SOCIAL RESPONSIBILITY IN THE TIM GROUP COMPANIES IN BRAZIL

Premise
Connect and care for each one so that everyone can do more – This is TIM’s purpose that, besides translating its innovative approach, is also expressed by how the company relates itself with its stakeholders, taking on commitments to sustainable development, putting efforts on long-term economic development activities that respect human rights, protect natural resources and result in welfare improvements, and seek to be aligned with the agenda of Sustainable Development Goals (SDGs) promoted by the United Nations (UN).

Objective and scope
The effort of the TIM Group companies in Brazil, for the respect and for the protection of human rights and the working standards, is reinforced in the Ethical and Conduct Code, Anticorruption and Conflicts of Interest Policy and in the General Principles of Internal Control, all inspired in the ten Principles of Global Compact promoted by the United Nations Organization (UN), in terms of human rights, protection of the environment, working conditions and attack against corruption. TIM Participações S.A and its controlling companies approve and promote these principles together with important UN conventions, in particular the Universal Declaration of Human Rights and the ones of International Labor Organization (ILO), when ratified by Brazil and incorporated to its legislation, which are adopted in order to become a common practice in the company and in relation to external suppliers (see specific policies).

General description of process and responsibilities
Principles: reported bellow the principles which inspired the actions of TIM companies in Brazil.

• Child Labor
TIM companies in Brazil expressly vetoed all forms of child labor which departed from the existing legal order. Aligned to this context, the companies take part of the young apprentice program, as provided by the Constitution and laws in force, making sure not to keep in its staff any employed people (s) minor (s) eighteen (18) years in night work, dangerous or unhealthy.
• **Forced Labor**
TIM companies in Brazil expressly veto any form of work or service, not voluntarily, obtained under threat of any punishment or that is requested as a way of canceling a debt. Moreover, it is not required, under any circumstances, that employees leave any kind of deposit during the working relationship maintained.
The documentation required for hiring employees of the TIM Group companies is in accordance with the laws in force.

• **Health and Safety**
TIM companies in Brazil ensures, in all forms, full respect for the legislative predictions on health and safety at work, to prevent possible accidents and injury to health in some way linked to the performance of the activity work.
TIM companies in Brazil, in compliance with the current legal system, shall appoint a representative responsible for health and safety, and also for the implementation of measures to guarantee them.
At the time of hiring, we provided to every employee, an integration training about the policy and the procedures related to health and safety at work.
TIM companies in Brazil ensure respect to the safety and health requirements stated by the laws in force.

• **Freedom of Association and Right to Collective Negotiation**
The contributors have the legal right to constitute and/or join to trade-union organizations for the protection of individual and collective interests. The TIM companies in Brazil recognize to a great extent the role of the trade-union as the contributors' representative.

• **Discrimination and Harassment**
TIM companies in Brazil do not perform or allow any form of discrimination regarding hiring, compensation, access to training, promotion, termination or retirement, in relation to race, class and / or economic, national origin, religion, disability, gender, identity gender, sexual orientation, union membership or political and age.
TIM companies in Brazil, in accordance with current laws, do not allow any kind of behavior that is sexually or morally coercive, threatening and offensive or aimed at the exploitation of the individual.
• **Disciplinary Procedures**
TIM companies in Brazil, under the hypothesis of disciplinary procedures to be adopted with the employees do not realize and do not allow the use of corporal punishment, mental or physical coercion and verbal abuse.

• **Diversity Valorization**
TIM companies in Brazil recognize that diversity is a value and a practice to be promoted in all their relationships, not realizing or allowing any expression or form of negative and embarrassing discrimination in their working relationships.
They also encourage the adoption of an attitude of respect and appreciation of differences, so as the recognition and combating of situations of injustice against groups historically disadvantaged due to factors such as gender, sexual orientation; ethnic origin; gender identity; condition of disability; age, among others.
TIM companies in Brazil believe in diversity as a way to maintain a healthy working environment and a competitive organization to the market.

• **Working Hours**
The organization of working hours is carried out according to current labor laws in Brazil and the agreements stipulated with the trade unions on the subject, including those referring to weekly rest and the execution of extraordinary labor.

