TASK FORCE ON CLIMATE RELATED FINANCIAL DISCOLSURES (TFCD)

Insight

TIM Group

June 2025

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1. The TCFD Recommendations as a Guide for Our Climate Strategy

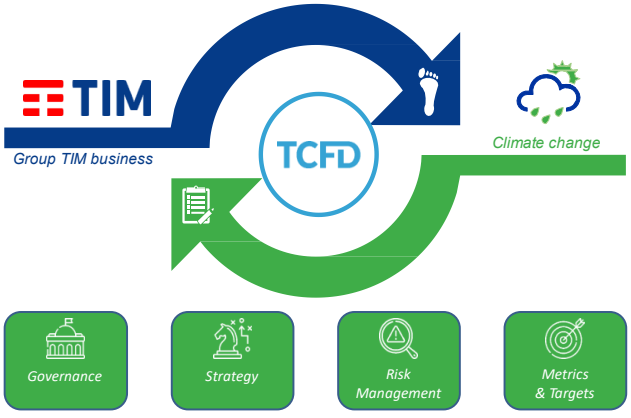
We manage climate-related risks and opportunities by adopting the recommendations of the **Task Force on Climate-related Financial Disclosures** (TCFD), established by the Financial Stability Board with the aim of promoting voluntary, consistent, and comparable reporting on climate-related financial information.

The TCFD is one of the **most recognized global frameworks for integrating climate risks and opportunities into corporate decision-making processes**, fostering greater transparency for investors, regulators, financial markets, and stakeholders.

Adopting the TCFD framework enables improved assessment of climate risks by investors, supports the strategic management of the transition, and strengthens the credibility of environmental reporting, also in view of the requirements set by the CSRD.

The TCFD is structured around **four key pillars**:

- **Governance**: how the organization oversees climate-related risks and opportunities; **Strategy**: the impacts of climate change on the business model, the industrial plan, and financial planning.
- **Risk Management**: how climate-related risks are identified, assessed, and managed; **Metrics and Targets**: the indicators used to monitor climate performance and the achievement of environmental targets.



2. The role of governance in climate risk management

Board Oversight of Climate-Related Risks and Opportunities

Our governance system adopts an Enterprise Risk Management process designed to effectively address corporate risks, including those related to environmental issues.

The Board of Directors oversees ESG matters with the support of two internal board committees, which examine and monitor climate-related issues on a regular basis, at least once a year. Both committees operate independently, with dedicated resources and budgets ensuring operational efficiency.

- Sustainability Committee: Composed of five directors, this committee has advisory, proposal, monitoring, and preparatory functions. It supports and guides the activities of the Board and management on Environmental (including strictly climate-related), Social, and Governance matters. The Committee has validated our decarbonization program, which includes reducing Scope 1, 2, and 3 emissions in line with the Science Based Targets initiative, with the aim of achieving Carbon Neutrality by 2030 and Net Zero by 2040.

  Through the Sustainability Committee, the Board of Directors validates and supervises the Climate strategy and the implementation of environmental sustainability policies, taking into account climate-related risks and opportunities in its evaluations. The Committee actively interacts with other board committees, contributing to the dissemination of an integrated ESG perspective.

- Control and Risk Committee: Composed exclusively of non-executive and independent directors, this committee oversees the application of good governance principles, regulatory developments, and best practices in internal control. It supervises both financial and non-financial reporting, including disclosures related to climate performance, and collaborates with the Sustainability Committee in analyzing and managing ESG risks, including environmental ones. It is also responsible for validating the double materiality assessment, which identifies climate change as one of the Group's

priority issues. Through its work, the Board of Directors ensures continuous focus on the implementation of environmental policies and the evaluation of climate-related risks and opportunities.

Within the Group, **TIM S.A. in Brazil** has its own governance structure, organized into four Board Committees supporting the Board of Directors. Sustainability matters are managed by a dedicated function and, at a strategic level, by the ESG Committee, which works in coordination with the Remuneration Committee and the Control and Risk Committee.

To give full substance to our people's commitment to environmental issues and to ensure alignment with governance, we have introduced specific targets—directly or indirectly linked to the reduction of CO_2 emissions—into the long-term incentive plans for the Chief Executive Officer and Top Management. These include, for example, third-party certification of data centers in accordance with the European Code of Conduct and the eco-efficiency of the mobile network.

