



## KEY ASPECTS ON TIM PEOPLE DEVELOPMENT PLANS

We believe in the value of our people and in the wealth of experience and skills that represent a unique competitive lever for our company.

This is why we focus special attention on performance management and development, defining and implementing plans dedicated to the growth of TIM people and carrying out development initiatives.

**Management by objectives (MBO).** Evaluation process for managers in the MBO process that takes place on an annual basis. The objectives, which are precise and measurable, are defined annually together with the relevant managers.

Some objectives are defined using **team-based performance appraisal** method and then later broken down for individual appraisals.

**Multidimensional performance appraisal.** Employees are assessed annually on the basis of the TIM competency model. This is a five-stage process (assignment of objectives, mid-year review, choice of assessors, evaluation, feedback) that also includes an assessment of how well the employee meets the values and objectives of the department or company. The employee can receive feedback from peers, direct reports and other employees to provide a '360 degree' view of performance. Every two years, an extensive campaign called the 'Work Drivers Map' is also usually carried out to measure the motivation and employability of all people. For specific job families, Skill Assessment campaigns are also carried out at variable intervals to measure transversal and technical skills. Finally, potential assessments are carried out for resources undergoing succession plans or role changes.

**Team-based performance appraisal** In some areas, the assessment of individual performance is based primarily on the objectives and results achieved by the entire group and aims to assess individual performance by considering the wider context of teamwork.

**Agile conversations.** Agile performance management is an unstructured approach to managing employee performance and development throughout the year, rather than on an annual or biannual basis. It is a collaborative approach, involving regular conversations and continuous feedback. Agile performance management does not focus solely on the destination (e.g. an outcome or an annual performance appraisal), but rather focuses on the process of achieving that goal, which involves the regular review of targets and barriers to effective performance. TIM started testing continuous feedback on a pilot population in 2022. In 2023, it is planned to extend it to 10 per cent of the corporate population and in subsequent years, depending on the outcome of the trial, to the rest of the workforce

**Job rotation.** In a company as large and complex as ours, job rotation is of significant importance in our development paths. In 2022, with the "Enhance Skill & Insourcing" program, we carried out more than 2,000 job rotations, which also included about 300 transfers from/to TIM Group Subsidiaries.

By way for example, we mention the Insourcing project that concerned the Network, Operations & Wholesale area in 2022 with the aim of insourcing some activities previously outsourced and considered strategic for our reality.

The project involved 651 employees (1.3% of the Group's population) who had the opportunity to acquire new skills and knowledge through training and on-the-job training courses.

The program ensured an increase in productivity, making employees fully operational in their new functions and improving the overall operational efficiency of the functions involved, also leading to a decrease in business costs. The economic benefit in terms of reduced external costs is estimated at EUR 29M when fully operational.

**Development programmes.** We defined a '**Youth Development Programme**', dedicated to the under-37s (about 3,000 people TIM Domestic, i.e. 7% of population) to enable them to participate and express their ideational and generative potential to develop their career path. The plan includes a highly educational path and mentoring initiatives, aimed at enhancing their leadership and soft skills.

"In general, the programme leads to the empowerment of the participants' skills, leading to a competitive advantage for the company in the market, and is linked to broader business benefits in terms of engagement, motivation and a sense of belonging of the resource to the company, as shown by the result of the engagement survey that in 2022 recorded + 11pp on the target segment compared to the population average.

The increased motivation and sense of belonging of the young target translates into higher performance and productivity, generating a virtuous circle of growth and success for the business.