TIM's journey towards inclusion began in 2009, when a Diversity Manager was appointed and a Diversity Board set up. Over the years, the Diversity Manager position has evolved to become the Diversity & Inclusion Manager and subsequently the Diversity, Inclusion & Disability Manager, with broader responsibilities.

The Engagement Survey showed that inclusion is one of the main drivers for getting people engaged. Inclusion also plays a key role in knowing how to innovate the products and services offered; anticipating market needs actually means going beyond the limits often generated by work routines and habits to look at the activities, processes and people from a unique point of view.

In 2021, TIM was once again included in the Top 100 of the Refinitiv Diversity and Inclusion Index, the most respected world ranking in this field, for the third year running, making it the top Italian company and top telecoms company in the world. TIM's place in the Refinitiv Diversity and Inclusion Index confirms the Group's commitment to equal opportunities, non-discrimination and inclusion as the basis of its company strategy to improve internal expertise, organizational well-being and therefore company performance.

In 2021, for the fourth consecutive year, TIM was also included in the Top 20 of the Diversity Brand Index, which lists the brands perceived to be most inclusive, and for the first time among the virtuous companies according to Bloomberg's Gender Equality Index.

The "TIM4inclusion" community has also been set up in TIM to promote inclusion, with over 400 colleagues involved for knowledge management and sharing in relation to these matters. Solutions are proposed within this community, from a planning perspective, in order to overcome all kinds of barriers.

Lastly, TIM has clearly expressed its views on inclusion issues, by adding a specific reference to the main organizational identity documents: code of ethics, human rights policy, charter of values and leadership model.

The main areas of development for TIM's Diversity & Inclusion Management plan are:

- **Cultural dissemination and awareness:** since 2020 TIM has promoted "4 Weeks 4 Inclusion", an inter-company initiative which, in 2021, involved over 200 companies, with over 500,000 participants, who were able to enjoy a rich calendar of 4 weeks of shared digital events, including webinars, digital labs and creative groups dedicated to inclusion.
- **Training:** in 2021, a major training and awareness-raising plan was launched for Top and Middle Management across 5 strands of D&I. Moreover, training courses were initiated for everyone at the company, on inclusive language, gender biases and different areas of disability (dyslexia, neurodiversity, sensory disabilities, learning about disability, etc.). Every fifteen days, targeted content is offered on the company intranet about the TIM D&I plan, as well as food for thought on inclusion.
- **Disability management:** there are 1,315 employees with disabilities in the domestic BU, accounting for about 3% of the average workforce in the reporting period². The following have been made available for these employees to have a positive work day:
 - the automatic workstation adaptation policy was extended in 2019 to cover disabling chronic diseases as well;
 - solutions to improve communication between deaf and hearing employees³;
 - the activities of the working capital accelerators that assist several disability project start-ups⁴
 - support for employees' children with disabilities during TIM Summer camps;
 - the "Nessuno Escluso" [None Excluded] project, created in 2021, aimed at providing specific IT equipment for everyone with a disability.
 - Also in 2021, TIM was certified by the Italian Dyslexia Association (AID) as a "Dyslexia Friendly Company" for the work it has done to revise its communication, development, training, selection and human resources management processes in order to make them accessible also to people with learning disorders.
 - the "Cervelli Ribelli" (Rebellious minds") project to raise awareness of neurodiversity matters among all TIM people, including based on the stories of the people themselves and their families.
- **Gender:** TIM is a Valore D partner, both as a supporting member and a member of the Board of Directors. Because of this, more than 100 female employees a year have the opportunity to attend skill-building courses, mentoring and coaching programs, as well as courses and workshops on welfare and work-life balance⁵. The "Progetto Donna" [Woman Project] project continued in 2021. This represents TIM's commitment to increasing the culture of equal opportunities and accelerating the professional growth of women in the company. As part of the project, which is included in the "Per i Cittadini di TIM" [For TIM People] Plan, surveys were conducted to raise awareness of the prejudices we all unknowingly hold, and the e-learning course on gender biases was launched, which involved administration of the Harvard Implicit Test. The Woman Project also includes "LeadHERship al femminile" (Female leadHERship), a cycle of 7 role model meetings in partnership with Valore D; the partnership with Young Women Network, the non-profit networking association for young women, of which 224 women in the TIM Group have been made members; coaching and mentorship programs targeting a pool of talented women. A project started in 2020 was also expanded in 2021: TIM against gender-related and sexual harassment and bullying. In addition to the policy for reporting and handling harassment incidents through the reporting channels (whistleblowing, reporting to managers or to the HR manager), it is now possible to take advantage of free psychological and legal advice and support from the Person of Trust, a figure outside the company, for guidance. Mandatory paternity leave has finally been doubled to encourage the sharing of parental and family roles: for all new dads, TIM adds an extra 10 days to the 10 days provided for by the Budget Law, for a total of 20 days.
- **Age management:** the average age in the Group is just over 48 (and 22 years of seniority), rising in the parent company to a value of 52 years (and 27 years of seniority). TIM therefore launched the "Longevity Project" in 2021, which offers an action-packed plan to overcome age-related stereotypes and fully engage more senior personnel. The Longevity project is intended as a pathway for "Ageless talents," based on two important building blocks: 1) the "Work Drivers Map" survey, which almost all TIM Citizens completed in late 2020, to assess Motivation and Employability and draw up personalized action plans; 2) definition of the "Longevity Worker" profile, consolidated through internal listening, based on which new policies, training programs and development actions will be implemented. Project objectives: to foster dialog between generations and promote everyone's contribution, while respecting the diversity offered by people of all ages working at the company.

²There are 222 employees with disabilities in Brazil, which is just over 2% of the average annual 2021 Brazilian workforce.

³TIM offers the LIS interpreting service in the key moments of interaction between manager and employee, subtitles in main communications on the Intranet, specific e-mail inboxes, as well as free video calling services and an integrated communication platform developed internally, which can be used both from smartphones and desktop computers.

⁴ For example: the service provided by Pedius, a TIM WCAP incubated start-up that is a leading provider of support services to assist with communication for deaf people. The service contributes to improving the flow of communications between deaf colleagues and their supervisors and colleagues.

⁵ TIM has also joined the Women's Employment Manifesto, a document whereby it is committed to 9 areas of activity.

- **Sexual orientation and gender identity:** TIM is a founding member of Parks - Liberi e Uguali, and a member of the BoD, a support which has been consolidated over the years. Thanks to the partnership with Parks, TIM has drawn up policies to encourage the inclusion of LGBT+ individuals in the company, with the extension of policies, benefits and leaves of absence:
 - social identity policy allowing everyone, including transsexual people, to have a social identity that they feel best reflects who they are;
 - non-routine healthcare for transsexual people or courses of assisted fertilization for gay colleagues;
 - extension of the concept of “Family for TIM” to those of the “registered family household,” a development that allows all new families, including those with same-sex parents, to be recognized and have access to welfare services.
- **Employee volunteering initiatives:** these are an integral part of TIM’s inclusion management program, since they promote coming together and improving listening and comprehension skills and, indeed, inclusion. The main voluntary activities include:
 - **remote adoption:** 1,502 Group employees have renewed their commitment to helping CIAI⁶, the Community of Sant’Egidio and Save the Children, giving their support to remote adoption of children, with a total contribution of around 1,550,000 euros;
 - **blood donation:** TIM incentivizes donating blood with specific campaigns and donation days at company offices. In 2021, 3,190 employees donated blood, for a total of 6,768 donations;
 - **solidarity leave:** TIM makes it possible for their employees to transfer their leave to other colleagues in difficulty. 1,614 hours of solidarity leave were traded in 2021;
 - **banchetti della solidarietà (Solidarity Stalls):** the traditional stalls set up by non-profit organizations at company offices were suspended in 2021 and replaced with an internet event “Banchetti Solidali Digital Edition” (Solidarity Stalls Digital Edition), which provided space to 4 non-profit organizations, reaching 4,900 employees.

Other initiatives for employees

To promote employee personal and family well-being through enhanced investments, TIM has put in place a company loan scheme for predefined reasons for all Group personnel.

To support preventative staff health care, TIM provides all those who are 45 years of age or older, the chance to join a flexible and personalized health prevention program every two years.

The aforementioned ASSILT (Association for supplementary health care for workers of TIM Group companies) and ASSIDA.

TELEMACO is the national complementary pension fund for employees in the telecommunications industry, established in 1998 as a non-profit association and operative since October 2000; its objective is to ensure that those subscribing are able to maintain their standard of living when retiring, thanks to the creation of supplementary social security, over and above the public provisions. It is intended for workers, office staff and middle managers of companies that apply the national telecommunications contract, for employees on permanent, apprenticeship or placement contracts and for people who are physically supported by the workers subscribing to the Fund. As of January 1, 2022, there were 30,389 employees subscribed to Telemaco, from 8 associated companies with active members.

[GRI 401-2] All Group workers, whether full or part-time, on permanent or fixed-term contracts, enjoy the same benefits, whilst, in Italy, the supplementary welfare institute is extended to workers on apprenticeship or placement contracts, as well as to employees on permanent contracts.

CRALT is the recreational club for employees of the TIM Group which organizes sight-seeing, sports, cultural and recreational activities for its members, employees, pensioners and their families. By entering into specific agreements, CRALT also allows members and their families to purchase goods and services at particularly good prices, which can also be settled in instalments. One of the most significant of these is the agreement and the resulting contribution provided for the purchase of school and university books for the children of members, as a valuable contribution to household purchasing power.

As of December 31, 2021, there were 35,565 members, including 30,216 employees and 5,349 pensioners. As of December 31, the company’s contribution for the services provided came to around 1.4 million euros, equal to 16% of the value of CRALT’s initiatives.

Inclusion Management in Brazil

[GRI 103-2: Management Approach] [GRI 405] **TIM S.A.** continued to pursue the objective of disseminating an inclusive culture within the company and Society, based on the Diversity & Inclusion Plan (D&I), in the belief that great diversity within a group corresponds to an equally great exchange of experiences and solutions that contribute to creating a healthy work environment and achieving a competitive advantage on the market. Various initiatives were developed throughout 2021, as described in the following chapters. As a result of the company’s ongoing efforts, in 2021 TIM received an important award in the sector, as the first company to win the Diversity in Tech award, issued by the GSMA Global Mobile Awards Association, for companies that make

⁶ Italian Center for Childhood Aid.

D&I a strategic priority. Moreover, the positioning of TIM S.A. led to an extraordinary result in the Refinitiv Index, one of the leading D&I indexes at global level. TIM was recognized as the top company in Brazil, the number one telecommunications company in the world for the Refinitiv Diversity & Inclusion Index and number nineteen, considering the global market as a whole.

Since the establishment (in 2019) of the People Caring and Inclusion Management Area within the Human Resources and Organization Department, TIM continuously makes investments to disseminate a more inclusive culture in the company and within all of Brazilian society, in line with the wider strategy of the Company ESG Plan.

The plan is hinged on the 5 pillars of diversity and inclusion and the related undertakings:

- **Gender:** TIM continued its action on gender equality targets, setting the Target, included in the ESG Plan, of 35% women in leadership positions by 2023 as well as a specific target regarding the wage gap;
- **Sexual orientation and gender identity:** the Company continued promoting an inclusive work environment, combating all forms of discrimination and prejudice;
- **Ethnicity:** TIM continued working on the priority objective linked to issues of ethnic inclusion, considering the impact of the problem on Brazilian society and ensuring that the specific target was set within our ESG Plan of reaching 40% of black employees by 2023;
- **Generation:** Valuing generational diversity by bringing people of all ages together in a context of mutual exchange and learning;
- **People with disabilities (PwD):** over 2021 an increasing number of initiatives were developed to hire people with disabilities and retain them at the Company and ensure their growth, breaking down cultural and physical barriers to guarantee them equal opportunities. Due to these actions, TIM Brasil was able to increase the number of people with disabilities hired. Consequently, the Company has increased its rate of compliance with the hiring quotas established by the Conduct Adjustment Agreement (*Termo de Ajustamento da Conduta, TAC*, in Portuguese), signed with the Brazilian State Prosecutor (Law no. 8213/91).

Moreover, during 2021 other initiatives were developed along with the Community of TIM's Affinity Groups: education campaigns and customized communications campaigns were set up, in line with the annual Diversity & Inclusion calendar.

Since June 2021 an ambitious project has been developed to support the employability of women: the intercompany program *Mulheres Positivas* (Positive Women). TIM Brasil guided the creation and development of a movement of around 50 companies that offer Brazilian women training content and job opportunities. The important points of the project include the offer of more than 100 courses and 700 jobs to be filled (considering all the participating companies) in the *Mulheres Positivas* digital platform, available on the main digital marketplaces.

The D&I Talks ("TIM Convida") format continued to promote numerous digital events, open to all of society with a goal of discussing current, important issues regarding D&I, involving important speakers and guests. In 2021 the events recorded over 382,000 views on the YouTube platform of TIM Brasil (+155% YoY)

With regard to policy and rules, it is important to note that in July 2021 TIM included in its Diversity & Inclusion Policy a clause that establishes the premises of D&I in the company's Board of Directors.

In 2021 TIM also signed several of the most important ecosystem-wide movements for each of our D&I pillars: WEP from Women UN; *Coalizão Empresarial pela Equidade Racial e de Gênero* (Business Coalition for Racial and Gender Equality), which focuses on ethnic inclusion; *Fórum de Empresas e Direitos LGBTI+* (Forum of Business and LGBTQIA+ Rights), which focuses on the LGBTI+ community and *Rede Empresarial de Inclusão Social* (Business Inclusion Network), focused on PwD.

TIM S.A. also created a new internal referral program called "*Chama pro TIMe*" (Call to Team), focused on minority groups, in order to promote internal diversity.

In September 2021, TIM S.A. sponsored and took part for the second year in the national event dedicated to the inclusion of black students in the labor market: "*Afro Presença*" (Afro Presence). The event was promoted by the Ministry of Labor and the UN Global Compact. Linked to the "*Afro Presença*" event, we launched, again in September, the new cycle of the TIM Internship Program, with a strong focus on the enhancement of diversity and inclusion of people belonging to minorities, with a particular emphasis on the commitment to select 50% women in technological areas and 50% black students in all areas.

Appendix to the chapter

Below is the analytical data for the company workforce, broken down according to the GRI Standards.

[GRI 102-8f] Group data includes, as well as Domestic Business Unit and Brazil, other very few units deriving from two entities (Telecom Italia Capital S.A., Telecom Italia Finance S.A.).

[GRI 102-8a] [GRI 102-8c] [GRI 102-8d] Employees by type of contract, employment and gender

	2021		2020		2019	
	Man	Woman	Man	Woman	Man	Woman
Total permanent	32,173	19,542	32,563	19,630	34,644	20,456
of which Full Time	31,115	13,949	31,451	13,463	33,247	13,347
of which Part Time	1,058	5,593	1,112	6,167	1,397	7,109
Total fixed-term	111	87	72	68	48	45
of which Full Time	15	5	18	4	7	7
of which Part Time	96	82	54	64	41	38
Employees on payroll	32,284	19,629	32,635	19,698	34,692	20,501
Agency contract workers	9	7	9	5	—	—

[GRI 102-8 b] Distribution of Group employees by region and employment contract

	2021			2020			2019		
	Permanent contracts	Fixed-term contracts	Total	Permanent contracts	Fixed-term contracts	Total	Permanent contracts	Fixed-term contracts	Total
Italy	42,135	196	42,331	42,528	139	42,667	45,168	93	45,261
Outside Italy	9,580	2	9,582	9,665	1	9,666	9,932	—	9,932
Total	51,715	198	51,913	52,193	140	52,333	55,100	93	55,193

[GRI 102-8] Employees of suppliers working at the Group offices and whose activities are part of the core business of TIM¹

	2021	2020	2019
External FTE on site	419	435	528

[GRI 401-1a] ² Total number and rate of new hires by age group

	2021		2020		2019	
	No.	%	No.	%	No.	%
<30	1,522	2.9%	1,006	1.9%	1,512	2.7%
>=30; <=50	1,863	3.6%	1,198	2.2%	1,373	2.4%
>50	167	0.3%	71	0.1%	87	0.2%

[GRI 401-1a] Total number and rate of new hires by gender

	2021		2020		2019	
	No.	%	No.	%	No.	%
Man	2,019	4%	1,406	3%	1,621	3%
Woman	1,533	3%	869	2%	1,351	2%

¹ The only core business operations that require a significant working contribution from the employees of suppliers at the company offices relate to the development of IT platforms. The data in the table refers exclusively to these cases.

² The KPI tables [GRI 401] show percentages calculated on the total average number of employees in the same year (when subdividing rates for Italy/abroad, the average size of the relevant reference area should be considered).

[GRI 401-1a] **Total number and rate of new employee hires by age group and gender (figure available only for 2021)**

	2021	
	No.	%
<30 men	893	1.7%
>=30; <=50 men	1,004	1.9%
>50 men	122	0.2%
<30 women	629	1.2%
>=30; <=50 women	859	1.6%
>50 women	45	0.1%

[GRI 401-1a] **Distribution of hires by geographical area**

	2021		2020		2019		Change (2021/2020)
	No.	%	No.	%	No.	%	
Italy	1,399	3%	1,047	2%	407	1%	352
Outside Italy	2,153	23%	1,228	13%	2,565	26%	925
Total	3,552	7%	2,275	4%	2,972	5%	1,277

[GRI 401-1b] **Total number of terminations and turnover rate by gender**

	2021		2020		2019	
	No.	%	No.	%	No.	%
Man	2,602	5%	3,496	7%	3,789	7%
Woman	1,618	3%	1,655	3%	1,891	3%

[GRI 401-1b] **Total number of terminations and turnover rate by age**

	2021		2020		2019	
	No.	%	No.	%	No.	%
<30	952	2%	684	1%	1,185	2%
>=30; <=50	1,585	3%	1,037	2%	1,713	3%
>50	1,683	3%	3,430	6%	2,782	5%

[GRI 401-1b] **Total number of terminations and turnover rate of ex-employees by geographical area**

	2021		2020		2019	
	No.	%	No.	%	No.	%
Italy	1,983	5%	3,656	8%	3,156	7%
Outside Italy	2,237	23%	1,495	15%	2,520	27%

The clear change in turnover rate abroad (fully ascribable to the Brazil BU) is a reflection of the COVID-19 pandemic. By way of coping with the current situation, TIM S.A. decided not to hire any additional employees and to maintain the employment of current staff. The nevertheless high number of terminations is typical of the local labor market, which is much more dynamic than the one in Europe.

[GRI 401-3] **Parental leave**

	2021		2020		2019	
	Man	Woman	Man	Woman	Man	Woman
[GRI 401-3b] Employees who benefited from parental leave, by gender	414	541	152	553	168	559
[GRI 401-3c] Employees who returned after having benefited from parental leave, by gender	*	*	394	468	161	446
[GRI 401-3d] Employees at work after a year from the end of parental leave	*	*	400	405	131	379
[GRI 401-3e] (return to work rate) Percentage of employees who returned to work after parental leave out of total employees benefiting from leave **	*	*	95%	87%	84%	67%
[GRI 401-3e] (retention rate) Percentage of employees at work after 12 months from the end of parental leave out of total employees benefiting from leave **	*	*	91%	100%	81%	85%

* The data will be available from the end of 2022.

** In 2021 the total number of employees in the TIM Group entitled to parental leave came to 9,328 (of which, 4,630 men and 4,698 women)

Please note that in the table, the year of return of the employee has not been calculated according to the year in which they actually returned, but based on the year in which they took leave. Therefore, if x took leave in 2018 and returned in 2019, his return is in any case reported in the 2018 column. This is why the data for the 2020 column is still partial and not yet able to be published.

Moreover, the year of continued work of the employee has not been calculated according to the year in which they were actually at work after 12 months of leave, but on the basis of the year in which they took leave. Therefore, if x took leave in 2017 and after 12 months was still at work in 2019, his continuation at work is in any case reported in the 2018 column. As we do not yet know which of the employees who went on leave in 2020 will still be at work after 12 months, we are currently unable to calculate the related figure.

[GRI 404-1][GRI 412-2] **Training: focus by type.**

	2021		2020		2019	
	TIM Group Hours	% of total hours	TIM Group Hours	% of total hours	TIM Group Hours	Coverage
Environment	3,795	0.1%	3,043	0.2%	9,713	0.7%
Health and safety	172,772	3.2%	155,186	7.8%	131,989	9.1%
Anti-corruption	20,315	0.4%	19,000	0.9%	10,456	0.7%
Human Rights	6,995	0.1%	6,836	0.3%	1,791	0.1%
Privacy	6,017	0.1%	19,426	1.0%	26,489	1.8%

[GRI 405-2] **Ratio of women/men according to basic salary and ratio of women/men according to remuneration, broken down according to each professional category**

TIM Group		2021	2020	2019
Executives *	GAP	1.00	0.92	0.93
	TAR	1.00	0.92	0.93
Middle managers	GAP	0.95	0.96	0.95
	TAR	0.94	0.94	0.93
White collars	GAP	0.83	0.83	0.84
	TAR	0.83	0.84	0.84

* Note that the man/woman ratio for managers is 0.998 (Gross Annual Remuneration) and 0.995 (Gross Annual Salary)

Domestic		2021	2020	2019
Executives	GAP	0.98	0.93	0.93
	TAR	0.99	0.93	0.94
Middle Managers	GAP	0.95	0.95	0.95
	TAR	0.93	0.94	0.93
White collars	GAP	0.92	0.92	0.92
	TAR	0.92	0.92	0.92

Brazil		2021	2020	2019
Executives	GAP	1.11	0.87	0.87
	TAR	1.09	0.84	0.83
Middle managers	GAP	0.97	0.97	0.95
	TAR	0.97	0.97	0.96
Workers	GAP	0.69	0.68	0.69
	TAR	0.70	0.69	0.69

GAP = Gross Annual Pay, comprising recurring fixed remuneration.

TAR = Total Annual Remuneration, comprising the Gross Annual Remuneration + bonuses awarded during the reference year (the bonuses may refer to individual or group incentive systems or take the form of special awards or meritocratic policy awards).

2021 Results

TIM S.p.A.

Area of reference	Indicator	Unit of measurement	Target 2021	Actual figures 2021	Target status 2021
TRAINING*	Training on health, safety and the environment	Training hours	135,000	150,607	●
	Training hours per capita	Training hours	68	125.5	●
	Training - coverage (percentage of employees who participated in at least one training session from the total population)	%	100	100	●
HUMAN RESOURCES ACCIDENTS	Accidents per 100 workers	No.	0.53	0.61	●
	Frequency index**	No.	3.59	4.20	●

*The forecast value of the total number of hours in the 2021-2023 three-year period amounts to 6.4 million.

** number of accidents per million hours worked.

TIM Brasil

Area of reference	Indicator	Unit of measurement	Target 2021	Actual figures 2021	Target status 2021
TRAINING *	Total training hours	Hours	660,000	459,814	●
	Employees who have received training on environmental issues	%	65	95	●
HUMAN RESOURCES ACCIDENTS	Accidents per 100 workers	No.	0.06	0.07	●
	Frequency index*	No.	0.36	0.33	●

* The result below expectations was affected by the pandemic.

Customers

Customer Satisfaction

[GRI 103-1: Management Approach] [GRI 102-43] [GRI 102-44] The 2021 materiality analysis confirmed the Group's relationship with its customers as a material topic.

[GRI 103-2: Management Approach] [GRI 102-43] Telecommunications are increasingly taking on a central role for individuals, companies and the public administration in the digitalization and growth of Italy's economy and development. There is competition on innovative services and products, service quality and new technologies. 5G, the cloud, IoT (Internet of Things), Artificial Intelligence and big data are enablers of solutions to develop families of services such as: smart cities, smart homes and domotics, e-health, entertainment, cybersecurity¹ and Industry 4.0². In the world of industry, for example, IoT sensors are used to collect data on the industrial process, which is transported to the cloud using 5G and processed by artificial intelligence to optimize production. Moreover, these technologies limit the environmental impact by raising the level of sustainability of production processes and lifestyles.

The COVID-19 pandemic accelerated the digital transformation, favoring the development of numerous applications of it, such as smart working, telemedicine, e-commerce, e-learning and services for safety, entertainment and leisure time.

In this context, guaranteeing the best customer experience is increasingly a central driver for competing and conquering market leadership: an excellent customer experience increases loyalty and the perceived value of the brand and attracts new customers.

TIM adopted a model of oversight and improvement of quality and the customer experience, using a "quality by design" approach, with structured dedicated to defining and developing the customer journey³, to establish improvement plans and provide our customers with value. Transparency, simplicity and respect for the customer are crucial in order to offer an excellent customer experience.

TIM is also committed to the engagement with various initiatives including "make the difference", a project dedicated to customer care staff, who are rewarded on the basis of the best service offered. To drive this transformation TIM has developed an extensive listening system, which picks up on customer experience in the different "moments of truth" and the different touch points of the customer journey, for example: purchasing a service, calling customer care, reporting a malfunction.

[GRI 103-3: Management Approach] [GRI 102-43] Of the surveys conducted, the monitoring of the Customer Satisfaction Index (CSI), based on the ACSI standard (American Customer Satisfaction Index), is particularly significant. The aim is to collect information on the quality perceived by TIM customers and customers of the main competitors in the various customer journeys and touch points. Monitoring the CSI has earned certification of conformity with the UNI 11098:2003 standard and has been included in the managerial (management by objectives) and collective incentive system.

Indicator	2021	2020	2019
CSI Consumer Customers	74.26	73.81	71.78

The target set for the consumer customer CSI for 2021 was 74.24.

TIM's ever-greater focus on "continuous improvement" of processes and the customer experience can also be seen through the Net Promoter Score (NPS) of customers who spoke with operators of the telephone assistance service, which have been confirmed to be extremely positive (NPS above 10)⁴. TIM confirms its position as a leading strategic company for Italy with a key role in innovation and represents support for the Italian economy and for businesses.

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] In Brazil, in 2021 TIM S.A. confirmed the investments in the development of the digital environment, to improve both the quality of services offered to its customers and customer experience in general. The My TIM App evolution process has continued, focused on improving performance and enriching the service portfolio, in order to spread awareness of the app to new customers and to launch a new in-app communication channel involving existing users. Development of new in-app payment methods which made TIM the operator with the most digital payment methods.

[GRI 103-3: Management Approach] [GRI 102-43] TIM S.A. also talks to its customers via Twitter, Facebook and Instagram, through "@TIMBrasil" (twitter.com/TIMBrasil), which in December 2021 reached more than 744,000 followers, Facebook (facebook.com/timbrasil) with almost 2.8 million likes and the Instagram page (www.instagram.com/timbrasil) with more than 62,000 comments in 2021.

In 2021, the Meu TIM app obtained the best score of all service applications of Brazilian operators.

¹ IT security, i.e. the set of means, technologies and procedures to protect IT systems' availability, confidentiality and integrity of assets, specifically IT assets.

² Industry 4.0 is the industrial automation that integrates new manufacturing technologies to improve working conditions and increase productivity.

³ The customer journey is the set of experiences that a customer has when interacting with a company for a specific need, from the first contact with the company, through a specific channel, until, going through one or more touch points provided by the company itself or by other consumers, the expected result is achieved or not.

⁴ The Net Promoter Score (NPS) is an indicator based on international standards and used in various industrial sectors. The NPS is based on the potential recommendation of the operator in relation to the experience accrued. On a scale of 0 to 10, "promoters" are customers expressing votes of 9 or 10 "detractors" are those providing a score of 0 to 6, whereas the rest of the customers are considered as "passive" and are not countered towards calculating the NPS. The NPS is calculated as the difference between the percentage of the "promoters" and "detractors".

[GRI 103-3: Management Approach] [GRI 102-43] **TIM S.A.** carries out two types of nationwide customer satisfaction surveys, by means of interviews:

- the "reactive" survey relating to both own consumer customers and competitors' consumer customers – conducted every month since June 2017 (online panel⁵), with data consolidation every quarter – which measures the general satisfaction of customers with the Company and its contact points (e.g. sales departments, call centers, digital channels, coverage and quality of the technical network and, with regard to Internet connections, websites, tariff plans and offers, top ups and billing), Net Promoter Scores;
- The Transactional Survey Call Center is now the main channel for call center surveys as it covers all customer contact activities (front end). This is a transactional survey because TIM's mobile customers (who use the prepaid, post-paid, "control⁶" and corporate services) rate the call center immediately after "contact", via IVR (Interactive Voice Response).

TIM S.A. survey types	2021	2020	2019
Consumer customer(*)	7.46	7.35	7.34
Business mobile telephone call center(**)	N/A	5.95	6.42
Consumer mobile customer transactional call centers (with operator)(***)	8.11	7.91	7.45
Business mobile customer transactional call centers (with operator)(****)	8.27	8.14	7.72

(*) Average index, on a scale of 0 to 10.

(**) Average mobile business customer satisfaction index on a scale of 0 to 10. The 2020 figure concerns the period from January to May, since the survey was discontinued in June.

(***) Average consumer mobile customer satisfaction index on a scale of 0 to 10.

(****) Average business mobile customer satisfaction index on a scale of 0 to 10.

⁵ It involves a group of selected participants who agreed to provide information at pre-established intervals for a long period of time.

⁶ A service package offered by TIM, which has the main characteristics of a fixed monthly amount.

[GRI 102-43] [GRI 102-44] Use of social networking in customer care

TIM continues with its strategy strongly oriented towards digitization and innovation, also offering new digital caring channels to the customers' advantage, who receive personalized and quick answers that improve customer experience, loyalty and engagement.

As at December 31, 2021, the social caring function of TIM has handled approximately 381,500 caring conversations on the public page and in private Facebook and Twitter messages. The main reasons for contact with digital customers were requests for clarifications of a commercial, administrative or technical assistance nature.

TIM has maintained its role both on social networks and its digital leadership in the Socialbakers rankings; indeed, TIM ranks among the top telecommunications companies in Italy in terms of social media channel response time and rate (AMIQ⁷ indicator, a parameter calculated by taking into account the relationship between the number of public messages handled and the company's response time within 24 hours).

The fundamental contribution of TIM's social networks in brand communication has been confirmed, year over year.

During 2021, TIM continued promoting the social, cultural and innovative initiatives, such as those involving Operazione Risorgimento Digitale project, the various social issues (in particular those overseen by Fondazione TIM), subjects linked to inclusion and diversity and the support for communication in corporate social responsibility projects.

In 2021 TIM strengthened its position as the main protagonist and player in soccer in Italy. Specifically, for the next three seasons, TIM will be the Title Sponsor⁸ of the Series A Championship, the esports tournament eSerie A TIM, the Primavera competitions and Women's Soccer. Moreover, following the agreement with Dazn, as technological partner for distribution of Series A matches via streaming for the next three seasons, TIM launched its own commercial strategy with a dedicated offer.

The growth of TIM's social communities, created in the various channels (Facebook, Twitter, Instagram, YouTube, LinkedIn and TikTok) was consolidated, regarding its main brands: TIM Official, TIM Business, TIMVISION, TIMMUSIC, with four million likers and followers.

The customer support channel on the MyTIM app and the website TIM.IT also plays an important role in digital caring: fixed and mobile consumer customers have the opportunity to interact with customer service in a smart way, via chat or by choosing to be called back by customer service, a functionality made available in October 2021. In all of 2021, the digital customer care team managed around 4,000,000 conversations, 78% of which through instant messaging (bot⁹) and 22% with an operator.

Moreover, the new WhatsApp customer assistance channel (TIM was the first telephony operator in Italy to offer this service) expanded its target of customers managed in 2021: initially reserved to TIM Pay customers¹⁰ and customers with subsidized service (blind and deaf customers¹¹), it now provides caring support to all customers with fixed and mobile lines and prospects¹², contributing to expanding the possibility to contact TIM (especially in this period of emergency due to COVID-19).

