

2020 ESG REPORT



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Message from the CEO GRI 102-14

After historical results in 2019, TIM was ready for an even better 2020. We had once again prepared to lead market movements and to accompany our customers on a new journey of experiences. However, we had no idea that the prominence of telecommunications services would be so much in evidence, precisely in the midst of the greatest sanitary crisis of recent decades.

An immediate change in course was necessary. It was time to focus our efforts on three key pillars: the full functioning of services to connect customers in social isolation; the preservation of the health and safety of our employees; and collaboration with government authorities and other organizations to combat the pandemic.

It was a challenging adaptation, but one undertaken with great agility and effectiveness, thanks principally to the engagement of our team. We soon realized that Covid-19 would oblige us to review our targets and projects, but would also reveal and anticipate opportunities. We therefore resumed our planning and even in a completely atypical year, showed that TIM has solid foundations.

In a significantly worse economic environment for people and for businesses, the company proved its resilience, ending 2020 with consistent results. TIM also demonstrated courage by establishing the bases that will guide our future: we formalized the proposal to acquire the mobile assets of Oi, we executed the network sharing agreement with Vivo

and incorporated environmental, social and governance (ESG) principles and targets into our long-term strategy.

The financial and operational indicators have confirmed the organization's robust performance. We achieved the highest normalized Ebitda margin in TIM's history and the best in the market in the fourth quarter of 2020, beating the target established for this indicator by two years.

Due to the higher demand for services, we intensified the offer of digital channels and the quality of our customer care processes. Today our user base of 51 million people has a wide range of products at its disposal and the consumer profile continues to undergo transformation. We have an ecosystem in which the customer is the key element in our strategy, both in our core business and in enabling new revenue sources. In December 2020, we updated the TIM materiality matrix and took an essential step in the 2021-2023 Strategic Plan by aligning our business with ESG prin-

ciples and ambitions in a structured manner. The plan, updated in 2021, confirms and definitively integrates ESG aspects into the core business, presenting goals and targets aligned with the most material elements for our stakeholders and with the UN Sustainable Development Goals (SDGs).

We want to be a benchmark in ESG in the telecommunications sector in Brazil, and the recognitions we have received demonstrate that we are on the right path. Our listing on the B3 ISE (Corporate Sustainability Index) for thirteen consecutive years exemplifies the company's active record in this area, as well as our ongoing commitment to the UN Global Compact, in place since 2008.

In terms of the environment, we are progressing in a disciplined manner towards achieving our targets in renewable energy, carbon neutrality, emissions and eco-efficiency. In the social area, we have targets related to employee training, organizational climate and diversity. Investments in

We want to be a benchmark in ESG in the telecommunications sector in Brazil

inclusion projects are priorities, an example being the intern program in which more than 60% of the places were filled by black students. With the Instituto TIM, for seven years we have invested in projects that drive the democratization of knowledge, science and technology, with innovation as a lever for transformation that contributes towards promoting human development in Brazil. Highlights in governance in 2020 included the creation of the ESG Committee and recognition of TIM by the Teva Index as one of the companies with the most women on its Board of Directors. We continue to be the only telecommunications company on the B3 Novo Mercado, the only one to receive the Pro-Ética seal from Brazil's Comptroller General (Controladoria Geral da União) and we started 2021 as the first company in the sector to receive ISO 37001 certification.

Lastly, in the midst of such a turbulent conjuncture we decided to resume one of the projects designed for the 2020 we had been expecting. We revisited our entire organizational culture to update TIM values: courage, respect and freedom, translated in the new purpose of “to evolve together with courage, transforming technology into freedom”. We

also updated our brand signature to “Imagine the possibilities”. This was defined before the arrival of the coronavirus in Brazil, but it seems to have been made to measure for the new world that awaits us, in which telecommunications services will play a fundamental role and connectivity will enable new possibilities of personal evolution. We invite our customers to see what lies ahead in a positive way and we underscore that TIM will be at their side as they face their new challenges.

I could not end the message that opens a report with such important results and achievements without thanking our team. The people who work at TIM faced up to the limitations imposed by Covid-19 without neglecting the quality we owe our customers. I would also like to thank our suppliers, who overcame restrictions to keep an essential service running, and all those who contributed to our company, helping to keep Brazilians connected and hopeful.

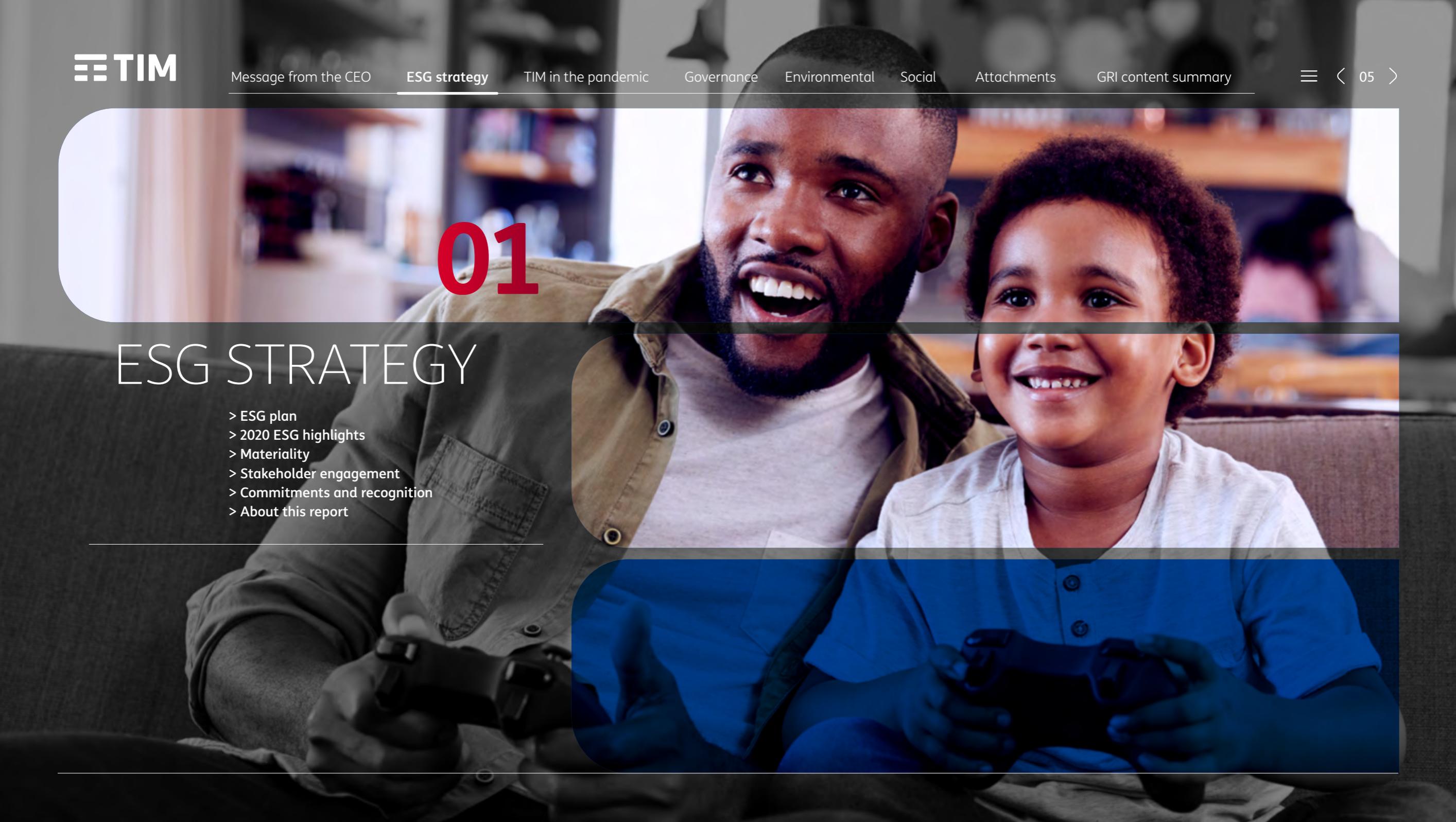


Pietro Labriola
CEO

01

ESG STRATEGY

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- > 2020 ESG highlights
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Beyond sustainability

Investors worldwide have indicated that the creation of lasting and sustainable value for stakeholders is a premise for companies to remain competitive and to endure. Questions such as diversity, climate change, human rights, transparency, ethics and purpose have been gaining growing importance in companies' strategic plans alongside economic indicators.

To accompany this growing demand for non-financial information and to increase alignment with the UN sustainable development agenda, ESG (Environmental, Social and Governance) principles have been adopted along with other management and transparency processes and methodologies used by companies.

In this area, TIM has been a pioneer in the telecommunications sector in Brazil. For over a decade, TIM has been listed on the B3 Corporate Sustainability Index (ISE-B3), the company in the sector that has featured on the index for the longest time. Since 2011, TIM has been listed voluntarily on the Novo Mercado, which has the highest level of corporate governance on the Brazilian stock exchange, in addition to being the first and only telecommunications carrier nominated as a Pro-Ethical (Pró-Ética) company by the Brazilian Comptroller General (CGU).

Reinforcing its commitment to transparency, TIM has been presenting its performance in sustainability since 2004 and for 13 years has published reports in accordance with GRI guidelines, in addition to responding to the Carbon Disclosure Project (CDP) and recording



For 13 consecutive years,
TIM has been listed on the B3 Sustainability Index (ISE-B3)

its greenhouse gas (GHG) emissions in the Brazilian GHG Protocol Program since 2010. The company is also featured in diverse Brazilian and international indexes and ratings, as shown on [page 15](#).

As a signatory to the UN Global Compact since 2008, TIM has developed projects connected with the UN Sustainable Development Goals (SDGs) and recognizes rights to data privacy, secure internet, access to information and freedom of expression as essential and unalienable.

Courage to evolve

Driven by the aspiration to “be a benchmark in ESG in Brazil”, TIM established a new and more ambitious plan of targets for the period from 2021-23, called the ESG Plan. Starting with the ambitions assumed in the 2020-2022 Strategic Plan, the company has added additional challenges, as shown ahead.



To be a benchmark in **ESG in Brazil**

Environmental

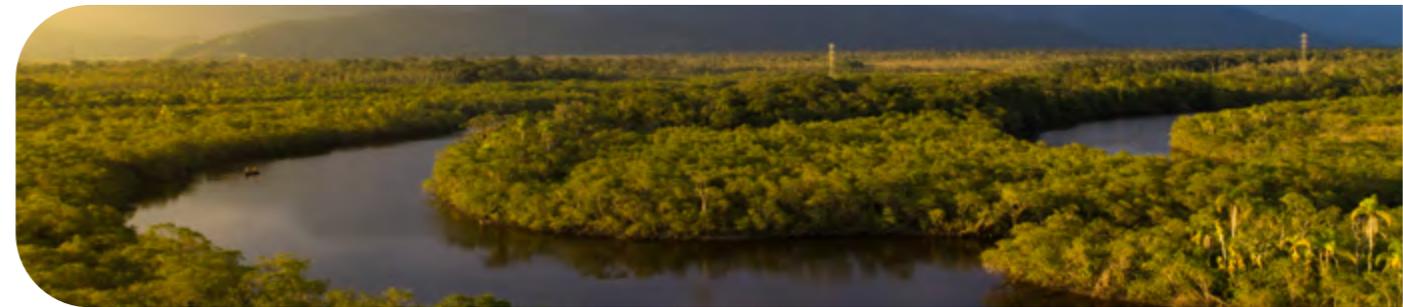
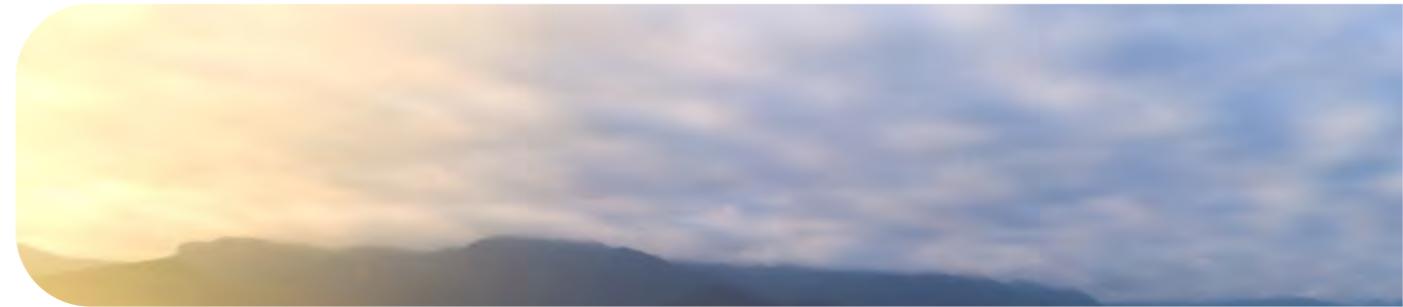
- Renewable Energy
- Eco-efficiency
- Waste and Emissions

Social

- Diversity and Inclusion
- Engagement and Training
- Digital Inclusion

Governance

- Customer Satisfaction
- Ethics and Transparency
- Information Security and Data Privacy



2021-23 ESG Plan

* New commitment ↑ Increase in target

| | ENABLERS | COMMITMENTS | TARGETS | | 2020-22 PLAN | 2020 RESULTS | |
|---|---|--|----------|------|--------------|--------------|---------|
| Environmental We want to be green | <ul style="list-style-type: none"> → Increasing efficiency and taking advantage of green energy cost reduction → Developing cloud data centers to deliver more to our customers with less impact on operations → Demobilizing obsolete technologies through innovation and infrastructure sharing → Promoting efficient and responsible solid waste management | <ul style="list-style-type: none"> → Carbon neutral (tCO₂e, scopes 1 and 2) → Eco-efficiency in data traffic* (bit/Joule) → Renewable energy → Indirect emissions* (tCO₂e, scope 2) → Solid waste recycling | -100% | 2030 | -100% | -30% | |
| | | | +80% | ↑ | 2025 | +75% | +64% |
| | | | ≥90% | * | | -70% | -28% |
| | | | ≥95% | * | | | |
| | | | | | | | |
| Social New capabilities are a key factor in maintaining leadership | <ul style="list-style-type: none"> → Promoting an inclusive environment, with equal opportunities, valuing talent and caring for the health and integrity of employees → Developing digital education to support the demand for connectivity → Keeping Instituto TIM as a reference in education and ST&I (Science, Technology and Innovation) projects → Extending access to 4G connectivity to all the municipalities in Brazil | <ul style="list-style-type: none"> → Employee Engagement (per year) → Black employees → Women in leadership positions → Employees trained in ESG culture → Employees trained in digital skills → 4G presence | ≥80% | ↑ | >MQ3 | >MQ3 | |
| | | | ≥40% | * | | | |
| | | | ≥35% | * | | | |
| | | | ≥99% | ↑ | >95% | 99% | |
| | | | +5,000 | ↑ | 2023 | 1,000 | 1,486 |
| 100% | * | | | | | | |
| Governance Efficient mechanisms to fairly balance the interests of all stakeholders | <ul style="list-style-type: none"> → Maintaining recognition as a company with the highest level of commitment to transparency and corporate governance → Disseminating ESG principles to high risk suppliers → Adopting best practices related to compliance, information security, data protection and privacy → Promoting customer empowerment through digital transformation | <ul style="list-style-type: none"> → Customer complaints* (regulatory body) → ISE, Novo Mercado and Pró-Ética → ISO 14001 and ISO 9001 → ISO 27001 and ISO 37001 | -50% | * | | | |
| | | | Maintain | | Maintain | Maintained | |
| | | | Maintain | * | | | |
| | | | Obtain | | 2022 | Obtain | Ongoing |

* Base year 2019

Strengthen the ESG culture

As part of the process of continuous improvement in its sustainability strategy, in 2020 TIM created the ESG Indicator System for the collection and validation of non-financial information in its ESG Report. The system also enables the tracking and management of performance in diverse environmental and social data that are presented each quarter in the disclosure of the company's financial results.

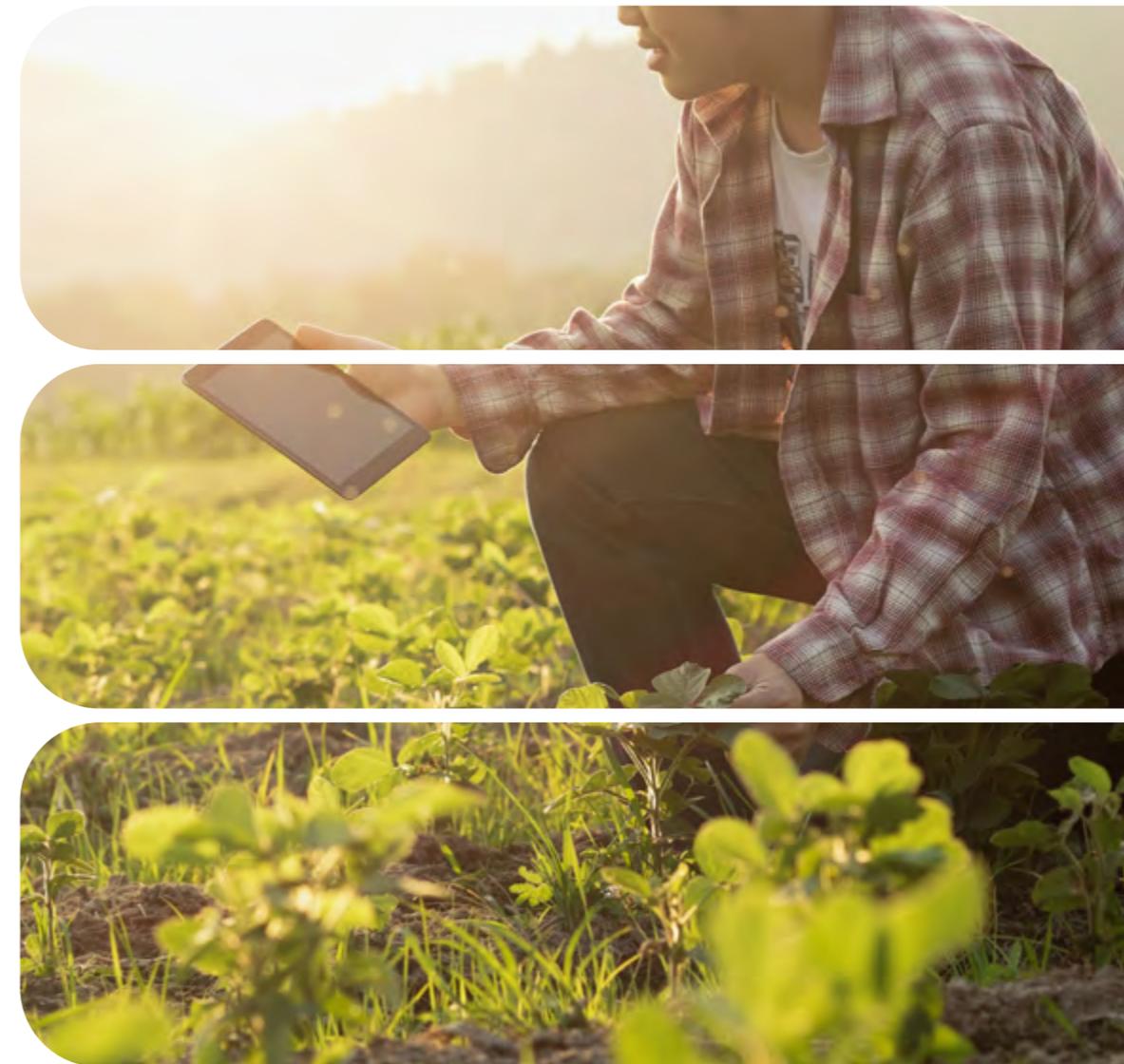
In the senior management sphere, another important action was the creation of the ESG Committee, comprising members of the TIM Board of Directors. Its main attribution will be defining and monitoring the strategic plan, ensuring and driving the achievement of the established targets. Read more about the committee in the chapter on Governance ([page 24](#)).

For TIM, building the future starts with a solid base and the definition of the right strategic path. The company believes in the steady evolution of its targets and ambitions and

prioritizes the strategy of changing from volume to value, in which it is not enough to have more customers, it is necessary to offer maximum quality.

For TIM strengthening and consolidating the ESG pillars represent not only a positive transformation for the business, but also for society. The challenges faced during 2020 underscored the importance of telecommunication services, which became a basic component for the maintenance of economic and educational activities, for countless opportunities of individual and social growth and, why not, for the exercise of citizenship.

ESG Pillars: impulse for the positive transformation of the business and society



2020 ESG highlights

Environmental

64% increase
in energy efficiency in data traffic

28% reduction
in indirect GHG emissions (scope 2)

30% reduction
in scope 1 and 2 GHG emissions
(carbon neutral target)

64% of energy consumption from
renewable sources

Social

99% of employees
trained in the ESG culture

1,486 employees trained in
digital capabilities

84% favorability in the
Climate Survey

Creation of the ESG
Committee to advise the Board of
Directors in 2020

Governance

13 consecutive years on the
B3 Corporate Sustainability Index (ISE) and
announcement of listing on the new S&P/
B3 Brasil ESG Index

First telecommunications operator
nominated as a Pró-Ética company by the
Comptroller General

Received ISO 37001 anti-bribery
management certification one year ahead
of target

Advance in the process of
obtaining ISO 27001 information security
management certification

Materiality

GRI 102-40, 102-43, 102-44, 102-46, 102-47

The Covid-19 pandemic caused significant changes in the way organizations conducted their operations in Brazil and worldwide, resulting in the need for reflection. TIM periodically reviews its materiality process, on average every two years. However, given the situation in 2020, the company decided to update its 2019 materiality process.

Starting with the material topics identified in the 2019 materiality process, the organization analyzed internal documents and sector and sustainability studies and consulted internal

and external stakeholders, selected because they are the main groups impacted by the TIM business and operations. TIM leaders – the CEO and vice presidents – as well as a group of suppliers, investors, customers, representatives of the press and the government were interviewed. [GRI 102-42](#)

The main concerns identified, taking into consideration the context of the pandemic, were related to employee health, digital inclusion as a basic right and access to connectivity (telecommunications as an essential service permitting the connection of people for work, study, medical consultations, remote relations, among others). Topics such as energy management, innovation, investments in infrastructure and data privacy gained greater importance. There were also many mentions of the importance of diversity and inclusion in the company. [GRI 102-44](#)

Materiality matrix
updated in the light
of the impacts of the
pandemic

Main TIM stakeholders GRI 102-40

- Shareholders
- Employees
- Competitors
- Consumers and customers
- Suppliers and service providers
- Government and sector associations
- Regulatory authorities and consumer protection and defense bodies
- Commercial partners
- Unions
- Society and civil society organizations



Topics identified as priorities in the materiality process

| Material topic ¹ GRI 102-47 | Indicators | Boundary of impact GRI 102-46 | | | | SDG |
|--|--|-------------------------------|----------------|----------------|---------------------|---------|
| | | TIM | Supplier chain | Consumer chain | Post-consumer chain | |
| Investment in infrastructure and network reliability | GRI 205-2 Own indicators | ● | ● | | | 9 11 15 |
| Innovation applied to products and services | Own indicators | ● | ● | ● | | 9 |
| Digital inclusion and access to connectivity | GRI 203-2 Own indicators | ● | | ● | | 1 9 |
| Customer experience and service quality | GRI 417 Own indicators | ● | ● | ● | | 12 16 |
| Data protection, customer privacy and cybernetic security | GRI 418-1 Own indicators | ● | ● | | | 16 |
| Ethics and governance in business | GRI 205-2, 206-1 | ● | ● | ● | | 16 |
| Health, well-being and managing employees | GRI 401-1, 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-10 Own indicators | ● | ● | | | 4 8 |
| Promoting diversity and equality of opportunities | GRI 405-1, 405-2, 406-1 | ● | ● | ● | | 5 8 |
| Energy management | GRI 302-1, 302-3 Own indicators | ● | ● | | | 7 13 |
| Operational and post-consumer waste management | GRI 306-2 Own indicators | ● | ● | ● | ● | 12 |
| Strategic and responsible supplier management | GRI 308-1, 414-1 | | ● | | ● | 8 12 |

● Direct impact, caused by the TIM operation.

● Indirect impact, resulting from TIM relations with its value chain (downstream and upstream).

1. In the materiality review conducted in 2020, the scope of some material topics was expanded. The subjects included are in bold in this table, as is the new material topic

Stakeholder engagement

GRI 102-43

TIM stakeholder engagement and relationship actions are aligned with the company's Engagement Policy, available on the [website](#), which has the purpose of:

- **Promoting a culture of dialogue with the company's internal and external audiences**
- **Building transparent and ethical relationships**
- **Mobilizing strategic stakeholders around the ESG agenda**

Building relations based on trust and respect, aligned with the company's purpose and values



Employees

The company believes that caring for people motivates and commits its employees to the business, as well as strengthening the TIM brand and the organizational culture. The company employs the following engagement and relationship practices:

- Periodic management meetings that address people management-related questions;
- Enhancement of communication channels with leaders;
- Management Meeting with the main leaders to stimulate the dissemination of the company's strategic goals and build a face to face communication culture with the teams;
- Reinforcement of a culture of Innovation, Accountability, Collaboration and Sustainability;
- Communication actions, training programs, workshops and rounds of conversation that promote reflection on important subjects for the business, focused on connecting employees with the present moment;
- Active intranet and corporate social network – with content that is interesting for employees –, allied with the use of digital systems and tools in daily routines, act as a channel for integrating the work force;
- Endbranding and endomarketing actions to align employees with the brand positioning and new offerings and services;
- Climate Survey.



Customers

- Provision of multiple customer service channels:
 - Meu TIM application
 - Virtual assistant
 - Social networks
 - WhatsApp
 - Online chat
 - Call Center
 - 144* telephone service
 - 1056* telephone service
 - Website - Meu TIM
 - Ombudsman: the company's second instance channel
- Hearing impaired – specialized service.
- Users' Council with the participation of users and representatives of consumer defense organizations.
- Organization of Satisfaction Surveys.



Government

- Monitoring of strategic public policy and regulatory agendas for the telecommunications sector and modifications to legislation and/or passage of new laws.
- Participation in discussions of strategic themes for the sector, such as telecommunications infrastructure, promoting access to communication media in Brazil, regulation of use of new technologies such as IoT (Internet of Things) and 5G, among other innovations in the market that depend on regulation and the active participation of government bodies, as well as adjacent topics such as renewable energy and PIX.



Shareholders and investors

- Disclosure of quarterly results, market communications and organization of events.
- Provision of the [Fale com RI \(Contact IR\)](#) channel for requesting information and making suggestions to the Board of Directors.
- Provision of information to investors and analysts by means of the Investor Relations website – registration for the Investor Relations mailing list or via the email ri@timbrasil.com.br.



Suppliers

- Engagement in good practices related to ethics and social and environmental aspects:
 - During the purchase process, by means of due diligence and socioenvironmental questionnaires;
 - In invitations to workshops and training courses;
 - In awareness campaigns.

FINANCIAL ASSISTANCE RECEIVED FROM GOVERNMENT (R\$ THOUSANDS) GRI 201-4

| | 2018 | 2019 | 2020 |
|--|---------|---------|---------|
| Tax and duty deductions | 146,455 | 194,161 | 169,540 |
| Allowances for investments, research and development and other significant grants and incentives | 25,305 | 21,572 | 17,427 |

Dialogue and transparency
with the company's diverse audiences



Commitments and recognition GRI 102-12

Human rights, environmental balance, sustainable development, diversity and good governance practices are some of the major contemporary questions captured in TIM's radar in the formulation of its strategies and operations. The company's advances in these fields are shared with institutions that play a decisive role in the formulation of transformational programs or models that promote the continuous improvement of businesses.

Global Compact and SDGs

A signatory to the United Nations (UN) Global Compact since 2008, TIM adopts the Sustainable Development Goals (SDGs) as a guideline for the formulation of integrated strategies. (*read more [here](#)*).

Climate Change

Engaged in this issue, the company responds to the Carbon Disclosure Project (CDP), the largest data base in the world for monitoring and managing greenhouse gas (GHG) emissions, and records its emissions in the Brazilian GHG Protocol Program, a platform that quantifies and manages these data.

B3 Corporate Sustainability Index (ISE)

TIM is the telecommunications company which has been listed on the ISE for the longest time – 13 consecutive years, reflecting its high degree of commitment to sustainability and corporate governance.

FGVces Business Initiatives

The company has participated in the Iniciativas Empresariais (Business Initiatives) network coordinated by the Fundação Getulio Vargas Center for Sustainability Studies (FGVces), a knowledge production center aimed at the exchange of experiences and provision of stimuli for the advance of the sustainability agenda in companies.

S&P/B3 Brasil ESG

TIM was announced as a member of the new B3 index which measures the performance of securities that fulfill sustainability criteria, weighted by the ESG scores on the S&P DJI.



Experiences
that challenge
and transform

Novo Mercado

Since 2011, TIM has been listed voluntarily on the Novo Mercado, the highest level of corporate governance on the B3 index, and is the only representative of the telecommunications sector.

ICO2

The company returned to this B3 Carbon Efficient Index, comprising companies committed to transparently reporting their emissions and preparing for a low carbon economy.

CDPR Climate Resilience Index

TIM was again confirmed on the new ICDPR-70 climate resilience index.

Morgan Stanley Capital International (MSCI) Environmental, Social and Governance Research (ESG)

Listed on index portfolios linked with the MSCI ESG Leaders Index, which has conducted assessments of governance and analyses of social and environmental indexes of more than 6,000 publicly traded companies worldwide for over 40 years.

FTSE4Good

Part of the FTSE4Good Index Series (Emerging Markets Index, Latin America Index).

Índice Teva ESG Mulheres na Liderança® (Teva ESG Women in Leadership Index)

TIM was among the companies on the B3 with the highest proportion of women on its Board of Directors and committees.

Empresa Pró-Ética 2018-2019 (Pro-Ethical Company 2018-2019)

TIM was the first telephony operator nominated Pró-Ética (Pro-Ethics) by the Comptroller General of Brazil (CGU), an initiative that promotes a more integral, ethical and transparent corporate environment.

