CODE OF CONDUCT FOR PROTECTING OLOS DATA

PREFACE
Telecom Italia, convinced that the principles of equal treatment and transparency are a fundamental element for guaranteeing fair competition and the correct undertaking of business, ensures compliance of its internal and external activity with the respect of the norms contained in this Code of Conduct, which implement the principles of Resolution N. 152/02/CONS “Measures to guarantee the full application of the principle of equal internal and external treatment by the operators having considerable market force in fixed telephony” and any subsequent additions.
In this regard, Telecom Italia has implemented, among other provisions, technological and organisational measures suited for guaranteeing the separation of the information systems of the organisational units responsible for the management of the Network from those of the commercial departments responsible for the sale of services to final customers, with the aim of verifying over time the respect, adequacy and effectiveness of these measures.
Telecom Italia has therefore issued this Code of Conduct providing unequivocal indications and highlighting a strong willingness to pursue objectives of confidentiality, preventing the use of confidential data of the OLO customers by the retail commercial departments, as set forth in Resolution 152/02/CONS and eventual subsequent additions. Further details on these indications are provided in the procedures issued for the Departments involved in the process of guaranteeing the confidentiality of data on the Operators’ customers.
Confidentiality is understood to mean all those actions aimed at the prevention of the unauthorised acquisition and dissemination, intentional or accidental, of the aforesaid data by the retail commercial divisions of Telecom Italia.
This Code of Conduct specifies obligations that are in any case already provided for in the collective labour contract.

AIMS AND VALUES
The aim of Telecom Italia is to continuously guarantee over time that:
The contracting and sale of network services to the Operators is conducted by parties distinct from those who work in organisational retail commercial units offering final services;
The retail commercial departments conduct their business without recurring to the use of information regarding the Operators and the customers of the latter;
The information systems containing data regarding the Operators are managed by different personnel from those employed in commercial activities for final customers and these systems are not accessible to personnel of the commercial organisational units providing services to fixed telephony retail customers;
The same level of service and assistance is offered to Operators and to internal organisational and commercial units or in associated or subsidiary companies.
Telecom Italia:
Being aware of the importance of the services provided and the consequent responsibilities towards the community, they shall have relationships with the local, national and supranational authorities based on
the full and concrete collaboration and transparency, respecting their respective independence, promoting the objectives shown in this Code;

As an active and responsible member of the community where it operates, it is committed in particular to respecting and ensuring internal compliance with the provisions of Resolution 152/02/CONS, and any subsequent additions, and with the ethical principles commonly accepted in the conducting of business, and expressed in the corporate Code of Ethics: transparency, correctness and fairness. In particular, the company agrees to guarantee equality of treatment for all the categories of its customers, retail or Operators, avoiding preferential behaviour;

It rejects and criticises any illegitimate or in any way incorrect behaviour (in particular, towards the Community, the authorities, customers, and the other Operators) to achieve its economic objectives, which are pursued exclusively with the excellence of performance in terms of quality and competitive prices of products and services, based on experience, a focus on customers and innovation;

It implements technological and organisational measures designed to prevent the violation of the principles of legality, as well as transparency, correctness and fairness, by its employees and collaborators, and monitors their respect and concrete implementation;

Agrees to promote fair competition with competitors, which it considers to be functional to its own interest of the global development of the telecommunications market and the wellbeing of the Community where it operates;

Is aware, in particular, of the delicate nature of the management of the information of other Operators in connection with the correctness of the relationships with competitors, final customers and the Community in general;

Agrees on the annual assessment, to be commissioned to external companies, of the respect of the provisions of Resolution 152/02/CONS and any subsequent additions. In particular, the compliance of implementation of the measures and of procedure with the criteria set out in the Resolution.

In order to be effective, technological and organisational instruments undertaken shall be accompanied by an aware and responsible attitude towards the management of the data to be protected, and this must be adopted by all the Personnel.

The information may, in fact, be in the following types of “forms”:

1. Paper (documents, letter, printed matter, display chart sheets, tables, lists, publications, maps, drawings etc.);
2. Computerised (e-mails, databases, digital supports, data transmission, video and teleconferences etc.);
3. Minutes (meetings, personal and telephone conversations, seminars, interviews etc.);
4. Human (know-how, research etc.);
5. Other material supports (microfilm, prototypes and models, videos, cassettes, films, information on blackboards or display boards, samples of new materials etc.).

For each of the “forms” stated there are specific ways of interaction between the person and the information (reading, writing, sight, listening, dissemination etc.) and sometimes systems of specific interaction allowing a number of persons to send, receive, conserve etc. the information.

Therefore, for the undertaking of day to day activities, in order to guarantee the firm willingness and concrete commitment of corporate top management, each employee shall have a type of behaviour involving full awareness and responsibility regarding the values and principles stated herein. To this end, the most suitable instruments will be adopted per to disseminate this awareness (detailed procedures for every single information system, training, presentations etc.).

