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the CEO

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Message from the CEO ¹⁰²⁻¹⁴

Pietro Labriola
CEO



2019 was a period of significant recovery and growth for TIM, whose results and achievements we present in yet another Sustainability Report. But it is impossible to begin this opening message without taking into account the current moment we are experiencing in 2020: a year in which a pandemic spread suddenly across continents, undoubtedly signaling the beginning of a new era for our society.

In this extremely complex conjuncture, telecommunications play an essential role. Without a doubt, the sector has been the backbone of personal and professional relations. Technology helped us to work, study, consume, receive information and – above all – overcome barriers in order to stay close to people during this period of social distancing. I am certain that many of these changes are here to stay. In this new reality,

our activities will be even more important. And everything we achieved in 2019 will motivate us to overcome future challenges.

Last year, TIM demonstrated the strength of its strategy based on innovation and the best experience for the customer. As a result, we achieved the company's best normalized Ebitda ever: R\$ 6.8 billion, with a growth margin of 39% in the year, 6.7% higher than in 2018. The normalized net income was R\$ 2,049 million, 32.1% up on 2018. With these indicators, in February 2020 we received an Initial National Long-Term Rating of AAA(bra), from the risk classification agency Fitch Ratings (Fitch), attesting to the financial security of our business and reinforcing our credibility with shareholders and investors. The user base continued to undergo constant transformation thanks to our strategy of focusing on customer value. We ended the

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year with 54.4 million users, of which 21.5 million were postpaid, growing 6.1% year on year. This segment reached its highest proportion of the total base: 39.4%. In the prepaid segment, TIM maintained market leadership and expanded its market share for the second consecutive quarter. TIM Live fixed ultrabroadband reached 12 new cities in 2019, totaling 566,000 customers (an increase of 21.1%), covering 25 municipalities in the country.

This robust business performance was only possible because we invested heavily in infrastructure to keep our customers connected. We maintained our leadership in 4G coverage, with 3,477 municipalities, representing 94% of the country's urban population. Data traffic on the fourth generation network exceeded 85%. We advanced in the present, but we have our sights on the future. In 2019, we pioneered tests in 5G technology in Brazil. We formed partnerships with teaching institutions, technology providers and start-up hubs, creating four 5G Living Labs to study the new technology: Florianópolis (SC), Santa Rita do Sapucaí (MG), Campina Grande (PB) and in the Cubo Itaú, in São Paulo.

The company's positive financial and operating results also stem from the responsibility with which we run the business: based on efficiency, accountability and compliance, adopting processes aligned with the recommendations and requirements of Brazil's B3 Novo Mercado. The constant pursuit of best environmental, social and governance practices ensured our presence on the B3 Corporate Sustainability Index (ISE) for the 12th year running, the longest consecutive presence on the index of any company in the telecommunications sector. TIM was also awarded the Pró-Ética seal on its first application.

To ensure greater transparency in communication and shape company Environmental, Social and Governance (ESG) performance, we updated the TIM materiality matrix, which sets forth the ten most relevant topics for the company in accordance with the vision of our main stakeholders. We are also assuming long-term commitments in the management of ESG aspects, for the first time ever incorporating them into the TIM Group 2020-2022 Strategic Plan. Our targets are linked with the material topics and with

the Sustainable Development Goals (SDGs), part of the United Nations Organization (UNO) 2030 agenda.

I could not end this message without mentioning our employees. Human capital is our greatest value and is directly responsible for innovation in our business. These people ensured our results in 2019 and carried on working with great dedication, even at a difficult moment for Brazil and for the world. We are proud of having adopted home office for 100% of the company' direct employees whose activities may be executed remotely in record time, including call center and network monitoring operations, during the combat against transmission of the new coronavirus. The resilience and motivation of our team show us that we are ready to face the new global scenario.

Pietro Labriola
CEO

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TIM is aware that technology plays an essential role in combating the crisis and inhibiting the dissemination of the virus. Below we describe the main initiatives implemented by the carrier during this period.

Employees

- Adoption of home office nationwide for all direct employees whose activities could be executed remotely from March 20, 2020. TIM was also the first carrier to convert its entire in-house call center operation to remote work. The remote working rate at external partners is already in excess of 50%.
- Virtualization of accesses used by field

technicians by means of the TIM Cloud UC, a solution in the company's corporate segment portfolio, enabling around 500 employees from two network monitoring centers to execute their functions remotely, maintaining full service quality.

- Development of a contingency and risk mitigation plan to preserve the health and operational continuity of the field teams engaged in maintaining the transport network, access and industrial building infrastructure. Employees receive ongoing virtual training on how to execute external activities and repairs.
- Understanding how social distancing in conjunction with the fear arising from

the uncertainties associated with the pandemic could affect the emotional health of employees, the company extended its Personal Support Program to operate 24 hours a day, seven days a week. The initiative provides psychological, legal and nutritional support and even physiotherapy and personal training services for employees and family members.

- Combining the dynamics of private initiative with government measures, TIM will guarantee the net income of employees whose work contracts are suspended for up to two months. The solution ensures maintenance of salary levels and job stability for double the suspension period. Employees maintain access to the benefit plan at the cost of the company throughout the suspension.

Customers

- Concession of an internet access bonus of up to 2GB for users in all segments (prepaid, postpaid and control).

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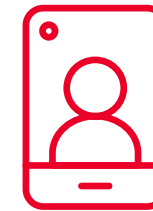
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- Duplication of the international roaming data allowance in the United States and Europe for customers caught outside of Brazil during a period in which international travel is extremely difficult.
- To encourage remote working, the TIM Live fixed ultrabroadband service ensures unlimited traffic with UBB download and upload speeds far higher than the market average. Additionally, in the mobile segment there is no data traffic discount for use of Microsoft Office 365 tools for all postpaid customers, with free access to services such as Outlook and Microsoft Teams. Diverse plans also benefit from TIM Protect Backup, permitting users to save and share data in the cloud.
- Reinforcement of entertainment contents, with the free inclusion of apps for children (TIM Games and Playkids). These are in addition to the contents already available on the operator's existing plans: Netflix subscription included in TIM Black Família; TIM Banca Virtual for reading newspapers and

magazines; applications for reading books, such as E-book by Skeelo and TIM Globo Livros; and Esporte Interativo, Cartoon Network, Looke and the FOX Networks Group channels in the TIM Live ultrabroadband packages.

- Temporary adjustments in payment and collection terms. Customers in the postpaid, control, corporate and TIM Live ultrabroadband plans who contact the operator in April may negotiate the payment of overdue bills in up to ten installments – instead of six – exempt from fine and interest.
- The company also offers six-day “restoration on trust”, reactivating the service interrupted due to delinquency for customers who communicate settlement of the debt in this period.
- For TIM Live ultrabroadband customers for whom service has been partially suspended an additional period at a reduced speed is guaranteed.

- TIM also provides help for lower income prepaid customers. From April 6, the validity of new credits of up to R\$ 20, nominally valid for 30 days, has been extended to 60 days.
- Incentives for digital service with an educational campaign on the social networks and on TV to assist customers during this period. On the MEU TIM app, for example, it is possible to obtain a copy



TIM provided customers with services and solutions during social isolation in support of quarantine measures.

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of the bill, recharge , control consumption in the plans and activate new offers, among other services. During quarantine, postpaid and control plan customers will receive an internet bonus the first time they log in to the application.

- Evolution in relationship and communication with customers by means of the innovative Cognitive Service Center based on artificial intelligence, as well as other digital service channels such as SMS, Chat TIM and WhatsApp.
- Access for all customers to the public health service SUS Coronavirus application and the Ministry of Health hotsite without consuming internet data allowance.

Institutions and society

- TIM was the first operator in Brazil to establish a technology partnership to fight Covid-19. Using the knowledge acquired during a similar project during the 2016 Olympics, in conjunction with the Rio de

Janeiro city government, the company developed a methodology for analyzing aggregated anonymous data.

- In parallel, in partnership with the main carriers in Brazil, on March 31 the company signed a sector agreement that offers legitimate public authorities access to anonymous data provided by the signatories to support measures of public interest aimed at combating and controlling the Covid-19 pandemic. The data provided by the mobile networks enable government authorities to assess the effectiveness of the restrictive measures implemented, to understand public mobility and to facilitate decision making.

- With a view to promoting conscious network use, TIM notified OTT providers, in particular streaming services, of the need to take effective measures to reduce the resolution of their contents in order to contain the significant increase in data traffic arising from the social isolation measures in place with no impact for smartphone users.
- TIM is prioritizing the requirements of its corporate subscribers in the government sector (in the federal, state and municipal spheres) and every effort is being made to ensure the highest possible level of availability, in particular for health institutions and hospitals. This is the case of the Pacaembu Stadium Field Hospital in the city of São Paulo, for which TIM Live

TIM granted free access to the SUS health service Coronavirus application and to the Ministry of Health hotsite.

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is providing high speed broadband access free of charge to ensure connectivity for healthcare professionals.

- Up until April 02, TIM had sent around 20 million SMS messages to users in 16 states and will remain available for this fundamental public information campaign in close cooperation with federal and local authorities.
- The company also produced a video in Libras, Brazilian sign language, available on its website, to provide orientation about Covid-19 for disabled users.
- TIM is participating in the #FiqueBemFiqueEmCasa (#StayWellStayAtHome) campaign, in conjunction with Claro, Oi and Vivo. In addition to presenting the companies' joint initiatives, the campaign offers the public a message of hope and encourages everyone to maintain social isolation in order to control the pandemic.

Instituto TIM

- The Instituto TIM provides 30 free distance learning courses on its TIM Tec platform. This vast content ranges over areas such as entrepreneurship, web structures, programming, text production, Java language programming, game programming, among others.
- In spite of the difficulties in this time of crisis, the Instituto TIM decided to maintain its university entrepreneurship program Academic Working Capital, whose 2020 edition will be adapted for remote participation. The initiative engages university students nearing the end of their course adopting a unique approach: around 400 students have participated and more than 30 start-ups have been set up.
- The TIM Group's experience in Italy has been important in anticipating and adapting the measures necessary to meet requirements for fighting the coronavirus in Brazil. TIM is confident that society will be united and will emerge from this situation even stronger.



TIM will continue to accompany the impacts of the crisis in 2020 and will provide further information in its next report.

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About the report

Communicating results: for 12 years the company has published this report for its main stakeholders.

For 12 years TIM Participações S.A. has published its Sustainability Report presenting its main financial and non-financial results to stakeholders. This edition, developed in accordance with the Core option of the Global Reporting Initiative (GRI) Standards methodology, provides qualitative and quantitative data on the company's operations in the period from January 1, 2019 to December 31, 2019.

The 2019 Sustainability Report provides limited assurance, undertaken by Ernst &

Young – EY, and its financial results take into account the operations of TIM Participações S.A. and its subsidiary TIM S.A., which operates in the mobile, fixed, long distance and data transmission markets in the whole of Brazil, and the ultrabroadband internet market in some states of the country. **102-45 102-50 102-52 102-54 102-56**

Any doubts, comments and suggestions about the 2019 Sustainability Report may be addressed to respsocialcorp@timbrasil.com.br. **102-53**



Access further results and information about the company at www.tim.com.br/sustentabilidade.



The TIM report is aligned with GRI Standards guidelines.

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Material topics for managing sustainability at TIM

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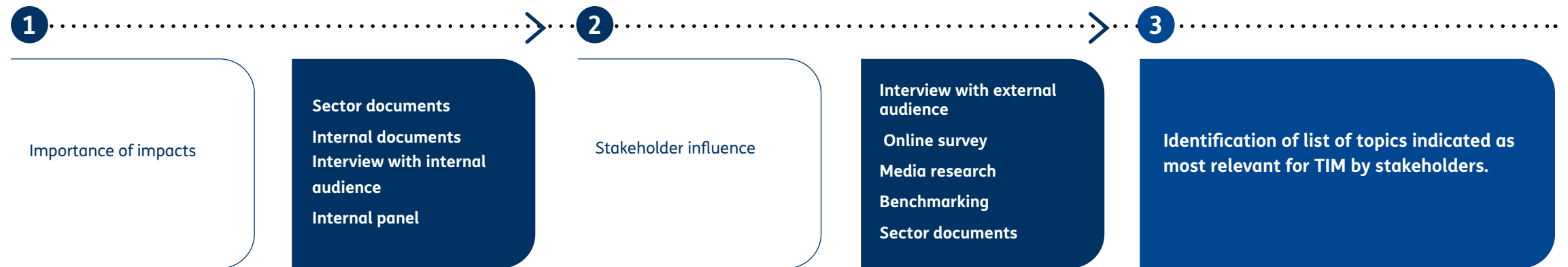
TIM conducts a periodic structured process to update its materiality matrix. In 2019, the company's material topics were reviewed in a process that involved consulting its main stakeholders – strategic audiences for the TIM business and operation – on topics that reflect the company's significant economic,

environmental and social impacts which substantially influence the assessments and decisions of these stakeholders.

TIM stakeholder map 102-40

- Competitors
- Government and Sector Associations
- Consumers and Customers
- Unions
- Suppliers and Service Providers
- Regulatory authorities and consumer protection and defense bodies
- Society and civil society organizations
- Employees
- Shareholders
- Commercial partners

Stages of process for defining TIM's ten material topics



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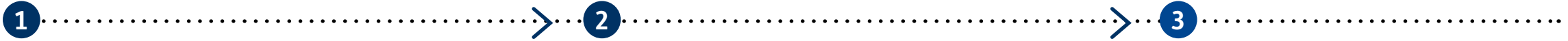
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1. The beginning of the materiality process involved the following stages:

- **Analysis of external documents, sector and sustainability studies** (such as the UN Global Compact Principles; Sustainability Accounting Standards for Telecommunication Sector – Sasb; and the 2018 Global Risks Report 2018) and of **TIM internal documents** (such as the strategic plan and corporate policies) – to identify the main topics and impacts for TIM and for the sector, taking into account the economic, social and environmental dimensions.
- **Personal interviews with executives from key areas at TIM** – to map the main challenges and strategic perceptions and to prioritize the relevant topics for TIM and their impacts in the economic, social and environmental dimensions.
- **Panel discussion held in the company's headquarters in Rio de Janeiro (RJ), with 32 representatives from diverse areas** – to identify relevant sustainability topics for TIM; to identify and analyze significant impacts related to these topics, the boundaries of their causes and effects, and the risks and opportunities associated with them, and to map the main stakeholders impacted by the company's value chain.

This enabled the assessment of the importance of TIM's economic, environmental and social impacts.

2. The second phase of the materiality process involved the following stages:

- **External interviews with representatives of the main stakeholder categories identified by the internal audience in the Panel** (competitors, government, customers, unions and suppliers).
- **Online survey with representatives of the main stakeholder categories mapped in the Panel discussion, conducted anonymously.**
- **Benchmarking analysis of sector documents and media research**– to identify the sustainability context for the sector in each topic.

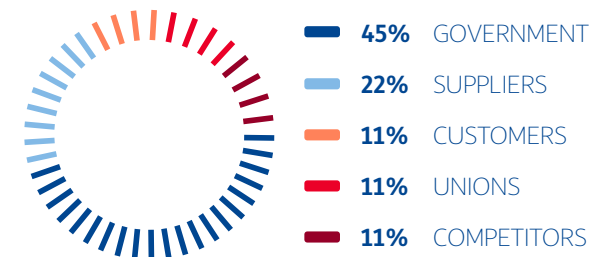
This enabled the assessment of the influence of the impacts for TIM's main stakeholders.

The second phase of the materiality process was conducted to map and prioritize the relevant sustainability topics for TIM and their impacts and challenges in the economic, social and environmental dimensions.

3. The last phase of the materiality process identified a list of topics indicated by stakeholders as being of greater relevance for TIM.

- This list was submitted to qualitative analysis, which led to the prioritization of the most relevant topics. These were validated internally, resulting in the company's ten material topics.

EXTERNAL STAKEHOLDERS INTERVIEWED (%)



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The materiality process identified the following topics as priorities for TIM.

Material topic 102-47	Correlation with Sustainable Development Goals
 Ethics and governance in business	 SDG 16
 Operational and post-consumer waste management	 SDG 12
 Investment in infrastructure	   SDG 9, SDG 11 and SDG 15
 Data protection and customer privacy	 SDG 16
 Innovation applied to products and services	 SDG 9
 Customer experience and service quality	  SDG 12 and SDG 16
 Energy management	  SDG 7 and SDG 13
 Employee management	  SDG 4 and SDG 8
 Strategic and responsible supplier management	  SDG 8 and SDG 12
 Transformation and digital inclusion	  SDG 1 and SDG 9

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The materiality process was aligned with GRI guidelines

The TIM material topics were defined based on qualitative and quantitative analyses to identify the importance of each topic, in line with Global Reporting Initiative (GRI) guidelines and recommendations.



Innovation
applied to products
and services



**Customer
experience**
and service quality



**Operational
and post-
consumer**
waste management



**Ethics and
governance**
in business



Investment in
infrastructure



Data
**protection and
customer**
privacy



Employee
management



Energy
management



Strategic and responsible
supplier
management



Transformation and
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Stakeholder engagement 102-43

TIM believes that communication is essential to establish and strengthen the engagement process. The company's Engagement Policy is aimed at disseminating a culture of internal and external dialogue, at building ethical and transparent relations and mobilizing stakeholders to commit to sustainability.

Employees

The company believes that caring for its people helps to motivate and drive the commitment of employees, strengthening the TIM brand and the organizational culture. The following practices were in place in 2019:

- Periodic management level meetings to address topics associated with people management;

- Enhancement of communication channels with leaders;
- A new Management Meeting involving top company managers to encourage the cascading of strategic goals and build a culture of face to face communication with the teams;
- Reinforcement of a culture of Innovation, Accountability and Collaboration;
- Communications, training, workshops and rounds of conversation to drive reflection on important questions for the business, with a view to connecting employees with the present moment;

- Launch of the company intranet with a corporate social network, employing the systems and digital tools used in daily routines as a channel for integrating the work force;
- Endobranding and endomarketing measures to align employees with brand positioning and new service and product offers;
- Organization of climate survey (further information on page 81).

TIM maintains frequent and transparent communication with employees, reinforcing the company's purpose and values.

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The company accompanies
strategic public agendas for the
telecommunications sector.

Customers

TIM provides traditional and online service channels for its customers (read more about investments in service channels on page 39). The customer service channels are developed with the objective of delivering solutions that ensure customer focus and drive quality.

By means of the Users’ Council, the company relates to its customers and to consumer defense bodies to drive greater public participation in the provision of telecommunications services. In 2019, the company held a new election of members of the Council, involving users and organizations in all five regions in Brazil.

Government

In government relations, TIM tracks strategic

public policy and regulatory agendas for the telecommunications sector, modifications in legislation and/or the promulgation of new laws.

Within this context, the company participates in discussions on important questions for the sector, such as telecommunications infrastructure, promoting access to communication media nationwide, regulations concerning the use of new technologies such as IoT (Internet of Things) and 5G, among other market innovations that depend on regulation and the active participation of government bodies.

The company also receives financial assistance from the government in the form of reductions in taxes and charges and assistance for investments in research. The amounts of financial assistance received during the last three years are shown in the following table.

All relations with government bodies are conducted in compliance with the TIM Code of Ethics and Conduct, which establishes the requirement of ethical, legal, honest, transparent and fair conduct (further information on ethics, compliance and anti-corruption on page 33).

Financial assistance received from government (R\$ thousands) 201-4

	2017	2018	2019
Tax and duty deductions	112,493	146,455	194,161
Allowances for investments, research and development and other significant grants and incentives	28,772	25,305	21,572

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Shareholders and investors

TIM publishes quarterly results releases and communications to the market. It also organizes events for these stakeholders to ensure a constant presence and to drive transparent relations.

TIM provides its Contact IR channel for shareholders, investors, potential investors and analysts at ri.tim.com.br > [contact TIM Participações S.A. - Investors Relations](#) to deal with requests for information and to receive suggestions for the Board of Directors.

Another service channel for investors, market analysts and other interested parties is the TIM Investors application, available for the Android and iOS operating systems. Users should register on the Investor Relations mailing list or via the email ri@timbrasil.com.br.

> Further information on Governance on page 30.

