



POLICY HUMAN RESOURCES, ORGANIZATION & REAL ESTATE

TIM GROUP

APRIL 2021

To help Italy get back on its feet after the COVID-19 crisis and to guide today's choices towards future sustainability, companies are called upon to change perspective, adopt a systemic vision and be guided by the needs of future generations.

In this context, as highlighted by the European Commission, ICT companies play a particularly important role in this delicate restart: in fact, their task is to enable the ecological transition and adopt an anthropological approach increasingly attentive to respect for fundamental rights and European founding values.

To summarise, in choosing the field of sustainable development, technological innovation cannot represent an independent variable nor can it be given an autonomous leading role, and instead it must integrate into the framework of knowledge and the tools available to us to meet the social and environmental challenges of our time, which in fact represent the purpose of technological and digital innovation and of the economy as a whole.

Therefore, now more than ever, companies are called upon to invest in their people, that heritage of humanity, experience and skills that represents a unique competitive lever, an element of corporate identity which therefore cannot be imitated by competitors, capable of determining the sustainable success of its business.

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.

Despite the rapid changes that technological progress brings to our work and lives on a daily basis, people continue to represent the fundamental resource, capable of making the difference and on which to lay the foundations of the company's well-being and future prospects.

Identifying the right people to perform the various tasks, retaining and increasing their talents, creating working conditions that are favourable for employees and sustainable for the company, and applying adequate organisational models for the socio-economic evolution of the country are just some of the activities that the Human Resources, Organization & Real Estate department performs daily within TIM, helping the company to achieve its main objective: being leader of the ICT sector in Italy and in the countries it operates in.

The TIM Group has always recognised the strategic value of its People, who represent the main asset for the long-term sustainable growth of the Group.

The Group's commitment to respect for and the protection of Human Rights and work standards is set out in the Group's Code of Ethics, the Human Rights Policy and Organisational Model, which are inspired by the Ten Principles of the UN Global Compact on Human Rights, work standards, environmental protection and the fight against corruption.

Together with professional growth, the Group promotes and protects the health, well-being, right work-life balance and non-discrimination of its People and reports the details in the Group's Sustainability Report.

TIM's goal is to be Best Employer. Therefore, on an annual basis, it undertakes to start an assessment process with an external body to aid potential certification as Best Employer.

Link: Code of Ethics, <https://www.gruppotim.it/en/group/governance/governance-tools/codes-policies.html>

Link: Human Rights Policy, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/detailed-information/human-rights.html>

Link: 2020 Sustainability Report, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/report-letter-stakeholders.html>

Policy Objectives

This policy represents a reference for the better management and promotion of human resources at TIM and outlines the principles that inspire the actions put in place by all Group Companies¹ so that they become current practice at the Company, for suppliers and, in general, for the external partners with which the Group enters into business relations.

Although responsibility for the policy lies with the Head of Human Resources, Organization & Real Estate, who answers directly to the Chief Executive Officer, managers are responsible for constructing and maintaining an environment in which people can best express their human and professional qualities to ensure the Group's success.

Engagement, Respect and Inclusion

TIM seeks to be an inclusive company, capable of taking care of its People and improving the overall quality of life and work. Satisfaction and engagement are central pillars in developing the People strategy. TIM ensures an inclusive work environment, in the conviction that there is a deep and positive relationship between inclusion and company performance.

The Group does not implement or permit any form of discrimination with regard to hiring, remuneration, access to training, promotion, retirement, based on race, social class, nationality, religion, disability, sex, gender, sexual orientation, trade union membership, political affiliation or age, taking into account the cultural and legal characteristics of the individual countries.

In compliance with current legislative provisions, TIM does not permit any kind of behaviour that is sexually coercive, threatening, offensive or exploitative, and it does not tolerate any form of discrimination, harassment or mobbing.

The Group Companies prohibit all forms of non-voluntary work or service obtained under the threat of any penalty or requested as a form of debt settlement; moreover, workers are not required to leave any deposit at the start of the employment relationship.

The Group Companies do not use or provide any form of support for the employment of people under 18 years of age².

Link: Harassment Policy, <https://www.gruppotim.it/en/group/governance/governance-tools/codes-policies.html#tab2>

Link: People empowerment, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/detailed-information/people-empowerment.html>

Work-life balance and support for People

TIM combines process digitisation, redesigned spaces and flexible work patterns, encouraging a balance between people's private and professional lives and making agile working an integral part of the new organisational model.

Simplifying family management and work-home commuting are among the objectives of the initiatives TIM has launched to balance the different areas of our lives thanks to the consolidated and recognised heritage of corporate caring and welfare.

¹ With registered offices in Italy and by foreign subsidiary companies.

² Exceptions to this are sporadic and limited employment contracts for promotional activities established between some group companies that manage content, and young people over 16 years of age. Such contracts require the written consent of their parents and comply with the content or meaning of international provisions (Agreements and Recommendations) and national provisions on child and under-age labour. Exceptions to this are also situations in international contexts where Companies are required by current employment legislation (e.g. Brazil) to facilitate the integration of People into the world of work through apprenticeships, characterised as training on the job combined with a part carried out in the classroom and provided by a third party organisation. The organisation of working hours shall comply with legislative provisions and the agreements signed with trade union organisations on the matter, also in reference to weekly rest periods and overtime.