UN Women

Linked with the ESG Plan and the material topic Promoting diversity and equality of opportunities, in March 2021 TIM adhered to the Women's Empowerment Principles (WEP). The purpose of this initiative is to boost the effectiveness of the company's gender equality journey.

ISO 37001

Also in March 2021 TIM received ISO 37001 certification, which attests to the security and effectiveness of the company's anti-bribery management system. In addition to demonstrating commitment to achieving the targets of the ESG Plan, TIM was the first operator to receive this certification.

Anatel 2021 Telecommunications Accessibility Award

TIM was the first carrier to receive the award and again in 2021 came in first place in the ranking, the purpose of which is to recognize companies in the sector that provide accessible physical and virtual environments for persons with disabilities or that provide incentives, divulge and ensure the right to accessibility.

Coalizão Empresarial para Equidade Racial e de Gênero (Business Coalition for Racial and Gender Equality)

In April 2021, TIM joined this initiative promoted by the Instituto Ethos, Centro de Estudos das Relações de Trabalho e Desigualdades (Ceert) and the Institute for Human Rights and Business (IHRB). The focus of the initiative is to reinforce public policies and business practices that promote inclusion and diversity in organizations.

MEMBERSHIP OF EXTERNAL ORGANIZATIONS GRI 102-13

| Body | Purpose | TIM participation |
|---|--|--|
| National Association of Fixed and Mobile Telephony Carriers (Conexis Brasil Digital) | This non-profit organization represents landline and mobile telecommunications carriers authorized to operate in Brazil by the Brazilian telecommunications regulatory body, ANATEL. | Member of the Board |
| Brazilian Telecommunications Association (Telebrasil) | A private non-profit body that represents and works towards the development of operators and suppliers to the communication and information technology sectors. | Member of the Board of Directors |
| GSM Association (GSMA) | This organization represents the interests of mobile operators and promotes technology development in the mobile communications industry worldwide. | Member |
| Brazilian Telecommunications Resources Association (ABR Telecom) | The mission of this organization is to promote, operate and manage integrated technical solutions among members for the provision of telecommunications services in compliance with regulatory requirements, such as number portability. | TIM has a seat on the Board of Directors (chair of board from January 2019 to December 2020) |
| ConectarAGRO | The purpose of this association is to promote accessible connectivity in the hinterland of the country, benefiting agricultural producers in order to leverage agribusiness. | Member of the Board of Directors. |
| Brasscom | The organization represents the Information Technology and Communication (ITC) sector in dealings with public authorities with the goal of proposing public policies that promote market growth. | Member since December 2020. |

About this report

From this year, TIM is calling this publication its ESG Report and remains committed to transparency and accountability towards its stakeholders. The report is organized in three pillars – Environmental, Social and Governance. The financial and non-financial results refer to the material topics and the operations conducted between January 1 and December 31 2020. The financial results are related to the operations of TIM S.A. (“TIM” or “Company”) and Fiberco Soluções de Infraestrutura Ltda. (“FiberCo”). [GRI 102-45, 102-49, 102-50, 102-52, 102-54, 102-56](#)

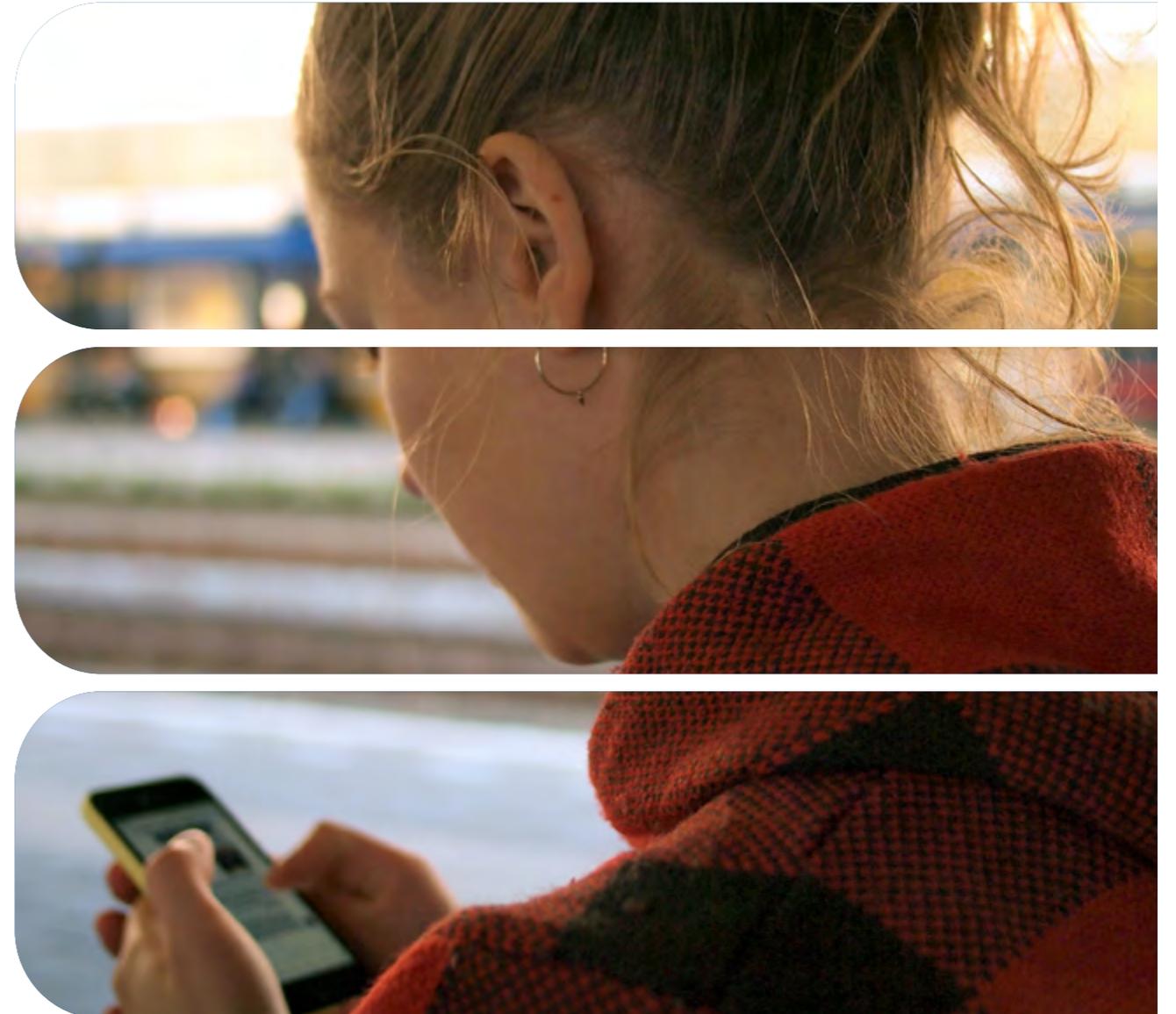
A limited assurance engagement was performed on the 2020 ESG Report by Ernst & Young - EY. The report was elaborated in accordance with the Core option of the Standards version of Global Reporting Initiative (GRI) guidelines.

There is also a summarized version of the report. Access via the [TIM website](#).

TIM has reported on its sustainability performance since 2004. For 13 years the reports have been in accordance with GRI guidelines. [GRI 102-51](#)

Any questions or suggestions about this publication may be addressed to respsocialcorp@timbrasil.com.br. [GRI 102-53](#)

[+](#) **Access other TIM information and results [here](#).**



TIM in the pandemic

The entire world was impacted by the Covid-19 pandemic in 2020. TIM responded rapidly to this emergency situation and was one of the first companies to adopt preventive measures, sanitary protocols and standards to protect its employees, customers, suppliers and other stakeholders. In a few days, the company established remote working for its teams and adapted its operations to the crisis situation, bringing the experience of Telecom Italia (“TIM Italia”) to bear. The main initiatives undertaken are presented in the table at the side.

Even with the expectation of controlling the disease due to the beginning of vaccination, every care will be maintained in 2021 until there is a complete return to normality. In the meantime, TIM will continue to make every effort to ensure the provision of services and the delivery of technology in support of society.

INITIATIVES:



Employees

- Remote working was adopted for all employees who could do so, including 100% of the call center attendants.
- The Contingency and Risk Mitigation plan was put in place to guide the activities of the infrastructure maintenance teams with the objective of ensuring the health of employees and operational continuity.
- Network monitoring was conducted remotely using the TIM Cloud UC solution, benefiting around 500 field workers.

+ *Other initiatives may be seen in the chapter [Employees](#)*



Customers

- Concession of an internet bonus of up to 2GB for users in all segments (pre-paid, post-paid and control).
- Liberation of double the international roaming data in the United States and Europe for customers forced to remain outside Brazil due to the interruption of air travel.
- Free inclusion of apps for children (TIM Games and Playkids) in entertainment contents.
- Extension of validity of credits of up to R\$ 20 for 60 days to assist lower-income pre-paid customers.
- Access to the SUS health system Coronavirus application and the Ministry of Health hotsite without consumption of internet data allowance.



Institutions and society

- TIM was the first carrier in Brazil to establish a technology partnership in support of combating Covid-19 for the application of aggregated anonymous data analysis methodology.
- Participation in the sector agreement that liberated government authority access to anonymized data from the mobile networks to assess the efficiency of the restriction measures implemented, understand population movements and facilitate decision making.
- The company prioritized the requirements of its government area corporate subscribers, seeking to ensure the highest possible level of availability, principally for healthcare institutions and hospitals.
- It provided free high speed broadband access to ensure connectivity for healthcare professionals in the field hospital set up in the Pacaembu Stadium in the city of São Paulo.
- On its website, the company posted a video in Brazilian Libras sign language to provide guidance on Covid-19 for users with hearing impairment.
- Partnership between the Brazilian carriers to create an internet plan with reduced costs for governments (federal, state and municipal), with the objective of offering free internet for public school students, providing them with access to distance learning platforms.
- The Instituto TIM supported the Gesto Solidário Campaign, promoted by Instituto Biomob, with the donation of more than 2,000 basic food baskets for 600 socially vulnerable families in different communities in the state of Rio de Janeiro.



02

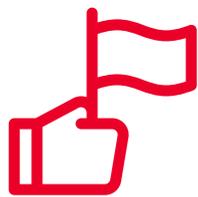
GOVERNANCE

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For TIM, **strengthening best governance practices** is fundamental for sustaining business growth and continuity

Since 2011, TIM has been listed voluntarily on the Novo Mercado, which has the highest level of corporate governance on the Brazilian stock exchange, in addition to being the first and only telecommunications carrier nominated as a Pro-Ethical (Pró-Ética) company by the Brazilian Comptroller General (CGU). In 2021 the company was the first operator to receive ISO 37001 certification. As part of TIM's drive to increasingly enhance its governance

systems, the 2021-23 ESG Plan contains targets and commitments related to customer satisfaction, ethics and transparency, information security and data privacy. In addition to these efforts, TIM is seeking to implant efficient mechanisms to achieve a fair balance between the interests of all its stakeholders.



Purpose

To evolve together with courage, transforming technology into freedom

Values GRI 102-16

CUSTOMER CARE

- We ask legitimate questions to find out what customers truly want.
- We listen carefully and curiously to what customers have to say.
- Our decision making process takes heavily into account our customer's experience.
- We're proud to have a positive impact on the lives of our customers.

TRANSPARENCY

- We establish clear and true relationships with everyone.
- Transparency and integrity in our actions build trust.

INNOVATION

- We innovate by finding new ways to do things.
- We rely on creativity to go further.

COMMITMENT

- We are responsible.
- We recognize that we are part of a broader common plan.
- We collaborate by investing our talent and effort in each and every action.

AGILITY

- We make "more", "better" and "faster" in an increasingly complex and dynamic world.
- We plan, decide and execute quickly, making things easier for everyone around us.

Profile

TIM is a telecommunications company that offers mobile and fixed telephony, data transmission and ultra-broadband services in Brazil. [GRI 102-1, 102-2, 102-4, 102-5, 102-6](#)

It is listed on the B3 Novo Mercado of the Brazilian stock exchange, whose standard of governance is focused on minority shareholders and transparency in communication. The company also has ADRs (American Depositary Receipts) listed on the New York Stock Exchange (NYSE).

It is controlled by TIM Brasil Serviços e Participações S.A., a company of the Telecom Italia Group, which is based in Rio de Janeiro (RJ).

In August 2020, TIM underwent a legal restructuring and incorporated TIM Participações. Another change was the constitution of the company FiberCo on December 16, 2020. This will prepare the organization for the future segregation of

assets and the provision of fiber optic to the home services.

The process is one of the intermediary stages in the transformation of TIM into a broadband services provider. The objective is to create an open fiber optic infrastructure vehicle in conjunction with a strategic future partner of FiberCo.

FiberCo will operate in the wholesale market, in the provision of fiber connectivity, last mile and transport services for operators in the market, having TIM as an anchor client.

The purpose of this transaction is to accelerate the growth of the residential broadband business and enable adequate appreciation in value of part of TIM infrastructure. [GRI 102-10](#)

In January 2021, TIM signed a contract to acquire the mobile assets of Oi, in conjunction with other operators. This



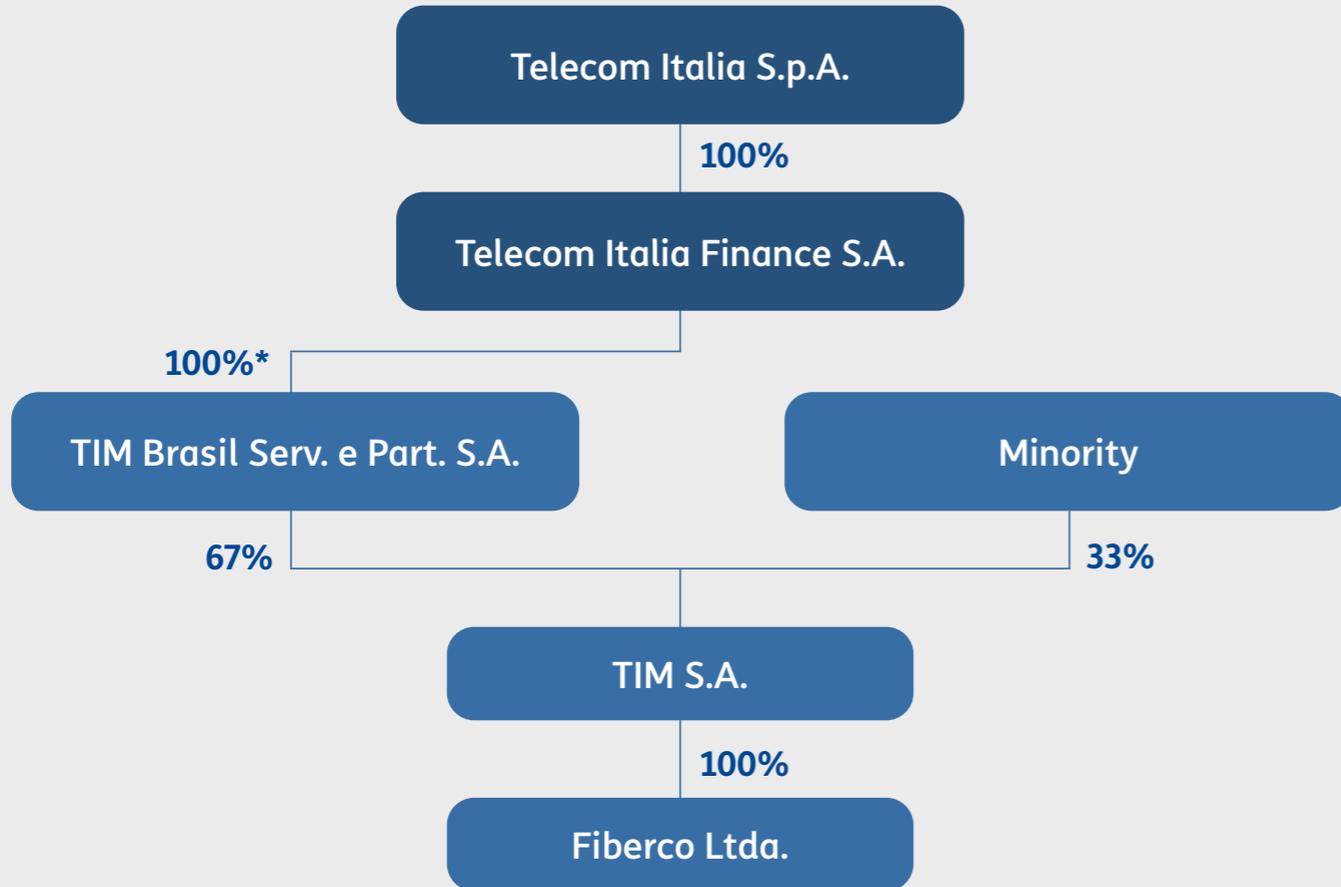
business expansion

transaction will also benefit customers through the improvement of the user experience and the quality of the services rendered. It will also benefit shareholders in terms of revenue generation and efficiencies stemming from operational synergies.

[+ Read more about the Novo Mercado on the Investor Relations website.](#)



Shareholder structure



* Telecom Italia S.p.A. has one share of TIM Brasil Serv. e Part. S.A.

TIM Imagine the possibilities

The signature adopted in 2020 invites people to visualize the future positively and reminds them that TIM will be at the side of its customers for the coming challenges, opening up a new world of possibilities, transforming technology into a synonym of freedom. In addition to being the debut of a new positioning, the change in the brand is linked with a new purpose: “To evolve together with courage, transforming technology into freedom”.

With these concepts, the company is seeking to show that it continues to lead important market changes, adopting a pioneering stance in fulfilling users’ demands.

Governance **structure**

BOARD OF DIRECTORS

The company is administered by its Board of Directors and Statutory Board of Executive Officers.

The Board of Directors comprises 10 members, who are nominated and removed by the Shareholder Meeting for a two-year term, with re-election permitted. [GRI 102-18](#)

ADVISORY COMMITTEES TO THE BOARD OF DIRECTORS

The Board of Directors has four advisory committees that support it in decision making with the objective of ensuring the long-term success of the business, the application of best management and governance practices, and transparency.

These have members chosen by the Board for terms of two years, that coincide with the mandates of the board itself. Members may be re-elected or removed from their position at any time.

Statutory Audit Committee

This is a permanent committee that has three independent members in compliance with the rules established by the regulatory bodies of the capital market. It oversees the quality and integrity of financial reports, compliance with legislation and regulatory and statutory

standards. The committee also monitors risk management processes and the activities of internal and independent auditors.

Control and Risk Board

This body currently comprises five members, two of whom are independent. It monitors compliance with corporate governance rules, as well as overseeing risk control and management and corporate social responsibility actions and initiatives.

Compensation Board

This has three members, one of whom is independent. The committee assesses compensation criteria for company directors and senior executives.

ESG Committee

This committee was created on December 10, 2020, with definitions of composition and activities formalized in the ESG Committee Internal Regime (Available [on the TIM website.](#))

Linked with the Board of Directors, the committee currently has five members.

4 committees provide support for decisions taken by the **Board**

STATUTORY BOARD OF EXECUTIVE OFFICERS

TIM is also administered by the Executive Board, a decision making body whose mission is to protect and value TIM assets and to maximize return on investments in the long-term, in alignment with the mission of the Board of Directors. It consists of a CEO and six executive directors. These are elected by the Board of Directors for a 2-year term and may be removed from office at any time.

FISCAL COUNCIL

The Fiscal council is a permanent body. It oversees the administration of the company and the information provided to shareholders. It comprises independent members who are recognized by the market and who have no other links with TIM.

+ Further information about the composition of the TIM governance bodies and their attributions [here](#).

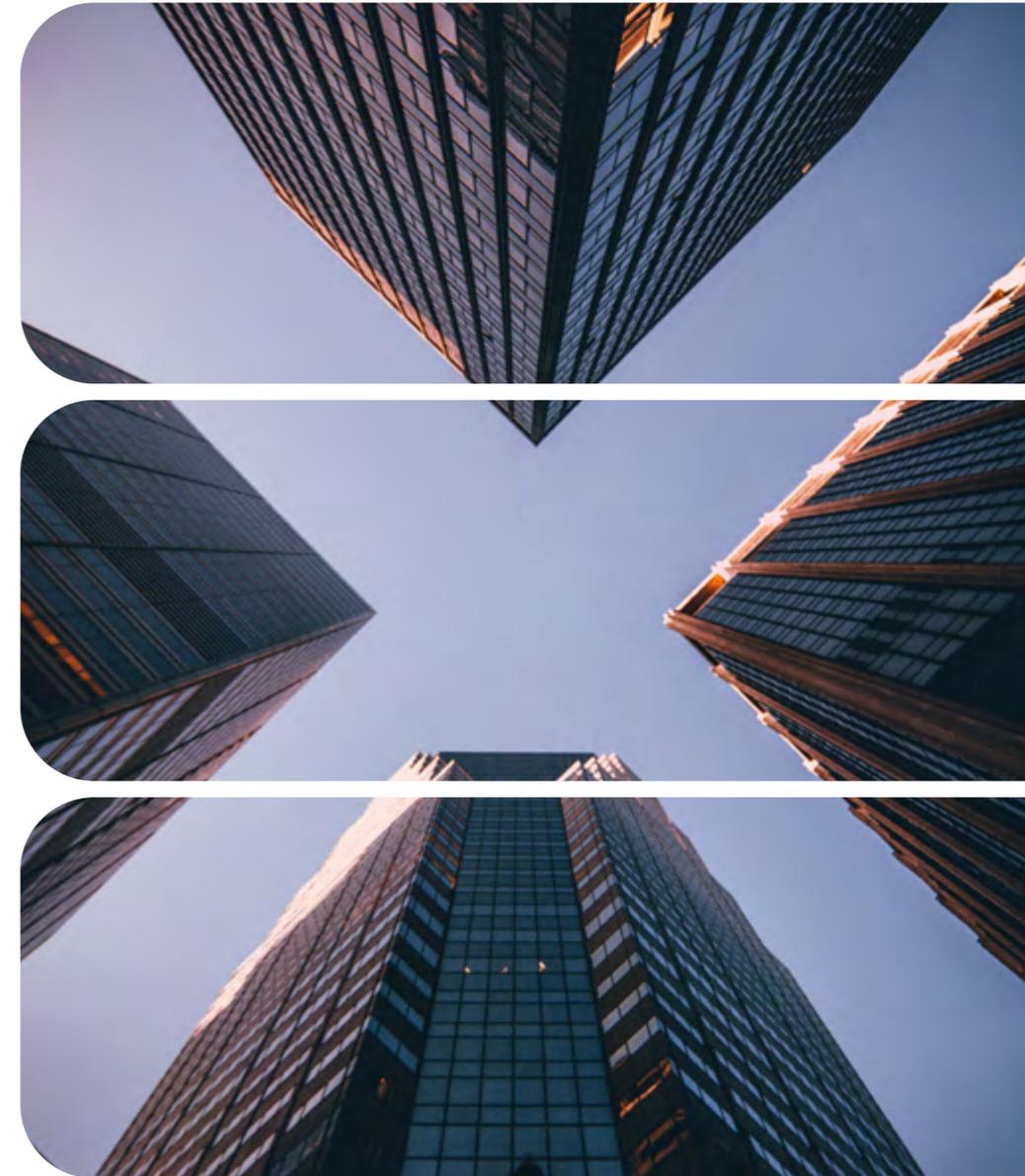
Senior management performance GRI 102-28

In 2020, the Board of Directors met three times, with an attendance rate of 93%.

The members of the Board of Directors undergo reviews on an annual basis by means of a self-assessment questionnaire which is responded individually, with the results submitted to the actual board. The questionnaire does not specifically address topics related to economic, environmental and social performance.

The responses are analyzed and compared with the results from the previous year, when opportunities for improvement are identified.

The compensation of the members of the Board of Directors and the Executive Board is approved by the Shareholders' Meeting.



Our business and 2020 highlights

GRI 102-7



Financial

NET REVENUE

R\$ 17 billion, 0.6% reduction

NET REVENUE FROM SERVICES IN 2020

R\$ 16.7 billion (+0.4% YOY)

NET REVENUE OF TIM LIVE IN 2020

+27.9% YOY

NORMALIZED NET INCOME

R\$ 1.9 billion, reduction of 1.8% YOY

PDD² ON TRACK AGAIN

2.3% of gross revenue (-0.7 p.p. YOY)

EBITDA

Capex over Revenue exceeded the 2022 target, reaching

25.9%

48.5% Ebitda margin¹

NORMALIZED EBITDA

R\$ 8.4 billion

for the cumulative year, growth of 3.2%

¹ Normalized Ebitda

² Provision for Doubtful Debts

³ According to Opensignal



Infrastructure

Growth in ARPU

in all segments

Higher 4G coverage

and better experience and availability³

+300 cities

active with the network sharing agreement

Signature of contract to acquire Oi mobile assets



Services

Mobile internet

in 3G, 4G, 4.5G and 5G DSS

> Fixed and mobile telephony

> Corporate voice and data solutions and digital services

TIM Live:

fixed ultra-broadband

> In 34 locations in Brazil with FTTH (27 cities and 7 administrative regions)

High definition 4G calls

> VoLTE (Voice over LTE) Technology

> Less time to complete call and greater stability

> Available in 3,860 cities

Pioneer in Agribusiness

> TIM 4G in the Countryside – coverage in over 6 million hectares

51 million customers

GRI 102-7 SASB TC-TL-000.A,
TC-TL-000.B, TC-TL-000.C

- **29 million** pre-paid
- **22 million** post-paid
- **more than 40 million** 4G accesses
- **645,000** TIM Live customers
- **927,000** fixed telephony customers

4G coverage in 3,877 cities in Brazil, 95% of the urban population

- 5 p.p. growth in 4G data traffic compared with 2019
- TIM customers navigated on 4G with greater frequency – 88% of their time connected
- Expansion of 4.5G coverage to 1,350 cities



Product and service launches

In 2020, TIM launched its 5G DSS network in three cities in Brazil – Bento Gonçalves (RS), Itajubá (MG) and Três Lagoas (MS) –, before the Anatel auction scheduled for 2021.

The technology will be used to provide wireless residential broadband with FWA (Fixed Wireless Access) technology, using

the legacy 2G, 3G and 4G networks by means of Dynamic Spectrum Sharing (DSS) functionality.

+ Read more about 5G on [page 43](#).

+ Read more about the company's 2020 results [here](#).



Financial results

ECONOMIC IMPACT: DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (R\$ THOUSANDS) GRI 201-1

| | 2018 | 2019 | 2020 |
|--|------------|------------|------------|
| Net revenue ¹ | 21,600,245 | 23,363,883 | 21,249,577 |
| (B) Goods and services acquired from third-parties | -7,167,332 | -5,922,030 | -5,591,596 |
| Cost of services rendered and merchandise sold | -3,929,961 | -2,575,465 | -2,641,923 |
| Materials, energy, third-party services and others | -3,237,371 | -3,346,565 | -2,949,673 |
| (C) Gross value added (A - B) | 14,432,913 | 17,441,853 | 15,657,981 |
| (D) Retentions (depreciation and amortization) | -3,954,321 | -5,128,981 | -5,527,012 |
| (E) Net value added (C - D) | 10,478,592 | 12,312,872 | 10,130,969 |
| (F) Transfers | 510,265 | 1,518,362 | 796,406 |
| (G) Added value for distribution (E + F) | 10,988,857 | 13,831,234 | 10,927,375 |
| Social charges | 510,265 | 1,518,362 | 97,375 |
| Salaries | 435,861 | 427,795 | 422,336 |
| Social charges | 149,832 | 165,586 | 97,375 |
| Private pension plan | 14,947 | 18,292 | 21,451 |
| Benefits | 163,960 | 158,395 | 162,308 |
| Profit share | 78,119 | 101,128 | 148,623 |
| Taxes, charges and contributions, less allowances (exemptions) | 5,761,129 | 7,069,473 | 5,811,993 |
| Interest and rents | 1,835,271 | 2,264,231 | 2,414,770 |
| Interest on own equity and dividends | 849,994 | 995,438 | 1,083,000 |
| Net income/loss for the year | 1,695,107 | 2,626,689 | 760,690 |
| Private social investment | 4,637 | 4,207 | 4,829 |

¹ Does not take into account losses from doubtful debts, discounts granted, returns and others.

ECONOMIC TARGETS

GRI 103-2, 103-3, 201

In March 2021, TIM presented its Strategic Plan for the period 2021-23 to the market. The telecommunications sector has undergone major transformations, and TIM has prepared for this. It is the company's understanding that the change in strategy from volume to value is fundamental for its evolution.

In this respect, it has continued to invest in the network sharing agreement with Vivo with a focus on cost reduction and improvements in the customer experience. Another important measure will be the integration of Oi assets by 2023, with increments in TIM's net service revenue and Ebitda.

[+ Further information about the TIM 2021-23 Strategic Plan on the IR website.](#)

| Metrics | Short-term targets (2021) | Long-term targets |
|----------------------------------|--|--|
| Sustainability in revenue growth | Growth in Service Revenue: Mid single digit (YOY) | Growth in Service Revenue (CAGR 2020-23): Mid single digit standalone and High single digit, combining the Oi assets |
| Improvement in profitability | Ebitda growth: Mid single digit (YOY) ¹ | Ebitda growth (CAGR 2020-23): Mid single digit standalone Double digit, combining the Oi assets |
| Infrastructure development | Capex: ~R\$ 4.4 b ² | Capex (cumulative 2020-23): ~R\$ 13.0 b standalone and ~R\$ 13.5 b, combining the Oi assets |
| Expansion of cash generation | Ebitda-Capex over Revenue: ~24% ² | Ebitda-Capex over Revenue: ≥ 29% in 2023, combining Oi assets |

¹ Including preparation costs.

² Including preparation investments.

Change from volume to value is the cornerstone of strategy



Anti-corruption GRI 103-2, 103-3, 205, 206

MATERIAL TOPIC: ETHICS AND GOVERNANCE IN BUSINESS

SDG **16**

TIM recognizes that anti-ethical conduct, such as corrupt practices and fraud, have the potential to cause significant financial and reputational impacts for the organization. In the telecommunications sector, the need for large scale infrastructure may create barriers to the entry of new actors and contribute to the formation of monopolies in the market by a small group of players, for example.