Volumes managed via WhatsApp (human and bot) in all of 2021: 880k.

Also during 2021, TIM guaranteed continuous assistance on digital channels through the availability of operators, while protecting their health thanks to both the activation of protocols and all the prevention measures contained in the rules and regulations of healthcare and government authorities, at both national and local level. In this context, a central role was played by the launch of remote working activities, the distribution of updates and information notices on conduct prepared according to instructions sent by the authorities.

During the pandemic, in agreement with senior management, operators created posts¹³ through which they conveyed their support and the COVID initiatives implemented by the Company, in addition to the campaign #iorestoacasa (lit: I stay at home).

[GRI 102-43] [GRI 102-44] Involvement of call center operators

In 2021, the activities involving TIM call center operators progressed along the path consolidated in previous years, focused on gradually improving knowledge of offers, processes and systems with the distribution of information/certified training through the TUO portal (acronym for *Trova, Usa and Organizza* – Find, Use and Organize).

The most relevant actions focused on:

- the recovery and cataloging of all communications sent - via service email addresses - by the departments overseeing the operating areas in the flows of news on the TUO portal;
- the consolidated structure of the knowledge base¹⁴, the activation of weekly gamification (info snack) for operators, with the aim of making information refreshers more effective – using dynamic learning – and potentially critical elements in customer management more evident;

⁷ Answered Minus Ignored Questions.

⁸ The title sponsor (TIM) is the most important sponsor of the event, and has its name included in the title of the event. In this case, TIM's name becomes an integral part of the event, focusing the utmost attention on and increasing the popularity of the brand.

⁹ A bot (robot) is an application that carries out certain tasks according to the instructions received, without having to be launched by a human user (generally it carries out repetitive tasks).

¹⁰ The payment tool which integrates the telephone service with the innovative mobile banking solution; TIM Pay customers can receive dedicated assistance on all fixed and mobile TIM services.

¹¹ Resolution AGCom No. 46/17/CONS.

¹² A prospect is a person that is part of the target of possible customers of a company; in substance, a "candidate" who could possibly or probably become a customer.

¹³ A message posted on a blog or a discussion group on the internet.

- the implementation of surveys to verify learning, for all training activities, with possible training recovery interventions focused on the most critical issues;
- the organization of *ad hoc* courses for interested employees using virtual classrooms;
- the dissemination of the most significant developments using newsletters and scheduling of educational spaces;
- the publication of summary pages and dynamic flow charts on the most important topics;
- the construction of *ad hoc* repositories with operating manuals and data sheets and communication templates;
- the increase of information sent by email to customers, in support of contact with them.

The continuation of the COVID-19 emergency, with the consequent widespread application of smart working increased in the target population the adoption of company communication and unified collaboration tools, like TEAMS, with persistent work chats, video calls, content sharing and integration of applications even when sharing information/training.

Self-service area

In 2021 TIM continued investing in the development of digital channels for remote support to its customers, an issue that took on central priority in the emergency phase due to COVID-19, specifically on:

- the **MyTIM app**, ranking among the best apps of European telecoms companies in terms of enjoyment, followed by the launch - the first in Italy - of the self-caring services and, in 2021, additional upgrades to make it more simple, functional and intuitive. MyTIM is also available on the smart speakers Google Assistant and Alexa;
- **new MyTIM private area** on the website TIM.it. Completely overhauled in terms of function and user experience, this allows customers to remotely manage their own line, check usage, top up and pay bills and manage services simply and quickly. In 2021 the MyTIM area was further enriched with new functions, such as the option to send a report, attaching documents;
- **Artificial Intelligence (AI) Angie**. TIM has also invested in the development of A.I., which makes it possible for customers to manage and request clarification on the services and offers for their lines using machine learning algorithms, the knowledge base and the services of the online channels, without going through an operator;
- **the new website TIM.it**, launched in June 2020, was subject to continuous updates and improved usability in 2021, to ensure that customers can obtain information by themselves without having to sign in.

In line with this approach is also the We TIM Community, available online and via the app, which is a free advanced crowd caring tool for customers, who, through discussion with other customers and expert users, can receive clarification and resolve issues by accessing a continuously updated knowledge base.

Over the entire emergency period, TIM developed an adoption and awareness plan to promote the use of MyTIM remote digital services, in order to reduce the impact of traveling to stores and to guarantee customer safety.

COVID-19 emergency – Care actions

Following the COVID-19 emergency, in order to reduce travel and protect customer health, TIM promptly implemented a series of care initiatives to simplify the ways of requesting a number of services via telephone and the use of email, instead of sending paper-based information. With the objective of simplifying the customer experience, a new function was developed in the customer area of the TIM.it website, which, for certain mobile services, allows customers to send a request to TIM with the required documentation attached directly. The payment of fixed bills on the website was also made easier with the new “*Paga fatture di altri*” (Pay someone else’s bill) function and by extending the payment date of the bill.

Those functions, created to facilitate customers during the pandemic, were definitively confirmed, with the goal of simplifying “digital” interactions of customers with TIM and continuing the economically sustainable choice of reducing the use of “papery-based” channels.

PEDIUS - Managing calls for the hearing impaired

Also in 2021, in addition to the new WhatsApp channel, customers who are deaf could use the PEDIUS service, which allows access to TIM’s call centers, in addition to the usual channels. Launched in 2014, the service:

- is available to all customers on app stores (both Apple and Android);
- aims to ensure that inbound contact is accessible to hearing-impaired customers through an app that allows normal calls to be made using voice synthesis and recognition technology.

¹⁴ The Knowledge Base is structured in the form of a database for the management of information for corporate purposes.

In 2021 TIM had 19 records¹⁵ of use of the service.

[\[GRI 103-2: Management Approach\]](#) [\[GRI 102-44\]](#) **Customer Satisfaction in incentive systems**

TIM's managerial (Management by Objectives) and collective (performance bonus) incentive systems include objectives associated with customer satisfaction indicators in keeping with the business plan for the current period. The targets are made up of several aspects corresponding to different market segments. Further details can be found in the "Human capital" section of this report.

¹⁵ Records are also understood as the same customer calling multiple times.

Child protection

[GRI 103-1: Management Approach] [GRI 102-2b] The 2021 materiality analysis confirmed the online protection of children (cyberbullying, child pornography, gambling¹) as a material topic for the TIM Group.

[GRI 103-2: Management Approach] [GRI 102-2b] Group Companies have undertaken numerous initiatives to protect children from content that may harm their psychological and physical development (for example, content that is violent, racist, offensive to religious sentiment, etc.).

Also due to the growing focus gathered by the issue, TIM S.p.A. deactivated the service with content reserved for adults on September 30, 2020 for mobile lines and October 31, 2020 for fixed lines².

TIM-Protect is the TIM option for the protection of mobile consumer customers against threats on the web, which can be installed on smartphones or PCs, featuring the following functions:

- parental control: protects young people while surfing the Net, filters web searches, gives warnings in the case of behavior that is judged to be dangerous, allows you to block access to sites or apps or limit their use (maximum usage time setting);
- theft protection: protects the device from loss and/or theft, ensuring remote control by sending a simple instruction (block device, find device, delete data, SIM change notification);
- protection and privacy: protects all access to e-commerce, home banking³ and social media websites. Ensures privacy by filtering unwanted calls and messages;
- antivirus: manages the device securely without affecting its operation, protecting it from viruses, malware⁴ and other threats (during use).

The service is included free of charge in the offers dedicated to younger users (TIM Junior): there were around 120,000 lines (source: DWO) and total revenues of around 520,000 euros at the end of December 2021.

For the complete protection of “mobile” customers and their devices, in addition to the TIM Protect service, the Company also offers customers a service called TIM Safe Web Plus, which does not require installation of a specific application by the customer and filters non-secure addresses using the DNS (Domain Name System): the aim of this is to keep the customer’s user experience as simple as possible.

The service includes the following functions:

- safe browsing: if an attempt is made to browse websites considered to be dangerous, an alert page appears. The customer can choose whether to ignore the alert and continue browsing or to stop browsing that specific web page;
- parental control: possibility to filter by domain category and/or by day/time, define white- and blacklists, pause or deactivate internet.

On the whole, at the end of December 2021, the service was activated on around 897,000 lines (source: DWO), with revenues of 6,642 million euros.

For fixed-line consumer customers, **Safe Web Plus** protects the online browsing of all devices connected to the home line against the main web threats. The service is essentially the same as the mobile line and also has a light version without parental control (Safe Web). At the end of 2021, the total number of lines on which the two services were activated came to around 105,000.

Total fixed-line consumer revenues from Safe Web and Safe Web Plus, for all of 2021, came to around 1.83 million euros.

The fixed line **Safe Web** service for business customers offers⁵ a first line of defense for Internet use, capable of effectively countering the main threats on the web. With anti-phishing and functions to limit malware, access is prohibited to fake sites that aim to glean confidential personal information, financial details or private codes, and malicious sites designed to infect mobile and computer devices with harmful softwares. Safe Web Plus operates at DNS (Domain Name System) level, mediating the request to access the website before the connection is even established, to verify whether the address is classed as dangerous. If the destination is considered harmful, the browser is redirected to a protection page which informs the user of the site’s danger, making it inaccessible for security reasons.

Monthly revenues for 2021 amounted to over 1 million euros. Lines with TIM Safe Web (TSW) activated came to around 700,000, of which around 250,000 accounts with TSW on mobile lines and 450,000 accounts with TSW on fixed lines: packages (97%) and profiles (3%).

[GRI 103-2: Management Approach] [GRI 102-2b] In terms of tackling online child pornography and computer crime, from an organizational perspective, TIM has identified – in the Security Operations Center (SOC), within the Security Department – the role of “Key Contact for the Postal Police”.

This person manages relations, and the flow of information, with the Postal Police⁶ and the competent authorities, and has the task of coordinating, within the TIM Group, the process of abuse management, in

¹ Gambling.

² The 2020 turnover was almost 27.9 thousand for mobile lines and close to 173 thousand for fixed lines.

³ Online banking, or internet banking, web banking or home banking, consists of an electronic payment system that allows customers of a bank to carry out a series of financial transactions through the bank’s website.

⁴ Software created to compromise the security of a computer or IT systems and devices. The term is a combination of the words malicious and software.

⁵ It was launched in 2018 for fixed lines of business customers, while for consumer customers it was issued in 2021.

⁶ CNCPD, the National Centre for the Fight against Online Child Pornography, and CNAIPIC, National Computer Crime Center for Critical Infrastructure Protection.

accordance with the relevant legislative framework. Furthermore, TIM has adopted an organizational and management model pursuant to Legislative Decree 231/2001, aimed at preventing offenses that may result in liability for the Company.

TIM has deployed resources, technologies, processes and tools to prevent and tackle “abuse,” i.e. any activity committed in violation of the rules of conduct and the legislation that governs the use of network services, digital systems or means of communication in general.

In the context of the pandemic, in order to improve the reliability of the services provided, TIM’s SOC structure organized a significant intensification of the activities aimed at enhancing/perfecting the continuity plan of its Incident Management Service.

The SOC oversees the following initiatives and activities:

- form available on TIM’s corporate and commercial portals, which can be used by TIM’s customers, or by outside users, to report any crimes involving child pornography encountered while browsing the internet. There is a guide to completion, and reports can also be submitted anonymously. This activity is managed in collaboration with the Assurance Competence Center, under Wholesale, which receives reports and forwards them to be managed by the SOC;
- management of the abuse desks, operational groups that handle abuse differentiated by type of service (set up in accordance with national and EU regulations on child protection), the prevention of cybercrime and the fight against sexual exploitation (child pornography). The abuse desks receive reports from external users/customers on alleged cybercrimes or the presence of child pornography on the Group’s networks, then direct them to the relevant department, where necessary involving the relevant authorities (through the Key Contact for the Postal Police);
- filtering: in accordance with the implementing Decree of Law 38/2006 (Gentiloni Decree), which defines the technical prerequisites of filtering tools that providers of Internet network connections must use in order to prevent access to sites identified by the Postal Police through the CNCPO, TIM has also introduced a system to block and make inaccessible foreign websites to its customers;
- gambling: in accordance with Article 1, subsection 50, of Law 296/2006 – on tackling tax evasion and tax avoidance in the gambling sector – and at the request of the Italian Autonomous Administration of State Monopolies (AAMS), TIM blocks the resources as and when they are reported, making them inaccessible to customers;
- tobacco (liquid products for inhalation without combustion containing nicotine): in compliance with the law (296/2006, Article 1, subsection 50-bis and 50-ter and Implementing Executive Decree No. 124538 of 11.15.2017, which integrates the provisions of Directorial Decrees of 01.02.2007, 05.29.2007 and 06.10.2008), at the request of the Customs and State Monopolies Agency (AAMS), TIM blocks the resources as and when they are reported, making them inaccessible to its customers.

Moreover, TIM participates in the following initiatives:

- “GSMA – Mobile Alliance against Child Sexual Abuse Content” in the context of the GSM Association, for technological, policy and communications initiatives aimed at protecting children in the mobile phone sector;
- “Alliance to better protect minors online,” a platform launched initially by Commissioner Kroes in 2011 and later relaunched by Commissioner Oettinger and Commissioner Gabriel on the basis of the Better Internet for Kids (BIK) strategy, in order to define and implement the principles and technologies required to make the Internet a safe place for minors;
- OECD Recommendation on the Protection of Children in the Digital Environment. The OECD (Organization for Economic Cooperation and Development) set up a work group to revise the recommendations on children in the digital environment and, specifically, the guidelines for Digital Service Providers in this area, with specific focus on two aspects: protecting children’s online privacy and data and ensuring that a safe, educational digital environment is offered for children;
- European Commission: TIM contributed, in an associative manner, to the public consultation of the European Commission to collect input from stakeholders on the necessary measures to identify, remove and report child pornography materials online;
- “Digital Upskilling For All (DUFA)”, sponsored by ETNO (European Telecommunications Network Operators) and UNI Europa ICTS (Information, Communications, Technology and Services Information)⁷, which aims to develop and promote the best practices for digital upskilling, gender equality and integration of different generations in the workforce in ICT roles in the European telecoms sector;
- “Digital Skills and Jobs Coalition (DSJC)”, established by the European Commission to bring together all bodies and institutions active in tackling the lack of digital skills in Europe;
- Safer Internet Centre (SIC) – Connected Generations (national center for promoting safe and positive use of the internet and digital technologies, co-financed by the European Commission – as part of the Connecting Europe Facility “Call for proposals” CEF-TC-2020-1 – and coordinated by the Italian Ministry of Education), where it is a member of the Advisory Board. In 2021 TIM continued its education on the digital environment and safety on the internet. Specifically, in February and March 2021, TIM participated in Safer Internet Day and in the internet safety month, coordinating with the Ministry of Education, proposing events and

⁷ It represents more than three million workers worldwide; UNI ICTS affiliates work together to defend trade union rights and organize and improve working conditions in multinational telecoms companies.

webinars dedicated to the issue and supporting communications regarding these activities on its web and social properties;

- “Convention for implementing a device to generate Missing Child Alert” launched with the Italian Ministry of the Interior, Department of Public Security.

TIM is active in international forums, such as the OECD, participating in technical working groups on security and artificial intelligence. It also takes part in⁸ working groups on various themes through the BIAC: access and connectivity⁹, Data strategy¹⁰, e-privacy¹¹, Digital Tax¹², Competition, Going Digital¹³, and Trade.

TIM has attended the B20 for several years now and was actively involved in the works of the B20 summit in Saudi Arabia in 2020, contributing to the drafting of the guidelines for the G20 in relation to the digital transformation.

Moreover, TIM has also attended the B20 for several years now and was actively involved in the works of the B20 summit in Italy in 2021, contributing to the drafting of the guidelines for the G20 in relation to the digital transformation, employment and education.

Moreover, the Group has activated appropriate filtering and abuse prevention systems, including for services provided in **Brazil**: downloads of images, backgrounds, video streaming, audio content (podcasts) together with brief erotic information via SMS (in partnership with a content provider). Customers can buy services with content reserved for adults (backgrounds, videos, podcasts) through the content provider's web portal. To access such services, customers must declare that they are of legal age and enter a password.

TIM S.A. restricts its portfolio of adult content to level 3.2 of the international classification (international code).

⁸ Business and Industry Advisory Committee to the Organization for Economic Co-operation and Development.

⁹ Every home and every company should have fast and reliable broadband services. This would help everyone become more connected, increasing the productivity and performance of every company.

¹⁰ Data Strategy can be defined as a set of decisions that together chart a course of action to achieve high-level goals.

¹¹ In electronic communications (such as text messages, emails, Facebook messages, SnapChat and so on) natural persons in the European Union are protected from the interference of third parties in their private communications, unless they provide their consent in advance.

¹² DigitalTax is the regulation of taxation for multinationals operating in the network, with the aim of ensuring fair taxation and fair competition.

¹³ The Going Digital project provides policymakers with the tools they need to help economies and society to prosper in an increasingly digital, data-based world.

Product responsibility

[GRI 103-1: Management Approach] [GRI 416] [GRI 417] [GRI 419] The 201 materiality analysis confirmed customer relations quality as a material topic which, for the TIM Group, also incorporates responsibility for the products and services offered¹.

[GRI 103-2: Management Approach] [GRI 416] [GRI 417] [GRI 419] TIM is primarily an operator of telecommunications services, which do not endanger the physical health of users², and it does not produce the telecommunications equipment it sells.

In order to verify that the products placed on the market comply with health and safety legislation, the Company has:

- specific internal structures that plan “type tests” for the initial assessment of products in relation to company specifications and incoming quality checks for products that have reached the marketing stage (fixed and cordless telephones³, access gateways⁴, VDSL⁵, FTTH⁶ and FWA⁷, STB⁸ etc.), taken both from Italy and from foreign production facilities of suppliers;
- laboratories that test the products marketed by the Group, particularly as regards electrical safety and the electromagnetic emissions of the mobile devices⁹.

In this way, any non-conformities of products are detected during initial testing or prior to their market release, ensuring that products that do not conform with the essential requirements of the European Directives do not reach the end customer.

Services provided to customers are subject to the requirements set out in the Service Charters and in the Terms & Conditions of Subscription, available at telecomitalia.com.

[GRI 103-3: Management Approach] [GRI 416] [GRI 417] [GRI 419] This paragraph describes the management approach assessments for each of the above mentioned Standards, with the relative methods used and results.

[GRI 416-1] In its laboratories, TIM validates the satisfaction of the essential requirements envisaged by the current Directives for the release of CE marking; conformity with these requirements is certified at source by the manufacturer. For products sold in Italy, the reference framework is the set of standards that support RED¹⁰ Directive 2014/53/EU, EMC¹¹ Directive 2014/30/EU, and Low Voltage Directive 2014/35/EU, divided by product macro-family¹².

In relation to electrical safety in the use of equipment by customers, as required by the Low Voltage Directive, TIM carries out checks on the technical provisions introduced to reduce the risk of electrocution, overheating, fire and mechanical hazards, by applying harmonized standard EN 62368-1.

Furthermore, TIM checks:

- energy efficiency aspects, required by Directive 2009/125/EC ErP (Energy-related Products), as equipment placed on the market, are checked against the stand-by/off-mode power consumption and performance limits set by European Regulations 1275/2008/EC, 801/2013/EC and 2019/1782/EC, for equipment and their external power supplies (available as accessories);
- device functionality under various environmental conditions of terminal installation and use including potential accessory components for connection to the fixed network is checked. Checks are carried out in compliance with temperature and humidity ranges established by ETSI (European Telecommunications Standards Institute) standards for the specific “service condition”, on which different “severity” levels are based. The checks are carried out based on the provisions of the ETSI EN 300019 standards, with the tests set out under IEC-EN series 60068-2-1 (cold), 2 (dry heat), 14 (temperature changes), 30 (moisture changes), 78 (continuous humidity);
- electromagnetic compatibility, regulated by Directives 2014/30/EU and RED 2014/53/EU, since unintentional electromagnetic signal emissions are checked – to avoid interference that can harm radio communication – and to fulfil certain electromagnetic interference immunity requirements. In TIM, constant checks are carried out on terminals and network equipment to determine whether they comply with the requirements of international ETSI, CENELEC¹³ standards regarding electromagnetic compatibility. In particular, checks are carried out on the compliance of equipment with the limits set by standards to limit the emission of electromagnetic disturbances which, in addition to polluting the surrounding environment, can interfere with radio communications.

¹ This section refers to business in Italy and Brazil, countries in which the Group operates.

² Threats of a psychological nature or relating to security and privacy are dealt with in the Child Protection, E-security and Privacy sections.

³ Without a cord.

⁴ Concentrator device for voice, data and video traffic of residential customers for telecommunications networks for private use.

⁵ A very-high-bit-rate digital subscriber line is an xDSL cable communications technology that achieves speed performance greater than its predecessor ADSL.

⁶ Fiber To The Home (the optical fiber runs from the exchange directly to the inside of apartments).

⁷ Fixed Wireless Access, i.e. a set of transmission systems developed to exploit specific frequencies of the radio spectrum in order to provide fixed broadband internet connectivity services with nominal connection speeds equal to 1 giga byte per second (Gbps).

⁸ The set-top box is a non-portable, electronic television device that adds several TV functions to a television, a monitor, or a video projector, which were initially not included in those electronic devices.

⁹ In 2021, on request by the Engineering Department, in TIM's laboratories, 13 devices for FWA, FTTH and FTTCab were checked. Due to COVID-19, the incoming quality checks were not performed.

¹⁰ Radio Equipment Directive.

¹¹ Electromagnetic compatibility; regulates radio equipment for the purposes of CE marking.

¹² For “Corded terminals”, the following standards may be applied: EN 55032, EN 55035, EN62368-1; for “Cordless terminals” standards EN 301489-1, EN 301489-6, EN 301489-17, EN 301406, EN 50371, EN 62311 and ITU-T P360; for “Mobile terminals (smartphones, data cards etc.)” standards EN 301489-52, EN 300328, EN 300440, EN 301489, EN 301511, EN301893, EN 301908, EN 302291, EN 62209 and EN 62368-1.

¹³ European Committee for Electrotechnical Standardization.

To promote sustainable development in its areas of influence - in addition to the mandatory requirements for electrical safety law, energy consumption and EMC on marketed equipment, TIM also carries out checks on electrical (in compliance with the series K ITU-T Recommendations¹⁴) and mechanical robustness (in compliance with the installation classes required by the European standard ETSI EN 300019) requirements, so as to reduce waste disposal of electrical and electronic waste (WEEE) from the very beginning. Ensuring equipment placed on the market of has an adequate level of electrical and mechanical robustness, in line with the expected stress in the field, reduces the rate of equipment failure and, therefore, the quantity of waste to be sent to the appropriate disposal facilities. The addition of these robustness requirements, also within TIM device specifications, requires the manufacturer to use adequate protection devices on the electrical interfaces of devices, such as overvoltage and surge suppressor, with the consequent reduction in the number of destructive failures; with such technical expedients, it follows that equipment functionality is extended over time and, in the event of occasional damage, can be easily recovered by replacing a few components in repair centers.

[GRI 103-2: Management Approach] [GRI 416] [GRI 417] By law, telecommunications equipment sold in **Brazil** must be approved by the regulatory authority (ANATEL), which, in its laboratories, verifies conformity with Brazilian legislation on electrical and electromagnetic safety. There is specific legislation to be complied with for each kind of equipment; TIM S.A. asks its suppliers to ensure that devices have the ANATEL certificate of approval. No cases of non-conformity (ANATEL) or administrative proceedings were recorded in the area of SENACON and CADE (both with liability also shared by the Regulator) in 2021.

[GRI 416-2] Over the past three years, no non-conformities with customer health and safety legislation have been found in any product that has reached the final marketing stage for:

- European regulations in Italy;
- regulations and voluntary codes in Brazil.

The percentage of significant product and service categories for which the impacts on health and safety are assessed, with a view to improvement, amounts to 100%.

[GRI 417-1] Also in 2021, TIM required that all its suppliers of **fixed telephony** products provide:

- an environmental declaration;
- a statement about the origin of the tantalum if it has been used in the components (REACH);
- the user manual;
- a document containing safety information; and
- details of any hazardous materials and disposal information.

In addition to the above documents, starting in 2022, TIM requires that all new suppliers of fixed telephony fill in an additional document called the “*Sustainability Checklist*”, in which the supplier must include all the information regarding sustainability, production and end of life of the product, listing the various types of materials and their disposal, including packaging materials.

In 2021, for technical assistance under warranty, TIM used only refurbished modems. It is also assessing the possibility of selling these refurbished products to the public.

With regard to **mobile** devices, as they are consumer products that TIM merely resells and do not require any customization, the Company simply requires that suppliers comply with national legislation.

The sale of refurbished smartphones, launched in fall 2019, continued in 2020 and 2021, with the inclusion of new refurbished models (iPhones) on TIM's product list, exclusively Class A+ to ensure top quality (only manufacturer's spare parts) for the end customers.

To reduce the environmental impact, following the example of the new models, accessories and packaging materials are also reduced in the packaging of refurbished smartphones, and chargers and headsets are no longer included in the packaging.

In the area of new smartphones, TIM's price list continues to include the loyalty program “TIM Next,” which offers customers the option to replace their smartphones with a new model. This way, TIM incentivizes the collection and recycling of used smartphones, inserting them in a correct cycle of refurbishment.

For several years now, TIM has organized recycling of obsolete smartphones, which is carried out through disposal featuring online auctions. The products are grouped into lots and the companies identified and authorized for that purpose can participate in the auctions. The products sold are subsequently taken apart in order to recover all the components of interest, for their “second life cycle”.

Moreover, to reduce the environmental impact of using plastic, TIM sells SIM cards in the half card format (half the size of normal SIM cards) and uses the recycled plastic for card carriers¹⁵. This makes it possible to save around 14 tons of plastic per year.

¹⁴ International Telecommunication Union – Telecommunication Standardization Bureau, meaning the sector of the International Telecommunication Union in charge of regulating telephone and telegraph communications.

¹⁵ Card carriers i.e. for SIM cards.

[GRI 417-1] In **Brazil**, in addition to compliance with the national legislation, TIM does not have procedures for product and service information and labeling.

[GRI 417-2] Over the past three years, no non-conformities regarding product information and labeling have been found in any product that has reached the final marketing stage (100% tested for fixed and mobile terminals).

Considering the state of emergency caused by the spread of COVID-19, in accordance with the company policies intended to protect both the health of the auditors and full compliance with government instructions, TIM opted for and strengthened the self-certification process of the batches prepared for delivery; the individual suppliers were made responsible for directly carrying out the essential checks to document the quality/conformity of the batches/products being delivered.

The table below shows the results of incoming quality checks conducted on “fixed and mobile terminals” by the specific company department of TIM.

Description	2021	2020	2019
Number of lots tested - fixed and mobile terminals	237	107	243
Number of lots failing the test	3	—	26
Number of lots failing the test resulting in penalties	5	—	22
Number of lots failing the test resulting in a warning	3	—	4

There were no cases of non-compliance with the service information and “labeling” regulations in **Brazil** in 2020 and 2021. TIM S.A. only received financial penalties in 2019, when four incidents occurred for which ANATEL imposed penalties for a total of 247,132 reais.

The regulatory Authority’s sanctioning procedures for non-conformities with regulations regarding information on services are part of the system of “penalties for the violation of regulatory legislation regarding consumer protection in the supply and use of TLC products and services;” this means that, for Italy, non-conformities regarding information on services have been merged with non-conformities regarding the supply and use of services (table below).

[GRI 419-1] Number and total monetary value in fines – by the AGCM (the Italian Competition Authority) – for non-compliance with laws and regulations concerning the supply and the use of products and services in Italy.

Description	2021	2020 ¹⁶	2019 ¹⁷
Number of fines for non-conformities regarding the supply and use of products and services	—	3	1
Total monetary value of these fines (in euros)	—	7,100,000	200,000

[GRI 419-1] Number and total monetary value in fines – by AGCom (Italian Communications Authority) – for non-compliance with laws and regulations concerning the supply and the use of products and services in Italy.

Description	2021 ¹⁸	2020 ¹⁹	2019 ²⁰
Number of fines for non-conformities regarding the supply and use of products and services	3	4	2
Total monetary value of these fines (in euros)	1,682,000	4,504,000	1,664,000

¹⁶ In 2020, the AGCM (the Italian Competition Authority) closed the following three proceedings that were initiated in 2019, with the following payment orders:

- PS 11379 (winback) for 4.8 million euros;
- PS 11532 (TIM IN NAVE) for 1.8 million euros;

- IP PV 4 (iban discrimination non-compliance) for 0.5 million euros.

¹⁷ The fine relates to proceedings initiated and concluded in 2019, resulting in an order to pay 200k euros for misleading advertising in the Fibra offer.

¹⁸ In 2021, AGCom applied three penalties, of which two initiated in 2020. Complaint 12/20/DTC for violating the regulations on consent for premium services concluded with an order to pay 638,000 euros; Complaint 14/20/DTC for violating the regulations on transparency and the *ius variandi* of the basic mobile plans concluded with an order to pay 928,000 euros; and Complaint 2/21/DTC for failing to provide the annual communication on offer conditions concluded with the order to pay 116,000 euros.

¹⁹ Four sanctions were imposed in 2020, two of which were initiated in 2019 and two in 2020. Complaint 9/19/DTC for violating the regulations governing transparency and the *ius variandi*, which resulted in an order to pay 696k euros; complaint 12/19/DTC for failure to comply with the refunds for the days eroded by billing (28-day issue), which resulted in an order to pay 3 million euros; complaint 1/20/DTC for violating transparency regulations (individual user cases), which resulted in an order to pay 174k euros; complaint 6/20/DTC for violating the transparency and withdrawal regulations, which resulted in an order to pay 634k euros.

²⁰ The two fines relate to proceedings initiated in 2018, which resulted in an order to pay 1.2 million euros due to non-compliance with the 37/18/CONS refrain notice, and proceedings brought in 2019 which resulted in an order to pay 464k euros for the TIM Safe WEB service offered to Business customers. The following further two proceedings were brought in 2019.

[GRI 419-1] The number and total monetary value of the fines for non-conformities with laws and regulations regarding the supply and use of products and services in Brazil, imposed by ANATEL.

Description	2021 ²¹	2020 ²²	2019 ²³
Number of fines for non-conformities regarding the supply and use of products and services	—	—	—
Total monetary value of these fines (in reais)	—	—	—

[GRI 417-3] Overall number of non-conformities with legislation and voluntary codes regarding marketing communications in Italy.

Type of non-conformity	2021	2020	2019
Number of non-conformities with legislation resulting in a fine or penalty	—	—	—
Number of non-conformities with legislation resulting in a warning	—	—	—
Number of non-conformities with voluntary codes ²⁴	2	1	—

[GRI 417-3] In **Brazil** the only notifications relating to advertising and marketing communications are issued by CONAR²⁵, a non-governmental self-regulation organization for advertising which assesses non-conformities with the Brazilian Advertising Code of Conduct (“CBAP”) and can recommend that the company change/correct or suspend the advertising (it does not impose financial penalties); CONAR seeks to ensure that each advertisement is true, honest, and compliant with the laws of the country and the principle of fair competition. The infringement procedure may be closed if the parties reach a settlement, if the perpetrators cease the infringement or if the violation of the Code of Ethics has not been demonstrated.

In 2021 TIM S.A. received the following three notices of service:

- CLARO filed a brief against TIM, in relation to several of its offers. CONAR’s decision is pending;
- CLARO initiated a lawsuit against TIM regarding several advertisements broadcast. TIM S.A. has sent a reply to CONAR and is awaiting its decision;
- OI filed a complaint against TIM, in relation to its offers. TIM S.A. agreed to change several points in the advertising campaign the complaint referred to.