The role of management in assessing and managing climate-related risks and opportunities

At the managerial level, we oversee sustainability issues across the Environmental (including climate aspects), Social, and Governance areas through the **Corporate Communication and Sustainability Department**. The Head of this Department, who reports directly to the Chief Executive Officer, also serves as the officer responsible for drafting the Sustainability Report, which forms an integral part of the Consolidated Financial Statements, in line with the provisions of Directive (EU) 2022/2464 (CSRD). Within the same Department, the **Sustainability Function** acts as a central hub that, in collaboration with other relevant corporate functions, coordinates and governs the ESG Plan, defines related targets, promotes sustainability initiatives in support of the Industrial Plan, drafts the Sustainability Report, oversees ESG ratings in coordination with the CFO Department, and works with the Risk Management Function to assess and manage environmental (including climate-related), social, and governance risks.

The Head of the Corporate Communication and Sustainability Department and the Head of the Sustainability Function attend all meetings of the Sustainability Committee, on which the Committee Chair provides specific updates to the Board of Directors.
ESG topics are also embedded in the mandate of certain corporate functions which, given their direct impact on the economy, the environment, and people, work in synergy with the Sustainability Function. Among these, for example, the Procurement Department, with which we collaborate to ensure alignment between sustainability objectives and business processes.

3. The Impact of Climate-Related Risks and Opportunities on Operations, Strategy, and Financial Planning

Climate-Related Risks and Opportunities Identified in the Short, Medium, and Long Term

Our business relies on mobile network infrastructure and data centers, which entail growing energy consumption and a significant environmental impact in terms of CO_2 emissions. Our activities—both direct and across the value chain—contribute to climate change due to the use of non-renewable energy sources, refrigerant gas leaks, and unsustainable procurement practices.
Climate change can generate physical, economic, and regulatory consequences, with both direct and indirect financial impacts, as well as potential repercussions on the company's image and reputation. To prevent, monitor, and mitigate these effects, we have developed our own risk matrix, complemented by an adaptation plan designed in line with the operational context in which we operate. This plan covers all our current activities (accounting for 100% of revenues) as well as future new operations (also 100% covered in terms of revenues). For activities already in operation, we aim to implement adaptation solutions within a time horizon of less than 5 years. This approach provides us with the opportunity to strengthen the resilience and efficiency of our assets, enhancing our capacity

to respond to extreme climate events and accelerating our path toward the energy transition.

In the climate domain, the **Enterprise Risk Management Function**, within the Chief Financial Office Department, is **responsible for identifying and assessing risks—including physical risks** related to rising temperatures and the increasing frequency of extreme and unpredictable weather events, such as heavy rainfall, landslides, flooding, and inundations. The analysis is conducted over three time horizons (short, medium, and long term) and primarily considers two categories of risk:

- **Hydrogeological risks**, linked to potential damage to real estate and network assets, an increase in insurance costs (Assurance Cost Overspending), possible business interruption events, and potential declines in productivity due to heat stress (Decreased Job Performance);
- **Transition risks**, associated with the potential introduction of a carbon tax on CO_2 emissions and rising energy expenses for the procurement or generation of renewable energy aimed at reducing emissions (Energy Overspending).

In this context, we may be required to incur significant expenditures, both in terms of operating costs (OpEx) and investments (CapEx), to ensure business continuity, maintain the quality levels expected by our customers, and meet the commitments set out in our Strategic Plan.To effectively address these risks, we implement a series of targeted measures, including:

- optimizing the positioning of equipment within buildings to reduce exposure to the most critical climate events;
- business continuity plans to safeguard corporate operations;
- the subscription of insurance coverage to transfer the risk of catastrophic natural events;
- the construction of structural works designed to mitigate the impact of potential floods or inundations;
- the use of hydrogeological risk maps as a tool to support network planning and development;

- the priority decommissioning of energy-intensive equipment and technologies, based on the level of associated risk;
- the definition of operational agreements with network suppliers to govern intervention procedures and service restoration in the event of extreme climate events.
- Below is an illustrative overview of the risks and opportunities identified.