ESG PLAN TARGET

Receive ISO 37001 certification by 2022.

TIM has internal rules that reinforce compliance with legislation and ethical conduct. The company also has due diligence processes and contract clauses to combat corruption in the value chain. In March 2021, the company received ISO 37001 certification that attests to the security and effectiveness of its anti-bribery management system. In addition to demonstrating commitment to achieving the targets of the ESG Plan, TIM was the first operator to receive this certification.

The TIM Integrity Program – also known as the Anti-bribery and Anti-corruption Management System – sets forth a set of rules and actions to ensure compliance with anti-corruption legislation. Supervised by the Compliance area, the program seeks to prevent, identify and mitigate any practices involving bribery and corruption, establishing internal controls and monitoring sensitive activities by means of tests.



Institutional documents of the **TIM Integrity Program**

- Code of Ethics and Conduct
- Anti-Corruption Policy
- Organizational Model
- Conflict of Interest Policy
- Associated Parties Contracting Policy
- Manual of the Anti-Bribery and Anti-Corruption System

Part of the Integrity Program, the Anti-Corruption Program ensures continuous monitoring of 20 activities considered to be sensitive and offering greater exposure to the risk of corruption¹. The process involves the assessment of internal controls, monitoring of an annual sensitive activity risk matrix, action plans and the identification of opportunities for improvements in these processes and defense mechanisms. [GRI 205-1](#)

In 2020, the company updated its Anti-Fraud Policy, which deters fraudulent activities by means of prevention, detection and investigation. It also promotes the

¹ Agreements; Judicial, Administrative and Arbitration Procedures; Authorizations and Licenses; Relations with Public Agents, Institutions and Authorities; Gifts; Representation Expenses; Events; Commercial and Institutional Sponsorship; Donations/Contributions to Non-Profit Organizations; Subsidized Financing and Loans; Purchase of Goods and Services; Sale of Goods and Services; Hiring Employees; Managing Employee Variable Remuneration; Health, Safety and Environment; Investments; Commercial Partners; Payments; Acquisition and Divestment of Holdings and/or Incorporation of Companies; Operations undertaken directly by the TIM CEO.

development of improvements in processes, procedures and systems.

Moreover, TIM reviewed the procedure for the application of the due diligence questionnaire, which identifies the risk of exposure to corruption at suppliers, considering the involvement of the company in suspected cases of corruption or connection with people involved in suspected cases of corruption, among other risk factors.

The TIM Integrity Program was one of the themes of the TIM Talks, a corporate event for employees, which in 2020 was also opened to the external audience and to suppliers, with the presentation of activities considered to be sensitive in terms of exposure to the risk of corruption. More than 50 partners and suppliers were invited to attend. [GRI 205-2](#)

In its marketing actions and labeling standards, TIM employs measures to ensure the appropriateness and/or correction of advertising with the objective of ensuring the transmission of ethical, honest

and transparent messages that are in compliance with Brazilian legislation and with the principles of fair competition (*read more about cases of non-compliance in marketing communications on [page 33](#)*). [GRI 103-2, 103-3, 417](#)

By law, telecommunications equipment sold in Brazil must be approved by the regulatory agency Anatel, which verifies compliance with Brazilian legislation on electrical and

electromagnetic safety in its laboratories. TIM requires its suppliers to guarantee that their devices receive an approval certificate from Anatel. In addition to compliance with legislation, TIM mobile device supplier contracts contain a “product packaging” clause requiring that the devices come with instructions for the correct use of the product, an accessory assembly kit and a charger. [GRI 417-1](#)

COMMUNICATION AND TRAINING IN ANTI-CORRUPTION POLICIES AND PROCEDURES [GRI 205-2](#)

| Audience | 2018 | | 2019 | | 2020 | |
|-----------------|--------------|-----------|--------------|-----------|--------------|-----------------------|
| | n° | % | n° | % | n° | % |
| Directors | 56 | 93 | 56 | 95 | 64 | 100 |
| Managers | 636 | 95 | 684 | 99 | 726 | 99 |
| Other employees | 8,449 | 94 | 8,906 | 98 | 8,575 | 99 |
| Total | 9,141 | 94 | 9,646 | 98 | 9,365 | 99¹ |

¹ Based on employees active in December 2020.

TIM board members assert their support for the Integrity Program when assuming their place on the Board of Directors, declaring their awareness of and adherence to the company's Code of Ethics and Conduct upon signing their declaration of investiture. [GRI 205-2](#)

To engage directors and employees in the company's anti-corruption measures, mandatory training is provided for new employees and refresher training for existing employees during the course of the year.

97% took Anti-corruption training: **9,190**

96% were trained in the **Code of Ethics**: **9,092**

WHISTLEBLOWER CHANNEL

TIM provides its internal and external audiences with a bilingual (Portuguese and English) reporting channel which may be accessed via the corporate intranet or by the internet (tim.com.br and ri.tim.com.br > Governança > Canal de Denúncias) or by the telephone number (0800 900 8007). The service is available 24 hours a day, 7 days a week for reporting actual or suspected cases of corruption, fraud, conflict of interest, discrimination, psychological harassment, sexual harassment, violation of human rights and the Consumer Defense Code or any other behavior that violates legislation and the TIM Code of Ethics and Conduct.

The filing of a report generates a case number which permits the person making the report to track its progress, with full guarantee of anonymity and confidentiality.

In 2020, no cases of corruption related to public authorities or agents were recorded. [GRI 205-3](#)

There is a course for employees on the use of this channel on the TIM training platform.

ANTI-COMPETITIVE BEHAVIOR AND NON-CONTRIBUTION TO POLITICAL PARTIES

In 2020, TIM was involved in 12 lawsuits related to alleged infractions involving anti-

ENGAGING SENIOR MANAGEMENT IN ANTI-CORRUPTION MEASURES [GRI 205-2](#)

100% of the directors and members **of the governance bodies**

More than **98%** of **managers**



Commitment to integrity involves the entire company

competitive behavior. These are currently underway with no final conclusion. Therefore, there were no monetary losses from lawsuits associated with anti-competitive behavior. [GRI 206-1, SASB TC-TL-520a.1](#)

Regarding party-political activities, the TIM Code of Ethics and Conduct prohibits contributions to politicians, political parties or associated institutions. Consequently TIM does not make any direct or indirect political contributions. [GRI 103-2, 103-3, 415, 415-1](#)

CASES OF NON-COMPLIANCE RELATED TO CONSUMERS

Taking into account fines in excess of R\$ 500,000 for non-compliance with the Consumer Defense Code, TIM paid three fines totaling around R\$ 8 million in 2020. [GRI 419-1](#)

CASES OF NON-COMPLIANCE IN MARKETING COMMUNICATION [GRI 417-3](#)

In 2020, Conar, a non-governmental advertising self-regulatory body that assesses non-conformance with the Brazilian Advertising Code of Conduct (CBAP in the Portuguese acronym), made four representations against TIM: one resulted in a warning for the company and another in the suspension of an advertisement. The two other cases are currently under judgment.

TIM also made representations against competitors at Conar.

There were no cases of non-conformance in marketing communications in the sphere of Anatel.



Risk management

GRI 102-11, 102-16, 102-18, 102-28

Risk management at TIM is aligned with international standards, such as the Committee of Sponsoring Organizations of the Treadway Commission (Coso), a nonprofit organization that provides guidance on fraud prevention in company processes and procedures, which are incorporated into TIM Group risk management policy.

This involves processes for managing corporate, operational, financial, ethics and compliance-related, environmental, health and safety and reputational risks.

Among the risks monitored there follows a list of emerging long-term risks that have the potential to impact business:

BUSINESS CONTINUITY

Business continuity risks include: critical interruptions, incapacity to maintain services at a level that meets customers' needs and regular activities in the event of unexpected incidents or emergencies that may interrupt the operation and lack of measures to re-

establish the system, infrastructure and the teams necessary for the provision of services.

These risks may impact service quality, the company's image, its revenues or even result in total interruption of the operation.

Business continuity is a fundamental question for TIM and to mitigate such risks the company has a Business Continuity Management Policy which sets forth the main activities, responsibilities and a strategic model for the functioning of the process, as well as guidelines to ensure its effectiveness. To identify the most critical activities for operational continuity, the company uses assessment parameters that take legal, regulatory, reputational, operational and financial aspects into account, as well as the importance of the product or service for the business. For more critical activities, continuity plans are prepared to guarantee the shortest possible response and recovery times in the event of incidents, crises and disasters. All the

continuity plans are documented and tested on an annual basis.

In parallel, the company organizes awareness measures for employees and has an Operational Crisis Team, which meets regularly (at least once a quarter) to analyze any incidents that may have occurred and the respective responses. The team met on a daily basis in the initial months of the Covid-19 pandemic.

Certain scenarios are foreseen in the Operational Continuity Plans in preparation for addressing incidents:

- **Unavailability of systems and IT/Network infrastructure** due to the total or partial destruction of the host site, typically caused by natural phenomena, natural wear, operational error, actions by third-parties, attacks (including cyber attacks) and vandalism;

The Operational Crisis Team was convened daily in the first months of the pandemic

- **Total or partial unavailability** of administrative or industrial buildings;
- **Total or partial unavailability** of personnel;
- **Unavailability of critical** suppliers;

For other situations that go beyond the scenarios established in the plans, TIM has implemented a Business Continuity Management System, based on international best practice and, in particular, on all the stages of the ISO 22301 standard. Among the main measures to mitigate risks, worthy of note are:

- **Monitoring of the TIM network** by the ISOC (Intelligent Service Operation Center), activating remote or local actions to recover from any event detected;
- **Risk Map and Resilience Plan routines:** on an annual basis a survey of the Network Risk Map consolidates the risks, probabilities of failure and criticality of the service as elements for the Resilience Plan, which will indicate mitigation projects and/or actions.

TIM had around 200,000 service interruptions lasting less than 30 minutes in 2020. The interruption frequency was 0.005 per customer for the mobile service, and each customer affected suffered an average interruption of 0.06 hours.

[SASB TC-TL-550a.1](#)

In December 2020, TIM had insurance contracts in force to cover operational and cybernetic risks, among others. It is the company's understanding that the policies represent amounts sufficient to cover any losses from these risks, amounting to a total of more than R\$ 35 billion. [SASB TC-TL-550a.2](#)

VIOLATION OF BRAZILIAN AND INTERNATIONAL CORRUPTION-RELATED LEGISLATION

The execution of illicit activities on the part of employees aimed at corrupting civil servants, public service representatives or key members of private companies (including gifts, sponsorship and donations) are part of this risk. Furthermore, there is the risk that the company's governance and compliance processes will not be capable of avoiding violations of the applicable laws and regulations.

The breach of applicable laws and other standards could subject TIM to fines, loss of licenses and damage to its reputation, with impacts on the participation in bidding processes for the provision of services to public authorities; reduction in the customer base, revenues and sales of new services; and reduction of investor interest in new investments in the company.

The company has been adopting practices to mitigate these risks through the prevention of corruption, the reinforcement of the TIM values and control and awareness mechanisms, such as: the Integrity Program, the



Anti-Corruption and Anti-Bribery System, employee training, ISO 37001 certification, among other measures.

[+ Read more in the chapter Anti-Corruption.](#)

VIOLATION OF INFORMATION IN COMPANY SYSTEMS

This risk includes the improper management of processes for preventing cybernetic attacks, which could cause exposure for the company, compromise network infrastructure and access to information on the introduction of new technologies (for example, mobile cloud, social media, big data etc.)

As a consequence, this risk could result in business losses; damage to the networks and systems by third-parties; equipment failure; unauthorized access; and loss of customer and employee data. Cybernetic attacks could also cause the degradation of systems or unavailability of service, the infiltration of malware in the systems and significant costs for TIM in attempts to modify or enhance measures for protection, investigation or remediation of vulnerabilities.

Since 2017, TIM has been implementing tools and protective mechanisms to prevent the occurrence of cybernetic attacks, such as enhancement of network access filtering; the adoption of Anti DDOS; threat intelligence

service; large-scale analysis of ongoing vulnerability; and in 2021, the responsible disclosure platform (Bug Bounty).

TIM has also enhanced governance of this process, with new procedures, controls and investments in prevention, the handling of incidents and monitoring teams. The company conducts its activities based on ISO 27001 – the international standard that sets forth the best information security management practices – and NIST (Cyber Security Framework), which supports the management and reduction of cybernetic security risk. In 2020, the company conducted an assessment of the certification requirements, identifying a level of conformance of over 90% with the requirements. The adjustments necessary to obtain certification will be conducted by 2022.

+ Read more in the chapter
[Privacy and data protection](#)

Financial implications and other risks and opportunities due to climate change GRI 201-2

TIM manages climate related risks and sees climate change as an opportunity for the creation of solutions to mitigate its own and its customers' emissions. Extreme climatic events can damage company installations and infrastructure, directly impacting business. This is why the company considers it important to undertake studies and execute adaptations in anticipation of such adverse effects, in addition to developing structured processes and practices.

An example of this approach was the choice of one of the company's regional units to map the frequency of extreme climatic events over the long term, focusing on the most vulnerable equipment which represents the greatest risk for TIM, such as biosites, RBSs, industrial buildings, greenfield sites,, rooftops, among others.

Based on this risk study, TIM also conducted an adaptation survey for each of the climatic events assessed. In 2019,

the company proposed a monitoring plan that covers the main measures to track climate risk, as well as the respective adaptation actions.

Energy scarcity as a result of prolonged droughts is another factor that would cause negative impacts on TIM's operations. In this respect, the company has been implanting initiatives to reduce energy consumption and investing in increasing the use of renewable energy in its portfolio.

Considering the impact of company activities on climate change, telecommunications services help reduce emissions since they enable remote communication, reducing the need for travel powered by fossil fuels. They also provide alternatives for production processes and logistics flows in diverse sectors.

Operation

MATERIAL TOPIC:

INVESTMENT IN INFRASTRUCTURE AND NETWORK RELIABILITY

SDG **9** **11** **15**

TIM is committed to providing customers with the best user experience and to guaranteeing service quality. To do this, the company invests constantly in the expansion and enhancement of its network infrastructure and coverage area. This guarantees the provision of quality services and the company's competitiveness in the sector, in compliance with legal requirements. User perception that this is an essential service has increased demands in relation to network reliability.

ESG PLAN TARGET

Extend 4G connectivity to all the municipalities in Brazil by 2023.



575,000
people access
TIM 4G from the
countryside

6 million
hectares covered



To evolve together with courage, transforming technology into freedom

Smart Home

The 5G network will enable automation solutions for homes, vehicles and remotely operated machinery. The Anatel auction will be held in 2021.

TIM Headquarters

In Brazil, TIM's headquarters are in Rio de Janeiro (RJ).

4G Coverage

Broadest 4G coverage and best experience and availability, according to Opensignal.

5G in Brazil

TIM was the first operator to begin 5G technology tests in Brazil.

TIM 4G in the Countryside

Coverage in over 6 million hectares.

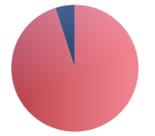
Infrastructure

More than 300 cities active under network sharing agreement.

Highlights



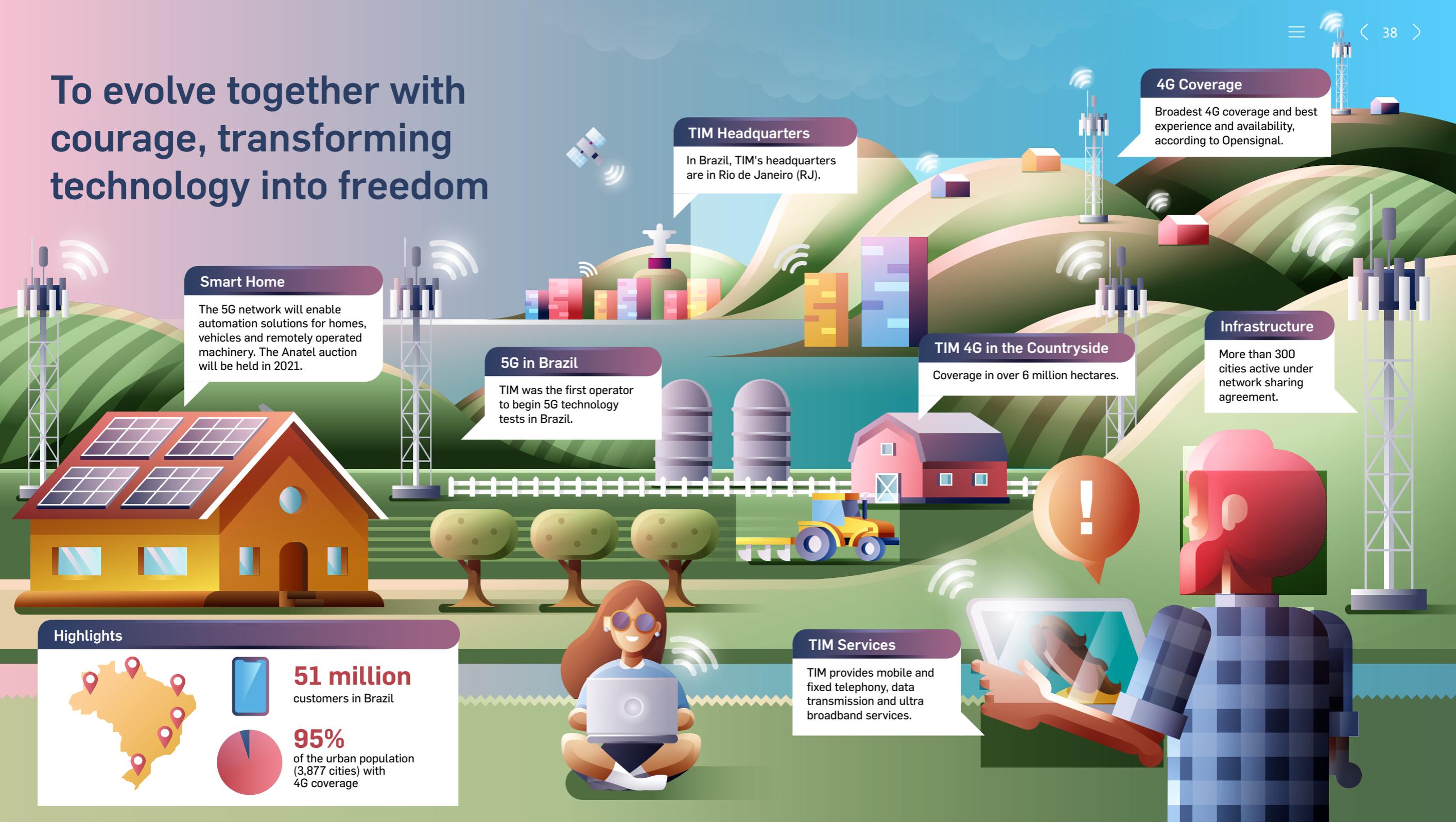
51 million customers in Brazil



95% of the urban population (3,877 cities) with 4G coverage

TIM Services

TIM provides mobile and fixed telephony, data transmission and ultra broadband services.



TIM maintained its investments in infrastructure (92% of Capex), mainly in projects in the areas of IT, 4G technology by means of 700M Hz, transport networks and FTTH expansion (which consumed approximately 13% of all the investments undertaken in the year).

These investments in infrastructure and network coverage enable connectivity for users and, therefore, access to information, considering the main indirect economic impacts generated by TIM. [GRI 103-2, 103-3, 203, 203-2](#)

For example, TIM 4G in the Countryside already covers more than 6 million hectares, benefiting 575,000 people in eight different states and 218 cities in rural areas.

In 2020, TIM reinforced its presence in the agricultural sector with the creation of the ConectarAGRO ecosystem, bringing together providers of solutions for the Agricultural and Telecom segments. The purpose of the association is to stimulate expansion of internet access in diverse agricultural regions in Brazil with the target of covering 13 million hectares with 700MHz 4G by the end of 2021

[+ Further information here](#)

Evolution in the customer experience with robust infrastructure development

LEADERSHIP IN COVERAGE

4G in 3,877 cities, worthy of note being evolution in the 700MHz frequency, which now covers 3,294 cities.

VoLTE Technology

Available in 3,860 cities, improving users' voice experience.

ACCELERATION IN FTTH EXPANSION

3.2 million households with fiber – in 27 municipalities and 7 administrative regions in the Distrito Federal by the end of December 2020.



A pioneering stance to meet consumer needs

Investments in infrastructure and service support GRI 203-1

Investments in the telecommunications sector depend on Brazil’s regulatory agency and are determined by law.

In 2020, TIM signed a TAC (Conduct Adjustment Agreement) with Anatel, in which the company committed to extending 4G to 350 municipalities with a low Human Development Index (HDI) and expanding its infrastructure in another 1,388 cities.

[+ Read more about the Anatel TAC on page 70.](#)

Furthermore, the following regulations stimulated the development of telecommunications infrastructure in the country:

ANTENNA LAW (LAW N° 13.116/2015)

Decree 10.480, which regulates the General Antenna Law (LGA) (law 13.116/15), dispensed with the need for licensing for small-scale equipment; made the provision of fiber optic mandatory in public works in Brazil; introduced “positive silence”¹ for the licensing of telecommunications equipment and regulated article 12 of the Antenna Law, which establishes that compensatory consideration will not be due for rights of way in urban and rural areas.

The National Transport Infrastructure Department (DNIT) also regulated the use of rights-of-way on federal highways by the telecommunications sector without onus, covering the installation of towers, antennas and fiber optic cables in ducts or posts in rural and urban areas (Ordinance n° 7, based on art. 12 of the LGA – 13.116/2015).

¹ Tacit approval by expiry of time limit, that is, the deadline for the competent authorities to rule on requests for licensing of telecommunications equipment. If the authorities do not formulate a response by the expiry of the time limit, the license will be considered to be approved.



NEW FUND FOR THE UNIVERSALIZATION OF TELECOMMUNICATIONS SERVICES (FUST) LAW

The purpose of law 14.109 is to stimulate the expansion, the use and to improve the quality of telecommunications networks and services, to encourage the use and the development of connectivity technologies to promote social and economic development and to reduce regional inequalities.

EXEMPTION FROM THE TELECOMMUNICATIONS INSPECTION FUND (FISTEL) FOR THE IOT

Law n° 14.108 exempted telecommunications stations that integrate M2M (machine to machine) communication systems from charges and taxes (TFI, TFF, CFRP and Condecine), as well as exempting telecommunications stations in the M2M systems from preliminary operational licenses.

In 2020, 18 new regional laws stimulated the development of telecommunications infrastructure and the expansion of coverage in areas with no service

- São Paulo: 8
- Paraná, Santa Catarina and Rio Grande do Sul: 1
- Rio de Janeiro, Espírito Santo and Minas Gerais: 3
- Bahia, Ceará, Pernambuco, Piauí, Rio Grande do Norte, Paraíba, Alagoas and Sergipe: 3
- Distrito Federal, Mato Grosso, Mato Grosso do Sul and Goiás: 3

In Brazil, the Civil Internet Framework (Law nº 12.965/2014) and, later, its regulation by decree 8.771/2016 established the principles, guarantees, rights and duties for the use of the internet.

Among the provisions regulated, worthy of note is the principle of network neutrality which, in summary, determines that “the body responsible for the transmission, switching or routing must ensure equal treatment for any data package, regardless of its content, origin, destination, service, terminal or application”.

In this respect, in order to ensure conformance with the principles, TIM adopts measures to guarantee transparency and equality in its offerings in relation to rules on zero rating applications, being open to negotiations with applications providers who are interested

in maintaining competitiveness and also maintaining access to legal contents (permitted contents are not blocked).

TIM believes there are opportunities to provide offerings more suited to the interests of users with zero rating applications, for example.

[SASB TC-TL-520a.3](#)



4G network
sharing accelerates
innovation



Innovation

Innovation is a strategic intangible asset for TIM. To create new telecommunications solutions, the company maintains contacts with stakeholders such as customers, universities, operators, consumers, government, with whom it develops open innovation programs and projects.

MATERIAL TOPIC:
INNOVATION APPLIED TO PRODUCTS AND SERVICES

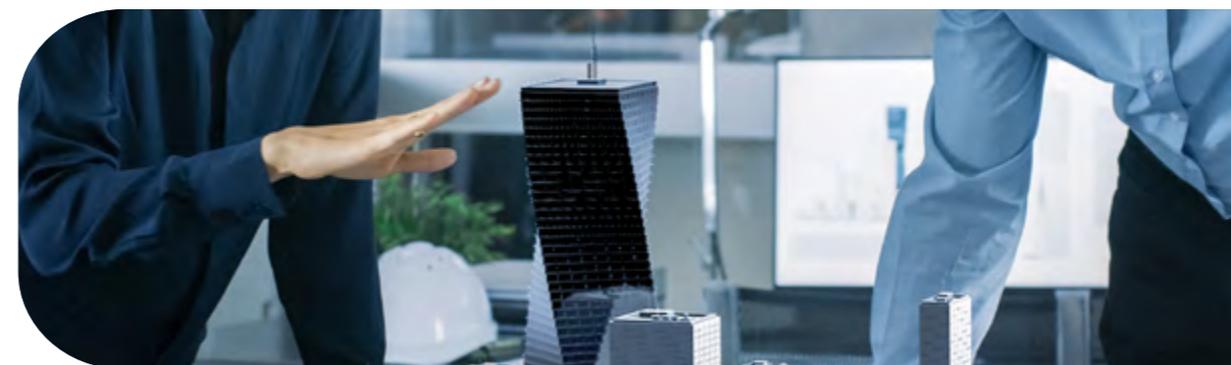
SDG 9

TIM recognizes its role as a benchmark in technology and an innovation leader in the country's telecommunications sector. The company seeks to fulfill new consumer and market standards proactively, staying abreast of changes in customer profiles and habits and new technologies in order to develop and offer products and services.

One of the main objectives of the innovation strategy is to create solutions for the business focused on the evolution of network infrastructure, with gains in quality and expansion of the coverage area.

This work is conducted by the Architecture and Technological Innovation area, which is manned by telecommunications professionals, electrical and electronic engineers, computing scientists and other technologists with diverse backgrounds, skills and experiences, covering all the areas of network knowledge, who fulfill these demands and support Research and Development (R&D) activities.

With this focus, TIM has been investing in the expansion of the 4G RAN Sharing network, which consists of sharing Radio Base Stations (RBSs) with other 4G network operators, with a view to optimizing network implantation costs. The expansion also complies with regulatory obligations related to network coverage.



RAN Sharing permits TIM to foster the evolution of LTE implantation in the Brazilian hinterland, extending access to telecommunications services to more regions in the country. In 2020, 3G and 4G coverage was extended to 100 cities.

The sharing of RBSs also applies to the 2G network, and last year TIM signed an agreement with Vivo to this end. In addition to the benefit of connectivity, this approach reduces environmental impacts, such as exposure to electromagnetic fields and energy consumption in municipalities with the decommissioning of one of the two networks.

TIM was the first carrier to start 5G technology tests in Brazil, in 2019

5G: a new technology on the way

Autonomous vehicles, connected homes, remotely operated machinery. These are just some examples of the transformations that 5G will bring about in different segments of society. In 2021, the telecommunications sector is awaiting the opening of the Anatel auction for the 700 MHz, 2.3 GHz, 3.5 GHz and 26 GHz frequencies, some of which will enable the operators to implement this new technology. TIM has adopted a positioning favorable to the standalone 5G standard, that is, a new network not linked with the existing cellular networks (4G, 3G, 2G), enabling the use of the full potential of the disruptive applications foreseen for 5G, in addition to providing for competitiveness and enabling all service providers to start with “pure” 5G under the same conditions.

With standalone 5G, navigation speeds will be able to surpass the gigabits per second (Gbps) barrier, with extremely low latency, very high capacity and a more seamless and uniform user experience. This will permit the commercial application of Industry 4.0 concepts, principally in the industrial sectors that use automated processes. It will enable new systems architectures, enhancing machine to machine communica-

tion and the widespread application of sensors, expanding the use of IoT and permitting the development of more intelligent processes that will drive multiple benefits for the economy and for an ever more connected society.

In 2019, TIM was the first carrier to initiate 5G technology tests in Brazil by means of partnerships with teaching institutions, technology suppliers and start-up hubs, creating four 5G Living Labs in the cities of Florianópolis (Santa Catarina), Santa Rita do Sapucaí (Minas Gerais), Campina Grande (Paraíba) and in the Cubo Itaú, in São Paulo. And maintaining its pioneering positioning, in 2021 the company also innovated by providing a trial support network for the first experiment in the use of standalone 5G during an event promoted in the Alvorada Palace in Brasília, by the Ministry of Communications. This involved the participation of technology companies such as Huawei, Nokia, Ericsson, Samsung, Qualcomm and Visiona, an Embraer start-up. On this occasion diverse applications were presented to the president of the Republic and the members of various government ministries and departments.

TIM wants to bring forward the provision of new services, with a focus on:

- New generation networks;
- Internet applications;
- Positive environmental impacts;
- Positive social impacts;
- Open laboratory initiatives.

In 2020, TIM continued with research and development projects in its laboratories to create an OpenRAN strategy in Brazil, a new network structure architecture which consists of an intelligent Radio Access Network (RAN), providing the opportunity to decrease the costs of the access network through the disaggregation of elements, without restricting the implantation and operationalization of this network segment to a single supplier.

By means of the TIM LAB, one of the focuses was the Telecom Infra Project (TIP), a collaborative community to address the challenges of connectivity, which includes optic solutions tests to accelerate the transport networks that provide connection to cellular antennas.

The TIM Lab plays a strategic role in supporting the validation of credibility test and proof of concept services, collaborating with the company's main suppliers and technology partners via knowledge sharing, technological infrastructure for interoperability and security tests, the assessment of resources and definition of technical requirements, fostering innovation activities and promoting partnerships with universities and research institutions.

More than 99% of the LTE terminals are already compatible with the 1800 MHz, 2600 MHz and other available bands, which means that TIM customers have greater band capacity availability, which improves data service quality, for example

The company also expanded its agreement with Brazil's National Telecommunications Institute (Inatel) for tests with suppliers of open and disaggregated access networks (OpenRAN). Part of the Open Field program, the environment is oriented to software and hardware manufacturers, operators, academia and members of the TIP working groups.