In 2020, TIM S.A. received a warning notice for delaying the implementation of CONAR’s recommended changes regarding infringement proceedings brought by CLARO in 2019. TIM S.A. received three other infringement proceedings, one from CONAR and two from CLARO. TIM S.A. filed objections in all proceedings, and a preliminary decision by CONAR ordered TIM S.A. to comply with the recommended changes. However, the advertisement in question was published in September 2020 and removed prior to CONAR’s preliminary decision.

²¹ In 2021 no significant non-conformities with laws or regulations for the supply and use of products and services were found (as set out by ANATEL). With regard to the failure to comply with the Consumer Code, TIM paid a penalty of R\$ 1,333,982.77 (considering penalties over R\$ 500,000 as significant).

²² On June 19, 2020, the company’s Board of Directors approved the execution of a Term of Adjustment of Conduct (TAC, Conduct Adjustment Agreement) between the Telecommunications Regulatory Authority (ANATEL) and TSA, after passing the final ANATEL resolution in the eighth extraordinary meeting of the Board of Directors. The agreement covers penalties totaling approximately 639 million reais, which will be closed due to commitments tied to improving quality and customer experience, developing the digital presence channels, reducing complaint rates and increasing network infrastructure in more than 2,000 locations.

²³ If only significant fines are considered, i.e. those in excess of 500,000 reais, TIM S.A. did not receive any such fines in 2019. TIM paid two fines in 2019; the first of 11,484,107 reais (ordered by a consumer rights protection agency) for non-compliance with customer service standards (call center). The other was for 244,551 reais, imposed by another agency following various complaints from customers for various reasons (contracts, billing, etc.).

²⁴ The cases are governed by the Istituto dell’Autodisciplina Pubblicitaria (Advertising Self-Regulation Institute), which operates in compliance with the Commercial Communications Code and is responsible for settling all disputes relating to advertising involving associated entities, directly or indirectly. The Jury’s decisions never result in pecuniary sanctions but, where appropriate, will result in an order to withdraw the contested advertisement.

The two non-conformities in 2021 regarded:

- The Wind Tre S.p.A. proceedings against Telecom Italia S.p.A. (hearing of July 27, 2021). The telecommunications operators Windtre and Vodafone filed a motion with the Jury of the IAP (Istituto per Autodisciplina pubblicitaria) against TIM’s advertisement which promoted TIM’s Series A Wi-Fi, with Lino Banfi as spokesperson. The Jury’s decision rejected all of the counterparty’s requests except for the phrase “Wi-Fi pronto per la serie A” (Wi-Fi ready for Series A) and expressions with similar meaning;
- The Windtre, Vodafone, Fastweb and Sky proceedings against Telecom Italia S.p.A. (hearing of September 28, 2021). The operators named filed a motion with the Jury against TIM’s advertising which mainly promoted the Series A matches and featured the following claims: “Se le partite vuoi vedere, TIMVISION devi avere” [If you want to see the match, you need TIMVISION] and “Mister, c’è un solo modo di vedere il calcio” [Coach, there’s only one way to watch soccer], with Lino Banfi and Roberto Mancini as spokespeople. The Jury accepted almost all of the counterparties’ motions, except for the expressions “la nuova casa del calcio e delle tue passioni” [the new home of soccer and your passions] and refused the publication of the decision in the media.

The 2020 non-compliance related to the “Passa a Kena Mobile” [Switch to Kena Mobile] telecommunication shown on Mediaset television networks in June; TIM ceased the advertisement in question on the date of notification of the injunction.

²⁵ Conselho Nacional de Autoregulamentação Publicitária (National Advertising Self-Regulatory Council).

Safeguarding privacy and personal data protection

[GRI 103-1: Management Approach] [GRI 418] The 2021 materiality analysis confirmed, as a material topic for the Group, the protection of privacy, the protection and security of personal data.

The Group believes that the confidentiality of customer information is a primary commitment for telecommunications companies and monitors its systems 24 hours a day in order to prevent and detect any unauthorized access attempts.

[GRI 103-2: Management Approach] [GRI 418] Respecting privacy regulations is a priority for TIM, which since 2003 has had a structured organizational model in place which is capable of overseeing the correct application of this legislation at Group level¹. Company departments are committed to ensuring the correct processing of personal data of data subjects, including customers and employees, in carrying out business activities.

In 2018, the Data Protection Officer function was established at Group level, dealing with control, consultation, training and information regarding the application of privacy legislation, in compliance with the specific provisions of Regulation (EU) no. 2016/679 on the protection of natural persons with regard to the processing of personal data (so-called "General Data Protection Regulation," or GDPR), applicable in Italy and in the other countries of the European Union from May 25, 2018.

The GDPR is the primary source of the applicable regulatory framework on data protection in Italy and the Personal Data Protection Code (Legislative Decree 196/2003, as extensively amended by Legislative Decree 101/2018) now contains the national provisions completing those of the GDPR.

The adoption of legal measures and the instructions of the Privacy Guarantor for personal data protection is assured by constantly updating the Group regulations and policies. Of these, the "System of rules for the application of the regulations relating to the protection of personal data in the TIM Group" (System of Rules) is particularly important; it defines the provisions and operating instructions to comply with these provisions.

Already in the course of 2018, the System of Rules was thoroughly revised in the light of the application of the GDPR; in 2019, 2020 and 2021, the System of Rules was further updated with reference to regulatory developments, in particular in relation to Legislative Decree 101/2018, which adapted the Personal Data Protection Code to the GDPR, and to the additional provisions of the law and the Italian Data Protection Authority's Decisions that followed during the last three years. In 2021, the update of the System of rules regarded, amongst others, the matter of the transfer of personal data to subjects (e.g. contractual counterparties of TIM Group) established abroad, in light of EU Decision 2021/914 of the European Commission of June 4, 2021, setting out the new "model contractual clauses" in accordance with the GDPR, which constitute one of the tools to be used for the transfer of personal data to third countries outside the EU, which do not offer sufficient personal data protection.

Continuing on from the activities carried out in 2020, the Privacy Department intervened in connection with the processing of the data of employees and other categories of data subjects under the scope of the COVID-19 epidemiological emergency; in particular, it:

- provided support to corporate departments in helping assure the correct interpretation and application in TIM and in the Group companies of the provisions of Decree-Law no. 127 of September 21, 2021, which regulates the use of COVID-19 certificates ("green passes") and which extended - also to employers in the private sector - the obligation to check the green passes of employees, suppliers, visitors or subjects authorized to access the Group's sites to work;
- drafted a specific disclosure on personal data processing for the purpose of the green pass for those accessing the sites of TIM and Group companies that have adopted TIM's Regulation and to support the other Group companies, which have drafted their own regulation for the preparation of the disclosure;
- supplemented the contracts with the supervisory institutes in respect of checking green passes, with the consequent update of instructions envisaged with the appointment of the Data Processor of such institutes.

In addition, over the course of 2021, TIM ensured implementation of its improvement actions identified in 2020, regarding the telemarketing processes, implementing improvement actions, from the technical/information and procedural point of view, and in terms of internal checks, intended to further improve its sales activities in accordance with the regulatory framework in matters of personal data protection and in accordance with provisions of the Italian Data Protection Authority.

In this scenario, we find the training activities held by TIM's Privacy Department, which, during the first half of 2021 focused on personnel of customer care service providers dedicated to consumer and business customers. The training, carried out by means of video conference calls due to the restrictions imposed by COVID-19, regarded the general requirements envisaged by the GDPR and, above all, the rules and instructions defined by TIM in compliance with current regulations governing commercial contacts, the processing of customer/prospect requests² relative to the exercise of privacy rights and the detection and management of data breaches. Ten training sessions were held, involving around 165 people.

During the second half of 2021, a TIM personnel training course was also delivered, dealing with HR Management and regarding the following topics: analysis of essential principles and privacy rules and, above all, the review of rights granted by personal data protection legislation and the rules for the correct processing of requests to exercise privacy rights made by employees or former employees of TIM. Four training sessions were held by video conference call, attended by 105 employees.

The personal data, pursuant to EU Regulation no. 2016/679 (so-called GDPR) as any data referring to a natural person identified or identifiable, must be processed lawfully and correctly, stored carefully and updated and

¹ With the aim, amongst others, of avoiding, mitigating, remedying any negative impacts or improving positive impacts.

² A prospect is a person that is part of the target of possible customers of a company; in substance, a "candidate" who could possibly or probably become a customer.

must not be excessive or stored for longer than necessary. Therefore, the IT systems must be configured in such a way as to minimize the use of personal data.

The “data subject” (any natural person to which the personal data refers) must receive preliminary information about the purposes and methods of processing data.

Personal data processing must take place in the presence of a suitable legal base, namely in particular the preventive consent of the data subject, the execution of a contract or precontractual measures with the data subject, the fulfillment of legal obligations, the pursuit of the legitimate interest of the Data Controller (for example as regards processing implemented to prevent late payments and fraud).

In particular, data subject consent is required for direct marketing purposes (e.g. the sending of advertising materials, direct sales, promotional calls) and individual profiling (which allows for the identification, using electronic processing, of the conduct and habits of data subjects so as - amongst other aspects - to improve the services supplied, satisfy the specific needs and direct commercial proposals of interest). In addition, the Data Protection Authority also regulates customer profiling in the electronic communications sector, envisaging specific measures.

The data subject has the right to access their personal data, to obtain information about the purpose and method of processing and to exercise the additional rights envisaged by the legislation, including the right to revoke consent or request cancellation of their data where storage is not required by the law.

[GRI 103-3: Management Approach] [GRI 418-1] The Company has issued specific procedures to guarantee compliance with legislation and which enable the collection, use and storage of the personal data of its customers; the updated versions of these procedures are available from the Group intranet.

The effective application of the internal policies is monitored through an extensive control system based on the regular self-assessment procedures, sample checks carried out by the relevant central and regional departments, based on established procedures and methods, as well as for planned and identified second level controls, also due to the inherent risk level of processing.

In particular, following the review of telemarketing processes, during 2020, the internal checks carried out on such processes were optimized and extended in line with the provisions of the Italian Data Protection Authority.

Finally, also during the course of 2021, TIM continued to take the steps required to ensure the implementation, into the internal processes, of the provisions on data breaches as well as to respond to the numerous requests made by customers (for example, aimed at knowing the personal data processed by TIM or to exercise other rights) and the Italian Data Protection Authority (requests for information to TIM).

The table below shows:

- the information requests made to TIM SpA - and the Domestic BU companies - by the Data Protection Authority, also following customer complaints/claims;
- the answers provided to requests for the exercise of privacy rights made by TIM customers to Customer Care or directly to the Data Protection Officer.

Description	TIM SpA			Company			
				FiberCop	Olivetti	Sparkle Italia	Trust Technology
	2021	2020	2019	2021			
Requests received by the Italian Data Protection Authority (number of cases/complaints reported)	70	15	116	—	—	—	—
Replies to requests for the exercise of customers' privacy rights addressed to TIM Customer Care	284,830*	1,103,502	864,417	N.A.	N.A.	N.A.	N.A.
-of which answers to requests for the exercise of privacy rights made by customers directly to the Data Protection Officer	3	3	3	1	10	2	6

* The data are recorded annually (at February 28 of each year).

Below is the only provision adopted by the Data Protection Authority in respect of TIM S.p.A. in 2020, considered “material³”. In the last three years, there have been other provisions for a few dozen thousand euros (also in regard to the other companies of the Domestic BU).

Corrective and sanction provision in regard to TIM S.p.A. - (Provision 7/2020) of January 15, 2020.
The Provision, issued by the Data Protection Authority essentially regards activities linked to telemarketing in respect of consumer customers; additional topics considered regard the management of certain apps, the TIM Party program, the data breaches and the storage of OLO (Other Licensed Operator) customer data. The total amount of the sanction, equal to the initial sanction given that TIM has not appealed against it, was 27.8 million euros. TIM has paid 13.9 million euros, having closed the dispute in accordance with current legislation in force in Italy, by paying, within the deadline of 30 days, an amount equal to half the sanction applied.

³ Intended as worth more than a million euros.

In compliance with the provision of the Authority, TIM has implemented the Provision, particularly as regards improving telemarketing processes and the internal control system, in compliance with the due dates set by the Italian Data Protection Authority.

Brazil BU

[GRI 103-2: Management Approach] [GRI 418] As pursuant to article 5 of the Federal Constitution, and article 3 of the General Law on Telecommunications No. 9,472 of 1997, the right of customers to the confidentiality of their personal data is established (with the exception of cases provided for by the law). The Personal Mobile Service regulation, in articles 89, 90 and 91 of Resolution No. 477 of the national telecommunications agency (ANATEL), requires companies to take responsibility in this respect and establishes that any waiver of confidentiality must take place only if requested by the relevant authority in the cases provided for by law. The Federal Law (*Marco Civil*) No. 12,965 of April 2014 (Brazilian Civil Rights Framework for the Internet⁴), under Articles 10 and 11, ensures the privacy and protection of personal data for internet users. On August 14, 2018, the President of the Republic approved the *General Data Protection Act* No. 13,709/2018 (LGPD in Portuguese), the most important Brazilian law on privacy. Due to the scenario caused by the COVID-19 pandemic in Brazil, the law was subject to draft legislation and temporary measures, with consequent postponement of the application of fines and sanctions to August 1, 2021, whereas other articles came into force in August 2020. The LGPD contains various regulations and obligations related to privacy and personal data protection, both online and offline, and is applicable practically to any organization.

The Law governs data protection and is applied to any processing regarding a natural person or by a legal entity (automated or otherwise) or a legal entity governed by public or private companies, regardless of the context, country of its head office or country in which the data are held, provided that:

- the processing is carried out in the national territory;
- the purpose of data processing is the provision of goods or services or the processing of data of persons located in the national territory;
- the personal data subject to processing has been collected in the national territory.

At any time, the data subject has the right to exercise – asking the data controller – their rights to privacy, access to their data, requesting deletion, etc..

To guarantee the confidentiality of its customers' information, in accordance with national legislation (including Articles 10 and 11 of the "*Marco Civil*"), TIM S.A. has issued relevant internal policies and procedures to ensure the confidentiality of the related information based on "need to know" principles (in order to ensure that access to records and communication about customer details is only permitted to the employees who use this information in their work) and the separation of duties. These policies and procedures recall the methods for the classification and management of information in order to guarantee suitable protection levels.

In addition, the Chief Executive Officer coordinates the Privacy Committee, in accordance with Organizational Design⁵ no. 1347/18 – which comprises the appointment of the Data Protection Officer (DPO), the model for the application of regulations, the adequacy of activities and the assessment of related impacts as prescribed by Brazilian General Law concerning data protection (LGPD in Portuguese).

In the Committee, the Compliance department keeps the implementation of the actions required to comply with the LGPD in full alignment with the other departments that form it, namely:

- Legal,
- Regulatory, Institutional and Press Relations,
- Business Support Officer,
- Chief Technology Information Officer,
- Chief Revenue Officer,
- Human Resources & Organization.

To keep abreast of issues regarding the matter, in 2019 TIM S.A. reviewed its customer data privacy policy and updated and published it in 2020. This document is transparent, contains more information and explains how TIM S.A. processes its customers' data.

TIM S.A. carries out its activities also in accordance with ISO 27001, the international standard that describes the best practice for information security management. In August 2020, the Cyber & ICT Security Department started the route to achieve this certification, which is expected to be completed by end 2022.

The Company also completed the review and update of the terms and conditions of its contract, to make it compliant with the LGPD, in relation to how TIM S.A. in a transparent manner, collects and processes personal data. After having classed the information, the Company carries out risk analyses with the help of systems that save the data, mitigating the vulnerabilities that might be used to access confidential information. Employees and service providers are also made aware of the need to adopt data security measures; all providers offering value added services (VAS) must sign a non-disclosure agreement with TIM S.A..

⁴ Civil rights structure for Internet in force in Brazil.

⁵ Organizational project.

The Cyber & ICT Security Department is responsible for updating the related policies and procedures, ensures their maintenance and, as information security governance office, guarantees the involvement of all relevant departments, as well as disclosure and compliance with the guidelines within the TIM Group in Brazil. In 2021, the IT & Security Compliance Department issued the policies and created an internal process for managing incidents and data losses involving personal data.

The pandemic was one of the challenges of 2020 and 2021, during which TIM S.A. launched its Contingency Plan in order to allow all employees to work from home and ensure business continuity, including the call center and the critical technical areas. The Cyber & ICT Security department undertook many actions to protect information in home offices and led various campaigns to raise employee awareness. Starting the last quarter of 2021, TIM S.A. launched a pilot project to foster the return of employees to certain offices, examined and prepared in compliance with protocols defined to guarantee the highest possible safety standards.

Considering the technological resources, TIM S.A. has specific tools that support the management of particular aspects, such as those relating to Data Loss Prevention (DLP), Multi-Factor Authentication (MFA), identity management and content filtering, among others monitored by the Cyber Security Operations Center (CSOC).

In 2021, TIM S.A. continued to adjust all the new contracts that it had stipulated and that require the processing of personal data, in addition to modifying the backlog of contracts signed before the LGPD but still in force, in order to include the update relating to data protection, in particular for business partners.

In addition, in 2021, TIM delivered various training courses:

- to all its staff, with compulsory e-learning;
- a more advanced course, directed (in particular) towards its managers and strategic employees;
- to its suppliers free of charge, with the aim of raising their awareness of compliance with the LGPD and of what TIM S.A. expects from them in terms of security and privacy measures.

TIM S.A. has updated its Privacy and Cookie Policy and created various internal regulatory documents, which seek to govern and guide the processing of personal data by internal departments. The Privacy Centre can be accessed using the following link: <https://www.tim.com.br/sp/sobre-a-tim/institucional/seguranca/politica-de-privacia>.

[GRI 103-3: Management Approach] [GRI 418] [GRI 418-1] TIM also launched the DPO Mailboxes to respond to requests from people interested in the processing of their data. The Compliance Department is already operational on the mailboxes and has received more than 700 requests by December 2021; no specific complaint has been made about the violation of privacy or loss of data of TIM S.A. customers.

In 2021, TIM S.A. received 718 lawsuits from customers, regarding accusations of fraud for the exchange of chips and access to sensitive data about customers. That same year, 718 lawsuits were closed (not necessarily opened in 2021): the judicial authority ruled in favor of TIM S.A. in 59% of cases, considering the late payment decisions. For cases that determined payments, the Company was sentenced to pay almost 2.1 million reais. In 2020, TIM S.A. was the addressee of 687 cases relating to data privacy; of the 593 cases concluded (some of which had begun in previous years), 293 had a favorable outcome for the Company and 300 unfavorable, for which it paid sanctions of around two million reais.

The difference between the legislations of Italy and Brazil does not allow for any comparisons to be drawn between homogeneous data.

[GRI 103-2: Management Approach] [GRI 418] Research and innovation in e-security

TIM is involved both in research and in innovation regarding cyber security and more generally the security of information and networks.

Activities carried out in 2021 included the following:

- the continuation of the work of the four-year project CONCORDIA⁶ (Cyber security cOMpeteNce for Research and INNOvAtion⁷), as part of the European research program Horizon 2020, and in particular the initiative "Establishing and operating a pilot for a Cybersecurity Competence Network to develop and implement a common Cybersecurity Research & Innovation Roadmap⁸" with a focus on Intelligence platforms, tools and processes. More specifically, in order to develop the Telco Pilots⁹ envisaged by the project and the contributions to the deliverables¹⁰ on DDoS Clearing House¹¹ and Threat landscape¹². The project will be completed by 2022;
- the overseeing and guidance of the Fraud and Security Group¹³ (FSAG) of the GSMA (GSM Association) and the entrance of the newly-established NESAS (Network Equipment Security Assurance Scheme Subgroup¹⁴) Oversight Board¹⁵;
- the activities as part of 3GPP¹⁶ SA3¹⁷ or the working group for security and privacy of the systems specified by the 3GPP;

⁶ <https://www.concordia-h2020.eu/>

⁷ Competence on cybersecurity for research and innovation.

⁸ Creation and management of a pilot project for a network of skills on cyber security in order to develop and implement a shared roadmap for research and innovation on cyber security.

⁹ Telecommunications pilot

¹⁰ Deliverable.

¹¹ It is a system that enables the collaboration of operating groups of various organizations.

¹² Context of threats.

¹³ Competence on cybersecurity for research and innovation.

¹⁴ Network Equipment Security Assurance Scheme Subgroup.

¹⁵ Supervisory Board.

- the oversight of the working group on security of the O-RAN ALLIANCE (Open Radio Access Network¹⁸), an international alliance with the objective of transforming and innovating mobile access networks;
- participation in the work of the GSMA's Coordinated Vulnerability Disclosure Subgroup¹⁹ (CVD) to share information on new vulnerabilities and threats to mobile infrastructure;
- the experimentation and application of machine learning²⁰ techniques to the analysis of Indicators of Compromise in cyber intelligence²¹;
- the development of two research collaborations with the Polytechnic University of Milan under the scope of two separate research doctorates financed by TIM on topics connected with malware analysis²² and security analysis on devices and equipment;
- the article "2 Years in the anti-phishing group of a large company²³" Luigi Gallo (TIM), Alessandro Maiello (TIM), Alessio Botta (University of Naples "Federico II"), Giorgio Ventre (University of Naples "Federico II"), published by Computers & Security, Volume 105, 2021, 102259, ISSN 0167-4048;
- the implementation of multiple security testing²⁴ campaigns to assess the level and adequacy of new equipment, instruments, and devices in terms of security;
- the discovery of various new vulnerabilities in the context of the testing, penetration testing and vulnerability assessment²⁵ activities;
- the development of different assessment and test activities on innovative security solutions to expand the commercial offer and/or increase the level of protection of corporate assets;
- the development and deposit of an international patent application relating to new methods and systems of deciphering end-to-end encrypted messages for legal interception.

¹⁶ The 3rd Generation Partnership Project.

¹⁷ Security Assurance.

¹⁸ Open Radio Access Network.

¹⁹ Subgroup for coordinated (and accountable) dissemination of information on new vulnerabilities.

²⁰ Machine learning.

²¹ Cyber intelligence.

²² Software created to compromise the security of a computer or IT systems and devices. The term is a combination of the words malicious and software.

²³ Two years in the anti-phishing group of a major company. Phishing is the fraudulent practice of sending e-mails that pretend to be from respectable companies in order to lead people to reveal personal information, such as passwords and credit card numbers.

²⁴ Security testing

²⁵ Testing, penetration testing and vulnerability assessment.

Smart Services

[GRI 203-1] [GRI 203-2] In the context of public sector services and businesses, in accordance with the Italian Digital Agenda (ADI) and European Directives, in 2021 TIM consolidated and expanded its Smart Services offer (security, energy efficiency, environment, digital services in urban areas, analytics to support sustainable choices from the point of view of local and central government). The aim is to promote the Smart City and Smart District model to improve the quality of life through the development of innovative digital services that move municipalities to a Smart Community model (as indicated by the Digital Agenda), to enable new forms of collaboration between citizens, businesses and public administrators. Below are some examples.

TIM FLEET TRACKING AND TIM YOUR WAY	<p>Location and fleet management combined with vehicle telemetry identification and detection systems.</p> <p>Using integrated solutions ranging from integrated platform services to devices permanently installed in vehicles, it is possible to control and reduce fuel consumption, substantially cut the emission of pollutants, improve the safety of staff who drive vehicles and implement a car-sharing system for the use of vehicles in shared mode.</p> <p>During the pandemic, the solutions for driver safety were joined by wearable devices that make it possible to monitor the correct interpersonal distancing and thermal screening devices for measuring temperature.</p> <p>Enabled services:</p> <ul style="list-style-type: none"> planning of services and routes; reduction of pollutant emissions; driver identification solutions, telemetry control; solutions for the transport of materials and goods at controlled temperature; driver and vehicle safety services. <p>Revenues 2021: around 5.3 million euros.</p>
TIM ENERGREEN	<p>TIM Energreen is TIM energy efficiency and environmental sustainability offer.</p> <p>It is comprised of the following four logical areas of action:</p> <ul style="list-style-type: none"> Energy Management: assisting customers in a virtuous process; Audit: identifying areas of inefficiency and proposing improvement actions; Monitoring & Reporting: collecting environmental data and energy consumption data of systems; Energy efficiency projects; <p>and of five macro-functions:</p> <ul style="list-style-type: none"> master records on the sites subject to monitoring; implementation via on-site IoT devices; analyses of aggregate data; analysis of real-time data; warnings. <p>Enabled services:</p> <ul style="list-style-type: none"> on-site energy audit: on-site analysis for energy efficiency; metering & reporting; efficiency strategy (advanced reporting and Energy Management consulting services); energy Cost Management Services; special project: ad hoc efficiency improvement work. <p>Revenues 2021: around 1.3 million euros.¹</p>
TIM CITY FORECAST AND URBAN INTELLIGENCE PLATFORM	<p>Statistical data to help local authorities to monitor the number of people present in the area, their social and demographic characteristics and movements over time, to optimize the services offered to citizens and enhance the area. The service is based on advanced TIM mobile network data processing, in the full respect of privacy.</p> <p>TIM City Forecast allows in particular to:</p> <ul style="list-style-type: none"> quantitatively assess public mobility patterns continuously and reliably; evaluate the vehicular flow of a city or area for planning the vehicular traffic patterns; understand the characteristics of tourist flows, to optimize and monitor the development of the tourist and cultural offer over time; know in near real-time the density of the areas in question. <p>Urban Intelligence Platform, a unified control room that receives and processes information about ongoing events in the city, making it possible to monitor the area in real time, intervene promptly in an emergency and build a database for predictive analyses to improve planning. The platform can aggregate and display data and information from IoT sensors (air pollution, water levels, etc.), open source data (weather, infotrafic, etc.) and data available to the government, providing a valid tool to support decisions and increased efficiency of systems.</p> <p>Revenues 2021: around 1.2 million euros.</p>
VIDEO SURVEILLANCE SOLUTIONS	<p>Software applications designed for the management of video surveillance systems in public areas, outdoors or otherwise, to monitor the territory for security and prevention. The video analysis function identifies gatherings, monitoring anti-contagion safety conditions.</p> <p>Enabled services:</p> <ul style="list-style-type: none"> customization of the areas to be monitored; sending event alarms; integrating existing IP (Internet provider) cameras, safeguarding investments already made; personalized video analysis. <p>Revenues 2021: around 700k euros.</p>

¹ Internet of things, in telecommunications, this refers to the world of concrete objects and places.

SMART AGRICULTURE	<p>Management and optimization of activities of companies and consortia that operate in the agricultural field.</p> <p>TIM's Smart Agriculture solutions enable farmers to optimize their resources, such as water for irrigation and quantities of plant protection products used in the fields. Through the cloud platform, IoT sensors, drones, satellite imaging and data analytics systems, the state of health and humidity of the crops and the soil is continuously monitored, providing alerts when it is time to apply treatments or irrigation, avoiding waste.</p> <p>The traceability of the chain is an additional service implemented by TIM, to monitor the product "from the field to the table" and acquire greater awareness of any non-sustainable processes or, conversely, highlight (also to end consumers) the sustainability of processes over the entire chain. The reduction in the environmental impact, waste of substances and energy, are the fundamental pillars of TIM's Smart Agriculture services.</p> <p>Enabled services:</p> <ul style="list-style-type: none"> management of fields on the map and surveying of activities carried out; management of activities to optimize planning; management of machinery, to survey single devices and plan their maintenance; inventory management, to monitor stock at all times; monitoring of the conditions of plants and the soil, to prevent the occurrence of attacks by parasites or lack of water; identification of the areas in which to concentrate irrigation and treatment using plant protection products; tracing of the agri-food production chain. <p>New offer, no revenues in 2021.</p>
DIGITAL SCHOOL TIM	<p>TIM aims to be the single interlocutor for teaching institutions and universities, by integrating its fixed, mobile and security connectivity solutions with solutions by specialists and major market players.</p> <p>This offer (launched in July 2020) includes:</p> <ul style="list-style-type: none"> Google Workspace for Education for remote learning (RL), with four service plans: Google Workspace for Education Fundamental, Education Standard, Education Teaching & Learning and Education Plus, dedicated to education, which include collaboration, classroom and Chrome synchronization tools as main services; Chromebook devices and accessory components to guarantee RL and to equip laboratories and multimedia classrooms in school buildings; Chrome Upgrade Education perpetual license for each Chromebook device for the centralized management of the entire fleet of devices using the Google Workspace for Education control console; training courses and specialist assistance services, namely a long list of courses available via streaming, webinars and face-to-face plus assistance packages to guarantee correct configuration of the services and to optimize the various mass activities specific to the school. <p>Revenues for 2021 came to a total of 373,000 euros (subscription charge and usage).²</p>

² Remote learning.

Conciliation procedures

[GRI 103-1: Management Approach] [GRI 102-43] [GRI 102-44] The 2021 materiality analysis confirmed the Group's relationship with its customers as a material topic.

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] The extrajudicial conciliation procedure between TIM and the consumer protection associations who signed the framework agreement (in the 1990s) was the first example of joint conciliation in Italy. In 2011 the European Parliament recognized the "Italian joint conciliation" as an example of best practice based on a memorandum signed by the company and consumer protection associations, under which the company undertakes to activate an alternative procedure to settle any disputes arising between the company and the consumer, known as the "Alternative Disputes Resolution" (ADR). In December 2019, twentytwo consumer protection associations signed up to the conciliation agreement, nineteen of which registered with the CNCU (National Council of Consumers and Users), an organisation representing consumer associations - chaired by the Italian Ministry of Economic Development - which has the task of contributing to improving and strengthening consumer satisfaction levels.

In 2016, on entry into force of Legislative Decree No.130/2015 - implementing European Directive No. 2013/11/EU - the Italian legislator made an important choice by counting "joint conciliations" in ADR procedures, completely reforming the original Art. 141 of the Consumer Code. By virtue of this new European and national regulatory framework, the TIM-Consumer Protection Association Joint Conciliation Procedure was:

- recognized as an "ADR Body" possessing the requisites of stability, efficiency and impartiality required by the regulatory framework;
- registered on the list of recognized ADR Bodies, established by the AGCom (Italian Communications Authority) on June 30, 2017.

The basis for the dissemination and success of the conciliation procedure is:

- it is a free model;
- speed of the process;
- the mandatory requirement to seek recourse to conciliation as a prerequisite for judicial requests to proceed.

Undoubtedly, conciliation is successful also thanks to the good relationships built up and maintained over the years with consumer protection associations which, as stakeholders of the Company, have always provided a wealth of useful information on critical consumer issues to the company through their contributions.

Following the establishment of the ADR Body, there was a revision of the Joint Conciliation Regulation and the application methods of the unitary conciliation protocol established between TIM and the Consumer Protection Associations registered at the CNCU. The protocol is considered unitary because it serves as a common basis for other telecom operators (Vodafone, WindTre, Fastweb). It includes procedures and guidelines to be applied in order to guarantee a comprehensive harmonization for end consumers. The ADR Body, established in compliance with the provisions of Art. 141 ter of the Consumer Code, is established at the TIM headquarters.

Since 2009, in compliance with the voluntary undertakings given and approved by the AGCom in 2008, TIM has also been managing conciliation requests at Co.Re.Com (Regional Communication Committees) and Chamber of Commerce offices (until June 2018), replicating the organizational model successfully applied for joint conciliation. In this way, customers can choose to use the consumer protection associations or take advantage of alternative paths through Co.Re.Com to settle any disputes with the Company out of court.

With Resolution 203/18/CONS "Approval of the regulation on dispute resolution procedures between users and operators of electronic communications", from July 2018 AGCom has introduced the new conciliation management system "ConciliaWeb", developed by the Authority along with the procedures for the on-line presentation and management of the conciliation event for customers.

Beyond the choice of procedure by the customer, the underlying aspect of the conciliation is always the customer's needs, making it possible to build up a good relationship between the customer and the Company.