	Risk | Example 1			
	Impacted value chain part	**Primary potential financial impact**	**Time horizon**	**Impact magnitude**
Emerging Regulation | Introduction of a carbon tax	Direct operations	Increase in direct costs Estimated financial implications of the risk before taking actions: 26,000,000 €	Long term Average estimated time frame (in number of years) for financial implications of the risk: 15	Medium-low
	Company-specific description			
	TIM's investments in mobile network infrastructure with the introduction of 5G and in data centers for the development of the Cloud Region entail increasing energy demand, with a consequent rise in CO_2 emissions: direct (Scope 1), related to fuel consumption, and indirect (Scope 2), deriving from electricity purchases. In this context, the introduction, within the next five years, of a carbon tax at the European level is considered plausible should the EU Emissions Trading System (ETS) prove insufficiently effective. The ETS is a mechanism of the European Union that obliges energy-intensive companies to offset their emissions by purchasing allowances or permits on the market: the more CO_2 emitted, the higher the cost. If this system fails to ensure a significant reduction in emissions, the EU could introduce a direct tax for each tonne of CO_2 produced. Such a carbon tax would increase TIM's operating costs, both direct (fuels for vehicles, heating fuels and electricity generation) and indirect (through an increase in the cost of electricity, which is still largely produced from fossil fuels in Italy).			
	Explanation of financial impact			
	The introduction of a carbon tax could lead to an increase in the price of fossil fuels and electricity generated from those fuels, with direct effects on TIM's operating costs. In addition, procurement costs for renewable energy are expected to rise: the development of the technologies required for its production involves significant investments, the costs of which could be passed on to end users. The financial impact was estimated based on Scope 1 and Scope 2 emissions recorded by the Group in 2024, applying a prudent projection of the carbon tax price: it is expected to reach €100/tCO_2 by 2030 (source: Bloomberg NEF). In a conservative scenario, a reference value of 83.5 €/tCO_2 was assumed, which would entail a significant increase in costs associated with both the use of fossil fuels and electricity from non-renewable sources.			
	Risk response cost			
	Estimated costs of these actions: € 3,500,000 The estimated cost of risk response is quantified based on the initiatives the Group puts in place to reduce its emission impact: • Adoption of a certified Environmental Management System in line with the ISO 14001 standard and committing to valid science -based targets (SBTi); • increased use of renewable energy sources through PPAs and self-generation facilities; • definition of a plan of interventions, at the national level, to upgrade infrastructure and efficiency of air conditioning systems on power plants, in order to ensure a lower impact in terms of emissions • progressive modernization of technological assets of industrial properties according to a replacement plan that takes into account the obsolescence and strategic nature of the sites, in order to strengthen the resilience of assets supporting the business and reduce their environmental impacts • energy-saving projects such as the implementation of Building Energy Management Systems, based on a series of HW IoT devices forthe monitoring, control and predictive management of technological systems (power and air conditioning) in the halls of fixed-line power plants.			

Acute Physical | Flood (coastal, riverine, pluvial, phreatic)	Risk | Example 2			
	Impacted value chain part	**Primary potential financial impact**	**Time horizon**	**Impact magnitude**
	Direct operations	Increase in capital expenditures Estimated financial implicationsof the risk before taking actions: 75,000,000 €	Long term Average estimated time frame (in number of years) for financial implications of the risk: 15	Medium-high
	Company-specific description			
	TIM offers fixed and mobile voice and data services via a capillary network of sites distributed across the entire national territory, comprising switching centers, data centers, ICT equipment and both wired and aerial connections. Recent climate change, marked by an increase in extreme weather events such as flash floods and windstorms, exposes TIM's assets to potential direct and indirect damage. The widespread distribution of the infrastructure renders the entire system vulnerable: windstorms can disrupt aerial links, while floods can affect critical buildings such as switching centers and data centers. Risk levels vary according to event type and geographical area: for example, earthquakes primarily affect regions such as Campania, Emilia Romagna, Abruzzo and the Apennines, whereas flood events occur more frequently in the north-east of the country, particularly in Veneto, Trentino-Alto Adige, Friuli Venezia Giulia, Emilia Romagna and Liguria.			
	Explanation of financial impact			
	Analyses were conducted using TIMgis, a geo-referenced risk assessment system, which integrates the ISPRA Hydrogeological Risk Maps with data on the Group's property and network assets, valued at reconstruction or replacement costs. This tool enables mapping and precise assessment of asset vulnerability to extreme natural events. The analysis focused on assets located in high-risk areas, for which a vulnerability level was defined for both properties and the network, with the aim of estimating the potential impact of low-probability catastrophic events (e.g., a 0.5% annual occurrence rate). According to the International Monetary Fund, Italy's 1.1 °C temperature increase observed by ISTAT has been accompanied by a greater frequency of natural disasters, particularly hydrological risk events (44 %) and storms (23 %), representing a combined 67 % of recorded damaging events. Using a proprietary algorithm that combines exposed value, asset vulnerability, historical event frequency (FMI) and NGFS climate projections, TIM quantified the potential increase in risk value by 2030 and 2050.			
	Risk response cost			
	Estimated costs of these actions: € 5,100,000 In order to cover the potential losses arising also from this type of event and, more specifically, to cover the losses caused by disasters, the TIM Group has implemented an All Risks Property insurance program covering all loss types without distinction of cause or asset category. In the telecommunications sector, the widespread distribution of assets across the national territory increases exposure to damage from extreme weather events such as heavy rainfall and windstorms. To minimize this exposure, an in-depth analysis of real estate and network infrastructure was conducted, aiming to estimate potential direct losses associated with these events. The information collected was used as input for specific simulation models, enabling calculation of expected losses in the event of extreme events.			