During the year, the partnership between TIM, Instituto Virtus and Nokia was maintained for the development of research into Mobile Edge Computing (MEC) solutions to improve the customer experience, given that these decrease network latency significantly, as well as into 5G.



Partnerships and accelerators
anticipate the future

Innovation highlights in new generation networks

- Reuse of the 2G and 3G frequency bands for 4G – 1800 MHz, 850 MHz and 2100 MHz –, with reduced LTE implantation costs;
- Increase in LTE coverage area;
- Increase in data transfer rates that improve the customer experience;
- Gains in quality in internal coverage – as well as expanded coverage. The use of these frequencies can expand coverage capacity in cities that already have access to the 2.6 GHz LTE band, with a low additional cost.

INNOVATION IN PROCESSES

TIM constantly reviews its production processes aimed at incorporating new trends, technologies and business models. The strengthening of partnerships with the innovation hubs and environments in Brazil has been essential for building innovation cases, both for internal and external challenges.

The company partners with the Cubo Itaú, the largest innovation and start-up hub in Latin America, to address challenges focused on efficiency, involving diverse organizational areas and processes: legal, network, procurement, finance, HR, logistics, sales and marketing.

To resolve a total of 13 challenges, more than 10 start-ups were contracted in 2020, from around 60 that were evaluated. During the year, more than 300 employees participated in engagement activities involving digital topics and the construction of cases.

ARTIFICIAL INTELLIGENCE

In 2020, TIM announced a cooperation agreement and strategic partnership with CyberLabs, an innovation and digital transformation hub focused on artificial intelligence (AI) solutions.

The agreement will accelerate the AI adoption plan and boost TIM's performance, as well as leveraging the power of data and optimizing business decisions.

INTERNET OF THINGS

TIM consolidated its presence as the largest Internet of Things (IoT) network in Brazil, covering more than 3,400 cities with NB-IoT technology. In 2020, in partnership with the Fundação Certi, the company continued to develop IoT solutions for Industry 4.0.

With the same objective, TIM formed an association with the Santo André Technological Park (SP), an information technology development center connected with the Greater ABC innovation environment, located in the São Paulo metropolitan region.

The company further evolved its strategic alliances and partnerships to foster the development of solutions and, by means of mobile technologies and IoT, promote digitalization and automation in agribusiness.

In partnership with the AgTech Garage, an agribusiness innovation hub, TIM launched a call for proposals from Agritechs focused on the development of digitalization solutions and solutions to boost crop productivity through pest and disease control.

More than 50 start-ups enrolled and 12 were selected to participate in the virtual pitch day. There were three winners. The winning companies were incorporated into the TIM IoT Marketplace.



IoT promotes automation solutions in agriculture

Cybernetic security

TIM also shares the solutions used in its processes. An example was the company's sponsorship and active participation in Hacking.Rio 2020, the biggest digital culture festival in Latin America and a hacker marathon, with specialists in technology, design and business from Brazil and Portuguese speaking countries. The company used a cybernetic security competition to identify talents and to promote their practices in telecommunications. Additionally, TIM simulated tests of exposure to risks in a vulnerable environment to present system and operational security solutions. The event was transmitted to all of TIM's customers free of charge and with no charge for data consumption.

In partnership with PUC-Rio, the company also had two projects selected by the BNDES Pilot IoT program for the development of healthcare solutions, Conecta Saúde; and for agribusiness, Campo Conectado, using 4G and NB-IoT technologies:

- **Conecta Saúde** – this project manages assets and people; monitors main operational infrastructure cost drivers; it carries out epidemiological surveillance in hospitals and integrates patient information.

- **Campo Conectado** – this increases the productivity and quality of agricultural production through the use of data; it optimizes the employment of equipment using IoT in crop operations; and increases the volume and accuracy of information for monitoring biological active ingredients.

EPIDEMIOLOGICAL MONITORING BY APPLICATION

TIM supported projects aimed at seeking solutions for preventing and combating Covid-19. One of the company's partners is the Open D'Or Healthcare Innovation Hub, an initiative of the Instituto D'Or de Pesquisa e Ensino (Idor) jointly with the D'Or São Luiz Network, to foster enterprise and open innovation in healthcare.

During the pandemic, Idor and Zoox Smart Data developed "Dados do Bem", an epidemiological monitoring application that enables the creation of Covid-19 distribution maps, the identification of the concentration of transmission and the evolution of immunity in the population. Open D'Or demand for network traffic doubled during the research.

AGRICULTURE 4.0

For the fourth consecutive year TIM partnered with Embrapa Gado de Leite in the Vacathon, a hackathon for start-ups in the dairy chain in Brazil. A total of 47 projects from 13 states in Brazil, in addition to proposals from Argentina and Angola, were analyzed, with 3 being selected.

Digital Journey - Journey to the Cloud

As part of the company's digital transformation, which involves digitalizing all its processes, including the customer service and relationship platforms, TIM is the first operator to migrate 100% of its datacenters to the cloud. In partnership with Oracle and Microsoft, this measure enhances a series of processes, including customer service, internal operations, billing, collection and the management of digital platforms, with speed, scalability and security, in a project that combines innovation, sustainability and efficiency.

The migration process is expected to take place in the next two years, with the transfer of all TIM resources to the cloud. This change is also linked with TIM's commitment to best ESG practices, given that migration to the cloud automatically reduces emissions directly related to the storage of data in physical spaces, an important step towards achieving the company's target of becoming carbon neutral by 2030.

IOT MARKETPLACE FOR AGRIBUSINESS

TIM implemented the first carrier IoT Marketplace in Brazil, with offerings from partners, including agribusiness.

There are 11 solutions for agribusiness, connecting offices, farms or machines, capable of optimizing team management, monitoring of plantations and the real-time tracking of the transportation of merchandise both to distribution centers and to customers. Further information about the initiative [here](#).

Customers

MATERIAL TOPIC: CUSTOMER EXPERIENCE AND SERVICE QUALITY

SDG 12 16

For TIM, the customer experience is closely linked with service and customer service quality. The company understands that the customer experience influences the construction of its image, customer loyalty, market presence and competitiveness. For this reason, this is a central focus of company strategy.

ESG PLAN TARGET

Halve customer complaints to Anatel by 2023, compared with 2019.

Addressed as the heart of the business, the customer experience underwent an extreme test in 2020, with the reduction in personal contact and greater dependence on means of communication due to the pandemic. The quality of the services rendered was even further highlighted as it became clear that these services are essential. For the company, enhancing the user experience and perception of performance continues to be an imperative.

Even with the restrictions in place during the period, TIM maintained its investments in expanding mobile internet and broadband access in infrastructure and technology projects to support advances in performance, portfolio, service and security for its customers.

+ Read more about TIM operations on [page 37](#).

Offering customer service solutions in line with customers' needs and requirements is a priority in TIM's digital development. [GRI 103-2, 103-3, 417](#)

The multichannel service system is attuned to the customer's pace of life: it is available full-time, including the Call Center, which permits customer autonomy in accessing virtually all the services. By application, computer or telephone, customers may make complaints or suggestions, resolve doubts, manage their accounts and acquire services or products.

+ To find out about all the functionalities of the digital channels, access [here](#).

In addition to the application Meu TIM, the Meu TIM Website and the *144 portal, the company maintains relations with customers via the social media Twitter, Facebook and Instagram, as well as via WhatsApp. At the end of 2020, Meu TIM had recorded 59 million accesses and more than 8 million single users. From the total number of customers, 24% have used the application.

Technology and accessibility

TIM has developed a space in its website that permits disabled people to obtain accessibility resources. Persons with visual impairment, poor eyesight, color blindness, as well as the hearing and/or speech impaired can navigate autonomously on the website to access information about company products and services. The tools available for download follow the recommendations of the WCAG (Web Content Accessibility Guidelines) and W3C (World Wide Web Consortium), the main internet standardization organization.

+ Further information about the accessibility space [here](#).

Folha Top of Mind

TIM was joint leader in the telecommunications category of the award as the top of the mind company for Brazilians, with 27% recall and 77% brand perception. This performance was leveraged by the new signature Imagine the possibilities and by the presentation of the singer Iza as brand ambassador, chosen because she personifies the TIM values – courage, freedom and respect – and defends diversity and the power of women.



7.35 was the average customer satisfaction rate with TIM mobile telephony

QUALITY AND CUSTOMER EXPERIENCE

The customer experience is one of the main sources TIM has for managing quality. The company stays attuned to users by means of surveys that measure their degree of satisfaction with the services provided, in addition to monitoring contacts made with consumer defense bodies.

The Transactional Survey conducted based on the call centers boosted the efficiency of telephone service assessment because it captures the assessment immediately after contact with the attendant.

TIM customers also assess the company's services periodically by means of satisfaction surveys such as the National Mobile Telephony Survey, with an average Overall Satisfaction score of 7.35 in 2020.

Additionally the National Telecommunications Agency's (Anatel) Satisfaction and Perceived Quality Survey is conducted annually as part of the country's regulatory standards. In 2020, TIM saw significant growth in average overall satisfaction with Pre-paid and Post-paid mobile services.

TIM continues to maintain a User Council. This initiative is aimed at involving society in the provision of telecommunications services and in pursuit of improvements. In 2020, 60 new members assumed positions on the regional councils; the institutional meetings were conducted remotely.

+ More information is available on the [TIM website](#).

The company keeps track of complaints lodged with the consumer protection organization Procon, with the website [www.consumidor.gov](#) and the regulatory agency in order to manage how these demands are addressed. On the website [www.tim.com.br/sp/sobre-a-tim/regulatorio](#), the public may obtain information about Anatel regulations that directly influence tariffs, plans, promotions and the services offered.

In 2020, TIM assumed the target of reducing the number of customer complaints to the regulatory body by 50% up to 2023 as part of its ESG plan, using 2019 as base year.

Customer satisfaction surveys¹ 2020

AVERAGE SATISFACTION RATING WITH TIM

| | 2018 | 2019 | 2020 |
|--|------|----------------|----------------|
| National Mobile Satisfaction Survey - individual customers | 7.08 | 7.34 | 7.35 |
| Fixed Broadband Satisfaction Survey - individual customers | 7.81 | 7.26 | 7.18 |
| CRC Service in the “cold” survey - individual customers | 7.05 | – ² | – ² |
| Anatel Satisfaction and Perceived Quality Survey - individual pre-paid customer | 7.11 | 7.11 | 7.42 |
| Anatel Satisfaction and Perceived Quality Survey - individual post-paid customer | 7.36 | 7.27 | 7.50 |
| Anatel Satisfaction and Perceived Quality Survey - individual fixed broadband customer | 7.24 | 6.96 | 6.91 |
| CRC transactional survey – Individual customer satisfaction with the CRC attendant | 6.15 | 7.45 | 7.91 |

¹ Ratings use a scale from 0 to 10.

² This survey was discontinued in December 2018, due to the introduction of an ongoing transactional survey conducted at the end of each contact with the TIM call center involving a human attendant.

SERVICE AND CUSTOMER COMPLAINTS

| | 2018 | 2019 | 2020 |
|--|-------------|-------------|-------------------------|
| Total number of calls handled by the call center | 105,472,045 | 101,158,130 | 74,344,021 ¹ |
| Total Ombudsman cases | 5,379 | 5,445 | 49,361 ² |

COMPLAINTS RECEIVED

| | 2018 | 2019 | 2020 |
|----------------|------------|------------|------------|
| By the company | 16,431,689 | 13,635,181 | 11,274,525 |
| By Anatel | 645,021 | 663,043 | 553,358 |
| In court | 88,919 | 111,423 | 52,661 |

COMPLAINTS RESOLVED³

| | 2018 | 2019 | 2020 |
|----------------|---------|---------|---------|
| By the company | 101.60% | 101.79% | 100% |
| By Anatel | 99.39% | 99.63% | 99.91% |
| In court | 90.88% | 79% | 182.58% |

¹ Significant reduction in the number of contacts mainly due to the reduced demand at the beginning of the pandemic and the reduction in the customer base.

² Significant increase due to the creation of the toll-free Ombudsman channel.

³ The percentages in excess of 100 take into account cases lodged in the previous year and concluded during the course of the reporting year.

OMBUDSMAN

In August 2020, TIM launched its TIM Ombudsman channel for customers who used the other company service channels and were not attended within the established time limit or whose cases were not resolved. The channel reports directly to the TIM CEO.

The TIM Ombudsman also analyzes reports of behavior in breach of legislation, the Code of Ethics and Conduct and the requirements of Anatel, Procon, the Special Civil Court and the website [consumidor.gov](#). The purpose of including these cases is to drive improvements in customer service and relationship.

TIM OMBUDSMAN Access via 0800 882 0041

Open from Monday to Friday, from 8 a.m. to 6 p.m., by means of the case number not attended within the stipulated time limit or not resolved via other TIM service channels.

DIGITAL TRANSFORMATION

TIM has been steadily developing artificial intelligence solutions for the business stages related to the customer experience. In 2020, the company accelerated more than 100 initiatives that prioritize the digital experience. With this technological transformation underway, the company is promoting user autonomy in its sales, customer service and communication channels and driving greater transparency in relationship processes.

An example of an innovative initiative that benefits the customer is the use of artificial intelligence in the call center. Named Taís, the virtual assistant developed by the company is equipped with tools that automatically detect any problems in services and either suggest corrective measures or actually resolve the issue. She responds to users' doubts or problems in real time by voice or text using natural language.

Among the other advances, the Meu TIM application boosted innovation in payment and top up methods and in the offer and format of plans, such as TIM Black Família. On the Meu TIM website, the main functionalities

provide an immediate response and beginning users can find more resources.

The numbers for 2020 demonstrate the digital transformation underway in the company:

- **An average of 3.5 million self-service interactions** per month via cognitive assistant;
- **More than 22 million calls** handled by the new Cognitive Audio Response Unit (ARU), that is, Taís;
- **Bills delivered** via digital channels increased by 18%;
- **The number of customers** paying via digital means grew by over 10pp, reaching 75% of total billing;
- **The monthly average of single users of the Meu TIM application increased by 12%;**
- **36% decrease** in interactions involving human attendants in the call centers.

The company adopted Agile methodology to drive efficiency in the development and monitoring of new functionalities and improvements in the digital channels.



22 million
calls answered by the
virtual assistant

Suppliers

MATERIAL TOPIC:

STRATEGIC AND RESPONSIBLE SUPPLIER MANAGEMENT

SDG 8 12

It is TIM's understanding that strategic and responsible management of the suppliers in its chain is key to ensuring the offer of quality services to customers. This is essential in guaranteeing continuity in the supply of products and services offered by business partners, preventing the risk of shortages and ensuring the joint creation of innovations and differentials in products and services. In parallel, it is important to ensure the creation of positive value in the TIM chain, engaging suppliers in good social and environmental management practices, in addition to good business practices.

The TIM Supplier Relationship Policy, available on the [website](#), sets forth the sustainability commitments it requires from its suppliers, which are extensive to sub-contractors, ranging from respect for human rights to environmental standards. By means of its supply contracts, TIM obliges its suppliers to do business in line with legal requirements and good compliance practices. [GRI 103-2, 103-3, 308, 414](#)

The contracts also require suppliers to observe the TIM Compliance Program, which includes the Code of Ethics and Conduct and the Global Compact Principles, with express mention of repudiation of the use of child or forced labor. [GRI 103-2, 103-3, 408, 409](#)

Suppliers and potential suppliers to the company are assessed for conformance with labor laws, through consultation of the websites operated by the Brazilian Business Pact for Integrity and Against Corruption and the National Pact for the Eradication of slave labor. If any record of violation involving child or slave labor is encountered, the company is

disqualified from providing TIM with services or products. [GRI 103-2, 103-3, 408, 408-1, 409, 409-1](#)

The TIM supply chain comprises around 800 Brazilian and 20 foreign suppliers. These include suppliers of network and infrastructure equipment, telecommunications products, technology services, electricity providers and service providers, such as consultancies, auditors and communication agencies. [GRI 102-9](#)

To monitor potential risks in its chain, TIM requires suppliers to respond to questionnaires on ethics and conflicts of interest, as well as on socioenvironmental questions before any contract is signed.

In 2020, 84% of the suppliers submitted to the qualification process responded to the company's Due Diligence questionnaire on ethics and conflicts of interest; the target established was 85%. As a result of the



pandemic, there was an important change in the profile of suppliers participating in the company's procurement process, which led to the non-achievement of the target. As a result of this, the target for 2021 was set at 75%. [GRI 205-2](#)

Moreover, during the year 831 suppliers, or 64%, also responded to the socioenvironmental questionnaire aimed at assessing risks (such as child and forced labor, the existence of an environmental management system, activities harmful to the

health and safety of workers, among others) and proposing corrective measures. The reduction in the volume of socioenvironmental assessments compared with 2019 was due to alterations in the qualification procedure. The requirement for assessment was changed to the nature of the product/service rather than its cost. [GRI 308-1, 414-1](#)



PROPORTION OF SPENDING ON LOCAL SUPPLIERS [GRI 204-1](#)

| Local purchases (R\$ thousands) | 2018 | 2019 | 2020 |
|--|------------------|------------------|------------------|
| Local suppliers¹ | 5,896,711 | 6,022,512 | 5,049,486 |
| Network infrastructure | 2,969,974 | 2,885,637 | 2,431,052 |
| Commercial products | 1,072,139 | 1,223,323 | 933,873 |
| Information technology | 805,078 | 799,808 | 719,907 |
| Professional technical services | 821,862 | 979,977 | 662,494 |
| Real Estate | 116,360 | 133,767 | 107,180 |
| Others | 517,718 | - | 194,979 |
| Overseas suppliers | 47,633 | 96,281 | 148,726 |
| Network infrastructure | 6,915 | 4,694 | 6,172 |
| Information technology | 9,764 | 31,374 | 64,406 |
| Professional technical services | 30,954 | 60,213 | 78,149 |
| Total | 5,944,344 | 6,118,793 | 5,198,212 |
| Percentage of budget spent on local suppliers | 99% | 98% | 97% |

¹ Local suppliers are considered to be those located in the same country as TIM's headquarters (Brazil). Whenever possible, TIM's procurement process prioritizes national suppliers. [GRI 103-2, 103-3, 204](#)

Privacy and Data Protection

MATERIAL TOPIC: DATA PROTECTION, CUSTOMER PRIVACY AND CYBERNETIC SECURITY

SDG **16**

It is TIM's understanding that customer data protection and privacy is a topic that is directly linked with business continuity and has a direct impact on the company's image and reputation, as well as on customer satisfaction and retention. Non-compliance with legal requirements can lead to fines and loss of market confidence. In the context of the pandemic, cybernetic security gained even greater importance given the need to safeguard customer information, protect data and prevent possible interruptions to the operation.

ESG PLAN TARGET

Receive ISO 27001 by 2022.

Brazil's General Personal Data Protection Law (LGPD in the Portuguese acronym) n° 13.709/2018, which came into force in September 2020, presented companies with challenges related to certain critical questions – data protection and customer privacy –, further increasing the responsibilities of the telecommunications segment. TIM had already anticipated the provisions of the law related to care with customer data.

Since the law was published in 2018, the company had initiated preparations on diverse fronts to ensure full compliance with its requirements. Among the main measures were training employees to be aware of the impacts and the modifications that the law introduces and to follow the guidelines for the collection, use and protection of the data of customers, employees, suppliers and other stakeholders. [GRI 103-2, 103-3, 418, SASB TC-TL-220a.1](#)

To guarantee structured management of the diverse activities necessary to ensure compliance with the law, TIM:

- Created the Privacy Committee, coordinated by the CEO with company directors as members;
- Created the position of Data Protection Officer (DPO);
- Updated the company's Privacy and Cookies policies;
- Compliance with requests for Owners' Rights (the law guarantees a series of personal rights, including the correction, anonymization and review of automated decisions);
- Contracting of a digital tool for compliance with and management of Owners' Rights, ensuring a better experience for customers in the exercise of their rights;
- Assignment of Compliance team to lead the measures necessary for compliance

with the new law and management of Owners' Rights requests;

- Establishment of receipt of ISO 27001 certification – information security management standard –, as a target for 2022. The standard is already used as a reference in processes;
- Adaptation of new contracts in relation to treatment of personal data;
- Review and adaptation of existing contracts identified and classified as having an impact on personal data;
- Review and updating of internal documents and rules to regulate and guide the treatment of personal data by employees;
- Creation of a Privacy Center on the TIM website, accessible via this [link](#);
- Creation of an internal security flow for incidents or cases of leaks involving personal data.

The General Personal Data Protection law in practice

TIM has developed training on three levels to drive compliance with the personal data protection law or LGPD:

- E-learning program for all employees;
- Specific training for strategic company executives and employees;
- Training for suppliers, to drive awareness of the law and the measures TIM has implanted to ensure compliance.



Exclusive
area for data
protection

Since the general personal data protection law came into force, TIM has received more than 300 requests from customers related to Owners' Rights¹, all of which have been addressed. The most frequent requests have been: right to access; requests for exclusion of data; and requests for the suspension of advertising messages. However, TIM has not received any specific complaints related to the violation of privacy and/or loss of customer data. [SASB TC-TL-230a.1](#)

In the law suits brought in this area, the motive is violation of data. The company's security area undertakes communication measures to mitigate the chances of the occurrence of fraud given the exponential increase in complaints. [GRI 418-1](#)

In 2020, 687 lawsuits related to data privacy were brought and 593² were concluded, 293 of which with favorable decisions. The 300 cases with decisions unfavorable to the company resulted in payments of around R\$ 2 million. [SASB TC-TL-220a.3](#)

1. Rights of individuals in relation to the treatment of their data, with the right to rectification, exclusion and request for anonymization, among others.
2. The processes concluded in 2020 included cases initiated in previous years.

In the same period, 114 lawsuits related to the breach of telephony or telematics confidentiality were brought, with 81 cases concluded.

In 2020, TIM received over 1 million court orders authorizing access to private data, as follows³: [SASB TC-TL-220a.4](#):

- Wire tapping: 427,000
- Registration data: 391,000
- Telephone records: 600,000

In 2020, there were no fines from Anatel and Senacon related to violations of privacy and loss of customer data.

Regarding the use of customer data, TIM used location information (without any PII⁴ or reverse engineering for access to individual data), in a pro bono joint effort with the other leading mobile telephony operators in Brazil to measure the rate of social isolation, supplying this information to governments (more than 50 states and cities) as a contribution towards

3. Currently it is not possible to calculate the number of customers affected by requests for information with accuracy because different authorities may request the same data on different occasions.
4. Acronym for Personally Identifiable Information.

combating the Covid-19 pandemic. Mobile customer base in December 2020: 51,432,502. [SASB TC-TL-220a.2](#)

The company also has an area dedicated to the governance of security information, which includes the security controls for internal and external audits (SOX), related to TIM assets, with the following attributions: [GRI 103-2, 103-3, 419](#)

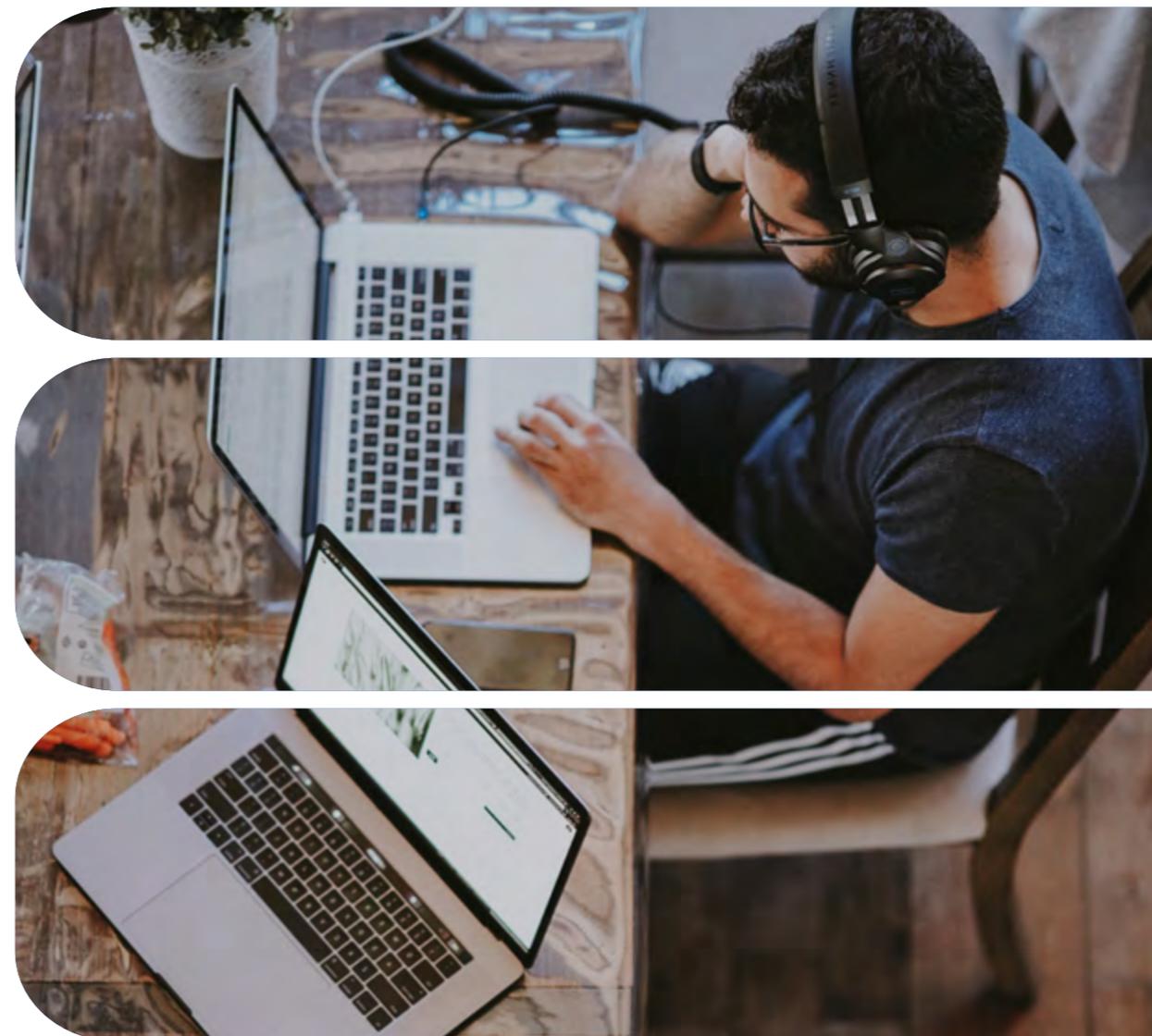
- Ensure analysis from the standpoint of the security of the company's ITC projects and the management of profiles and logical accesses to systems;

Since 2018, TIM has been preparing to comply with the personal data protection law on diverse fronts

- Ensure the management of vulnerabilities, prevention of information leaks, the execution of cybernetic attack simulations, digital investigation and the monitoring of the evolution and detection of new cybernetic threats and attacks;
- Ensure the monitoring and treatment of cybernetic risks and security events, the mitigation of attacks, as well as the management and response to respective incidents;
- Define the architectural standards of security solutions for the company, analyze and test new security options and strengthen the sales strategy for value added services and products in this area for customer segments, in line with the competent functions;
- Ensure governance activities in the risk prevention process that may affect business continuity, as well as the provision of support for functions in the implementation of security initiatives.

TIM conducts its activities based on ISO 27001 - the international standard that sets forth the best information security management practices - and NIST (Cyber Security Framework) which supports the management and reduction of cybernetic security risk. Although the company has not yet obtained ISO 27001 certification, in 2020 it conducted an assessment of the certification requirements, identifying a level of conformance of over 90% with the requirements. The adjustments necessary to obtain certification will be conducted in 2022.

