

# TIM Group commitments to environmental sustainability



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# 1. INTRODUCTION

The TIM Group companies recognise that, due to their impact on the economic, social and technological situations in the countries and areas in which they operate, and the strategic importance of their activities, they play a fundamental role in creating value for their stakeholders and contributing to sustainable development, *i.e. a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are all in harmony and enhance both current and future potential to meet human needs and aspirations*<sup>1</sup>.

At the same time, where feasible, they work to eliminate or minimise the negative impact of their activities on the ecosystem. This is further evidenced by the fact that various parts of the Group<sup>2</sup> have adopted an Environmental Management System compliant with the UNI EN ISO 14001 standard and have received and maintained the certification. Some TIM premises<sup>3</sup> are also Energy Management System-certified in compliance with the UNI EN 50001 standard.

According to Article 5, Paragraph c of Legislative Decree No. 152/2006, environmental impact is any qualitative and/or quantitative change, direct or indirect, short or long term, permanent or temporary, single or cumulative, positive or negative to the environment, understood as a system of relationships between anthropic, physical, chemical, natural, climatic, landscape, architectural, cultural and economic factors, as a consequence of implementing plans or programmes on a territory or carrying out projects related to particular plants, public or private works or activities, as well as commissioning related activities.

TIM was one of the founders in 1996 of the ETNO<sup>4</sup> Corporate Responsibility Charter<sup>5</sup>, and was among the first telecom operators in the world to recognise its responsibility towards the environment, but also to see the opportunities that come from correctly managing environmental issues.

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<sup>1</sup> The widely shared definition of sustainable development from the Brundtland report, drawn up in 1987 by the World Commission on Environment and Development, which takes its name from the then Norwegian Prime Minister Gro Harlem Brundtland, who chaired the commission.

<sup>2</sup> Chief Technology Office, Wholesale Operations, Olivetti, TI Sparkle, TIM Brasil.

<sup>3</sup> Relates to the premises in Via Stendhal in Bologna and Rozzano 1 and 2. From 2018, the entire Data Centre is now within the scope of the certification, with Rozzano 3 added. Also falling within the scope are the Piacenza exchange and the DPCs in Padua and Bologna Roveri.

<sup>4</sup> European Telecommunications Network Operators' Association.

<sup>5</sup> Originally established as the 'Environmental Charter', it successively evolved with the introduction of broader commitments in addition to those related to the environment, that address the main material aspects of sustainability for telecommunications companies.

In 2002, TIM signed the United Nations Global Compact<sup>6</sup>, which is based on ten fundamental principles, three of which relate to meeting environmental challenges by adopting a responsible approach and encouraging the development and distribution of environmentally sustainable technology<sup>7</sup>.

At the end of 2009, TIM was one of the founders of an initiative called JAC<sup>8</sup> (Joint Audit Cooperation) through which the sustainability performance of strategic suppliers common to participating companies is assessed through third-party audits conducted at production facilities located in high-risk areas for general sustainability (Asia, South America, Africa, Eastern Europe). The audit procedure provides for careful and timely checks of the environmental impact management of activities carried out at the visited premises.

TIM has joined various international organisations active in the field of sustainability, including the Global e-Sustainability Initiative<sup>9</sup>, a unique international reference body which is specifically concerned with sustainability in the field of Information and Communication Technology.

<sup>10</sup>Sustainability indexes (such as DJSI, FTSE4Good, CDP, VIGEO Eiris, etc.) are placing an ever-greater emphasis on companies' ability to manage environmental challenges, particularly in a world where the rational use of energy and natural resources and the

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<sup>6</sup> Today more than 12,000 companies and organisations in 170 countries have signed up to the ten principles of the Global Compact.

<sup>7</sup> The Ten Principles of the UN Global Compact are:

Human Rights - 1. Businesses should support and respect the protection of internationally proclaimed human rights in their sphere of influence. 2. They should make sure that they are not complicit, even indirectly, in human rights abuses. Labour - 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; 4. The elimination of all forms of forced and compulsory labour. 5. The effective abolition of child labour. 6. The elimination of discrimination in respect of employment and occupation. Environment - 7. Businesses should support a precautionary approach to environmental challenges. 8. They should undertake initiatives to promote greater environmental responsibility. 9. They should encourage the development and diffusion of environmentally friendly technologies. Anti-Corruption - 10. Businesses should work against corruption in all its forms, including extortion and bribery.