**ACTIONS UNDERTAKEN**

The processes/systems for marketing retail and wholesale services are coherent with the contents of the section “Objectives and Values”, and aiming to guarantee the continuity of the retail and wholesale business in compliance with the principles of Resolution 152/02/CONS and any subsequent additions. From the administrative point of view, in December 20011, Telecom Italia set up a Wholesale Department separate from the other Commercial departments, with the aim of ensuring the definition of the portfolio of Network services and infrastructures, commercial development and management, relations including contracts, assistance and the providing of the service for Operators and the management of the relative levels of service.
In particular, the National Wholesale Services Department has dedicated information systems containing only data regarding other Operators. There is effectively a “physical separation” between the systems of the National Wholesale Services and the systems of the Telecom Italia Retail Commercial Departments.

Procedures have likewise been laid down for the periodical control of authorisation for access and mechanisms of authorisation and tracing for those systems involving contiguity between information regarding Operator customers and data regarding customers of Telecom Italia.

For each information system containing data to be protected, there will be an information note on the confidentiality of the data contained in the system, as a reminder of this Code of Conduct, at each access with a profile enabled for the management/display of confidential data of the OLO and/or its customers.

With regard to accounting separation, the corporate department in charge of the definition of the Accounting Regulations is located in the Equivalence and Regulatory Affairs sector, which has the task of ensuring the control of national and international regulatory matters and is separate from the other Departments of Telecom Italia; this guarantees the handling of confidential economic, accounting, commercial and technical data, for regulatory purposes, by corporate departments not involved in the management of commercial activities. Users of data on Accounting Regulations are the Authority and the auditors appointed by the Authority, solely for the part utilised by AGCom for publication, and the entire Market. By law and by a specific agreement signed with Telecom Italia, the auditing firm is subject to the obligation of confidentiality, since in undertaking its auditing activity it is supplied with confidential information including the data of the OLOs.

Newly designed systems and any new organisational setups must guarantee the requirements of transparency and separation provided for by Resolution 152/02/CONS and any subsequent additions. The level of access to “information systems of the functions of Network” is complete and allowed to the Personnel of the National Wholesale Services and Technology & Operations for undertaking the activities assigned to them. The Personnel of the retail commercial departments cannot access the systems of the National Wholesale Services and Technology & Operations.

The level of access to “confidential data present in the information systems of the Retail commercial departments” is complete for the National Wholesale Services Personnel, who must manage workloads regarding services of the OLO customers and partial data for the retail commercial personnel authorised to manage particular retail business events requiring this access.

In general it is stressed that data regarding Operator customers is attributed to the level of classification “Telecom Italia - Confidential”, since their unauthorised dissemination, loss, tampering, or improper use can cause serious damage to the Company, its employees and third parties. This level of classification, as specified in the document “Policy for the classification and management of information in relation to confidentiality”2, involves, for every phase of the lifecycle of the information (generation, communication, conservation, sale/disposal, destruction) the compliance with a series of security provisions that the personnel involved must respect in order to guarantee the requested level of confidentiality. In order to increase the security level in the process of management of the information and facilitate the application of the aforesaid Policy for the Classification, the Human Resources and Organization Department has distributed specific instruments applied to three of the main Office programs (Microsoft Word, PowerPoint and Outlook) for all corporate work stations (“Security Tools”). An application called Information Classification Assistant (ICA) has also been installed to provide assistance in the identification of the appropriate level of classification to be assigned to the documents produced.

**VALIDITY**

Any updating of the level of classification “Telecom Italia – Confidential” will be constantly verified by the owners, authors, recipients and users of the information, as well as the departments responsible for relations with the Communications Authority, and promptly notified to the departments with competence for the adjustment of the handling of the new level of classification.

**RECIPIENTS**
This Code of Conduct shall be respected mainly by all those who operate directly in contact with the market or the Personnel belonging to the following areas:
Domestic Market Operations
National Wholesale Services
Technology & Operations

The targets of this Code of Conduct are also departments which, within their respective spheres of competence, undertake tasks related to the protection of corporate information, such as:
Security
Domestic Legal Affairs
TI Audit and Compliance Services
Purchasing
Human Resources and Organization
Equivalence And Regulatory Affairs
Administration, Finance and Control

RESPONSIBILITY
Telecom Italia is committed to implementing specific procedures, regulations or instructions aimed at ensuring that the values affirmed herein are reflected in the concrete behaviour of all the recipients of this Code of Conduct.

It is therefore obligatory to undertake all the behaviour necessary to achieve the items indicated in the section “Objectives and Values” and in particular:

- Commercial operators, in undertaking their respective activities, are required to utilise, through information systems, the information regarding only the services sold by Telecom Italia to its own customers;
- Operators of the Technology & Operations and National Wholesale Services Departments may access the information systems containing confidential data only for the purpose of undertaking activities of supply and management of the services requested by other Operators;
- The operators of the Technology & Operations and National Wholesale Services Departments may not disseminate outside of their own departments any information regarding the customers of the Operators;
- The operators of the commercial departments authorised to access the confidential data per the business retail events requiring them not to disseminate information relative on the Operator customers.