[SASB TC-TL-230a.2](#)





03

ENVIRONMENTAL

- > Environmental management system
- > Energy
- > Waste
- > Climate change
- > Water

Environment

Make the operations carbon neutral by 2030. This is one of the ambitions TIM assumed in its 2021-23 ESG Plan. Promoting environmentally responsible management goes far beyond observing standards. It involves the pursuit of solutions that contribute towards mitigating environmental impacts and adopting a proactive stance in preserving natural resources. Based on this vision, TIM also assumed commitments in the areas of renewable energy, eco-efficiency, waste and emissions

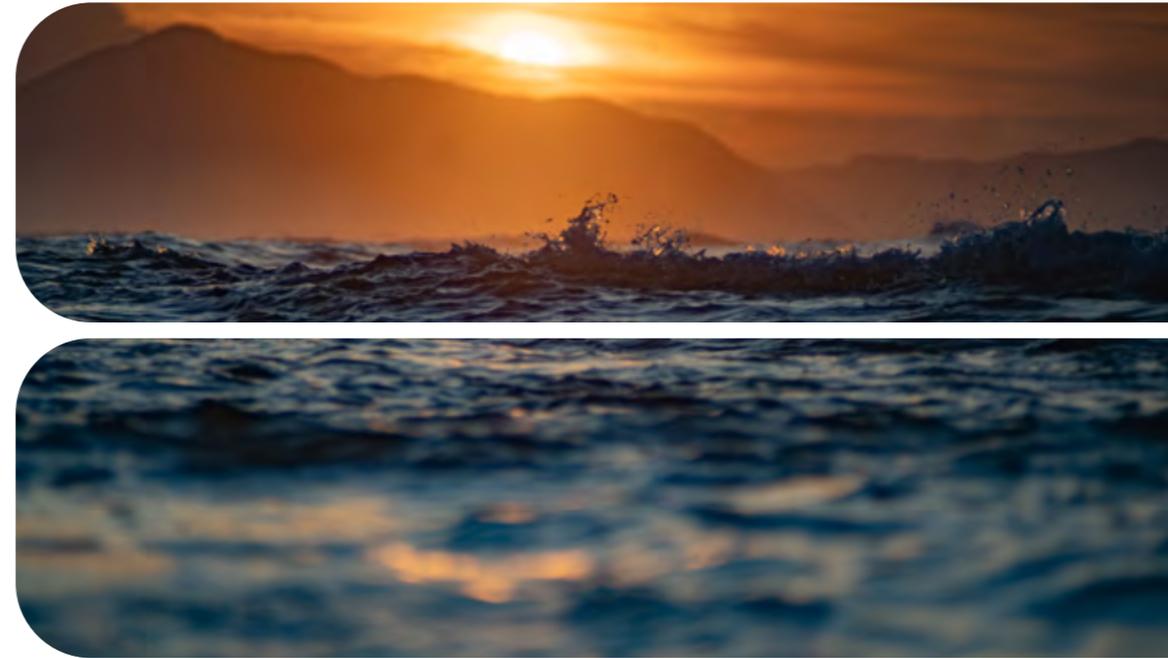
Environmental Management System

Covering all its operations, TIM Environmental Policy sets forth three basic commitments: protecting the environment, complying with legal requirements and organizational standards and the ongoing improvement of the company's Environmental Management System (EMS) to enhance environmental performance. Furthermore, TIM is committed to a series of principles, worthy of note being waste management, efficient natural resource consumption, continuous improvement and the prevention of pollution. [GRI 103-2, 103-3, 307](#)

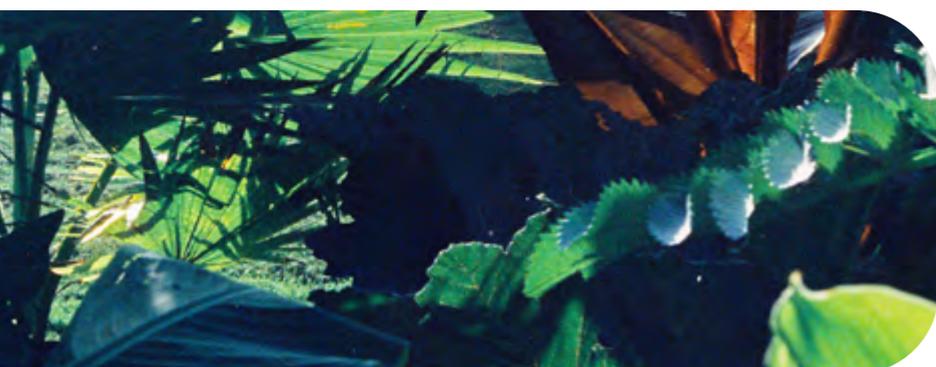
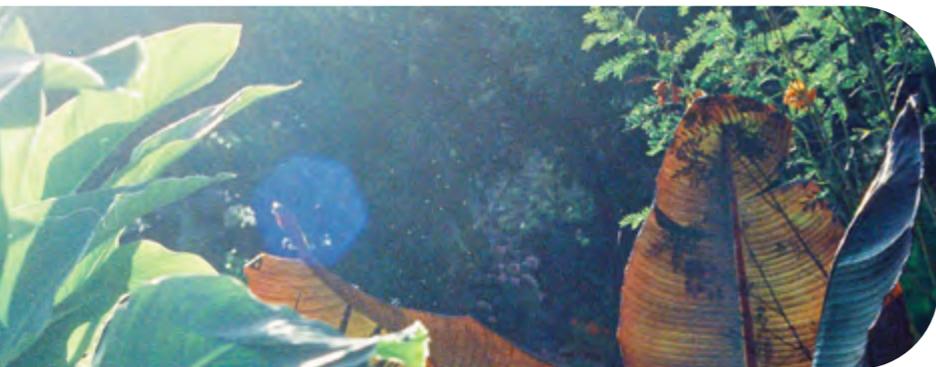
With practices fully aligned with company standards, since 2010 the TIM EMS has had ISO 14.001 environmental certification for network management and operations in the states of Rio de Janeiro, São Paulo and Espírito Santo (See attached certifications, [page 95](#)).

In 2020, the company's operation involved more than 21,000 radio base stations (RBSs). All

of them are licensed by Anatel, Brazil's National Telecommunications Agency (Agência Nacional de Telecomunicações), which is responsible for regulating this activity. The installations need to be authorized by the competent local authority and have urban planning and environmental licenses, when applicable. Due to the company's nationwide coverage, from this total of RBSs, 149 are located in preservation areas (APAs or APPs). TIM monitors these locations periodically to ensure that they do not impact biodiversity. [GRI 103-2, 103-3, 304](#)



21,000
Radio Base Stations cover the country



In its network, TIM has 1,679 active biosites¹. Among their positive aspects, the biosites incorporate technological solutions without causing a visual impact on the landscape. Additionally the installation of the structure occupies less space.

The implantation and operation of the RBSs present two significant environmental impacts: the actual implantation process and non-ionizing radiation emissions. Radiation emissions from the RBSs are monitored constantly, with the emission of theoretical and practical reports that guarantee the safety of these structures for society. At Anatel's request, in 2020 the level of electromagnetic emissions was measured at 1,743 sites.

These controls ensure that the non-ionizing radiation emitted by the RBS is within the limits permitted by the World Health Organization (WHO), the standard employed by Anatel. [GRI 304-2](#)

¹ A structure similar to a post that simulates the operator's antennas. Its interior can accommodate all the telecommunications equipment (2G, 3G and 4G), in addition to other urban furniture fixtures, such as public lighting and surveillance cameras.

TIM also measures the level of noise from its structures upon request. In 2020, the company received six such requests.

To conduct its operations within the standards required by legislation and, mainly, to strengthen its environmental risk management processes, TIM maintains teams to monitor cases of non-conformance, such as the regularization of RBSs and buildings with data centers. [GRI 103-2, 103-3, 307](#)

In 2020, TIM received one significant fine amounting to R\$ 500,000 and was subject to 56 administrative procedures without monetary sanctions in the environmental licensing area. [GRI 307-1](#)

TIM constantly monitors non-ionizing radiation emissions from the RBSs, guaranteeing the safety of these structures

MATERIAL TOPIC:
ENERGY MANAGEMENT

SDG **7** **13**

The telecommunications sector is highly dependent on the continuous supply of electricity to ensure the functioning of its operations. Consequently, TIM views energy scarcity as a significant operational risk, directly linked with the company's costs. Any interruptions in energy supply impact service provision and the customer experience. It is the company's understanding that investment in renewable sources of energy contributes to a lower environmental impact.

ESG PLAN TARGETS

Reach 90% energy consumption from renewable sources by 2025.

Increase energy efficiency in data traffic by 80% up to 2025, against base year 2019.

Energy

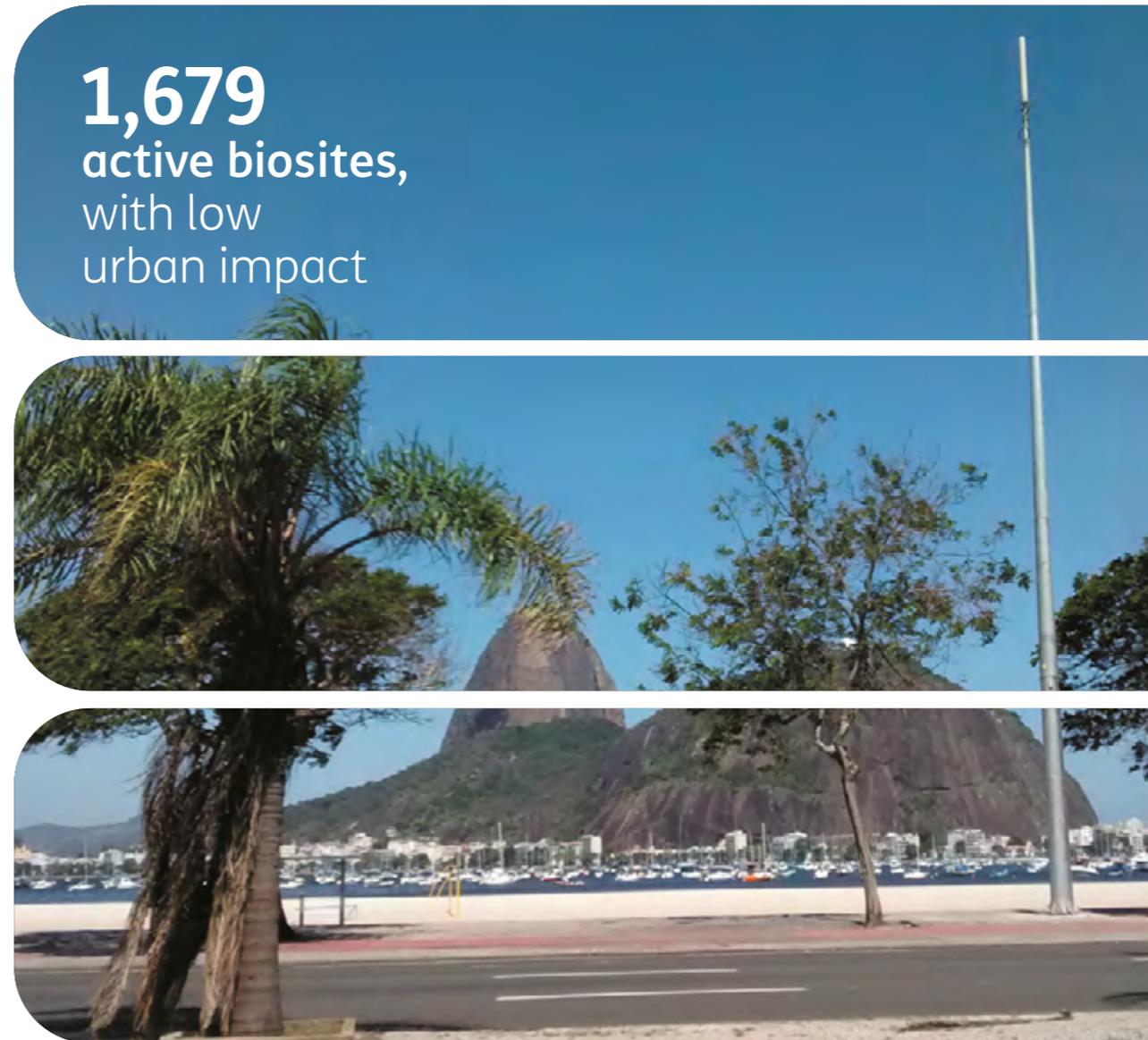
TIM depends on a constant supply of energy at a competitive cost for its telecommunications networks, stores and administrative buildings. Given its impacts and strategic importance, in addition to being a material topic for the company, energy management is one of the commitments assumed in the 2021-23 ESG Plan, with targets for the transition to renewable energy and emissions reductions.

The company has a centralized area which manages energy consumption throughout the operation. Among other attributions, the team responsible plans and monitors consumption and the energy efficiency projects in place.

[GRI 103-2, 103-3, 302](#)

TIM energy management is based on two fronts: energy efficiency and the pursuit of renewable sources. Aligned with the guidelines set forth in the company's Environmental Policy, a number of measures are being implemented:

1,679
active biosites,
with low
urban impact



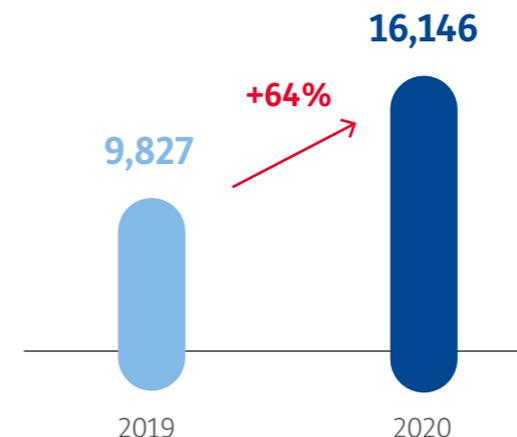
- With investments underway since 2017, the target for the Distributed Generation Project is to reach 60 company-owned units by the end of 2022, including solar, hydroelectric and biogas plants with a monthly generation capacity of 38 GWh;
- In 2020, another 13 plants (10 solar, 2 hydroelectric and 1 biogas) came into operation in the states of Ceará, Mato Grosso do Sul, Paraíba, Pernambuco, Sergipe and São Paulo;
- In 2020, 64%¹ of the company's average electricity consumption or 402,732 MWh was from renewable sources. The target is to reach at least 90% by 2025. By December 2020, TIM had managed to reach 74%; [SASB TC-TL-130a.1](#)
- Around 20% of the electrical energy consumed in 2020 was renewable and was bought on the free energy market, a negotiation space that functions independently of the power utilities;

- In relation to the power plants, TIM commissions the construction by partners, leasing the plants via long-term contracts with demand guaranteed;
- In addition to the 2G network sharing agreement with Vivo, TIM maintained its Decommissioning project, which promotes a reduction in energy consumption by means of the gradual deactivation of the 2G network, the removal of obsolete or unused equipment, which is substituted with more efficient models. In 2020, the company obtained energy savings of 13,815 GJ; [GRI 302-4](#)
- Journey to the Cloud project for the virtualization of data centers driving greater efficiency;
- Unplugged sites: autonomous units powered by solar energy with transmission via satellite.

¹ The breakdown of energy consumption is: 21% from the free market (100% renewable), 18% from the Distributed Generation Project (100% renewable) and 61% from the National Energy Grid (43% renewable, according to the 2019 National Energy Balance).

The company's energy management strategy prioritizes energy efficiency and the pursuit of renewable sources

ECO-EFFICIENCY INDICATOR (bits/Joule)



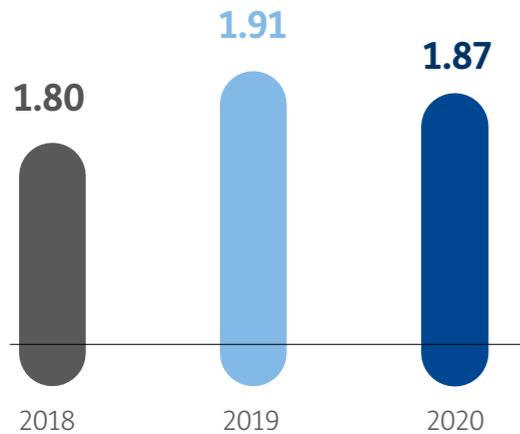
ENERGY EFFICIENCY GRI 302-3

TIM has the goal of decreasing energy consumption while maintaining product and service quality. The 2021-23 Strategic Plan reflects the company's concern about more efficient energy use for data traffic and assumes the commitment of promoting an 80% increase in energy efficiency by 2025. To reach this target, a TIM is replacing equipment with more efficient models, enhancing its production processes and monitoring consumption by means of an eco-efficiency indicator¹.

¹ The eco-efficiency indicator enables the company to measure its energy efficiency based on the relationship between the service offered to customers (bits) and the company's impact on the environment (joules of energy consumed). The factors that make up this indicator are the data and voice traffic on the fixed and mobile networks and the organization's energy consumption. TIM's network traffic in 2020 was 4,604 PB. SASB TC-TL-000.D

The company also monitors the efficiency of energy consumption in its data centers via the PUE (Power Usage Effectiveness)¹ indicator, as shown in the chart below:

AVERAGE PUE



¹ According to The Green Grid, PUE (Power Usage Effectiveness) is defined as the ratio of total energy used in the installation to the energy used in IT equipment. More information may be consulted [here](#).

New data centers are activated every year, which results in the variation in this indicator.

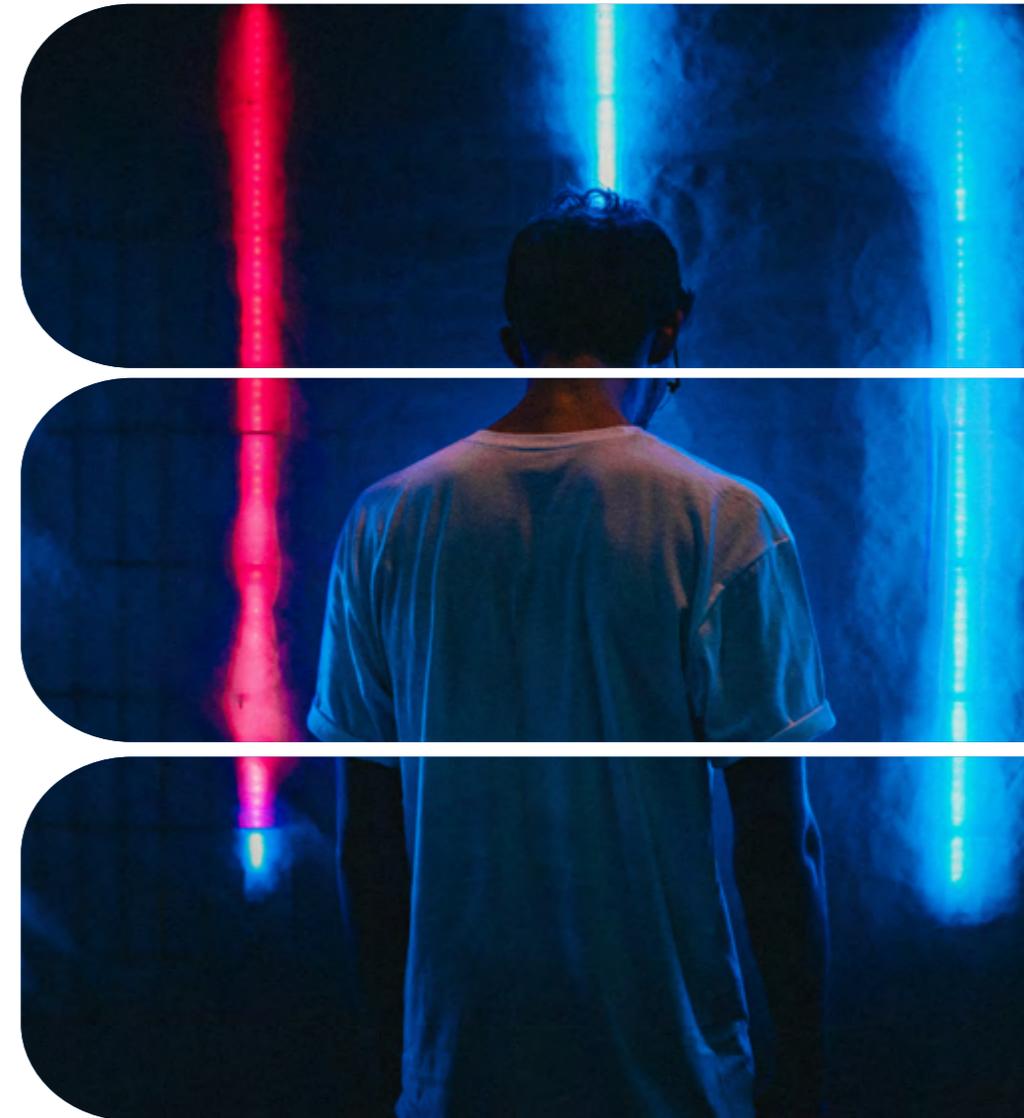
ENERGY CONSUMPTION INSIDE

THE ORGANIZATION (GJ) [GRI 302-1](#), [SASB TC-TL-130a.1](#)

| Sources | 2018 | 2019 | 2020 |
|--|------------------|------------------|------------------|
| FUEL CONSUMPTION¹ | | | |
| Gasoline | 21,249 | 21,686 | 15,431 |
| Hydrated Ethanol | 5.38 | 5.96 | 0.4 |
| Diesel - Vehicles | 896 | 870 | 525 |
| Diesel - Generators | 14,594 | 9,846 | 12,263 |
| ELECTRICITY CONSUMPTION² | | | |
| Electricity | 2,529,651 | 2,581,713 | 2,259,822 |
| Total | 2,566,395 | 2,614,121 | 2,288,041 |

¹ In 2020, there was a reduction in travel due to the adoption of remote working because of the pandemic, resulting in lower fuel consumption. With respect to the generators, there was an increase in diesel consumption due to the need to maintain service continuity as a result of climatic events, such as the “cyclone bomb” that occurred in the south of Brazil in June 2020, and power outages, like the blackout in Amapá in November 2020

² TIM has been promoting measures to boost energy consumption efficiency, such as the gradual decommissioning of the 2G network and the removal of obsolete or unused equipment, which is being replaced by more efficient models. TIM’s total energy consumption in 2020, measured in MWh, was 627,254, of which 224,522 MWh came from non-renewable and 402,732 MWh from renewable sources.



Waste

MATERIAL TOPIC:

POST-CONSUMER WASTE MANAGEMENT

SDG 7 13

TIM recognizes its direct and shared responsibility in managing the post-consumer phase of its products (smartphones, modems, batteries and accessories). In parallel, the company is aware that the operation also generates hazardous and non-hazardous waste both in administrative processes and in processes involving the installation and maintenance of infrastructure. This waste has to be disposed of correctly in accordance with legal requirements in order not to contaminate the environment and to avoid sanctions and fines for the company.

ESG PLAN TARGET

Recycle at least 95% of solid waste by 2023.

The efficient and responsible management of solid waste is included in the goals assumed by TIM in its 2021-23 ESG Plan. The company has the target of recycling at least 95% of the waste generated by its operations and maintaining this level by 2023. Accordingly,

it intends to limit waste disposal in landfills by up to 5%. Set forth in the Environmental Policy, waste treatment is undertaken in accordance with legal requirements and seeks to go beyond them. In compliance with Brazil's national solid waste policy (law 12.305/2010), the company shares responsibility for the receipt and the environmentally adequate disposal of post-consumer electronic equipment (such as smartphones, modems, batteries and accessories) with its business partners. [GRI 103-2, 103-3, 301, 306](#)

Due to the adoption of remote working, solid waste generation in the company's offices was lower during the year. With a lower volume of organic waste, the percentage of recycling doubled, reaching 24%.

TIM has been restructuring its reverse logistics program, which will be relaunched in 2021. Although the company collected cellular telephones, batteries and other accessories no longer in use in 2020, the process of



17 tons
of products recovered
for reuse

contracting a supplier for the destination of this waste will only be concluded in 2021. For this reason, the company was unable to reach the 1.5 ton target that had been established. TIM has established the same target for 2021.

[GRI 301-3, SASB TC-TL-440a.1](#)

In 2020, TIM consumed a total of 484 tons of paper (FSC), of which 83% was for the emission of bills and collection notifications. The number has been decreasing due to ongoing investments in the digitalization of services. [GRI 301-1](#)

WASTE, DISCRIMINATED BY TYPE AND DISPOSAL METHOD (t) [GRI 306-2](#)

| | 2018 | 2019 | 2020 |
|--|------------|--------------|--------------|
| Recycled¹ | 593 | 692 | 1,940 |
| Network batteries (hazardous) | 548 | 559 | 485 |
| Electric and electronic scrap, cables and metals (non-hazardous) | 0 | 90 | 1,431 |
| Cellular telephones, batteries and accessories no longer in use (hazardous) | 0 | 0.6 | 0 |
| Light bulbs (hazardous) | 2 | 0.1 | 0 |
| Paper and plastic (non-hazardous) | 43 | 43 | 24 |
| Reuse² | - | - | 17 |
| Recovery of electric and electronic equipment from customers (modems, repeaters and accessories) | - | - | 17 |
| Sanitary landfill³ | 309 | 351 | 74 |
| Total | 902 | 1,043 | 2,031 |
| Total hazardous waste | 550 | 559 | 485 |
| Total non-hazardous waste | 352 | 484 | 1,546 |

¹ The variation was due to the: frequency of destination; increase in the quantity of metal scrap and electrical and electronic network equipment (decommissioning project), resulting from the substitution of obsolete equipment; lower waste generation due to the partial use of offices; and the use of LED light bulbs, which are more durable.

² From 2020, TIM started to present refurbished products that were returned by customers.

³ Considers organic waste, with reduced generation due to the partial use of the company's offices.



Climate Change

While telecommunications services contribute towards greenhouse gas (GHG) emissions, their operations are exposed to the risks provoked by climate change. For TIM, managing emissions constitutes a strategic factor for business continuity and value generation.

TIM's Climate Change Policy establishes that the implementation of mitigation and adaptation measures is indispensable for the well-being of society. The policy sets forth principles that should be applied to all the company's activities in Brazil to ensure the

efficient management of its GHG emissions. The resolutions in the document are based on the requirements of Brazilian and international legislation, the determinations of regulatory authorities and the guidelines of the TIM Italia Group.

As part of its commitment to society, TIM conducts an annual inventory of the GHG emissions sources in its operations. These emissions occur in diverse stages of the company's activities, such as the operation of equipment, maintenance of buildings and stores and travel by employees, which involve the consumption of energy and fuel with the consequent direct or indirect emissions of GHG. The inventory is audited by an independent third-party. In 2020, the company managed to reduce its indirect scope 2 emissions by 28% and its combined scope 1 and 2 (carbon neutral target) emissions by 30%, taking into account the purchase of carbon credits to offset scope 1 emissions, which reinforces the emissions reduction initiatives¹. [GRI 305-5](#)

To ensure transparency, the company discloses its emissions, strategy, risk and opportunity management and other initiatives on the website of the [Carbon Disclosure Project \(CDP\)](#) and on the [GHG Protocol](#) public registry platform. These are verified by a third-party.

TIM sought to gain more in-depth understanding of this question by calculating its carbon footprint, a study which measures a product or service's specific GHG emissions during the course of its life cycle. The analysis showed that each 1 Mb of data transmitted over 4G technology results in an emission of 1.47 g of CO₂e. The major stages affected in the company's operations are related to burning diesel in generators and consuming electricity. [GRI 103-2, 103-3, 305, 305-1, 305-2](#)

1. Emissions reduction percentages updated considering the new CO₂ emission factor released by the Brazilian grid National Interconnected System for 2020, made available by the Ministry of Science, Technology and Innovations.

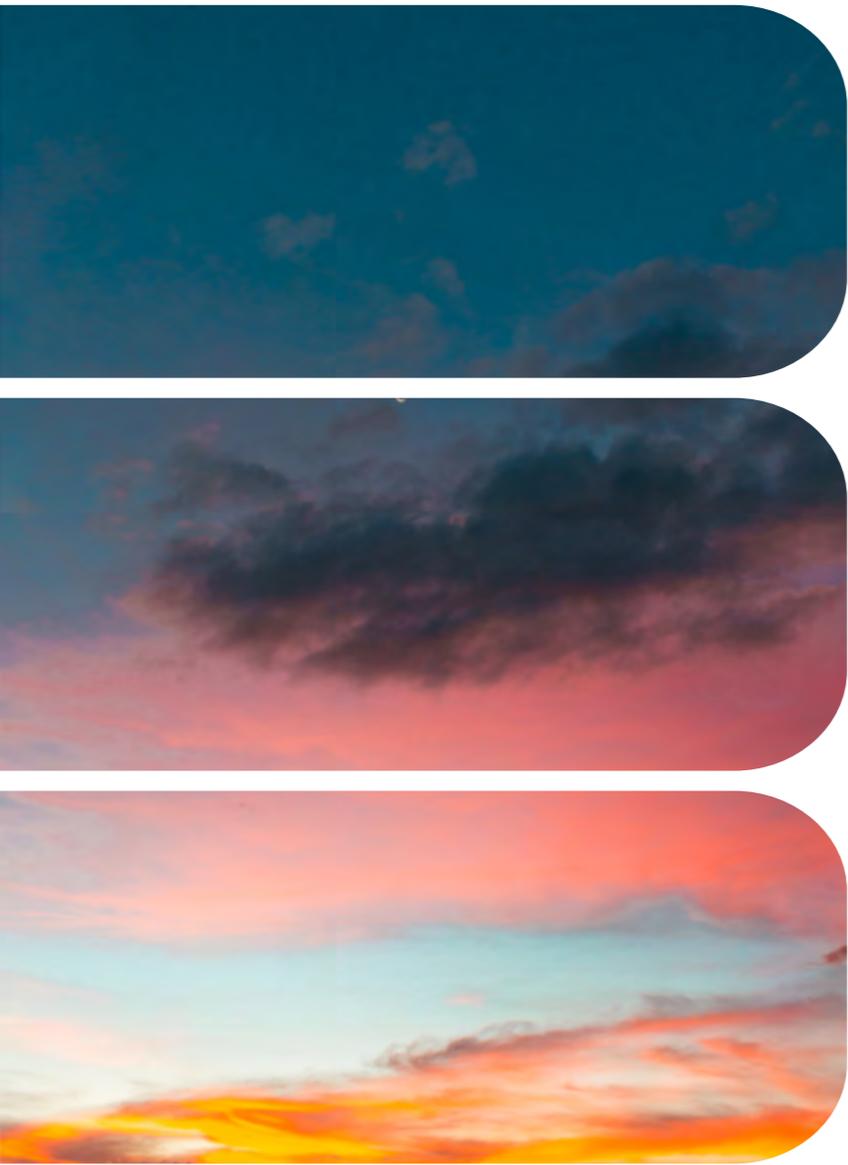


TIM reduced its scope 1 and 2 GHG emissions by 30%

ESG PLAN TARGETS

70% reduction in indirect (scope 2) emissions by 2025.

Be a carbon neutral (scopes 1 and 2) company by 2030.



DIRECT GREENHOUSE GAS EMISSIONS

– SCOPE 1 (tCO₂e) **GRI 305-1**

| | 2018 | 2019 | 2020 |
|--|---------------|--------------|--------------|
| Company vehicle fleet ¹ | 477 | 510 | 348 |
| Generators ² | 981 | 661 | 815 |
| Fugitive emissions – refrigerant gases and fire extinguishers ³ | 12,515 | 3,962 | 4,309 |
| Total | 13,973 | 5,132 | 5,473 |

¹ Consisting of vehicles of executives and security staff. In 2020, there was a reduction in travel due to the adoption of remote working because of the pandemic, resulting in lower fuel consumption.

² Increase due to greater use because of power outages, such as the blackout in Amapá at the end of 2020.

³ The increase was due to equipment maintenance and the replacement of gases with high global warming potential.

ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS FROM THE ACQUISITION OF ENERGY – SCOPE 2 (tCO₂e)¹ **GRI 305-2**

| | 2018 | 2019 | 2020 |
|--|--------|--------|--------|
| | 51,987 | 53,806 | 38,717 |

¹ Reduction due to lower electricity consumption in 2020.