Suppliers

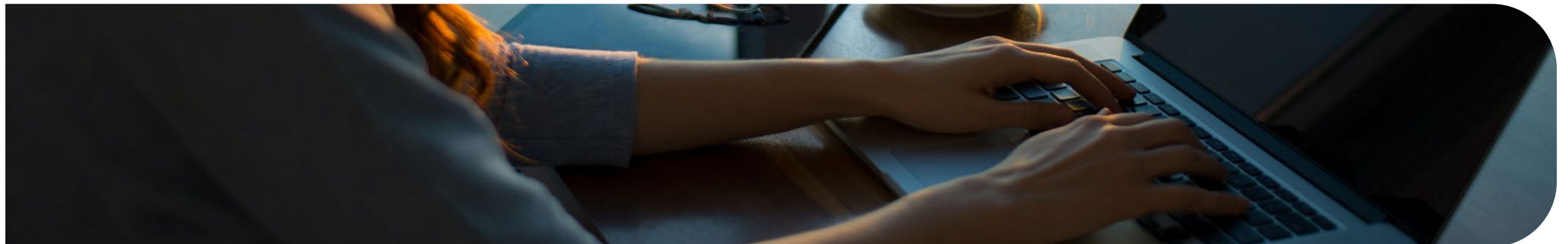
TIM seeks to engage its suppliers in good practices in the areas of ethics and social and environmental responsibility.

For example, in the procurement process suppliers are submitted to diverse qualification stages, including filling out due diligence and socio-environmental questionnaires. Further information on the TIM Supply Chain on page 90.





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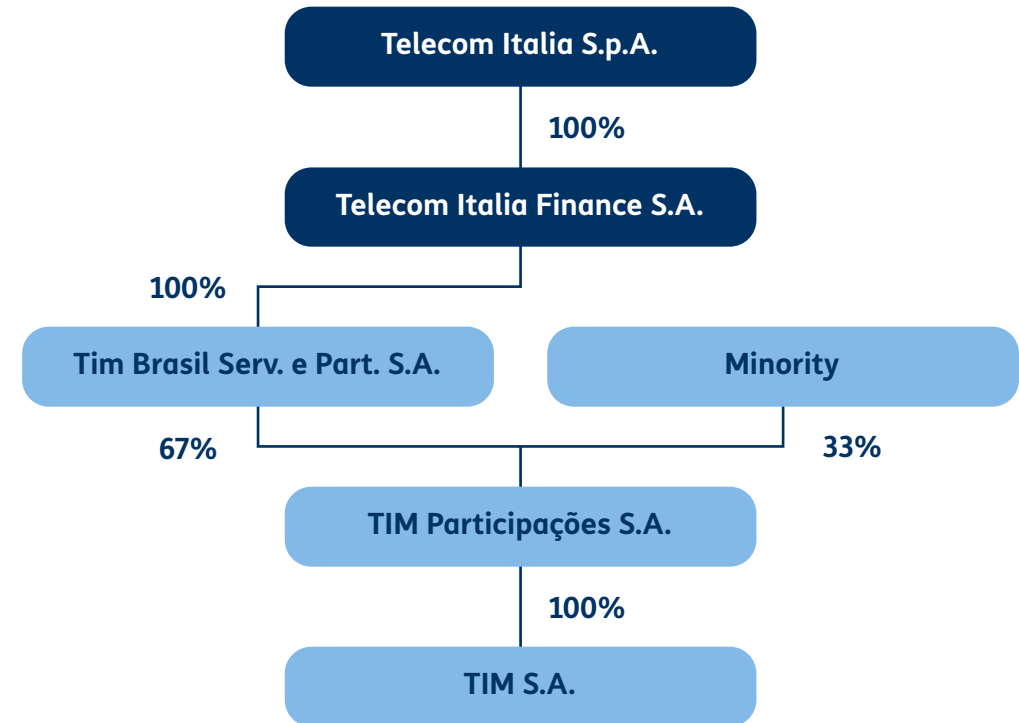
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TIM Participações S. A. is a company in the telecommunication sector that offers mobile and fixed telephony, data transmission and ultrabroadband services in Brazil.

With headquarters in Rio de Janeiro (RJ), TIM is a publicly held corporation with shares traded on the São Paulo Stock Exchange (B3) and with 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 belonging to the TIM Italia Group. 102-1, 102-3 102-4, 102-5

Shareholding structure 102-1



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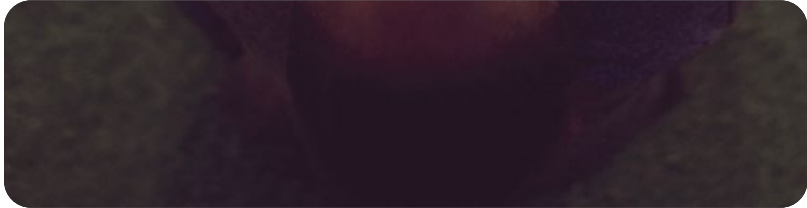
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Purpose

Connecting and caring about each one so
that everyone is able to achieve more.



Our Values 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 builds trust.

INNOVATION

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

COMMITMENT

- We’re responsible.
- We recognize we’re part of a broader common project.
- 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.

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Credits

Our business 102-2, 102-6

TIM's trajectory has been marked by innovation and a pioneering stance in data and voice services. The company is the leader in 4G coverage, with VoLTE (Voice over LTE) technology for high definition calls over the mobile network. The company also offers fixed ultrabroadband – TIM Live.

In 2019, TIM started its first tests on the 5G network at even greater speeds to leverage the connection and communication experience (further information on page 51).

Coverage

- Leadership in **4G** coverage.
- International roaming agreements with around **600** networks available for voice calls in more than **200** countries, including Antarctica.¹

- Partnerships with airline and shipping companies that enable customers to remain connected while traveling.
- Partnerships with companies to ensure connectivity in the field, offering greater freedom, flexibility and benefits for field users.

Products 102-7

- **4G** and **4.5G** mobile internet
- Fixed and mobile telephony
- Corporate voice and data solutions and digital services

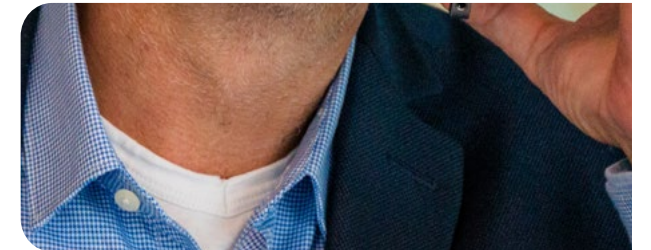
TIM Live: fixed ultrabroadband

- Presence in **25** cities
- More than **5** million households covered

High definition 4G calls

- **VoLTE** (Voice over LTE) technology
- Greater stability
- Less time to complete the call
- Available in **3,401** cities

¹ The agreements include at least voice services and may include data services (2G, 3G and 4G) depending on the technology available in the network visited.



4G TIM in the field

- More than 6 million hectares covered

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2019 highlights 103 | 201

Company planning in 2019 was focused on the strategic goals of recovering leadership in innovative offers and communication, restoring an agile approach to speed up decision making, reigniting a culture of accountability to empower our employees, focusing on key business areas and driving ongoing accelerated growth throughout the year.

In its digital transformation strategy, TIM continued to invest in solutions focused on the customer experience, using artificial intelligence in sales, service and communication channels to deliver greater user autonomy.

Main results in 2019 102-7



> **R\$ 17 billion**

Total net revenue

2.3%

growth



R\$ 6.8 billion

TIM's highest Normalized Ebitda ever

39%

growth margin in the year, 6.7% higher than 2018



R\$ 3.8 billion

Total net income

47.9%

increase



AAA(bra)

Initial National Long Term Rating from the risk rating agency Fitch Ratings (Fitch)*

*Attributed in February 2020 by the risk classification agency Fitch Ratings (Fitch), this underscores the company's strong business profile – with a significant share in the mobile telephony sector – and underscores its conservative financial indicators. The rating indicates that the company is prepared to advance in Brazil's highly competitive and regulated telecommunications sector.

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Credits

54 million
customers



33 million
Prepaid



21 million
Postpaid



38.6 million
4G users



566,000
TIM Live

Highlights in
infrastructure and quality



3,477
cities in Brazil with 4G available, corresponding to 94% of the country's urban population at the end of 2019



9 p.p.
growth in 4G data traffic compared with 2018



85.7%
of the time TIM customers remained connected to the 4G network, performance 8 p.p. better than the runner up



Network growth supported by innovation: 5G tests and massive MIMO (which guarantee network capacity at times of significant and high demand, such as during major events).



Enhanced network quality recognized by independent measurements.

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Credits

Record results in organizational climate ¹⁰²⁻⁷



81%
favorability



10,167
employees in Brazil

Meu TIM



18%
growth in users in the
year, with a 17% reduction
in human service

Sales via digital channels



28%
growth in postpaid and
consumer control plans



6%
increase in digital
recharges

E-Billing and E-Payment



18%
increase in bills delivered via
digital channels



14%
increase in payments made
via digital channels

Best in services



TIM Live was elected the
best Fixed Broadband in the
Canaltech Award, run by a
specialized technology portal.



TIM ultrabroadband came first
in the “Estadão Best Services”
ranking, a survey conducted by
the newspaper *Estadão*.



Provision of recharge service,
balance and allowance
consultations and receipt of bill via
WhatsApp.

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Economic impact: direct economic value generated and distributed (R\$ thousands) ²⁰¹⁻¹

	2017	2018	2019
(A) Net revenue (does not take into account losses from doubtful debt credits, discounts granted, returns and others)	20,944,978	21,600,245	23,363,883
(B) Goods and services acquired from third parties	-7,135,728	-7,167,332	-5,922,030
Cost of services provided and merchandise sold	-4,035,789	-3,929,961	-2,575,465
Materials, energy, third-party services and others	-3,099,939	-3,237,371	-3,346,565
(C) Gross value added (A - B)	13,809,250	14,432,913	17,441,853
(D) Retentions (depreciation and amortization)	-4,013,671	-3,954,321	-5,128,981
(E) Net value added (C - D)	9,795,579	10,478,592	12,312,872
(F) Transfers	942,583	510,265	1,518,362
(G) Added value for distribution (E + F)	10,738,162	10,988,857	13,831,234
Salaries	375,876	435,861	427,795
Social security charges	117,732	149,832	165,586
Private pension plan	13,749	14,947	18,292
Benefits	150,569	163,960	158,395
Profit share	123,162	78,119	101,128
Taxes, charges and contributions, less allowances (exemptions)	6,530,582	5,761,129	7,069,473
Interest and rents	2,186,971	1,835,271	2,264,231
Interest on own equity and dividends	265,072	849,994	995,438
Net income/loss for the year	969,435	1,695,107	2,626,689
Private social investment	5,014	4,637	4,207

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Public commitments 102-12

TIM is committed to environmental, social and governance (ESG) public agendas and participates in groups that discuss related questions and disseminate good practices.

Global Compact and SDGs

Since 2008, the organization has been a signatory to the United Nations Organization's Global Compact and has developed projects related to the Sustainable Development Goals (SDGs) in the areas of Human Rights, Labor Rights, the Environment and Anti-corruption (further information at <http://pactoglobal.org.br/10-principios/>).

Human Rights

TIM has participated in the Human Rights Working Group of the Brazilian Global Compact Network since 2015 and recognizes rights such as data privacy, secure internet, access to information and freedom of expression as essential and non-negotiable (further information in Respect for Human Rights on page 102 and in Privacy and data protection on page 45).

Climate change 103-20

The company responds to the Carbon Disclosure Project (CDP), the largest climate change data base in world, providing information on greenhouse gas (GHG) emissions volume and management, which is consulted by investors, government bodies, legislators and the academic community. TIM also files its emissions information in the Public Emissions Registry of the Brazilian GHG Protocol Program, a platform that quantifies and manages these data.

FGVces Business Initiatives

Since 2010, the company has participated in Business Initiatives, a network coordinated by the Fundação Getulio Vargas (FGVces) Sustainability Study Center, whose mission is to produce knowledge and foster the exchange of experience to drive sustainability agendas in companies.



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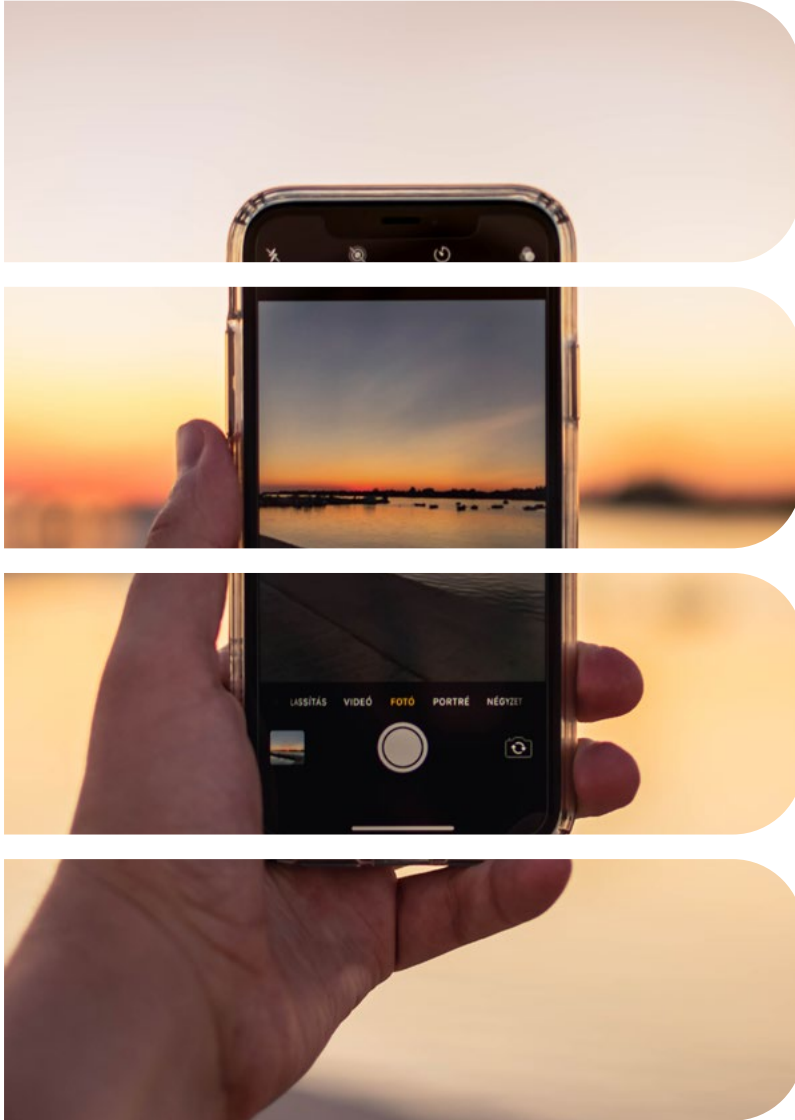
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Corporate Sustainability Index (ISE)

TIM is the telecommunications company that has been listed on the B3 Corporate Sustainability Index (ISE) for the longest consecutive period, 12 years. The ISE recommends the shares of companies recognized for their high degree of commitment to sustainability and corporate governance.

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

TIM is listed in portfolios linked with the MSCI ESG Leaders Indexes – demonstrating its commitment to social, environmental and corporate governance management, underpinned by close and transparent relations with its stakeholders.

MSCI has conducted governance assessments and analyses of social and environmental indexes of more than 6,000 publicly traded companies worldwide during more than 40 years.

Ethics and governance in business

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. To receive this seal, the company's Integrity Program was submitted to a detailed assessment by a management committee comprising members of the CGU, the Instituto Ethos and the São Paulo Stock Exchange (B3). In TIM's first participation in 2019, 373 companies were assessed, and 26 were granted this recognition.

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Credits

Membership of external organizations ¹⁰²⁻¹³

Brazilian Union of Fixed and Mobile Telecommunications Carriers (Sinditelebrasil)

This organization represents landline and mobile telecommunications carriers authorized to operate in Brazil by the Brazilian telecommunications regulatory body, ANATEL. TIM is a member of the organization's Governance Board.

Brazilian Association of Competitive Telecommunications Carriers (Telcomp)

TELCOMP promotes fair competition in telecommunications services, advocating constructive and ethical policies in the industry and stimulating corporate social responsibility and civic awareness among members. TIM is a member of the organization's Governance Board.

Brazilian Telecommunications Association (Telebrasil)

A private, nonprofit organization that represents and promotes the interests and development of information and communications product suppliers and carriers operating in Brazil. TIM is a member of the organization's Governance Board.

GSM Association (GSMA)

TIM is a member of the GSMA, which represents the interests of mobile carriers and contributes to technology development in the mobile communications industry worldwide.



TIM participates in organizations to promote the development of the telecommunications sector.

Brazilian Association of Telecommunications Resources (ABR Telecom)

We are members of this association, whose mission is to promote, operate and manage shared technical solutions among members in the provision of telecommunications services and in compliance with regulatory requirements, such as number portability. TIM is a member of the organization's Governance Board and assumed the chair of the board in 2019.

02 RESPONSIBILITY IN BUSINESS

103 | 205



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**Material topic:
ethics and governance in business**



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 can create barriers to the entry of new competitors and contribute towards the establishment of market monopolies by a small group of players, for example.



Ethics and anti-corruption guidelines in the company are underpinned by the Code of Ethics and Conduct, the Anti-corruption Policy and the company’s Organizational Model – which is compliant with best market practice and with the principles of the UN Global Compact, to which TIM has been a signatory since 2008.

The Code of Ethics and Conduct is applicable to all TIM stakeholders. It is disseminated to company employees and to all related parties. TIM extends these ethical guidelines to its suppliers by means of compliance clauses in its contracts.

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Governance GRI 102-18

Administration at TIM Participações S.A. is conducted by the Board of Directors and by the Statutory Board of Executive Officers. The Board of Directors is a collegiate deliberation body comprising at least five and at most 19 members, who are appointed for a two-year term and may be removed by the General Meeting.

TIM is listed on the B3 Novo Mercado, and in accordance with this body's governance rules, has at least 20% of independent members on the Board of Directors. At the end of 2019, the board had nine members, of whom four were independent.

Members are responsible for electing the chairman of the board, who is not allowed to serve concurrently as chief executive of the company.



Further information on the members of the Board of Directors is available at <https://ri.tim.com.br/ShowCanal/Administracao?yGJJRu07XZclFdKgwb9GQ==>

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Credits

Advisory committees to the Board of Directors

TIM's governance structure comprises three advisory committees that support the Board of Directors 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. The committees serve two-year terms that coincide with the term of the Board of Directors, re-election is permitted and members may be removed by the Board at any time. The company also has a Fiscal Council.

Statutory Audit Committee

This is a permanent committee that has three independent members in compliance with the standards established by the regulatory bodies of the capital market. Its attributions include oversight of the quality and integrity of financial statements, compliance with legal, regulatory and statutory standards, as well as risk management processes and the activities of internal and independent auditors.

Control and Risks Committee

This body comprises four members from the Board of Directors and is responsible for monitoring compliance with corporate governance rules. It also oversees corporate social responsibility actions and initiatives aimed at driving sustainable development for the company.



Three committees advise
the Board of Directors.

Compensation Committee

Consisting of three members from the Board of Directors, and periodically assesses compensation criteria for company directors and senior executives, as well as other factors related to company compensation.

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.

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Statutory Board of Executive Officers

The company's Executive Board is a decision making body whose mission is to protect and value TIM assets and to maximize return on investments in the long-term, in line 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 by the Board.

Further information about the Board, the committees and their attributions are available at: <https://ri.tim.com.br/ShowCanal/Administracao?yGJJRu07XZclFdKgwb9GQ==>

Senior management performance and compensation 102-28

The compensation of the members of the Board of Directors and the Executive Board is recorded in the minutes of the Ordinary and Extraordinary General Meeting, held on March 28, 2019, accessible on the website www.tim.com.br/ri.

Members of the Board of Directors respond individually to a self-evaluation questionnaire on an annual basis, the results of which are submitted to the Board of Directors.

The questionnaire evaluates the body's performance, its position in relation to the organizational structure and informs the procedures adopted by the company to continually improve its overall management processes and to apply

best corporate governance practices. It does not, however, address economic, environmental and social performance.