Products and services | Development and/or expansion of low-emission goods and services	Opportunity | Example 3			
	Impacted value chain part	**Primary potential financial impact**	**Time horizon**	**Impact magnitude**
	Downstream	Increased revenue from increased demand for products and services. **Quantitative estimate**: 102.926.000 €	Short term	High
	Company-specific description			
	The ICT sector can contribute to the fight against climate change by raising awareness of the opportunities arising from the digitization of services for citizens, businesses and public administrations, which act positively in terms of the emission impact on the physical movement of people and things. For example, TIM offers digital solutions that help customers reduce their energy consumption such as cloud, telemeeting, fleet tracking, smart industry and smart agriculture, smart metering and smart parking solutions that leverage 5G technology and IOT services to reduce energy consumption and resource use. TIM has also developed a line of products designed and manufactured with sustainability in mind, promoting circular trade-in models to reuse/recycle materials and reduce environmental impact.			
	Explanation of financial impact			
	The financial impact refers to 2024 revenues from activities deemed eligible under the EU Taxonomy, namely those explicitly recognised as contributing substantially to climate change mitigation or adaptation. Revenues attributable to activity 8.1 (data processing, hosting and related activities) amounted to €102,926,000. These figures are disclosed in the TIM Group's 2024 Annual Financial Report, within the Sustainability Statement.			
	Risk response cost			
	Estimated cost for materializing the opportunity : €74,961,780. Operating expenses relating to activity 8.1 (data processing, hosting and related activities) under the EU Taxonomy totalled € 74,961,780. The EU Taxonomy framework permits the valorisation of this low-emission component of TIM's business, enabling the creation of new commercial opportunities, the growth of revenues and the delivery of products and services that help customers reduce their energy consumption.			

Impact of Climate-Related Risks and Opportunities on the Organization's Operations, Strategy, and Financial Planning

Our environmental strategy focuses on the progressive decarbonization of activities in Italy and Brazil through the adoption of innovative technologies and resilient assets, exclusive use of renewable energy, promotion of the circular economy, and procurement of solutions with certified carbon footprints.

On July 1, 2024, with the sale of fixed network assets to KKR and the completion of the delayering plan, we initiated a profound corporate transformation that significantly changed our operational perimeter in terms of assets and human resources. This change makes emission data no longer comparable with previous years and requires the definition of a new baseline and a new Transition Plan, aligned with the SBTi recommendations, which will have to validate the new targets.

Despite the transformation, we remain steadfast in the strategic direction we set out on in 2020, with clear objectives: 100% procurement from renewable sources by 2025 and carbon neutrality by 2030, including offsetting measures for residual Scope 1 and 2 emissions. In the Strategic Plan 2025-2027, we have confirmed our previous commitments and introduced a new intermediate objective: the drafting of a climate transition plan for the period 2025-2030, which identifies the levers necessary to achieve our long-term environmental targets. We have assessed the impact of climate change risks and opportunities on our financial planning, considering revenues, operating costs, investments, access to capital and asset value:

- **Revenues:** In 2024, approximately 0.7% of our total revenues come from activities eligible under the EU Taxonomy, particularly from cloud-based services, low-emission IoT solutions, and eco-friendly products. Although the percentage is small, it represents a strategic area linked to the opportunity of "developing and/or expanding low-emission goods and services."