<sup>8</sup> JAC was set up at the end of 2009 and currently has sixteen telecommunications operator 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 criteria defined by JAC members, observing specific international standards such as SA 8000, ISO 18000 and 14000. Environmental impact management assessment is amongst the list of other priority issues such as child labour, forced labour, discrimination, health and safety, business ethics, etc.

<sup>9</sup> GeSI is a global initiative of member companies belonging to the Information and Communication Technology sector, whose objective is, amongst others, the development of analysis, strategic studies and resources to support its members in assessing their own impact and demonstrating and promoting ICT solutions that contribute to the development of society, economic growth and environmental protection, with a particular focus on the role of the ICT sector in the fight against climate change. See [www.gesi.org](http://www.gesi.org)

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



reduction of polluting emissions are fundamental for protecting the planet. Specifically, following the Paris agreement signed during the 21st UNFCCC Conference of the Parties<sup>11</sup> (COP21), which became effective on 4 November 2016, the reduction of greenhouse gas emissions is not only a necessary objective but has become a legal obligation in the countries in which the Group operates.

TIM, furthermore, recognises its role and responsibilities in relation to the UN Global Sustainable Development Goals<sup>12</sup> presented to the General Assembly in New York in September 2015. In particular, the Group intends to continue with its policies, initiatives and conduct in line with the objectives, including, amongst others:

- No. 7, which expresses the need to ensure access to affordable, reliable, **sustainable** and modern **energy** for all.
- No. 9, which expresses the need to **invest in resilient infrastructure for distributing communication technology**.
- No. 11, which underlines the importance of spreading the **smart city** model to make cities inclusive, safe, resilient and sustainable.
- No. 12, which promotes the **efficient use of resources and energy**.
- No. 13, which reiterates the need to take urgent action to **combat climate change** and its impacts.
- No. 15, which expresses the need to protect, restore and promote **sustainable use of terrestrial ecosystems**, sustainably manage forests, combat desertification, halt and reverse land degradation and halt biodiversity loss.

In light of the above, this policy specifically takes into account aspects identified as fundamental and prioritised by analyses carried out internally and by external stakeholders. These aspects are strongly linked to the operations of TIM Group companies.

## 2. RECIPIENTS

The following document is addressed to all companies, operational entities and company departments whose activities may also have a potentially significant environmental impact. The management of environmental impact is governed by specific procedures that are also required under national legislation and by international organisations, and which require the development of specific training and communication programmes in the environmental field.

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<sup>11</sup> United Nations Framework Convention on Climate Change – see <https://unfccc.int/>

<sup>12</sup> Sustainable Development Goals, 17 objectives that are an integral part of the Global Agenda for sustainable development promoted by the UN; see [www.un.org/sustainabledevelopment/sustainable-development-goals/](http://www.un.org/sustainabledevelopment/sustainable-development-goals/)

### 3. SCOPE AND AREA OF APPLICATION

This document defines the environmental policy for the TIM Group and provides general direction on the Group's responsible and sustainable protection of the environment, implemented through organisational and management processes developed and put in place by the departments identified as having a specific impact on the environment.

The date this policy takes effect is the issue date indicated at the bottom page of the document.

The document has been classified as 'Public' by TIM S.p.A., as its unauthorised disclosure, loss, tampering or improper use cannot result in damage to the company. The document can be freely distributed outside the TIM Group.

### 4. REFERENCES

#### International standards

No.	TITLE	VERSION
[1]	UNI EN ISO 14001 - Environmental Management System - Requirements and guide to use	2015
[2]	GHG Protocol - A corporate accounting and reporting standard – Revised edition	March 2004
[3]	UNI CEI EN ISO 50001 - Energy Management System - Requirements and guide to use	2011
[4]	UNI EN ISO 14064-1, 2, 3 – Greenhouse gasses	2012

## 5. POLICY COMMITMENTS

TIM Group companies, recognising the importance of identifying and assessing all possible impacts, both positive and negative, that their activities and the products and services made available to customers can have on the environment, and being aware of the need for a process of continuous improvement through initiatives and projects aimed at minimising the environmental footprint of company activities, of customers themselves and of stakeholders in general, have the following objectives:

- To ensure full compliance with current environmental laws and regulations, also seeking, where possible and feasible, to go beyond legal requirements;
- To adopt appropriate management systems and procedures that encourage the development and implementation of appropriate and correctly structured plans and programmes for environmental protection. In particular, as part of operations, logistics and infrastructures and company premises management, to pay particular attention to technology systems, their design, operation and maintenance, to ensure maximum efficiency in the use of natural resources and energy and minimising any possible negative impact on the environment;
- To contribute to the fight against climate change in relation to its work, therefore favouring the achievement of objectives defined at national and international level, through three synergistic levels of action. In detail:
  - Reducing direct and indirect greenhouse gas emissions by defining objectives for a period of at least five years which are consistent with the TIM business plan and business model.
  - Limiting greenhouse gasses emissions from other sectors and society in general by supporting virtualisation, by providing services that promote new sustainable ways of working, learning and, more generally, living;
  - Promoting a culture based on a correct approach to environmental issues in relationships and decisions made inside and outside the company;
- Choosing suppliers and partners, purchased or outsourced products and services partly on the basis of environmental sustainability criteria. Assessing products and services partly on the basis of their entire life cycle, periodically checking compliance with the above criteria throughout the entire life cycle;
- Identifying and assessing environmental risks generally present 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, adopting appropriate corrective actions and improvement plans to reduce the environmental impact of purchased products and services and their production processes;
- Managing waste generated through its activities which promotes the reuse and recycling of objects, substances and materials, minimising the use of hazardous substances;
- Investing in research and development of services, solutions and advanced products that are sustainable from both an economic and ecological point of view;

- Taking environmental sustainability issues into account as part of the assessment of new infrastructure and service development projects;
- Adopting appropriate tools to ensure compliance with the legal limits for designing, installing and operating network infrastructures producing electromagnetic emissions, and for the purchase and sale of equipment and devices capable of transmitting and receiving data and voice over wireless links, constantly monitoring standardisation bodies that develop related technical standards and following developments in scientific research on the impact of electromagnetic fields on biological systems and the human body;
- Transparent and systematic communication of material information about its environmental performance, verified by external and independent subjects, to stakeholders;
- Communicating and illustrating to employees the social and economic value of environmental sustainability and the initiatives and actions taken to put the principles into practice and make them an integral part of activities, through specific training programmes and communication initiatives;
- Taking environmental sustainability criteria into account as part of the assessment of possible mergers and acquisitions;
- Guaranteeing adequate human, technology and economic resources, as well as the information necessary to implement all the actions envisaged in this policy;
- Commitment to assessing the achievement of objectives with a positive environmental impact when considering variable remuneration.



## 6. DESCRIPTION OF RESPONSIBILITIES

The process is divided into the following macro-phases that are applied in cyclic sequence according to PDCA logic<sup>13</sup>:

- Analysis of the processes and identification of related environmental impacts and their measurement through specific indicators;
- Attribution of roles and responsibilities and definition of objectives, targets and adequate budget allocation;
- Planning, enhancement and implementation of improvement actions;
- Periodic auditing of the effectiveness of implemented actions and reporting of progress towards the achievement of objectives and targets;
- Review of the process and possible changes to the action plan.

Where present and formally in place and/or certified<sup>14</sup>, the Environmental Management System (EMS) defines the above process in detail, therefore activities included in the EMS scope should already be organised in this way. In the absence of an EMS, the process must be defined according to the criteria set out.

The responsibility for implementing the processes lies with the individual Group companies and departments of TIM SpA.

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<sup>13</sup> In general, the construction of a management system takes place over four phases, which are:

- Plan (which includes the definition of the policy and the programme)
- Do (which includes the definition of system procedures)
- Check (which includes monitoring, registrations and audits)
- Act (the actions needed to make changes and improvements are decided with the Management System Review by the Management)

<sup>14</sup> At the issue date of this document, the parts of the Group which have an Environmental Management System, certified in compliance with the international standard UNI EN ISO 14001, are: Chief Technology Office, Wholesale Operations, TIM Sparkle, Olivetti, TIM Brasil (limited to management and operational activities of the technical network in the States of Rio de Janeiro, São Paulo and Espírito Santo).