

## PRIVATE SOCIAL INVESTMENT POLICY

### FOREWORD

Companies from TIM Group perform voluntary and non-voluntary transfers of funds to social projects of public interest. We define the systematization of these transfers in a planned and monitored way as Private Social Investment (PSI).

The Private Social Investment guides the policies of the companies of TIM Group for support and development of social projects of public interest, increasing the expected impacts and putting them in line with strategic planning of the Group.

Since July 2013, TIM Group founded the TIM Institute, through which the Group's Private Social Investment is planned, managed and evaluated.

TIM Group's Private Social Investment takes into account the Code of Ethics and Conduct, the AntiCorruption Policy and Conflict of Interest, the Social Responsibility Policy, the Engagement Policy and the General Principles of Internal Control of Telecom Italia Group. The Private Social Investment in Brazil is inspired by GIFE guidelines (Group of Institutes, Foundations and Companies), the ten principles of the Global Compact promoted by the United Nations (UN) and the new Sustainable Development Goals (SDGs), via the post-2015 Development Agenda of the UN.

### TARGET

The document applies to all companies of the TIM Group in Brazil.

### OBJECTIVE OF THE POLICY AND FIELD OF APPLICATION

- To define strategic guidelines for TIM Group's Private Social Investment, through the TIM Institute, ensuring that there is planning, soundness and transparency of transfers to the Group's social projects.
- To establish criteria for TIM Group's Private Social Investment, through strategic principles of the TIM Institute, as well as the roles and responsibilities of the departments involved in the processes linked to the PSI.

### PRINCIPLES, POLICIES AND PRIVATE SOCIAL INVESTMENT STRATEGIES

TIM Group's Private Social Investment is exercised through the actions of the TIM Institute, whose mission is to create and strengthen resources and strategies for the democratization of science and innovation that promote human development in Brazil, with mobile technology as one of the main facilitators<sup>1</sup>. Thus, any voluntary or non-voluntary transfer of private funds from the Group to social projects should primarily follow this mission, as well as the principles and strategies of the TIM Institute

---

<sup>1</sup> Visit [www.institutotim.org.br](http://www.institutotim.org.br)

(Teaching, Applications, Work and Inclusion), which should be covered by the benchmarking principles, guidelines and strategies of TIM's Private Social Investment.

The Group's definition of Private Social Investment (PSI) should consider the impressions that arise from dialogues and open channels with communities and other stakeholders, as well as value the main role of local actors to establish possible partnerships.

### **Education**

Every child and young person has the right to a science and mathematics education that represents the advances in knowledge gained in these areas. Therefore, TIM's Private Social Investment, through the Education principle, shall invest in innovative projects, promote the training of government school teachers, support science and technology centers and museums and create and democratize strategies and teaching resources that contribute to learning science and mathematics.

### **Applications**

Technological innovation should serve human development. The Group's Private Social Investment, through the Application principle, must find technological applications and solutions that can help the work of institutions that act towards this goal.

### **Work**

Technological innovations are the basis for a new way of working. TIM Group's Private Social Investment, through the Work principle, must create and democratize teaching resources and strategies that promote technological productive inclusion of young people.

### **Inclusion**

People have the right to learn about new information and communication technologies and how they influence their everyday decisions. Technological inclusion promotes citizenship and contributes to a better life. Thus, the Group's Private Social Investment, through the Inclusion principle, seeks to disseminate this knowledge.

## **IMPACT ON PUBLIC POLICIES AND COLLECTIVE AGENDAS FOR SUSTAINABLE DEVELOPMENT**

To influence public policy is to interact and coordinate with various players (government and other stakeholders) and industries to define, in a participatory manner, which political priorities are to be included in the action plans of the different executive spheres of society. It is an expression of democracy and citizenship, guaranteed in the 1988 Constitution<sup>2</sup>.

---

<sup>2</sup> Visit [http://www.planalto.gov.br/ccivil\\_03/constituicao/constituicaocompilado.htm](http://www.planalto.gov.br/ccivil_03/constituicao/constituicaocompilado.htm)

TIM Group's Private Social Investment should consider, on a priority basis, the impact on public policies and collective agendas globally, nationally and/or locally for sustainable development in their initiatives, and must act to influence these policies and agendas. Thus, TIM Group's Private Social Investment should seek to dialogue, enhance, consult and establish partnerships and open channels with the government at the municipal, state or federal level and other stakeholders (including Councils, Committees and local players) for the formulation of these public policies and collective agendas, ensuring the effective implementation of its resources and increasing its contribution to the development of society.

#### **INDICATORS AND MANAGEMENT TARGETS OF THE PRIVATE SOCIAL INVESTMENT**

TIM Group'S Private Social Investment shall be managed and monitored periodically by indicators and targets set clearly and strategically.

Thereby, social projects that make up the portfolio of TIM Group's Private Social Investment must have indicators and monitoring targets and their results regarding management should be frequently monitored, evaluated and reported/released.

#### **EVALUATION OF RESULTS ACHIEVED BY THE PRIVATE SOCIAL INVESTMENT**

In order to ensure the impact generated by TIM Group's Private Social Investment, social projects that make up its social investment portfolio shall regularly undergo evaluation and audit on the management and outcomes, being understood as "audit" the systematic verification and periodic of activities developed, not necessarily held by third parties. The purpose of the evaluation and audit is to check that the resources, activities and social projects objectives are being met and therefore that the Private Social Investment is generating positive impact on society.

It is noteworthy that TIM Group's Private Social Investment in social projects should seek, as one of its long-term outcomes, self-sufficiency and continuity of these projects, whether their resources are linked to tax incentives or not.

The evaluation of results achieved by the Private Social Investment should be made annually by contracted consultants.

#### **DISCLOSURE OF THE PRIVATE SOCIAL INVESTMENT**

It is important to disclose the resources, actions and results achieved by TIM Group's Private Social Investment, by publishing it in a public document or TIM's websites.

The disclosure must be made at least through TIM's ([www.tim.com.br](http://www.tim.com.br)) and the TIM Institute's ([www.institutotim.org.br](http://www.institutotim.org.br)) websites, as well as be included in the TIM Sustainability Report.

If the resource used in the project subject of a disclosure arises from tax incentives, the investment should not be communicated as funded by the company's own resources.



## GLOSSARY

- GIFE: Group of Institutes, Foundations and Companies.
- Private Social Investment (PSI): Voluntary or non-voluntary transfer of private resources in a planned, monitored and systematic way to social projects of public interest.
- Social project: Project with the purpose of causing social impact, with indicators and monitoring and evaluation metrics.
- Voluntary transfer: Transfer performed spontaneously by the TIM Group.
- Non-voluntary transfer: Transfer that is caused by contractual or legal obligations linked to the TIM Group.
- Stakeholders: Target audiences involved in a given process. It refers to any person or entity that affects or is affected by the activities of a company. Eg.: shareholders, employees, clients, suppliers, unions, government, community, etc.

Update: June 23, 2015.