OTHER INDIRECT (SCOPE 3) GHG EMISSIONS – SCOPE 3 (tCO₂e)¹ **GRI 305-3**

| | 2018 | 2019 | 2020 |
|--|--------|--------|--------|
| | 37,803 | 29,353 | 18,946 |

¹ In 2020, due to the Covid-19 pandemic and remote working, there was a significant reduction in emissions associated with employee travel and commuting. In addition to these sources, goods and services purchased; third-party transportation and distribution services; the extraction, production and transportation of fuel and energy purchased and consumed by the organization not included in scopes 1 and 2; among others, are also included in scope 3 indirect emissions.

GHG Emissions Intensity¹

GRI 305-4

EMISSIONS PER CUSTOMER (tCO₂e/THOUSAND CUSTOMERS)

| | 2018 | 2019 | 2020 |
|---------|-------|-------|-------|
| Scope 1 | 0.293 | 0.095 | 0.106 |
| Scope 2 | 0.984 | 0.980 | 0.753 |
| Scope 3 | 0.620 | 0.520 | 0.368 |

EMISSIONS ASSOCIATED WITH NET OPERATIONAL REVENUE (tCO₂e/R\$ MILLION)

| | 2018 | 2019 | 2020 |
|---------|-------|-------|-------|
| Scope 1 | 0.760 | 0.300 | 0.317 |
| Scope 2 | 2.550 | 3.100 | 2.242 |
| Scope 3 | 1.610 | 1.640 | 1.097 |

¹ Data from 2019 and 2018 restated. In 2020, there was a slight increase in relative scope 1 emissions due to an increase in fugitive emissions (extinguishers and refrigeration). There was a reduction in scope 2 relative emissions due to lower energy consumption. There was also a reduction in scope 3 relative emissions due to factors such as remote working and reduced surface and air travel as a result of the Covid-19 pandemic. Between 2019 and 2020, there was no significant variation in the customer base, number of employees and revenue that would influence the calculation of these indicators.

In order to complement the company's internal efforts, since 2014 TIM has invested in the purchase of carbon credits to offset part of its emissions. These have been focused on renewable energy generation and REDD deforestation avoidance projects.

In 2020, TIM invested in a REDD project with Verified Carbon Standard (VCS) certification, aimed at avoiding deforestation emissions on a property in the municipality of Paragominas, in the state of Pará. The project is aimed at conserving the forestry area and biodiversity and maintaining limited forestry stewardship activities in an area with FSC® certification. As a result, TIM offset 2,857 tCO₂e of its direct

(scope 1) emissions in 2020 in partnership with the Amigo do Clima¹ program.

Aware of the importance of driving climate awareness, every year TIM promotes a Climate Change workshop for employees and suppliers. The objective is to boost awareness of the need for mitigating, adapting and reducing our impact, as well as alerting people to the effects of climate change. In 2020, the event was held virtually, with the participation of suppliers and service providers in the Network and Logistics operations.



¹ Amigo do Clima is a voluntary environmental program the objective of which is to provide support for companies, organizations, events and people in offsetting their greenhouse gas emissions. For further information access [here](#).

EMISSIONS PER EMPLOYEE (tCO₂e/EMPLOYEE)

| | 2018 | 2019 | 2020 |
|---------|-------|-------|-------|
| Scope 1 | 1.620 | 0.489 | 0.563 |
| Scope 2 | 5.460 | 5.068 | 3.982 |
| Scope 3 | 3.440 | 2.680 | 1.948 |



Water

TIM's activities do not require the intensive use of water – the greatest consumption is in the company's administrative buildings. However, even though water is not one of the company's material topics, environmental protection is a basic commitment in the Environmental Policy, which is why water indicators continue to be monitored.

In 2020, there was a significant 38% reduction in the company's administrative offices, due to the adoption of remote working for employees. The company is maintaining its target of a further 1% reduction for 2021, against the 2020 figure. [GRI 103-2, 103-3, 303](#)

TIM also has projects to reuse rainwater and the condensation from air conditioning systems. In 2020, the company managed to reuse 2,816 m³, in other words, 3.8% of its water consumption.

In TIM's administrative buildings, effluents are discharged into public sewage networks, in line with the environmental and urban

planning standards for the company's installations in each location. The destination and treatment of effluent is the responsibility of the local utilities and is aligned with Brazilian legislation. The discharged effluent does not provoke a negative environmental impact nor does it significantly affect water bodies. [GRI 303-3, 306-1, 303-1, 303-2](#)



TOTAL WATER VOLUME WITHDRAWN IN ALL AREAS, BY SOURCE (ML)¹ [GRI 303-3](#)

| | 2018 | 2019 | 2020 |
|--|------------|-----------|-----------------------|
| Ground water and water from other sources (Artesian wells, tanker trucks and reused water) | 30 | 16 | 5 |
| Water supplied by third-parties (municipal utility) | 109 | 78 | 69 |
| Total | 139 | 94 | 74² |

¹ In 2020, measurement of water consumption was enhanced. Consequently, consumption was not reduced in the same proportion as the decrease in the number of employees in the administrative buildings. Water purchases involving delivery by tanker truck are variable and occur when there are failures in supply by utilities.

Due to the fact that water is not a material topic for TIM, data related to water stress is not collected.

² Total water consumption in 2020, in millions of m³, was 0.074.

04

SOCIAL

- > Digital inclusion
- > Employees
- > Diversity and inclusion
- > Training and education
- > Health and safety
- > Human rights
- > Instituto TIM

Social

“To evolve together with courage, transforming technology into freedom”. TIM's new purpose reflects the essence of what is behind the business: people. Whether it is employees, customers, suppliers, partners or society in general, the company believes that collective transformations involve individuals and that companies can be important levers of change. In its 2021-23 ESG Plan, TIM stresses that new competencies are a key factor for maintaining leadership. Consequently the company translates its social performance into targets through topics such as diversity and inclusion, engagement, training and digital inclusion, which are presented throughout this chapter.

Digital inclusion

A permanent goal in TIM's strategic planning, technological evolution, with expanded coverage and improved services, helps to promote capillarity and accessibility, via both the mobile and broadband networks. These advances constitute the driver necessary for digital inclusion in the country. [GRI 103-2, 103-3, 203](#)

In TIM's vision, widespread access to mobile telephony and the internet represents opportunity and transformation in the lives of many people. The pandemic accelerated the digitalization of countless

activities, and diverse services migrated to the virtual environment. As a result, the urgency for the telecommunications sector to provide accessible solutions for the majority of the population increased. The trend towards greater use of technology and connectivity, both in people's private lives and in companies and essential public services, underscores the importance for TIM of extending 4G connectivity to all the municipalities in Brazil by 2023.

The digitalization of activities during the pandemic made telecommunications services even more essential

MATERIAL TOPIC: DIGITAL INCLUSION AND ACCESS TO CONNECTIVITY

SDG 1 9

TIM telecommunications activities generate positive impacts beyond the business. Access to mobile telephony and broadband internet services not only enables communication, but also the creation of countless opportunities for people and companies, functioning as a powerful tool for innovation. This transformation is also connected with digital inclusion based on connectivity in regions with no access to these resources, such as isolated communities, rural and low-income areas.

The urgent need for the digitalization of diverse services and the migration of diverse activities to the online environment during the pandemic have made telecommunications an even more essential service.

ESG PLAN TARGET

Extend 4G connectivity to all the municipalities in Brazil by 2023.

ANATEL CONDUCT ADJUSTMENT AGREEMENT [GRI 203-1](#)

TIM was the first operator to successfully conclude a Conduct Adjustment Agreement (TAC in the Portuguese acronym) with Anatel. This contract is the result of an extrajudicial settlement in force for up to four years in which TIM commits to converting fines into investments, with improvements in service quality and the customer experience (such as the evolution of digital customer service channels and the reduction in rates of complaints), as well expanding network infrastructure in more than two thousand locations. [GRI 419-1](#)

Under this agreement, the associated fines amounting to around R\$ 639 million were suspended in exchange for the execution of the corresponding commitments.

The principal commitment is related to TIM introducing the 4G network in 1,837 municipalities. Subsidiary commitments

include the introduction of mobile broadband in around 350 municipalities with fewer than 30,000 inhabitants. It is estimated that 3 million people will benefit, principally in the North, Northeast, Midwest regions and in the north of the state of Minas Gerais. This covers cities with a Human Development Index (HDI) below the national average and that do not yet have 4G access. [GRI 203-2](#)

Another TIM commitment, in conjunction with other operators, with Anatel and with society is related to the Rural Service project, in which the company should provide coverage for 864 municipalities and 4,455 public schools in rural areas. By the end of 2020, TIM had achieved 86% of the target.

With the TIM 4G in the Countryside, which covers more than 6 million hectares in eight states, the company benefits 575,000 people in 218 cities in areas considered to be rural.

For TIM, collective transformations involve individuals



MATERIAL TOPIC:

**HEALTH, WELL-BEING AND
EMPLOYEE MANAGEMENT**

SDG **4** **8**

For TIM, the employees represent the company and drive its performance with their knowledge, skills and mindsets. As part of TIM strategy to be recognized as an innovative company, it has the goal of attracting and retaining diverse talents, as well as motivating employees. The outbreak of the coronavirus reinforced the importance of concern about employee health and well-being.

ESG PLAN TARGETS

Maintain employee engagement at the level of at least 80% by 2023 .

Train 99% of company employees in the ESG culture by 2023.

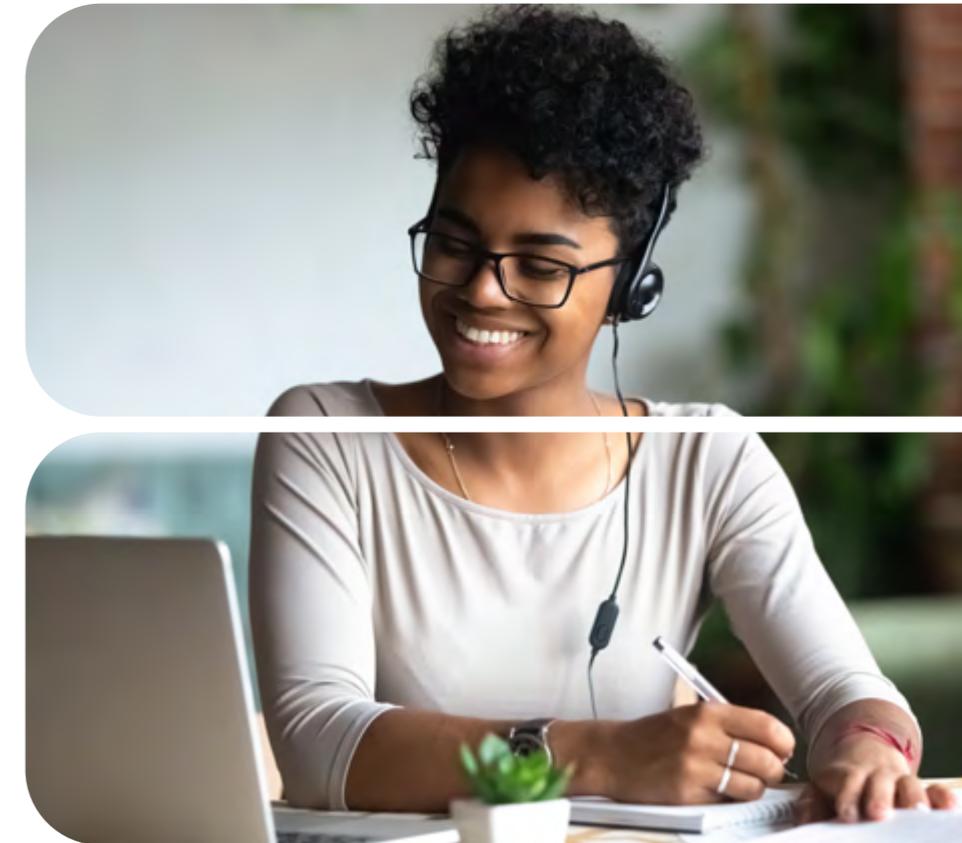
Train another 5,000 employees in digital capabilities by 2023.

Employees

The Covid-19 pandemic brought about an abrupt transformation in labor relations worldwide. For TIM, the challenge was no different. Employees had to adapt to working remotely from home and to assimilate new digital competencies. Nonetheless, TIM’s readiness in providing resources, equipment and training for its team was decisive in maintaining service continuity and in re-establishing the same level of efficiency.

At the end of 2020, the company’s human and intellectual capital comprised 9,723 people. TIM has focused continually on promoting the health, safety and productivity of its employees in an inclusive work environment. Remote working proved to be successful, including employees engaged in call center services.

The restrictions imposed by the pandemic did not impede planned activities, such as the performance review process. In 2020, 88.4% of the employees received performance and development reviews. [GRI 404-3](#)



INTERNAL SURVEYS

Throughout the year the company kept close track of employees' health, physical and mental well-being and safety by means of an intensive survey process.

A survey conducted among employees who returned to the offices showed 96% approval of the sanitary protocols. Additionally, eNPS pulse surveys conducted on a quarterly basis indicated a high level of excellence (average 84%) as a great company to work for.

Focused on measuring people's engagement, the Corporate Climate Survey was applied to over 8,500 TIM employees, with the participation of 97% of the work force. The result showed an overall satisfaction rate of 84%, which represents a high level of employee engagement. The survey addresses factors such as the culture of integrity, healthy work environment, confidence in management and leadership, among others. Analysis of the result by gender shows men's engagement to be 83%, compared with 85% for women.

EMPLOYEES BY FUNCTIONAL CATEGORY GRI 102-8

| | 2018 | 2019 | 2020 |
|----------------|---------------|---------------|--------------|
| Director level | 60 | 60 | 64 |
| Management | 673 | 696 | 739 |
| Professionals | 4,158 | 4,187 | 4,179 |
| Sales force | 417 | 501 | 499 |
| Call centers | 2,121 | 2,071 | 2,028 |
| Stores | 2,178 | 2,185 | 1,912 |
| Apprentices | 235 | 257 | 234 |
| Interns | 180 | 210 | 68 |
| Total | 10,076 | 10,167 | 9,723 |

EMPLOYEES BY AGE GROUP GRI 102-8

| | 2018 | 2019 | 2020 |
|---------------------|---------------|---------------|--------------|
| Up to 35 years | 5,743 | 5,592 | 4,371 |
| From 36 to 45 years | 3,195 | 3,336 | 3,763 |
| From 46 to 60 years | 1,092 | 1,190 | 1,500 |
| Over 60 years | 46 | 49 | 89 |
| Total | 10,076 | 10,167 | 9,723 |

EMPLOYEES BY TYPE OF WORK CONTRACT GRI 102-8

| | 2018 | 2019 | 2020 |
|--------------|---------------|---------------|--------------|
| Permanent | 9,661 | 9,700 | 9,419 |
| Temporary | 415 | 467 | 304 |
| Total | 10,076 | 10,167 | 9,723 |

EMPLOYEES BY REGION GRI 102-8

| | 2018 | 2019 | 2020 |
|--------------|---------------|---------------|--------------|
| North | 273 | 263 | 241 |
| Northeast | 709 | 711 | 669 |
| Midwest | 370 | 385 | 372 |
| Southeast | 7,878 | 7,981 | 7,690 |
| South | 846 | 827 | 751 |
| Total | 10,076 | 10,167 | 9,723 |

MATERIAL TOPIC:

**PROMOTING DIVERSITY AND
EQUALITY OF OPPORTUNITIES**

SDG **5** **8**

Promoting a corporate culture of respect and valuing differences between people has become a fundamental principle. TIM believes that the more diverse a group is, the greater the exchange of experiences and solutions, which helps build a healthy work environment, driving gains in attraction, engagement, innovation and competitiveness.

ESG PLAN TARGETS

To have 35% women occupying leadership positions by 2023.

To reach 40% black people in the work force by 2023.

Diversity and Inclusion

GRI 103-2, 103-3, 405, 405-1, 405-2, 406, 406-1

For TIM, diversity in the workforce means mirroring the demographic composition of the society in which it operates. In line with the Diversity and Inclusion Policy, available on the [TIM website](#), in 2020 the company maintained its strategy of disseminating an ever more inclusive culture, based on respecting and valuing the differences and contributions of each person. [GRI 103-2, 103-3, 406](#)

The company believes that the more diverse the team, the greater the engagement and the exchange of experiences and solutions. This orientation is reflected in an inclusive professional environment and competitive advantages in the market.

Governance of the theme is overseen by a dedicated management area within Human Resources, responsible for the formalization of structured policies, programs and initiatives aligned with the company's ESG strategy and internal culture. Established transversally,

the commitments set forth in the Diversity and Inclusion Program provide guidelines for internal processes related to gender, sexual orientation, race, generation and disabled persons. And by means of a diversity calendar aligned with the UN international agenda, the communication and training plan provided for all employees and managers promotes ongoing widespread reflection and dialogue on diversity and on the specific challenges faced by minority groups.

At senior management level, the Diversity and Inclusion Committee tracks and assesses all the initiatives in progress, coordinated by the TIM CEO. Aligned with the plan guidelines, these initiatives reflect the commitments assumed in relation to each social group prioritized by the company.

On the front line of the awareness and engagement activities, the Affinity Groups created in 2020 mobilized almost 500

employee volunteers engaged in reaching out and promoting dialogue, sharing ideas, mapping gaps and proposing and implementing initiatives that promote diversity and an ever more inclusive culture.

FEMALE PRESENCE

TIM is committed to ensuring gender equality in selection and succession processes, as well as access for women to technological careers. This commitment was reinforced in March 2021, when the company adhered to the UN Women’s Empowerment Principles (WEPs).

[GRI 103-2, 103-3, 405](#)

Female membership of the Board of Directors is increasing. In 2020, it reached 30%. With seven men and three women, the initiative demonstrates the company’s commitment to promoting an example of diversity in senior management.

With this advance, TIM is featured among the companies listed on the B3 index with more women on their Board of Directors, in accordance with the Índice Teva ESG Mulheres na Liderança®, (Teva ESG Women in Leadership Index), the first diversity and governance index in Brazil. At the director and management levels, female participation reached 33% in 2020.

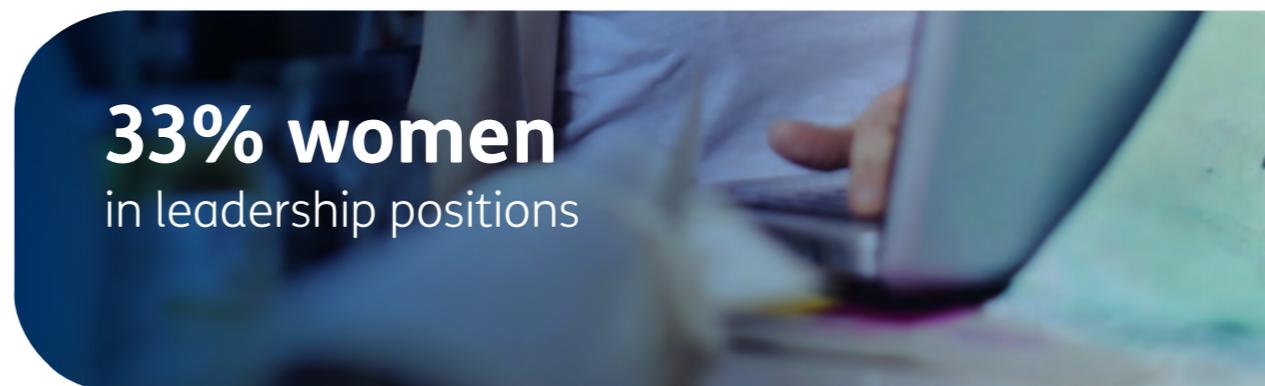
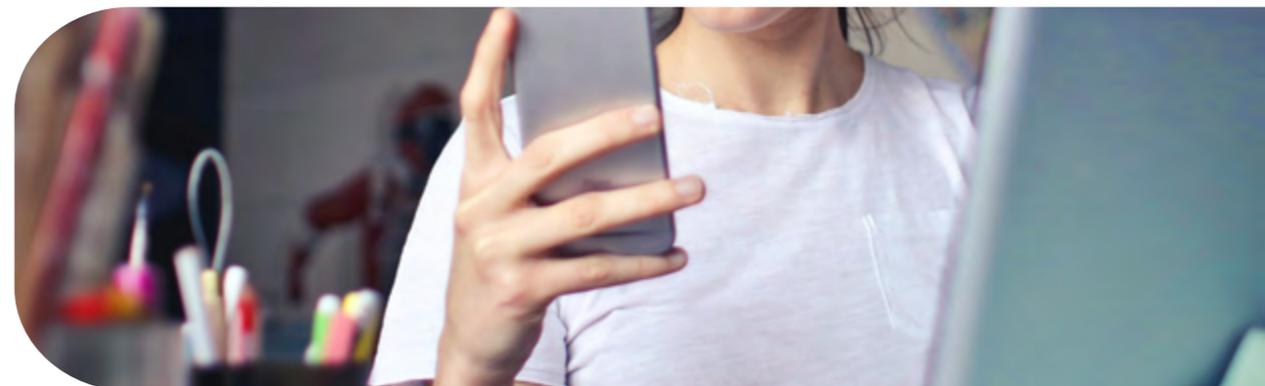
HIRING PERSONS WITH DISABILITIES

For years the TIM program for persons with disabilities has been committed to going beyond legal obligations. It sets forth actions to attract, develop and retain these employees, with initiatives to break down physical and cultural barriers and ensure equality of opportunity for the disabled.

A series of measures has been implemented to make the work environment more accessible and functional, promoting rapid adaptation to the internal environment. In parallel, ongoing awareness and training measures are offered to employees and managers to help with the inclusion of persons with disabilities.

Among the measures in the Diversity and Inclusion Program conducted in 2020, worthy of note are:

- More than 2,500 employees participated in 38 internal training programs in this area.
- In labor negotiations, diverse clauses related to inclusive policies were implemented:



expansion of benefits for LGBTI+ employees, protection for women who are victims of domestic violence and victims of violence stemming from racism and LGBTphobia, as well as the guarantee of legal assistance in the event of discrimination, among other benefits.

- Participation in and sponsorship of Afro-Presença, the first Brazilian event aimed at the inclusion of black students in the labor market, organized by the Labor Public Prosecution service with support from the UN Global Compact. The encounter was held in an online environment.
- In the final selection for the Intern Program, 64% of the vacancies went to black people, in addition to LGBTQI+ professionals, persons with disabilities and people older than the age group normally selected.
- The topic of diversity and inclusion was central to the debates conducted in TIM Talks and TIM Convida, programs that promote dialogue with employees and the external audience to boost the development of a more inclusive society. During the course

of 2020, the open live transmissions on the internet had over 57,000 views.

- Launch of Teclado Consciente (Conscious Keyboard), an application developed by TIM that alerts users about the use of words that demonstrate prejudice, explains their origin and proposes acceptable substitutes.
- Regarding gender equality, TIM promoted ongoing communication and awareness measures, ensuring representativeness for women, as well as promoting increased female presence in leadership positions and technological careers.
- In commemoration of International Women’s Day, the company organized a March for Women Campaign. Throughout the month a series of internal and external actions was held focused on valuing and respecting women and promoting awareness about the use of male chauvinist expressions which are no longer considered appropriate.

¹ Takes into account the Board of Directors, the Advisory committees and the Statutory Board of Executive Officers.

INDIVIDUALS IN THE ORGANIZATION’S GOVERNANCE BODIES¹, DISCRIMINATED BY GENDER AND AGE GRI 405-1

| Year | Gender | Age | (%) |
|------|--------|--------------|------------|
| 2018 | Men | Total | 100 |
| | | <30 | 0 |
| | | 30 to 50 | 44 |
| | Women | >50 | 56 |
| | | Total | 0 |
| | | <30 | 0 |
| 2019 | Men | 30 to 50 | 0 |
| | | >50 | 0 |
| | | Total | 87 |
| | Women | <30 | 0 |
| | | 30 to 50 | 20 |
| | | >50 | 67 |
| 2020 | Men | Total | 13 |
| | | <30 | 0 |
| | | 30 to 50 | 6.5 |
| | Women | >50 | 6.5 |
| | | Total | 81 |
| | | <30 | 0 |
| 2020 | Men | 30 to 50 | 0 |
| | | >50 | 81 |
| | | Total | 19 |
| | Women | <30 | 0 |
| | | 30 to 50 | 13 |
| | | >50 | 6 |

INTERNAL REPORTS ON DISCRIMINATION

The TIM Whistleblower Channel received six reports of cases of discrimination deemed to be violations of the Code of Ethics and Conduct. Four of these were related to discrimination based on sexual orientation (LGBTPhobia), of which two were considered substantiated; one for gender discrimination (misogyny), considered unsubstantiated; and one relative to an employee’s (third-party) classification, also considered unsubstantiated. The corrective measure taken was a warning for the employee the object of the two substantiated reports.

[GRI 103-2, 103-3, 406, 406-1](#)



57,000
views of live transmissions
on **diversity**

EMPLOYEES BY FUNCTIONAL CATEGORY AND GENDER GRI 405-1

| | 2018 | | | | 2019 | | | | 2020 | | | |
|----------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|
| | Men | | Women | | Men | | Women | | Men | | Women | |
| | n° | % |
| Director level | 50 | 83 | 10 | 17 | 47 | 78 | 13 | 22 | 52 | 81 | 12 | 19 |
| Management | 433 | 64 | 240 | 36 | 457 | 66 | 239 | 34 | 488 | 66 | 251 | 34 |
| Professionals | 2,553 | 61 | 1,605 | 39 | 2,561 | 61 | 1,626 | 39 | 2,568 | 61 | 1,611 | 39 |
| Sales force | 293 | 62 | 178 | 38 | 308 | 61 | 193 | 39 | 301 | 60 | 198 | 40 |
| Stores | 1,004 | 46 | 1,174 | 54 | 1,023 | 47 | 1,162 | 53 | 845 | 44 | 1,067 | 56 |
| Call centers | 566 | 27 | 1,555 | 73 | 523 | 25 | 1,548 | 75 | 492 | 24 | 1,536 | 76 |
| Interns | 87 | 48 | 93 | 52 | 113 | 54 | 97 | 46 | 37 | 54 | 31 | 46 |
| Apprentices | 81 | 34 | 154 | 66 | 84 | 33 | 173 | 67 | 77 | 33 | 157 | 67 |
| Total | 5,067 | 50 | 5,009 | 50 | 5,116 | 50 | 5,051 | 50 | 4,860 | 50 | 4,863 | 50 |



64% of the places
in the Intern Program filled
by **black people**

EMPLOYEES BY RACE/COLOR GRI 405-1

| | 2018 | | 2019 | | 2020 | |
|--------------|---------------|------------|---------------|------------|--------------|------------|
| | n° | % | n° | % | n° | % |
| White | 6,538 | 65 | 6,361 | 63 | 6,121 | 63 |
| Black | 716 | 7 | 752 | 7 | 708 | 7 |
| Mixed race | 2,562 | 25 | 2,736 | 27 | 2,588 | 27 |
| Oriental | 136 | 1 | 134 | 1 | 126 | 1 |
| Indigenous | 21 | 0.2 | 21 | 0.2 | 18 | 0.2 |
| Not informed | 103 | 1 | 163 | 2 | 162 | 2 |
| Total | 10,076 | 100 | 10,167 | 100 | 9,723 | 100 |

RATIO OF MEN'S BASIC SALARY TO WOMEN'S IN EACH FUNCTIONAL CATEGORY

GRI 405-2

| | 2018 | 2019 | 2020 |
|---------------------|------|------|------|
| Director level | 1.22 | 1.07 | 1.07 |
| Leaders | 1.13 | 1.10 | 1.11 |
| Stores | 0.99 | 1.00 | 1.01 |
| Call centers | 1.19 | 1.18 | 1.18 |
| Other professionals | 1.13 | 1.13 | 1.12 |

RATIO OF MEN'S REMUNERATION¹ TO WOMEN'S IN EACH FUNCTIONAL CATEGORY

GRI 405-2

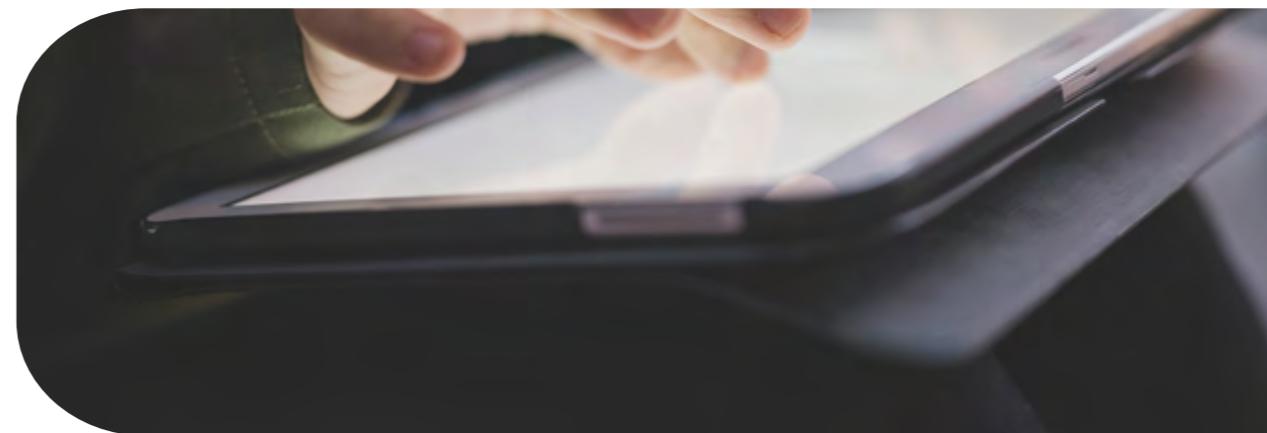
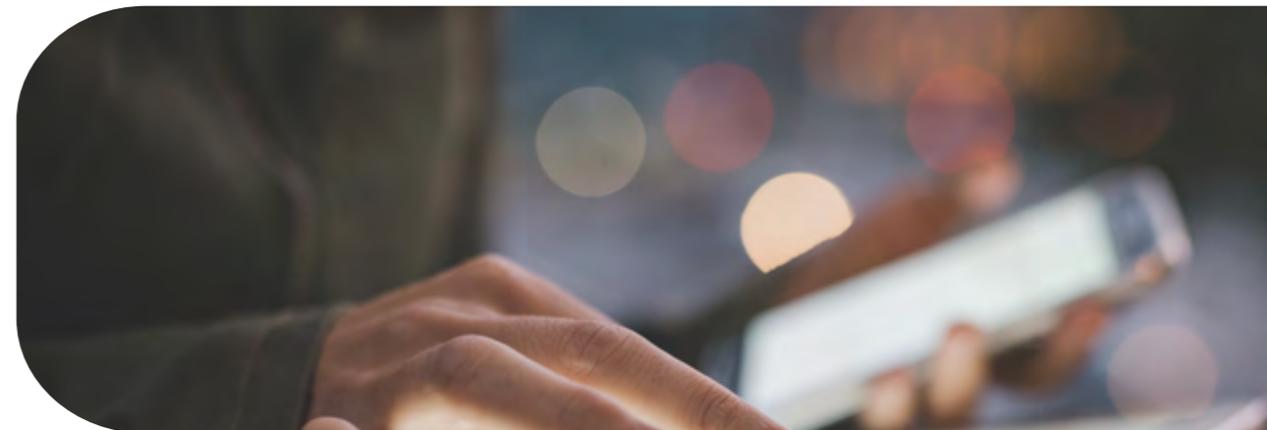
| | 2018 | 2019 | 2020 |
|---------------------|------|------|------|
| Director level | 1.29 | 1.08 | 1.08 |
| Leaders | 1.14 | 1.11 | 1.12 |
| Stores | 0.99 | 1.00 | 1.01 |
| Call centers | 1.17 | 1.15 | 1.15 |
| Other professionals | 1.13 | 1.12 | 1.12 |

* This corresponds to the ratio of men's average salary to women's average salary, by category. When the ratio is equal to 1, the average salary of men is equal to the average salary of women. When it is more than 1, this indicates that the average salary of men is higher than the average salary of women.