The responses are analyzed and compared with the results from previous years, a process that involves the identification of opportunities for improvement. In 2019, the Board of Directors undertook a detailed evaluation of business performance in 2018, examining the integrity of the company's financial statements and compliance with accounting, tax, legal and regulatory requirements and company bylaws.

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Credits

Anti- corruption

103 | 205, 103 | 206, 103 | 415

TIM is committed to doing business ethically. In 2019, TIM received recognition as a Pró-Ética (Pro-Ethics) company from the Comptroller General of Brazil (CGU), an initiative that promotes a more integral, ethical and transparent corporate environment.

The TIM Code of Ethics and Conduct sets forth the company's commitment to obey legislation and to ensure it is obeyed. The code also declares that the TIM Brasil Group companies do not directly or indirectly provide contributions, advantages or other benefits to political parties, movements, agents or candidates and/or union organizations, except when this is permitted by law.

TIM Anti-Corruption Policy also lays down guidelines that underscore the company's commitment to adopting mechanisms that eliminate illegal or improper behaviors, including corruption and bribery.

The company's Anti-corruption Program continually monitors processes that represent risks regarding sensitive activities, such as the offer of gifts, presents and representation expenses; events and sponsorship; donations to non-profit organizations, among others. In 2019, the 19 processes identified were tested, as is done every year, and no cases of corruption involving public authorities and agents were encountered. 205-1 205-3 415- 1



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Credits

Communication and training in anti-corruption policies and procedures (distance and face to face programs) 205-2

Audience	2017		2018		2019	
	N°	%	N°	%	N°	%
Directors	45	82	56	93	56	95
Managers	644	96	636	95	684	99
Other employees	8,430	94	8,449	94	8,906	98
Total	9,119	94	9,141	94	9,646	98

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.

To engage directors and employees in the company's anti-corruption measures, mandatory training is provided for new employees and face to face training courses

during the course of the year. In 2019, 9,646 (98%) of the company's employees concluded Anti-corruption training and 9,619 concluded training in the Code of Ethics. 205-2

TIM has adopted ISO 37001 Certification as a strategic target for 2022 in demonstration of the company's ongoing engagement in the adoption of best anti-corruption and anti-bribery practices.



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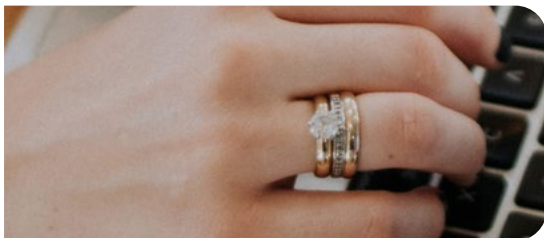
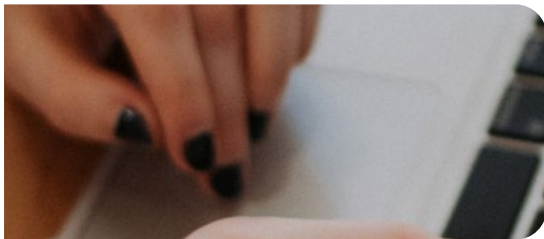
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In relation to the receipt of fines or warnings for non-conformance in marketing communications, in 2019 TIM received eight representations from the advertising self-regulatory body Conar: in three cases alterations were determined in TIM advertisements; no alterations were deemed necessary in another three; one case was filed with an agreement between the parties; and one is still awaiting judgment. 103 | 417, 417-3

TIM paid two fines related to non-conformance in service provision in 2019. One amounting to around R\$ 11 million, applied by a consumer rights authority, was for non-conformance in the standard of service to consumers on the part of the company call center. The second fine of around R\$ 240,000 was applied by another body as a result of customer complaints about contracts and bills. 103 | 419, 419-1

Whistleblower Channel

TIM provides a channel for all its internal and external stakeholder groups through which they may report cases of **corruption, fraud, conflicts of interest, discrimination, harassment** or any other illegal conduct, including the **violation of human rights**, or non-compliance with the law or the TIM Code of Ethics and Conduct.

Each case receives a protocol number which enables the person making the report to track it during processing. Full anonymity is guaranteed. The channel may be accessed via the corporate intranet and via the websites www.tim.com.br/ri and www.tim.com.br.

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Corporate risk management¹⁰²⁻¹¹

TIM risk management policy is aligned with TIM Italia Group guidelines, which in turn comply with international standards such as the Committee of Sponsoring Organizations of the Treadway Commission (Coso), a non-profit organization that provides guidance on fraud prevention in company processes and procedures.

Corporate and operational risk management at TIM contributes towards building a reliable and safe decision making environment in the company. In addition to financial and business risks, risk management at TIM covers risks related to ethics, compliance, the environment, health and safety and reputation.

Business continuity

Risks that may affect business or operational continuity as a result of critical interruptions, such as the current Covid-19 pandemic,

or cybernetic security, for example, are continually monitored by the TIM Crisis Management Committee. The committee is responsible for decision making during crises and disasters and for defining the operational groups that should lead preventive measures in response to the event as well as the return to normality, in accordance with the company's Business Continuity Management Policy.

Innovation

Risks related to new technological trends and increased competition are monitored by the company, in addition to ones stemming from economic policies and legal and regulatory obligations in Brazil.

Anti-corruption

Processes involving gifts, donations and sponsorship are monitored in the company in order to prevent corruption-related

risks. Third-parties interacting with public authorities on behalf of the company are also assessed to identify the existence or not of conflicts of interest. This process also encompasses the analysis of suspected cases of corruption reported via the Whistleblower Channel and other suspected cases communicated via the Ethics and Compliance Channel (further information on the Whistleblower Channel on page 82).

Occupational health and safety

Risks in this area are managed via the Environmental Risk Prevention Program, which is responsible for ensuring workplace safety, involving on site inspections to identify potential risks and the proposal of preventive and impact mitigation measures. The company also has an Occupational Health & Safety Program in place (further information on page 86).

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Environmental risks in the operation
Environmental risks in the operation are mapped in accordance with corporate risk management methodology, which is responsible for proposing impact mitigation and preventive measures. The company's operations are conducted in accordance with the company's Environmental Management System, which is based on the ISO 14001 standard, presenting operational safety procedures and guidelines.

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

The TIM business model incorporates risks and opportunities related to climate change. Any changes in legislation and regulations in function of natural events, for example, energy consumption reduction measures, could generate impacts such as increased costs for the products and services contracted by TIM.

Energy scarcity as a result of prolonged droughts is another factor that would cause negative impacts on TIM's operations. Similarly, the business would be affected by the lack of subsidies for fossil fuel prices and the imposition of emissions reduction targets on the sector.

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

The risk of climate change presents the opportunity for TIM to create solutions to mitigate its own emissions and those of its customers by adapting the operation to climatic events.



03 CUSTOMER RELATIONS



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Material topic: customer experience and service quality



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.

Ensuring a positive customer experience with investments in infrastructure has been a priority for TIM year on year. In 2019, the company proceeded with its investments in infrastructure and technologies to expand mobile internet and broadband access in Brazil, as well as driving service improvement with gains in quality (further information on TIM operations on page 53).

Another priority for TIM is the maintenance of a multichannel relationship with customers. This is why the company provides diverse customer service channels which are available 24 hours a day, seven days a week, such as the Call Center and the digital channels. Customers may address complaints, doubts or suggestions to the website www.tim.com.br/FaleComaTIM, personally in the company's stores and to customer service area employees in cases of post-sale service.



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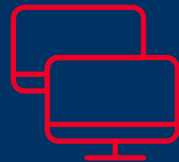
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TIM provides service
channels via multiple
platforms: telephone,
website and social media.



Via the *144 service number, customers may activate services using their cell phone, block and unblock lines, make cancellations and request a copy of their bill automatically.

TIM also offers an online chat service via the address www.meutim.com.br, through which customers may activate and deactivate services. This is in addition to the Meu TIM applications for smartphone, which permits customers to manage their TIM plan at any time.

The company provides its Fale pelo Cliente (Speak for the Customer) service through which employees may log any problems or doubts received from customers via email or intranet. TIM maintains its User Council, an Anatel initiative to bring carriers, consumers and representatives of consumer defense bodies together, driving greater involvement of society in telecommunication service provision (further information on the User Council on page 15). The company also interacts with customers and consumers by means of its social media: @TIMajuda on Twitter, and the TIM Fanpage on Facebook.

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Quality management

Quality management also involves satisfaction surveys whereby users are consulted about their experience with the services provided. The Anatel Perceived Satisfaction Survey is a requirement set forth in the standards regulating telecommunications services in Brazil. However, others such as the National Satisfaction Survey, are voluntary initiatives undertaken by TIM.

The company monitors complaints lodged with the consumer protection organization Procon and with the website www.consumidor.gov to ensure these demands are met. On the website www.tim.com.br/sp/sobre-a-tim/regulatorio, the company publishes information on the legal determinations issued by Anatel that regulate the telecommunications sector in Brazil and directly influence tariffs, plans, promotions and services offered by providers.

Customer satisfaction surveys¹

	2017	2018	2019
Average overall customer satisfaction rating for TIM by individual customers in the National Mobile Satisfaction Survey	6.95	7.08	7.34
Average overall customer satisfaction rating for TIM by individual customers in the Fixed Broadband Satisfaction Survey	8.34	7.81	7.26
Average satisfaction rating by individual customers for CRC service in the “cold” survey ²	7.81	7.05	- ²
Average satisfaction rating for TIM by individual prepaid customers in the Anatel Perceived Quality Satisfaction Survey	6.82	7.11	7.11
Average satisfaction rating for TIM by individual postpaid customers in the Anatel Perceived Quality Satisfaction Survey	7.16	7.36	7.27
Average satisfaction rating for TIM by individual Fixed Broadband customers in the Anatel Perceived Quality Satisfaction Survey	7.54	7.24	6.96
Average satisfaction rating by individual customers with the CRC attendant in the CRC transactional survey	5.84	6.15	7.45

¹ Ratings presented in a scale from 0 to 10.

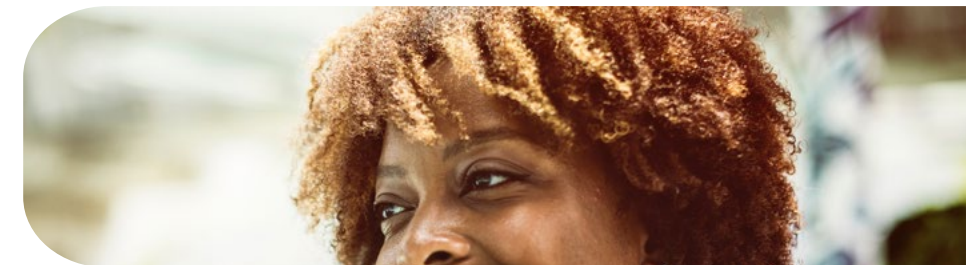
² This survey was discontinued in December 2018 due to the introduction of a continuous transactional survey conducted at the end of all contacts with human operators at the TIM call center.

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Information about service and customer complaints 102-48			
	2017	2018	2019
Total number of calls handled by the call center	113,681,710	105,472,045	101,158,130
Total Ombudsman cases	4,860	5,379	5,445
Total complaints received			
In the company	17,393,892	16,431,689	13,635,181
In Anatel ¹	606,003	645,021	663,043
In court	69,785	88,919	111,423
Total complaints resolved²			
In the company	99.91%	101.60%	101.79%
In Anatel	99.65%	99.39%	99.63%
In court	140%	90.88%	79%

¹ The data referring to complaints received and resolved by Anatel for the years 2017 and 2018 were adjusted in this report, in accordance with updates at the regulatory agency.

² The percentages in excess of 100 take into account cases lodged in the previous year and concluded during the course of the reporting year.



Customer service

The TIM customer service channels are available at <https://www.tim.com.br/sp/para-voce/atendimento/fale-conosco>

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Digital transformation: technologies that deliver customer autonomy

TIM digital transformation strategy encompasses the development of artificial intelligence solutions to drive efficiency in the company’s sales, service and communication channels. This enables the company to deliver autonomy for users. Results in 2019 were positive, as shown below.

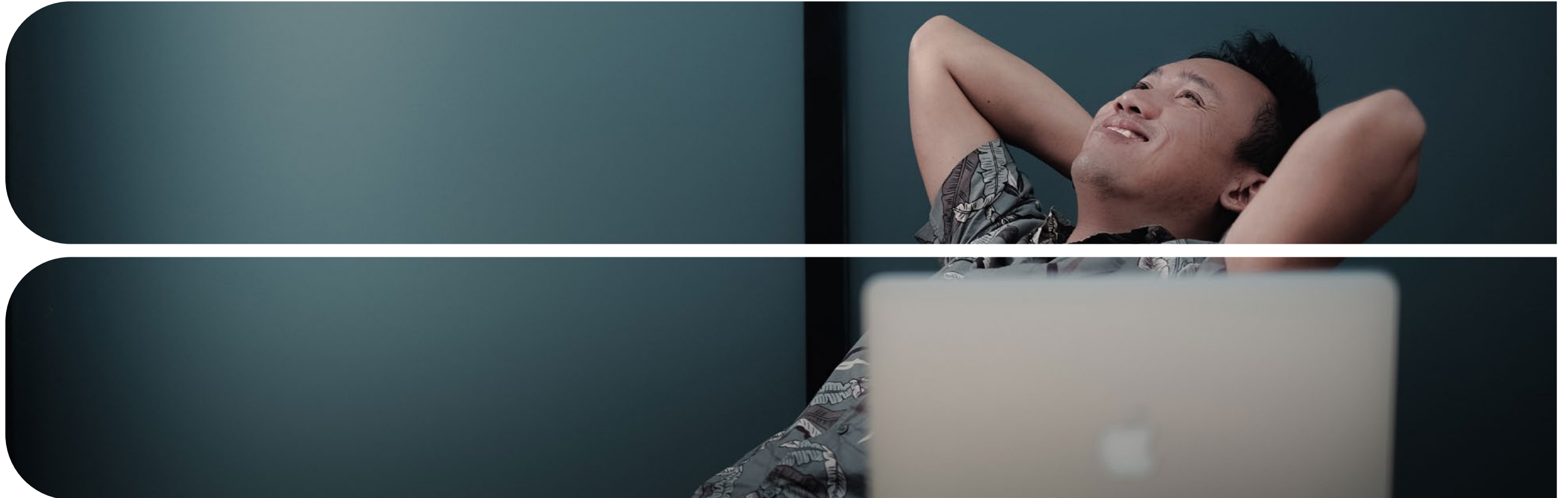
Meu TIM
The Meu TIM application simplified customer relations, presenting robust results during the course of 2019. User preference for the platform led to a reduction in the number of contacts with the call center because the app gives customers more control in managing their plans, ensuring greater transparency. In 2019, the number of single users on the platform grew by 18%, generating a 17% reduction in traffic in the traditional channels operated by TIM employees.

Sales via digital channels grew by 28%.

Sales via digital channels
2019 data demonstrate growing customer interest in this self-service platform. Postpaid and consumer control sales via digital channels grew by 28% in the year, while digital recharges increased by 6%.

E-Billing and E-Payment
There was an 18% increase in the number of bills sent via digital channels in 2019, while digital payments grew by 14%. TIM also started offering customers the possibility of recharging, consulting their balance and allowance, as well as receiving their bill via the WhatsApp application during the year.

04 PRIVACY AND DATA PROTECTION



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Brazil's General Personal Data Protection Law (LGPD)

Material topic: data protection and customer privacy



It is TIM's understanding that customer data protection and privacy 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.

Brazil's General Personal Data Protection Law (LGPD) nº 13.709/2018, will come into force in August 2020¹. Its provisions will require broader and more rigorous protection of customer data and privacy, further increasing the responsibilities of companies in the telecommunications sector in relation to this question.

The law obliges companies to implement structured management practices and to follow guidelines governing the collection, use and protection of customer data, obedience of the principles set forth in the law, the legal bases for legitimizing data treatment, as well as the security measures that ensure data privacy.

¹ If the bill of law 1.179/2020 is approved in the Chamber plenary session, the law will come into force in January 2021, and the provisions related to sanctions in August 2021.



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Data security is compliant with the ISO 27001 standard. 103| 418

At TIM, managing the security and privacy of customer data is undertaken in accordance with the ISO 27001 standard (ISMS – Information Security Management System) which establishes the following mandatory requirements:

- Only authorized employees have permission to access customer registration information and communication data, and in specific situations;
- Suppliers – including Value Added Service suppliers (VAS) – must sign contracts with a customer data confidentiality and privacy clause;
- Registration and telephone communication data are shared with authorities only in accordance with Brazilian legislation and with judicial orders mandating access to such data.

The Data Protection Officer and the Data Privacy Committee are an integral part of the company's measures to ensure compliance with the data protection law

In observance of the obligations set forth in the data protection law (LGPD), which regulates the protection of personal data, and in line with TIM Italia Group guidelines, TIM created the function of Data Protection Officer (DPO). This function is responsible for ensuring the application of regulations, adapting company operations and assessing the relative impacts of the law on the company. It is the communication channel between the company, the owners of the personal data and the pertinent authorities.

TIM also established a Data Privacy Committee, coordinated by the CEO, whose members are five other company directors. The Compliance area is responsible for monitoring and managing data privacy.

The company has a project to create a Data Protection Program, initiated in 2019, which is led by the DPO and involves the main TIM areas. The program is aimed at assessing and discussing the creation or updating of processes, policies and procedures to ensure compliance with the law.

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In 2019, TIM was involved in just over one thousand law suits related to data privacy. Of these, 801 are awaiting judgment and 239 were concluded, with 76 cases concluded in TIM's favor. During the same period, the company had three customer data leakage incidents. These were identified, monitored and duly resolved. **418-1**

TIM has adopted ISO 27001 Certification as a strategic target for 2022 in demonstration of the company's ongoing engagement in the adoption of best customer data protection and privacy practices.

In 2019, TIM received over 250,000 court orders authorizing access to private data^{1,2}, classified as follows:

- Wire tapping: 381,113
- Registration data: 513,468
- Telephone records: 595,728

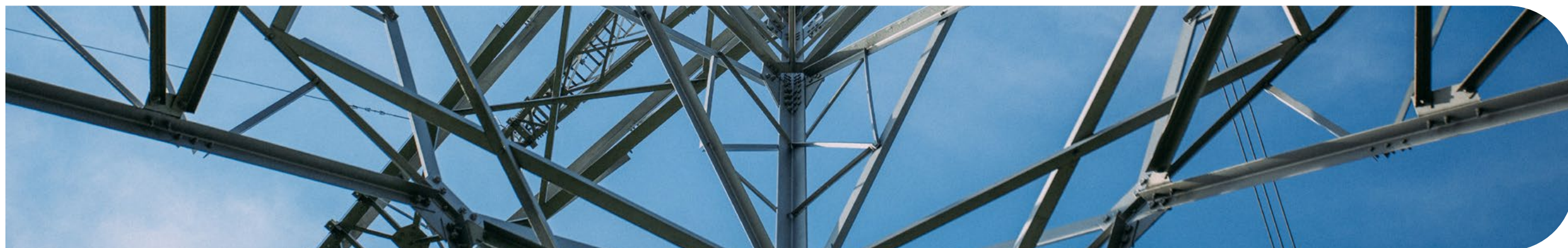
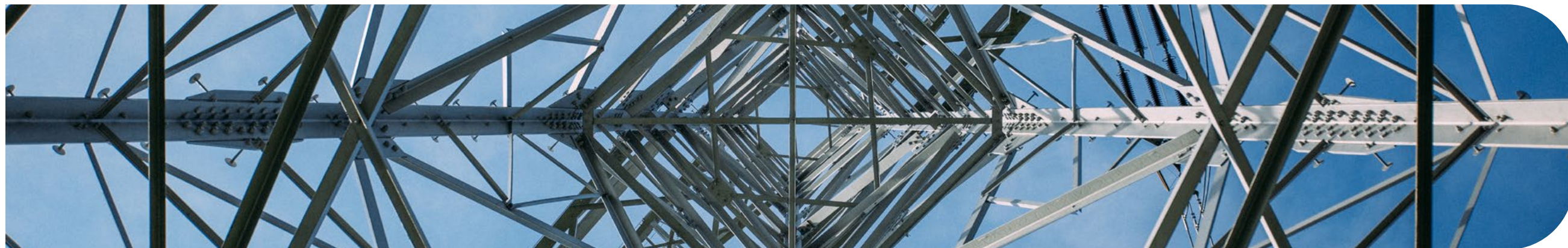
¹. It is not possible to calculate the number of customers affected by requests for information with accuracy because different authorities may request data about the same customer, either by means of the number of the line (MSISDN), a device's IMEI number or a subscriber's tax number (CPF). Additionally there are requests for reports on calls from all numbers on record, making accuracy about the number of records in these reports impossible at the present moment.