The Group Companies, in situations where disciplinary measures must be adopted against employees, do not implement or allow the use of corporal punishment, mental or physical coercion and verbal abuse.

TIM is careful to find new forms of protection for the rights most impacted by remote work: trade union rights, digital disconnection and inclusion as well as recognition of economic benefits to encourage the broadest participation possible in the new organisational model.

Link: Work life balance, <https://www.gruppotim.it/en/career/living-at-tim/work-life-balance.html>

Development and training

TIM offers its employees equal opportunities in terms of development and personal growth, always placing People at the centre through career management paths defined for and designed around individuals, whose potential is useful to meet specific needs according to the roles, organisational positions and expertise required in the long-term.

Training, through targeted and diversified courses, supports people in processes of consolidating their skills for specific professional profiles, transversal skills irrespective of the professional role and courses aimed at upgrading or requalification. The training offer accessible to the entire company population aims to safeguard the lifelong learning of People, encouraging self-training and accountability along the personal learning process which is useful for safeguarding their employability.

Link: Training, <https://www.gruppotim.it/en/career/living-at-tim/training.html>

Protection of Health and Safety and prevention of Occupational Diseases

The Group Companies ensure full compliance with legislative provisions on occupational diseases, health and safety in the workplace aimed at preventing possible accidents and damage to health in any way linked to job performance.

TIM assesses the risks to the health and safety of workers in order to gradually reduce them to a minimum, adopting the principles, standards and solutions that represent “best practices” with the aim of achieving zero fatal accidents in the workplace and implementing suitable prevention measures and checking their adequacy and efficiency.

Awareness-raising and involvement with regard to health and safety policies and objectives, and relating to internal control systems, as well as training and information about the risks and the control measures adopted, are considered essential tools to achieve the expected results. In order to integrate and further strengthen internal control and management methodologies, as well as to promote initiatives aimed at raising the quality of work environments with the aim of improving their liveability and the well-being of employees, a new management system that complies with recognised standards (ISO 45001) is being implemented to cover all processes relating to office and mixed use property assets under the responsibility of the Real Estate department.

Link: 2020 Sustainability Report, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/report-letter-stakeholders.html>

Freedom of association and the right to collective bargaining

TIM has always entertained open and transparent relationships with trade unions and workers' representatives, in the belief that it is only through continuous, constructive dialogue that the best possible balance can be struck with respect to the expectations of all stakeholders. All workers – whatever their level/qualification – must enjoy the legal right to establish and/or subscribe to trade union organisations to protect individual and collective interests.

TIM recognises and respects the right to freedom of association and collective action within the scope of national regulations and existing agreements, without any interference or limitation by the Group. The Group Companies fully recognise the role of the workers' trade union representatives, who are not subject to any form of discrimination, also ensuring, as they go about their union activities, that they have

remunerated permits and the means necessary to communicate with the workers in the workplace. The trade union agreements signed include joint verification sessions on the content defined in the agreements. Moreover, in keeping with the industrial relations system, special joint bodies are set up with the task of discussing the state of art of the programmes defined in the relative agreements.

Link: Trade Unions, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/detailed-information/trade-unions.html>

Remuneration Policy

The remuneration policy aims to attract, retain and motivate People, ensuring internal fairness, including gender-related, and the sustainable success of the company over the medium to long-term. The Group adopts a balanced remuneration system, with short and long-term fixed and variable components, which set relevant targets for the Environmental, Social and Governance component: these objectives on the one hand support the centrality of external customers and internal employees and – on the other - ensure fairness and sustainability over the long term³.

Link: Remuneration policy, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/detailed-information/remuneration-policies.html>

Protection of personal data

The Group has an organisation model in place which is capable of overseeing the correct application of personal data protection legislation through the ongoing updating of policies and procedures, the implementation of organisational and technical measures suitable to ensure the confidentiality and security of the personal data, and that the activities comply with current provisions and laws on privacy and with internal regulations.

All the People who work at the Group are informed, from the moment they are hired, of the personal data processing carried out by the respective Companies, the measures adopted to protect said data, their rights and the procedures for exercising them. In particular, the Company has a process for receiving and providing responses to the requests made by People about the processing or to communicate any data breaches concerning them. The People are also informed about the main privacy requirements and the behaviour to be implemented in their work activities, also through periodic training initiatives which can be accessed both online and in person.

Link: Protection of personal data, <https://www.gruppotim.it/en/investors/reports-presentations/sustainability-report/detailed-information/privacy-eseurity.html>

³ The remuneration paid by Group Companies to their employees complies, in terms of minimum amounts and payment methods, with the provisions of the collective agreements. Any deductions from the remuneration, by way of disciplinary penalties, shall comply with the provisions of the collective agreements applied. The Group Companies do not make use of contractual types that go against the provisions of law or are aimed at circumventing the prohibitions and obligations laid down in current legislation. The pay slip provided to workers provides clear details of the items making up the remuneration.