Data from 2019 and 2018 adjusted to reflect the new methodology considering salaries and employees in the month of December of each year. In the calculations, the positions occupied by only one gender and by interns and apprentices were not taken into account. The "Director level" category does not take the CEO into account.

GRI 102-48

¹ Takes salaries and main bonuses, such as remuneration linked with sales (target per position) and profit share (PPR/MBO) into account.



In 2020, the ratio of the highest compensation paid by TIM (CEO) to the average remuneration of the other employees (excluding the CEO) was 66.3.

NEW EMPLOYEE HIRES AND TURNOVER¹ [GRI 401-1](#)

EMPLOYEES HIRED, BY GENDER

| | 2018 | | 2019 | | 2020 | |
|--------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| Men | 1,315 | 27 | 1,343 | 28 | 629 | 13 |
| Women | 1,247 | 26 | 1,215 | 26 | 575 | 12 |
| Total | 2,562 | 27 | 2,558 | 27 | 1,204 | 13 |

EMPLOYEES WHO LEFT THE COMPANY, BY GENDER

| | 2018 | | 2019 | | 2020 | |
|--------------|--------------|----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| Men | 1,230 | 25 | 1,322 | 27 | 804 | 17 |
| Women | 1,189 | 25 | 1,197 | 25 | 679 | 14 |
| Total | 2,419 | 5 | 2,519 | 26 | 1,483 | 15 |

EMPLOYEES HIRED, BY AGE GROUP

| | 2018 | | 2019 | | 2020 | |
|---------------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| Up to 35 years | 1,820 | 36 | 1,831 | 39 | 751 | 17 |
| From 36 to 45 years | 622 | 19 | 613 | 18 | 364 | 10 |
| From 46 to 60 years | 119 | 10 | 113 | 9 | 89 | 6 |
| Over 60 | 1 | 2 | 1 | 1 | 0 | 0 |
| Total | 2,562 | 27 | 2,558 | 27 | 1,204 | 13 |

EMPLOYEES WHO LEFT THE COMPANY, BY AGE GROUP

| | 2018 | | 2019 | | 2020 | |
|---------------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| Up to 35 years | 1,613 | 32 | 1,578 | 34 | 919 | 21 |
| From 36 to 45 years | 638 | 19 | 739 | 21 | 426 | 12 |
| From 46 to 60 years | 156 | 13 | 186 | 15 | 130 | 9 |
| Over 60 | 12 | 20 | 16 | 24 | 8 | 10 |
| Total | 2,419 | 25 | 2,519 | 26 | 1,483 | 15 |

¹ Takes into account voluntary and involuntary terminations. The calculation of the rates was changed using as base the average total of employees in the period from December 2019 to November 2020, by category. Data from 2019 and 2018 restated due to the new methodology. In 2020, the overall turnover rate was 14%, and the voluntary termination rate was 5.5%. Total employees in December 2020 (not counting interns and apprentices in the turnover calculations): 9,421. [GRI 102-48](#)

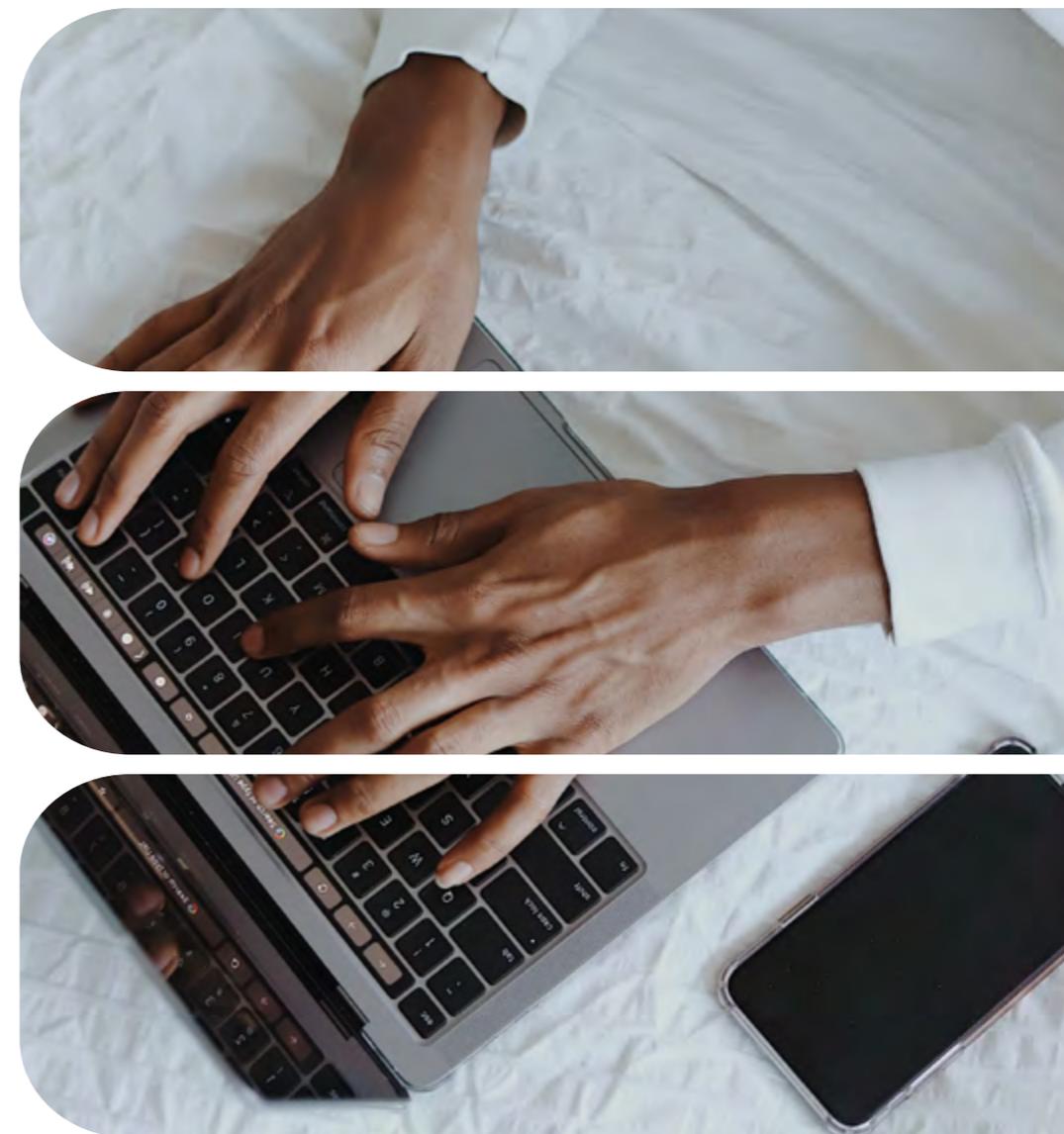
EMPLOYEES HIRED, BY REGION

| | 2018 | | 2019 | | 2020 | |
|--------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| North | 104 | 42 | 68 | 27 | 34 | 14 |
| Northeast | 231 | 36 | 241 | 37 | 83 | 13 |
| Midwest | 170 | 51 | 144 | 41 | 69 | 19 |
| Southeast | 1,787 | 24 | 1,753 | 23 | 873 | 12 |
| South | 270 | 34 | 352 | 45 | 145 | 19 |
| Total | 2,562 | 27 | 2,558 | 27 | 1,204 | 13 |

EMPLOYEES WHO LEFT THE COMPANY, BY REGION

| | 2018 | | 2019 | | 2020 | |
|--------------|--------------|-----------|--------------|-----------|--------------|-----------|
| | n° | Rate (%) | n° | Rate (%) | n° | Rate (%) |
| North | 66 | 27 | 79 | 31 | 48 | 20 |
| Northeast | 194 | 30 | 246 | 38 | 118 | 18 |
| Midwest | 151 | 46 | 126 | 36 | 75 | 20 |
| Southeast | 1,723 | 23 | 1,687 | 22 | 1,027 | 14 |
| South | 285 | 36 | 381 | 49 | 215 | 28 |
| Total | 2,419 | 25 | 2,519 | 26 | 1,483 | 15 |

¹ Takes into account voluntary and involuntary terminations. The calculation of the rates was changed using as base the average total of employees in the period from December 2019 to November 2020, by category. Data from 2019 and 2018 restated due to the new methodology. In 2020, the overall turnover rate was 14% and the voluntary termination rate was 5.5%. Total employees in December 2020 (not counting interns and apprentices in the turnover calculations): 9,421.
[GRI 102-48](#)





Training and education

GRI 103-2, 103-3, 404

Business requirements and the future challenges in the telecommunications sector shape the planning of TIM training and education programs. Even with the changes imposed by the Covid-19 pandemic, this strategic pillar was not interrupted. Around 1,500 employees participated in development programs to promote digital, technical and behavioral capabilities, worthy of note being the content presented in the TIM Talks Experience in a 100% digital format.

In 2020, TIM invested over R\$ 8 million in training and education programs, around R\$ 859 per employee. The company invests in educational initiatives aimed at fostering the evolution of skills, professional and career development and engagement, organized by goals, as described ahead:

- **Specific technical training** - Focused on technical qualification and updating for the execution of the designated function, with mapping of the specific and critical knowledge necessary for employees
- **Transversal training** - Focused on preparing employees in skills that permeate all the areas. The training enables employees to address specific area challenges to drive business results
- **Institutional training** – Aimed at familiarizing employees with the company
- **Learning journeys** – These are customized training programs, such as the Evolution Program, aimed at preparing store managers and sales consultants in institutional and business matters, as well as leadership
- **Onboarding Program** - This is to welcome and integrate new employees. It presents TIM's positioning on ethics and conduct, anti-corruption, the market and the competitive conjuncture, among other key subjects

ESG CULTURE GRI 404-3

The activities set forth in the 2020-22 Strategic Plan to strengthen the ESG culture were continued: 99% of the work force concluded courses on socioenvironmental and governance aspects. The topics addressed include the environment, human rights, anti-corruption, sustainability, data privacy and health and safety.

In 2020, new courses related to these topics were launched, such as the Integrity, Diversity and Inclusion Program, a course in preparation for the data privacy law (LGPD) and one on Contract Management. The contents of other courses, such as Environmental Management, Sustainability, Anti-Corruption and the Code of Ethics were updated.

These programs are available for all employees on the TIM training platform.

TIM TALKS ON THE AIR

The realization that telecommunications has become an even more essential service inspired the purpose of the 2020 edition, which explored the impacts of technological evolution on economic, social and environmental aspects (ESG culture) and the importance of companies' positioning in this context.

On an annual basis, the TIM Talks bring together employees from all over Brazil in a wide-ranging learning and development program. Employees participate in an intensive programming with topics that combine corporate and personal interests, such as business and technology, the relationship between the environment, well-being and society, and diversity and inclusion.

Due to the social isolation imposed by the pandemic, in 2020, the third edition of the program was undertaken in digital format, which encouraged the organizers to open part of it up to the external audience. During three weeks TIM employees and stakeholders engaged in 180 different actions, many of them conducted by guest speakers.

AVERAGE NUMBER OF HOURS TRAINING, BY FUNCTIONAL CATEGORY¹ GRI 404-1

| | 2018 | 2019 | 2020 |
|-----------------------------|-----------|-----------|-----------|
| Directors | 21 | 26 | 17 |
| Managers | 25 | 24 | 26 |
| Professionals | 14 | 23 | 21 |
| Sales force | 25 | 27 | 34 |
| Stores | 55 | 64 | 49 |
| Call Centers | 66 | 52 | 67 |
| Interns | 14 | 36 | 20 |
| Apprentices | 5 | 11 | 6 |
| Average per employee | 35 | 38 | 37 |

¹ Calculation considers the total number of hours of training (excluding formal education) divided by the average number of active employees. In 2020, each employee took on average 37 hours of training. 16 employees were engaged in formal education courses financed by TIM, at a total cost of over R\$ 89,000.

ENGLISH TIME

Committed to providing an inclusive and innovative work environment, TIM invested over R\$ 269,000 in the provision of a free online English course for all employees. Each employee was also permitted to extend the benefit to one person outside the company free of charge, reinforcing TIM's commitment to the development of society.



Each employee had, on average, **37 hours of training**

Health and safety

GRI 103-2, 103-3, 403, 403-6, 403-9

In 2020, the coronavirus pandemic further heightened the importance of Health and Safety management in TIM. Based on the experience of TIM Italia, the company reacted promptly at the first signs of the pandemic in the country, as described ahead:

- Implantation of remote working for all employees able to do so.
- Frequent surveys tracked the needs of employees in relation to people management processes.
- The benefits package was adapted for those working remotely.
- Application of surveys to map employees and family members in high risk groups, in line with CDC (Center for Disease Control and Prevention) techniques.
- Tracking and statistical control of proven cases of Covid-19 among employees and third-parties by the Health and Safety area.
- Development and dissemination of conduct guidelines to prevent contamination by Covid-19 for employees and third-parties.
- Implantation of telemedicine service jointly with healthcare plans and the main hospitals in the country.
- Execution of Covid-19 tests, in particular in the stores, to identify contaminated employees.
- The Personal Support Program service was extended to operate 24 hours a day, seven days a week, for employees and family members.
- Offer of broad content on topics related to the crisis, such as remote working practices, well-being and mental health and sanitary protocols.
- Provision of ergonomic chairs for those working at home.
- The Internal Work Accident Prevention Week (Sipat in the Portuguese acronym) was held 100% online.



The benefits package
was adapted for
those working
remotely

Positive call center experience

The decision to extend remote working to the Call Center attendants took into account the quality of life and health of employees and an improved experience for consumers. The company provided the equipment and furnishings necessary for working from home, from a desktop computer to internet connection, as well as a monthly financial allowance.

As a result, the score in the satisfaction survey conducted after the contacts increased by 37% in the period from March to November 2020. There was an 8% increase in productivity and a reduction in the employee turnover rate. The measure covered some two thousand people who normally worked on site in the district of São Cristóvão, in Rio de Janeiro, and in Santo André (São Paulo).

GRI 403-6

CARE AND PREVENTION

Brazilian legislation covers a broad spectrum of topics related to Occupational Health and Safety, which require constant monitoring in terms of deadlines and updates. This monitoring is undertaken by a dedicated TIM team which, among other attributions, conducts periodic audits and inspections to ensure the effectiveness of preventive procedures in work processes and locations.

In spite of the pandemic, all the on site visits to company buildings were completed successfully, as were the environmental assessments for the preparation of mandatory studies, one of which was the Environmental Risk Prevention Program (PPRA in the Portuguese acronym).

The TIM Occupational Health and Safety Management System is aligned with the policy for the area and in compliance with the following legal requirements:

- **ABNT NBR ISO: 19011:** Guidelines for Management System Audits

- **ABNT ISO 45001:2018:** Occupational health and safety management systems
- [UN Global Compact](#)
- **Ordinance MTB N° 3.214** dated June 08, 1978
- **+ See the Occupational Health and Safety Policy [here](#). GRI 403-8**

TIM carries out occupational risk surveys in accordance with a specific internal procedure. The hazards, risks and probable consequences related to activities are assessed. A significance analysis is also undertaken (assessing frequency, probability and severity) and operational controls are established by means of administrative, collective and individual protection measures. All the risk-related activities are undertaken by third-party professionals. In this case, TIM requires an occupational hazard report from the service provider before activities are initiated. **GRI 403-2**

An Occupational Health & Safety Program (PCMSO) is also in place in which medical

examinations are recommended in accordance with workplace risks when necessary, as a condition of monitoring workers health. Occupational Health Certificates are issued upon admission, return to work, termination and change in function, as well as periodically, as described in the PCMSO. **GRI 403-3**

No cases of occupational illnesses were recorded in 2020. **GRI 403-10**



There are
specific training
programs
for high risk
activities

TIM has Internal Accident Prevention Committees (Cipa in the Portuguese acronym) which conduct monthly meetings to discuss accident prevention, unsafe conditions identified in work place inspections and suggestions for process improvements. In the branches where the number of employees does not reach the minimum required for the formation of an accident prevention committee, the company assigns at least one employee to perform this function. Employees may contact the Health and Safety area to resolve any doubts they may have about occupational health and safety processes.

GRI 403-4

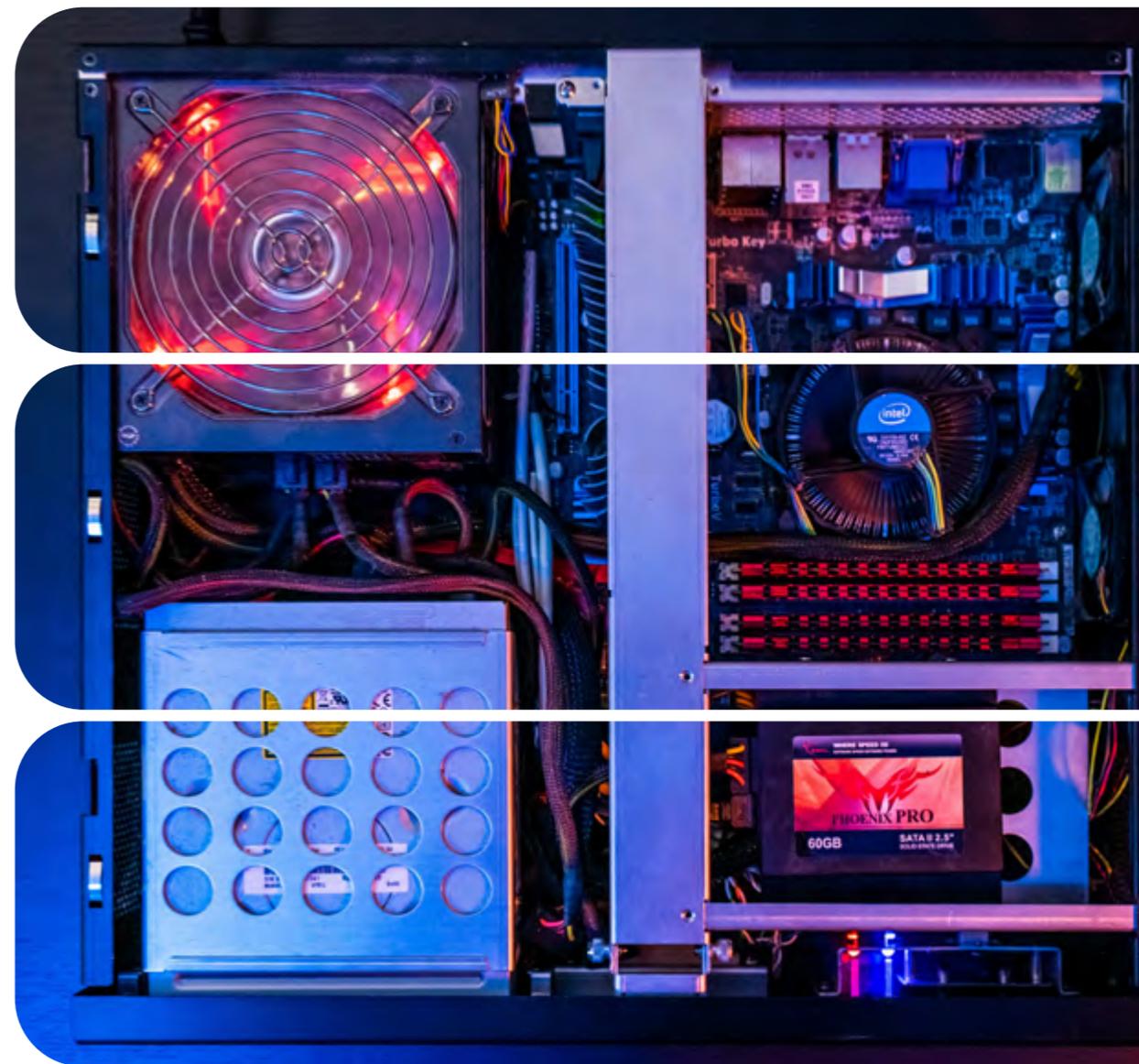
All new employees receive training on prevention and promoting occupational health and safety. For those who monitor high risk activities, TIM provides specific training such as Confined Space, Work at Height and Safety in Electrical Installations. For employees exposed to ergonomic risks, there is an online training program on ergonomics.

In function of the pandemic and to help in prevention, TIM started to offer training courses and guidance in the conduct protocols related to the new coronavirus.

TIM provides an exclusive training platform for third-party service providers, with contents providing guidance on health, safety and the environment. And, based on a specific internal procedure, the company requires and monitors the execution of training courses in accordance with the high risk activities the third-party is exposed to.

Information on health and safety is disseminated to employees via the company's internal communication channels. There are also live transmissions about these topics by qualified internal and external professionals.

GRI 403-5



Promoting health and well-being

TIM provides a series of benefits to promote the health, quality of life and well-being of its employees.

Since 2017, the company has offered employees the possibility of working remotely, Flex Office, as well as Flex Time, which guarantees flexible working hours at the beginning and the end of the working day. For employees with at least five years of service, the company offers one day of paid leave per year, and also a day off on their birthday (Happy Day).

In addition to health and dental plans, the company offers emotional and social support programs and plans for physical exercises, in partnership with a service provider.

TIM also provides extended maternity and paternity leave for employees. As an *Empresa Cidadã*, the company provides an additional 60 days maternity leave, besides the 120 days permitted by law. TIM also grants paternity leave of 20 consecutive days, 15 days more than the leave stipulated in legislation.

Additionally, as part of the benefits for employees with small children, TIM grants a monthly allowance for expenses with a nurse, crèche or pre-school (Nurse/ Crèche allowance) and for the purchase of children's products in drugstores and supermarkets (My First Benefit). TIM also provides assistance for employees with children who are unable to care for themselves.

At difficult moments, the company provides support for employees with funeral expenses and expenses arising from ill-health (such as HIV, Parkinson, serious heart conditions, among others) and labor accidents, by means of the "Illness Assistance Complement".

In the annual accident prevention week, Sipat, the company promotes physical and well-being activities, as well as offering guidance from healthcare professionals specialized in mental health, hypertension and sexually transmitted diseases. The company also provides training sessions and live transmissions on Health and Safety.

GRI 403-6

The Emergency Plan covers the most critical emergency situations based on the following measures:

- **identification of hazards and health and safety risks in activities;**
- **direct observation of activities and operations;**
- **analysis of documents and applicable legislation;**
- **inspections;**
- **studies of procedures, instructions, records and process flowcharts;**
- **and the results of internal and external audits.**

Additionally, the company organizes drills and simulations to minimize the impacts generated in cases of emergency.

GRI 403-7

In 2020, TIM achieved its targets related to labor accidents. One of the factors contributing towards this was remote working. The first target was to reduce the number of accidents per 100 workers to 0.06, and the result achieved was 0.04. From a total of 12,610,108 hours worked, four accidents involving employees were recorded, none of which was serious or fatal. Another goal was to reduce accident frequency to 0.36, and the result obtained was 0.32. All incidents are filed with the social security service. The company will maintain the same targets for 2021.

All TIM staff employed under Brazil's CLT regime are entitled to maternity or paternity leave. In 2020, 9,421 employees had this right, 4,675 women and 4,746 men. These numbers do not include interns and apprentices. From this total, 339 started their leave during the year, of which 215 were women and 124 men, and only two women and one man did not return.

TIM grants its employees many benefits, which stimulates them to return to work after periods of leave. In 2020, considering employees who ended their leave in 2019, 463 returned to work and 367 (79%) remained on the job for at least 12 months after returning.

GRI 401-3

WORK-RELATED INJURIES GRI 403-9

| | 2018 | 2019 | 2020 |
|---|------|------|------|
| Number of work-related accidents | 14 | 7 | 4 |
| Frequency rate (Total number of accidents, multiplied by one million, divided by man/hours worked) | 0.8 | 0.4 | 0.3 |
| Severity rate (Number of days lost due to work accidents, multiplied by one million, divided by man/hours worked) | 9.9 | 5.6 | 1.8 |

MATERNITY/PATERNITY LEAVE GRI 401-3

| | 2018 | | 2019 | | 2020 | |
|---|-------|-------|-------|-------|----------------|-------|
| | Men | Women | Men | Women | Men | Women |
| Number of employees entitled to take maternity or paternity leave | 4,899 | 4,762 | 4,919 | 4,781 | 4,746 | 4,675 |
| Number of employees who took maternity or paternity leave | 134 | 259 | 152 | 220 | 124 | 215 |
| Number of employees who returned to work after maternity or paternity leave | 132 | 257 | 152 | 219 | 123 | 213 |
| Number of employees who returned to work after maternity or paternity leave and remained for at least 12 months | 101 | 243 | 123 | 244 | - ¹ | - |
| Retention rate | 75 | 70 | 79 | 79 | - | - |

¹ It will only be possible to do the 2020 calculation of the number of employees remaining for at least 12 months after their return from leave, as well as the retention rate, at the end of 2021.

Human Rights

TIM believes that protecting human rights should be part of the mission of all organizations. Before looking outwards, the company conducts a periodic due diligence process to assess respect for and the guarantee of human rights, seeking to identify risks and potential impacts.

As part of this process, TIM requires strategic areas affected by this question to respond to the Global Compact Human Rights Capacity Diagnostic (HRCDD) self-assessment questionnaire to verify the level of engagement and management capacity in human rights.

The last self-assessment was conducted in 2018 and the average result was 3, on a scale from 1 to 6, which represents an efficient level of management maturity. No remediation measures were identified as being necessary in the due diligence process.

According to the mapping undertaken by TIM children and adolescents; women; persons with disabilities; and the elderly are the most vulnerable audiences.

Accordingly, the company is able to examine its impacts, elaborate action plans to guarantee these rights and to communicate any cases of restrictions or violation of rights transparently. The company adopts the UN Guiding Principles on Business and Human Rights (John Ruggie Principles) to conduct this assessment.

TIM has been committed to human rights since it joined the UN Global Compact in 2008.

For the company, the concept of human rights means treating all people with dignity, respecting and ensuring the non-violation of internationally recognized rights, including workers' rights and the right to non-discrimination.

Employing a broader concept, TIM recognizes that aspects of its business, such as data privacy, a secure internet, access to information and freedom of expression are unalienable human rights that must be recognized and respected. [GRI 102-12](#)

Employees at all levels and TIM's stakeholder groups are bound by a set of internal standards that certify the company's commitment: the TIM Group Human Rights Policy; the Supplier Relations Policy; and the Social Responsibility Policy. All these policies are available on the [website](#). The Code of Ethics and Conduct is also important in this context and may be found on the [website](#).

These standards prohibit child labor and forced or compulsory labor, discrimination and psychological and sexual harassment. They place value on diversity and guarantee freedom of association and the right to



Since 2008, TIM has been a signatory to the Global Compact

collective bargaining (*read more in Ethics and governance in business on [page 30](#)*).

The online Human Rights course is available for all employees on the TIM training platform.

In 2020, TIM received 20 reports related to human rights on its Whistleblower Channel, all of which were resolved during the year. Among these, five were related to threats or coercion (one of which was substantiated) and 15 were relative to privacy, of which five were substantiated. TIM took the applicable corrective measures, such as the correction of customer records and internal alignment.

Instituto TIM

The Instituto TIM reinforces and orientates the company's ESG and social investment strategy. To promote human development in Brazil, the organization believes in and acts to promote the democratization of knowledge, science and technology, employing innovation to leverage transformation.

Founded in 2013, the Instituto TIM has benefited over 700,000 people, and its actions have impacted some 500 cities in every state in Brazil. The institutes's projects concentrate on four principles. See the table at the side.

+ [Further information about the Instituto TIM here.](#)



TEACHING:

The institute develops and democratizes educational approaches and resources that contribute towards teaching science and mathematics.



APPLICATIONS:

It invests in technological solutions that contribute towards human development.



WORK:

It creates and democratizes teaching strategies that promote the productive technological inclusion of young people.



INCLUSION:

The institute promotes civic awareness and the diffusion of knowledge.

Projects

INSTITUTO TIM – OBMEP SCHOLARSHIPS

For six years the program has offered study scholarships for medal winning students in the Brazilian Public School Mathematics Olympics (OBMEP) who come from low-income families and have entered public universities. Financial support for up to four years is offered to young gold, silver or bronze medal winners in any edition of the Olympics who have been approved on Astronomy, Biology, Computing, Economics, Engineering, Statistics, Physics, Mathematics, Medicine and Chemistry courses. In 2020, 50 new grantees were selected for the program, which currently benefits 199 students in 55 universities all over Brazil.