- **Operating Costs:** Energy accounts for about 7% of our total purchases, and with network and service development, demand is expected to grow. However, annual energy efficiency initiatives in Italy are helping us offset the increase in consumption, generating savings. Costs related to taxonomy-eligible opportunities (7.55% in 2024) confirm a medium-low but relevant impact.
- **Investments and Capital Allocation:** Energy efficiency projects require dedicated resources, with a medium-low impact on capital expenditures, which we nonetheless consider strategically significant.
- **Access to Capital:** In 2024, we obtained 31,458 Energy Efficiency Certificates, equivalent to €7.1 million, thanks to interventions on fixed and mobile networks and real estate assets. Although the direct impact is contained, these results strengthen our market credibility, and we expect our climate commitment to facilitate access to new capital and improve our stock market valuation.
- **Assets and Insurance Coverage:** We consider the probability and impact of extreme climate events on our infrastructure and equipment, which are essential to guarantee communication services to our customers. We allocate resources both for adequate insurance coverage, aiming to protect the economic value of our assets, and to ensure operational continuity, which is strategic for our customers.

Based on the analysis of the scenarios described above, it should be noted that they influence the Group's decisions in the following areas of asset management, guiding interventions towards reducing and improving energy efficiency. This translates into concrete actions such as preventive maintenance of systems, which avoids waste and breakdowns, and technological upgrades of data centres (DCs) aimed at improving operational efficiency and reducing overall energy consumption. In addition, the implementation of 5G technologies represents a significant opportunity to optimise the network, reducing environmental impact and improving energy performance. Furthermore, these analyses have guided important decisions such as the signing of Power Purchase Agreements (PPAs), long-term contracts for the purchase of energy from renewable sources.

This tool has made it possible to significantly reduce the CO_2 emissions associated with the company's energy consumption, contributing concretely to sustainability goals and greater independence from fossil fuels. These strategic decisions not only improve environmental performance but also strengthen the company's reputation and regulatory compliance, positioning the company competitively in the global market.

By virtue of the analysis of the scenarios described above, it is specified that they influence the Group's decisions in the following areas of asset management, guiding actions towards the reduction and optimization of energy consumption. This translates into concrete measures such as preventive maintenance of equipment, which helps avoid waste and failures, and **technological upgrades of data centers (DCs)**, aimed at improving operational efficiency and reducing overall energy consumption. Furthermore, the implementation of 5G technologies represents a significant opportunity to optimize the network, reducing environmental impact and enhancing energy performance.

Moreover, these analyses have driven important decisions such as the signing of **Power Purchase Agreements (PPAs)**, and long-term contracts for the purchase of energy from renewable sources. This tool has significantly reduced the CO_2 emissions associated with the company's energy consumption, thereby concretely contributing to sustainability goals and increasing independence from fossil fuels. These strategic decisions not only improve environmental performance but also strengthen the company's reputation and regulatory compliance, positioning the company competitively in the global market.

Resilience of the Organization's Strategy Considering Different Climate Scenarios, Including Scenarios with Temperatures at or Below 2°C

We conduct both qualitative and quantitative scenario analyses at the Group level to assess the consistency of our climate strategy. We have examined two scenarios aligned with the goal of limiting global temperature increase to below 1.5°C, according to the guidelines of the Network for Greening the Financial System (NGFS).

Transition Scenario | NGFS | 1.5°C:

In the first transition scenario, we performed a quantitative analysis with respect to the Net Zero target by 2040, focusing on:

- potential regulatory obligations aimed at offsetting unavoidable CO_2 emissions, such as the introduction of a carbon tax;
- increased costs associated with the introduction of a carbon tax.

Over a timeframe up to 2040, a linear estimate was made for the gradual reduction of CO_2 emissions, and at ten-year intervals, we also estimated the potential failure to meet the target with hypothetical deviations of 10%, 20%, and 30%, along with the related potential economic impact.

Physical Climate Scenario | RCP 1.9 and RCP 4.5:

In this scenario, which forecasts a temperature increase between 1.5°C and 3°C, we analyzed physical risks that could jeopardize company assets and operational continuity. This analysis is integrated into our Enterprise Risk Management (ERM) framework. In particular, we assessed:

- **Hydrogeological risk** (Net Zero scenario by 2050), assessed through CLIMADA, which relates official hazard maps with our georeferenced assets, estimating their replacement cost value;
- **Risk of reduced work performance** caused by hot and humid climatic conditions, with studies indicating an average global productivity decline of 9.84%. For us, this risk could translate into an estimated economic loss ranging from 16 million euros (with a 0.8% reduction in the best-case scenario at +1.4°C) to 50 million euros (with a 2.4% reduction in the worst-case scenario at +2°C).