• **Salary**
The remuneration carried by TIM companies in Brazil to their employees is in line with the provisions of collective agreements relating to minimum values and distribution modalities.
In the payroll provided to employees all the items that make up the salary are described in details.
TIM companies in Brazil do not use any contrary contractual typologies of law provisions or to avoid the prohibitions and obligations envisaged by current regulations.
TIM companies in Brazil are committed to adapt themselves to follow the national laws and the international conventions in terms of social responsibility.
Stakeholders

In reference to Stakeholders, the principles in which TIM Companies inspire themselves are those indicated on the Code of Ethics and Conduct that refers to: shareholders, customers, competitors, suppliers, institutions, environment and community. Follow bellow:

- **Shareholders**
  TIM companies in Brazil guarantee equal treatment to all categories of shareholders, according to the statutory restrictions observing the current legal framework and regulations.

- **Customers**
  TIM companies in Brazil have excellence and attention to customers as guiding elements in all its service delivery activities to meet the customers’ needs. They also note, current legal framework on the protection of consumer rights.

- **Competitors**
  TIM companies in Brazil promote fair and functional competition for their interest and for all market operators, customers and other stakeholders. The company follows the guidelines arising from regulatory bodies seeking to ensure a competitive market and respect for consumers.

- **Suppliers**
  TIM companies in Brazil ensure that purchase processes are designed to provide products / services at the best market conditions, while ensuring the quality, safety, environmental respect, social and anti-corruption requirements.

- **Institutions**
  TIM companies in Brazil maintain a collaborative and transparent relationship with national and international institutions in order to facilitate dialogue on matters of specific interest.

- **Environment**
  TIM companies in Brazil act responsibly in the use of natural resources, observing the respect of sustainable development, preservation and promotion of the environment and the future of the next generations.
• Community
TIM companies in Brazil aim to contribute to the economic welfare and growth of the communities in which they operate by providing efficient services and technology. It is also understood that the individual and/or collective growth of their companies should provide to the society a similar growth and, aligned to that, support environmental initiatives in the communities in which they operate through sponsorship and institutional support.

Glossary
Human Rights: are the rights and freedoms basics to all human beings, as well as freedom of thought, expression and equality before the law. The United Nations proclaimed the Universal Declaration of Human Rights, which has been respected worldwide.

Sustainable Development Goals (SDGs): It is a global agenda with 17 objectives and 169 intergovernmental targets, led by the UN, comprising diverse themes. The objectives are:
- Objective 1 - End poverty in all its forms everywhere;
- Objective 2 - End hunger, achieve food security and improved nutrition and promote sustainable agriculture;
- Objective 3 - Ensure health lives and promote well-being for all at all ages;
- Objective 4 - Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all;
- Objective 5 - Achieve gender equality and empower all women and girls;
- Objective 6 - Ensure availability and sustainable management of water and sanitation for all;
- Objective 7 - Ensure access to affordable, reliable, sustainable and modern energy for all;
- Objective 8 - Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all;
- Objective 9 - Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation;
- Objective 10 - Reduce inequality within and among countries;
- Objective 11 - Make cities and human settlements inclusive, safe, resilient and sustainable;
- Objective 12 - Ensure sustainable consumption and production patterns;
- Objective 13 - Take urgent action to combat climate change and its impacts;
Objective 14 Conserve and sustainably use the oceans, seas and marine resources for sustainable development;
Objective 15 - Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss;
Objective 16 - Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels;
Objective 17 - Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Global Compact: is an initiative promoted by the UN, designed for companies committed to align their operations and strategies with the ten universally accepted principles concerning human rights, labor, environment and anticorruption. Therefore, corporations, which are the main agents of globalization, can help ensure that market organizations, commerce, technology and finance progress in ways that benefit economies and societies everywhere.

The ten principles are:

1. Human Rights
   - Principle 1 - Businesses should support and respect the protection of internationally proclaimed human rights; and
   - Principle 2 - make sure that they are not complicit in human rights abuses.

2. Labour
   - Principle 3 - Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
   - Principle 4 - the elimination of all forms of forced and compulsory labour
   - Principle 5 - the effective abolition of child labour; and
   - Principle 6 - the elimination of discrimination in respect of employment and occupation.

3. Environment
   - Principle 7 - Businesses should support a precautionary approach to environmental challenges;
   - Principle 8 - undertake initiatives to promote greater environmental responsibility; and
• Principle 9 - encourage the development and diffusion of environmentally friendly technologies.

4. Anti-Corruption

• Principle 10 - Businesses should work against corruption in all its forms, including extortion and bribery.

**Stakeholders:** Publics of interest involved in a given process. It refers to any person or entity that affects or is affected by company activities. Ex: shareholders, employees, customers, suppliers, unions, government, community, etc.

30th June, 2016