In line with the commitments made in the previous year, in February 2020 TIM signed a memorandum of understanding with six of the biggest consumer protection associations (Adiconsum, Federconsumatori, Codacons, Udicon, Cittadinanzattiva and Adoc). The aim of the memorandum is to create a relationship of greater synergy and more transparent dialog intended to mitigate the level of disputes in relations with consumer protection associations. In addition, and again with the aim of best consolidating the agreement between the Associations and TIM, the introduction of a new channel for handling consumers' complaints addressed to TIM and submitted to the Consumer Protection Associations has been guaranteed.

After signing the Memorandum of Understanding in February 2020, TIM signed an additional agreement with the consumer protection associations to speed up the distribution of digital skills among citizens/consumers, optimizing the push towards digital provided by a project, "Operazione Risorgimento Digitale" ("Operation Digital Rinscimento"), launched at the end of 2019 and reinforced by the emergency caused by the pandemic.

With this additional collaboration, TIM has made another step forward which will contribute to the reduction of the current digital divide and to the implementation of a strategy that also considers the consumer protective point of view of the consumer protection associations.

As such, the collaboration that began in July 2020 ended at the end of 2021; the initiative involved seven associations (Adiconsum, ADOC, Cittadinanza Attiva, Codacons, Federconsumatori, Udicon and Altroconsumo) and relates to the creation of webinars, together with TIM, on the drive for digital tools and protection for a

safer use of technology in the segments considered most fragile. The activity has clearly been well received and will result in the creation of educational pills focusing on a more agile use of digital tools so that less experienced segments can use the new technology.

In 2021, agreements with consumer protection associations were further consolidated, implementing an open, communicative model. These were specifically implemented through numerous meetings held by the most active consumer protection associations with TIM and our Chief Executive Officer on the issues of the "soccer offer" and the upgrade to fiber, in line with the Decree-Law of May 31, 2021 of the National Recovery and Resilience Plan (NRRP), which sees TIM on the front lines as part of a model providing a great boost to the digitization of Italy. In this area, in June 2021, TIM conducted the webinar "5G *innovazione, opportunità e regole*" (5G: Innovation, Opportunities and Rules), organized along with the Consumer Forum. This online event, focused on the most consumer-based aspects, involved speakers from the institutional world - the President of the Italian Data Protection Authority (P. Stanzione), the Commissioner of AGCom (Italian Competition Authority - L. Aria), the Mayor of Genoa (M. Bucci) and the Director of the Mobility, Environment and Territorial Agency of the Municipality of Milan (V. Sevino) - and the research world (the President of the Bordini Foundation, A. Sassano, and Prof. F. Bassan).

On the issue of training, in 2021 TIM provided a fully online course for TIM conciliators and all conciliators of the consumer protection associations. The course, organized with the assistance of the Consumer's Forum, was concluded at the end of September 2021, training both newly hired conciliators and providing professional development to conciliators already working through a less detailed didactic session. The program of training activities featured new rules driving the digitization required by the pandemic. Significant drive was provided by the ADR Bodies to validate the lists of personnel trained and the qualification of new conciliators following the two-year training course. The next course will be provided in 2023.

In 2021 it is worth noting that the joint conciliation activities were moved to a new platform, MIRART AC, which replaced the previous structure named Conarb. The new platform, which is part of a wider program to simplify the interfaces used to track disputes, involved 20 consumer protection associations in the training program dedicated to using the new interface, conducted by the regulatory function, along with MIRART engineering. The new platform resolved the numerous problems linked to the management and processing of both joint conciliation and complaints on the channel dedicated to the associations that are parties to the Memorandum of Understanding with TIM.

TIM supported the conciliation activity through:

- the seminars and joint training initiatives involving dedicated personnel from TIM, AGCom, Co.Re.Com. and Consumer Protection Associations;
- the debates, conferences, interviews and the other promotional activities involving senior management in order to disseminate the correct cultural approach to the subject.

[GRI 103-3: Management Approach] [GRI 102-43] [GRI 102-44] To date, the conciliation model has achieved significant results in terms of quality and numbers. Substantially in line with the previous year, in 2021 the use of the out-of-court channel of the Co.Re.Com (Regional Communication Committees) and joint conciliation with consumer protection associations continued to be highly appreciated, with 64,067 cases received (8,804 regarding joint conciliation and 55,263 conciliation through the Co.Re.Com).

In 2021, the following were settled:

- 96.9% of the requests for joint conciliation discussed (9,928 settled out of 10,242 discussed), a percentage essentially stable compared to 2020 (97.3%, i.e. 11,525 settled out of 11,850 discussed);
- 88.7% of the conciliation requests discussed at the Co.Re.Com (43,070 settled out of 48,535 discussed), a percentage in line with 2020 (89.3%, i.e. 48,545 settled out of 54,391 discussed).

Conciliation is becoming increasingly widespread among customers, particularly in view of the:

- better knowledge of the procedure (both joint and conciliaweb) which is considered to be a quick and economical way of resolving disputes;
- economic crisis that leads to conciliation even for marginal amounts;
- the widespread territorial presence of Co.Re.Com and the various Consumer Protection Associations, able to bring the conciliation tool increasingly closer to the local needs of consumers.

It is worth noting the significant boost to testing linked to processing complaints with the consumer protection associations, which simplified the process, as well as speeding it up, to the benefit of end-users. If expanded and strengthened, in 2022 this activity will enable TIM to decrease the requests for conciliation, recovering significant resources.

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] In **Brazil**, according to the official figures from SINDEC¹, **TIM S.A.** is the economic group with the lowest number of complaints in the PROCONS (which is part of SINDEC), holding fifth place on the ranking of complaints for the second year in a row: around 48,000 in all of 2021.

Since it began, the COVID-19 pandemic has influenced the partnership actions with PROCONS², whose offices remained closed, and consumers' requests were satisfied promptly and remotely. With the population gradually being vaccinated, in the second half of 2021, most of the Procons gradually returned to providing in-

¹ National consumer protection information system.

² Consumer protection program.

person assistance, guaranteeing the provision of the actions under the partnership, specifically the task forces on debt payment. In 2021, **TIM S.A.** participated in twenty of these events.

On August 24, 2020, **TIM S.A.** implemented its own ombudsman, a second-level service channel aimed at providing assistance to customers who used the TIM service channels and did not receive a response within the set time or whose requests were not resolved.

The purpose of the ombudsman is to transform a regulatory obligation into an opportunity, bringing customers' voices into all of the channels for complaints of TIM S.A., in order to continuously improve company performance, reducing the number of requests and increasing customer satisfaction. For all of 2021, the ombudsman of TIM S.A. replied to over 338,000 requests.

The Users Council now in office was established in March 2020 for the three-year period 2020–2022, with 60 new members of the Regional Councils taking office.

Due to the impacts of COVID-19, in 2021, the work and ordinary meetings were held remotely, also guaranteeing the achievement of the objectives of the Users Council.

In September 2020, ANATEL approved the new Regulations for the telecommunications Sector Users Councils. The Regulations were drawn up with the contribution of TIM S.A. and other operators through a public consultation conducted by ANATEL in November 2019. The main changes, which will enter into force in January 2023, are:

- the reduction of the number of members from sixty to eighteen;

- the change to the composition, from regionally-based councils in the country to a national council.

In August, 2021 the VII Forum of the National Users Council was held. Just as the 2020 session, it was held online, due to the social distancing measures for COVID-19, allowing all the members of the Users Council to participate. During the Forum sessions, various issues were discussed, including those regarding consumers' rights, 5G technology, the ombudsman, telemarketing, service quality, consumption habits and the management of the Users Councils.

TIM fully fulfilled its obligation to hold four rounds of ordinary meetings of the 2021 Users Council.

[GRI 103-3: Management Approach] [GRI 102-43] [GRI 102-44] The improvement in complaints also continued in 2021, with a decrease of over 40% on 2019 (in 2020 the decrease came to -17%). TIM also obtained excellent results in settling the claims presented by the PROCONS offices. Below is the data for the whole of 2021 (source: official SINDEC report): number of claims processed: 48,895 (in 2020: 68,430); CIP (Letters of preliminary inquiries) 85%.

[GRI 103-3: Management Approach] [GRI 102-43] [GRI 102-44] SENACON³ has maintained the Consumidor.Gov.br platform since 2014. It makes it easier to resolve customer complaints and simplifies the work done by PROCONS; TIM S.A. was one of the first companies to sign up to this platform, through which customers can state if the complaint has been resolved or not and review the quality of the response given by the company. In 2021 (as in 2020), the average satisfaction score of TIM S.A.'s customers, who used the aforementioned platform service, was 3.9 on a scale of 1 to 5.

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] In August 2020, TIM implemented its own *Ombudsman*, a second-level service channel aimed at providing assistance to customers who used the TIM service channels and did not receive a response within the set time or whose requests were not resolved. Until August, TIM only had one internal channel, which was not available to the public, to meet the requests of friends and families of company employees.

The purpose of the ombudsman is to transform the legislative obligation into an opportunity, to bring the customer's voice within the Company, in order to continuously improve performance by reducing customer requests and increasing customer satisfaction.

The Ombudsman also has:

- an Ombudsman, specially designated for the business, which is connected to the Presidency;
 - an operating manual containing all rules of participation, available on the TIM website.

Further information is available on the following TIM website: www.tim.com.br/sp/para-voce/atendimento/ouvidoria

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] In 2014, following an ANATEL resolution, TIM established its own Users Council, the aim of which was to propose solutions that improved the quality of the services provided. In 2017, the Users Council, alongside the Department of Public Defense, created a new conciliation channel – *Canal 0800 Defensoria Pública* – aimed at reducing complaints taken to court, through direct communication between the Public Defenders and TIM.

Despite the impact of the COVID-19 pandemic, on the subject of accessibility, in 2021 TIM continued to disseminate the Consumer Protection Code in Libras (Brazilian Sign Language) through the Users Council page on TIM's website, online meetings of the Users Council and Consumer Protection Bodies, and participation in the VI National Forum of ANATEL Users Councils. During the online meetings of the Users Council and the VI National Forum of ANATEL, the Giulia application (which provides accessibility for the deaf) was also recognized as a social tool by Consumer Protection Bodies and other public bodies tied to the sector.

In 2020, the Board of Directors of the Regulatory Authority approved the new Regulations for the Telecommunications Sector Users Councils. The Regulations were drawn up with the contribution of TIM and other operators through a public consultation conducted by ANATEL. The main changes (effective from

³ National Consumer Protection Secretariat.

January 2023) include reducing the number of members from sixty to eighteen, and the change from Council by geographical region of the country to National Council.

Certifications

[GRI 102-12] Certain departments and/or companies within the TIM Group have obtained and/or confirmed certifications that ensure the adoption of procedures and behaviors in line with stakeholder expectations. The certifications achieved and/or confirmed at December 31, 2021, related to some of the Group's activities and/or companies:

- quality of products and services offered: UNI EN ISO 9001 standard;
- environmental protection: UNI EN ISO 14001 standard;
- general requirements for the competence of testing and calibration laboratories: ISO/IEC 17025 standard;
- Information Technology services: ISO/IEC 20000-1 standard;
- management of business continuity: under the most adverse conditions: ISO 22301;
- information security management system: ISO/IEC 27001 standard;
- management of cloud computing⁴ service provider and user security for a safer cloud-based environment: ISO 27017;
- management of privacy in cloud computing services: ISO 27018;
- IT incident management: ISO 27035;
- management system for the prevention of active and passive bribery: ISO 37001;
- health and safety at work: ISO 45001 standard;
- efficient energy management: standard ISO 50001;
- the ability of a data center to guarantee continuity of the services provided: ANSI/TIA⁵-942;
- security for credit and debit card transactions and cardholder protection from improper use of personal information: PCI/DSS standard⁶;
- fulfilment of the AGID (Digital Italy Agency) requirements to perform the role of:
 - Accredited Operator for Certified Email;
 - Accredited Custodian for storing electronic documents pursuant Italian Legislative Decree 82/2005;
 - Accredited digital identity manager for SPID services (public service manager) pursuant EU Regulation 910/2014;
 - Qualified trust service providers for the issuance of eIDAS qualified electronic time stamps (EU Regulation 910/2014).

In **Brazil**, as required by ANATEL (the Brazilian National Telecommunications Agency), the certifications were obtained for the portability service of mobile numbers, fixed numbers and multimedia communications services, in addition to ISO 9001 and ISO 14001.

Detailed information about the certifications achieved by the various departments/companies of the Group can be found in the sustainability section of the [telecomitalia.com](https://www.telecomitalia.com) website.

⁴ It is technology that, through a remote server, software and hardware resources (e.g., mass storage for data archiving), is offered for use as a service, by a supplier.

⁵ American National Standards Institute/Telecommunications Industry Association.

⁶ Payment Card Industry Data Security Standard.

Results, indicators and objectives

[GRI 103-3: Management Approach] [GRI 102-43] [GRI 102-44] The results achieved are shown below, compared to the objectives published in the previous Sustainability Report for the year 2021 and in relation to the Customers stakeholder only, for the year 2020¹.

TIM S.p.A. – Customers²

Area of reference	Indicator	Unit of measurement	Target 2020	Actual figures 2020	Target status 2020*	Target 2021 ³
CUSTOMERS – MOBILE	Activation time for voice service (pre-paid service) – Percentage of valid orders completed within the maximum period laid down by contract.	%	97	100	●	97
CUSTOMERS – MOBILE	Activation time for voice service (post-paid service) – Percentage of valid orders completed within the maximum period laid down in the contract	%	97	100	●	97
CUSTOMERS – MOBILE	Disputed charges – Ratio between the number of disputed charges on pre-paid cards within the survey period and the average number of active SIM/USIM in the same period (pre-paid service)	%	1.2	0,12	●	1.2
CUSTOMERS – MOBILE	Disputed charges – Ratio between the number of disputed charges in invoices received within the survey period and the number of invoices issued in the same period (post-paid service)	%	1.2	0.28	●	1.2
CUSTOMERS – FIXED INTERNET	Activation time for broadband Internet access services – Percentage of valid orders completed within the date agreed with the customer (active telephone lines)	%	95	99.5	●	95
CUSTOMERS – FIXED INTERNET	Activation time for broadband internet access services – Average time of supply (active telephone lines)	Days	9	8	●	9
CUSTOMERS – FIXED INTERNET	Activation time for broadband Internet access services – Percentage of valid orders completed within the date agreed with the customer (new active telephone lines and transferred telephone lines)	%	95	99.2	●	95
CUSTOMERS – FIXED INTERNET	Activation time for broadband internet access services – Average time of supply (new active telephone lines and transferred telephone lines)	Days	15	7	●	15
CUSTOMERS – FIXED INTERNET	Broadband Internet access service faults – Ratio between the effective number of malfunction reports and the average number of broadband access lines	%	12	4.8	●	12
CUSTOMERS – FIXED INTERNET	Broadband Internet access service faults – Average repair time	Hours	26	18	●	26
CUSTOMERS – FIXED INTERNET	Broadband Internet access service faults - Percentage of fault repairs completed within the maximum time contractually established	%	92	95.6	●	92
CUSTOMERS – FIXED INTERNET	Disputed charges - Ratio between the number of disputed charges in bills regarding all internet access services (received during the survey period) and the total number of bills issued in the same period (broadband access services)	%	1.4	0.61	●	1.4

(*) Target Status:

● reached;

● not reached.

¹ The actual figures of the above mentioned objectives for 2021 will be available in July 2022.

² The full list of quality indicators, and the respective objectives for them, is available on the www.tim.it and www.timbusiness.it websites. The above objectives are established by AGCom, with resolution no. 154/12/CONS for “mobile” and “personal” services and resolutions No. 131/06/CSP for fixed internet access services.

³ The actual figures of the objectives for 2021 will be available in July 2022.

2022 and multiannual targets

[GRI 103-2: Management Approach] [GRI 102-43] [GRI 102-44] The objectives for 2022 are shown below.

TIM S.p.A. – Customers⁴

Area of reference	Indicator	Unit of measurement	Target 2022 ⁽¹⁾
Customers - Mobile	Activation time for voice service (pre-paid service) – Percentage of valid orders completed within the maximum period laid down in the contract	%	98
Customers - Mobile	Activation time for voice service (post-paid service) – Percentage of valid orders completed within the maximum period laid down in the contract	%	N.A. ⁽²⁾
Customers - Mobile	Disputed charges – Ratio between the number of disputed charges in invoices received within the survey period and the number of invoices issued in the same period (post-paid service)	%	1.0
Customers - mobile	Disputed charges – Ratio between the number of disputed charges on pre-paid cards within the survey period and the average number of active SIM/USIM in the same period (pre-paid service)	%	1.0
Customers - Fixed internet	Activation time for broadband Internet access services – Percentage of valid orders completed within the date agreed with the customer (active telephone lines)	%	96
Customers - Fixed internet	Activation time for broadband internet access services – Average time of supply (active telephone lines)	Days	12
Customers - Fixed internet	Activation time for broadband Internet access services – Percentage of valid orders completed within the date agreed with the customer (new active telephone lines and transferred telephone lines)	%	96
Customers - Fixed internet	Activation time for broadband internet access services – Average time of supply (new active telephone lines and transferred telephone lines)	Days	12
Customers - Fixed internet	Broadband Internet access service faults – Ratio between the effective number of malfunction reports and the average number of broadband access lines	%	12
Customers - Fixed internet	Broadband Internet access service faults – Average repair time	Hours	26
Customers - Fixed internet	Broadband Internet access service faults - Percentage of fault repairs completed within the maximum time established in the contract	%	92
Customers - Fixed internet	Disputed charges - Ratio between the number of disputed charges in bills regarding all internet access services (received during the survey period) and the total number of bills issued in the same period (broadband access services)	%	1.2

⁽¹⁾ The final figures for the above targets for 2022 will be available in July 2023.

⁽²⁾ Starting 2022, it is no longer possible to activate offers with the post-paid service.

⁴ The full list of quality indicators, and their respective objectives for 2020, is available on the www.tim.it and www.timbusiness.it websites. The above objectives are established by AGCom, with resolution no. 154/12/CONS for “mobile” services and resolutions No. 131/06/CSP, 244/08/CSP, 400/10/CONS and 151/12/CONS for fixed internet access services.

Suppliers

[GRI 103-1: Management Approach] [GRI 308] [GRI 204] [GRI 414] The 2021 materiality analysis confirmed, as a material topic for the Group, the evaluation and consolidation of social and environmental aspects of the supply chain.

Digital represents the new collective progress factor which, in different ways, offers new opportunities that greatly impact the economy and society.

Suppliers have a direct influence on the communities and areas within which they carry out their activities, to which must be added the involvement of organizations that oversee the environmental and social aspects related to these activities.

[GRI 103-2: Management Approach] [GRI 308] [GRI 204] [GRI 414] The procurement process adopted by the TIM Group is based on the competitive comparison of the technical and economic characteristics of the offers presented by the selected suppliers, based on corporate procedures that comply with business ethics.

Products and services are acquired at the best market conditions and must meet particular requirements of functionality, quality, safety and respect for the environment, in complete compliance with current laws and legislation.

[GRI 102-9] The purchasing departments focus on specific sectors, so as to provide accurate responses to the requirements of internal customers and stakeholders.

TIM's purchases mainly take place in the two geographical areas where the Group's major activities take place, Italy and Brazil, and are mainly aimed at the following categories of products and services:

- telecommunications networks,
- telecommunications products,
- information technology,
- technical and professional services,
- power systems,
- other.

[GRI 102-9] In total, in 2021 suppliers that received purchase orders from the Domestic BU¹ came to 3,294 (-4.4% compared to 2020 and -10.1% compared to 2019) and those from the Brazil BU came to 750 (-8% compared to 2020 and -14% if compared to 2019)².

[GRI 103-2: Management Approach] [GRI 308] [GRI 414] The selection of the TIM Group's suppliers involves a pre-contractual qualification stage, in which the economic/financial and technical/organizational characteristics are assessed. If the result of this assessment - which also includes consideration of the business ethics and respect for Human Rights, workers' rights and the environment - is positive, the suppliers are registered on the Group Supplier Database.

[GRI 412-3] In all the contracts signed, there is a specific clause which makes it mandatory for the supplier to accept the principles expressed in the Group's Code of Ethics and Conduct³.

[GRI 412-3] As regards domestic operations, the Italian suppliers in the database with considerable order value (the threshold is 3,000 euros cumulative per year), totaling 2,462 suppliers, equal to around 75% of suppliers in 2021, receive initial screening⁴ in relation to compliance with the principles of the Code of Ethics and Conduct and are subject to regular assessment. The actions taken by TIM to check suppliers varies depending on the riskiness of the supplier and the value of the purchase: ranging from simple to complex questionnaires and document checks to specific audits on sustainability matters.

¹ The scope of suppliers of the Domestic BU also includes Telecontact, Olivetti S.p.A., TI Sparkle S.p.A. TI Trust Technol. S.r.l., HR Services Srl, TI Ventures S.r.l., Flash Fiber Srl, Fibercop S.p.A., TIM Servizi Digitali SpA, INWIT S.p.A., Noovle SpA, TI Sparkle Germany GmbH, TI Sparkle Netherlands BV and TI Sparkle Turkey, and the remainder of Persidera (the latter sold in 2019).

² Some suppliers received purchase orders from both the Domestic BU and the Brazil BU.

³ The Group Code of Ethics and Conduct (CE) reads: "Compliance with the Code must also be guaranteed by external collaborators and, where envisaged in the company procedural system, by third parties that do business with the Group." In particular, the internal procedures require suppliers to accept the principles laid down by the CE, and contracts for temporary consortia or corporate investments to contain clauses for safeguarding the Organizational Model 231 (which is based on the CE). The UN Global Compact is, on the matter of Human Rights, the point of reference of the Group's CE, which reads: "TIM has signed up to the United Nations' Global Compact on Human Rights, work standards, environmental protection and the fight against corruption, and ensures that this institutional commitment is fully implemented by undertaking regular initiatives on environmental and social issues." The CE also contains specific clauses on the prohibition of discrimination, intimidation, corruption and the protection of health and safety. Moreover, the Group policy on respect for Human Rights specifies that "Fundamental Human Rights (e.g. working hours, fair remuneration, minimum age for starting work, workplace conditions, accessibility to the disabled, protection of maternity, prohibition of harassment, prohibition of forced/compulsory/restricted labor)" and "rights regarding health and safety (we consider the high standards of health and safety as a milestone of our success and our aim is to minimize injuries and occupational illnesses)" must be guaranteed for both the people of the Group and the human resources of suppliers.

⁴ Excluding government agencies.

[GRI 204-1] With reference to the Domestic BU scope⁵, in 2021, total orders were placed with 2,728 suppliers, of which 2,444 have production units on Italian territory and account for 91% of total orders. In particular, of the 2,444 suppliers, 73% are Italian companies and the remaining 27% are companies belonging to multinationals that carried out the activity through Italian companies. The number of local Brazilian suppliers is 728, equal to 97% of all suppliers of the Brazil BU and account for 98% of total orders.

[GRI 414-1] Specifically, in 2021, 100% of new suppliers enrolled in the Register signed a specific questionnaire in which they commit themselves, and any authorized sub-contractors, collaborators and employees, to observe the principles of behavior contained in the Group's Code of Ethics and Conduct⁶.

While the supply is taking place, registered companies which have received purchase orders in markets that are strategic for the Group normally undergo incoming quality control checks (a requirement for the acceptance and use of the purchased goods) and monitoring of the vendor rating⁷. Environmental and social audits are also carried out on some of these⁸.

For some sectors, the TIM Group also measures and monitors subcontracting suppliers, in particular, for network jobs; there were 989 subcontracting businesses (+18% compared with 2020 and +11% compared with 2019). In this sector, therefore, the estimated total number of suppliers involved in the supply chain was 1,026⁹.

In the last three years, no significant changes have occurred in the structure of the Group's supply chain.

In the **Brazil BU**, products are sourced from local suppliers as far as possible. TIM S.A. checks that its suppliers comply with labor laws, including by reviewing a list of suppliers who have not complied with the relevant laws, which is available on the website managed by the "Business Pact for Integrity and Against Corruption and the Brazilian National Pact to Eradicate Slave Labor"¹⁰. One potential supplier, included on the above list as a result of violating child labor, forced labor or other types of laws, cannot sell their services and products to TIM S.A. In 2021 and 2020, no risks regarding child labor or forced labor arose for any suppliers that answered the social and environmental questionnaire of TIM S.A.

⁵ Intra/group, energy and delegated acquisitions are excluded

⁶ In Brazil, the percentage was 99%.

⁷ Supplier performance measurement and monitoring system.

⁸ [GRI 103-2: Management Approach] [GRI 308] [GRI 414] In particular, checks are envisaged on health and safety and on the environment, the result of which goes towards forming the supplier rating, to which the system of penalties/incentives is connected. Checks are also envisaged in relation to respect for employment legislation.

⁹ In the Brazilian BU, at present, there is no systematic monitoring of level two suppliers.

¹⁰ Business Pact for Integrity and Against Corruption and the Brazilian National Pact to Eradicate Slave Labor.

Sustainability initiatives

[GRI 103-2: Management Approach] [GRI 308] [GRI 414] In 2021, the process that defines the activities aimed at improving the sustainability of the supply chain continued to be applied. These activities involve the qualification, incoming quality and vendor rating stages.

In particular, the suppliers were classified according to the potential risks associated with their sustainability performance, carried out using a specific method that considers the social-environmental and business continuity aspects associated with the procurement markets in which they operate. For this reason, the procurement markets (i.e. procurement categories homogeneous among themselves) have been classified in accordance with parameters such as:

- the geographical areas of reference and the risks connected with them,
- the potential impact on the environment and on the society of the suppliers' activities and of the products and services supplied throughout their entire life cycle, including risks relating to violations of Human Rights, employment and environmental,
- the impact on the reputation of TIM as a customer.

[GRI 103-2: Management Approach] [GRI 308] [GRI 414] A matrix has been created which, by relating the spending associated with the specific purchase market to the risk index calculated on the basis of the parameters listed, has allowed purchase markets to be divided into four classes, identifying those that are critical from the point of view of sustainability and economic impact. Suppliers belonging to the classes at greatest risk are the subject of sustainability audits carried out by third party companies specializing in the sector. These audits are repeated periodically to monitor the implementation of any corrective actions and, if the results are positive, to verify that the standard of performance found is being maintained over time. The tools developed and used for the Domestic BU have been explained and transferred to the Brazil BU.

[GRI 308-1] [GRI 407-1] [GRI 408-1] [GRI 409-1] [GRI 414-2] Also in 2021, all the suppliers of the Domestic BU were assessed in order to consider their social/environmental risk; the number of suppliers to be considered at higher risk did not change on 2020: it was confirmed at 59 (+40% compared to 2019 and +40% from 2018). 24 purchase and suppliers operating in the following geographical areas are considered to be at greatest social risk: Asia, Central and South America, North Africa and Eastern Europe.

[GRI 403-8] TIM is completing the upgrading of its supply chain support platforms. This significant innovation will support and enable, among other aspects, sustainability management within the supply chain as an integral and structural part of the entire process.

[GRI 410-1] The TIM Group does not use its own personnel for security services, and therefore, 0 personnel received training on specific topics. For all employees of organizations which supply security guard services in Italy, the Consolidated Law on Public Security must be complied with, in particular Art. 138, subsection 2, which governs the professional and training requirements of security guards. In Brazil, Law 7102/83 lays down rules on private guards. Amongst others, it establishes that all those intending to be hired as guards for a guard business must have attended an advance training course, held by schools accredited by the Federal Police. After security guards are hired, they must attend a refresher course every two years, which includes, among other topics, problems relating to human rights.

[GRI 103-2: Management Approach] [GRI 308] [GRI 414] Since 2014, all new suppliers interested in a qualification process, relating to areas of procurement that present the greatest sustainability risk, answer a specific self-assessment questionnaire to determine the socio-environmental sustainability risk.

The questionnaire was developed based on the main requirements contained in the relevant standards for responsible corporate management relating to compliance with ethical values and safeguarding the environment (UN Global Compact, SA 8000, and ISO 14001), as well as best industry practices.

[GRI 308-1] [GRI 414-1] The sustainability self-assessment questionnaire is integrated into the application that handles the supplier qualification process, submitting it by default to all new suppliers operating in markets deemed to have a sustainability risk. Processing the answers provided determines a supplier sustainability risk index, which is used to be able to enter the supplier in the vendor list.

That questionnaire was updated in 2020 to include new questions on issues of greater social sensitivity, such as anti-corruption, data protection, conflict minerals and environmental issues, e.g. greenhouse gases and energy efficiency, and to define a new metric which, adjusted the weighting system of the questions to give greater emphasis to the most sensitive issues.

A mechanism for renewing the questionnaire was also introduced to maintain an up-to-date overview of the supplier base.

[GRI 308-1] In 2020, a new Sustainable Procurement Policy was drafted, which replaced the previous Green Procurement Policy and sets out guidelines for establishing the social and environmental requirements for the products/services purchased.

The aim of the policy is to integrate social, economic and environmental impacts into the decision-making factors considered by staff and partners during the procurement process. To this end, the policy has been

integrated and incorporated into the broader *Product and Service Procurement* Policy, which governs the entire procurement process.

The document has been published on TIM's Vendors Hub supplier portal and in the sustainability section of the gruppotim.it website, to encourage the engagement of all stakeholders.

Specific projects have also been launched which aim at organically incorporating the sustainability assessment of products/services to be purchased into both the phase of establishing the purchase requirement and the tendering phase. These activities will be fully implemented in 2022.

In response to the COVID-19 pandemic, various communications were sent to all suppliers, inviting them to strictly observe all precautions to prevent the risk of contagion and spread of the disease, providing guidance as to the behaviors to adopt in relations with TIM and customers, so as to minimize the risk of contagion. Moreover, all suppliers have been provided with the regulations drawn up by TIM for its staff (technical as well as sales and post-sales) regarding safe access/interventions and the use of PPE (personal protective equipment).

[GRI 414-1] [GRI 414-2] In 2021, in **Brazil**, TIM S.A. sent out a self-assessment questionnaire on sustainability issues to suppliers with significant risk, involving 83% of the total number of suppliers. All 1,037 suppliers involved replied to the questionnaire (by late 2021) and the results will be used to guide future selection processes.

Sustainability checks

[\[GRI 103-2: Management Approach\]](#) Activities intended to verify the sustainability performance level of common suppliers and sub-suppliers continued in 2021 in the framework of the Joint Audit Cooperation¹ (JAC) initiative, in accordance with the Memorandum of Understanding signed at the end of 2009 by TIM, Orange and Deutsche Telekom. Proximus, KPN, Swisscom and Vodafone Group subsequently joined the initiative in 2011; Telenor and Telia Company in 2012; Verizon in 2013; AT&T, Telefónica and Rogers (which exited in 2020) in 2016; Mobile Tele System, Telstra and Veon (which exited in 2020) in 2018; Elisa OYJ in 2019 and TDC, MTN and British Telecom in 2021.

Currently, JAC has 18 members in 16 different countries, and represents more than 50% of sector revenues and more than 2.7 billion connections.

In December 2021, the on-site audits by JAC regarded 40 countries and more than 1.4 million workers. 71% of the audits performed were conducted at factories of Level 2, 3 and 4 sub-suppliers.

The necessary operations were launched in 2021, and at the end of the year the economic details were defined, to transform the initiative, currently operating based on MoU (Memoranda of Understanding), into a Non-Profit Association (NPA) with headquarters in Brussels.

The purposes of the Joint Audit Cooperation are:

- to verify the sustainability of the most important suppliers/sub-suppliers that are common to the members of the JAC, with production plants located in geographical areas with a significant degree of socio-environmental risk. The audits are carried out by Third parties using a specific method developed by the JAC members themselves, who share the results of the verifications;
- to contribute to the increased sustainability of suppliers/sub-suppliers involved, by devising and implementing corrective actions and ongoing improvement programs, establishing long-lasting cooperation with them, mutually beneficial in terms of efficiency, productivity and risk reduction in the supply chain;
- to perform capacity building activities, through specific supplier training programs, also in order to disseminate a culture of sustainability throughout the supply chain (sub-suppliers and sub-sub-suppliers);
- share tools to address common and globally relevant issues, such as climate change or circular economy.