². The numbers correspond to the requests which were handled manually, as well as the requests made directly by the competent authorities via the web service made available for this purpose.



Further information on the TIM privacy policy may be found at:
<https://www.tim.com.br/rj/sobre-a-tim/institucional/seguranca/politica-de-privacidade>

05 INFRASTRUCTURE AND SERVICE AVAILABILITY



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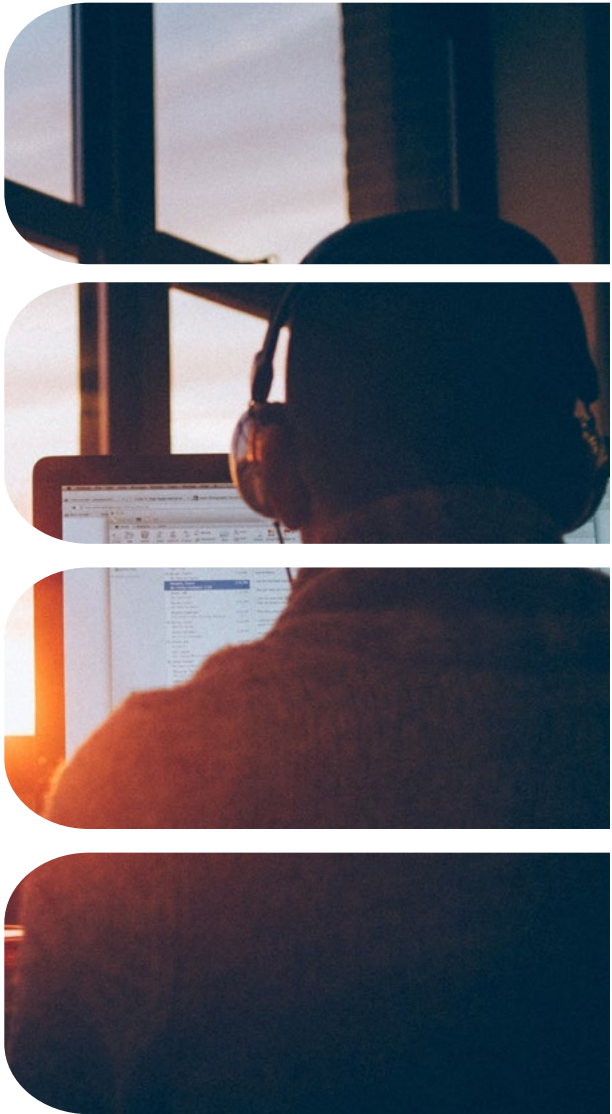
Material topic: investment in
infrastructure



TIM is committed to providing customers with the best user experience possible and ensuring 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.

This commitment encompasses the evolution of the quality and capacity of mobile network infrastructure in Brazil. For this reason, the company has expanded refarming, consisting of the reuse of the 2.1 GHz frequency bands for 4G, reaching approximately 300 cities. As part of these improvements, TIM has expanded the use of VoLTE, a technology that enables calls over the 4G network for more than 3,400 cities.

Investments undertaken in 2019 ensured that TIM maintained its leadership in 4G coverage, reaching 3,477 cities that corresponded to 94% of the country's urban population by the end of the year, reinforcing the company's commitment to Brazilian society.



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4G data traffic grew by 9 p.p. compared with 2018, and customers were connected with greater frequency in 2019, 85.7% of the time, in a performance 8 p.p. better than the runner up. The company was also the leader in the latency indicator, with 57.4 ms, which corresponds to the time a data package takes to be sent to the user.

In 2019, around 65% of the Network Capex was invested in infrastructure expansion and capacity projects, aimed at improving TIM's coverage performance and expanding its range, such as:

- Expansion of the fiber optic network, boosting network resilience;
- Carrier aggregation, a technique aimed at boosting data connection speeds for the user, enabling 4.5G in over 1,000 cities;
- Site densification, boosting the capacity of the mobile network;
- Expansion of the use of fiber in cities, by means of the FTTCity project;
- Increased low frequency coverage, mainly in the 700 MHz band, reaching approximately 2,400 cities.
- Activation of NB-IoT in around 3,300 cities.

TIM reached a total of 19,812 sites at the end of 2019, with more than 100,000 kilometers of optic fiber, an increase of 11.9% in the year.

The company had 1,582 active biosites at the end of 2019, almost double the 2018 number of 800.

In addition to being a solution for the densification of the mobile access network, these sites are more sustainable, less expensive, easier and faster to install. They have a low visual impact and are multifunctional, permitting the aggregation of other services such as lighting, surveillance cameras, in addition to telecommunications transmissions.

In Brazil, 2.3 million households have FTTH (Fiber To The Home) connections and 3.6 million have FTTC, totaling almost 6 million households in 25 cities.

More than one
thousand cities received
4.5G coverage in 2019.

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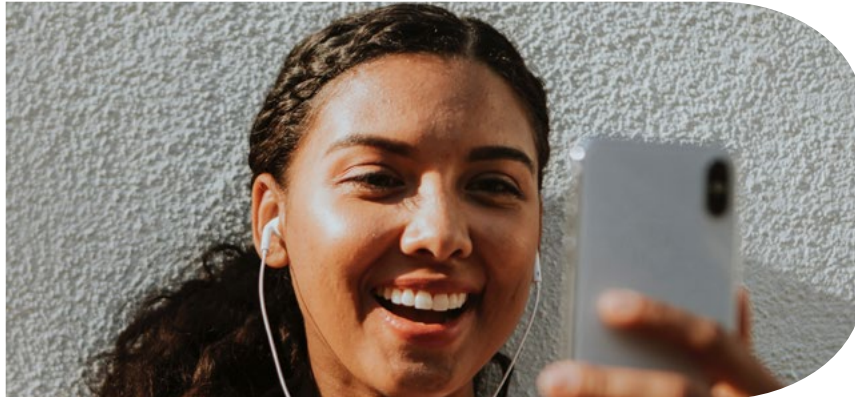
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Investments in infrastructure modernization and continuous improvement include tests with the 5G network



TIM pioneered the implementation of four “5G Living Lab TIM” ecosystems, reference centers for conducting 5G tests to promote the application of the technology and explore opportunities for new business models.

The company consolidated its NB-IoT network in more than 3,200 municipalities, providing coverage that will enable the development of Internet of Things (IoT) solutions in large cities and in more remote municipalities. The launch of this platform was a pioneering move by TIM, enabling a range which will leverage the solution developer ecosystem

Additionally, the company implemented an infrastructure virtualization project to promote gains in network stability, installed 25 data centers to improve the customer experience and expanded network capacity by means of the Massive MIMO solution, a technology that guarantees network performance in situations where high demand is concentrated.

5G Living Lab TIM
conducted the first
network tests in Brazil.

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Impacts of legislation on TIM operations

Some alterations in Brazilian legislation provoke impacts in terms of infrastructure and services in the telecommunications sector. In 2019, the Federal Government, the National Congress, as well as representatives of the executive, legislative, state and municipal spheres approved policies that generated a significant economic impact for TIM operations and the sector as a whole: 103 | 203-1

- The National IoT Plan was instituted by decree nº 9.854, dated June 25, 2019, to develop the implantation of the Internet of Things (IoT) in Brazil. The legislation guarantees free competition and the free circulation of data, while ensuring information security rights.
- Around 20 laws addressing the implantation of telecommunications infrastructure in different municipalities were altered in 2019 to adjust, improve and drive the process of licensing sites.
- The promulgation of law nº 13.879/2019 made the sharing of the telecommunications infrastructure that will be built in the coming year mandatory, created the secondary radiofrequency market and enabled the possibility of successive spectrum renewals.





06 INNOVATION



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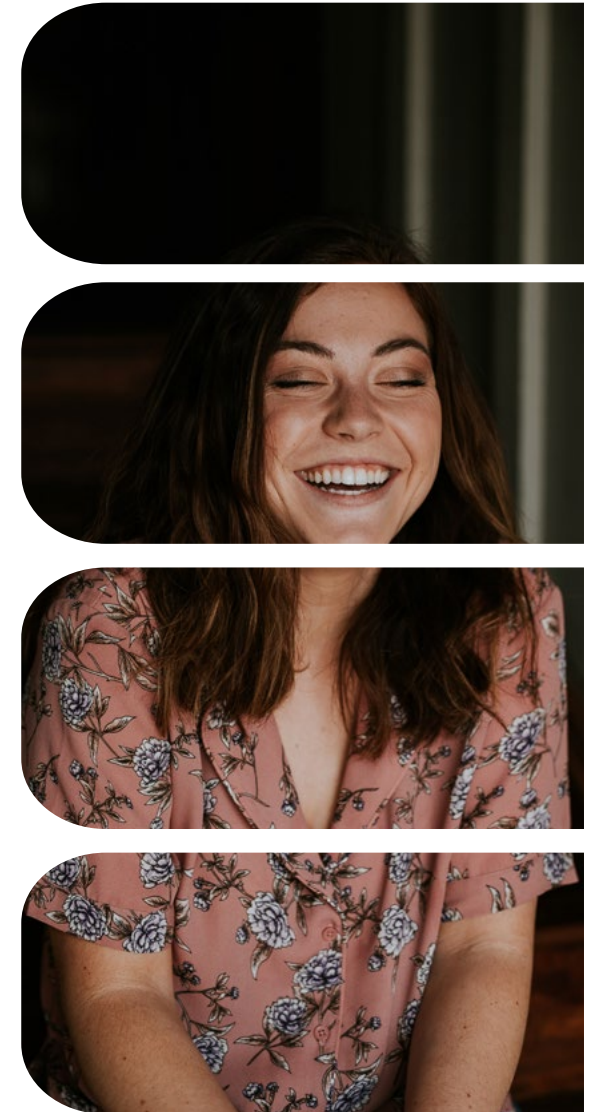
Material topic: innovation applied to products and services



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

Innovation is one of TIM's intangible strategic assets, as important as intellectual, human, natural, social and relationship capital. Managing innovation requires close contact with important stakeholders engaged in the telecommunications sector, such as the government, academia, carriers, customers and consumers (further information about TIM's relations with its stakeholders on page 15). This also includes open innovation programs and initiatives. In 2019, TIM undertook the following measures:

- It expanded its agreement with Intel (National Telecommunications Institute) to develop Internet of Things solutions using technology. The unprecedented adoption of the mobile IoT technology, NB-IoT (Narrow Band – Internet of Things), has influenced the entire chain of IoT solution suppliers and developers, ranging from suppliers of electronic components to companies that acquire IoT Narrow Band 700 MHz through 4G network solutions.



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TIM participated in
four IoT projects
selected by the
BNDES.



- It expanded its partnership with Cubo Itaú, the largest innovation hub in Latin America, to promote the co-creation of start-ups and initiated partnerships with other technology hubs, such as the Open D'Or initiative, oriented to solutions in the healthcare sector.
- The company participated actively in the development of the Internet of Things (IoT) ecosystem in diverse sectors of the economy. It engaged in four projects in the area selected by the BNDES in the IoT Pilots program in the healthcare, cities and rural sectors.
- TIM developed new market approaches and promoted a solution to enable connectivity in agribusiness, the 4G TIM in the Field initiative, which already covers more than 6 million hectares. Within this context, TIM developed strategic alliances and partnerships to foster the development of solutions and, by means of mobile technologies and IoT, promote digitalization and automation in agribusiness.
- TIM is now in the third year of a strategic partnership with Embrapa to convene start-ups for the development of solutions for agribusiness (Ideas 4Milk).
- In 2019, TIM also initiated a partnership with AgTech Garage in Piracicaba (SP), the largest agribusiness start-up hub in Latin America.
- In partnership with the Igloo Network, a business hub and start-up accelerator, the company organized the TIM Challenge to attract solutions with applications over the 4G, NB-IoT and 5G networks for Industry 4.0 and agribusiness.
- The company proceeded with its activities in its seven TIP Community Laboratories in the Network area by means of the TIM LAB, conducting tests on optical solutions to accelerate transport networks that provide connection for cell phone antennas.

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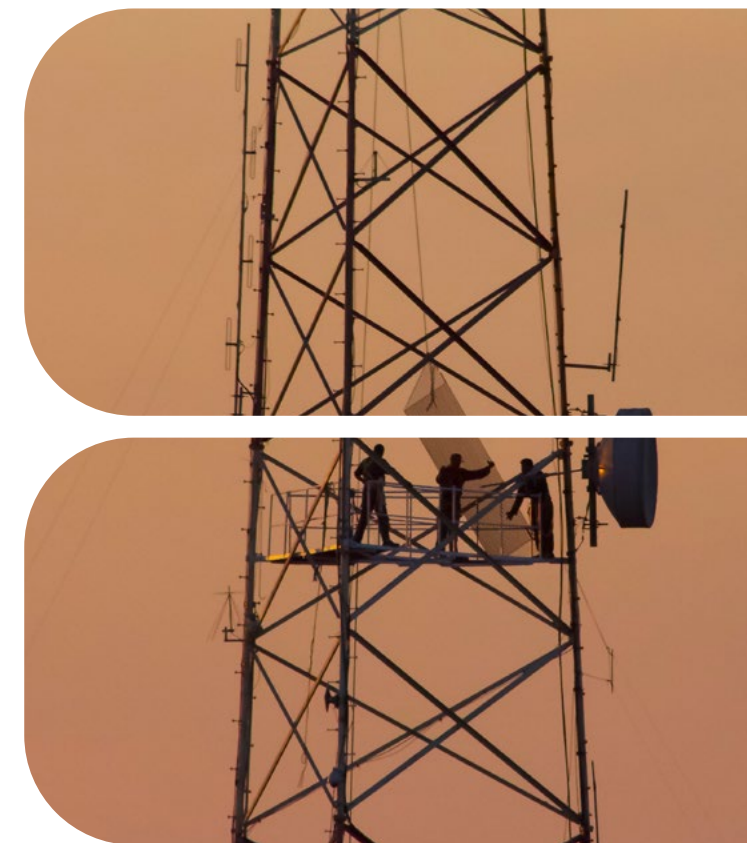
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TIM is the first carrier to conduct 5G tests in Brazil

In 2019, TIM installed the first fifth generation antenna for tests in Florianópolis (SC), in partnership with Fundação Certi and Huawei. This environment constituted the first 5G Living Lab. Another three laboratories were created in Santa Rita do Sapucaí (MG) with Inatel, in Campina Grande (PB) in partnership with the Instituto Virtus and the Federal University of Campina Grande, and in São Paulo (SP), in the Cubo Itaú. By means of these environments, the company enabled an ecosystem for experimentation and co-creation with multiple partners, in which academia serves as a bridge to promote awareness and development. This model

permits the connection of end users, researchers, companies, start-ups, public institutions, among others, to validate products, types of use, services and solutions in general. The company's 5G network investment project was presented in the Painel Telebrasil 2019, in Brasília (DF). The network is being tested on the 3.5 GHz frequency.

The tests with the first fifth generation antenna in Brazil and the establishment of the laboratories are part of TIM's strategy to make 5G available for its customers in 2021.



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TIM wants to lead 5G in Brazil and is supported by the expertise and cutting edge work done by the TIM Italia Group in the use of the technology and in the successful implementation of solutions in the cities of Turin, Bari, Matera and in the Republic of San Marino.

The 5G Living Labs permit the development of a complete 5G ecosystem, connecting different actors and, by means of the open innovation environment, enabling the identification of the most suitable solutions for each type of requirement.

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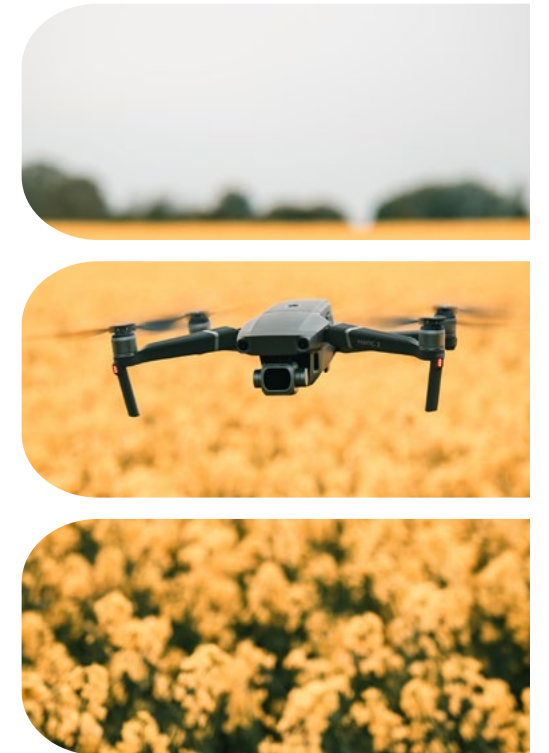
5G applications create value in healthcare, education and industry

5G is the technological platform that will underpin the fourth industrial revolution. It will permit the commercial application of Industry 4.0 concepts, principally in the industrial sectors that use automated processes, such as communication between machines.

It will enable new systems architectures, terminals will be more intelligent and the support for low data rates with low latency will enable machine to machine communication 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.

The more intense use of IoT will also stimulate the generation of more businesses and ventures in intelligent cities, healthcare, energy, logistics, information technology and the creative economy.

The speeds and functionalities of 5G will enable solutions hitherto impossible such as: taking educational and healthcare resources to remote areas that are difficult to access; replicating educational materials in the format of virtual reality, making it possible to visit museums and historical sites; and enabling medical consultations with specialists based on image data transmitted in real time.



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5G will accelerate the implantation of intelligent cities. In this context of the intelligent management of public services, there are many opportunities for pilot projects related to uses in the areas of health, security, safety, education, among others.

The new technology could benefit the entire population, enabling the development of solutions to reduce social gaps in Brazil.

The launch of the 5G Living Lab has enabled the development of diverse cases of use, for example.



HEALTHCARE

- Medical care based on an image obtained by moving the equipment controlled remotely using a tactile glove. The patient was in an environment in the TIM 5G House, together with a technician who was wearing the glove and moved his hand in accordance with the stimuli received. From a remote location, the doctor operated a joystick that sent the stimuli to the glove worn by the technician. The images transmitted simultaneously permitted the doctor to perform the diagnosis on the patient.
- Demonstration of a teleconsultation, using high resolution image capture equipment and an integrated teleconferencing system, enabling diagnosis at a distance and the provision of quality treatment in remote locations.

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CONNECTED CITY

- A virtual experience demonstrating what the operations center of a city in which all the cameras and services are connected and can be managed simultaneously from a single location would be like.

information. The solution developed uses the concept of AR for classes on geopolitics and explanations about the human body based on an exploratory voyage through the human organs (for example, the behavior of a healthy lung compared with that of smoker was presented).



EDUCATION

- Distance education by means of the intensive use of technology to rapidly reduce the educational gap in Brazil for the professional of the future by means of student engagement.
- The use of augmented reality (AR) to promote a new experience in the manipulation of data and



ENTERTAINMENT

- A connected band and a show offering the experience of a live presentation. A band divided in two with each half in a different location presented a fully synchronized show with no delays.



