TIM Sustainable Procurement Policy

Introduction

TIM is committed to understanding and managing the environmental, economic and social impacts of its own operations through the delivery of sustainable solutions. The aim of this policy is to embed the consideration of social, economic and environmental impacts as factors in decisions made by our staff and our partners.

The document lays out the approach to be followed in the procurement process, and has taken shape as the natural evolution of the choices the company made which have led, in particular, to the attainment of the ISO 9001, ISO 14001 and ISO 50001 certifications.

The current policy is the outcome of a series of initiatives launched with the TIM’s suppliers, through a process of stakeholder involvement, which have led to the definition of:

- the prerequisites of a social nature and of the ethics of negotiation in the supply chain, through the “Suppliers Policy in the purchasing process of the TIM Group” (http://www.telecomitalia.com/content/dam/telecomitalia/documents/Sostenibilita/en/Policies_ENG/Suppliers_EN_22.12.09.pdf);
- the "Guidelines for the assessment of the life cycles of products” (http://www.telecomitalia.com/content/dam/telecomitalia/documents/Sostenibilita/en/Policies_ENG/Estratto%20Linee%20Guida_inglese.pdf) that support the evaluation of the environmental impact of specific categories of commodities.


Applicability

This policy is to be applied to all acquisitions made by TIM Group companies for the provision of commercial and non-commercial products/services (including network operations, support activities, logistics, maintenance, telecommunications equipment, etc.). It is addressed to direct suppliers who are also responsible for providing sub-suppliers and sub-contractors with proper information and engaging them.

Application of the policy in the process of the selection and control of suppliers

The level of conformity with this policy is assessed and evaluated in the processes of the rating/control of suppliers and in the selection of services/products, with specific operational methods for each category of acquisitionupplier.

In particular, the details of the environmental requirements are defined in the applicable specific procedures for categories of product/service, and the level of suitability of a supplier or a product/service will also be assessed in the light of the cited evaluation.

TIM will carry out checks, directly or through outside bodies (including independent bodies):

- on products, during the validation phase of the prototype and, on the basis of samples for productions of series, on the correspondence of the products/services acquired with this Policy and with the application procedures;
- on its suppliers; this may be done also in cooperation and through agreement with partners such as other telecom operators, like in the framework of the Joint Audit
Cooperation initiative (JAC, http://jac-initiative.com) of which TIM is a founding member. JAC is a collective of telecommunication companies aiming to promote safe and fair working conditions as well as responsible, social and environmental management by verifying, assessing and promoting sustainability standards and transfer of best practice across its supply chain.

Should the checks not give positive confirmation, suitable corrective measures will be adopted according to the provisions of the contracts and in order to make sure that the sustainability requirements set in the JAC Guidelines and protocol are met.

Promotion of best practices

TIM undertakes to encourage continuous research on the part of its suppliers into innovative technological solutions in the field of environmental sustainability, in addition to social and economic sustainability, promoting Best Practices and duly taking account of them in its Vendor Rating methodology.

Should the need arise, especially in cases in which difficulties are encountered in meeting the sustainability requirements, TIM will carry out and/or support specific training activities and the joint management of the problems with the suppliers and/or partners.

The principles of the Policy

TIM will strive to:

- encourage and engage suppliers to develop a proactive approach to sustainability issues and deliver sustainable solutions;
- work in partnership and support our suppliers to continually improve our collective sustainability performance;
- identify and review the sustainability risks and impacts of the products and services procured;
- embed sustainability within tender documents by ensuring this these are a proportionate part of the assessment criteria for significant impact procurements when applicable;
- undertake training and develop practical tools to increase awareness, knowledge and understanding of relevant sustainability issues;
- be ethical in its business practices in dealing with the supply chain;
- consider and evaluate whole-life-costs prior to purchase where appropriate;
- look to minimise the use of energy and natural resources and maximise the use of renewable energy sources;
- promote practices that enable significant GHG emission reductions in the supply chain, both in manufacturing and technical processes and in the life of products and services procured;
- use and dispose of goods in an environmentally responsible way, including considering reducing, substituting, reusing and recycling as sustainable options;
- work with our suppliers to achieve zero safety incidents on all the projects that we deliver;
- promote fair labour practices, including non-discrimination;
- require suppliers to manage health and safety in the workplace to the highest standards in order to effectively control risks and prevent harm to their workers.

TIM recognises that improving its procurement performance is an ongoing process and that its suppliers are important partners in TIM’s aim to become more sustainable.
TIM expects its suppliers to work collaboratively and be supportive of its approach to continually improve performance, through the selection of sustainable products and solutions, innovative thinking and the employment of best practices to meet its objectives and targets.

This policy and TIM's performance against it will be monitored and reviewed on a regular basis and/or whenever the need arises.