[\[GRI 308-2\]](#) [\[GRI 407-1\]](#) [\[GRI 408-1\]](#) [\[GRI 409-1\]](#) [\[GRI 414-2\]](#) Between 2010 and 2021, thanks to the gradual increase in the number of members of JAC, and despite the pandemic of the last 2 years, 812 audits² – 71 in 2021 alone – were carried out in the production plants (of suppliers and sub-suppliers) located in Asia, Central and South America, North Africa and Europe. The audits were carried out through international specialized companies selected by competitive tender, and related to a total of around 1,477,900 workers (over 107,000 in 2021 alone). The suppliers included in the audit campaigns belonged to the user devices and appliances, network appliances and IT equipment production sectors.

[\[GRI 103-3: Management Approach\]](#) [\[GRI 308\]](#) [\[GRI 204\]](#) [\[GRI 414\]](#) The table below shows the non-conformities recorded during audits on Group suppliers, including those relating to Human Rights.

	2021	2020	2019
Environment	65	39	49
Discriminations	2	2	7
Business ethics ³	11	11	27
Forced labor	16	8	8
Child labor	4	3	7
Freedom of association	6	1	5
Working hours	72	64	46
Salaries	48	39	16
Disciplinary proceedings	4	0	0
Health and safety	174	111	103
Totals	402	278	268

From the start of the socio-environmental audits (2010) to 2021, Joint Audit Cooperation conducted a total of 812 on-site operations. This total includes: JAC and VAP (Virtual Audit Process) audits, workers' surveys and JAC Audits by the JAC Academy.

[\[GRI 308-2\]](#) [\[GRI 414-2\]](#) For all the non-conformities encountered that have negative social and environmental impacts, as shown in the table, specific corrective action plans were drawn up that established, inter alia,

¹ Further information is available on the jac-initiative.com website.

² Including 391 on TIM suppliers. The total number of audits may be affected by the presence of some audits conducted over two years.

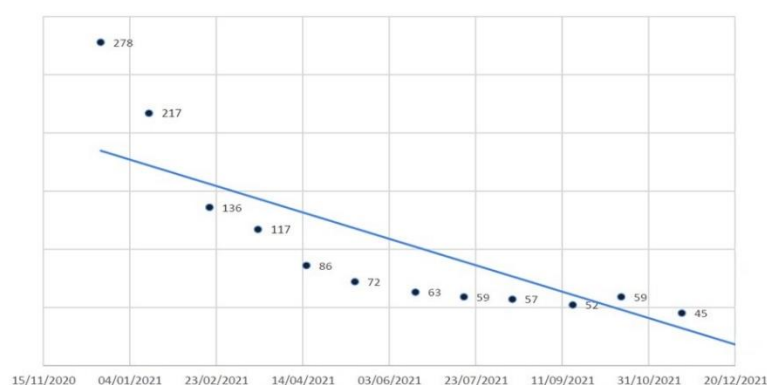
³ This item includes, inter alia, conflict minerals, ISO 27000 standards, privacy, responsible advertising, anti-competitive practices, intellectual property, corrupt practices.

resolution procedures and timetables. The implementation of these plans is monitored on a constant basis by the JAC members⁴.

In 2021, as reported in the table above, 402 corrective action plans (CAP) were developed, 190 of which already completed, while the others are being revised. As shown in the chart below, this did not change the trend in resolutions by the JAC Foundation (in the three-year period 2018-2020 alone, 89% of the non-conformities detected were corrected within one year from the start of the corrective action plan, for a total of over 650 corrective actions).

It was confirmed that the top three areas affected by these actions were health and safety, working hours and environment.

Overdue CAPs Trend



In 2021, also due to the continuing pandemic, the annual forum with suppliers involved in the JAC program was held via a virtual conference.

Over 450 participants 'attended' this conference, held for the tenth anniversary of the JAC Corporate Social Responsibility (CSR) Forum. Telecommunications operators explored new regulatory trends, requirements and best practices that shaped sustainable supply chain management in 2021 and beyond. This collaboration in the information and communications technology (ICT) sector aims to create growth and impact aligned with increasing legislative and consumer demands for sustainable business practices. This 'meeting' of sector operators and their commercial partners strengthened the sectors commitment to rebuilding business for the future and promoting sustainability over their supply chains.

Lastly, awards were given to suppliers that adopted best practices in health and safety and that stood out for the spirit of collaboration shown during the CSR audit campaign.

Supplier involvement initiatives

[GRI 103-2: Management Approach] [GRI 308] [GRI 414] Use of the suppliers' portal (vendors hub), launched at the end of 2011 to improve communication and optimize operational processes, by applying social networking systems to the business context, is now well established; on 01/10/2022 the Portal has around 4,521 vendors enabled to use the application platform. The portal allows suppliers to access a private area to view important data and events connected to their relationship with TIM and manage all their own details, thus acquiring significant advantages in smooth operation and transparency. The vendors hub also includes a public area containing information for potential suppliers.

Documentation is exchanged electronically (e.g. offers, purchase orders, contracts, qualification documentation, surveys), reducing the environmental impact resulting from the use of paper, transporting and storing documents.

⁴[GRI 103-2: Management Approach] [GRI 308] [GRI 414] The aim of the initiative is to help suppliers in countries which are at greater risk in terms of sustainability principles to improve their performance; non-conformities always result in corrective actions and not in the termination of the purchase agreement.

Supply chain commitments

[GRI 103-2: Management Approach] [GRI 103-3: Management Approach] [GRI 308] [GRI 414]

These objectives are part of the larger process of integrating sustainability into TIM's entire supply chain.

INDICATORS	DETAILS	OBJECTIVES 2021	ACTUAL FIGURES 2021	OBJECTIVES 2022
% suppliers audited	Total amount of high risk suppliers who have undergone an in-depth sustainability audit since 2010 ¹	85% of high risk suppliers	85% of high risk suppliers	85% of high risk suppliers
% of suppliers assessed	Suppliers assessed with a basic ethics questionnaire. Moreover, suppliers belonging to risk sectors are assessed with a more complex questionnaire ²	100% of qualified suppliers, as defined in the introduction to the section	100% of qualified suppliers, as defined in the introduction to the section	100% of qualified suppliers, as defined in the introduction to the section
% procurement staff who received training on environmental, social and governance (ESG) risks relating to purchasing decisions.	% staff directly involved in procurement, who participated in at least one training session on ESG matters	90%	90%	90%
% of new contracts containing clauses connected with ESG risks		100%	100%	100%
% suppliers with ISO 14001 certificates or equivalent		90% of network businesses	90% of network businesses	90% of network businesses
Integration of the ESG risk profile in the general supplier risk profile	All the suppliers qualified and registered in the register of suppliers are assessed based on an overall "Key Risk Indicator" (KRI) which also includes sustainability indicators	100% of qualified suppliers, as defined in the introduction to the section	100% of qualified suppliers, as defined in the introduction to the section	100% of qualified suppliers, as defined in the introduction to the section

2021 results and 2022 objectives: Brazil

INDICATOR	DETAILS	OBJECTIVES 2021	ACTUAL FIGURES 2021	OBJECTIVES 2022
Supplier management	Percentage of assessed suppliers. Suppliers assessed by a due diligence questionnaire that includes elements relating to ethics and the conflict of interests ³	85%	96%	85%

¹ The number of high risk suppliers varies year on year, as it depends on the orders made every year and the procurement market in which the suppliers operate. The same applies in general to the total number of suppliers belonging to the various procurement markets.

² The KPI refers to new suppliers and existing suppliers in case of renewal or extension of their qualification.

³ At the beginning of 2019 the supplier assessments based on a questionnaire containing social and environmental principles were replaced by a due diligence questionnaire relating to ethical principles and the conflict of interests. In any event, the previous socio-environmental survey was applied to all suppliers of goods and services (not just to those with amounts exceeding 1 million Brazilian reais). 83% of suppliers completed the socio-environmental survey in 2021, 64% in 2020 and 87% in 2019.

Institutions

[GRI 103-1: Management Approach] [GRI 413] The materiality analysis emphasized the increasing importance attributed to ESG¹ indicators by institutions and society in general. From this perspective, the Group is determined to maintain collaborative and transparent relations with supranational, national and local institutions in order to facilitate dialog on matters of mutual interest and to ensure TIM's position is faithfully represented in the two countries in which the Group operates: Italy and Brazil.

Our target audiences in this respect are:

- central national institutions (Parliament, Government, Ministries, Public Administration, etc.);
- local institutions and their representative associations;
- sector and non-sector authorities, such as AGCom, AGCM (the Italian Competition Authority), the Italian Data Protection Authority, the Italian Regulatory Authority for Energy, Networks and Environment;
- European and international institutions, such as the European Commission, the European Council and Parliament, BEREC², OECD³, UN⁴, Global Compact, ITU⁵ and other UN agencies or programs, other international platforms such as G20.

Central national institutions

[GRI 103-2: Management Approach] [GRI 413] Lobbying activities are principally conducted with the parliamentary committee members of the upper and lower houses of the Italian parliament concerned with issues that could impact on the company, including those of an economic and financial nature or concerning privacy, telecommunications, Internet and TV. Involvement in parliamentary hearings is also a way of examining specific issues in detail and creating opportunities for discussion about matters being debated in parliament.

The monitoring of law-making activity among institutions often leads to amendments to individual measures being proposed.

Furthermore, relations with national institutions comprise participation in discussions with the Italian Ministry of Economic Development, in coordination with the technical and regulatory oversight areas of the company for the relevant aspects, for the representation of the Group's position on significant topics, such as the evolution of the allocation of radio-electric spectrum broadband to electronic communication services and digital inclusion plans.

Moreover, TIM provides information to ministries (mainly the Ministry of Economic Development) regarding the activities of the inspection body (parliamentary questions) directed at the Group.

In the context of activity carried out with the Ministries, TIM participated in the public consultation held during the year by the Italian Ministry of Economic Development regarding the draft Legislative Decree transposing Directive (EU) 2018/1972 which established the European Electronic Communications Code. TIM also participated in the public consultation launched by the MITD (Ministry for Technological Innovation and Digital Transition) on the "Italia a 1 Giga" plan.

National legislative activity specifically monitored by TIM during 2021 mainly concerned draft legislation being examined by the Italian parliament and the law decrees introduced by the government which might have an impact on the electronic communications sector, as well as all those connected to the COVID-19 emergency.

- Decree Law No. 2 of January 14, 2021 containing "additional urgent provisions on containment and prevention of the COVID-19 epidemic and the 2021 elections" (converted with Law No. 29 of March 12, 2021)
- Decree Law No. 172 of December 18, 2020 containing "additional urgent provisions to address the health risks associated with the spread of the COVID-19 virus" (converted with Law No. 6 of January 29, 2021)
- Decree Law No. 183 of December 31, 2020, containing "urgent provisions on legislative terms, the creation of digital connections, the execution of Decision (EU, EURATOM) 2020/2053 of the Council, of December 14, 2020, as well as the withdrawal of the United Kingdom from the European Union" (converted with Law No. 21 of February 26, 2021)
- Prime Minister's Decree of March 2, 2021 "Additional implementing provisions of Decree Law No. 19 of March 25, 2020, converted with amendments by Law No. 35 of May 22, 2020, containing "Urgent measures to address the COVID-19 epidemic" of Decree Law No. 33 of May 16, 2020, converted with amendments by Law No. 74 of July 14, 2020, containing "Additional urgent measures to address the COVID-19 epidemic", and of Decree Law No. 15 of February 23, 2021, containing "Additional urgent provisions on national travel for the containment of the COVID-19 epidemic"
- Decree Law No. 30 of March 13, 2021, containing "Urgent measures to address the spread of COVID-19 and support for workers with children in remote learning or in quarantine" (converted with Law No. 61 of May 6, 2021)

¹ Environment, Social and Governance (ESG)

² Body of European Regulators for Electronic Communication

³ Organization for Economic Cooperation and Development

⁴ The United Nations Organization

⁵ International Telecommunication Union

- Decree Law No. 22 of March 1, 2021, containing “Urgent provisions on reorganization of the assignments of the Ministries” (converted with Law No. 55 of April 22, 2021)
- Decree Law No. 44 of April 1, 2021, containing “Urgent measures for the containment of the COVID-19 epidemic, on vaccinations against SARS-CoV-2, justice and open competitions” (converted with Law No. 76 of May 28, 2021)
- Law No. 53 of April 22, 2021 Powers delegated to the government for adoption of the European directives and implementation of other acts of the European Union – European delegation law 2019-2020
- Decree Law No. 41 of March 22, 2021 containing “Urgent measures on support for businesses and economic operators, on employment, health and territorial services, connected to the COVID-19 emergency” (converted with Law No. 69 of May 21, 2021)
- Decree Law No. 52 of April 22, 2021 containing “Urgent measures for the gradual recovery of economic and social activities in accordance with the requirements to contain the spread of the COVID-19 epidemic” (converted with Law No. 87 of June 17, 2021)
- Decree Law No. 59 of May 6, 2021, containing “Urgent measures related to the Complementary Fund to the National Recovery and Resilience Plan and other urgent measures for investments” (converted with Law No. 101 of July 1, 2021)
- Decree Law No. 73 of May 25, 2021 containing “Urgent measures connected to the COVID-19 emergency, for businesses, employment, young people, health and territorial services” (converted with Law No. 106 of July 23, 2021)
- Decree Law No. 77 of May 31, 2021 setting out the “Governance of the National Recovery and Resilience Plan and first measures to strengthen the administrative structures and speed up and streamline the procedures” (converted with Law No. 108 of July 29, 2021)
- Decree Law No. 80 of June 9, 2021 containing “Urgent measures to strengthen the administrative capacity of the PAs required to implement the PNRR and for the efficiency of the justice system” (converted with Law No. 113 of August 6, 2021)
- National Recovery and Resilience Plan (PNRR)
- Decree of the Ministry of Economy and Finance of August 6, 2021. Allocation of the financial resources required to implement the actions of the PNRR and distribution of goals and objectives for interim reporting deadlines.
- Presidential Decree No. 54 of February 5, 2021 “Regulation setting out implementation of Article 1, subsection 6 of Decree Law No. 105 of September 21, 2019, converted with amendments by Law No. 133 of November 18, 2019
- Prime Minister’s Decree No. 81 of April 14, 2021 Regulation on notifications of incidents with an impact on networks, information systems and IT services set out by Article 1, subsection 2, letter b) of Decree Law No. 105 of September 21, 2019, converted with amendments by Law No. 133 of November 18, 2019, and measures intended to guarantee high levels of security.
- Prime Minister’s Decree of June 15, 2021. Identification of categories of goods, systems and ICT services destined for use in the scope of national cybersecurity in implementation of Article 1, subsection 6, letter a) of Decree Law No. 105 of September 21, 2019, converted with amendments by Law No. 133 of November 18, 2019
- Presidential Decree concerning Regulation setting out replacement of the regulation under Presidential Decree No. 178 of September 7, 2010, on establishing and operating the public register of contractors who object their personal data or their telephone number being used for sales or commercial promotion purposes (not yet published in the Official Gazette of the Italian Republic)
- Decree Law No. 82 of June 14, 2021 containing “Urgent provisions on cybersecurity, definition of the national cybersecurity structure and institution of the national cybersecurity agency” (converted with Law No. 109 of August 4, 2021)
- Prime Minister’s Decree of June 17, 2021 “Implementing provisions of Article 9, subsection 10 of Decree Law No. 52 of April 22, 2021, containing urgent measures for the gradual recovery of economic and social activities in accordance with the requirements to contain the spread of the COVID-19 epidemic”
- Decree of the Ministry of Economic Development of July 30, 2021. Amendment of Decree of June 19, 2019 concerning the calendar with geographical areas for the release of the 700 MHz band. (21A05618)
- Decree Law No. 105 of July 23, 2021 containing “Urgent measures to address the COVID-19 epidemic and for the safe operation of social and economic activities” (converted with Law No. 126 of September 16, 2021)
- Decree Law No. 111 of August 6, 2021 containing “Urgent measures for the safe operation of school, university and social activities and transport” (converted with Law No. 133 of September 24, 2021)
- Decree Law No. 127 of September 21, 2021 containing “Urgent measures to ensure the safe execution of public and private work through the extension of the scope of application of the COVID-19 green certification and the strengthening of the screening system” (converted with Law No. 165 of November 19, 2021)
- Decree Law No. 130 of September 27, 2021 containing “Urgent measures to contain the effects of price increases in the electricity and natural gas sector” (converted with Law No. 171 of November 25, 2021)

- Decree Law No. 132 of September 30, 2021 containing “Urgent measures on justice and defense, as well as extensions on referendums, temporary grants and IRAP” (converted with Law No. 178 of November 23, 2021)
- Decree Law No. 139 of October 8, 2021 containing “Urgent provisions for access to cultural, sports and recreational activities, as well as for PA organization and personal data protection” (converted with Law No. 205 of December 3, 2021)
- Prime Minister’s Decree of October 12, 2021. Amendments to Prime Minister’s Decree of June 17, 2021 containing “Implementing provisions of Article 9, subsection 10 of Decree Law No. 52 of April 22, 2021, containing urgent measures for the gradual recovery of economic and social activities in accordance with the requirements to contain the spread of the COVID-19 epidemic”
- Decree Law No. 146 of October 21, 2021 containing “Urgent economic and fiscal measures to protect employment and for immediate requirements” (converted with Law No. 215 of December 17, 2021)
- Draft Budgetary Plan for 2022 (DPB)
- Italian Legislative Decree No. 207 of November 08, 2021 implementing Directive EU 2018/1972, establishing the European Electronic Communications Code
- Legislative Decree No. 177 of November 8, 2021 setting out implementation of Directive (EU) 2019/790 on copyright and on connected rights on the Digital Single Market and which amends Directives 96/9/EC and 2001/29/EC
- Legislative Decree No. 208 of November 8, 2021 setting out implementation of Directive (EU) 2018/1808 amending Directive 2010/13/EU on the coordination of certain legislative, regulatory and administrative provisions of the Member States concerning the provision of audiovisual media services, considering the evolution of the reality of the market
- Decree of the Ministry of Economic Development of April 21, 2021 – IPCEI Fund. General criteria for the intervention and function of the Fund Decree of the Ministry of Economic Development of July 7, 2021 – IPCEI Microelectronics
- Decree of the Ministry of Economic Development of July 30, 2021 – Fund for innovative investments by agricultural businesses
- Decree Law No. 152 of November 6, 2021 “Urgent measures for the implementation of the National Recovery and Resilience Plan (PNRR) for the prevention of Mafia infiltration (converted with Italian Law no. 233 of December 29, 2021)
- Decree Law No. 172 of November 26, 2021 “Urgent measures for limiting the COVID-19 epidemic and the safe pursuit of social and economic activities” (currently being converted)
- Legislative Decree no. 185 of November 8, 2021, setting out the Implementation of Directive (EU) 2019/1 to empower the competition authorities of the Member States to be more effective enforcers and to ensure the proper functioning of the internal market
- Italian Law No. 234 of December 30, 2021 “State budget for financial year 2022 and multi-year budget for the three-year period 2022-2024”

Local institutions

[GRI 103-2: Management Approach] [GRI 413] Institutional relations at local level are constantly maintained with the Regions, Municipalities and Provinces (or similar public bodies) throughout the country so that an enduring and profitable relationship is established. Relations are also maintained with the following associations: ANCI⁶, UPI⁷, UNCEM⁸, ALI⁹.

TIM has a central function (Local Institutional Affairs) entirely dedicated to the management of relations with local authorities, which has also set up permanently in the area for ease of communication and to build relationships with government bodies. The function also relies on local authority accounts in the region, specialists in managing relations with governmental institutions on technical matters concerning the development of fixed and mobile networks.

[GRI 103-3: Management Approach] [GRI 413] Local Institutional Affairs, as part of its duties:

- carries out all possible actions of an institutional nature aimed at facilitating the development of the fixed and mobile telecommunications network; also carries out actions supporting the relevant company departments for the issue of authorizations and permits required for network development;
- identifies the intervention priorities of the other company departments through the Field Integration Committee¹⁰;
- establishes the priorities and determines how to interact with public bodies in light of the requirements identified;
- constantly monitors existing institutional relations and systematically develops the network of relationships;

⁶ Associazione Nazionale Comuni Italiani (National Association of Italian Municipalities)

⁷ Union of Italian Provinces

⁸ National Union of Mountain Municipalities, Communities and Bodies

⁹ Italian Local Autonomies

¹⁰ Internal local committees involving the managers of departments with local branches.

- contributes to drawing up agreements with regions and municipalities;
- listens systematically to all requests and reports from local institutions and directs them correctly to the relevant departments within TIM;
- supports other departments of TIM in the implementation of territorial projects;
- prevents disputes arising, above all in reference to network development issues
- actively participates in the intra-operative working tables within the trade associations within Confindustria.

Particular attention is paid to organizations that deal with issues relating to:

- the development of fixed and mobile ultrabroadband networks;
- digitalization of public utility services;
- the spread of digital culture.

With full respect for the principles of transparency and accountability, TIM responds flexibly to requests, regardless of how they are received from local institutions.

Joint projects between TIM and local authorities are managed in a way that defines the roles and duties of each party, formal control mechanisms and measurement tools. TIM promotes the formation of joint control committees, i.e. committees formed of representatives of all the parties involved. The composition and objectives of the committees are determined according to the specific requirements of the project and provide for the presence of stakeholders without any kind of discrimination, including gender discrimination.

Monitoring and constant interaction with the decision-making centers of local institutions take place by means of meetings, hearings, the presentation of position documents and involvement in workshops as well as in the work of regional commissions and specialist working groups. Furthermore, TIM frequently organizes communication initiatives on specific issues of local interest.

[GRI 413-1] Among the main subjects of dialog with local authorities during 2021 we would highlight the following:

- development of the new ultrabroadband networks (NGAN¹¹), implementation of the LTE standard and launch of the new 5G technology;
- actions of an institutional nature involving local administrations aimed at encouraging development of the fixed and mobile telecommunications network;
- drawing up protocols with local authorities in order to develop new fixed and mobile generation access networks;
- draft regional laws and municipal regulations regarding the installation of mobile telephony systems and electromagnetic fields, in order to represent the company's requirements (also with the presentation of observations, amendments and participation in hearings) with a view to the simplification and standardizing of the relevant national provisions;
- proposed excavation rules, in order to ensure the consistency of the authorization process and the respective regulations with national regulations, particularly in order to ensure simplification at local level
- removing public telephone installations (telephone booths), for which provisions have also been made for a public hearing as part of the procedure agreed with AGCOM;
- promotion of digital transformation initiatives to spread knowledge and new technologies, including through partnerships with municipal government;
- promotion of digital culture, including through agreements, protocols and partnerships with local authorities;
- promotion of innovation, including through agreements, protocols, partnerships with local authorities to promote the creation of smart cities;
- the central and local management, coordination and monitoring of complaints received by local authorities. This activity was particularly important throughout 2020 due to the COVID-19 health emergency;
- during the COVID-19 emergency, the Local Institutional Affairs department kept in continuous contact with its institutional stakeholders using multiple digital tools, such as video conferencing, succeeding in providing effective solutions and meeting challenging and urgent objectives.

European and international institutions

[GRI 103-2: Management Approach] [GRI 413] Relations with European and supranational institutions are expressed in various manners, in particular through participation in discussion platforms, public consultations, workshops, meetings with members of parliamentary committees of interest for the Group, meetings with the

¹¹ Next Generation Access Network.

European Commission, Permanent Representatives of EU Member States, Agencies or working groups and specialized studies under the auspices of EU institutions, including the Centre for European Policy Studies, the European Internet Forum, etc.

The positioning towards institutions and EU bodies takes place through individual actions on topics of interest to the Group and/or through participation in trade associations, in particular ETNO, the European Telecommunications Network Operators' Association, and GSMA, the association of mobile operators (TIM is a Board member of both associations).

The issues raised at European level, subject to the main legislative/regulatory acts of interest to the Group, include but are not limited to the Digital Services Act proposal, intended especially to prevent the distribution of illegal content and the Digital Markets Act proposal, intended to ensure the contestability of the digital markets, now dominated by the major online platforms; the Roaming regulation proposal which seeks to maintain the Roam Like at Home principle and to introduce a number of changes on the wholesale cap, quality of service, fair use, etc., the proposed revision of the guidelines on state aid for broadband and ultrabroadband; the revision of access recommendations; the guidelines on horizontal and vertical agreements; and the NIS2 directive proposal on security. TIM has actively participated in analysis and advocacy in relation to the various proposals from the EU institutions, with the preparation of both individual and association positions (through ETNO), it met with the European institutions of reference, specifically the representatives of the EU Commission, the European Parliament and the Council (Italian Representation to the EU and rotating presidencies). TIM also follows closely discussions at European level on the revision of the ePrivacy Directive which is under discussion even now by the EU Council. As part of the works on the EU Green Deal and the green transformation, works are also continuing on the Fit for 55 package, a package of 13 legislative proposals intended to speed up the achievement of the climate objectives (reduction of emissions by at least 55% by 2030 and climate neutrality by 2050). These include the Energy Efficiency Directive, which pinpoints the ICT sector as one of the most impacted sectors (use of 5-9% of total EU electricity with resulting production of 2% emissions) and the Taxonomy Regulation intended to direct cash flows towards sustainable economic activities.

TIM is also particularly active in European discussions intended to guarantee a safe and legal online environment; in particular the Group follows discussions on proposals relating to the responsibility of intermediaries in the distribution of terrorist content, and discussions on the need to adopt ethical principles in the development of artificial intelligence.

With reference to the protection of children, TIM follows an EU initiative intended to increase children's safety when they browse the Internet: the Alliance to better protect minors online, a platform launched by the EU Commission. Moreover, TIM follows the "GSMA – Mobile Alliance against Child Sexual Abuse Content" work group in the context of the GSM Association, for technological, policy and communications initiatives aimed at protecting children in the mobile phone sector.

TIM is active in international discussions such as the OECD by monitoring technical working groups on security and AI, as well as following through the BIA working groups on various issues, access and connectivity, data strategy, e-privacy, digital tax, competition, going digital, trade.

For several years TIM has also followed the B20. In 2021 it actively participated in the B20 Italy summit by contributing to the preparation of the G20 guidelines relating to the digital transformation.

With reference to digital skills, TIM became a member of the Digital Skills and Jobs Coalition (DSJC), established by the European Commission to bring together all bodies and institutions active in tackling the lack of digital skills in Europe.

TIM actively participates in a series of initiatives, including with the EU Commission, such as the Digital Upskilling For All (DUFA) initiative promoted by ETNO and UNI Europa ICTS, which aims to develop and distribute best practice for digital retraining and gender and intergenerational inclusion of the workforce in ICT roles in the European sector of telcos; the Digital Volunteers Program (training activities for SMEs), the Pact for Skills (to encourage partnerships and initiatives intended to retrain digital skills). Moreover, a series of meetings are underway with the EU Commission to define new proposals to bridge the gap between basic and ICT skills.

Relations with government institutions in Brazil

[GRI 413-1] Over the years, TIM has established excellent relations with institutions, at every level: Government, Congress, Regulatory and Antitrust Authorities, sector associations and the press. Exchanges with the above parties are intense and frequent and based on objective proposals, declarations and positions intended to explore specific issues not only for the Company, but for the entire sector. Governmental relations activities occur at federal level primarily with the Ministry of Communications and with several other Ministries: Casa Civil (Brazil), Ministry of Economy, Justice and Public Security, Regional Development, Infrastructure, Science, Technology & Innovation, Education, etc.. At Congress level, TIM communicates with Deputies and Senators who constitute Committees that deal with (by way of example, but not limited to) economic and financial matters, privacy, telecommunications, infrastructure and consumer protection. At regional level, TIM is in frequent communication with local institutions and authorities regarding general matters relating to the telecommunications industry, with emphasis on the development of infrastructure and network coverage and other topics of interest to the local community. Proposal presentations, meetings with stakeholders on specific topics, stimulating debates, active participation in public hearings and contribution to public consultations, are the company's main means of interaction with the above institutions. Furthermore, TIM's presence at institutional level is increasingly supported by Instituto TIM activities aimed at the democratization of science, technology and innovation, facilitating social development in Brazil, through promoting math and science education for children and teenagers, and the development of free technologies to support public policies. Since 2013, Instituto TIM's work has already reached all 26 Brazilian states and the Federal District, involving over 700,000 people.

Competitors

The TIM Group is committed to promoting fair competition, a factor considered to be in its interests and those of all market operators, customers and stakeholders in general, promoting and participating in initiatives and projects, together with competitors, and in the management of technical round tables and the activities of trade associations.

In this context our stakeholders are:

- the Other Authorized Operators (OAO) and Internet Service Providers;
- the Italian Communications Authority (AGCOM);
- the Italian Competition Authority (AGCM);
- The Ministry of Economic Development and its in-house company Infratel S.p.A. for the topics relating to the development of the ultrabroadband network;
- the National telecommunications agency (ANATEL) in Brazil;
- associations, federations and national and international trade associations.

Services to Other Authorized Operators

Wholesale Market (hereinafter “WM”) is the TIM Department, which, within the scope of the Chief Regulatory Affairs & Wholesale Market Office, operates as the point of contact for OLOs and ISPs regarding the provision of network infrastructure and wholesale services for its own consumption and/or subsequent marketing by the said operators of electronic communication services to their own end customers. Working in collaboration with other company departments, WM is responsible for identifying the requirements of customers-operators, defining the marketing mix of the product/service, pre- and after-sales design and the drawing up of offers and contracts, sales, support and billing for products/services supplied and external communication through the various channels operative on the market.

Organizational and administrative separation between the Retail departments of TIM and WM, which is verified every year by an external body, ensures compliance with the principles of equal treatment and non-discrimination established by current regulatory provisions and in particular Resolution 152/02/CONS.

On an annual basis, WM draws up and submits the reference offers (RO) for the various wholesale services regulated by the Italian Communications Authority (AGCOM). The process of approval of each offer of reference envisages an investigation phase under the scope of a public consultation with all electronic communication service operators coordinated by AGCOM. This phase may result in a review of the Offer published by TIM following clarifications requested and the related provisions expressed by AGCOM, which approves the contents and controls the work of WM so as to guarantee the protection of market development. AGCOM also acts as the guarantor and relevant authority in disputes brought by OLOs/ISPs and end users on regulatory matters.

In addition to the regulated services, RW.WM offers infrastructure and transmission capacity, data access and transmission, TLC equipment hosting, outsourcing, digital services and all the added value services that allow operator networks to be “virtualized”.

Each operator has a direct relationship with its own account manager in the Sales department of WM, who receives the customer-operator's requests and proposes standard solutions or projects through the stipulation of contracts in accordance with current regulatory requirements. In particular contracts relating to regulated services include clauses which provide for constant monitoring of the various stages of the supply of the service, ensuring that a number of the main indicators are subject to periodic notification to AGCOM. The interests of the client-operator are safeguarded on a continuous basis, formalized through a process of conference calls, video conferencing and meetings involving all the company departments concerned.

Activities with the Italian Communications Authority (AGCOM) and the Ministry of Economic Development

TIM interacts with AGCOM and Ministry of Economic Development in order to contribute to the administration of the regulatory process on matters considered concrete to the growth in value of the Company.

For this purpose, Telecom Italia pursues an honest dialog and ongoing discussion with the Authorities and institutions with the aim of achieving a simple, effective and symmetrical regulatory framework. Furthermore, the Group makes its own knowledge available by participating in public consultations, institutional hearings, conventions, public meetings and by presenting appropriate testimony and petitions.

The constant discussions with AGCOM, Ministry of Economic Development, and the institutions ensure that TIM gathers their opinions, supplying transparent, reliable responses, and anticipates events, creating and exploiting the best opportunities for the Company. TIM provides the answers required (e.g. public consultations, defensive testimony, supply of data and information of various kinds, etc.) and always ensures the completeness and reliability of the contribution.

In the case of violation proceedings started by AGCOM, TIM presents testimony, expert reports and other defense documents, requesting a hearing by those responsible for the proceedings on the facts that are the subject of the dispute.

In this respect, the Company also considers whether to submit a proposal, subject to the termination of the disputed conduct, aimed at improving competitive conditions in the sector, removing the anticompetitive consequences through suitable and stable measures.

The Italian Competition Authority (AGCM)

As part of the protection of competition and the consumer, TIM interacts with the Competition Authority both in a preventive way (requests for information or submission of reports) and during the proceedings it launches.

In the event of dispute proceedings being launched, the Group presents its case in the appropriate forums, in some cases presenting the Authority with undertakings that will reduce the alleged anti-competitive aspects at the center of the proceedings. After having assessed these undertakings, the Authority may make them compulsory and end the proceedings without imposing any financial penalty.

Within the Company there are preventive controls on processes with potentially significant impacts in Antitrust terms such as, for example, the drawing-up of marketing plans, the development of contracts, conditions for the provision of telecommunication services, the development of the company's information systems. The controls are aimed at ensuring that the operational management of the processes take into consideration these potential impacts.

In order to raise awareness and disseminate a correct approach to the subject, as a follow-up to the online training program launched in 2010, in 2013, management were offered a specific classroom training course on the application of competition law. In 2014, training activities continued for staff belonging to the department dealing with wholesale services.

The European Commission and a number of national competition authorities (including AGCM) have expressed their approval of the efforts made by companies that decide to adopt an effective compliance program. In Italy, growing interest in compliance programs is confirmed by the adoption of the *Linee guida sulla modalità di applicazione dei criteri di quantificazione delle sanzioni amministrative pecuniarie irrogate dall'Autorità in applicazione dell'articolo 15, comma 1, della legge n. 287/90* [guidelines on the application of the quantification criteria for administrative fines imposed by the Authority pursuant to Article 15, paragraph 1, of Law No. 287/90], in which AGCM (the Italian Competition Authority) added, as one of the attenuating circumstances to be assessed when applying sanctions for antitrust offences "the adoption of and compliance with a specific compliance program that is suitable and in line with European and national best practice".

For this reason, TIM realized a specific antitrust compliance program to complement the training activities already undertaken.

TIM adopted an antitrust compliance program in 2016. The activities for the development of the program, started in March 2015, are structured in the following phases:

- Interviews with senior staff previously identified by TIM;
- Checking of documents contained on the personal computers of a specific number of managers previously selected in order to perform an objective collection of such documents;
- Antitrust training (81 senior managers);
- Writing and adoption of a Competition Code of Conduct;
- Drafting and adoption of an internal procedure for the implementation of the compliance program under the scope of the company procedures (Antitrust Compliance Guidelines).

All activities were completed in September 2016: the explanatory report of the Antitrust Compliance Program, signed by Allen & Overy, the external firm that assisted TIM with preparing the Program, is dated October 17, 2016.

In this area, we note the delivery of antitrust training (in blended mode, both on-line and in the classroom), which in 2016 involved more than 3,000 employees, identified on the basis of the criterion of exposure of the relevant Departments to possible antitrust risks.

Another 177 senior managers were specifically trained in the classroom in the second half of 2017.

TIM has considered the need to integrate the 2016 compliance program following indications formalized by AGCM (the Italian Competition Authority) last October. Indeed, on October 4, 2018, AGCM (the Italian Competition Authority) published Guidelines on the assessment of compliance programs within antitrust proceedings.

There are multiple advantages of antitrust compliance. Investing in compliance with antitrust regulations not only reduces the Company's exposure to pecuniary sanctions and requests for compensation for damages but also entails advantages and benefits for the companies' own commercial strategies and operations. A properly focused and disseminated compliance program not only ensures, in the first place, that the antitrust risk is avoided and, therefore, the costs deriving from failure to comply with antitrust legislation, but may also allow the Company, if the crime has already been committed, to take suitable steps to put an end to the infraction. This could help limit the amount of the sanction with reference to the duration and severity of the offense. Another aspect to be considered is the reputational and image risk for TIM.

The amount of a sanction potentially already assigned in antitrust proceedings may also be reduced.

The analysis of the Guidelines has highlighted the need to update the tools available to TIM, so that the Program can be considered adequate and, therefore, allow TIM to obtain the related benefits.

The need for integration mainly derives from the fact that, after adopting the program, TIM has been subject to antitrust proceedings, which are still in progress. It has therefore been necessary to supplement the program, with reference to the hypothesis of failure to comply with the legislation currently being examined by the Authority.

In October 2018, a project was launched to update the current Antitrust Compliance Program.

The project contents stem from the gap analysis of the current situation with respect to the contents of the Guidelines and can be summarized as the following interventions:

- Integrating the compliance program, focusing the Code of Conduct more closely on the situations concerned by new proceedings in progress and submitting it for approval by the company's BoD;
- Ensuring a greater focus on and providing more information about the Compliance Program and the Code of Conduct, both within and outside the Company, with specific communication initiatives (e.g. publishing it on the Group's institutional website, ensuring suitable media visibility);
- Involving the Company's senior management more greatly as "endorsers" reminding about compliance with the program;
- Carrying out periodic audits on the implementation of the program, in a manner to be defined;
- Planning additional training sessions, again focused on the alleged offenses;

Additional interventions planned: definition of a structured method for the assessment and identification of antitrust risks and adoption of the relevant controls.

The new Antitrust Code of Conduct was approved by the TIM Board of Directors on March 20, 2019 and has been published on the company intranet and institutional website (<https://www.gruppotim.it/en/group/governance/governance-tools/codes-policies.html>).

The new version of the Antitrust Code of Conduct and, more generally, the initiatives aimed at improving the antitrust compliance program have also been communicated within the company with a letter by the CEO addressed to all TIM employees and managers and published on the institutional website (<https://www.gruppotim.it/en/group/governance/governance-tools/codes-policies.html>). By means of this letter, in particular, the CEO stressed and re-confirmed: the involvement of the company's senior managers in the compliance program; the desire to adopt and implement virtuous behavioral models on all levels of the company in order to prevent possible violations of antitrust legislation; the role of the renewed Antitrust Code of Conduct as a set of rules and "compass" to direct the conduct of anyone working for the company; TIM's commitment to translate the business culture of integrity and responsibility into virtuous conduct.

A new internal communication and information campaign has also been developed, aimed at increasing the awareness of the antitrust risk and the level of knowledge on the matter, based on the dissemination of specific sheets (flanked by the related "teasers"), which briefly, using simple language, outline some of the topics of greatest interest for the Company in terms of antitrust matters.

In April 2019, a Head of the Antitrust Compliance Program was appointed, who: is a senior resource (the current Chief Regulatory Officer); is autonomous and independent and answers directly to the Board of Directors; entertains direct relations with the other competent departments on company compliance matters (auditing, compliance, corporate liability); is assigned specific resources and tools by which to perform his duties.

A joint Compliance Department - Regulatory Affairs/Antitrust Working Group has also been established, assigned the task of further refining and continuously updating the antitrust control model, starting with the definition of risks and the mapping of existing controls, including through a new cycle of interviews with senior managers.

In this context, a new mandatory training course has been prepared and launched, and is today still on-line, for all those working for the Group (approximately 42,000 people), with a specific new training document, which contains a series of questions to be answered correctly in order to complete the course.

The 2019 update of the compliance program resulted in a reduction in the sanction applied for two antitrust proceedings (A514 and I820) started respectively in 2017 and 2018.

In this context and with a view to ensuring the continuous update of the Compliance program, new interviews with TIM's senior managers have been prepared, planned and held.

The holding of the Interviews, with the aim of monitoring the antitrust risk and identifying any critical issues, has been considered necessary and appropriate, also in view of the change seen in many of TIM's senior managers, as compared with the period in which the previous interviews were held.

The interviews were held from February to May 2020 for the first reports of the Chief Executive Officer and the Chairman, on the basis of a questionnaire specifically prepared, covering (with the necessary adjustments to take into account the areas of competence of the interviewee) for example the topics on the awareness of TIM's antitrust compliance initiatives, rather than relations with competitors or participation in trade associations or public and private tenders.

The results of the interviews provided a starting point for the definition of the forthcoming update of the antitrust risks and the identification of critical activities/processes to be overseen on the basis of the risks identified.

In addition, from January to February 2020, a new classroom training session was held, specifically intended for the first and second levels of structure with a formula that, in addition to explaining the regulations and case law, involved the interactive participation of participants, called to make choices, on the basis of pre-prepared options, faced with situations relevant to competition law. The choices of participants, expressed individually by means of APP, were then discussed under the scope of the same training session.

In April 2021, the Antitrust Compliance Guidelines were updated, providing specific indications on the corporate procedures envisaged to ensure the effectiveness of the Antitrust Compliance Program and compliance with the Antitrust Code of Conduct. The document is available for all TIM employees in the Computerized Document System (SDI).

All TIM's compliance activities have been designed, prepared and implemented with the support of external lawyers (Studio DLA Piper) and certified by them.

More details on the main provisions issued in respect of TIM S.p.A. are given in the paragraph on Legal Framework and Compliance of this report.

Regulatory initiatives regarding the access network

On November 5, 2015, the Group board approved a New Equivalence Model (NEM), aimed at further strengthening the efficiency and effectiveness of the processes for activating and maintaining the TIM fixed network wholesale access services supplied to its own commercial divisions and Operators.

On December 22, 2015, AGCom published Resolution 623/15/CONS containing a request to TIM to make a proposal to further strengthen the equality of treatment guarantees and two proposals related to the unbundling and outsourcing of services related to provisioning and assurance.

AGCom's approval process for measures to strengthen the equal treatment guarantees, linked to Resolution 623/15/CONS, concluded with AGCom issuing Resolutions 652/16/CONS and 321/17/CONS.

With the first Resolution, AGCom approved TIM's proposal made pursuant to Article 64, subsection 15, of Resolution 623/15/CONS, containing measures to strengthen the equivalence model.

The New Equivalence Model puts the sales divisions of TIM and the other Operators on an equal footing, ensuring full internal and external equality of treatment. TIM, in fact, through the Wholesale Department, provides basic access services (LLU, SLU and VULA) to its TIM Retail Department and OAOs under the same terms and conditions, with the same timing, and using the same systems and processes.

With the Resolution 321/17/CONS of July 27, 2017, AGCom defined the processes for the "unbundling" of accessory provisioning and assurance services of the LLU (Local Loop Unbundling) and SLU (Sub-Loop Unbundling) services, to guarantee greater transparency and flexibility in the operating processes as requested by alternative operators and the authorities, but in full compliance with restrictions on the integrity, functionality and security of the fixed network.

With the approval of Resolution 348/19/CONS of August 08, 2019 relative to the analysis of the market of local and central wholesale access services in fixed stations, AGCom has decreed that competition effectively exists in the municipality of Milan and has revoked the obligations assigned to TIM by resolution no. 623/15/CONS and related implementing Resolutions (321/17/CONS and 652/16/CONS); consequently, TIM, in the municipality of Milan, is no longer an operator with Significant Market Power (SMP).

Equally, starting August 08, 2019, the Undertakings relating to the SMP services pursuant to Annex A to Resolution 718/08/CONS ceased effect as, moreover, envisaged by points 16.6 (cessation for failure to notify SMP operator) and 16.7 (cessation limited to specific product markets or geographic markets on which the qualification of SMP operator ceases) of the Commitments.

The same Resolution 348/19/CONS extended the unbundling pursuant to Resolution 321/17/CONS also to include the VULA-C service.

On August 31, 2020, TIM's Board of Directors approved the agreement with KKR Infrastructure and Fastweb for the establishment of FiberCop, a NewCo to which TIM's secondary network will be conferred (from the roadside cabinets to customers' homes) along with the fiber network developed by FlashFiber, the joint venture in which TIM has an 80% and Fastweb a 20% stake.

Following this decision, on September 02, 2020 TIM notified AGCom a project for voluntary legal separation, integrated on November 25, 2020, in accordance with Article 50-ter of the Electronic Communications Code (ECC) correlated with the establishment of FiberCop.

Consequent to the notification received and in compliance with the provisions of Article 50-ter of the ECC, with Resolution 637/20/CONS dated November 26, 2020, AGCom started investigation proceedings for a public consultation regarding the voluntary legal separation notified by TIM and the coordinated analysis of the fixed network access services markets, in order to assess the regulatory impact of the voluntary legal separation project of the fixed access network notified by TIM.

The results of the public consultation on the voluntary separation project of the TIM fixed access network, notified to the Authority - in accordance with Article 50-ter of the ECC - on September 02, 2020, as supplemented on November 25, 2020, were published on October 12, 2021 by Resolution no. 253/21/CONS.

These results will be incorporated for the preparation of the draft provision for the coordinated analysis of the fixed network access services markets that will be submitted to national public consultation in accordance with Article 11 of the ECC.

By Resolution no. 412/21/CONS of December 21, 2021, AGCom extended by ninety days the terms for the investigation procedure started by Resolution no. 637/20/CONS concerning the coordinated analysis of the markets of access services to the fixed network in accordance with Article 50-ter of the Code.

Relations with the market and sector authorities in Brazil

In Brazil, TIM SA maintains participatory and collaborative relations with ANATEL (*Agência Nacional de Telecomunicações*) and CADE (*Conselho Administrativo de Defesa Econômica*), the authorities dealing respectively with the telecommunication sector and the competition and markets. With ANATEL, TIM SA has an extremely cooperative and participatory interaction aimed at cooperating with the evolution of dialog on the best TLC regulatory framework for the sector and general economic growth. The main aim is to collaborate with ANATEL in identifying the most relevant topics and eliminating the barriers to the sector's development,

particularly by contributing towards the evolution of the main regulatory sections, such as, amongst others, management of frequencies, quality of service, interconnection and sharing of networks, coverage of rural zones, digital agenda. TIM SA also maintains a cooperative and transparent relationship with CADE. The Company is obliged to notify the Board of mergers, acquisitions and agreements as well as to promptly provide all the information necessary or requested. In addition to this, TIM SA promotes debates and studies and collaborates with academic institutions in order to support research on the country's competition policies. As regards the sector associations, the most important in which TIM SA operates are:

- ABR Telecom (the Brazilian association of telecommunications resources), which is dedicated to the centralized management of technological solutions in a shared environment, creating value for telecommunications service suppliers;
- EAD (*Entidade Administradora da Digitalização de Canais TV e RTV*), responsible for the migration to digital TV and the switch-off of analog TV, communications and the distribution of decoders and antennas intended for low-income families with a view to the implementation of LTE at 700 MHz;
- Conexis Brasil Digital (National association of TLC operators), which deals with the coordination, defense and legal representation of the associates and includes all fixed and mobile telephone operators;
- GSMA, which represents the interests of mobile telephone operators worldwide and, on a regional level, GSMA Latin America, is an essential partner in global discussions about, for example, the management and assignment of radio frequencies, specifications of international requirements for the ITU and also in connection with consumer protection and activities that go towards improving the sector's general reputation (TIM takes part in the "We Care" initiative)
- ConectarAgro (*Rede ConectarAgro*), which represents the agricultural food companies and telecommunication service providers that wish to promote connectivity and technology for agricultural producers in Brazil.

Human Rights

[GRI 103-1: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 411] [GRI 412] The materiality analysis, conducted by TIM in 2021, confirmed the promotion and protection of Human Rights as a material topic for stakeholders and for the Group, along the entire “value chain”. This result, which may seem unusual for a telecommunications operator that works in countries considered to be at low/medium risk of Human Rights violations, is based on two sets of reasons:

- the broad meaning TIM assigns to the concept of “Human Right”. This sphere includes not only basic Human Rights common to all industrial sectors, such as the right to fair remuneration, non-discrimination, the right to not resort to forced/compulsory/bonded work, etc., but also Human Rights specific to a telecommunications company, such as the right to access information, freedom of expression (in particular online), protection of privacy and safety online, and protection of children (from cyberbullying, for example);
- the public outcry caused by Human Rights violation incidents, which can seriously affect business reputation.

TIM’s Commitments

[GRI 103-2: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 411] [GRI 412] TIM adhered to the Global Compact in 2002; from 2012 to 2019, TIM was one of the members of The Human Rights Peer Learning Group (PLG)¹, formed under the scope of the Global Compact Network Germany.

In order to strengthen its commitment to the protection of Human Rights, TIM has implemented, inter alia:

- Human Rights due diligence;
- the “Respecting Human Rights in the TIM Group” policy;
- information and training on Human Rights.

[GRI 103-3: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 411] [GRI 412] TIM monitors and analyses reports of possible breaches of Human Rights received through the [whistleblowing](#) portal made available to all stakeholders.

Complaints received and handled regarding Human Rights

	2021	of which substantiated	2020	of which substantiated	2019	of which substantiated
Italy	5	1	8	—	2	—
Brazil	59	20	59	18	49	15

Due Diligence

[GRI 103-2: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 412] Among the objectives of due diligence on Human Rights are:

- the identification and mapping of Human Rights risks resulting from the company’s operations;
- confirmation that each topic is assigned to a responsible body (governance), is governed by a specific internal regulatory framework (e.g. policy, procedure), has a management system that regularly monitors and traces the performances (if possible through the appropriate indicators, such as those concerning health and safety);
- the definition of a gradual improvement path which, starting with simple respect for the local laws, guides the policies and processes of Human Rights towards sharing with the appropriate stakeholders through appropriate involvement initiatives;
- the highlighting of any gaps or inconsistencies between the company’s various departments and/or between the different companies of the Group;
- the possibility to discuss Human Rights with the other companies.

¹PLG is a learning platform and active leadership for European companies, where the meetings take place in respect of the Chatham House Rule.

[GRI 412-1] TIM carried out the first due diligence on Human Rights (concluded in 2014) using the tool OCAI², and the involvement of the Group's two biggest entities in terms of workforce and investments, in other words the Domestic BU³ (the percentage covered was 98% as it excluded Olivetti and TIM Sparkle) and the Brazil BU. The Sustainability Metrics & Performance Index Analysis Department examined the questionnaires that had been filled in and conducted the related feedback with the Italian departments in order to further examine the contributions provided and define the action plans for the level two and three self-assessments (respectively 3.1% and 8.6% of all the responses)⁴.

In Italy, after feedback, the results were as follows:

- on a scale of one to six, the average score of all the answers was 4.4;
- the need to prepare the TIM Group's Human Rights policy (around 2/3 of the insufficient self-assessments regarded this aspect);
- the usefulness of organizing internal Human Rights training courses.

In 2021 **TIM S.A.** conducted new due diligence on human rights based on the Human Rights Capacity Diagnostic (HRCDD) questionnaire of Global Compact, to verify its level of engagement and management of the issue. The average result remained 3, on a scale of 1 to 6, which is an efficient level of operational maturity. No corrective actions were identified as necessary by the due diligence process. The Parent Company included in the 2022-24 ESG Plan, presented to the financial community in March 2022, the plan for new due diligence on human rights, on conclusion of which the policy and the current information and training courses available on the Group e-learning platform will be reinterpreted. Once this process is completed, the Remediation Manual will be finalized.

[GRI 414-1] [GRI 414-2] The results of the audit on Human Rights carried out on the suppliers of the Group are set out in this document and on the Group's website.

For the 2022-24 ESG Plan, the Group is committed to revising the due diligence process, and, once completed, reinterpreting the Policy on the Respect for Human Rights, and the related information and training courses, as well as completing the Remediation Manual.

Human Rights Policy

[GRI 103-2: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 412] The Policy applies to every individual within the Group and also concerns Third Parties who have business dealings with TIM.

The Policy, issued in 2015⁵, aims to make respect for Human Rights an essential requirement in the performance of TIM's operational activities. Both in Italy and in foreign companies, the Group has set up processes through which it undertakes to respect Human Rights and has identified those that may be negatively influenced by the Company's activities, such as:

- [GRI 403-3] [GRI 406-1] [GRI 408-1] [GRI 409-1] Human rights common to all industry sectors (e.g. rights concerning health and safety at work, diversity, equality and non-discrimination, working hours, fair pay, minimum age for starting work⁶, accessibility for disabled people, maternity protection, forced/compulsory/restricted labor, the zero tolerance approach to any form of corruption, the rights of our customers to responsible advertising, rights related to the use of armed security, according to the highest international standards and practices);
- [GRI 407-1] rights agreed with the unions and included in National Labour Agreements (in line with the principles of the International Labour Organization).

The Group's internal processes also focus on a series of individual rights affected by the core business, including the rights:

- associated with access to telecommunications services and innovation;
- [GRI 418] associated with the privacy of the Group's employees, customers and suppliers, and the protection of their personal data;
- associated with freedom of expression, in particular online, supported by access to telecommunications technologies;
- potentially violated by added value services (for example, services with content reserved for adults and gambling);
- of children and young people to be protected from (cyber)bullying or harassment;
- associated with environmental protection (in particular electromagnetic fields);
- of the communities in which TIM carries out business, with particular attention to vulnerable groups of people (e.g. disabled people, minors, the elderly, women).

² Organizational Capacity Assessment Instrument, created by Twentyfifty Ltd. with funding from the Global Compact Network Germany Foundation. OCAI, which does not operate as an expert in compliance:

- fully reflects the "UN Guiding Principles on Business and Human Rights;"
- takes into account the interpretations provided by the UN Office of the High Commissioner for Human Rights;
- this is a self-assessment questionnaire containing twenty two questions where, for each question, the company/department must assess its own position, current and potential, on a spectrum of six levels that range from "non-responsive" to "Human Rights promoter."

³ Including Industrial Relations, Health & Safety, Equal Opportunities, Privacy, Procurement, Compliance, Protection of VAS (Value Added Services) customers, Protection of customers of the universal telephony service.

⁴ No level one response was supplied during the first round.

⁵ Available in Italian and English on the TIM S.p.A. website and in Brazilian and English on the TIM S.A. website.

⁶ As regards the Italian businesses, to join TIM you must have a secondary school diploma and, thus, be an adult. In Brazil, apprenticeship contracts are envisaged, thus also offered to minors. For companies that operate abroad (for example, TIMSparkle) the same methods set out for Italy apply.

The Policy sets out the unfiltered and anonymous reporting mechanisms in line with the requirements of the company procedures (specifically, that relating to “whistleblowing”), available on the Group’s website.

The efficiency and monitoring of the Human Rights Policy, approved by the Chairman of TIM, is ensured by the Human Resources, Organization & Real Estate Department, responsible for its observance as regards the involvement of TIM’s people; the Procurement Department, responsible for seeing it is complied with by suppliers; the Compliance Department, which monitors the risk of non-compliance with the reference legislation; and the Sustainability Metrics & Performance Index Analysis Department, responsible for updating the Policy.

(In)Formation and Training on Human Rights

[GRI 103-2: Management Approach] [GRI 406] [GRI 407] [GRI 408] [GRI 409] [GRI 410] [GRI 412] Following the publication of the Policy, in 2015 an on-line course was realized for the whole of the company population, available since end 2015. The course, updated in autumn 2018, is available on the TIM Academy e-learning platform for Group employees and - from July 2019 - for all stakeholders (in Italian only) at the URL¹ dirittiumani.gruppotim.it².

The on-line information/training course on Human Rights highlights, amongst others:

- what Human Rights are and the main international Institutions that govern them;
- businesses and Human Rights, focusing on any impact their business activities may have on Human Rights;
- the importance of businesses that operate in the telecommunications industry in the defense of Human Rights;
- TIM and Human Rights: what can be done - in the case of doubt - by individuals of the Group for the protection of Human Rights;
- how and when to use the reporting mechanism.

In 2018 in Brazil TIM S.A. made a version of the course respecting the local context available to all its employees on the “*Talent Hub Aprendizagem*” online training platform. Among its aims were to broaden knowledge of the subject among employees, in particular to highlight how Human Rights feature in day to day work.

TIM S.A. continued with its efforts to disseminate a more inclusive culture within the Company, in accordance with the Diversity & Inclusion Plan (D&I). In 2021, for the second year in a row, TIM S.A. sponsored and took part in *AfroPresença*, an online event promoted by the Office of the Ministry of Labor and by the United Nations Global Compact to disseminate work opportunities for black university students.

[GRI 412-2] Training activities mainly regarded the dissemination of the Group Policy on the Respect for Human Rights, specifically the standards for health and safety at work.

The Group's training hours on Human Rights for 2021, 2020 and 2019 are available in the appendix to the “Human Capital” chapter of this report.

¹ Uniform Resource Locator, that is a sequence of characters that uniquely identifies the address of a video, picture, document, etc. on a computer network, made accessible to a client (hardware or software).

² The course runs on personal computers (Internet Explorer, Chrome, Firefox) while it is not - for now - accessible from smartphones.

Complaints and incidents

[GRI 103-3: Management Approach] The Group's Code of Ethics and Conduct requires employees, collaborators and consultants, as well as third parties who have business relations with the TIM Group - in respect of activities and services of interest to the Group - to promptly inform the Chief Audit Executive of TIM, either directly or via their line manager, of any violations or collusion to violate:

- legal or regulatory requirements,
- provisions of the Code of Ethics and Conduct,
- internal policies and procedures,
- any irregularities and/or negligence.

The Group Code of Ethics and Conduct requires that addressees of the Code and those who have adhered to it promptly report to the Chief Audit Executive of Telecom Italia S.p.A. or of foreign subsidiary directly concerned, using the internal procedures for this purpose:

- any violation, request or inducement to violate applicable laws and regulations, the provisions of this Code or internal procedures, with reference to activities and services of interest to the Group;
- every irregularity or negligence in keeping books and records or fulfilling obligations of financial or internal reporting in Group companies.

The handling of the above reports, also specifically those under the responsibility of the 231 Supervisory Body (known as whistleblowing), which avails of the preparatory activities of the Chief Audit Executive, includes certain processes of the "UN Guiding Principles on Business and Human Rights"; in Italy this particular case is regulated by Law No. 179/2017 (Provisions on the protection of parties reporting offenses or irregularities they become aware of in the context of a public or private employment relationship).

The "Whistleblowing" procedure requires the Chief Audit Executive, who carries out the preliminary activities on behalf of the 231 Supervisory Body and answers directly to the Board of Directors, autonomously and independently of the senior executives:

- to ensure that incoming complaints are received, logged and undergo preliminary analysis;
- based on the results of the preliminary analysis, to launch a structured audit activity (if required);
- to communicate the results of the analyses to the relevant departments so that they may take the appropriate corrective actions (if required). The non-compliance is only closed once the Audit Department has verified the effectiveness of the corrective actions implemented by the relevant departments;
- to ensure the traceability and retention of the documentation regarding the complaints received and their analysis;
- to update the reporting procedure and disseminate it internally together with the Human Resources, Organization & Real Estate Department.

Employees were made aware of this in a letter from the CEO and a news item published on the company Intranet.

In 2021, a total of 141 complaints were received in Italy and 1,924 in Brazil.

In the case of Italy, of the 141 complaints, 26 were anonymous and 115 non-anonymous - classified as follows:

- 50 in the context of the "Whistleblowing"¹ procedure;
- 91 not covered by the procedure (complaints, requests for information and clarification, as well as spam) sent to the relevant departments for the respective checks, informing the Audit Department of the result of the checks.

In the case of Brazil, of the 1,924 complaints, 690 were anonymous and 1,234 non-anonymous, classified as follows:

- 857 in the context of the "Whistleblowing"² procedure;
- 913 customer complaints (poor service, etc.);
- 154 "not inherent" to the objective of the procedure.

Below are the Human Rights-related complaints received through the tool which TIM provides for all stakeholders to report any kind of regulatory irregularity or breach of the Code of Ethics and Conduct, and of the Human Rights Policy, i.e. the "Whistleblowing" procedure, available both on the company intranet and on the Tim website at the following link:

www.gruppotim.it/content/dam/gt/gruppo/governance/doc-governance/italiano/Procedura-Whistleblowing.pdf

¹ For example: network coverage, relations with suppliers, health and safety of workers, presumed harassment and or discriminatory conduct; those relating to Human Rights are detailed in this chapter's tables.

² Of which 620 were of the "management" type (processes that can be improved, etc.) and 237 of TIM S.A. (employees in crisis situations).

Complaints received and handled regarding Human Rights in general

	2021	of which substantiated	2020	of which substantiated	2019	of which substantiated
Italy						
Total number of complaints regarding Human Rights received through the whistleblowing mechanism	1 ³	—	2 ⁴	—	1 ⁵	—
Handled during the reporting period	1	—	2	—	1	—
Resolved during the reporting period	1	—	2	—	—	—
Total number of complaints received prior to the survey period and resolved during the reference period	—	—	1	—	—	—
Brazil						
Total number of complaints regarding Human Rights received through the whistleblowing mechanism	11 ⁶	2	20 ⁷	6	11 ⁸	3
Handled during the reporting period	11	2	20	6	11	3
Resolved during the reporting period	10	2	20	6	9	3
Total number of complaints received prior to the survey period and resolved during the reference period	—	—	2	—	1	1

[GRI 406-1] Complaints received and handled regarding discrimination issues

	2021	of which substantiated	2020	of which substantiated	2019	of which substantiated
Italy						
Total number of complaints regarding discrimination received through the whistleblowing mechanism	2 ⁹	1	—	—	1 ¹⁰	—
Handled during the reporting period	2	1	—	—	1	—
Resolved during the reporting period	1	1	—	—	1	—
Total number of complaints received prior to the survey period and resolved during the reference period	—	—	—	—	1	—
Brazil						
Total number of complaints regarding discrimination received through the whistleblowing mechanism	14 ¹¹	1	6 ¹²	2	8 ¹³	3
Handled during the reporting period	14	1	6	2	8	3
Resolved during the reporting period	8	1	6	2	8	3
Total number of complaints received prior to the survey period and resolved during the reference period	—	0	0	0	0	0

[GRI 406-1] With regard to the sole substantiated complaint in Italy, in 2021 the action plan implemented consisted of disqualifying the reported party (not an employee) from future dealings with TIM. As a result, the disclosure on the action plans that have been implemented, with results verified through routing internal management audit processes, does not seem applicable, considering the type of action reported.

As regards Brazil, protocol requires the involvement of the Human Resources and Safety Department. Cases of discrimination in 2021 were investigated by analyzing the number of complaints received by the TIM complaints channel. Complaints are received through a system that uses a specialized company external to TIM S.A. After the complaint is received, Human Resources and Safety take action, in addition to activating the dedicated internal channels. The complainant receives a protocol number, to be used to monitor the status of his/her complaint. All cases deemed substantiated receive specific corrective measures, which are the

³ The complaint concerned the category "Rights relating to access to telecommunications services".

⁴ The complaints regarded the categories "privacy rights of employees and customers" and "failure to enforce occupational health and safety rules."

⁵ The complaint concerned the category "privacy rights of employees and customers".

⁶ Out of the eleven complaints received, four relate to threat or coercion, four to privacy and three to physical aggression (two of which were justified).

⁷ Of the twenty reports, five regarded the threat or coercion (of which one substantiated) and fifteen the right to privacy (of which five substantiated).

⁸ Of the eleven reports, six relate to threat or coercion (of which one was substantiated), four to the right to privacy (of which one was substantiated and one partially substantiated) and one to child labor.

⁹ The complaints concerned the category "sex discrimination or harassment (gender)".

¹⁰ The complaint concerned the category "sex discrimination or harassment (gender)".

¹¹ Out of the 14 complaints, nine related to race/physical aspect, two to discrimination of sexual orientation, two to type of employment (outsourcing) and one to age discrimination (substantiated).

¹² Of the six reports, four regarded discrimination for sexual orientation (LGBT phobia), of which two substantiated, one related to gender discrimination (misogyny) and one related to the qualification of an employee (outsourced).

