

TIM GROUP commitment to environmental sustainability



INDEX

1.	PREFACE	3
2.	RECIPIENTS	4
3.	SCOPE AND FIELD OF APPLICATION	5
4.	REFERENCES	6
5.	TIM GROUP COMMITMENTS	7
6.	THE ELEMENTS OF THE POLICY	10
7.	GLOSSARY	12

1. PREFACE

TIM Group companies recognise that, due to their impact on the economic, social and technological scenario of the countries and territorial realities in which they operate and the strategic importance of their activities, they play a fundamental role in creating value for their stakeholders and in contributing to sustainable development, i.e. *a process of change such that the exploitation of resources, the direction of investments, the orientation of technological development and institutional changes are made consistent with future needs as well as with current ones*¹.

This Policy specifically considers aspects identified as fundamental and priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of TIM Group Companies

¹ Today's widely accepted definition of sustainable development is the one contained in the Brundtland Report, drawn up in 1987 by the World Commission on Environment and Development and named after the then Norwegian Prime Minister Gro Harlem Brundtland, who chaired that commission.

2. RECIPIENTS

This document has GROUP (REFERENCE FRAMEWORK) validity. The following document is addressed to all TIM Group Companies, both Italian and foreign, TIM Foundation, TIM Institute, operating structures and company departments whose activities may have even potentially significant impacts on the environment. The management of environmental impacts is governed by special procedures that are also functional to the application of local legislation and international bodies on the subject, and that involve the development of specific training and communication programs on environmental matters.

3. SCOPE AND FIELD OF APPLICATION

This document defines the Environmental Policy for the TIM Group and provides general guidelines within the TIM Group for the responsible and sustainable protection of the environment, implemented by organisational and management processes developed and implemented by the Functions concerned as having a specific impact on the environment.

The effective date of this Policy coincides with the issuance date indicated below.

The document is classified by TIM S.p.A. as "Public" in that unauthorised disclosure, loss, tampering or improper use may not cause damage to the Company. The document may be freely distributed outside the TIM Group.

4. REFERENCES

International Standards

N°	TITLE	VERSION
[1]	UNI EN ISO 14001 - Environmental Management Systems - Requirements and Guidance for Use	2015
[2]	GHG Protocol - A corporate accounting and reporting standard – Revised edition	March 2004
[3]	UNI CEI EN ISO 50001 - Energy Management Systems - Requirements and Guidelines for Use	2018
[4]	UNI EN ISO 14064-1, 2, 3 – Greenhouse Gases	2019

5. TIM GROUP COMMITMENTS

TIM Group companies strive to eliminate or reduce to a minimum, where possible, negative impacts on the ecosystem that may be generated by their activities. This is also demonstrated by the fact that several Group² companies have implemented an Environmental Management System in compliance with the UNI EN ISO 14001 standard and have obtained - and maintain - certification. Some TIM³ plants have also obtained certification of their Energy Management System in accordance with UNI EN 50001.

According to Art. 5, paragraph c of Legislative Decree No. 152/2006, as revised by Legislative Decree No. 104/2017, environmental impact means the:

“significant direct and indirect effects of a plan, programme or project on the following factors:

- population and human health;
- biodiversity, with particular attention to species and habitats protected under Directive 92/43/EEC and Directive 2009/147/EC;
- land, soil, water, air and climate;
- material assets, cultural heritage, landscape;
- interaction between the factors listed above.

Environmental impacts include effects resulting from the vulnerability of the project to the risk of serious accidents or disasters relevant to the project itself.”

In 1996, TIM was one of the founders of ETNO's⁴ Corporate Responsibility Charter⁵ and thus among the first telecommunications operators worldwide to recognise its responsibility towards the environment, but also the opportunities that arise from a correct approach to managing environmental issues.

² Chief Technology Office, Wholesale Operations, Olivetti, TI Sparkle, TIM Brasil.

³ These are the sites of Via Stendhal in Bologna and Rozzano 1 and 2. As of 2018, Rozzano 3 - thus completing the Data Centre -, the Piacenza Centro power plant, as well as the Padua and Bologna Roveri CEDs entered the certification scope.

⁴ European Telecommunications Network Operators' Association.

⁵ Originally conceived as an 'Environmental Charter', it has evolved in successive stages, with the introduction alongside the environmental ones of broader commitments covering the main aspects of sustainability that are material to telecommunications companies.

In 2002 TIM signed the United Nations Global Compact⁶, which is based on ten fundamental principles, three of which call for meeting environmental challenges by adopting a responsible approach and promoting the development and diffusion of eco-sustainable technologies⁷.

At the end of 2009, TIM was one of the founders of an initiative called JAC⁸ (Joint Audit Cooperation) through which the sustainability performance of strategic suppliers common to the participating companies is assessed through third-party audits conducted at production plants located in the areas at greatest risk in terms of sustainability in general (Asia, South America, Africa, Eastern Europe). The audit procedure provides for a timely verification of the management of the environmental impacts of the activities carried out at the plants visited.

TIM has joined various international organisations active in the field of sustainability, including the Global e-Sustainability Initiative⁹, a single international reference body for what specifically concerns sustainability in the Information and Communication Technology sector.

Sustainability indices¹⁰ (such as the DJSI, FTSE4Good, CDP, VIGEO Eiris,¹¹...) attach increasing importance to the ability of companies to manage environmental challenges, particularly in a context in which the rational use of energy and natural resources and the reduction of polluting emissions are fundamental to safeguarding the planet.

Specifically, following the agreements signed in Paris during the 21st Conference of the Parties to the UNFCCC¹² (COP21), which entered into full force and effect on 4 November 2016, the reduction of greenhouse gas emissions becomes an objective that is not only necessary but is also fully part of the legislation of the states in which the Group operates.

⁶ To date, the ten principles of the Global Compact have been signed by more than 12,000 companies and organisations from 170 countries

⁷ The ten principles of the Global Compact cover: Human Rights - 1. to promote and respect universally recognised human rights within their respective spheres of influence; 2. to ensure that they are not, even indirectly, complicit in human rights abuses. Labour - 3. uphold freedom of association of workers and recognise the right to collective bargaining; 4. eliminate all forms of forced and compulsory labour; 5. effectively eliminate child labour; 6. eliminate all forms of discrimination in employment and occupation. Environment - 7. support a precautionary approach to environmental challenges; 8. undertake initiatives to promote greater environmental responsibility; 9. encourage the development and diffusion of environmentally friendly technologies. Anti-corruption - 10. fight corruption in all its forms, including extortion and bribery

⁸ The JAC was established at the end of 2009 and currently has sixteen telecommunication operators as members (AT&T, Deutsche Telekom, KPN, MTC, Orange, Proximus, Rogers, Swisscom, Telecom Italia, Telefónica, Telenor, Telia Company, Telstra, VEON, Verizon, Vodafone). Specialised third-party companies carry out sustainability audits based on the criteria defined by the JAC members, observing specific international standards such as SA 8000, ISO 18000 and 14000. The assessment of environmental impact management occupies a prominent place among other issues such as child labour, forced labour, discrimination, health and safety, business ethics, etc.

⁹ GeSI is a global initiative made up of companies belonging to the Information and Communication Technology sector, which aims, among other things, to develop analyses, strategic studies and tools to support its members in assessing their impacts and in demonstrating and promoting the contributions of ICT solutions in societal development, economic growth and environmental protection, with particular reference to the role of the ICT sector in the fight against climate change. SEE www.gesi.org

¹⁰ <https://www.telecomitalia.com/tit/it/sustainability/reports-results/indexes-ratings.html>

¹¹ Applicable for Brazilian operations only - <http://iseb3.com.br/>

¹² United Nations Framework Convention on Climate Change - See <https://unfccc.int/>

TIM also recognises its role and responsibilities with reference to the UN Global Sustainable Development Goals¹³ presented to the General Assembly in New York in September 2015.

In particular, the Group intends to continue to apply policies, initiatives and behaviours congruent with the provisions of, among others, Goals:

- No. 7, which expresses the need to ensure access to clean, affordable and sustainable energy for everyone;
- No. 9, which expresses the need for sustainable investment in the infrastructure necessary for the deployment of communication technologies;
- No. 11, which emphasises the importance of deploying the smart city model to make cities inclusive, safe, resilient and sustainable
- No. 12, which promotes efficiency in the use of resources and energy; and
- No. 13, which calls for swift action to combat climate change and its impacts; and
- No. 15, which expresses the need to protect, restore and promote the sustainable use of terrestrial ecosystems, sustainable forest management, combat desertification, halt and reverse land degradation and halt biodiversity loss.

That said, this Policy specifically considers aspects identified as fundamental and priority by analyses conducted internally and with external stakeholders. These aspects are strongly linked to the operations of TIM Group Companies.

¹³ Sustainable Development Goals, 17 goals that form an integral part of the UN-sponsored Global Agenda for Sustainable Development; see www.un.org/sustainabledevelopment/sustainable-development-goals/

6. THE ELEMENTS OF THE POLICY

The TIM Group companies, recognising the importance of identifying and assessing all impacts, both positive and negative, including potential ones, that their activities and the products and services made available by them to their customers, may have on the environment and conscious of consequently operating a process of continuous improvement through initiatives and projects aimed at minimising the environmental footprint of the company's activities, of the customers themselves, and of the stakeholders in general, set themselves the following goals:

- a. to guarantee full compliance with current environmental laws and regulations, also seeking, where possible and feasible, to exceed legal requirements;
- b. to adopt appropriate management systems and procedures that favour the development and implementation of appropriate and appropriately structured plans and programmes for the protection of the environment; in particular, within the scope of its operations, logistics and management of infrastructures and company premises, devoting particular attention to technological systems, their design, operation and maintenance, guaranteeing maximum efficiency in the use of natural resources and energy and minimising possible negative impacts on the environment;
- c. to contribute, as far as within its competence, to the fight against climate change, thus favouring the achievement of objectives defined at national and international level, through three synergic levels of action. In detail:
 - i. reduction of its own direct and indirect greenhouse gas emissions through the definition of objectives that target a time horizon of at least five years consistent with the TIM industrial plan and business model
 - ii. containment of greenhouse gas emissions of other industrial sectors and society in general through the contribution to dematerialisation by offering services that promote new ways of working, learning and, more generally, living
 - iii. dissemination of a culture based on a correct approach to environmental issues in relations and decisions inside and outside the Company;
- d. select its suppliers and partners, products and services purchased or outsourced also on the basis of environmental sustainability criteria; evaluate products and services taking into account the entire life cycle, periodically verifying compliance with the above criteria throughout the entire life cycle;
- e. to identify and assess the environmental risks present in general at the various levels of its supply chain and, in close collaboration with its direct suppliers and also through partnerships at national and international level, to adopt appropriate corrective actions and improvement plans to reduce the impact on the environment

of the products and services purchased and the processes through which they are manufactured and to preserve biodiversity;

ENVIRONMENTAL POLICY

- f. manage the waste generated through its activities in such a way as to give priority to the reuse and recycling of objects, substances and materials, minimising the use of hazardous substances;
- g. to invest in research and development of advanced services, solutions and products that are both economically and ecologically sustainable;
- h. to also consider environmental sustainability aspects in new infrastructure and service development projects with particular attention to the preservation of biodiversity;
- i. equip themselves with appropriate tools to ensure compliance with legal limits with regard to design, installation and operation of network infrastructures characterised by electromagnetic emissions, and with regard to the purchase and marketing of equipment and devices capable of transmitting and receiving data and telephony through wireless connections, constantly monitoring the standardisation bodies that develop the relevant technical standards and following the developments of scientific research on the impact of electromagnetic fields on biological systems and the human organism;
- j. to communicate in a transparent and systematic manner to its stakeholders material information on its environmental performance verified by external and independent parties;
- k. to communicate and illustrate to its employees through specific training programmes and communication initiatives the social and economic value of environmental sustainability and the initiatives and actions undertaken to put its principles into practice and make them an integral part of its activities;
- l. also include environmental sustainability criteria in the evaluation of possible mergers and acquisitions;
- m. guarantee the availability of adequate human, technological and economic resources as well as the information necessary to implement all the actions provided for in this Policy;
- n. undertake to assess in variable remuneration the achievement of objectives with a positive environmental impact.

7. GLOSSARY

Word	Definition
CDP	Referred to as the Carbon Disclosure Project until the end of 2012, it is a non-profit organisation whose aim is to study the effects of climate change on major listed companies
DJSI	Dow Jones Sustainability Index
ETNO	European Telecommunications Network Operators' Association
FTSE4Good	FTSE4Good Europe Index includes European companies that distinguish themselves by transparent management and application of sustainable criteria.
GESI	Global e-Sustainability Initiative. Global initiative consisting of companies that belonging to the Information and Communication Technology sector.
JAC	Joint Audit Cooperation
SGA	Environmental Management System
UNFCCC	United Nations Framework Convention on Climate Change
VIGEO Eiris	European Social and Environmental Rating Agency

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