



ANALYSIS OF RELEVANCE

Insight

TIM Group

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1. Insights into materiality analysis

As TIM Group, we conduct an analysis of double relevance annually in order to identify the impacts, risks and opportunities relevant for sustainability for our company. In 2024, in line with the entry into force of the Corporate Sustainability Reporting Directive (CSRD), we adjusted our assessment process for the preparation of financial statements to the principle of double materiality. Adding to the previously utilized perspective of impact materiality (inside-out), there is the addition of financial materiality (outside-in). In particular, the process has led to:

- **identifying relevant issues** through context analysis and the involvement of relevant stakeholders, both internal and external;
- **integrating results** into our Enterprise Risk Management processes;
- **summarising the results** of the analysis in a list where relevant impacts, risks and opportunities are prioritised on the basis of significance, allowing priority sustainability initiatives to be identified;
- **involving management and the Board of Directors** in the process of sharing the final results.

2. Prioritisation of impacts, risks and opportunities

The relevant impacts, risks and opportunities from the activities of dual relevance were sorted by significance and then associated to seven ESRS themes, that is to the thematic areas of reference for sustainability reporting according to the CSRD and their sub-themes.

ESRS theme	Sub-theme
ESRS E1 - Climate change	▪ Climate change mitigation ▪ Adaptation to climate change ▪ Energy
ESRS E5 - Circular economy	▪ Outflows of resources related to products and services ▪ Waste
ESRS S1 - Own workforce	▪ Other labour related rights ▪ Equal treatment and opportunities for all ▪ Working conditions



ESRS theme	Sub-theme
ESRS S2 - Workers in the value chain	▪ Working conditions ▪ Other labour related rights
ESRS S3 - Local communities	▪ Economic, social and cultural rights of communities
ESRS S4 - Consumers and end users	▪ Personal safety of consumers and/or end-users ▪ Information-related impacts for consumers and/or end users ▪ Social inclusion of consumers and/or end-users
ESRS G1 - Business conduct	▪ Active and passive corruption ▪ Management of supplier relationships, including payment practices ▪ Business culture

For the list of IROs sorted by relevance, please refer to the document Sustainability Reporting 2024, «General Information» section.

The dual relevance analysis allowed us to identify, on the one hand, the ESG issues that affect the organization's ability to generate value over time (financial relevance) and, on the other hand, the most significant impacts that business activities generate on the environment and society (relevance of impact). Below we highlight the priority themes for the performance of the organization, while paragraph 4 focuses on the material impacts towards the outside, relevant to external stakeholders.

3. Topics relevant for long-term value creation

3.1 Centrality of the customer experience for competitiveness

ESRS Theme: Consumers and end users

ESRS sub-theme: Social inclusion of consumers and users

Description of the ESRS theme and its impact on TIM: the relationship established with customers, based on active listening, quality of service, effective dispute management and transparency in commercial, marketing and sales interactions, play a decisive role in defining their expectations and level of satisfaction.



For TIM, customer experience is a strategic lever, able to improve reputation, strengthen competitiveness in the market, consolidate the Group's leadership and contribute concretely to the growth of economic results.

TIM's strategic approach to ESRS: we are constantly engaged in:

- improving the quality standards of services offered;
- ensuring regulatory compliance of contract documentation and advertising;
- strengthening listening activities at all touchpoints, digital and physical, including through third parties, to monitor perceived quality, ensuring clear, accessible and transparent communication;
- innovating networks and services to ensure business continuity and reduce disconnections.

Several functions and companies of the Group have also obtained or renewed quality certifications in line with ISO standards, contributing to a more solid and measurable management of service quality.

For more details, please refer to the disclosure requirement «S4-2» in the Group's Annual Financial and Sustainability Report (p. 246 et seq.).

Metrics: Customer Satisfaction Index (CSI) in key segments

Target year 2024: CSI Italy: 74,93%

Closing 2024: CSI Italy: 74,84%

Executive Compensation: MBO 2024 linked to a target of reducing dissatisfied customers (10% weight)

3.2 Promoting gender equality as an organisational lever

ESRS theme: Own workforce

ESRS sub-theme: Equal treatment and opportunities for all

Description of the ESRS theme and its impact on TIM: through our recruitment, loyalty, remuneration and involvement policies we can concretely contribute to ensuring equal opportunities in every work environment, without distinctions linked to gender identity. In 2024, as key indicators of equity in business processes, we included the percentage of



women in managerial positions, as well as the reduction of the pay gap. For 2025, we have made our goal more challenging by deciding to monitor the percentage of female recruitments out of all new hires, with a target of 50% female recruitments by 2027.

TIM's strategic approach to the ESRS theme: Our commitment to inclusion and equality is already enshrined in the Code of Ethics, where we recognize the value of each person as a key success factor and consider diversity a strategic asset for long-term sustainable growth.

To support this vision, we have adopted a number of integrated and consistent business tools and policies, including:

- the TIM Charter of Values,
- Human Resources and Equal Opportunities Policy,
- Recruitment, Selection and Remuneration Policies,
- the TIM Manifesto for reducing the gender gap,
- the Equal Opportunities Steering Committee.

Our interest is to attract and retain talent by promoting a work environment that ensures work-life balance, fair pay and equal opportunities for growth.

This includes training and development programmes for women, such as our Women Empowerment programme.

For more information, please refer to the S1-4 disclosure requirement in the Group's Annual Financial and Sustainability Report (p. 214 et seq.).

Metrics

- % of women in positions of responsibility on total positions of responsibility (Group target)
- Reduction of pay gap for managers with responsibilities (target Domestic)

Target Year 2027

- 35.5% of women in positions of responsibility on total
- 50% of female recruitments out of all new hires

Closing 2024

- 34% of women in positions of responsibility (result at Group level)



- Pay gap reduced to -2.94% for managers with responsibilities (result Domestic)

Executive Compensation

- MBO 2024: target linked to the achievement of a pay gap of -3.9% for executives with responsibilities (Domestic target). The target was fully exceeded, with a level of achievement of 150%.
- LTI 2022-2024: target linked to reaching 27% of women in positions of responsibility in the Domestic BU. Again, the target has been exceeded with a level of achievement of 110%.

This strategy not only responds to the objectives of social equity, but also has an economic value: numerous studies show that the most inclusive companies achieve better results in terms of innovation, reputation and productivity.

3.3 Energy transition for operational efficiency and sustainability

ESRS theme: Climate change

ESRS sub-theme: Energy efficiency

Description of the ESRS theme and declination on TIM: in the context of the production and purchase of energy to power the mobile network, data centers and company buildings, the use of renewable sources is a key lever to reduce the environmental impact in terms of greenhouse gas emissions.

In particular, ICT companies can make a significant contribution to climate change mitigation through efficient energy management of their core activities, such as optimising the eco-efficiency of mobile networks and data centres.

For TIM, this means promoting an operating model that integrates renewable sources in energy supply, thus reducing dependence on fossil fuels and improving the sustainability of its infrastructures. Such an approach not only supports global decarbonization goals, but also generates long-term value by improving operational efficiency, reducing costs and strengthening corporate reputation.



TIM's strategic approach to the ESRS theme: our commitment is formalized in the Group's Environmental Policy, which promotes an increasingly efficient and responsible use of energy resources. This commitment takes the form of:

- gradually replacing conventional energy with energy from renewable sources;
- the adoption of technological solutions for intelligent consumption monitoring and management;
- the continuous improvement of the eco-efficiency of mobile networks and data centres, in line with the most advanced environmental standards.

These initiatives are part of a broader climate transition path, fully integrated into the 2025-2027 Business Plan, which includes targeted investments and progressive alignment to European climate neutrality targets.

Metrics: % renewable energy, emissions (tonCO_{2eq})

Target year: 100% renewable energy by 2025, Carbon Neutrality by 2030, Net Zero by 2040

Closing 2024: in 2024, the share of electricity from renewable sources bought by TIM reached 84% of the purchased energy mix.

Executive Compensation: LTI 2022-2024: target linked to the achievement of 80% as a result of the ratio of renewable electricity to total electricity consumed during FY 2024. The target has been exceeded, with a level of achievement of 110%.

4. Impact on value creation for external stakeholders

Following the identification of impacts, risks and opportunities, the two ESRS themes which represent the most significant social or environmental impacts on external stakeholder groups are reported below.

4.1 Consumer protection and information security

ESRS theme: Consumers and end users

ESRS sub-theme: Impacts connected to information for consumers and/or end users



Origin of the impact and business operating area involved: the negative impact in the field of Cyber Security stems both from our direct operational activities and from the offer of digital products and services, which represent more than 50% of our turnover. In particular, the increasing digitalization of our solutions exposes consumers and end users to potential cyber risks. The daily handling of large amounts of sensitive data increases our responsibility to prevent unauthorized access and protect against destruction or improper disclosure of personal information.

Relevance of impact and significance for stakeholders: IT security is a central element in protecting our customers' rights and maintaining the trust of external stakeholders. Any violations can compromise the privacy of individuals, with significant consequences both in terms of reputation and perceived reliability. In the ICT sector, the critical nature of this issue is amplified by the need to protect sensitive data on a large scale.

Metrics, indicators and impact assessment criteria: to monitor and evaluate these impacts, the quantitative metric we use is the percentage reduction in the number of cyber security incidents. We also use the FAIR methodology, integrated into our Risk Management system, which allows us to quantify the contribution of cybersecurity in terms of reliability, resilience and reputation of the national technological infrastructure. We also analyse the positive impact on users' perception of security and privacy, measured by the percentage increase in trust and sense of individual protection.

4.2 Commitment to climate change mitigation

ESRS theme: Climate change

ESRS sub-theme: climate change mitigation

Origin of impact and business scope involved: ICT activities, including our own, can generate significant impacts on the global climate system due to the release of greenhouse gases from both direct operations and along the entire value chain. The main sources of impact include:

- the energy consumption of mobile networks, data centres and company buildings;
- the products and services offered, which generate indirect emissions related to the use of ICT solutions by users;



- our supply chain, responsible for more than 50% of the assessed assets, with potential emissions associated with production and logistics processes.

Relevance of impact and significance for stakeholders: climate change is one of the most pressing global challenges and a central issue for our stakeholders, including the environment, consumers and the community as a whole. Emissions of CO₂ and other greenhouse gases contribute to rising average temperatures, the frequency of extreme weather events and worsening of air quality.

At TIM we are actively committed to reducing our emissions, both direct and indirect, through initiatives aimed at improving energy efficiency and increasing the use of renewable sources. Despite this, our activities continue to generate negative impacts, mainly due to emissions of gases with a high global warming potential, also from the supply chain. As a result, the mitigation strategies we adopt are of concrete importance to external stakeholders.

Metrics, indicators and impact assessment criteria: to assess and monitor the results of our climate mitigation strategies, we use structured environmental metrics consistent with decarbonization objectives integrated into Enterprise Risk Management processes. We systematically monitor greenhouse gas emissions Scope 1 (direct), Scope 2 (indirect from energy consumption) and Scope 3 (linked to the value chain), with particular attention to material categories such as purchased goods and services, capital goods and use of sold products.

These data allow us to measure the percentage reduction in CO₂ emissions and to monitor progress towards our Carbon Neutrality targets by 2030 and Net Zero by 2040. To integrate the economic dimension of both physical and transitional climate risks, we use the open-source model CLIMADA, developed by C2SM and OCCR, which allows us to estimate the potential economic damage caused by extreme weather events such as floods, landslides, storms, fires and earthquakes.

Through this tool, we analyze risk scenarios for our strategic assets and support decisions on adaptation, mitigation and insurance coverage. Assessments include desk and on-site analyses, probabilistic simulations of direct losses and risk transfer strategies such as



recourse to the insurance market. In this way, we strengthen our operational resilience and ability to generate long-term value.