¹³ Of the eight complaints, three concerned discrimination on grounds of sexual orientation (one of which was substantiated), two concerned racial discrimination, one concerned disabled people (substantiated), one concerned employee classification (substantiated) and one concerned discrimination on grounds of gender identity.

responsibility of the Human Resources Department, and, based on their seriousness, the Legal Department is also involved.

No incidents of discrimination or violations of the rights of indigenous people have been reported in the Group in the last 3 years¹⁴.

Complaints received and handled relating to labor issues

	2021	of which substantiated	2020	of which substantiated	2019	of which substantiated
Italy						
Total number of complaints regarding work matters received through the formal mechanisms in the reference period	2 ¹⁵	—	6 ¹⁶	—	—	—
Handled during the reporting period	2	—	6	—	—	—
Resolved during the reporting period	2	—	3	—	—	—
Total number of complaints regarding work matters received previously, which were resolved in the reference period	3	—	—	—	1	—
Brazil						
Total number of complaints regarding work matters received through the formal mechanisms in the reference period	34 ¹⁷	17	33 ¹⁸	10	30 ¹⁹	9
Handled during the reporting period	34	17	33	10	30	9
Resolved during the reporting period	29	17	30	10	25	9
Total number of complaints regarding work matters received previously, which were resolved in the reference period	3	1	5	4	1	1

To strengthen the foundations of corporate governance, based on the principles of transparency and confidentiality, TIM SA has provided internal and external stakeholders with the “Whistleblowing Channel”, in two languages (Portuguese and English), accessible via the company intranet and the internet (www.tim.com.br and www.ri.tim.com.br > ESG > Governança > Canal de Denúncias) or by telephone at (0800 900 8007), available 24/7. Full information is available at the following link: www.site.tim.com.br/sp/canal-de-denuncias.

¹⁴ [GRI 103-1, 103-2, 103-3: Management Approach] [GRI 411-1] The only geographical area with an indigenous population where TIM operates is Brazil; however, telecommunications activities do not have a negative impact on these populations.

¹⁵ The complaints regarded: in one case, the worker's right to perform their work while being treated with dignity and respect, and in another case, sexual harassment in the workplace.

¹⁶ The six complaints regarded: in one case, the worker's right to perform their work while being treated with dignity and respect; in one case, the unfairness of the evaluation/incentive system; in two cases the workers' right to carry out operational tasks in full awareness of maximum respect for roles and not in a coercive or compulsory way; and in two cases, sexual harassment at work.

¹⁷ Out of the 34 complaints, 18 related to labor law violations (of which 10 substantiated), 14 moral harassment (of which 7 substantiated), one sexual harassment and one bullying.

¹⁸ Of the thirty-three reports, sixteen regarded the violation of laws on employment (of which five substantiated), five moral harassment (not substantiated), twelve sexual harassment (of which five substantiated).

¹⁹ Twenty-three reports related to labor law violations (nine of which were substantiated), two for moral harassment (unsubstantiated) and five for sexual harassment (unsubstantiated).

European taxonomy

EUROPEAN TAXONOMY



The new regulatory framework

The EU Taxonomy (EU 2020/852) is a classification system introduced as part of the European Green Deal as an enabling tool for achieving the environmental and climate targets set out in the Pact, specifically decarbonization by 2050.

By setting out specific indications on economic activities that can be classified as environmentally sustainable, the regulations intend to guide the issue of transparency for investors and combat greenwashing, while supporting company organizations in planning their energy transitions and adopting sustainable environmental policies.

The European Taxonomy defines six environmental objectives, the first two of which have been fully regulated to date: climate change mitigation and climate change adaptation.

In terms of law, the regulation introduces a new disclosure obligation targeted to large public interest entities that draw up an NFS in compliance with the application of Legislative Decree 254/2016.

TIM's position

TIM was in favor of the introduction of the European Taxonomy, understanding the new regulatory framework as an instrument capable of offering the world of investors and all stakeholders a benchmark for common, comparable reference.

In addition to immediately launching all the actions necessary to align its reporting system with the new regulations, TIM actively participated in the consultation process, providing its contributions through sector associations in which the Group participates¹.

¹ Etno

How TIM has adopted the European Taxonomy

Based on the indications in the Delegated Acts, the final versions of which were published in June 2021, a two-phase process was developed, which first assessed the applicability of the Taxonomy by analyzing the entire business model of the Group, then launched the operations of reporting on the activities surveyed. Considering the phases set out in the roadmap for applying the Regulation, in 2021 the focus of the process exclusively regarded the objectives of climate change mitigation and adaptation, considered based on the eligibility criterion. Therefore, business activities were divided into the following two categories:

- **Eligible activities:** economic activities explicitly included in the Taxonomy regulation because they substantially contribute to climate change mitigation or adaptation;
- **Non-eligible activities:** all the economic activities excluded from the regulation because they do not substantially contribute to climate change mitigation or adaptation.

Thus, the three key performance indicators required by the Regulation were calculated, i.e. the share of revenues, capital expenditure and operating expenses **associated with economic activities considered environmentally sustainable**. For more details on the reporting method, see the section “Methodological Note”.

Lastly, TIM also launched the study of the additions to processes required to meet the disclosure obligations prescribed starting from FY 2022, which will require the application of an additional technical examination for each of the activities surveyed (alignment with the Taxonomy).

It is expected that the entry into force of the technical criteria for screening will, in future years, result in a tightening of the selection of the activities aligned with the Taxonomy criteria and a resulting decrease in the performance indicators. Moreover, TIM’s approach in identifying eligible activities was focused on rigorous compliance with the regulation guidelines, resulting in the exclusion of projects not clearly set out in the Delegated Acts of the Regulation.

Main results of TIM's statement regarding reporting for the European Taxonomy

Summary of the indicators



Review of the eligible activities by European Taxonomy category

KPI 1 - REVENUES:

Proportion of revenues from products or services associated with economic activities eligible under the European Taxonomy

Economic activity	000 euros	Environmental objective	
		Climate change mitigation (%)	Climate change adaptation (%)
A - Eligible activities under the Taxonomy			
8.1 Data processing, hosting and related activities (mitigation)	285,661	1.87%	
8.1 Data processing, hosting and related activities (adaptation)	840		0.01%
8.2 Data-driven solutions for GHG emissions reductions	17,942	0.12%	
8.2 Computer programing, consultancy and related activities	172,260	1.12%	
8.3 Programming and broadcasting activities	123,890	0.81%	
7.2 Renovation of existing buildings	493	—%	
4.1 Electricity generation using solar photovoltaic technology	—		
Total revenues from eligible activities under the Taxonomy - 000 euros	601,086.00	3.92%	0.01%
Total revenues from eligible activities under the Taxonomy - %	4%		
B - Non-eligible activities under the Taxonomy			
	14,714,914		
Total revenues from non-eligible activities under the Taxonomy - %	96%		
Total A + B	15,316,000		

KPI 2 - CAPEX:
Proportion of investments associated with economic activities eligible under the European Taxonomy

Economic activity	000 euros	Environmental objective	
		Climate change mitigation (%)	Climate change adaptation (%)
A - Eligible activities under the Taxonomy			
8.1 Data processing, hosting and related activities (mitigation)	163,806	3.09 %	
8.1 Data processing, hosting and related activities (adaptation)	—		
8.2 Data-driven solutions for GHG emissions reductions	231	0.004 %	
8.2 Computer programing, consultancy and related activities	28,782		0.54 %
8.3 Programming and broadcasting activities	2,347		0.04 %
7.2 Renovation of existing buildings	72,260	1.36 %	
4.1 Electricity generation using solar photovoltaic technology	1,947	0.04 %	
Total CapEx eligible under the Taxonomy - 000 euros	269,373	4.50 %	0.59 %
Total CapEx eligible under the Taxonomy - %	5 %		
B - Non-eligible activities under the Taxonomy	5,027,627		
Total non-eligible CapEx under the Taxonomy - %	95 %		
Total A + B	5,297,000		

KPI 3 - OPEX:**Proportion of operating expenses associated with economic activities eligible under the European Taxonomy**

Economic activity	000 euros	Environmental objective	
		Climate change mitigation (%)	Climate change adaptation (%)
A - Eligible activities under the Taxonomy			
8.1 Data processing, hosting and related activities (mitigation)	237,109	3.73 %	
8.1 Data processing, hosting and related activities (adaptation)	470		
8.2 Data-driven solutions for GHG emissions reductions	1,726	0.03 %	
8.2 Computer programing, consultancy and related activities	29,009		0.46 %
8.3 Programming and broadcasting activities	140,132		2.20 %
7.2 Renovation of existing buildings	366	0.01 %	
4.1 Electricity generation using solar photovoltaic technology	—	— %	
Total OpEx eligible under the Taxonomy - 000 euros	408,812	3.76 %	2.67 %
Total OpEx eligible under the Taxonomy - %	6 %		
B - Non-eligible activities under the Taxonomy	5,947,188		
Total non-eligible OpEx under the Taxonomy - %	94 %		
Total A + B	6,356,000		

METHODOLOGICAL NOTE

As noted in the previous sections, the reporting process took shape in two phases:

Survey of eligible activities: the main company activities of the TIM Group were analyzed and mapped and, in particular, investment projects and commercial offers. For each activity identified, the related descriptive materials, necessary for the final assessment, were collected and filed. In order to identify the eligible activities, the following categories set out in the Delegated Acts of the regulation were used as reference:

- Climate change mitigation:
 - 8.1 Data processing, hosting and related activities
 - 8.2 Data-driven solutions for GHG emissions reductions
 - 7.2 Renovation of existing buildings
 - 4.1 Electricity generation using solar photovoltaic technology
- Climate change adaptation:
 - 8.1 Data processing, hosting and related activities
 - 8.2 Computer programing, consultancy and related activities
 - 8.3 Programming and broadcasting activities

In the tables shown above, the activities were aggregated based on that classification.

Final accounting of the economic values and determination of the numerators and denominators of the KPIs: for all the activities surveyed, the values relating to the three indicators to be represented (revenues, capex and opex) were accounted for. Based on the indications set out in the Delegated Acts of the regulation, the values were reported based on the following accounting criteria:

- **KPI 1 - Revenues** (Net turnover): all the “eligible” items of revenues referring to Consolidated Financial Statement Note no. 25:

- revenues net of any discounts granted to customers, value added tax and other taxes
- **KPI 2 - CapEx:** all the “eligible” capital expenditure items referring to Consolidated Financial Statement Note no. 5 - 6- 7:
 - intangible and tangible investments
 - capitalized rights of use
 - increases in lease contracts
- **KPI 3 - OpEx:** all the “eligible” operating expenditure items referring to Consolidated Financial Statement Note no. 27 - 43:
 - expenses for purchases of goods and services (maintenance, consulting, energy consumption, etc.)
 - lease and rental costs (rents, leases, charges, etc.)
 - research and development (including the costs for dedicated personnel)

The numerator of each KPI equals the sum of the values referring to the eligible activities (in the tables: Section A - “Eligible activities under the Taxonomy”).

The denominator of each of the three KPIs refers to the total values identified in the same financial statement notes listed above, and is indicated in the tables in the row “Total A + B” (eligible activities + non-eligible activities).

The ratio of the numerators to the denominators provides the percentage of the total eligible activities under the Taxonomy out of the total company activities. As mentioned, the scope of reporting consists of the entire TIM Group.

Appendix

TIM group – Main economic, financial and operational data by business unit

[GRI 102-7]

(million euros)	Revenues *			EBITDA*			Investments investments			Staff at period end (units)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Domestic	12,505	12,905	14,078	3,730	5,339	5,708	3,377	2,748	2,912	42,591	42,925	45,496
Brazil	2,840	2,933	3,937	1,362	1,407	2,451	1,253	661	872	9,325	9,409	9,689
Other Operations	—	—	—	(12)	(9)	(9)	—	—	—	13	13	13
Adjustments and eliminations	(29)	(33)	(41)	—	2	1	—	—	—	—	—	—
Consolidated Total	15,316	15,805	17,974	5,080	6,739	8,151	4,630	3,409	3,784	51,929	52,347	55,198

*For details on the procedure for adopting accounting standards and any recalculations of values, refer to the Note on "Accounting Standards" of the TIM Group's Consolidated Financial Statements at December 31.

Total contributions collected under the scope of research and innovation projects financed by national and international public entities amount to 2.25 million euros in 2021 (5.30 million euros in 2020 and 5.56 million euros in 2019). Also note that the total amount of contributions collected in 2021 by the Domestic BU is approximately 59 million euros.

Other consolidated operating and financial data

(million euros)	12.31.2021	12.31.2020	12.31.2019
Total Equity	22,039	28,840	22,626
- attributable to owners of the Parent	17,414	26,215	20,280
- attributable to non-controlling interests	4,625	2,625	2,346
Profit (loss) for the year attributable to owners of the Parent	(8,652)	7,224	916
Profit (loss) for the year attributable to Non-controlling interest	252	128	326
Net financial debt carrying amount	22,416	23,714	28,246

[GRI 201-1] Economic value produced and distributed

(million euros)	2021	2020	2019
a) Total revenue and operating income	15,588	16,016	18,907
b) Interest payable and dividends paid	165	311	78
c) Gains/(losses) on disposals of non-current assets	1	(11)	(49)
d) Direct economic value generated (a+b+c)	15,754	16,316	18,936
e) Operating costs	7,467	6,542	7,555
f) Employee benefits expenses	2,941	2,639	3,077
g) Lenders	1,580	1,643	1,729
h) Taxes and duties	110	676	365
i) Economic value distributed (e+f+g+h)	12,098	11,500	12,726
Economic value retained (d-i)	3,656	4,816	6,210

Detail of Costs

(million euros)

	2021	2020	2019
Employee benefits expenses	2,941	2,639	3,077
Wages and salaries	1,794	1,804	1,950
Social security costs	651	647	716
Sundry expenses	496	188	411
Operating costs	7,467	6,542	7,555
Acquisition of goods and services	6,550	6,173	6,463
Other operating expenses *	1,402	865	1,501
Change in inventories	(10)	6	128
Internally generated assets	(475)	(502)	(537)
Lenders	1,580	1,643	1,729
Dividends distributed	373	378	296
Interest payable	1,207	1,265	1,433
Duties and taxes	110	676	365
Income taxes	11	580	241
Indirect taxes and duties	99	96	124
regarding Domestic BU	109	514	282
regarding Brazil BU	(20)	142	45
regarding activities abroad	21	20	38

* Mainly includes write-downs and expenses in connection with credit management of non-financial credits of 305 million euros (423 million euros in 2020), risk provisions of 704 million euros (43 million euros in 2020), and contributions and fees for the performance of TLC activities of 189 million euros (199 million euros in 2020) and penalties and indemnities for administrative sanctions and transactions for 127 million euros (120 million euros in 2020) net of "Other taxes and duties" of 99 million euros (96 million euros in 2020) included in the item "Taxes and duties".

Duties and taxes

[GRI 103-1: Management Approach] [GRI 103-2: Management Approach] [GRI 103-3: Management Approach] [GRI 207-1] The approach to taxation comes under the Ethics and Corporate Governance material topic. In the TIM Group, tax governance is inspired by the principles contained in the Group Code of Conduct and Ethics. The Tax Department is responsible for managing tax matters and this reports to the General Counsel. The Tax Strategy represents the approach defined by the Board of Directors to managing tax matters and the Tax Policy, which regulates the company's tax governance, is revised every two years. The tax approach is aligned with the business strategies that comprise the sustainable development goals through the Three-Year ESG Plan.

[GRI 207-2] Tax governance, control and management of the risk. This management mainly includes:

- tax compliance, in terms of direct execution or supervision;
- support, in terms of tax consultancy, given to the TIM Group business;
- the defense of TIM Group companies in the event of tax disputes;
- the management and prevention of tax risks through an internal control system of the tax risk (the "Tax Control Framework"); in this sense, work in the tax sector is included in the systems and in the general risk control procedures adopted by the Group, as well as in the general programs and activities of Audit and Compliance;
- the active contribution to the technical discussions on an international level and under the scope of international institutions and organizations, on tax policy matters (both general and linked to the specific sector).

In general terms, TIM believes that complete transparency in regard to the financial administrations is part of its duties as a taxpayer, also in terms of social responsibility.

At the same time, TIM believes that complete compliance with tax obligations, by all companies competing on the various markets, is not only a duty of all taxpayers but also a necessary condition for there to be fair competition between companies that face and compete with each other on the same markets.

The commitment to transparency is reflected in the work of the TIM Group in the tax field, as indicated in the Tax Strategy document.

In detail, the TIM Group undertakes:

- to operate according to principles of honesty, correctness and compliance with tax legislation, behaving collaboratively and transparently in regard to the financial administration and third parties, so as to minimize any substantive impact in terms of the tax risk;
- to operate always in compliance with the letter and the spirit of the tax legislation in force in the countries in which it operates; to this end, it speaks in advance with the Italian Revenues Agency about any potentially disputable matters or those of dubious interpretation in the case of complex corporate, financial or commercial transactions with results that are relevant in terms of taxation, regardless of any hypothesis of potential abuse of the right/elusiveness of a transaction and also in the event of possible non-application of anti-avoidance rules;
- to apply transfer pricing policies aimed at avoiding the erosion of taxable income, through the alignment of the location of taxable income with the place in which the economic business is carried out and respect of the arm's length principle;
- not to establish companies located in tax havens;
- not to adopt aggressive tax planning systems.

The Company regularly specifies, in its annual financial statements, all tax items and expenses.

[GRI 207-3] In the materiality matrix, the topic is included in corporate conduct. To date, the Group has not received any solicitation from its stakeholders in regard to tax aspects. Should such occur, they will be processed by the company departments assigned to deal with the relevant compliance matters.

[GRI 207-4] Country by Country reporting shows, for each of the jurisdictions in which the Group operates permanently with its subsidiaries, the income tax expense paid locally (millions of euros) on the basis of the cash criterion. In 2021, for the TIM Group, income tax expense has a negative balance of 3,885 million euros (positive for 5,955 million euros in 2020). Tax expense mainly relates to the write-off of 50% of the IRES deferred tax assets and the entire amount of the IRES deferred taxes entered in 2020 in exchange for the tax recognition of higher values booked to the financial statements in accordance with Decree Law 104/2020, Art. 110, paragraphs 8 and 8 bis; this write-off is due to the extension to 50 years of the period of tax asset resorption introduced by Art. 160 of the 2022 Budget Law (Law 234/2021) and the changed assessment of the recoverability of deferred tax assets on the basis of the current forecast of TIM S.p.A.'s future income.

	2021	2020	2019
Argentina	—	—	—
Austria	(0,06)	0.02	(0,02)
Belgium	(0,02)	0.02	0.02
Bolivia	—	—	—
Brazil	(0,30)	10.67	29.94
Bulgaria	—	—	—
Chile	(0,07)	—	—
Colombia	—	0.08	0.08
Czech Republic	(0,01)	—	—
France	(0,29)	0.25	0.76
Germany	(0,26)	0.25	0.28
Greece	(0,12)	0.36	0.11
Israel	(1,77)	2.80	0.44
Italy	(205,40)	(264,17)	85.62
Luxembourg	(32,50)	26.31	0.07
The Netherlands	(0,04)	0.05	0.06
Panama	—	—	(0,03)
Peru	—	—	—
Puerto Rico	—	—	—
Romania	—	—	0.01
Russian Federation	—	—	0.01
San Marino	(0,49)	0.07	0.29
Spain	—	—	—
Switzerland	(0,01)	0.01	0.03
Turkey	—	0.33	—
USA	(0,19)	(0,38)	(0,04)
Venezuela	(0,04)	—	0.01
Totals	(241,57)	(223,36)	117.36

	REVENUES			EBITDA			EBIT			TAX PAID (Cash criterion)		
	2021	2020	2019	2021	2020	2019	2021	2020	2019	2021	2020	2019
Domestic	12,505	12,905	14,078	3,730	5,339	5,708	(3,990)	1,635	1,887	(261)	87	686
Brazil	2,840	2,933	3,937	1,362	1,407	2,451	473	476	1,297	11	30	43
Other Operations and Eliminations	(29)	(33)	(41)	(12)	(7)	(8)	(12)	(7)	(9)	26	—	11
Total	15,316	15,805	17,974	5,080	6,739	8,151	(3,529)	2,104	3,175	(224)	117	739

Summary tables on the initiatives with stakeholders

[GRI 102-43] [GRI 102-44]



Dialog









Partnership










Information











Consulting









Institutions and Regulators		
Stakeholders	<ul style="list-style-type: none"> Topics and Actions/commitments 	Engagement procedures
National institutions	<ul style="list-style-type: none"> Infrastructure and emerging technologies Digital inclusion Cyberbullying, child pornography and online gambling <ul style="list-style-type: none"> Identification of the “Key Contact for the Postal Police” within the Security Operations Center (SOC) department, to combat child pornography and computer crime. Exclusive TIM-Protect solution for total protection against web threats Operazione Risorgimento Digitale (Operation Digital Rinascimento) in schools 	 TIM participates in the Safer Internet Centre (SIC) – Generazioni Connesse (Connected Generations), as a member of the Advisory Board  Protocols, Agreements and contracts with DPC and other entities for emergency management (caused by natural and health disasters), for alarm devices in the event of missing children, for searching in support of Alpine Rescue
Institutions, sector business community, suppliers, civil society	<ul style="list-style-type: none"> Digital inclusion <ul style="list-style-type: none"> Dealing with emergencies 	 Operazione Risorgimento Digitale
Local institutions	<ul style="list-style-type: none"> Infrastructure and emerging technologies Relations with customers Digital inclusion 	 Meetings, multi-stakeholder joint control committees  Adheres to the digital solidarity and innovation initiative organized by Turin Council in support of the community for the COVID-19 emergency
Local institutions, Business partners, Startups, Universities	<ul style="list-style-type: none"> Infrastructures and emerging technologies Digital inclusion <ul style="list-style-type: none"> Promoting the development of an inclusive digital society and access to digital services: Smart Control Room of Venice; 5G Smart road solutions in Genoa; Development of innovative technologies and application solutions, in particular in 5G, IoT, Cyber Security, Augmented Analytic, 5G Intensive Services and Cloud Native & Edge Powered. Patent activities 	 Agreements and protocols with local authorities  Participates as partner in the works of the Competence Industry Manufacturing 4.0 (CIM 4.0) to develop the adoption of 4.0 technology in production processes, products and business models
Civil Protection Department	<ul style="list-style-type: none"> Support to the territory for sustainable development Protection of human and intangible resources Guaranteeing essential communication services 	 Participates in the COVID emergency Operative Committee
International institutions	<ul style="list-style-type: none"> Cyberbullying, child pornography and online gambling Privacy and cybersecurity Digital inclusion 	 OECD and B20 working groups  Participates in the two-year project “Digital Upskilling For All”, promoted by ETNO and UNI Europa ICTS  Participates in the working group “Alliance to better protect minors online” launched by the European Commission












National institutions	<ul style="list-style-type: none"> Monitoring of strategic regulatory policies and regulatory agendas in the telecommunications sector, in addition to possible changes in the related legislation and/or the adoption of new laws. 	 <p><i>Brazil.</i> Participation in strategic meetings with government entities and/or associations in the ICT industry.</p>
Local institutions	<ul style="list-style-type: none"> Favoring the development of operators and providers of products in the ICT sector Promoting technical solutions integrated among members to supply telecommunications services and fulfill regulatory obligations Incentivizing connectivity within the country to favor access by agricultural producers throughout Brazil to take advantage of agribusiness 	 <p><i>Brazil.</i> Members of the Board of Directors of Conexis Brasil Digital and Telecomunicazioni Brasiliane: Association (Telebras), Brazilian Telecommunications Resources Association (ABR Telecom) and ConectarAGRO.</p>





Civil Society		
Stakeholders	<ul style="list-style-type: none"> Topics and Actions/commitments 	Engagement procedures
Non-profit organizations and associations, TIM volunteers	<ul style="list-style-type: none"> Digital inclusion 	 <p>Operazione Risorgimento Digitale, training courses in the classroom and in the town square, collection of feedback</p>  <p>Fondazione TIM activities</p>
No profit organizations and associations	<ul style="list-style-type: none"> Ethics and corporate governance <ul style="list-style-type: none"> Fight against corruption, transparency 	 <p>Participates in the Business Integrity Events of Transparency International</p>  <p>Participates in the "Legalità e 231" (Legality and Law 231) working group of Confindustria</p>
No profit organizations and associations	<ul style="list-style-type: none"> ESG reporting Climate change <ul style="list-style-type: none"> Sent targets for reducing CO₂ emissions to the Science Based Target initiative (SBTi) with a commitment of 1.5C Seminar plan for managers and employees on Sustainable Development Goals, projects on circular economy and combating climate change 	 <p>Collaboration with ASVIS</p>
Research consortia and entities	<ul style="list-style-type: none"> Privacy and cybersecurity Infrastructure and emerging technologies 	 <p>Participates in the four-year project CONCORDIA (Cyber security cOMpeteNCe for Research and InnovAtion), contribution to the research project RESISTO (RESilience enhancement and risk control platform for communication infraSTRUCTure Operators), both under the scope of the European research program Horizon 2020</p>
Sustainability analysts, sustainability ratings agencies	<ul style="list-style-type: none"> Climate change <ul style="list-style-type: none"> Monitoring the pursuit of the ESG goals in corporate strategies 	 <p>Participates in the compilation of questionnaires and surveys and is admitted to the main ESG indexes and ratings</p>






Users, public and private institutions, researchers, universities, startups	<ul style="list-style-type: none"> • Digital inclusion • Development of open digital innovation projects and programs, with various stakeholders such as universities and companies, among others 	 <p><i>Brazil.</i> Development of "TIM Living Labs" to explore, share knowledge and work together to implement 5G. Partnerships developed by TIM Lab with universities, research centers, companies and other entities interested in Research & Development. Academic Working Capital (AWC), entrepreneurial education program</p>
No profit organizations and associations	<ul style="list-style-type: none"> • Stimulate the dissemination of technologies, digital skills and R&D • Promoting the development of an inclusive digital society and access to digital services • Promoting inclusion and social assistance of low income individuals • Ethics and integrity • Fight against corruption; favoring transparency 	 <p><i>Brazil.</i> "Mulheres Positivas". Initiative and digital platform to aid women's personal and professional development. Partnership with Brazilian Non-Government Organizations (NGOs), such as Instituto Dara and Biomob Institute Signing of the Company Integrity Agreement and the Fight Against Corruption of Instituto Ethos. Instituto TIM ("TIM Institute") implements projects and actions in partnership with institutes that promote human development and social inclusion in Brazil, through technological applications and education.</p>
Sustainability analysts, sustainability ratings agencies	<ul style="list-style-type: none"> • Climate change • Monitoring the pursuit of the ESG goals in corporate strategies 	 <p><i>Brazil</i> Participates in the compilation of questionnaires and surveys and is admitted to the main ESG indexes and ratings</p>

Customers		
Stakeholders	<ul style="list-style-type: none"> • Topics and • Actions/commitments 	Engagement procedures
Consumer customers and Business customers	<ul style="list-style-type: none"> • Relations with customers • Oversight and improvement of quality and the customer experience • Interactive communication channels with customers (My TIM app and website and social network) for a more dynamic, reactive response to their needs and to keep them involved. 	 Extensive listening system, which picks up on customer experience in the different “moments of truth” of the customer journey, including CSI
Consumer protection associations	<ul style="list-style-type: none"> • Relations with customers 	 Collaboration with consumer associations (“equal conciliation”) and with Co.Re.Com to settle disputes with customers
Consumer protection associations customers, citizens	<ul style="list-style-type: none"> • Relations with customers • Digital inclusion • Webinar as part of the Operazione Risorgimento Digitale 	 “5G: <i>innovazione, opportunità e regole</i> ” (5G: Innovation, Opportunities and Rules), a public web conference developed in cooperation with Consumers’ Forum, developed to explain the extensive potential of 5G in individuals’ lives
Consumer customers and Business customers	<ul style="list-style-type: none"> • Customer satisfaction, quality of service • Investments for the evolution of the digital environment and the “My TIM App” channel to improve the quality of services offered and the customer experience. 	 <i>Brazil.</i> TIM S.A. conducts various national customer satisfaction surveys through online interviews with consumer customers, telephone interviews with mobile business customers, call center surveys and transactional surveys by call centers.
Consumer protection association, customers	<ul style="list-style-type: none"> • Customer satisfaction, quality of service • Increasing the number of complaints handled and solved, reducing complaints 	 <i>Brazil,</i> TIM S.A. takes part in initiatives in collaboration with the Consumer protection agencies (Forum for conciliation, web platform Consumidor.gov.br) and constitutes its own (User Board) to reduce complaints in court.

Suppliers		
Stakeholders	<ul style="list-style-type: none"> • Topics and • Actions/commitments 	Engagement procedures
Startups, ICT partners, Universities	<ul style="list-style-type: none"> • ESG Procurement Policies • Spread of digital technologies and skills • Investments in risk capital made by TIM Ventures 	 Various areas of cooperation and joint planning through Open Innovation
Manufacturing companies, ICT partners, peer operators	<ul style="list-style-type: none"> • ESG Procurement Policies • Climate change • Circular Economy • Audits on relevant suppliers and sub-suppliers • Improvement programs (health and safety, environment, working hours) • Training programs • Sharing of instruments and solutions on topics of shared interest • Higher risk suppliers during qualification; periodically, to already qualified suppliers; • Questionnaire updated in 2021 with new topics 	 Participation in activities under the scope of the Joint Audit Cooperation - JAC initiative  Vendor Hub Portal  Domestic BU and Brazil. Self-assessment sustainability questionnaire  Periodic sustainability audits carried out by third party companies on suppliers of the higher risk classes  Domestic BU and Brazil. Questionnaire in which the supplier undertakes for itself and any authorized sub-contractors, collaborators and employees, to observe the principles of conduct contained in the Group's Code of Ethics and Conduct (100% of new suppliers added to the database)
Suppliers and technology partners	<ul style="list-style-type: none"> • Innovation, Research and Development of telecommunication technologies, services and applications • 5G Testing 	 <i>Brazil</i> TIM Lab Innovation Center, a space for open innovation, which aims to identify new approaches for creating and disseminating telecom network infrastructure, promoting partnerships with universities and research institutes. In 2021 the company also innovated by providing a testing support network for the first use testing of standalone 5G.
Manufacturing companies, service companies, business partners	<ul style="list-style-type: none"> • Enhancement programs (e.g. Health and Safety, Environment) 	 <i>Brazil</i> Workshops and training courses; Awareness raising campaigns; Policies of TIM S.A. for relations

Sector business community		
Stakeholders	<ul style="list-style-type: none"> • Topics and • Actions/commitments 	Engagement procedures
Sector foreign federations and associations, standardization bodies, associations, alliances, telco open communities	<ul style="list-style-type: none"> • Climate change • Relations with customers <ul style="list-style-type: none"> • innovation of the networks and platforms and development and speeding up of the industrialization of services, in particular for 5G 	 Participates as a member in the activities of various standardization bodies and associations
Sector associations	<ul style="list-style-type: none"> • Relations with customers <ul style="list-style-type: none"> • Issue of guidelines • Support and training for local designers • Evolution of software tools to assess exposures • Joint TIM-Regional ARPA round tables 	 Participates in CEI (Italian Electrotechnical Committee) committees and working groups (Electromagnetism and compliance with existing environmental legislation)
Over the Top, Business partner, Other Authorized Operator, Startup	<ul style="list-style-type: none"> • Digital inclusion • ESG reporting • Infrastructures and emerging technologies 	 Proposal for a public-private partnership to create the Strategic National Hub, an infrastructure to manage data and applications of the PA through cloud computing with CDP, Leonardo and Sogei  Official Platinum Sponsor of the Italy Pavilion at Expo 2020 Dubai  Cross-industry cooperation of telecommunications and financial services (Credit Agricole) players
Foreign industry associations and federations	<ul style="list-style-type: none"> • Network and service security, fraud and cybercrime <ul style="list-style-type: none"> • "Safe web Plus" service 	 Domestic and Brazil BU participate in the works of GSMA (GSM Association);  Participates in ETNO work
Foreign industry associations	<ul style="list-style-type: none"> • Cyberbullying, child pornography, online gambling <ul style="list-style-type: none"> • TIM Protect 	 Domestic and Brazil BU participate in the working groups of GSMA
Business partners	<ul style="list-style-type: none"> • promoting the development of an inclusive digital society and access to digital services; in particular in the rural areas. 	 <i>In Brazil</i> In 2019 TIM S.A. created the ConectarAgro initiative in partnership with other companies in the agribusiness ecosystem. Partnership with AgTech Garage, an agribusiness innovation hub. Development of TIM 4G no Campo (TIM 4G no service) and the IoT market for Agribusiness (by digitalizing solutions for various segments, such as agribusiness, smart cities, electrical utilities and Industry 4.0).
Over the Top, Business partner, Other Authorized Operator, Startup	<ul style="list-style-type: none"> • Development and testing of new technologies and solutions for network infrastructure • Creation of universal standards to ensure supplier interoperability • Improving the offering of suppliers 	 <i>Brazil.</i> TIM S.A. has participated in Telecom Infra Project (TIP) since 2017.
Other mobile operators	<ul style="list-style-type: none"> • Promoting the development of an inclusive digital society • Reducing energy consumption • Optimizing costs and resources in the development of a network architecture 	 <i>Brazil.</i> Agreement for sharing LTE RAN.

