



ARTIFICIAL INTELLIGENCE

Policy in a Nutshell

TIM Group

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1. Why This Policy?

Artificial Intelligence (AI) is increasingly present in people's lives and in business processes, representing a key driver of innovation and digital transformation. As a leader in digital innovation in the countries where it operates, the TIM Group intends to seize the opportunities offered by AI to optimize its operations, improve its services, and contribute to economic and social development.

At the same time, TIM is aware of the potential ethical, legal, and social risks associated with the use and development of AI systems. For this reason, it has adopted the Guidelines on Artificial Intelligence, which establish a clear framework to ensure that AI is used in an ethical, fair, and responsible manner, respecting individuals' fundamental rights, applicable regulations, and the values set forth in the Group's Code of Ethics and Conduct, in accordance with the provisions of the AI Act.

2. The goals we have set for ourselves

The Artificial Intelligence Guidelines were adopted to support the TIM Group's technological evolution through a structured and responsible approach capable of translating ethical principles into concrete actions.

Specifically, the Guidelines aim to:

- define the ethical principles that guide the development, use, and procurement of AI systems within the TIM Group;
- provide a corporate-level regulatory framework;
- describe the roles, responsibilities, and organizational structures dedicated to AI governance;
- ensure that the adoption of AI is in the best interests of the Company and its stakeholders, guaranteeing security, reliability, and the protection of rights.



3. Who is it intended for, and where does it apply?

The Artificial Intelligence Guidelines apply to Italian and foreign companies within the TIM Group—serving as a “framework” for the latter—and, specifically, to a broad and cross-functional range of individuals who, in various capacities, are involved in the development, use, or purchase of AI systems, such as (“Recipients”):

- employees
- members of the corporate bodies
- management
- external collaborators
- third parties with whom the Group has business relationships, where provided for by the company’s procedural system.

These Guidelines apply to all activities involving **the development, use, or purchase** of Artificial Intelligence Systems, regardless of the business function involved, the operational context, or the type of solution adopted.

The Guidelines therefore serve as a common and binding reference to guide the conduct of those to whom they are addressed and ensure that the adoption of AI is consistent with applicable regulations, internal procedures, and the values of the TIM Group, thereby preventing ethical, legal, and reputational risks.

4. Who is responsible for implementation?

To ensure the proper application of AI in its internal processes, TIM has implemented a governance model designed to foster productive synergy among the bodies and functions involved in the AI management process and to establish a clear and predetermined division of roles and responsibilities in AI governance.

- The Board of Directors plays a strategic steering role, demonstrating leadership and commitment to issues related to Artificial Intelligence. In particular, it approves the Guidelines and receives periodic reports—at least every six months—on the main



activities carried out in the field of AI, ensuring that the Group's strategy is consistent with the ethical and regulatory principles adopted

- The Group Artificial Intelligence Committee, coordinated by the Chief Strategy, Business Development & Wholebuy Office and chaired by the Chief Executive Officer, serves as the hub of AI operational governance. The Committee defines the corporate strategy for the adoption of AI systems, identifies use cases aligned with the Group's priorities, guides architectural decisions, and ensures that the solutions adopted comply with applicable regulations and are consistent with the Code of Ethics and Conduct. The Committee also periodically assesses the relevance and applicability of the Guidelines, promoting their updating as necessary.
- The Control and Risk Committee performs investigative, advisory, and propositional functions in support of the Board of Directors. The Committee receives updates on AI projects and their progress, oversees the implementation of the Guidelines, and contributes to the oversight of the Internal Control and Risk Management System as it relates to AI systems.
- Finally, the Specialized Functions provide technical, regulatory, and ethical support for AI initiatives, contributing to the application of the ethical framework, risk assessment, and the implementation of decisions made by the governance bodies.

5. The Regulatory Framework We Are Referring To

The Guidelines are based on a **comprehensive regulatory framework** that includes European and **international references regarding fundamental rights, personal data protection, AI ethics, and security**, including:

- Carta dei diritti fondamentali dell'Unione Europea
- Regulation (EU) 2024/1689 of the European Parliament and of the Council of 13 June 2024 laying down harmonized rules on artificial intelligence and amending Regulations (EC) No 300/2008, (EU) No 167/2013, (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1139 and (EU) 2019/2144 and Directives 2014/90/EU, (EU) 2016/797 and (EU) 2020/1828 (Artificial Intelligence Act) Text with EA relevance (c.d. AI Act)



- Linea Guida della Commissione Europea del 25 novembre 2021 Ethics By Design and Ethics of Use Approaches for Artificial Intelligence
- Regolamento (UE) 2016/679 del Parlamento europeo e del Consiglio, del 27 aprile 2016, relativo alla protezione delle persone fisiche con riguardo al trattamento dei dati personali, nonché alla libera circolazione di tali dati e che abroga la direttiva 95/46/CE (c.d. GDPR)
- Direttiva 2002/58/CE del Parlamento europeo e del Consiglio del 12 luglio 2002 relativa al trattamento dei dati personali e alla tutela della vita privata nel settore delle comunicazioni elettroniche (c.d. e-Privacy)
- Raccomandazioni UNESCO "Recommendation on the Ethics of Artificial Intelligence"
- GSMA-"The AI Ethics Playbook Implementing ethical principles into everyday business"
- Council of Europe Framework Convention on Artificial Intelligence and Human Rights, Democracy and the Rule of Law

Internally, the Guidelines are consistent with the Group's Code of Ethics and Conduct, the 231 Organizational Model, and the company's policies and procedures regarding information security, ICT compliance, and personal data protection.