Failure to comply with these provisions shall be penalised as set forth in the following section on “Penalties”.

The protagonists involved in the various activities of the lifecycle of the confidential information are required to respect the usual rules defined in the context of security and IT compliance, for which in particular the reading and application of the following documents is recommended:

- Security policy for all users – Identification and authentication of users for logic access to the corporate information systems and procedures (Document code 2005-00130 version 3.0 issued on 27/09/2006);
- Security Policy for IT personnel – management of credentials and rights of access to computer resources (Document code 2006-00145 version 1.0 issued on 27/09/2006);
- Guidelines for the extraction of personal data from corporate information systems and their distribution (Document code 2006-00162 version 1.0 issued on 16/10/2006);
- Policy for the classification and the management of the information with regard to confidentiality (Document code 2005-00029 version 3.0 issued on 27/07/2007);
- Governance and management of IT risks for departmental systems (Document code 2006-00798 version 2.0 issued on 12/09/2008);
- Requisites of compliance in the IT context (systems handling traffic data) (Code document 2007-00920 version 2.0 issued on 15/12/2008);

Among these rules we can recall, for example:

With regard to the confidential data of the OLOs, adopting all the provisions required for the level of classification “Telecom Italia – Confidential” for all the phases of the lifecycle of the information...
(generation, communication, conservation, sale /disposal, destruction), in any “form” present (paper, verbal, computerised, human, other material supports etc.)
Do not leave the workplace unmanned without first having cleaned the screen and blocked the keyboard (e.g. activating the screensaver protected by password);
Carefully conserve any paper material containing confidential data, marking it with the stamps provided for the level of classification "Telecom Italia – Confidential";
The identification codes for accessing the programmes must be assigned to a single real person (in such a way that this assignment remains unchanged for the entire duration of the presence in the company of the person appointed for this purpose) and must never be reused: no information service or system must involve the use of group identification codes;

The persons in charge of the departments to which this Code of Behaviour is applied shall not disseminate the operational procedures describing the rules for the management of access to the systems containing data to be protected, in order to be able to verify the compliance of the behaviour of the authorised Personnel, who are informed about and bound to comply with the behaviour to be adopted;

The persons in charge on the hierarchical level of the users of the systems containing the data of the Operators shall verify that the user for whom authorisation is requested undertakes the activities for which the access has necessarily been requested, and that the profile requested is strictly necessary for undertaking the activity of the user. The persons in charge on the hierarchical level are likewise required to limit the requests for authorisation to the number of persons strictly necessary and to approve the requests for authorisation and handle the relative updating (in case of a change of job tasks or transfer);

The persons in charge of the authorisation processes of the information systems containing the data to be protected shall act in such a way as to ensure that access to the system is allowed only to authorised Personnel, and that authorisations are periodically verified, with the use of solutions and instruments allowing for checking as set forth in the aforesaid operational procedures;

The persons in charge of or reference persons for the operation of the systems of shall undertake the activities regarding data of OLOs and/or their Customers identified exclusively within specific procedures. In particular, partial data extraction or access to computer applications containing the data to be protected may be allowed exclusively to Personnel undertaking job task for which these instruments are actually required, with a degree of visibility/operation coherent with the tasks undertaken and only for the period of time necessary;
The departments operating the systems responsible for the configuration access privileges to information systems (the Facilities Management Group) shall undertake only those personnel authorisations requested by the persons in charge of Authorisation Processes;

The persons in charge on the hierarchical level shall periodically verify the existence of the premises enabling the personnel handling confidential information, and that they hold the requirements necessary for them to manage this information in complete compliance with the measures provided. Any lack of compliance encountered (such as unauthorised dissemination, loss, tampering, removal, improper use etc.) must be promptly reported to the corporate Security Department in charge of the process of the prevention and countering of internal violations. These reports shall be made with the same procedures as those for detecting security incidents (abnormal events causing damage to tangible and intangible corporate assets).

**PENALTIES**
The respect of this code of behaviour is necessary in order to preserve the process of guarantee of data confidentiality, regarding the customers of the Operators.
All employees shall apply the set of rules described above, contributing personally to the protection of the aforesaid data. This task comes within the contract duties of Telecom Italia employees, and therefore any violations of this code shall be evaluated on the basis of the Telecommunications Collective Labour Contract Art. 45-46-47-48.
With regard to non-employee personnel related to Telecom Italia by relationships for the supply of services regulated by specific contracts, the penalties provided for in these contracts shall be applied and, when the legal conditions apply, requests for payment of damages presented in the appropriate channels for the damage that the lack of compliance may have caused.
Notes

1 Telecom Italia has, in any case, always utilised network organisational structures separate from the commercial departments, mobile Operators (since 1994) and the fixed network sector (since 1998).

2 Available online on Telecom Italia intranet at:

3 The documents are available online on Telecom Italia intranet at: