

Press Release

TIM is the first company signing the “Expansion Contract” with Italian Labour Ministry and Unions

New hires, employee training and reskilling also to support insourcing

Rome, August 2, 2019

TIM signed today the agreement with the Italian Ministry of Labour and the trade unions to adopt the ‘Expansion Contract’ (*Contratto di Espansione*). Introduced this year (Law 58/2019), it is designed to support technological development in companies with more than 1000 employees.

The expansionary nature of the new measure will enable TIM to balance efficiency and growth as it resumes recruitment and to acquire the new skills required by the ongoing industry transformation, largely driven by the 5G revolution. In addition to the recruitment programme for 2019/2020, the agreement also includes a commitment to make significant investments in the training and reskilling of the employees.

The project goes hand in hand with TIM’s reorganisation, as it moves to enhance existing skills, replace obsolete ones and develop new ones. The aim is to retrain some of TIM’s staff so that they can also carry out activities which have until now been outsourced.

The planned investments are significant both in economic and organisational terms, given the vast array of skills at the company, the number of employees involved and TIM’s geographical presence. Further, since technological transformation will be constant and will affect all jobs, everyone will be asked to commit to ensuring that every single person working at TIM pursues continuous learning throughout their professional lives.

The Contract originally envisaged 500 new hires in the period 2019-2020, but this has now been raised to 600 following a request from the Italian Ministry for Economic Development and Ministry for Labour and Social Policies.

In addition, the agreement enrolls all TIM employees in the training and retraining project, which will provide upskilling/reskilling courses to enable insourcing. However, there is currently no plan to apply the provisions on redundancy schemes that are possible under the Expansion Contract.

The new Supplementary Company Contract will also come into effect today, having been signed by TIM and the trade unions on 18 July 2019 and approved by the trade union meetings held in recent days. The agreement covers various aspects of the working relationship, including agile work, teleworking, employee level transitions, changes from part-time to full-time employment, and changes to the working methodology of field technicians. Further regulations on other subjects will be added over the coming months.

Agreements have also been reached on the new Performance Bonus for the three-year period 2020–2022, which is based on earnings indicators (EBITDA and Service Revenues) and quality indicators (Customer Satisfaction Index), as well as a substitute payment to compensate for the non-payment of the 2018 performance bonus.

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