6. The Main Provisions of the Policy

The Guidelines define the **ethical principles** and behaviors to be followed in the development, use, and procurement of AI systems within the TIM Group.

The TIM Group's approach to the use and development of AI is based on principles such as human-centeredness and human oversight, the protection of fundamental rights, equality and non-discrimination, transparency and clarity in operational logic, compliance with personal data protection regulations, accountability, sustainability, robustness, and security of the solutions adopted, as well as cooperation with partners and stakeholders.

In line with these principles, **the Guidelines identify specific practices to be followed when using AI systems**, which must comply with regulations, ensuring, among other things, transparency toward data subjects and the protection of privacy. Similar safeguards are provided for the use and development of AI systems, which must ensure adequate levels of



cybersecurity, adopt an “Ethics by Design” and “Dynamic Ethics” approach, exclude prohibited practices, and provide for corrective measures in the event of critical issues.

In order to identify, prevent, and mitigate risks associated with the use of AI systems, the Group adopts a preventive and risk-based approach that involves the classification and preliminary assessment of the systems and their use cases in relation to the requirements of the EU AI Act. As part of the Enterprise Risk Management framework, this assessment makes it possible to determine the level of regulatory risk and promptly identify the related risk profiles, taking into account not only compliance aspects but also potential economic, operational, reputational, ethical, social, and sustainability impacts—including those related to the protection of fundamental rights, fairness, and non-discrimination—thereby promoting an integrated and responsible approach to the governance of Artificial Intelligence. The assessment continues even after the release of AI systems through periodic reviews aimed at monitoring their performance—including from the perspective of fairness and non-discrimination—and at promptly identifying and correcting any anomalies or biases.

In particular, the Guidelines aim **to ensure adequate human oversight** in the use of AI systems and in critical decision-making, to enable rapid and appropriate intervention (**human-in-the-loop**). Furthermore, the Guidelines prohibit the development, implementation, or use of artificial intelligence systems banned by the European Union’s AI Act, including those that engage in manipulative behavior, exploit people’s vulnerabilities, perform social scoring, or carry out unauthorized biometric surveillance. In this context, the Principles of Conduct are defined, which each Recipient is required to adhere to in the use, development, and procurement of AI systems, with the support of the Specialized Functions. In addition, the Guidelines establish mechanisms to identify and correct drift or degradation of these systems over time, providing for a system to monitor model performance, which helps identify the need for preventive measures to ensure their proper functioning.

The Guidelines also govern the procurement of AI systems, requiring verification of regulatory compliance and supply chain compliance, as well as adherence to internal procedures, and the evaluation of sustainability criteria in the selection of in-house or third-party AI systems, giving priority to models and technological infrastructures designed to



reduce resource consumption and the environmental footprint throughout their lifecycle. These safeguards are part of a broader approach that integrates the principle of sustainability, promoting the adoption of technologies capable of contributing to the well-being and progress of society, respect for the environment, and the responsible use of resources.

Finally, the Guidelines establish specific **reporting obligations** in the event of serious incidents, malfunctions of AI systems, discriminatory or biased results, as well as situations that may pose risks to people's health, safety, or fundamental rights.

Reports must be submitted through the channels and in accordance with the procedures defined by the company's procedural system, which governs internal information flows and applicable control measures.

7. How Sustainability Is Integrated into Artificial Intelligence

For TIM, Artificial Intelligence represents a technological lever offering numerous opportunities, but also potential risks and impacts that require informed governance, particularly from a social, ethical, and environmental perspective.

On the one hand, the adoption of AI can help improve process efficiency, service quality, and analytical and preventive capabilities, with positive effects in terms of operational reliability and decision support.

On the other hand, the use of AI systems can have negative impacts if not properly monitored, leading to discrimination or *bias* in decision-making processes, risks to people's rights and dignity, a lack of transparency and comprehensibility in the solutions adopted, as well as potential increases in energy consumption linked to the development and use of computationally intensive technologies.

The Guidelines on Artificial Intelligence address these issues by defining criteria and rules for the responsible management of AI, aimed at:

- prevent and mitigate the impacts associated with the use of AI systems;
- ensure respect for fundamental rights, non-discrimination, and human oversight;



- ensure transparency and accountability throughout the entire lifecycle of the systems, as well as clarity regarding the results and decisions generated by artificial intelligence;
- ensure the traceability and comprehensibility of the results and/or decisions of AI systems for stakeholders directly and indirectly affected;
- ensure the responsible use of AI through continuous monitoring of AI systems throughout their entire lifecycle, in order to guarantee their proper functioning, security, robustness, and alignment with the ethical principles adopted by the TIM Group. This approach includes human oversight, the quantification of ethical and environmental impacts, as well as the continuous improvement of the systems.

In this way, artificial intelligence is integrated into business processes as an enabling yet controlled technology, capable of generating value and opportunities.

8. Keywords

Below are the definitions of the main technical terms used in this document.

- **Artificial Intelligence System (AI System):** An automated system, with varying levels of autonomy, capable of generating outputs such as predictions, content, recommendations, or decisions that can influence physical or virtual environments.
- **AI Act:** A European regulation that establishes harmonized rules for the development, placing on the market, and use of Artificial Intelligence Systems.
- **Ethics by Design:** An approach that involves integrating ethical principles from the earliest stages of the design and development of AI systems.