INSIGHTS INTO
CLIMATE-RELATED
LOBBYING AND TRADE ASSOCIATIONS

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The TIM Group pursues a constant dialogue with its stakeholders on various aspects of its business, by engaging with Policy Makers and partnering up with trade associations to pro-actively contribute and directly or indirectly address policies, laws or regulations (lobbying).

While conducting these activities on climate-related issues, TIM refers to the Group's environmental targets, which are an integral part of its Business Plan, and aim to reduce the emission impact of its business and supply chain units to zero; this is done also in view of the Paris Agreement's goal of keeping the average global temperature growth on land and oceans below 2 degrees Celsius, limiting it to 1.5 degrees Celsius.

Likewise, also in line with the Paris Agreement, strategies, all policies on adaptation and/or resilience to climate change and reporting obligations on environmental performance are defined at Group level, and then disseminated to its Countries of operation and in all business units.

In addition, the Group implements programs to ensure that its lobbying activities and those conducted with trade associations in all jurisdictions are consistent with the company's climate strategy and the Paris Agreement objective. This is achieved also by putting in place review and monitoring processes wherever necessary, both in its direct lobbying and trade association-mediated activities.

Coordination on the company's public positions toward the different stakeholders, and Policy Makers in particular, is ensured by the Public Affairs, Regulatory Affairs and Corporate Communication functions. Specifically, the Heads of Public and Regulatory Affairs is in charge of the proposals and actions addressed to policy makers, both at national and international level; those are developed in close collaboration with the executive managers of the areas concerned, such as the Head of Sustainability or the Head of Real Estate, who deals with energy procurement and building management.

TIM's proposals and actions are also coordinated with national and international trade associations, such as Confindustria (the main organisation representing Italian manufacturing and service companies), ETNO (European Telecommunication Network Operators' Association), GSMA and GeSI (Global Enabling Sustainability Initiative). In conducting these relations, the Group addresses any misalignment between its own climate strategy and the positions of trade associations with internal actions, in order to ensure compliance to the same.

Activities with policy makers

At national level, the group is engaged in various lobbying activities, such as those related to the National Recovery and Resilience Plan (NRRP).

In Italy, engagement activities are conducted with the main Ministries whose activities may affect the company, including the Ministry of Enterprise and Made in Italy - MIMIT, and also at parliamentary level, with members of the relevant committees of the Chamber and Senate.

Involvement in parliamentary hearings is also a way of delving into specific issues and creating opportunities for debate on the topics being discussed at the Parliament. While monitoring legislative activity, TIM undertakes to formulate specific proposals to be introduced in the relevant measures aimed at supporting the Group's business.

Moreover, since Italy is an EU Member State, the Group also conducts lobbying activities at European level. Within the Green Deal and EU's 'green' transformation framework, work continues also on the Fit for 55 package, a set of 13 legislative proposals aimed at accelerating the achievement of climate targets (at least 55% emission reduction by 2030 and climate neutrality by 2050). Proposals include the Energy Efficiency Directive, which identifies the ICT sector as one of the most impactful fields (using 5-9% of the EU's total electricity with consequent emissions equal to 2%) and the Taxonomy Regulation, to direct cash flows towards sustainable economic activities.

Relations with European and supranational institutions are expressed through participation in discussion platforms, public consultations, workshops, meetings with the relevant members of parliamentary committees, meetings with the European Commission and the permanent representatives of EU Member States, meetings or participation in specialised work groups and studies under the patronage of EU institutions, such as, by way of example, the Centre for European Policy Studies and the European Internet Forum.

The stance toward EU institutions and bodies takes place both through individual actions on topics of interest to the Group and through participation in trade associations, such as ETNO, (European Telecommunications Network Operators' Association), and GSMA (Global System for Mobile Communications).

As far as Brazil is concerned, over the years, TIM has established excellent relations with institutions at all levels (Government, Congress, Regulatory Authorities and Antitrust), with industry associations and with the press. Exchanges are frequent and lead to proposals, statements and objective stances aimed at pursuing specific issues important for the company and the industry.

The Group's approach to lobbying with Policy Makers is always characterised by positive and constructive cooperation and continuous dialogue. Even in the case of exceptions, changes and additions are suggested in the common interest of the ICT/telecommunications sector and the institution involved.

As an example, in the context of the energy efficiency directive, TIM pointed out that the disclosure of traffic volumes and data storage required by the recast proposal of the Directive could pose several problems in terms of technical and legal feasibility, because operators are often not aware of all the data processed and stored by individual customers.

Activities with trade associations

In conducting its business activities, the TIM Group pursues engagement activities with trade associations taking positions on policies, laws or regulations that may affect climate change.

Example of a trade association
ETNO (European Telecommunications Network Operators' Association)

ETNO prompts on EU policy makers to ensure that the role of ICTs, and of high-speed fixed and mobile broadband networks in particular, is thoroughly reflected in national plans to foster a low-carbon economy.