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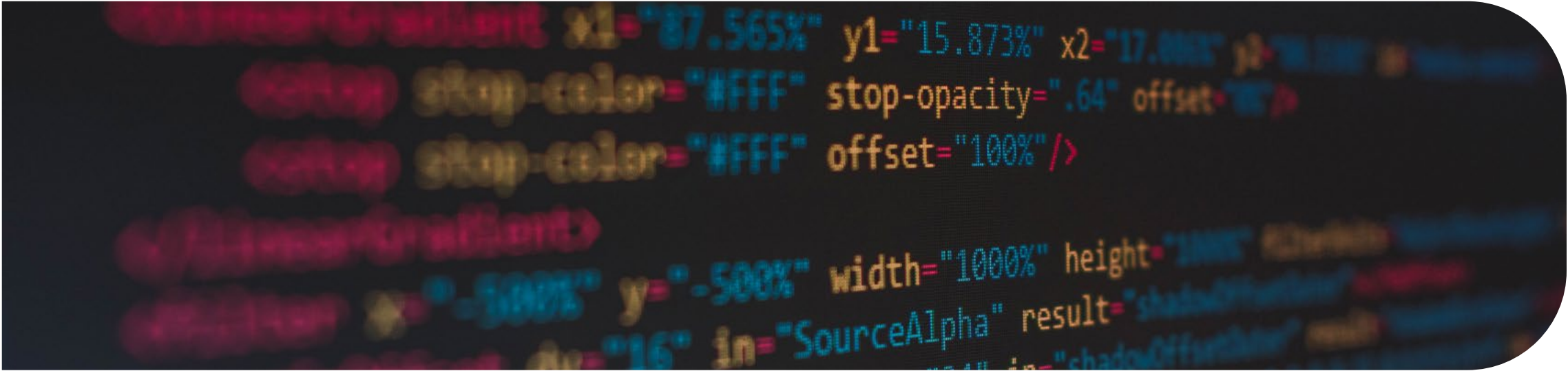
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INDUSTRY

- Collaboration between people and robots, supported by the low latency over 5G solution. The robot YuMi, the first collaborative robot with two arms in the world, serving coffee to the participants. The proposal was to demonstrate how the connectivity and reliability of the 5G network permit the co-existence of humans and robots in the same working environment.
- Industry 4.0 and the simulation of 5G industry scenarios. The solution permits the comparison of two distinct IoT connectivity scenarios – one with a 4G network and the other with 5G. In the second, it was possible to see the benefits of coordinated communication using 5G, which permitted the robot to be controlled with low latency and, more importantly, in a highly reliable way. This will be the basis for the implementation of different solutions in an industrial environment.
- Use of 5G in an industrial manufacturing environment (smart manufacturing) with augmented reality (AR), on a training desk of shop floor operators (employing alarms, telesensor, telemonitoring, a conveyor belt and mechanical arm).

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SECURITY

- Use of smart camera solutions connected to virtual reality glasses that permit control of the camera by movements of the head and virtual visits to the different locations in the house and on the Inatel premises.



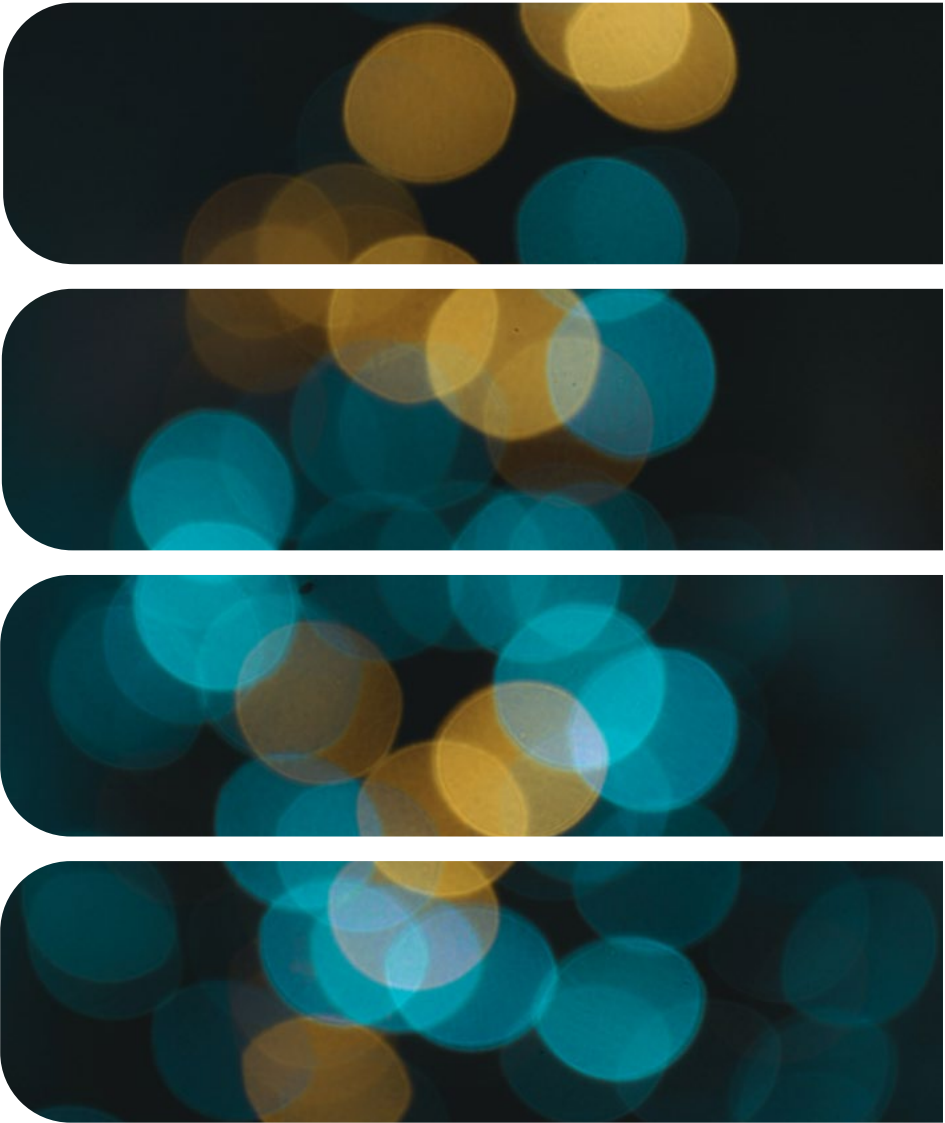
CONNECTED HOME

- Futuristic home environment connected to the 5G network with electrical and electronic appliances enabled for automated environments.



GAMING

- High speed, low latency experience of new network games and streaming provided by the 5G networks.



07 ENVIRONMENTAL MANAGEMENT



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The growing expectation on the part of society and shareholders of transparency and accountability in the provision of non-financial information by companies committed to social and environmental performance underscores the importance of increasingly responsible and efficient environmental management for TIM.

To create positive value for its stakeholders, TIM is committed to long-term ambitions in socioenvironmental and governance aspects in its 2020-2022 Strategic Plan (further information in Attachment I – ESG Ambitions Table on page 100).

The TIM operations encompass the management of environmental aspects such as the generation of operational and post-consumer waste and energy consumption, topics indicated as more relevant (further

information about materiality at TIM on page 10). Although this was not identified as a material topic, the company also manages and reports on its water consumption and greenhouse gas (GHG) emissions data.

Management of these factors is set forth in TIM Environmental Policy, a set of principles declared as commitments to support and to improve the company's environmental performance.

The policy is compliant with national and international legislation and with the requirements of regulatory and control agencies, as well as best management practices. It is also inspired by the guidelines of the Global Reporting Initiative (GRI) and the ten principles of the UN Global Compact, to which TIM is a signatory.



TIM recognizes the importance of increasingly efficient and responsible environmental management.

The policy sets forth the environmental goals, actions and results intended with the company's Environmental Management System, including investments in improvements. The company has assumed three public commitments:

- To contribute towards preventing pollution as the main factor in protecting the environment;
- To comply with legal requirements and organizational standards;
- To continuously improve the environmental management system and the company's environmental indicators.

These commitments are reflected in TIM processes in all its operations in Brazil.

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The company also identifies opportunities of improvement to achieve levels of excellence in its Environmental Management System (EMS). It has been working on improving performance in processes and controls since 2010, having obtained ISO 14001 environmental certification for Network Management and Operation in the states of Rio de Janeiro, São Paulo and Espírito Santo (further information about the certifications in Attachment II on page 102).

All the TIM Radio Base Stations (RBSs) have licenses from Brazil's National Telecommunications Agency (Anatel). Two main environmental impacts have been mapped in the implantation and operation of the RBSs: emissions of non-ionizing radiation and the actual installation of this infrastructure. These impacts are monitored by means of internal controls.

In 2019, TIM operated with over 19,000 sites and since it has operations all over Brazil, the company has 146 RBSs in environmental preservation areas.

The company monitors these locations periodically to ensure that they do not impact biodiversity.

The theoretical conformance reports and measurements ensure that the non-ionizing radiation from the RBSs is within the limits permitted by the World Health Organization (WHO). In 2019, electromagnetic emission levels were measured at 8% of the company's sites. This monitoring is undertaken based on the methods established by Anatel, within the permitted parameters. 103 | 304, 304-2

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In 2019, TIM received two fines for non-conformance with environmental laws and regulations in the total amount of R\$ 1 million, and received 35 infraction notifications with no monetary sanctions. The fines were handled by TIM technical staff with support from legal advisors. In February 2020, the fines were partially suspended. The company also has three terms of conduct adjustment in course. The majority of the environmental fines and sanctions are due to lack of environmental licensing or the non presentation of the documents necessary for the licenses. 307-1

The company has teams that track and handle cases of non-conformance, for example the regularization of RBSs and buildings housing data centers in order to ensure its operations are conducted within the standards required by legislation and, equally important, to reinforce its environmental risk management processes. GRI 103 | 307



Questions related to conformance are assessed by the company's Licensing Committee which adopts a preventive approach to risk mitigation.

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Energy efficiency 103 | 302

Material topic: energy management

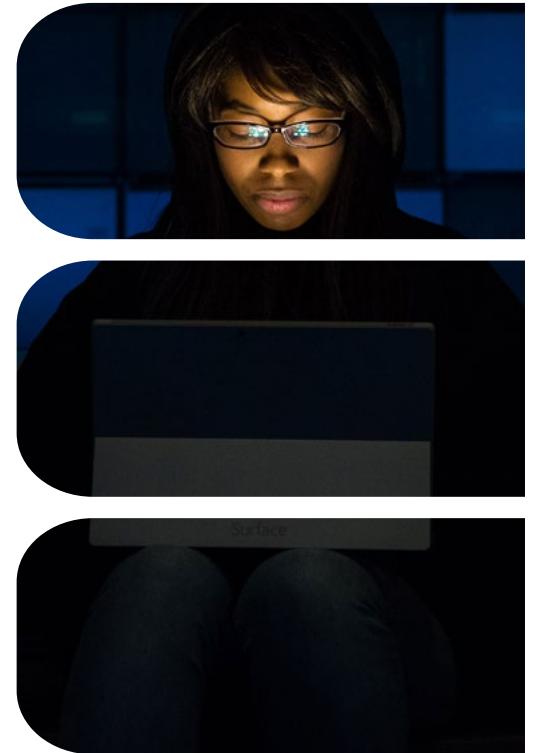


The telecommunications sector is highly dependent on the continuous supply of electricity to ensure the functioning of its operations. Consequently, TIM views energy scarcity as a significant operational risk, directly linked with the company's costs. Any interruptions in energy supply impact service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

Aware of the importance of this question for the business and for society, in its 2020-2022 Strategic Plan TIM has committed to ensuring the more efficient use of energy for data traffic, with a target to boost energy efficiency by 75% by 2025.¹ Further information about the company's ambitions on page 101.

As part of its risk management strategy, TIM has invested in the auto-generation of energy by means of distributed generation projects – electricity micro-generation models using renewable sources, such as solar panels, biogas generators and small hydroelectric power plants.

¹ Accordingly, the eco-efficiency target established for 2019 was reviewed in order to adapt it to the company's long-term ambition, in line with the Group.



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TIM has been seeking renewable energy sources.

The company has also invested in purchasing energy on the free market, a business model for the acquisition of renewable energy by means of bilateral contracts with power generation companies compliant with legal and regulatory requirements, more specifically article 26 of law n° 9.427, dated 1996, and article 2 of Aneel Resolution n° 77.

One of TIM's internal guidelines is the pursuit of renewable energy sources. In relation to distributed generation projects, the company has operated five small hydroelectric power plants in the state of Minas Gerais, 100% dedicated to TIM operations. This measure stimulates the use of renewable energy in the national power grid. In 2019, around 50% of TIM's energy consumption was from renewable sources. This should increase to 60% by the end of 2020 and to 70% by 2025, the target established in the 2020-2022 Strategic Plan.

The company also continues to invest in other energy efficiency initiatives, such as the Decommissioning project, which involves the deactivation and removal of equipment

from company sites to reduce power consumption and free up physical space for new projects. 302-4

Energy consumption within the organization (GJ) 302-1			
	2017	2018	2019
Gasoline	26,115	21,249	21,686
Hydrated ethanol ¹	0.16	5.38	5.96
Diesel – Vehicles	1,088	896	870
Diesel – Generators	7,941	14,594	9,846
Electricity	2,597,960	2,529,651	2.581.713 ²
Total	2,633,104	2,566,395	2,614,121

¹ The hydrated ethanol data were restated in relation to those published in the 2018 report due to changes in the calculation metrics. In 2018, these data were presented in J, restated in this report as GJ. 102-48, 102-49

² Part of the 2019 electricity consumption reported was estimated.

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Waste management 103 | 306

Material topic: operational and post-consumer waste management



For TIM, waste management is linked with impacts on brand value, market presence and operational and regulatory costs. TIM recognizes its 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, for example. This waste has to be disposed of properly in accordance with legal requirements in order not to contaminate the environment and to avoid sanctions and fines for the company.

The primary objective of waste management at TIM is to reduce the generation of waste both in the operation and in the post-consumer phase. Measures are aligned with the company's Environmental Policy and the procedures established in the Environmental Management System, aimed at ensuring the sustainable use and environmentally correct disposal of materials. The measures include incentives for selective collection, the recovery and recycling of materials, as well as reverse logistics.



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To this end, TIM provides collection bins in its stores and administrative buildings in which customers and employees may deposit electronic waste no longer in use, such as smartphones, Sim cards, batteries, modems, ear phones and other accessories.

Regarding paper consumption, the company adopts practices that encourage reduced use, such as the replacement of independent printers, fax machines, scanners and photocopiers with multifunctional devices that centralize these tasks. Printing restriction

policies, associated with internal awareness campaigns to reduce consumption, have contributed to savings in paper and other resources such as toner. 103 | 301

Service providers who dispose of solid and liquid waste are regularly subject to internal and external audits, in line with company EMS guidelines. 103 | 301, 301-3, 306-1

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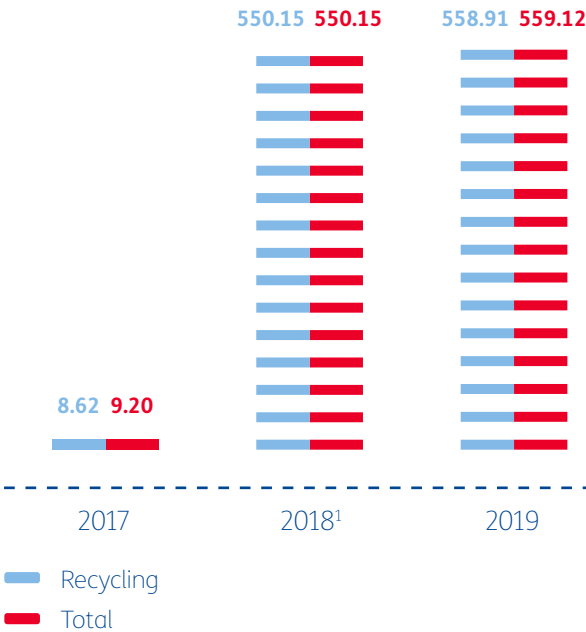
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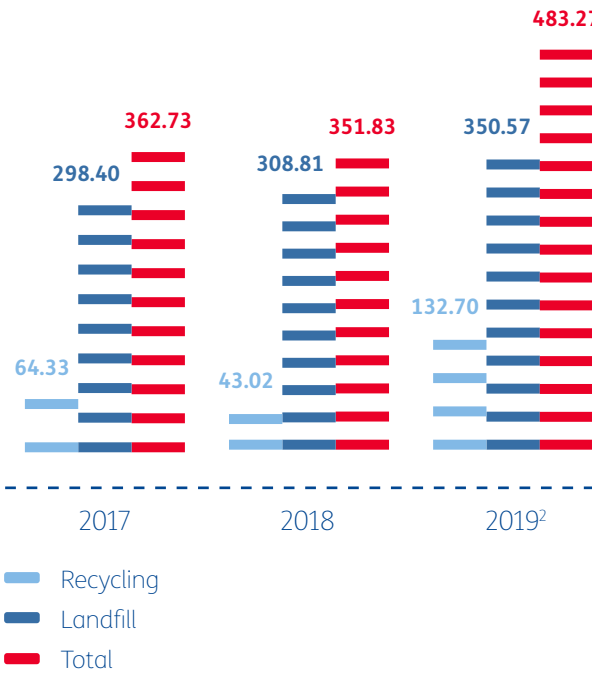
Waste, discriminated by type and disposal method **306-2**

Generation and disposal of hazardous waste (t) **306-2**



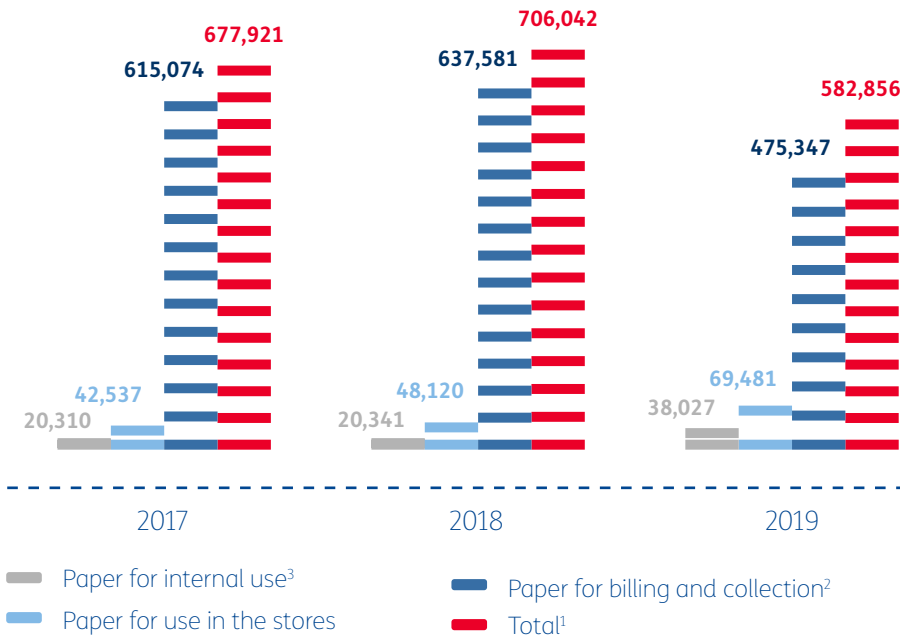
¹ The increase in the volume of hazardous waste sent for recycling in 2018 was due to the conclusion of the disposal of accumulated batteries that were awaiting correct destination.

Generation and disposal of non-hazardous waste (t) **306-2**



² In 2019, there was an increase in the quantity of waste, due to the inclusion of network infrastructure waste (except batteries) resulting from the replacement of obsolete equipment.

Materials used by weight or volume (per kg) **301-1, 102-48**



¹ The total amounts for 2017 and 2018 were restated in this report due to the identification of duplication of data.

² There was a reduction in the consumption of paper used in billing due to TIM's ongoing efforts and investments in the digitalization of services such as digital billing.

³ There was an increase in internal paper consumption due to the inclusion of use by the distribution and logistics centers.

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Waste and recycling management targets

INDICATOR Collection of used cell phones, batteries, modems and other accessories for recycling.	2019 target 0.5 ton Reached (0.6 ton)	2020 target 1.5 tons
INDICATOR Recycling of waste generated in the administrative offices.	2019 target Recycling of 13% – recycled 12% Note: TIM assessed the situation and concluded that it was not possible to reach the target for the year, due to the generation of less recyclable material.	2020 target Recycling of 13%

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Emissions management

103 | 305, 305-1, 305-2

TIM Climate Change Policy establishes principles that must be applied in all the company's activities in Brazil in order to ensure proper and efficient management of its greenhouse gas (GHG) emissions. The policy takes the requirements of national and international legislation, the determinations of regulatory agencies and the guidelines of the TIM Italia Group into account.