ACADEMIC WORKING CAPITAL (AWC)

This is an enterprise-oriented education program providing support for university students who want to transform their course conclusion projects into technology-based businesses. The students receive training, mentoring and financial support to buy the materials necessary for the development of prototypes. The finalized projects are pre-

sented at an investment fair involving the participation of angel investors. Since 2015, 400 university students have been involved, some 150 projects have been supported and 50 start-ups have been funded. In 2020, Mvisia, a start-up developed in the 2015 edition of the AWC, had 51% of its capital acquired by WEG, a Brazilian multinational electrical equipment manufacturer.

GARATÉA

The project promotes the study of space sciences and selects Brazilian students to participate in the North American Student Spaceflight Experiments Program (SSEP). Sponsored by the Instituto TIM, Garatέα-ISS is an initiative of the Missão Garatέα, a space consortium formed by the University of São Paulo (USP) and the Physics and Chemistry support foundation FAFQ (Fundação de Apoio à Física e à Química). Even though the project activities in schools were suspended due to the Covid-19 pandemic, the organizers maintained the selection of the best project. The winning experiment in the 2019/2020 Cycle was: “The influence of microgravity

on the degradation of lactose and the development of intestinal flora bacteria”. Proposed by second year students at the Regina Coeli school in Sorriso (Mato Grosso), the experiment was taken for tests in space on board a Space X rocket at the end of 2020.

BATERIA DO INSTITUTO TIM (INSTITUTO TIM PERCUSSION BAND)

The initiative includes children, adolescents and adults, many of who have some type of disability, and promotes social integration through musical education. With around 50 members resident in Rio de Janeiro (RJ), the



An experiment in the Garatέα project was tested in space by Nasa



band receives professional support from a conductor, musician monitors and a Brazilian Libras sign language interpreter. The group participates in major events on a regular basis. In 2020, before the outbreak of the pandemic, the band performed in a pre-carnival event at the Centro de Referência da Música Carioca Artur da Távola and in the Mini Bloco Carnival, organized by the Tijuca children's block. With the beginning of recommendations of social distancing, a major effort was made to ensure the continuity of classes, rehearsals and presentations in an online environment. This experience was successful, with the result that none of the members left the project.

TIM TEC

The TIM Tec platform offers free open software courses aimed at professional education in ICT – information and communication technologies. There are also courses in this area for basic education teachers. The technology and the platform content are used by 23 federal and 2 state institutes on a distance learning basis. In 2020, as a result of the social isolation imposed by the pandemic, there was a 200% increase in enrollments for the 30 courses available in TIM Tec, which exceeded the mark of 100,000 registered users.

BUSCA ATIVA ESCOLAR (ACTIVE STUDENT PURSUIT)

The exclusion of 3.8 million children from school led the Instituto TIM to develop the technological solution Busca Ativa Escolar (Active Student Pursuit) in partnership with the United Nations Children's Fund (UNICEF). The initiative is intended to stimulate and facilitate the work of municipal authorities in finding these children and adolescents who are not attending school in Brazil, offering public administrators an innovative approach to the active pursuit of this audience. In 2020, more than 3,000 municipalities joined the platform, according to Unicef Brasil.

THE IMPACT OF THE PANDEMIC ON TEACHERS

The mental health of teachers in Brazil was sorely tested during the pandemic, but not more than previously. This was one of the conclusions of research promoted by the Instituto TIM, which sought to assess the effects of Covid-19 on the well-being of these professionals. Almost 70% of the teachers responding to the survey reported difficulties in adapting to remote classes; however, the pandemic did reveal a feeling of greater efficiency and optimism in relation to their career.

Public and private primary school teachers from different states in Brazil were interviewed between January and November 2020. Almost 80% declared that they work in economically vulnerable districts, teaching on average 30 hours a week to classes with around 28 students. A quarter of the respondents work in two or more schools and 24% work in some other professional activity to complement their income.

The study is one of the ramifications of the Math Circle of Brazil project, conducted by the Instituto TIM for seven years, with the goal of promoting a taste for this discipline. The program applies The Math Circle approach – created by the Harvard University professors Bob and Ellen Kaplan – which, among other concepts, uses errors as a key element for reflecting on and providing a basis for mathematical thinking.

200%
increase in
enrollments in **TIM TEC**

SOCIAL INVESTMENTS

TIM Private Social Investment Policy sets forth the strategic guidelines for the company's corporate citizenship actions. The policy may be accessed on the [website](#).

TIM social investment is channeled into donations, Instituto TIM projects and the sponsorship of social projects. In 2020, the company undertook social investments in excess of R\$ 12 million, as shown in the table at the side.



SOCIAL INVESTMENTS (R\$ THOUSANDS)

| | 2018 | 2019 | 2020 ² |
|-------------------------------|--------------|---------------|--------------------------|
| Donations¹ | 73 | 124 | 265 |
| Instituto TIM Projects | 3,703 | 3,733 | 4,173 |
| Education | 2,071 | 2,585 | 2,880 |
| Applications | 188 | - | - |
| Work | 600 | 621 | 600 |
| Inclusion | 190 | 457 | 230 |
| Others | 654 | 70 | 463 |
| Community Initiatives | 4,760 | 6,550 | 8,058³ |
| Sports sponsorship | - | - | - |
| Cultural sponsorship | 4,760 | 6,450 | 8,058 |
| Others | - | 100 | - |
| Total | 8,536 | 10,407 | 12,496 |

¹ In 2020, there were no donations of products or services.

² Management expenses totaled R\$ 447,504.00 in 2020. The monetary equivalent of the hours of volunteer work done by employees in 2020 was R\$ 2,694.99.

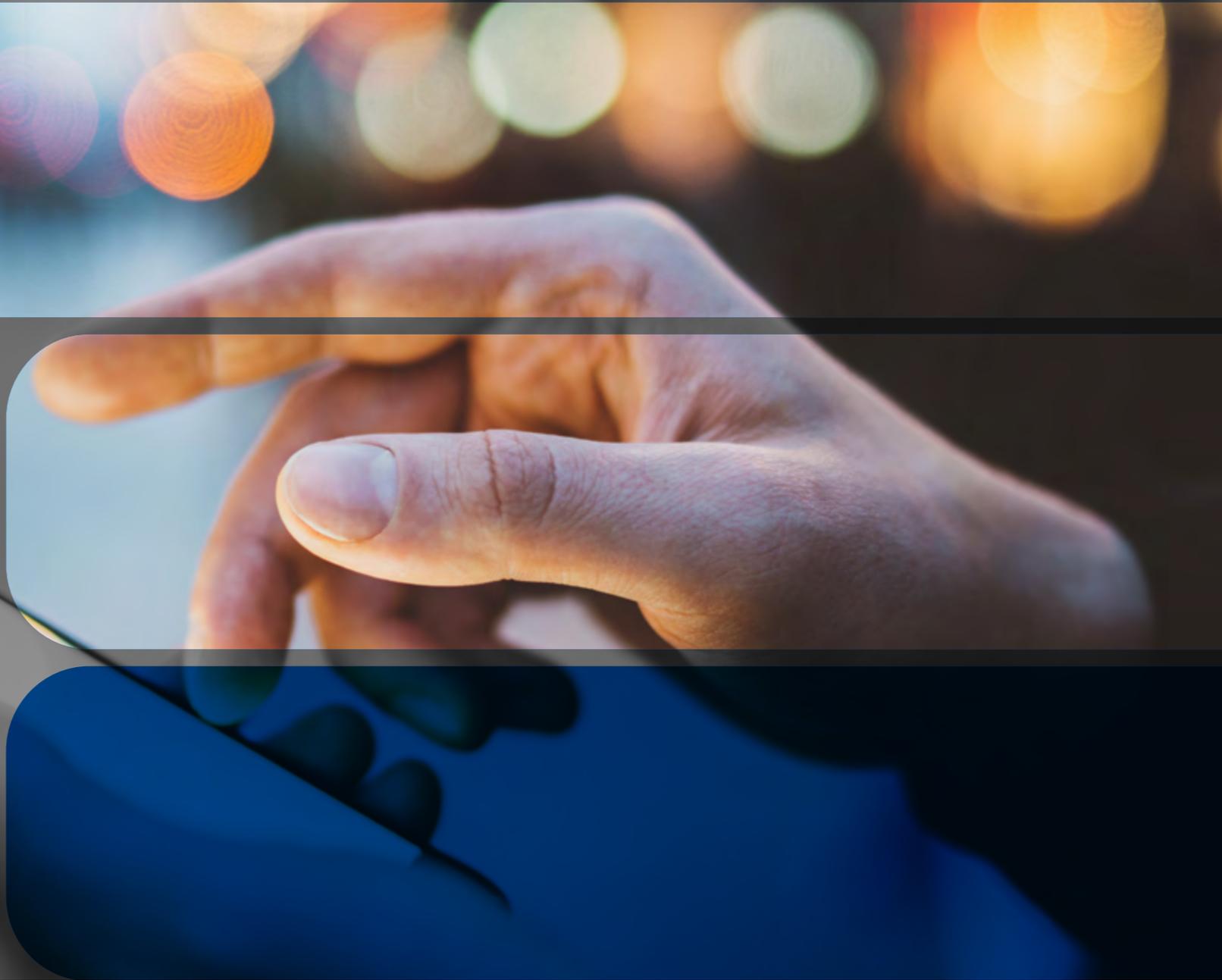
³ Tax incentives are included in the total amount invested in this category and account for approximately 95% of the investment in Community Initiatives.

05

ATTACHMENTS

> SASB

> Certifications



Attachments

SASB

| SASB topic | SASB code | SASB metric | 2020 data | Page | |
|---------------------------------------|--------------|---|--|--|----|
| Environmental Footprint of Operations | TC-TL-130a.1 | (1) Total energy consumed (GJ) | (1) 2,288,041 GJ | 60 and 61 | |
| | | (2) Percentage grid electricity (%) | (2) 36% | | |
| | | (3) Percentage renewable (%) | (3) 64% | | |
| Data Privacy | TC-TL-220a.1 | Description of policies and practices relating to behavioral advertising and customer privacy | Information in the chapter on Privacy and Data Protection and in the TIM Privacy Center: https://site.tim.com.br/ac/atendimento/lgpd | 53 | |
| | TC-TL-220a.2 | Number of customers whose information is used for secondary purposes (number) | Information in the chapter on Privacy and Data Protection. | 54 | |
| | TC-TL-220a.3 | Total amount of monetary losses as a result of legal proceedings associated with customer privacy (reporting currency, R\$) | R\$ 2,068,985.00 | 54 | |
| | TC-TL-220a.4 | (1) Number of law enforcement requests for customer information (number) | (1) 1,477,624 | (2) Currently it is not possible to calculate the number of customers affected by requests for information with accuracy because different authorities may request the same data on different occasions. | 54 |
| | | (2) Number of customers whose information was requested (number) | (2) Currently it is not possible to calculate the number of customers affected by requests for information with accuracy because different authorities may request the same data on different occasions. | | |
| | | (3) Percentage resulting in disclosure (%) | (3) 100% | | |

| SASB topic | SASB code | SASB metric | 2020 data | Page |
|---|--------------|--|---|------|
| Data Security | TC-TL-230a.1 | (1) Number of data breaches (number) | (1) 0 | 54 |
| | | (2) Percentage involving personally identifiable information (PII) (%) | (2) 0% | |
| | | (3) Number of customers affected (number) | (3) 0 | |
| | TC-TL-230a.2 | Description of approach to identifying and addressing data security risks, including use of third-party cybersecurity standards | Information in the chapter on Privacy and Data Protection. | 55 |
| Product End-of-Life Management | TC-TL-440a.1 | (1) Materials recovered through take back programs (t) | (1) 0 t | 63 |
| | | (2) Percentage of recovered materials that were reused (%) | (2) 0% | |
| | | (3) Percentage of recovered materials that were recycled (%) | (3) 0% | |
| | | (4) Percentage of recovered materials that were landfilled (%) | (4) 0% | |
| Managing Systemic Risks from Technology Interruptions from Technology Disruptions | TC-TL-550a.1 | (1) System average interruption frequency (disruptions per customer) | (1) 0.005 | 35 |
| | | (2) Customer average interruption duration (hours per customer) | (2) 0.06 | |
| | TC-TL-550a.2 | Discussion of systems to provide unimpeded service during service interruptions | Information in chapter on Risk Management. | 35 |
| Competitive Behavior and Open Internet | TC-TL-520a.1 | Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations (reporting currency, R\$) | R\$ 0.00 | 33 |
| | TC-TL-520a.2 | Average actual sustained download speed of: (1) owned and commercially-associated content and (2) non-associated content (Mbps) | TIM does not measure download speed as specified in the standard. | |
| | TC-TL-520a.3 | Description of risks and opportunities associated with net neutrality, paid peering, zero rating, and related practices. | Information in the chapter Operation. | 41 |

Activity metrics

| SASB Topic | SASB Code | SASB metric | 2020 data | Page |
|------------|-------------|---------------------------------|------------|------|
| - | TC-TL-000.A | Number of wireless subscribers | 51,432,502 | 27 |
| - | TC-TL-000.B | Number of wireline subscribers | 926,925 | 27 |
| - | TC-TL-000.C | Number of broadband subscribers | 645,000 | 27 |
| - | TC-TL-000.D | Network traffic (Petabytes) | 4,604 | 60 |

Certifications

| Certification | Area certified | Scope |
|--|---|---|
| ISO 37001:2016 Anti-Bribery Certification Acquisition: since 2021 | National Telecommunications Service: mobile (personal mobile service), fixed (switched fixed telephone service) and broadband (multimedia communication service) TIM S.A. | National |
| ISO 9001:2015 Quality Certification Acquisition: since 2000 | TIM S.A. Network Management | National. Operating units where processes are executed: Minas Gerais, Rio de Janeiro, São Paulo, Pará, Paraná, Pernambuco and Brasilia. |
| ISO 9001:2015 Quality Certification Acquisition: since 2005 | Fixed and post-paid and pre-paid mobile billing management for TIM S.A. carriers | National. Operating units where processes are executed: Rio de Janeiro and São Paulo. |
| ISO 14001:2015 Environmental Certification Acquisition: since 2010 | TIM S.A. network management and operation | Rio de Janeiro, São Paulo and Espírito Santo. |
| ANATEL Portability Regulatory certification Acquisition: since 2018 | Provision of Portability Service (RGP General Portability Regulation - Attachment of Ordinance 460/2007). | National. Operating units where processes are executed: Rio de Janeiro and São Paulo. |

GRI Content Summary

GENERAL DISCLOSURES

GRI 101: Foundation 2016

GRI 101 no disclosures

Organizational profile

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|------|----------|-------------------------------|
| GRI 102: General disclosures 2016 | 102-1 Name of organization | 22 | | |
| | 102-2 Activities, brands, products and services | 22 | | |
| | 102-3 Location of organization's head office | 22 | | |
| | 102-4 Location of operations | 22 | | |
| | 102-5 Ownership and legal form | 22 | | |
| | 102-6 Markets served | 22 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|--|----------|-------------------------------|
| GRI 102: General disclosures 2016 | 102-7 Scale of organization | 26 | | |
| | 102-8 Information on employees and other workers | 72 | | 8, 10 |
| | 102-9 Supply chain | 51 | | |
| | 102-10 Significant changes in the organization and its supply chain | 22 | | |
| | 102-11 Precautionary principle or approach | 34 | | |
| | 102-12 External initiatives | 15 and 87 | | |
| | 102-13 Membership of associations | Contributions to associations: ABR: R\$ 23,242,585.00 ; ITS: R\$ 36,579.51 ; IIC: R\$ 39,624.10 ; IBRAC: R\$ 4,104.00 ; ABERJE: R\$ 148,824.00 ; GIFE: R\$ 40,000.00 ; GEI: R\$ 4,500.00 ; Ethos: R\$ 26,000.00 ; Abrinq.: R\$ 16,031.0 ; Chamber Italo SP: R\$ 4,000.00 ; Chamber Italo RJ: R\$ 9,810.00 ; Global Compact : R\$ 41,500.00; Conexis: R\$ 2,156,448.79; Telebrasil: R\$ 129,344.32; GSMA: R\$ 735,832.47 | | |
| Strategy | | | | |
| GRI 102: General disclosures 2016 | 102-14 Statement from senior decision maker | 3 | | |
| Ethics and integrity | | | | |
| GRI 102: General disclosures 2016 | 102-16 Values, principles, standards and norms of behavior | 21 and 34 | | 16 |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|--|----------|-------------------------------|
| Governance | | | | |
| GRI 102: General disclosures 2016 | 102-18 Governance structure | 24 and 34 | | |
| Stakeholder engagement | | | | |
| | 102-40 List of stakeholder groups | 11 | | |
| | 102-41 Collective bargaining agreements | 100% of the company continues to be covered by collective bargaining agreements. | | 8 |
| GRI 102: General disclosures 2016 | 102-42 Identifying and selecting stakeholders | 11 | | |
| | 102-43 Approach to stakeholder engagement | 11 and 13 | | |
| | 102-44 Key topics and concerns raised | 11 | | |
| Reporting practice | | | | |
| | 102-45 Entities included in the consolidated financial statements | 18 | | |
| GRI 102: General disclosures 2016 | 102-46 Defining report content and topic boundaries | 11 and 12 | | |
| | 102-47 List of material topics | 11 and 12 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|---------------|----------|-------------------------------|
| GRI 102: General disclosures 2016 | 102-48 Restatements of information | 77, 78 and 79 | | |
| | 102-49 Changes in reporting | 18 | | |
| | 102-50 Reporting period | 18 | | |
| | 102-51 Date of most recent report | 18 | | |
| | 102-52 Reporting cycle | 18 | | |
| | 102-53 Contact point for questions regarding the report | 18 | | |
| | 102-54 Claims of reporting in accordance with the GRI Standards | 18 | | |
| | 102-55 GRI content index | 96 | | |
| | 102-56 External assurance | 18 | | |

MATERIAL TOPICS

Economic performance

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|------------------------------------|--|------|----------|-------------------------------|
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 | | |
| | 103-2 Management approach and its components | 29 | | |
| | 103-3 Evaluation of management approach | 29 | | |
| GRI 201: Economic performance 2016 | 201-1 Direct economic value generated and distributed | 29 | | 8, 9 |
| | 201-2 Financial implications and other risks and opportunities due to climate change | 36 | | 13 |
| | 201-4 Financial assistance received from government | 14 | | |

Indirect economic impacts

| | | | | |
|---|--|-----------|--|----------|
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 69 | | |
| | 103-2 Management approach and its components | 39 | | |
| | 103-3 Evaluation of management approach | 39 | | |
| GRI 203: Indirect economic impacts 2016 | 203-1 Investments in infrastructure and services supported | 40 and 70 | | 5, 9, 11 |
| | 203-2 Significant indirect economic impacts | 39 and 70 | | 1, 3, 8 |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-------------------------------------|---|---------------|----------|-------------------------------|
| Procurement practices | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 | | |
| | 103-2 Management approach and its components | 52 | | |
| | 103-3 Evaluation of management approach | 52 | | |
| GRI 204: Procurement practices 2016 | 204-1 Proportion of spending on local suppliers | 52 | | 8 |
| Anti-corruption | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 30 | | |
| | 103-2 Management approach and its components | 30 | | |
| | 103-3 Evaluation of management approach | 30 | | |
| GRI 205: Anti-corruption 2016 | 205-1 Operations assessed for risks related to corruption | 31 and 32 | | 16 |
| | 205-2 Communication and training in anti-corruption policies and procedures | 31, 32 and 52 | | 16 |
| | 205-3 Confirmed incidents of corruption and actions taken | 32 | | 16 |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|---|---|-----------|----------|-------------------------------|
| Anti-competitive behavior | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 59 | | |
| | 103-2 Management approach and its components | 30 | | |
| | 103-3 Evaluation of management approach | 30 | | |
| GRI 206: Anti-competitive behavior 2016 | 206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | 33 | | 16 |
| Materials | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 59 | | |
| | 103-2 Management approach and its components | 62 | | |
| | 103-3 Evaluation of management approach | 62 | | |
| GRI 301: Materials 2016 | 301-1 Materials used by weight or volume | 63 | | 8, 12 |
| | 301-3 Reclaimed products and their packaging materials | 62 and 63 | | 8, 12 |
| Energy | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 59 | | |
| | 103-2 Management approach and its components | 59 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|--|-----------|----------|-------------------------------|
| GRI 103: Management approach 2016 | 103-3 Evaluation of management approach | 59 | | |
| | 302-1 Energy consumption within the organization | 61 | | 7, 8, 12, 13 |
| | 302-4 Reduction of energy consumption | 60 | | 7, 8, 12, 13 |
| Water and Effluents | | | | |
| GRI 103: Management approach 2018 | 103-1 Explanation of the material topic and its boundary | 67 | | |
| | 103-2 Management approach and its components | 67 | | |
| | 103-3 Evaluation of management approach | 67 | | |
| GRI 303: Water and Effluents 2018 | 303-1 Interactions with water as a shared resource | 67 | | 6, 12 |
| | 303-2 Management of water discharge-related impacts | 67 | | 6 |
| | 303-3 Water withdrawal | 67 | | 6, 8, 12 |
| Biodiversity | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 57 | | |
| | 103-2 Management approach and its components | 57 | | |
| | 103-3 Evaluation of management approach | 57 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|---------------|----------|-------------------------------|
| GRI 304: Biodiversity 2016 | 304-2 Significant impacts of activities, products, and services on biodiversity | 58 | | 6, 14, 15 |
| Emissions | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 64 | | |
| | 103-2 Management approach and its components | 64 | | |
| | 103-3 Evaluation of management approach | 64 | | |
| GRI 305: Emissions 2016 | 305-1 Direct (Scope 1) GHG emissions | 64 and 65 | | 3, 12, 13, 14, 15 |
| | 305-2 Energy Indirect (Scope 2) GHG emissions | 64, 65 and 66 | | 3, 12, 13, 14, 15 |
| | 305-3 Other indirect (Scope 3) GHG emissions | 65 | | 3, 12, 13, 14, 15 |
| | 305-4 GHG emissions intensity | 66 | | 13, 14, 15 |
| | 305-5 Reduction in GHG emissions | 64 | | 13, 14, 15 |
| Effluents and waste | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 62 | | |
| | 103-2 Management approach and its components | 12 and 62 | | |
| | 103-3 Evaluation of management approach | 62 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|--|--|--|----------|-------------------------------|
| GRI 306: Effluents and waste 2016 | 306-1 Water discharge by quality and destination | 67 | | |
| | 306-2 Waste by type and disposal method | 63 | | |
| Environmental compliance | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 57 | | |
| | 103-2 Management approach and its components | 57 | | |
| | 103-3 Evaluation of management approach | 57 | | |
| GRI 307: Environmental compliance 2016 | 307-1 Non-compliance with environmental laws and regulations | 58 | | |
| | | <p>In 2020, non-monetary sanctions totaled 56.</p> <p>One notification of infraction n° 1041/2019, issued by the Municipal Environment and Sustainability department - SEMAS (São João de Meriti - Rio de Janeiro). Upon presentation of an administrative defense by the TIM legal area, the company's arguments were accepted, leading to the cancellation of the fine.</p> <p>One notification of breach of municipal law n.º 1756/2010 that was altered by law n.º 1837/2012</p> | 16 | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|---|---|------|----------|-------------------------------|
| Supplier environmental assessment | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 51 | | |
| | 103-2 Management approach and its components | 51 | | |
| | 103-3 Evaluation of management approach | 51 | | |
| GRI 308: Supplier environmental assessment 2016 | 308-1 New suppliers that were screened using environmental criteria | 52 | | |
| Employment | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 73 | | |
| | 103-2 Management approach and its components | 73 | | |
| | 103-3 Evaluation of management approach | 73 | | |
| GRI 401: Employment 2016 | 401-1 New employee hires and employee turnover | 78 | | 5, 8, 10 |
| | 401-3 Parental leave | 86 | | |
| Occupational health and safety | | | | |
| GRI 103: Management approach 2018 | 103-1 Explanation of the material topic and its boundary | 82 | | |
| | 103-2 Management approach and its components | 82 | | |
| | 103-3 Evaluation of management approach | 82 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|--|---|--|----------|-------------------------------|
| GRI 403: Occupational health and safety 2018 | 403-1 Occupational health and safety management system | Around 95% of TIM employees were represented by the Internal Accident Prevention Commission (Cipa) and formal health and safety committees | | 8 |
| | 403-2 Hazard identification, risk assessment and incident investigation | 83 | | 8 |
| | 403-3 Occupational health services | 83 | | 8 |
| | 403-4 Worker participation, consultation, and communication on occupational health and safety. | 84 | | 8, 16 |
| | 403-5 Worker training on occupational health and safety | 84 | | 8 |
| | 403-6 Promotion of worker health | 82 | | 3 |
| | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships | 87 | | 8 |
| | 403-8 Workers covered by an occupational health and safety management system | 83 | | 8 |
| | 403-9 Work-related injuries | 82 and 86 | | 3, 8, 16 |
| | 403-10 Work-related ill health | 84 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
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| Training and education | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 80 | | |
| | 103-2 Management approach and its components | 80 | | |
| | 103-3 Evaluation of management approach | 80 | | |
| GRI 404: Training and education 2016 | 404-1 Average hours of training per year per employee | 81 | | 4, 5, 8, 10 |
| | 404-2 Programs for upgrading employee skills and transition assistance programs | | There is a clause in employee collective bargaining agreements whereby employees with less than 24 months to go until acquiring the right to retirement are indemnified, receiving the amount the employee would have to pay during the period to acquire the right to retirement. | |
| Diversity and equal opportunity | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 73 | | |
| | 103-2 Management approach and its components | 73 and 74 | | |
| | 103-3 Evaluation of management approach | 73 and 74 | | |
| GRI 405: Diversity and equal opportunity 2016 | 405-1 Diversity of governance bodies and employees | 73 | | 5, 8 |
| | 405-2 Ratio of basic salary and remuneration of women to men | 73 and 77 | | 5, 8, 10 |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
|-----------------------------------|---|-----------|----------|-------------------------------|
| Non-discrimination | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 73 | | |
| | 103-2 Management approach and its components | 73 and 75 | | |
| | 103-3 Evaluation of management approach | 73 and 75 | | |
| GRI 406: Non-discrimination 2016 | 406-1 Incidents of discrimination and corrective actions taken | 73 and 75 | | 5, 8 |
| Child labor | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 51 | | |
| | 103-2 Management approach and its components | 51 | | |
| | 103-3 Evaluation of management approach | 51 | | |
| GRI 408: Child labor 2016 | 408-1 Operations and suppliers at significant risk for incidents of child labor | 51 | | 8, 16 |
| Forced or compulsory labor | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 53 | | |
| | 103-2 Management approach and its components | 51 | | |
| | 103-3 Evaluation of management approach | 51 | | |

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| GRI 409: Forced or compulsory labor 2016 | 409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor | 51 | | 8 |
| Supplier social assessment | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 51 | | |
| | 103-2 Management approach and its components | 51 | | |
| | 103-3 Evaluation of management approach | 51 | | |
| GRI 414: Supplier social assessment 2016 | 414-1 New suppliers that were screened using social criteria | 52 | | 5, 8, 16 |
| Public policy | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 30 | | |
| | 103-2 Management approach and its components | 33 | | |
| | 103-3 Evaluation of management approach | 33 | | |
| GRI 415: Public policy 2016 | 415-1 Political contributions | 33 | | 16 |
| Marketing and labeling | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 47 | | |
| | 103-2 Management approach and its components | 31 and 47 | | |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
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| GRI 103: Management approach 2016 | 103-3 Evaluation of management approach | 31 and 47 | | |
| | 417-1 Requirements for product and service information and labeling | 31 | | 16 |
| | 417-3 Incidents of non-compliance concerning marketing communications | 33 | | 16 |
| Customer privacy | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 53 | | |
| | 103-2 Management approach and its components | 53 | | |
| | 103-3 Evaluation of management approach | 53 | | |
| GRI 418: Customer privacy 2016 | 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data | 54 | | 16 |

| GRI Standard | Content | Page | Omission | Sustainable Development Goals |
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| Socio-economic compliance | | | | |
| GRI 103: Management approach 2016 | 103-1 Explanation of the material topic and its boundary | 12 and 30 | | |
| | 103-2 Management approach and its components | 54 | | |
| | 103-3 Evaluation of management approach | 54 | | |
| GRI 419: Socio-economic compliance 2016 | 419-1 Non-compliance with laws and regulations in the social and economic areas | 33 and 70 | | 16 |

Assurance Report (EY)

Independent Auditors' Limited Assurance Report on the TIM S.A.'s Annual ESG Report 2020 based on GRI – Standards (In accordance – “Core”), Sustainability Accounting Standards Board (SASB) and Specifications of the Brazilian GHG Protocol Program.

To
the Administrators
and Shareholder of **TIM S.A.**

Rio de Janeiro – RJ

Introduction

We were engaged by TIM S.A. management to present our limited assurance report on the information contained in the Annual ESG Report based on Global Reporting Initiative (“GRI”) – Standards, Sustainability Accounting Standards Board (SASB) and the Greenhouse Gases Inventory (GHG Protocol), for the twelve-month period ended December 31, 2020 (“Report”).

TIM S.A.'s management responsibilities

TIM S.A.'s management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – “Core”), Sustainability Accounting Standards Board (SASB), Brazilian GHG Protocol Program (Greenhouse Gases Inventory)

and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the TIM S.A.'s Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon Nº 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from TIM S.A. who were involved in the preparation of the Report, as well as of the application of

additional procedures deemed necessary to obtain evidence which enables us to conclude on

the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from TIM S.A. The procedures comprised:

- (a) the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- (b) the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;

- (c) the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- (d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI and Sustainability Accounting Standards Board (SASB) applicable in the preparation of the information contained in the ESG Report, and Specifications of the Brazilian GHG Protocol Program for the Greenhouse Gases Inventory.

We believe that the evidence obtained in our work was enough and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, TIM S.A.'s internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject to the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the ESG Report, for the twelve-month period ended December 31, 2020, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI's based on requirements of the Global Reporting Initiative – Standards (In accordance – “Core”), Sustainability Accounting Standards Board (SASB) and Specifications of the Brazilian GHG Protocol

Program.
São Paulo (SP), May 12th, 2021..

ERNST & YOUNG
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