Concrete measures to encourage businesses and citizens to choose low-carbon broadband applications also help to stimulate the adoption of new networks and improve the conditions for investment in new ultra-wideband networks, in line with the Digital Agenda for Europe.

TIM's Head of European Affairs is a member of ETNO's Executive Board, while TIM employees participate in working groups and task forces. TIM representatives' experience, knowledge and expertise contribute to the definition of objectives and strategies.

GSMA (Global System for Mobile Communications)

GSMA is an organisation representing the interests of mobile network operators worldwide.

TIM's CEO is a member of the GSMA Board; TIM's Head of European Affairs is a member of the Global and Europe Policy Group. TIM employees participate in working groups and task forces.

The organisation is very active on the topic of sustainability, in line with the achievement of SDG goals. The main sustainability task force is the 'GSMA Climate Action Task Force', whose purpose is raising awareness on achieving the climate neutrality target by 2050.

Some of the most interesting working tables include: 1) The working table on the circular economy of infrastructures and devices, which provides for the operators' involvement in 'taking back' distributed devices by 2030; 2) The working table measuring scope 3 to raise awareness among suppliers and consumers towards sustainable choices; 3) The working table on the infrastructure energy efficiency benchmarking for inclusion in the taxonomy.

TIM actively participates in working tables to share best practices with other global operators, to discuss the results achieved so far, and to set up the future 'Closing the Climate Gap' project, whose purpose is identifying those initiatives that can accelerate the achievement of decarbonisation targets.

GeSI (Global Enabling Sustainability Initiative)

GeSI has four main objectives:

> - Increase awareness of the role of the ICT sector and related technologies in addressing the causes and effects of climate change;
> - Showcase innovative initiatives undertaken by the ICT sector in the interest of environmental sustainability, and promote the exchange of good practices between the public and private sector;
> - Rally political will to better reflect the role of ICTs in the outcomes of major conferences on climate change and sustainable development;
> - Encourage governments to include ICT and related technologies as key elements of their national climate change policies, in all industrial sectors.

By supporting these main goals, GeSI seeks to create a synergy between the messages conveyed by ICT industry players and namely, the fact that ICTs can enable low-carbon economies, and that 21st century governments, regulators and businesses cannot afford to exclude ICTs from policy or business initiatives to make our global economy more sustainable. GeSI communicates with policy-makers and key stakeholders to explain the significant contribution ICTs can make, in addressing global climate change and fostering low-carbon development. GeSI wants the ICT's contribution to be recognised and integrated into government policies to achieve sustainability goals, nationally, regionally and globally. TIM's role is to inform politicians about ICTs and climate change, to lead the sustainability debate, and to be part of joint initiatives. The GeSI Council is defining the annual program of activities and strategic communications,

also based on specific studies and reports - such as SMART2020, SMARTer2020 and SMARTer2030 and the upcoming SMARTer30 - Reloaded - which outline the impact of ICTs on climate change, and is committed to discussing the role of ICTs and the policy measures needed to enable their adoption with policy makers globally. TIM contributes to these developments with its vision and experience.

JAC (Joint Audit Cooperation)

TIM is a founding member of the international association of telecommunications operators, which verifies, evaluates and develops sustainability in the information communication technology industry supply chain.

One of the goals of the Joint Audit Cooperation **(JAC)** is to share tools to address common issues of global relevance, such as climate change or the circular economy. JAC requires its member suppliers to put processes that effectively optimise the use of limited resources (such as energy, water and raw materials) in place, and to ensure that appropriate management, operational and technical controls are implemented to minimise the release of harmful emissions into the environment, including greenhouse gases.

All JAC member operators have publicly committed to decarbonisation targets, and most of their goals have been validated by the SBTi.

Within the JAC, TIM and other ICT operators organise working groups to share best practices in terms of tools, models and actions for measuring and reducing Scope 3 emissions. For instance, in the period before the pandemic, in July 2019, TIM organised and hosted the JAC workshop 'Engaging Supply Change in Climate Change'.

EGDC (European Green Digital Coalition)

The **European Green Digital Coalition (EGDC)** is an initiative launched by several companies in 2021, and supported by the European Commission and the European Parliament, at the request of the EU Council, to emphasise the telecommunications sector for its enabling role in green digital solutions (indirect emission reduction in other key sectors such as energy, transport, agriculture and construction) to reduce emissions in all other sectors.

The Coalition consists of 26 ICT company CEOs, including TIM, who signed a Declaration to support the EU's Green and Digital Transformation, by bringing the achievement of climate neutrality target forward to 2040. The Coalition recognises the need for scientific methods to estimate the reduction of greenhouse gas (GHG) emissions through specific ICT solutions in the different sectors.