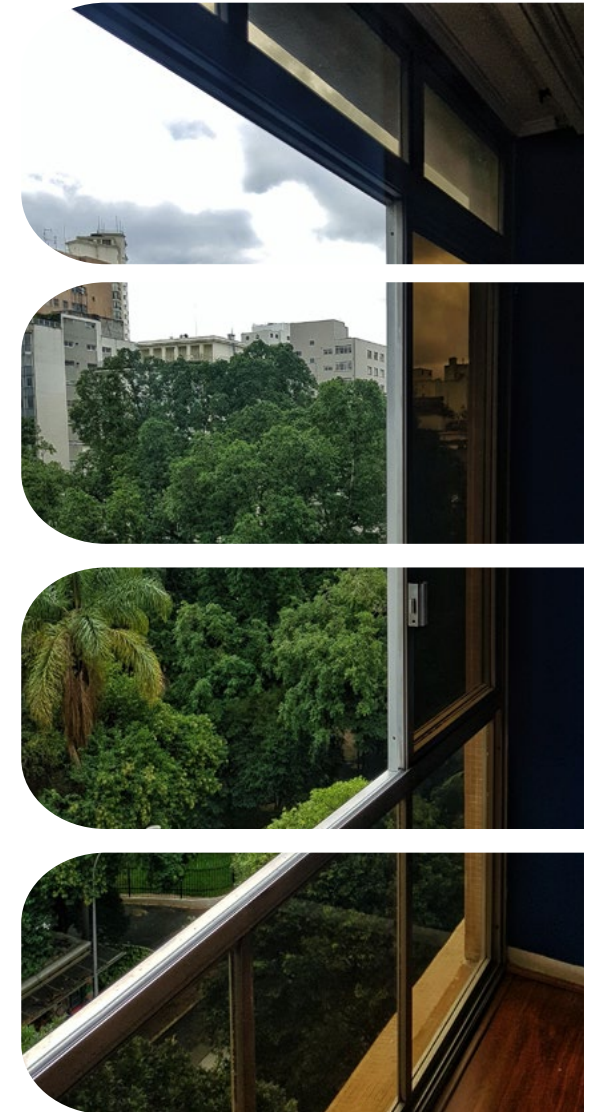
TIM is engaged in combating climate change and is committed to principles such as:

- Guarantee of legal compliance;
- Pursuit of energy efficiency;
- Use of renewable energy sources;
- Pursuit of efficiency in the employment of network resources by means of shared use agreements.

TIM recognizes its contribution to global GHG emissions impacts, and has established a public commitment to become carbon neutral by 2030, in line with the UN's SDG 13.

The company is also aware of the risks its operations and businesses are exposed to due to climate change (further information about risks and opportunities due to climate change on page 37).

A number of stages of the company's activities, such as equipment operation, product transportation and employee travel involve energy and fuel consumption and consequently the direct or indirect emission of greenhouse gases. 305-5



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Therefore, TIM considers the question of climate change to be strategic for business continuity and for value creation, making the implementation of mitigation and adaptation measures indispensable for the well-being of society.

As part of its commitment to society, TIM conducts an annual inventory of the emission sources in its activities, a management tool that enables the company to understand its main sources of pollution. The inventory is audited by an independent third-party.

TIM is also engaged in ensuring transparency in reporting its emissions and its initiatives, for example, by means of the Carbon Disclosure Project (CDP) and the GHG Protocol public registry platform.

TIM also seeks to engage its suppliers in combating climate change with a view to raising their awareness and encouraging them to map and to manage their emissions, which contributes to the more detailed quantification of the company's indirect emissions, to the reduction in the carbon footprint associated with its services and the pursuit of innovative solutions that generate fewer emissions. Moreover, the company participates in external forums and discussion groups that debate climate change issues and propose best practices in this area.



Further information at
[https://registropublicodeemissoes.com.br/
participantes/214](https://registropublicodeemissoes.com.br/participantes/214)

Further information about TIM's report to the CDP at
<https://www.cdp.net/en/>

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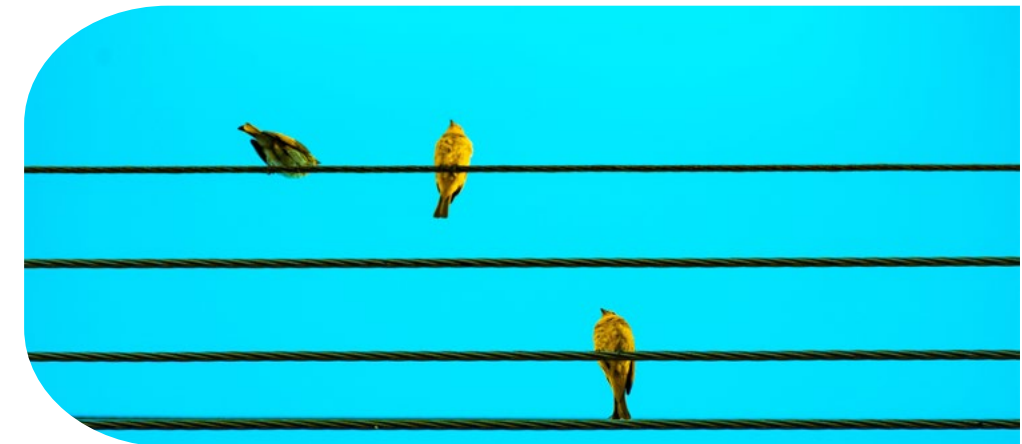
Carbon Footprint

TIM calculated its carbon footprint for the first time. A study that presents a product's or service's specific GHG emissions throughout its life cycle.

Calculating a product or service's carbon footprint requires knowing all the GHG emissions in its macro-processes, including the impacts generated by customers, partners, suppliers and other stakeholders. In other words, it means identifying the emissions occurring in the extraction,

production and transportation of raw materials, the energy used, the transportation of the actual product, among other stages.

The study concluded that for each 1 Mb of data trafficked in 4G technology, 1.47 g of CO₂e are emitted. And the major impacts are related to the stages of burning diesel and consuming electricity.



Total relevant direct and indirect emissions of greenhouse gases, by weight 305-1 305-2

Emissions 305-1 305-2			
	2017	2018	2019
Scope 1	4,719 tCO ₂ e	13,973 tCO ₂ e	5,132 tCO ₂ e
Scope 2	718,359 MWh	702,681 MWh	717,014 MWh ¹
	66,616 tCO ₂ e	51,987 tCO ₂ e	53,806 tCO ₂ e
Scope 3	35,513 tCO ₂ e	37,803 tCO ₂ e	29,353 tCO ₂ e

¹ Part of the 2019 electricity consumption reported was estimated.

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Emissions discriminated by scope and type of source 305-1 305-2			
	2017	2018	2019
Scope 1	4,719	13,973	5,132
Company fleet	566	477	510
Generators	550	981	661
Fugitive emissions - refrigerants	1,620	3,790	1,875
Fugitive emissions - extinguishers	1,983	8,725	2,087
Scope 2	66,616	51,987	53,806
Electricity consumption	66,616	51,987	53,806
Scope 1 and 2	71,335	65,959	58,938
Scope 3	35,513	37,803	29,353
Cat. 1 - Production of purchased inputs	838	841	599
Cat. 3a - Production of energy inputs	426	564	601
Cat. 3c - T&D losses	15,956	12,346	12.665



	2017	2018	2019
Cat. 4 - Transport and distribution (upstream)	10,103	15,255	5.425 ¹
Cat. 5 - Waste disposal	593	619	558
Cat. 6 - Air travel + taxis	1,947	2,536	3,461
Cat. 7 - Employee commuting	5,573	5,564	5,927
Cat. 9 - Transport and distribution (downstream)	77	78	117

¹. Some third-party freight providers do not share their primary data with TIM for the calculation of emissions.

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2019	Emissions per customer (kg CO ₂ e /Customer) 305-1 305-2	Emissions per employee (kg CO ₂ e /Employee) 305-1 305-2	Emissions associated with net operating revenue (kg tCO ₂ e /R\$ thousands) 305-1, 305-2, 305-4
Scope 1	0.095	489.31	0.30
Scope 2	0.98	5,068.85	3.10
Scope 3	0.52	2,684.47	1.64

Scope 305-2 305-3	Type of emission
Scope 1 (direct emissions)	1. Burning fuel in company fleet. 2. Burning diesel oil to generate energy. 3. Fugitive emissions from gases used in refrigeration and firefighting equipment.
Scope 2 (indirect emissions associated with energy generation)	Consumption of purchased electricity.
Scope 3 (other indirect emissions)	1. Burning fuel from: – Air travel by employees; – Daily commuting by employees; – Outsourced fleet and vehicles of sales consultants; – Cargo air freight. 2. Waste management. 3. Production of purchased inputs. 4. Production of energy inputs (fuels). 5. Losses in transportation and distribution of electricity.

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Managing water consumption 103 | 303

The main source of water consumption in the TIM operations is routine use in the administrative buildings, such as the volume consumed in toilets/bathrooms, kitchens and canteens. This water comes mainly from urban utility providers. The company's activities do not involve intensive water consumption, therefore there is no significant impact on water availability for other users or systems.

Even so, TIM maintains initiatives to ensure efficient water consumption, such as frequent inspections of toilets/bathrooms and canteens to prevent any leaks, the installation of efficient and economical equipment and monitoring of water meters to identify any deviations in consumption. The company also reuses rainwater and the condensation from air conditioning systems. 303-3, 306-1

In 2019, TIM established a water consumption reduction target of 1% in its offices and achieved a 3% reduction. The same target has been maintained for 2020.

The wastewater in the buildings administered by the company is discharged into the public sewage networks and disposed of and treated by the pertinent utility in accordance with Brazilian law. The discharged effluent does not provoke a negative environmental impact nor does it significantly affect water bodies.

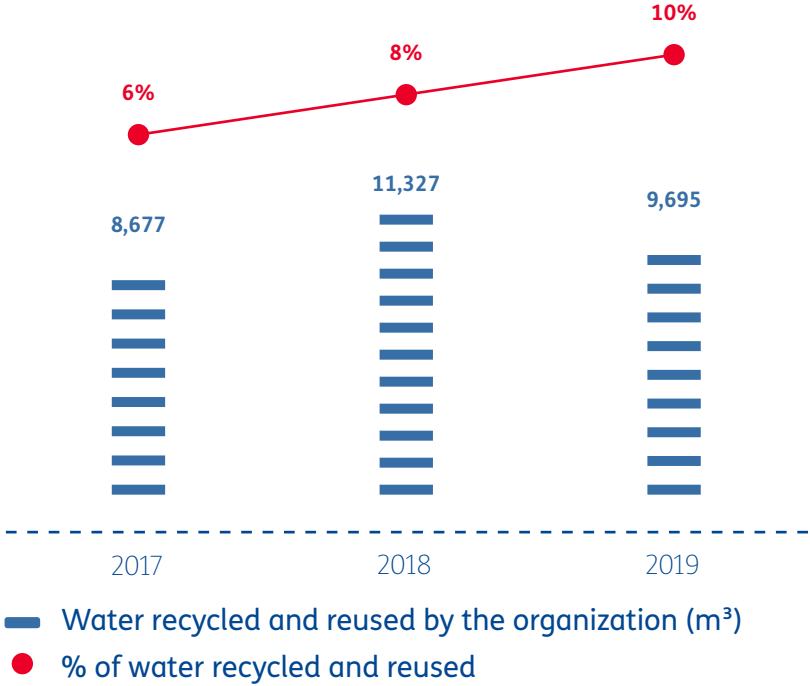


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Water withdrawn by source (m ³) 303-1			
	2017	2018	2019
Water from other sources (Artesian wells, tanker trucks and reused water)	24,454	29,974	15,904
Water supplied by municipal or other utilities	125,761	108,874	77,753
Total	150,215	138,548	93,657¹

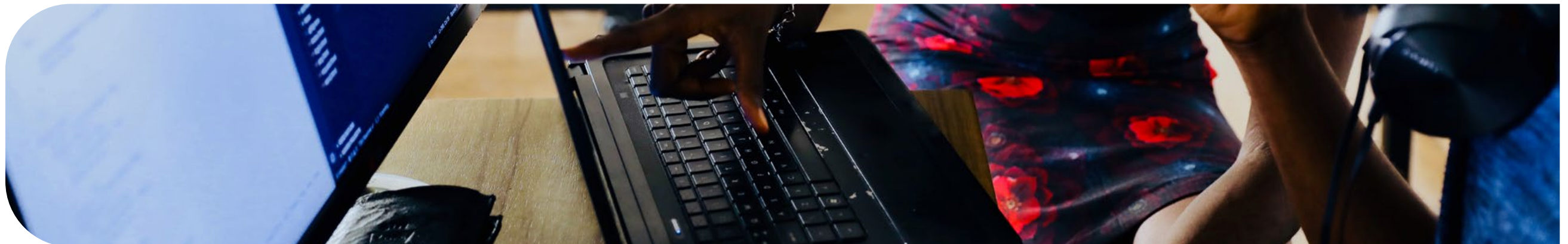
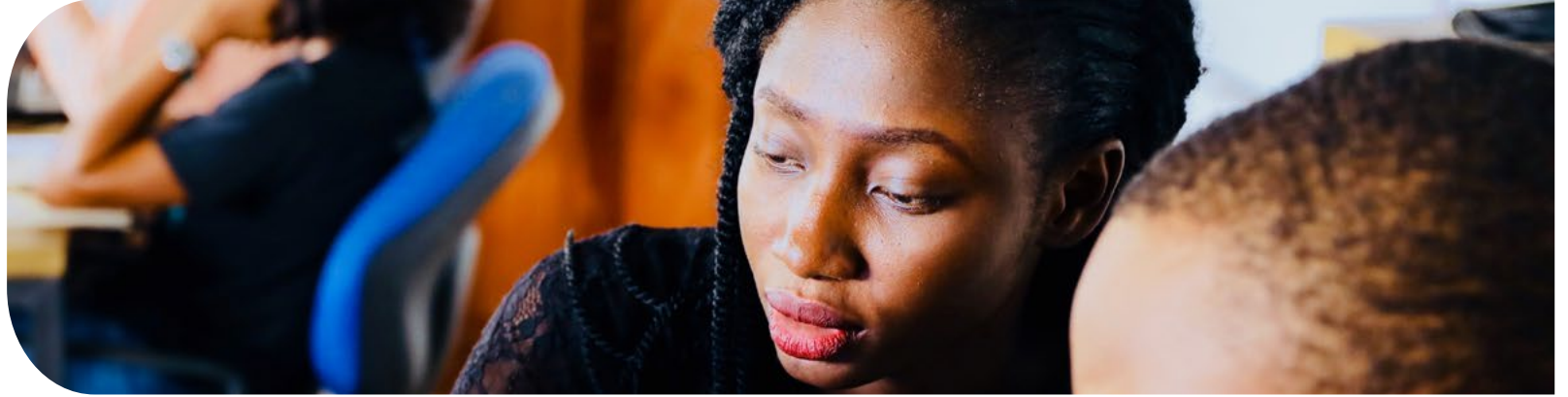
¹ The water consumption management process in the industrial buildings is being reviewed and was partially accounted for in 2019.

Water recycled and reused 303-3



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Material topic: employee management



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 TIM Brasil team comprises 10,167 employees, human and intellectual capital that is a differential for the business. The results of the 2019 Organizational Climate Survey regarding employee engagement were satisfactory. The favorability rate rose by 6 points, reaching a record of 81%. Adhesion

was also a differential: 96% of the employees participated, a percentage point increase over the previous survey.

The results demonstrate the effectiveness of the company's people management processes and Human Resources guidelines. These are aimed at developing and training employees, attracting and retaining talent, and employing human capital as a strategic resource for running the business, focused on innovation, competitiveness, market presence and future success.

The people management processes incorporate initiatives to value employees, such as the Internal Opportunity Program – which drives career development by enabling employees to participate in internal selection processes. People management also encompasses policies to support employees about to retire. 103 | 405



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Diversity

TIM believes that diversity and inclusion are essential for valuing and engaging people and for driving the innovation process. This is why management policies provide incentives for the construction of a diverse team, respect, inclusion and valuing differences. Diversity is guided by the TIM Code of Ethics and Conduct, Social Responsibility Policy and Human Rights Policy.

To promote an even more inclusive culture, in 2019 the company created its People Caring & Inclusion Management area, whose mission is to build and manage policies, internal programs and external partnerships, as well as to engage employees in discussions by means of affinity groups.

The diversity and inclusion plan, presented to and approved by the TIM Board in 2019 provides for the creation of a diversity committee, affinity groups, measures focused on gender, LGBTI+, race, generations and the disabled, as well as ongoing training measures and communication. Some specific training programs for the Human Resources area and teams that work with internal and external communication were undertaken in 2019, such as the Diversity and Culture Management Workshop and training in Inclusive Communication. Other initiatives for the full implementation of the plan will be undertaken during the course of 2020. 103 | 405

In 2019, the company received eight reports about cases of discrimination in its whistleblower channel. Three were considered substantiated and resulted in a warning, the provision of feedback and even changes in processes in order to include disabled persons. 103 | 406, 406-1



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Employees, by functional category and gender (%) 405-1	2019 absolute number		2019 calculation based on total number of employees (10,167)		2019 calculation by category	
	Men	Women	Men	Women	Men	Women
Director level	47	13	0.5%	0.1%	78.3%	21.7%
Management	457	239	4.5%	2.4%	65.7%	34.3%
Professionals	2,561	1,626	25.2%	16.0%	61.2%	38.8%
Sales force	308	193	3.0%	1.9%	61.5%	38.5%
Stores	1,023	1,162	10.1%	11.4%	46.8%	53.2%
Call centers	523	1,548	5.1%	15.2%	25.3%	74.7%
Interns	113	97	1.1%	1.0%	53.8%	46.2%
Apprentices	84	173	0.8%	1.7%	32.7%	67.3%
Total	5,116	5,051	50.3%	49.7%	50.3%	49.7%

Employees by race/color 405-1	2017		2018		2019	
	Nº	(%)	Nº	(%)	Nº	(%)
White	6,623	65	6,538	65	6,361	63
Black	605	6	716	7	752	7
Mixed race	2,627	26	2,562	25	2,736	27
Oriental	122	1	136	1	134	1
Indigenous	34	0.3	21	0.2	21	0.2
Not Informed	82	1	103	1	163	2
Total	10,093	100	10,076	100	10,167	100

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Ratio of salary of women to men by functional category ¹ 405-2	2017	2018	2019 ²
Director level	1.35	1.54	1.54
Management	1.12	1.14	1.09
Professionals	1.07	1.07	1.09
Sales force	1.04	1.03	1.04
Stores	0.99	0.99	0.99
Call centers	1.14	1.18	1.22
Overall indicator	1.23	1.33	1.31

¹ This corresponds to the ratio of the average salary of men to the average salary of women. When the ratio is 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.

² In 2019, the ratio of total annual remuneration of the best paid individual, taking into account variable remuneration, to the average annual remuneration of all the employees, excluding the best paid employee, was 37.86.

Individuals in the governance bodies 405-1	2017		2018		2019	
	N°	%	N°	%	N°	%
Gender						
Men	14	88	16	100	13	87
Women	2	12	0	0	2	13
Age group						
< 30 years	0	0	0	0	0	0
From 30 to 50 years	11	69	7	44	4	27
> 50 years	5	31	9	56	11	73
Total	16	100	16	100	15	100

New employee hires, by gender 401-1	2017		2018		2019	
	N°	Rate	N°	Rate	N°	Rate ¹
Men	1,091	10.8	1,315	13	1,343	13.4
Women	993	9.9	1,247	12.3	1,215	12.2
Total	2,084	20.7	2,562	25.3	2,558	25.6

¹ The rates correspond to the sum of the monthly admission rates, calculated by the ratio of new employees to the total number of active employees in the month.

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Employees who left the company, by gender ¹ 401-1	2017		2018		2019	
	N°	Rate	N°	Rate	N°	Rate ²
Men	1,160	11.5	1,230	12.2	1,322	13.3
Women	1,269	12.6	1,189	11.8	1,197	12
Total	2,429	24.1	2,419	23.9	2,519	25.3

¹ The 2017 and 2018 rates were restated in this report taking into account the total number of employees in these years in accordance with GRI methodology. 102-48, 102-49

² The rates correspond to the sum of the monthly admission rates, calculated by the ratio of new employees to the total number of active employees in the month.

