

Member of DJSI World, DJSI Europe

Company Information

Country	Italy
Market cap (USD million)*	8,911

*Source: S&P Global BMI, 31 July 2016

Company Description

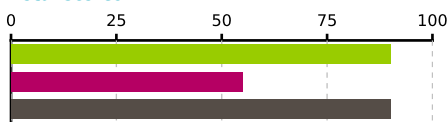
The Telecom Italia Group offers fixed and mobile communication services, as well as ICT solutions. In Italy, the Group operates the biggest fixed voice and data infrastructure, covering the whole territory and providing one of the country's most extensive and advanced mobile network platforms. In addition to its domestic leadership, mostly through its brand TIM, the Group has a significant presence in Brazil. The group's activities are encompassed in the following three core business units. First, the Domestic unit, which represents 76% of the group's revenues and includes domestic fixed and mobile voice and data services and domestic information technology products and services. Second, the Brazil business unit, representing 23.5% of revenues, encompasses mobile telecommunication services, fiber optic data transmission and residential broadband services for the Brazilian market. Finally, the Media unit manages digital multiplexes and represents less than 0.5% revenues. In 2015, Telecom Italia Group generated strong revenues of EUR 19,718 millions.

Industry Drivers

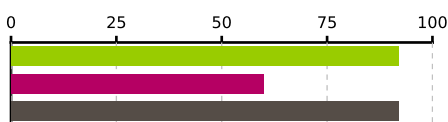
The telecommunications services industry operates in a competitive but still regulated environment. This exposes the telecommunication services industry more than other sectors to antitrust issues and corruption. To provide data services is at the core of telecommunication companies but there is a trend to also provide media content and additional services building on the "internet of things" as network services are about to become a commodity-like product. Telecommunications firms can leverage their technological expertise to produce innovative solutions that address social and environmental sustainability issues faced by consumers on both local and global scales. In order to remain competitive in a market subject to rapid technological change, companies will need to adopt flexible business models that enable them to integrate new-generation technologies and services. Automation of business processes and the adaption to new business models result in shifting requirements for employee profiles. Therefore, good human capital management is crucial to ensuring a smooth transition. The careful handling of data is essential, as insufficient database and network protection could expose companies to reputational and liability risks. Energy efficiency and state-of-the-art infrastructure remain the industry's key environmental challenges.

Sustainability Scores

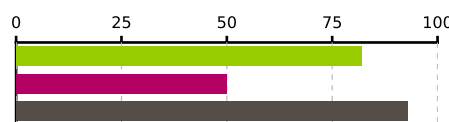
Total Scores



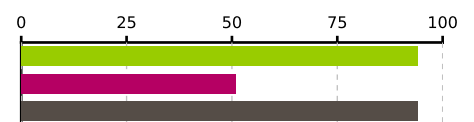
Economic Dimension



Environmental Dimension



Social Dimension

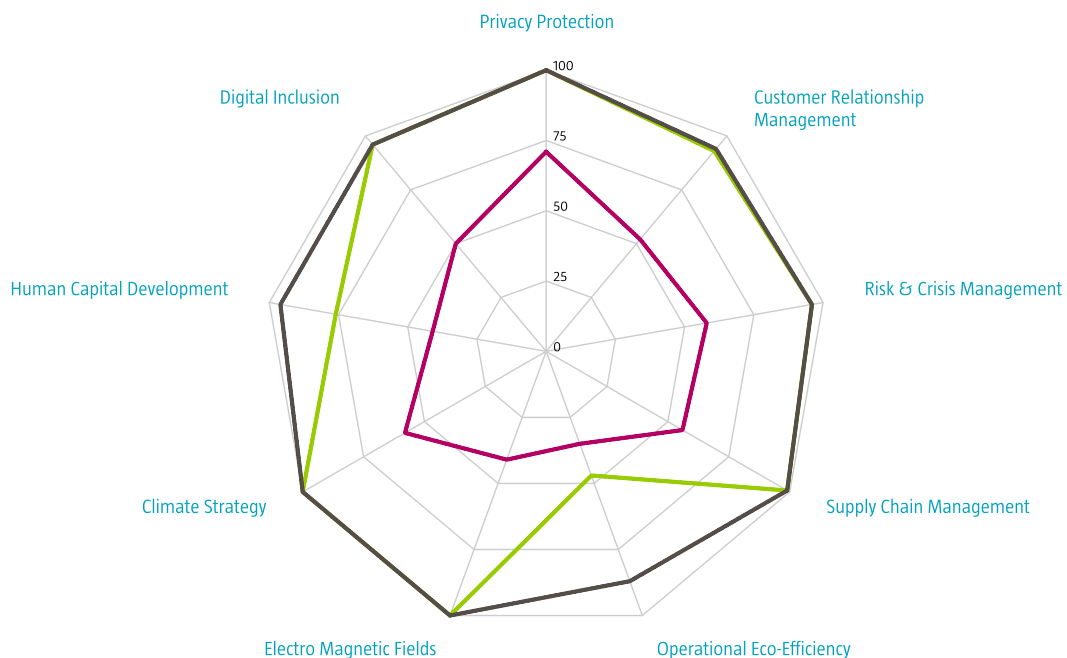


■ Industry best score ■ Industry average score ■ Telecom Italia SpA/Milano

Sustainability Performance

Telecom Italia has gained the sustainability leader position in the Telecommunication Services industry through its focus on innovation and its Corporate Shared Value concept. In an industry where innovations driven by customers' needs are taking place on a daily basis, Telecom Italia has identified three innovation and skills-led strategies by which to respond to these needs : digitization, connectivity and social innovation, and environmental protection and digital culture. The group considers it essential to contribute to the sustainable growth of the industry by providing digital solutions for local governments, applications for people with disabilities, or technologies for reducing energy use. One of these initiatives is a crowdfunding platform which receives donations for people who intend to implement environmental protection and social projects. Within the organization, Telecom Italia places a strong emphasis on developing its people, and the company creates individual development plans fine-tuned to the characteristics of each employee.

Company Performance for Selected Criteria



■ Industry best score ■ Industry average score ■ Telecom Italia SpA/Milano

For information on assessment criteria, visit www.robecosam.com/csa

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