Financial community		
Stakeholders	<ul style="list-style-type: none"> • Topics and • Actions/commitments 	Engagement procedures
Shareholders, institutional and retail investors, associations of minority shareholders, bondholders, socially responsible investors, equity and credit analysts.	<ul style="list-style-type: none"> • ESG reporting • Updated financial and non-financial information about the Group, with close attention paid to the needs of all the different categories of stakeholders • Operating cash generation and the possible support for the Group's deleveraging from extraordinary options; • ESG topics following presentation of the Group sustainability plan and on the occasion of the publication of the sustainable bond framework; • The agreement with Google Cloud for the development and drive of TIM within the national cloud market, with a focus on the dynamics involved in the development of data centers, Noovle S.p.A. FiberCop; • 5G and potential competitive developments; • the growth in FTTx technology customers, convergent services and penetration of ICT services in the business segment; • the development of TIM Brasil and its positive results; 	<p> Through the TIM Group website, important information is supplied to individual investors and the general public</p> <p> In 2021, the Investor Relations department handled hundreds of on-line meetings between direct individuals, groups and individuals, by audio or video conference call: 4 conference calls held for the annual and quarterly results, road shows including on ESG and on-line participation in the main TLC sector conferences.</p>
Shareholders, institutional and retail investors, associations of minority shareholders, bondholders, socially responsible investors, equity and credit analysts	<ul style="list-style-type: none"> • ESG reporting • Presentation of results • Communication with the Board of Directors 	<p>  <i>Brazil.</i> Company climate survey, engagement survey, other surveys on the impact of the pandemic. Performance assessments. Periodic meetings with management and the resulting communications. Training programs. Workshops to share values and experiences. Endobranding and endomarketing actions to align employees with the brand positioning and the new offers and services. Every year, TIM Talks brings together employees from all over Brazil in a learning and development program. The employees work on issues that combine company and personal interests, such as business and technology, relationship with the environment, well-being and society, diversity and inclusion.</p>

People		
Stakeholders	<ul style="list-style-type: none"> • Topics and • Actions/commitments 	Engagement procedures
All employees of the Group	<ul style="list-style-type: none"> • Work and human capital • development of the company's human capital • management efficiency • engagement and personal satisfaction • safeguarding diversity and promoting equal opportunities in the company; 	<p> Domestic BU and Brazil. 2021 Engagement Survey</p> <p> </p> <ul style="list-style-type: none"> • Family Care Initiatives • Performance management through a customized approach for various areas of the Company • Initiatives to support individuals • WelBeing project • Progetto Donna • Disability Management • LGBT Management • Longevity Project <ul style="list-style-type: none"> – Internal Listening Plan – Training Plans – Development Plans – "Per i cittadini di TIM" (For TIM People) Program – Projects that favor the culture of inclusion • 4.8 million hours of training <ul style="list-style-type: none"> – 200 retraining and skills development processes
Employees, managers and professionals	<ul style="list-style-type: none"> • Work and human capital • development of the company's human capital • management efficiency 	<p>  New skills model of TIM based on the new company values Update of the professional system - Management Performance Process 2021</p>








Manager	<ul style="list-style-type: none"> • Work and human capital • Various training courses of support, engagement, development and inspiration, dedicated to various management targets; 	 Blended training courses on the culture of feedback for Executives and Middle Managers in their roles
Managers, professionals and new graduates	<ul style="list-style-type: none"> • Work and human capital • engagement • training • networking and knowledge sharing 	 Onboarding for new-hires 2021
Employees in technical areas	<ul style="list-style-type: none"> • Work and human capital 	 Skill assessments on transversal and specialized topics
Customer care operators care	<ul style="list-style-type: none"> • Work and human capital • Development of skills to cope with new technology • Fairness and innovation in customer relations 	 Engagement and continuous professional development through the TUO portal (Trova, Usa ed Organizza - Find, Use and Organize), review of the performance management cycle, including new Sales&Caring targets. Training courses on customer experience issues and training for the sales force
Sales and partners commercial, personnel of customer care service providers	<ul style="list-style-type: none"> • Work and human capital • New ways to handle customer relations for greater protection of privacy and compliance with GDPR requirements 	 Specific training plans in connection with the role
Trade union representatives , TIM people	<ul style="list-style-type: none"> • Work and human capital • Management of employment relationships • Managing the health and safety of workers • Developing the company's human resources • Work-life balance • Measures to support the pursuit of the objectives for the business and for people • Actions and measures to handle the technological transformation by raising the level of human capital employed in the Company, expanding and redefining workers' skills • Dynamics of professional structures and adaptation of individual working hours • Evolution of the Industrial Relations model to favor ongoing, constructive and participatory dialog 	 <p>Definition of the new working model</p> <ul style="list-style-type: none"> - Dialog opportunities with trade unions on the changed working conditions following the COVID-19 pandemic - Agreement for flexible departures (Domestic BU - over 3,700 departures in the two-year period '20-'21) <p>Guidelines to address the emergency - Adoption of appropriate measures</p> <ul style="list-style-type: none"> - Memorandum of understanding for the management of the second phase of the COVID-19 emergency <p>Definition of tools and measures to support the digital transformation</p> <ul style="list-style-type: none"> - Expansion Contract - new hires, reductions in working hours, training for reskilling and the acquisition of new skills for permanent positions - New Skills Fund Agreement <p>Industrial Relations Protocol: numerous meetings on various issues (i.e. Welfare and Equal Opportunities, National and Local Health and Safety Committees)</p> <p>1,450 promotions in the three-year period 2021-2023. Moreover, 550 promotions are planned for staff involved in network and technological system design activities</p> <p>25% increases in working hours are planned in the three-year period for a total of 400 part-time workers (Domestic BU)</p>
TIM people, Civil society	<ul style="list-style-type: none"> • Work and human capital • Safeguarding diversity and promoting equal opportunities in the company 	 <p>Dissemination of the culture of inclusion</p> <ul style="list-style-type: none"> - Organization of 4 Weeks 4 Inclusion, a schedule of 200 events shared with 200 companies and targeting 700,000 employees of those companies - Promotion of the program supporting women's employment "Mulheres Positivas"(offer of more than 100 courses and 700 jobs); - Inclusion event for black students "Afro Presença" (commitment to select 50% black women in technological areas and 50% black students in the general areas)

Table reconciling the topics concerned by Decree 254/16, the topics that have emerged as material in TIM's materiality analysis and the GRI reporting standard adopted. Evidence of perimeters and page numbers.

Certain material topics pertain to several topics of the Legislative Decree. For brevity's sake, the criteria of prevalence was used, which is not to be deemed comprehensive.

Topic of Italian Legislative Decree no.	2021 Material Topic	GRI reference standard	Internal perimeter	External perimeter	Section on page
Environmental	Climate change	GRI 302: Energy	TIM Group with the exclusions reported in the chapter on the approach to environmental protection	TIM contributes directly and indirectly through the relationship with suppliers, business partners and customers	59, Errore. Il segnalibro non è definito.
		GRI 305: Emissions			59, Errore. Il segnalibro non è definito.
		GRI 307: Environmental Compliance			59, 62
	ESG Procurement Policies (the related social and governance topics are covered under Human Rights)	GRI 204: Procurement practices	Domestic BU, Brazil BU	TIM contributes directly and indirectly through the relationship with suppliers and business partners	159, 163
		GRI 306: Waste			59, Errore. Il segnalibro non è definito.
		GRI 308: Supplier environmental assessment			159, 161, 163, 165, 171
		GRI 414: Supplier social assessment			159, 161, 163, 165, 171, 176
Social	Relations with customers	GRI 416: Health and safety of customers	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with customers and trade associations	142
		GRI 417: Marketing and labeling			142
	Privacy and cybersecurity	GRI 418: Customer Privacy	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with customers and trade associations	146, 176
	ESG reporting	GRI 102: Stakeholder engagement	Domestic BU, Brazil BU	TIM contributes indirectly through relations with all Group stakeholders	2, 3, 10, 13, 15, 16, 17, 39, 41, 44, 46, 104, 113, 117, 129, 134, 139, 153, 157, 159, 192, 213
		GRI 413: Local Communities			31, 166
	Digital inclusion	Non-GRI aspect	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with customers, communities, institutions, competitors and suppliers	
	Infrastructures and emerging technologies	GRI 203: Indirect economic impacts	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with suppliers, business partners and institutions	86, 93, 151
	Cyberbullying, child pornography, online gambling	GRI 416: Health and safety of customers	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with customers, suppliers, business partners and institutions	142
Relating to staff	Work and human capital	GRI 401: Employment	TIM Group	TIM contributes indirectly through the relationship with trade unions and suppliers	102, 104, 124, 129
		GRI 402: Labor/management relations			102, 117
		GRI 403: Health and safety at work			121, 161, 176

		GRI 404: Training and education			102, 104, 108, 129
	Equal opportunities in the company	GRI 405: Diversity and equal opportunities	TIM Group	TIM contributes indirectly through the relationship with trade unions, suppliers and the communities in which it operates	104, 105, 124, 129
Respect for human rights	Human Rights	GRI 406: Non-discrimination	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with suppliers, business partners and customers	124, 176, 179, 180
		GRI 407: Freedom of association and collective bargaining			117, 161, 163, 176, 179
		GRI 408: Child labor			117, 161, 163, 176, 179
		GRI 409: Forced or compulsory labor			117, 161, 163, 176, 179
		GRI 410: Security practices			161, 176, 179
		GRI 411: Rights of indigenous peoples			176, 180
		GRI 412: Human rights assessment			104, 129, 159, 176, 179
Fight against corruption	Ethics and corporate governance	GRI 205: Anti-corruption	Domestic BU, Brazil BU	TIM contributes indirectly through the relationship with suppliers, business partners, institutions and competitors	21
		GRI 206: Anti-competitive behavior			24
		GRI 207: Tax			192
		GRI 415: Public Policy			24
		GRI 419: Socioeconomic compliance			142

[GRI 102-55] **GRI CONTENT INDEX**
for “In accordance”- Comprehensive
GENERAL DISCLOSURES

GRI Standard	Definitions		Section on page	Omissions
GRI 101: Foundation				
GRI 102: General Disclosures				
Organizational profile				
	102-1	Name of the organization	13	
	102-2	Activities, brands, products and services	13	
	102-3	Location of headquarters	13	
	102-4	Location of operations	13	
	102-5	Ownership and legal form	13	
	102-6	Markets served	13	
	102-7	Scale of the organization	13, 15, 16, 104, 192	
	102-8	Information on employees and other workers	104, 129	
	102-9	Supply chain	159	
	102-10	Significant changes to the organization and its supply chain	10, 13, 15	
	102-11	Precautionary principle or approach	17, 46	
	102-12	External initiatives	44, 153	
	102-13	Membership of associations	44	
Strategy				
	102-14	Statement from senior decision-maker	3	
	102-15	Key impacts, risks and opportunities	46	
Ethics and integrity				
	102-16	Values, principles, standards and norms of behavior	44	
	102-17	Mechanisms for advice and concerns about ethics	17	
Governance				
	102-18	Governance structure	17, 44	
	102-19	Delegating authority	17, 44	
	102-20	Executive-level responsibility for economic, environmental and social topics	17, 44	
	102-21	Consulting stakeholders on economic, environmental and social topics	17, 44	
	102-22	Composition of the highest governance body and its committees	17	
	102-23	Chair of the highest governance body	17	
	102-24	Nominating and selecting the highest governance body	17	
	102-25	Conflicts of interest	17	
	102-26	Role of highest governance body in setting purpose, values and strategy	17, 44	
	102-27	Collective knowledge of highest governance body	17	
	102-28	Evaluating the highest governance body performance	17	
	102-29	Identifying and managing economic, environmental, and social impacts	17, 46	
	102-30	Effectiveness of risk management processes	17, 46	
GENERAL DISCLOSURES				
GRI Standard	Definitions		Section on page	Omissions
	102-31	Review of economic, environmental and social topics	17, 44	
	102-32	Highest governance body's role in sustainability reporting	17, 44	
	102-33	Communicating critical concerns to the highest top governance body	17	
	102-34	Nature and total number of critical concerns	17	
	102-35	Remuneration policies	17	
	102-36	Process for determining remuneration	17	
	102-37	Stakeholders' involvement in remuneration	17, 113	

102-38	Annual total compensation ratio	113	Information not disclosed for confidentiality reasons. It is considered that this comes under the category of information subject to the "Policy on the Classification and Management of Information about Confidentiality" insofar as, once disclosed, if not correctly understood, the data could damage the company's reputation.
102-39	Percentage increase in annual total compensation ratio	113	Information not disclosed for confidentiality reasons. It is considered that this comes under the category of information subject to the "Policy on the Classification and Management of Information about Confidentiality" insofar as, once disclosed, if not correctly understood, the data could damage the company's reputation.
Stakeholder engagement			
102-40	List of stakeholder groups	39	
102-41	Collective bargaining agreements	117	
102-42	Identifying and selecting stakeholders	39	
102-43	Approach to stakeholder engagement	39, 134, 153, 157, 196	
102-44	Key topics and concerns raised	39, 134, 153, 157, 196	
Reporting practice			
102-45	Entities included in the consolidated financial statements and not included in the sustainability report	10, 13	
102-46	Defining report content and topic Boundaries	10, 41	
102-47	List of material topics	10, 41	
102-48	Restatements of information with respect to previous reports	10, 13	
102-49	Changes in reporting	41	
102-50	Reporting period	10	
102-51	Date of most recent report	10	
102-52	Reporting cycle	10	
102-53	Contact point for questions regarding the report	2	
102-54	Claims for reporting in accordance with the GRI Standards	10	
102-55	GRI content index	206	
102-56	External assurance	10, 213	

MATERIAL DISCLOSURES				
GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
GRI 203 Indirect economic impacts (2016)				
	103-1	Explanation of the material topic and its Boundary	93, 151	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	93, 151	
	103-3	Evolution of the management approach	93, 151	
	203-1	Infrastructure investments and services supported	86, 93, 151	
	203-2	Significant indirect economic impacts	93, 151	
GRI 204 Procurement Practices (2016)				

MATERIAL DISCLOSURES

GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
	103-1	Explanation of the material topic and its Boundary	159	
	103-2	The management approach and its components	159	
	103-3	Evolution of the management approach	153	
	204-1	Spending with local suppliers	159	
GRI 205 Anti-corruption (2016)				
	103-1	Explanation of the material topic and its Boundary	21	
	103-2	The management approach and its components	21	
	103-3	Evolution of the management approach	21	
	205-1	Percentage of operations assessed for risks related to corruption	21	
	205-2	Communication and training about anti-corruption policies and procedures	21	
	205-3	Confirmed incidents of corruption and actions taken	21	
GRI 206 Anti-competitive behavior (2016)				
	103-1	Explanation of the material topic and its Boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evolution of the management approach	24	
	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	24	
GRI 207 Tax (2019)				
	103-1	Explanation of the material topic and its Boundary	192	
	103-2	The management approach and its components	192	
	103-3	Evolution of the management approach	192	
	207-1	Approach to tax	192	
	207-2	Tax governance, control and risk management	192	
	207-3	Stakeholder engagement and management of concerns related to tax	192	
	207-4	Country-by-country reporting	192	Reporting partially incomplete. The Group undertakes to extend the reporting over the next few years.
GRI 302 Energy (2016)				
	103-1	Explanation of the material topic and its Boundary	59	
	103-2	The management approach and its components	59	
	103-3	Evolution of the management approach	59	
	302-1	Energy consumption within the organization	Errore. Il segnalibro non è definito.	
	302-2	Energy consumption outside the organization	Errore. Il segnalibro non è definito.	Energy consumption outside the company is not reported as the data is not available.
	302-3	Energy intensity	Errore. Il segnalibro non è definito.	
	302-4	Reduction of energy consumption	Errore. Il segnalibro non è definito.	
	302-5	Reduction in the energy requirements of products and services	Errore. Il segnalibro non è definito.	The reduction in the consumption of products and services is not expressed as complete data is not available.
GRI 305 Emissions (2016)				
	103-1	Explanation of the material topic and its Boundary	59	
	103-2	The management approach and its components	59	
	103-3	Evolution of the management approach	59	
	305-1	Direct (Scope 1) GHG emissions	Errore. Il segnalibro non è definito.	

MATERIAL DISCLOSURES

GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
	305-2	Energy indirect (Scope 2) GHG emissions	Errore. Il segnalibro non è definito.	
	305-3	Other indirect (Scope 3) GHG emissions	Errore. Il segnalibro non è definito.	
	305-4	GHG emission intensity	Errore. Il segnalibro non è definito.	
	305-5	Reduction of GHG emissions, and results achieved	Errore. Il segnalibro non è definito.	
	305-6	Emissions of ozone-depleting substances (ODS)	Errore. Il segnalibro non è definito.	
	305-7	Nitrogen Oxides (NOx), sulfur oxides (SOx) and other significant air emissions, broken down by type and weight	Errore. Il segnalibro non è definito.	Not applicable. Nitrogen oxides (NOx) and sulfur oxides (SOx) are not relevant to the Group and are therefore not reported.
GRI 306 Waste (2020)				
	103-1	Explanation of the material topic and its Boundary	59	The boundary refers to TIM S.p.A., Noovle, Sparkle Italia, Olivetti
	103-2	The management approach and its components	59	
	103-3	Evolution of the management approach	59	
	306-1	Waste generation and significant waste-related impacts	59	
	306-2	Management of significant waste-related impacts	59	
	306-3	Waste generated	59	
	306-4	Waste diverted from disposal	59	
	306-5	Waste directed to disposal	59	
GRI 307 Environmental compliance				
	103-1	Explanation of the material topic and its Boundary	59	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	59	
	103-3	Evolution of the management approach	59	
	307-1	Non-compliance with environmental laws and regulations	62	
GRI 308 Supplier environmental assessment (2016)				
	103-1	Explanation of the material topic and its Boundary	159	
	103-2	The management approach and its components	159	
	103-3	Evolution of the management approach	159	
	308-1	New suppliers that were screened using environmental criteria	161	
	308-2	Negative environmental impacts in the supply chain and actions taken	161	
GRI 401 Employment (2016)				
	103-1	Explanation of the material topic and its Boundary	102	
	103-2	The management approach and its components	102	
	103-3	Evolution of the management approach	102	
	401-1	New employee hires and employee turnover	104, 129	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	124	
	401-3	Parental leave	105, 129	
GRI 402 Labor/Management Relations (2016)				
	103-1	Explanation of the material topic and its Boundary	117	
	103-2	The management approach and its components	117	
	103-3	Evolution of the management approach	117	
	402-1	Minimum notice periods regarding operational changes	117	
GRI 403 Occupational health and safety (2018)				

MATERIAL DISCLOSURES

GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
	103-1	Explanation of the material topic and its Boundary	121	The Boundary refers only to workers in the TIM Group
	103-2	The management approach and its components	121	
	103-3	Evolution of the management approach	121	
	403-1	Occupational health and safety management system	121	
	403-2	Hazard identification, risk assessment, and incident investigation	121	
	403-3	Occupational health services	121	
	403-4	Worker participation, consultation, and communication on occupational health and safety	121	
	403-5	Worker training on occupational health and safety	121	
	403-6	Promotion of worker health	121	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	121	
	403-8	Workers covered by a health and safety at work management system	121	
	403-9	Accidents at work	121, 129	There are no numbers and rates of accidents given relating to external workers as the data is not available to date.
	403-10	Occupational diseases	121	There are no numbers and rates of occupational diseases given relating to external workers as the data is not available to date.
GRI 404 Training (2016)				
	103-1	Explanation of the material topic and its Boundary	108	
	103-2	The management approach and its components	108	
	103-3	Evolution of the management approach	108	
	404-1	Average hours of training per year per employee	108, 129	
	404-2	Programs for updating employee skills and transition assistance programs	108	
	404-3	Percentage of employees receiving regular performance and career development reviews	108	
GRI 405 Diversity and equal opportunity (2016)				
	103-1	Explanation of the material topic and its Boundary	105	
	103-2	The management approach and its components	105	
	103-3	Evolution of the management approach	105	
	405-1	Members of the company governance bodies and breakdown of employees by category according to gender, age, membership of protected categories and other diversity indicators	105	
	405-2	Ratio of basic salary and remuneration of women to men of the same category	129	
GRI 406 Non-discrimination (2016)				
	103-1	Explanation of the material topic and its Boundary	176	
	103-2	The management approach and its components	176	
	103-3	Evolution of the management approach	176	
	406-1	Incidents of discrimination and corrective actions taken	180	
GRI 407 Freedom of association and collective bargaining (2016)				
	103-1	Explanation of the material topic and its Boundary	161, 163, 176	
	103-2	The management approach and its components	161, 163, 176	
	103-3	Evolution of the management approach	161, 163, 176	
	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	161, 163, 176	

MATERIAL DISCLOSURES

GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
GRI 408 Child labor (2016)				
	103-1	Explanation of the material topic and its Boundary	161	
	103-2	The management approach and its components	161	
	103-3	Evolution of the management approach	161	
	408-1	Operations and suppliers at significant risk for incidents of child labor	161, 163	
GRI 409 Forced or compulsory labor (2016)				
	103-1	Explanation of the material topic and its Boundary	161	
	103-2	The management approach and its components	161	
	103-3	Evolution of the management approach	161	
	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	161, 163	
GRI 410 Security practices, human rights policies and procedures (2016)				
	103-1	Explanation of the material topic and its Boundary	161	
	103-2	The management approach and its components	161	
	103-3	Evolution of the management approach	161	
	410-1	Security practices	161	
GRI 411 Rights of indigenous peoples (2016)				
	103-1	Explanation of the material topic and its Boundary	161	
	103-2	The management approach and its components	161	
	103-3	Evolution of the management approach	161	
	411-1	Incidents of violation regarding rights of indigenous peoples	180	
GRI 412 Human rights assessment (2016)				
	103-1	Explanation of the material topic and its Boundary	176	
	103-2	The management approach and its components	176	
	103-3	Evolution of the management approach	176	
	412-1	Operations that have been subject to human rights reviews or impact assessments	176	
	412-2	Employee training on human rights policies or procedures	176	
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	176	
GRI 413 Local communities (2016)				
	103-1	Explanation of the material topic and its Boundary	24, 153	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	24, 153	
	103-3	Evolution of the management approach	24, 153	
	413-1	Operations with local community engagement, impact assessments, and development programs	24, 153	
	413-2	Operations with significant actual and potential negative impacts on local communities	24	Partial reporting. More information available on the websites www.gruppottim.it/en/sustainability.html and ri.tim.com.br/en/esg/overview-indicators-and-indices/
GRI 414 Supplier social assessment (2016)				
	103-1	Explanation of the material topic and its Boundary	159	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	159	
	103-3	Evolution of the management approach	159	
	414-1	New suppliers that were screened using social criteria	159, 161	
	414-2	Negative social impacts in the supply chain	159, 161	
GRI 415 Public policy (2016)				

MATERIAL DISCLOSURES

GRI Standard	Definitions	The indicators not included in the tables below were immaterial	Section on page	Omissions
	103-1	Explanation of the material topic and its Boundary	24	
	103-2	The management approach and its components	24	
	103-3	Evolution of the management approach	24	
	415-1	Political contributions	24	
GRI 416 Consumer health and safety (2016)				
	103-1	Explanation of the material topic and its Boundary	142	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	142	
	103-3	Evolution of the management approach	142	
	416-1	Assessment of the health and safety impacts of product and service categories	142	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	142	
GRI 417 Marketing and labeling (2016)				
	103-1	Explanation of the material topic and its Boundary	142	
	103-2	The management approach and its components	142	
	103-3	Evolution of the management approach	142	
	417-1	Requirements for product and service information and labeling	142	
	417-2	Incidents of non-compliance concerning product and service information and labeling	142	
	417-3	Incidents of non-compliance concerning marketing communications	142	
GRI 418 Customer privacy (2016)				
	103-1	Explanation of the material topic and its Boundary	146	
	103-2	The management approach and its components	146	
	103-3	Evolution of the management approach	146	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	146	
GRI 419 Socioeconomic compliance (2016)				
	103-1	Explanation of the material topic and its Boundary	142	The boundary refers to the Domestic BU and Brazil BU
	103-2	The management approach and its components	142	
	103-3	Evolution of the management approach	142	
	419-1	Non-compliance with laws and regulations in the social and economic area	142	Reporting is limited to economic non-conformities only

INDEPENDENT AUDITORS' REPORT

[GRI 102-56]



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Independent auditors' report on the consolidated disclosure of non-financial information in accordance with Article 3, par. 10, of Legislative Decree 254/2016 and with Article 5 of CONSOB Regulation adopted with Resolution n. 20267 of January 18, 2018

(Translation from the original Italian text)

To the Board of Directors of
TIM S.p.A.

We have been appointed to perform a limited assurance engagement pursuant to Article 3, paragraph 10, of Legislative Decree 30 December 2016, n. 254 (hereinafter "Decree") and article 5 of CONSOB Regulation adopted with Resolution 20267/2018, on the consolidated disclosure of non-financial information of TIM S.p.A. and its subsidiaries (hereinafter the "Group" or "TIM Group") for the year ended on December 31, 2021 in accordance with article 4 of the Decree and approved by the Board of Directors on March 02, 2022 (hereinafter "DNF").

Our limited assurance engagement does not cover the information included in the paragraph "European Taxonomy" of the DNF, that are required by art.8 of the European Regulation 2020/852.

Responsibilities of Directors and Board of Statutory Auditors for the DNF

The Directors are responsible for the preparation of the DNF in accordance with the requirements of articles 3 and 4 of the Decree and the "Global Reporting Initiative Sustainability Reporting Standards" defined by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), identified by them as a reporting standard.

The Directors are also responsible, within the terms provided by law, for that part of internal control that they consider necessary in order to allow the preparation of the DNF that is free from material misstatements caused by fraud or not intentional behaviors or events.

The Directors are also responsible for identifying the contents of the DNF within the matters mentioned in article 3, par. 1, of the Decree, considering the business and the characteristics of the Group and to the extent deemed necessary to ensure the understanding of the Group's business, its performance, its results and its impact.

The Directors are also responsible for defining the Group's management and organization business model, as well as with reference to the matters identified and reported in the DNF, for the policies applied by the Group and for identifying and managing the risks generated or incurred by the Group.

The Board of Statutory Auditors is responsible, within the terms provided by the law, for overseeing the compliance with the requirements of the Decree.

Auditors' independence and quality control

We are independent in accordance with the ethics and independence principles of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, based on fundamental principles of integrity, objectivity, professional competence and diligence, confidentiality and professional behavior. Our audit firm applies the International Standard on Quality Control 1 (ISQC Italia 1) and, as a result, maintains a quality control system that includes

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documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable laws and regulations.

Auditors' responsibility

It is our responsibility to express, on the basis of the procedures performed, a conclusion about the compliance of the DNF with the requirements of the Decree and of the GRI Standards. Our work has been performed in accordance with the principle of "International Standard on Assurance Engagements ISAE 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information" (hereinafter "ISAE 3000 Revised"), issued by the International Auditing and Assurance Standards Board (IAASB) for limited assurance engagements. This principle requires the planning and execution of work in order to obtain a limited assurance that the DNF is free from material misstatements. Therefore, the extent of work performed in our examination was lower than that required for a full examination according to the ISAE 3000 Revised ("reasonable assurance engagement") and, hence, it does not provide assurance that we have become aware of all significant matters and events that would be identified during a reasonable assurance engagement.

The procedures performed on the DNF were based on our professional judgment and included inquiries, primarily with company's personnel responsible for the preparation of the information included in the DNF, documents analysis, recalculations and other procedures in order to obtain evidences considered appropriate.

In particular, we have performed the following procedures:

1. analysis of the relevant matters in relation to the activities and characteristics of the Group reported in the DNF, in order to assess the reasonableness of the selection process applied in accordance with the provisions of article 3 of the Decree and considering the reporting standard applied;
2. analysis and evaluation of the criteria for identifying the consolidation area, in order to evaluate its compliance with the provisions of the Decree;
3. comparison of the economic and financial data and information included in the DNF with those included in the TIM Group's consolidated financial statements;
4. understanding of the following aspects:
 - o Group's management and organization business model, with reference to the management of the matters indicated in the article 3 of the Decree;
 - o policies adopted by the Group related to the matters indicated in the article 3 of the Decree, results achieved and related key performance indicators;
 - o main risks generated or suffered related to the matters indicated in the article 3 of the Decree.

With regard to these aspects, we obtained the documentation supporting the information contained in the DNF and performed the procedures described in item 5. a) below.

5. understanding of the processes that lead to the generation, detection and management of significant qualitative and quantitative information included in the DNF.
In particular, we have conducted interviews and discussions with the management of TIM S.p.A. and with the personnel of Noovle S.p.A. e TIM Retail Srl and we have performed limited documentary evidence procedures, in order to collect information about the processes and

procedures that support the collection, aggregation, processing and transmission of non-financial data and information to the management responsible for the preparation of the DNF.

Furthermore, for significant information, considering the Group activities and characteristics:

- at Group level
 - a) with reference to the qualitative information included in the DNF, and in particular to the business model, policies implemented and main risks, we carried out inquiries and acquired supporting documentation to verify its consistency with the available evidence;
 - b) with reference to quantitative information, we have performed both analytical procedures and limited assurance procedures to ascertain on a sample basis the correct aggregation of data.
- for the Group entities TIM S.p.A., Noovle S.p.A, TIM Retail Srl, and TIM Participações SA that we have selected based on their activities, relevance to the consolidated performance indicators and location, we have carried out remote interviews during which we have had discussions with management and have obtained evidence about the appropriate application of the procedures and the calculation methods used to determine the indicators.

Conclusion

Based on the procedures performed, nothing has come to our attention that causes us to believe that the DNF of the TIM Group for the year ended on December 31, 2021 has not been prepared, in all material aspects, in accordance with the requirements of articles 3 and 4 of the Decree and the GRI Standards.

Our conclusions on the DNF of the TIM Group do not refer to the information included in the paragraph "European Taxonomy" of the DNF itself, that are required by art.8 of the European Regulation 2020/852.

Turin, March 16, 2022

EY S.p.A.

Signed by: Ettore Abate, Auditor

This report has been translated into the English language solely for the convenience of international readers.