Employees by functional category 102-8	2017	2018	2019
Directors	55	60	60
Managers	681	673	696
Professionals	4,123	4,158	4,187
Sales force	482	417	501
Stores	2,042	2,178	2,185
Call centers	2,136	2,121	2,071
Interns	300	180	210
Apprentices	274	235	257
Total	10,093	10,076	10,167

Employees by region 102-8			
Region	2017	2018	2019
NW	258	273	263
NE	506	709	711
MW	366	370	385
SE	8,099	7,878	7,981
SOUTH	864	846	827
Total	10,093	10,076	10,167

Employees by age group 102-8	2017	2018	2019
Up to 35 years	6,169	5,743	5,592
From 36 to 45 years	2,906	3,195	3,336
From 46 to 60 years	980	1,092	1,190
Over 60 years	38	46	49
Total	10,093	10,076	10,167

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Health and safety 103 | 403

Health and safety management at TIM encompasses the operations, the work environment and employee quality of life.

As it does every year, in 2019 TIM conducted its Environmental Risk Prevention Program (PPRA in the Portuguese acronym), as part of its health and safety promotion processes. The program is a study carried out annually at 100% of TIM operations in Brazil. It involves on site safety inspections to identify risks and respective control and preventive measures. None of the company's employees exercise functions with a high incidence or high risk of diseases. **403-3**

Nonetheless, TIM pays constant attention to activities in its Call Center, where cognitive risk may present problems. To ensure the health of these individuals, the company conducts ergonomic assessments, in addition to providing workplace exercise and quick massage programs in rooms made available

to relieve stress and enable relaxation.

The company also organizes an Internal Work Accident Prevention Week (Sipat) as part of this process. Every year employees participate in engagement actions designed to point out the risks present in the work place and measures to prevent them and to mitigate their impact. **403-2**

In 2019, 93% of the company's employees were represented on formal occupational health and safety committees. All the TIM regional operations have an Internal Accident Prevention Committee (Cipa), as required by legislation, Ruling 3.214/78 - Regulatory Standard 5. These committees have members who represent the company, indicated by TIM, while the employees elect their own representatives. **403-1**

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

Quality of life beyond the workplace

The benefits policy offers the option of Flex Time, allowing employees to choose the time they start and finish work, as well as Flex Office, which is a remote working program.

Employees are also entitled to the Gympass, a service enabling access to gyms, in addition to other sporting activities, as an incentive for the adoption of a healthy lifestyle. Employees also have a healthcare and dental plan, in addition to which the company organizes an annual anti-influenza vaccination campaign.

Other benefits include a nursery allowance and maternity and paternity leave.

examinations are recommended in accordance with workplace risks when necessary. These examinations are periodic and are conducted upon admission, termination, return from leave and when transferring to a new function. **403-2**

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In 2019, TIM implemented measures to reduce the number of accidents, reaching the rate of 0.07 (for each 100 employees). The target for 2020 is to reduce the rate to 0.06. The company also established an accident frequency reduction rate target of 0.74. This target was exceeded, with the rate reaching 0.41. The target for 2020 is 0.36.

Number and rates of accidents 403-2	2017	2018	2019
Number of accidents without leave - Leaves recorded in the CAT system (Workplace Accident Communication System)	1	1	1
Number of accidents with leave - Leaves recorded in the CAT system (Workplace Accident Communication System)	11	13	6
Frequency rate - Number of accidents with leave per million man-hours worked	0.7	0.8	0.4
Seriousness rate - Number of days lost due to accidents per million man-hours worked	8.5	9.9	5.6
Number of days lost	138	168	95



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Training and education 103 | 404

Programs to promote the development of competencies and skills geared to business needs are the main training and education fronts at TIM. Training is focused on developing employees to meet the challenges faced by the business and to prepare them to address future scenarios in the telecommunications sector. The training and education program encompasses the following actions: 404-2

- Technical training – to qualify and update employees in specific technical areas in accordance with their function;
- Cross company training – training for employees in all company areas with a focus on business performance and development;
- Institutional training – designed to immerse employees in the organizational culture, as well as reinforce company standards and policies, such as training in the Code

TIM provides employees with training programs that promote functional qualification and career development 404-2

Evolution Program

This provides store leaders and sales consultants with full basic training, encompassing institutional and business-related areas.

Onboarding Program

The program promotes the integration of new employees into the organization’s culture, addressing areas

such as Ethics and Conduct, Anti-corruption, TIM’s market positioning and the competitive environment.

Technology Learning Trail

Aimed at employees in the Network, Infrastructure and IT areas, the program addresses strategic knowledge related to the operation and network infrastructure.

of Ethics and Conduct and anti-corruption mechanisms.

As part of its 2020-2022 Strategic Plan, TIM assumed the commitment to promote a culture that values the environmental, social and governance (ESG) dimensions, underscoring the importance of providing

employees with training in areas such as anti-corruption, sustainability and human rights, among others.

In 2018, 96% of eligible employees underwent performance reviews. The 2019 performance review for employees and leaders is scheduled to be concluded in the first half of 2020.404-3

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Training targets

INDICATOR
TRAINING (total number of hours: classroom + online + on the job)

2019 TARGET	2020 TARGET
613,581 hours (company personnel, interns and third-parties)	856,079 hours (company personnel, interns and third-parties)
Achieved: 1,182,079 hours total	

INDICATOR
NEW EMPLOYEES TRAINED IN SUSTAINABILITY-RELATED TOPICS

2019 TARGET	2020 TARGET
90% (company personnel and interns)	90%
Achieved: 93% trained	

09 TIM SUPPLY CHAIN

103 | 204, 103| 308, 103| 408, 103| 409, 103| 414



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Material topic: strategic and responsible supplier management



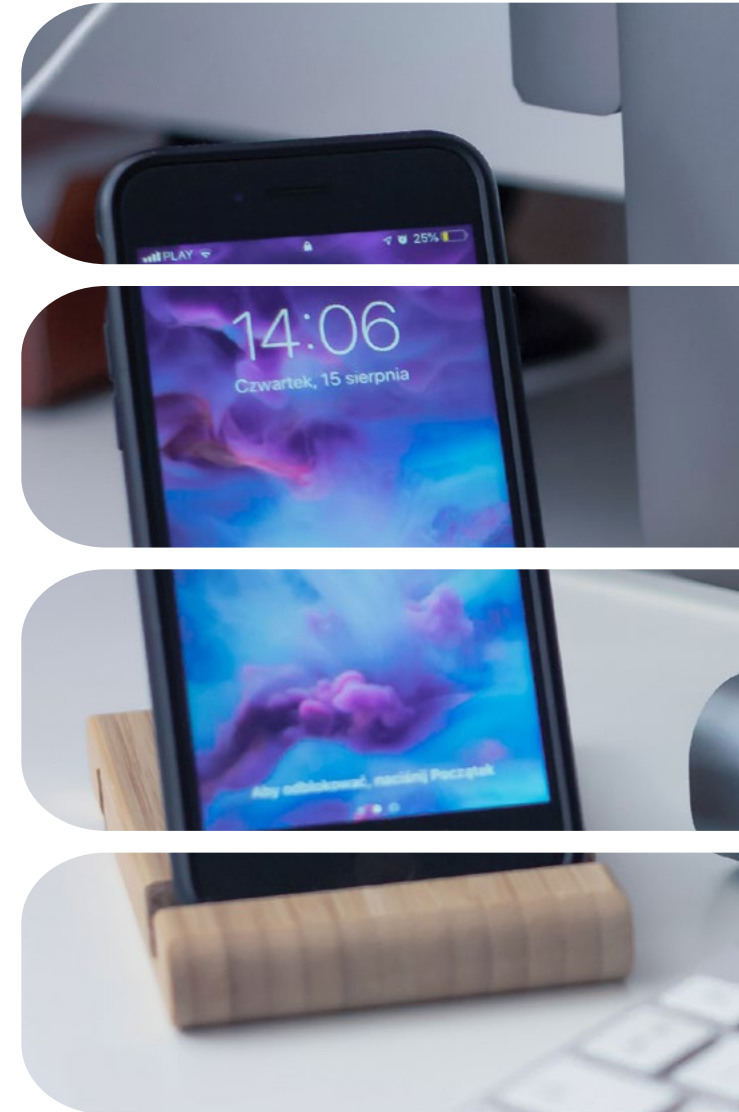
It is TIM's understanding that strategic and responsible management of the suppliers in its chain is key to ensuring the offer of quality services to customers. This is essential in guaranteeing continuity in the supply of products and services offered by business partners, preventing the risk of shortages and ensuring the joint creation of innovation 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 supply chain comprises suppliers of network equipment and infrastructure, telecommunications products – such as cellular telephones and modems –, as well as technology services, electricity and service providers, such as consultancies, auditors and communication agencies. 102-9

In the qualification process, TIM suppliers must respond to a due diligence questionnaire aimed at identifying possible risks for the company's reputation, which encompasses diverse questions such as conflicts of interest, relations with public authorities, among other ethics-related factors. In 2019, 93% of the company's suppliers responded to the questionnaire, exceeding the company's target for the year of engaging 85% of its business partners in the process. For 2020, the target was maintained at 85%.

In all its supply contracts, TIM obliges its suppliers to do business in line with legal requirements and good compliance practices. Contracts also oblige suppliers to commit to the TIM Code of Ethics and Conduct and the



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principles of the Global Compact, with express mention of the non use of child, illegal or slave labor. In 2019, 87% of the company's suppliers were screened for environmental and social criteria, such as adherence to labor legislation and the guarantee of human rights. 308-1 408-1 409-1 414-1

In 2019, TIM conducted a Sustainability and Compliance workshop for its suppliers, disseminating and underscoring the company's Code of Ethics and Conduct, encouraging these partners to adopt best social and environmental practices, such as commitment to the SDGs.

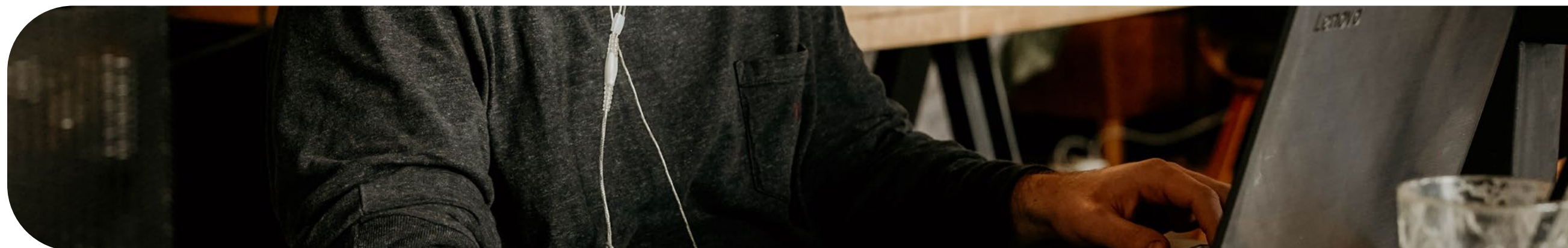
TIM has a Procurement Process Supplier Relations Policy which governs social and environmental responsibility in the supply of goods and services to the company. It is used to reinforce joint commitments and promote continuous improvement in the company's relations with suppliers.

Proportion of spending on local suppliers 204-1

Local purchases (R\$ thousands)	2017	2018	2019
Local suppliers¹	6,494,324	5,896,711	6,022,512
Network infrastructure	2,969,974	2,565,553	2,885,637
Commercial products	986,893	1,072,139	1,223,323
Information technology	716,052	805,078	799,808
Professional technical services	1,070,856	821,862	979,977
Real Estate	123,413	116,360	133,767
Others	627,137	515,718	-
Overseas suppliers	111,163	47,633	96,281
Network infrastructure	9,950	6,915	4,694
Information technology	47,170	9,764	31,374
Professional technical services	54,044	30,954	60,213
Total	6,605,488	5,944,344	6,118,793
Percentage of budget spent on local suppliers	98%	99%	98%

¹ Local suppliers are considered to be those located in the same country as TIM's headquarters (Brazil). Whenever possible, TIM's procurement policy prioritizes national suppliers.

10 DIGITAL INCLUSION



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Material topic: transformation and digital inclusion

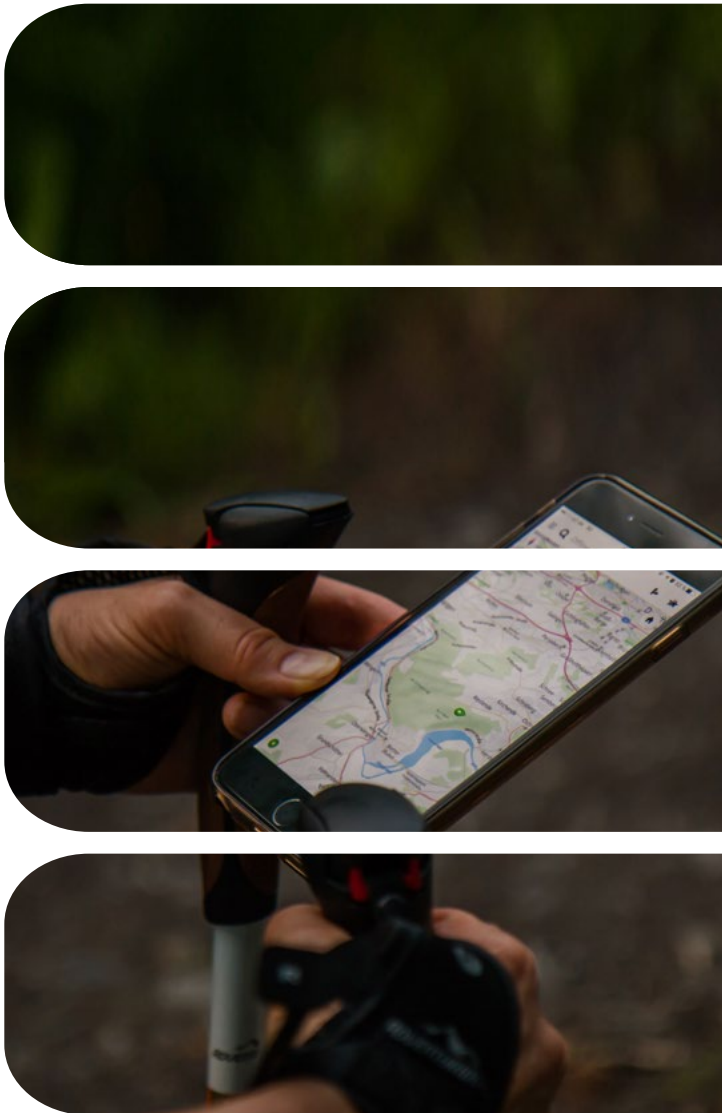


The TIM telecommunications services generate positive impacts beyond the business. In addition to ensuring Brazilian people's rights to communication and freedom of expression, the company's mobile telephony, 4G network, and fixed broadband internet services constitute an education platform that enables access to information. They also contribute towards income generation as important working tools for small businesses, promoting social inclusion.

This transformation also drives digital inclusion based on telephone and data traffic services in regions with no access to these resources, such as isolated communities, rural and low-income areas. In this manner, TIM enables people to access the internet, information and communication networks.

TIM's business model and social investments are aimed at promoting digital inclusion and education, with the products and technologies it makes available opening up access to communication media.

TIM also contributes to the development of public telecommunications policies, participating in discussions and maintaining close relations with government organizations by means of involvement in public consultations and legislative processes to accompany the implementation of new laws and regulations on the use of new technologies, such as mobile internet, in Brazil. In 2019, TIM contributed to more than 30 public consultations and accompanied around 5,000 bills of law in the federal sphere and another 3,500 in the regional spheres. Consequently, these activities also help to drive digital inclusion (further information on TIM's relations with government on pages 08 and 15).



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Digital inclusion focused on low income rural communities 203-2

The TIM business model seeks to promote digital inclusion among low income groups in rural areas in Brazil.

In 2019, the company maintained its commercial offers designed to disseminate mobile internet services, in particular among poorer social classes. This was via the affordable tariffs in the Liberty Web Rural service, providing mobile and fixed internet access in urban centers and rural areas in the states of Rio de Janeiro, Espírito Santo, Paraná and Santa Catarina. These have been available since 2018 and enable downloads of 1 Mbps and uploads of 256 kbps.

Anatel, the telecommunications sector regulatory agency in Brazil, asked mobile telephony carriers to acquire the frequencies

defined in its tender nº 004/2012 in order to integrate rural regions in Brazil into their coverage areas, including areas in which public schools are located. TIM is committed to serving 864 rural municipalities in Rio de Janeiro, Espírito Santo, Paraná and Santa Catarina and 4,455 state and municipal public schools. Further information on the Rural Service project is available at <https://www.anatel.gov.br/setorregulado/index.php/component/content/article?id=145>.

Moreover, TIM has targets to boost digital inclusion geographically, maintaining its leadership in 4G coverage.

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Instituto TIM

103-2 103-3

Instituto TIM actions have been undertaken in over 500 cities since its creation, benefiting around 700,000 people.

Part of TIM's social investment is conducted through the Instituto TIM, in addition to other initiatives organized by the company itself.

Founded in 2013, the institute has organized actions in around 500 cities in the 26 states and the Distrito Federal, benefiting more than 4,000 public schools, 16,000 teachers and 500,000 students.

The organization's vision is that technological innovations should be at the service of human development, providing a platform to access education, a right of all children and young people. The Instituto TIM wants to use new

information technologies to promote the production of knowledge in the areas of Science and Mathematics. To achieve this goal, the organization invests in four fronts:

103-2

Teaching

The institute develops and opens up 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 disseminates teaching strategies that promote the productive technological inclusion of young people.

Inclusion

The institute promotes civic awareness and the diffusion of knowledge.

Further information about the
Instituto TIM at:
<https://institutotim.org.br>

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Projects undertaken in 2019

IT – OBMEP scholarships

Since 2015, the Instituto TIM has promoted the Instituto TIM-OBMEP (Brazilian Public School Math Olympics) Scholarship Program, which offers monthly R\$ 1,200 scholarships during up to 48 months for medal winners who enter public university courses in the areas of Astronomy, Biology, Computing, Economics, Engineering, Statistics, Physics, Mathematics, Medicine and Chemistry. Currently, 200 students benefit from these scholarships.

Academic Working Capital (AWC)

An enterprise-oriented education program providing support for students who want to transform their course conclusion projects into technology-based businesses. The program offers financing for the development of technological prototypes and mentoring. Since 2015, more than 150 projects from 400 university students have received support from the program. In 2019, three of the five finalists in HackBrazil – an international contest promoted by the Brazil Conference at

Harvard & MIT – were businesses developed in the AWC. Worthy of note are Aqualuz, which came second in the contest and its founding partner, Anna Luísa Beserra, who received the UN Young Champions of the Earth award for creating a technology that transforms rainwater into potable water using solar light.

Garatêa-ISS

The Instituto TIM sponsors Garatêa-ISS, an initiative of the Garatêa Mission, the largest Brazilian space consortium, in partnership with the University of São Paulo (USP) and FAFQ (Physics and Chemistry Support Foundation). The project enables Brazilian students to participate in the North American Student Spaceflight Experiments Program (SSEP), as an incentive for the study of space sciences. The winning experiment in the 2018/2019 edition, Capillarity vs Gravity in the Filtration Process, was selected with support from specialists and partners from the National Aeronautics and Space Administration (NASA) and was tested by an

astronaut in the International Space Station (ISS) in July.

TIM Tec

The TIM Tec platform – developed by the Instituto TIM as open software – contributes towards facilitating access to professional and technological education by means of open courses offered free of charge. Currently, more than 60,000 people are registered on the platform which offers 30 courses in the ICT (Information and Communication Technology) area.

Busca Ativa Escolar

The Instituto TIM and the United Nations Children's Fund (Unicef) developed the Busca Ativa Escolar technology solution, which facilitates and stimulates the work done by municipal authorities to locate the estimated 3 million children and adolescents not in school in Brazil. The goal is to offer public authorities an innovative approach to the active search for these children. In 2019, more

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than 2,000 municipalities joined the platform, according to Unicef Brasil.

Bateria do Instituto TIM (Instituto TIM Percussion Band)

The Instituto TIM percussion band is an initiative that promotes musical education for around 50 children, young people and adults, many of whom are disabled, in the city of Rio de Janeiro (RJ). The band has a leader, music monitors and a Brazilian Sign Language interpreter. In 2019, the Instituto TIM Percussion Band presented a special performance for TIM employees to celebrate the company’s winning the Anatel Accessibility in Telecommunications Award, after which it received a standing ovation. Additionally, the band was invited to play at a number of events, such as the “Italianorio”, the Copacabana Beach Tennis Open tournament, the TIM sales convention, and the traditional Praça Xavier de Brito Carnival, together with the Rio de Janeiro children’s street band, Mini-Bloco. This year, the band members had the opportunity to attend the Cirque du Soleil performance “OVO” in Rio de Janeiro.

Private social investment

TIM social investment is channeled into donations, Instituto TIM projects and the sponsorship of social projects, as shown in the following table.

Social Investments (R\$ thousands)	2017	2018	2019
Donations	230	73	124
Instituto TIM Projects	3,855	3,703	3,733
Education	1,713	2,071	2,585
Investments	506	188	-
Work	849	600	621
Inclusion	257	190	457 ¹
Others	530	654	70
Community Initiatives ¹	1,063	4,760	6,550
Sports sponsorship	809	-	-
Cultural sponsorship	134	4,760	6,450
Others	120	-	100
Total	5,148	8,536	10,407

¹ Donations linked with tax incentives are included in this category and in 2019 corresponded to approximately 95% of the investment in community initiatives (in 2018, 80% and in 2017, 13%).

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Respect for Human Rights 103-48

It is TIM's understanding that all organizations are responsible for guaranteeing respect for human rights. The company has been a signatory to the Global Compact since 2008 and since 2015 has participated in the Human Rights Working Group, organized by the Brazilian Network of the Global Compact.

In relation to its own business, TIM recognizes that data privacy, a secure internet, access to information and freedom of expression are unalienable rights that must be respected. 102-12

These commitments are set forth in internal company standards such as the TIM Italia Group's Human Rights Policy, the Code of Ethics and Conduct, the Supplier Relations Policy and the Social Responsibility Policy – which prohibits child, forced or slave labor, discrimination, sexual and psychological

The Guarantee of Human Rights is assessed in the due diligence process

The TIM due diligence process assesses the guarantee of Human Rights within the company, ranging from impact assessment, the elaboration of action plans to guarantee these rights, communication processes and the reporting of any cases of restrictions to or violation of human rights. This process is conducted periodically based on the United Nations Guiding Principles on Business and Human Rights (John Ruggie Principles).

As part of this process, TIM requires strategic areas affected by this

question to respond to the Human Rights Capacity Diagnostic (HRCDC) questionnaire, developed by the German Global Compact Network, to verify the level of engagement and management capacity in human rights.

TIM conducted a mapping exercise which identified the following more vulnerable audiences: children and adolescents; women; disabled people; and the elderly.

The last self-assessment was conducted in 2018 and the average result was 3, on a scale from 1 to 6. 103-2

harassment, in addition to valuing diversity and guaranteeing freedom of association and the right to collective bargaining (further information in Ethics and governance in business on page 26). 103-408

Employees have access to the online Human Rights course, available on the Conexão TIM platform. More than one thousand employees have taken the course since it was launched in 2018.

ATTACHMENT 1

ESG AMBITIONS TABLE

In its sustainability reports TIM has been publishing annual targets related to training, waste management and water consumption, supplier assessment, among others, which has helped drive continuous improvement in these areas.

Now, for the first time ever, in its 2020-2022 Strategic Plan TIM has assumed long-term commitments in a joint effort with the TIM Italia Group. This demonstrates that doing business is increasingly geared towards the responsible management of aspects that go beyond financial considerations and generate positive, lasting value for society.

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ESG	Ambitions	Targets	Deadline
E	<ul style="list-style-type: none">Increasing efficiency and taking advantage of reduced costs with green energyDeveloping infrastructure and data center to offer our customers more with lower impact from the operations	Eco-efficiency in traffic transmitted: +75% Indirect emissions: -70%	2025
		Carbon neutral	2030
S	<ul style="list-style-type: none">Improving value placed on internal work force and managing talentAccess to the Brazilian best company ranking based on diversityPromoting digital capabilities and an ESG culture among employeesDeveloping digital education to meet the demand for connectivity	Employee engagement > MQ3 Employees trained in ESG culture > 95% Development of digital capacity: 1,000 people	2022
G	<ul style="list-style-type: none">TIM recognized as a company with the highest level of commitment to sustainability and corporate governanceReinforcing and disseminating ESG principles at high risk suppliersAdopting best practices in compliance, information security and protection of privacy ("LGPD")	Novo Mercado and ISE: maintain ISO 27001 and ISO 37001: obtain	2022



ATTACHMENT 2

CERTIFICATION TABLE

Certification	Area certified	Scope
ISO 9001:2015 Acquisition of Quality Certification: 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 Brasília.
ISO 9001:2015 Acquisition of Quality Certification: since 2005	Fixed and mobile billing management for TIM S.A. carrier postpaid and prepaid services	National. Operating units where processes are executed: Rio de Janeiro and São Paulo.
ISO 14001:2015 Acquisition of Environmental Certification: since 2010	TIM S.A. network management and operation	Rio de Janeiro, São Paulo and Espírito Santo.
PMS Quality Acquisition of Regulatory Certification: since 2004	Method of collecting, consolidating and sending Personal Mobile Service – PMS – quality indicators .	National.
FSTS Quality Acquisition of Regulatory Certification: since 2014	Method of collecting, consolidating and sending Fixed Switched Telephone Service – FSTS – quality indicators .	National.
MCS Quality Acquisition of Regulatory Certification: since 2015	Method of collecting, consolidating and sending Multimedia Communication Service – MCS – quality indicators .	National.

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Credits

General disclosures GRI 102-55

GRI 101: Foundation 2016				
	GRI 101 no disclosures			
GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Organizational profile				
GRI 102: General disclosures 2016	102-1 Name of organization	18		
	102-2 Activities, brands, products and services	20		
	102-3 Location of head office	18		
	102-4 Location of operations	18		
	102-5 Ownership and legal form	18		
	102-6 Markets served	20		
	102-7 Scale of organization	20, 21 and 23		
	102-8 Information on employees and other workers	85		8
	102-9 Supply chain	91		
	102-10 Significant changes to the organization and its supply chain	On December 19, 2019, TIM Participações S.A. and Telefônica Brasil S.A. (Vivo), in complement to the Communication to the Market disclosed on July 23, 2019, communicated the advance in negotiations initiated with the signature of the MOU (Memorandum of Understanding), resulting in the implementation of two contracts of transfer of rights with compensation related to sharing 2G, 3G and 4G mobile network infrastructure.		
	102-11 Precautionary principle or approach	36		
	102-12 External initiatives	25 and 99		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
GRI 102: General disclosures 2016	102-13 Membership of associations	27		
Strategy				
GRI 102: General disclosures 2016	102-14 Statement from senior decision maker	03		
Ethics and integrity				
GRI 102: General disclosures 2016	102-16 Values, principles, standards and norms of behavior	19		16
Governance				
GRI 102: General disclosures 2016	102-18 Governance structure	30		
Stakeholder engagement				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	10		
	102-41 Collective bargaining agreements	Employees are free to join their category union (Sinttel), and 100% of employees are represented by workers' unions. In accordance with Brazilian legislation, TIM negotiates a collective agreement and two-year profit share program, with an annual review of financial clauses and targets, with 27 unions through three union federations.		8
	102-42 Identifying and selecting stakeholders	10		
	102-43 Approach to stakeholder engagement	10 and 14		
	102-44 Key topics and concerns raised	10		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Reporting practice				
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	9		
	102-46 Defining report content and topic boundaries	10		
	102-47 List of material topics	10 and 12		
	102-48 Restatements of information	Any restatements are indicated in the report content or in the tables (pages 42, 68, 71 and 85)		
	102-49 Changes in reporting	68 and 85		
	102-50 Reporting period	9		
	102-51 Date of most recent report	2018		
	102-52 Reporting cycle	9		
	102-53 Contact point for questions regarding the report	9		
	102-54 Claims of reporting in accordance with the GRI Standards	9		
	102-55 GRI Content Index	104		
	102-56 External assurance	9		

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Material topics

GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Economic performance				
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	21		
	103-2 Management approach and its components	21		1, 5, 8, 16
	103-3 Evaluation of management approach	21		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	24		2, 5, 7, 8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	37		13
	201-4 Financial assistance received from government	15		
Indirect economic impacts				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	52		
	103-2 Management approach and its components	52		
	103-3 Evaluation of management approach	52		
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	52		2, 5, 7, 9, 11
	203-2 Significant indirect economic impacts	95		1, 2, 3, 8, 10, 17

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Procurement practices				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	90		
	103-2 Management approach and its components	90		
	103-3 Evaluation of management approach	90		
GRI 204: Procurement practices 2016	204-1 Proportion of spending on local suppliers in significant units of the operation	92		12
Anti-corruption				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	33		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	33		16
	205-2 Communication and training in anti-corruption policies and procedures	34		16
	205-3 Confirmed incidents of corruption and actions taken	33		16

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Anti-competitive behavior				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	33		
	103-2 Management approach and its components	33		
	103-3 Evaluation of management approach	33		
GRI 206: Anti-com- petitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Two new suits were filed against TIM in 2019 (to- tal of ten currently in progress), and three were concluded in 2019		16
Materials				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	70		
	103-2 Management approach and its components	70		
	103-3 Evaluation of management approach	70		
GRI 301: Materials 2016	301-1 Materials used by weight or volume	71		8, 12
	301-3 Reclaimed products and their packaging materials	70		8, 12
Energy				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	67		
	103-2 Management approach and its components	67		
	103-3 Evaluation of management approach	67		
GRI 302: Energy 2016	302-1 Energy consumption within the organization	68		7, 8, 12, 13
	302-4 Reduction of energy consumption	68		7, 8, 12, 13

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Water				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	78		
	103-2 Management approach and its components	78		
	103-3 Evaluation of management approach	78		
GRI 303: Water 2016	303-1 Total water withdrawal by source	79		6, 7
	303-3 Percentage and total volume of water recycled and reused	78 and 79		6, 8, 12
Biodiversity				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	65		
	103-2 Management approach and its components	65		
	103-3 Evaluation of management approach	65		
GRI 304: Biodiver- sity 2016	304-2 Significant impacts of activities, products, and ser- vices on biodiversity	65		6, 14, 15
Emissions				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	73		
	103-2 Management approach and its components	73		
	103-3 Evaluation of management approach	73		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
GRI 305: Emissions 2016	305-1 305 -1 Direct (Scope 1) GHG emissions	73, 75, 76 and 77		3, 12, 13, 14, 15
	305-2 Energy Indirect (Scope 2) GHG emissions	73, 75, 76 and 77		3, 12, 13, 14, 15
	305-3 Other indirect (Scope 3) GHG emissions	77		3, 12, 13, 14, 15
	305-4 GHG emissions intensity	77		13, 14, 15
	305-5 Reduction in GHG emissions	73		13, 14, 15
Effluents and waste				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	69		
	103-2 Management approach and its components	69		
	103-3 Evaluation of management approach	69		
GRI 306: Effluents and waste 2016	306-1 Water discharge by quality and destination	70 and 78		3, 6, 12, 14
	306-2 Waste by type and disposal method	71		3, 6, 12
Environmental compliance				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	66		
	103-2 Management approach and its components	66		
	103-3 Evaluation of management approach	66		
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	66		12, 13, 14, 15, 16

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Supplier environmental assessment				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	90		
	103-2 Management approach and its components	90		
	103-3 Evaluation of management approach	90		
GRI 308: Supplier environmental assessment 2016	308-1 New suppliers that were screened using environmental criteria	92		
Employment				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	80		
	103-2 Management approach and its components	80		
	103-3 Evaluation of management approach	80		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	84 and 85		5, 8
Occupational health and safety				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	86		
	103-2 Management approach and its components	86		
	103-3 Evaluation of management approach	86		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
GRI 403: Occupational health and safety 2016	403-1 Worker representation in formal joint management worker health and safety committees	86		8
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	86 and 87		3, 8
	403-3 Workers with high incidence or high risk of diseases related to their occupation	86		3, 8
Training and education				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	88		
	103-2 Management approach and its components	88		
	103-3 Evaluation of management approach	88		
GRI 404: Training and education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	88		8
	404-3 Percentage of employees receiving regular performance and career development reviews	88		5, 8
Diversity and equal opportunity				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	81 and 82		
	103-2 Management approach and its components	81 and 82		
	103-3 Evaluation of management approach	81 and 82		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	83 and 84		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	84		5, 8, 10
Non-discrimination				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	82		
	103-2 Management approach and its components	82		
	103-3 Evaluation of management approach	82		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	82		5, 8, 16
Child labor				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	90		
	103-2 Management approach and its components	90		
	103-3 Evaluation of management approach	90		
GRI 408: Child labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	92		8, 16
Forced or compulsory labor				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	90		
	103-2 Management approach and its components	90		
	103-3 Evaluation of management approach	90		

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
GRI 409: Forced or compulsory labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	92		8
Supplier social assessment				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	90		
	103-2 Management approach and its components	90		
	103-3 Evaluation of management approach	90		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	92		
Public policy				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	33		
	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

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Credits

GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Marketing and labeling				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	35		
	103-2 Management approach and its components	35		
	103-3 Evaluation of management approach	35		
GRI 417: Marketing and labeling 2016	417-3 Incidents of non-compliance concerning marketing communications	In relation to the receipt of fines or warnings for non-conformance in marketing communications, in 2019 TIM received eight representations from the advertising self-regulatory body Conar: in three cases alterations were determined in TIM advertisements; no alterations were deemed necessary in another three; one case was filed with an agreement between the parties; and one is still awaiting judgment. 417-3		
Customer privacy				
GRI 103: Management approach 2016	103-1 Explanation of material topic and its boundary	46		
	103-2 Management approach and its components	46		
	103-3 Evaluation of management approach	46		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	47		16

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GRI Standard	Disclosure	Page	Omission	Sustainable Development Goals
Socio-economic compliance				
GRI 103: Manage- ment approach 2016	103-1 Explanation of material topic and its boundary	35		
	103-2 Management approach and its components	35		
	103-3 Evaluation of management approach	35		
GRI 419: Socio-eco- nomic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	TIM paid two fines related to non-compliance in service supply in 2019. One amounting to around R\$ 11 million, applied by a consumer rights authority, was for non-conformance in the standard of service to consumers on the part of the company call center. The second fine of around R\$ 240,000 was applied by another body as a result of customer complaints about contracts and bills. 419-1		16

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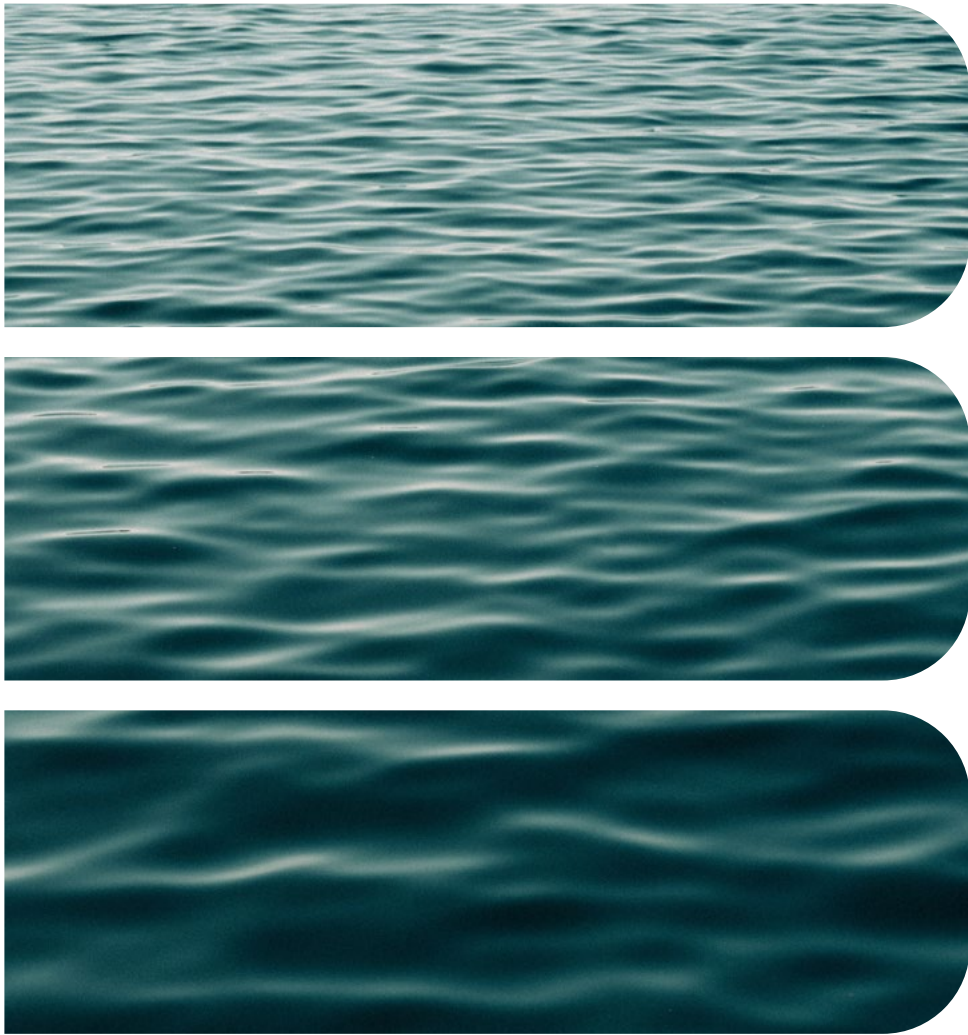
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Sustainable Development Goals

1. No poverty
2. Zero hunger
3. Good health and well-being
4. Quality education
5. Gender equality
6. Clean water and sanitation
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reducing inequality
11. Sustainable cities and communities
12. Responsible consumption and production
13. Climate action
14. Life below water
15. Life on land
16. Peace, justice and strong institutions
17. Partnerships for the goals

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■ **GRI content summary**

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Independent Auditors’ Limited Assurance Report on the TIM Participações S.A.’s Annual Sustainability Report based on GRI – Standards (In accordance – “Core”) and Greenhouse Gases Inventory.

To the Administrators of
TIM Participações S.A.
Rio de Janeiro – RJ

Introduction

We were engaged by TIM Participações S.A. management to present our limited assurance report on the information contained in the Annual Sustainability Report based on Global Reporting Initiative (“GRI”) – Standards (including Greenhouse Gases

Inventory’s indicators), for the twelve-month period ended December 31, 2019 (“Report”).

TIM Participações S.A.’s management responsibilities

TIM Participações 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 (Inaccordance – “Core”),

Brazilian GHG Protocol Specification 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 Participações 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)

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consists mainly of inquires of management and other professionals from TIM Participações 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 Participações S.A.. The procedures comprised:

- 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;

- 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;
- the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
- 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 applicable in the preparation of the information contained in the Report and Brazilian GHG Protocol Specification Program for the Greenhouse Gases Inventory.

We believe that the evidence obtained in our work was sufficient 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 Participações 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 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.

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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 Report, for the twelve-month period ended December 31, 2019, 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”) and Brazilian GHG Protocol Specification Program.

Rio de Janeiro (RJ), May 05th, 2020

ERNST & YOUNG

Auditores Independentes S.S

CRC 2SP015199/O-6



Fernando Alberto S. de Magalhães
Contador - CRC – 1SP133169/O-0

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Coordination TIM Participações S.A.
Regulatory, Institutional and Press Relations
– Environmental, Social & Governance – Corporate Social Responsibility area

GRI consulting, integrated editorial project and project management
Report Group – rpt.sustentabilidade

Editing and copy
Andressa Malcher MTb 0073194 SP

GRI Consulting
Karina Simão

Project and relationship management
Ana Souza

Graphic design
Diego Ribeiro

Layout
rpt.sustentabilidade

Photography
Banco de imagens