In line with the scenarios analyzed, we have identified the most relevant climate events for our sector, assessing their potential impact on operational continuity and financial results. To address these risks, we conduct thorough climate risk assessments and continuously

monitor the evolution of potential damage to assets, also considering the mitigation actions already implemented.

As part of crisis management, we regularly conduct simulations and drills to test the resilience of our Essential Communication Services, ensuring operational continuity in the event of natural disasters, civil protection emergencies, or IT failures. In parallel, we periodically verify the effectiveness of the security measures for our IT systems to ensure their robustness even against indirect climate-related risks. All analyses feed into corrective action plans when necessary, while residual risks are managed through specific insurance coverages. Our climate adaptation plan, developed according to the operational context, covers 100% of existing and future new activities, in terms of revenues, with an implementation horizon of less than 5 years for already operational activities. These actions allow us to strengthen the resilience and efficiency of our assets, ensuring a credible and sustainable energy transition over the long term.

Risks and opportunities related to climate change | Influence on TIM's strategy	
Impacted area	**Description of the influence**
Digital technologies and solutions	Climate change is regarded by TIM as an opportunity to develop low-impact digital products, services and solutions. Investments in 5G, edge computing, cloud and artificial intelligence enable flexible, efficient and rapid data management, thereby accelerating national digitalisation and supporting economic growth. In 2021, TIM established Noovle S.p.A., its cloud subsidiary and strategic Google Cloud partner, to accompany enterprises and public organisations in secure, sustainable and high-performance digital transformation
Supply chain and/or value chain	TIM's Procurement collaborates with suppliers to orient sourcing towards environmentally efficient and low-carbon solutions. Procurement and requesting units jointly integrate ESG criteria across the sourcing process— from embedding a sustainability scoring framework in tenders to qualifying vendors. Annual audits, conducted in 2024 under the Joint Alliance for CSR, covered 150 strategic sites worldwide. On the basis of audit findings, TIM implements targeted adaptation and mitigation measures.
Investment in research and development	TIM's R&D and Marketing functions jointly advance climate-focused innovation, overcoming socio-cultural barriers to deliver increasingly efficient solutions that reduce energy consumption and emissions for businesses, public administrations and citizens. In 2024, approximately 1,450 employees in Italy were engaged in technological and engineering innovation projects.
Operations	Under the ESG 2025–2027 Plan, integrated into TIM's Industrial Plan, commitments to emissions reduction and energy efficiency have been reaffirmed despite growing voice and data traffic. In 2024, upgrades to next-generation networks and data centers continued, accompanied by an increased share of renewable energy in operations.

4. Processes for identifying, assessing, and managing climate risks

Organization's processes for identifying and assessing climate-related risks

To effectively address the risks and opportunities related to climate change in the short (0–3 years), medium (3–10 years), and long term (10–20 years), we apply a climate risk management process on a semi-annual basis. This approach allows us to identify correlations between climate risks and all stages of our value chain—from direct activities to upstream and downstream operations—proactively guiding our business strategies.

Within the Chief Finance Office structure, the Enterprise Risk Management & Insurance function collaborates with risk owners to update the risk register (Risk Universe), support the definition of mitigation actions, and periodically monitor their status. Risks are assessed using a 3x3 matrix (Risk Heat Map) that combines impact and probability, also considering reputational, legal, and regulatory aspects.

The ERM process, in collaboration with the Sustainability function, adopts a methodology for assessing ESG risks based on key risk indicators (Key Risk Indicators).

strategic risks, we use probabilistic and econometric models that allow us to analyze the probability distribution and the interaction among individual risk factors. In this context, the climate analysis has focused on the following two categories:

- Transition risks: such as the introduction of new environmental regulations, carbon taxes, disclosure obligations, and changes in energy prices;
- Physical risks: related to extreme weather events and changes in chronic environmental conditions (e.g., heatwaves, rising average temperatures).

In recent years, the intensification of even extreme weather phenomena—such as heavy rains and storms—has increased the exposure of assets distributed extensively across the territory. For this reason, we conduct detailed climate risk analysis using a dedicated system (CLIMADA), which performs desk assessments and assigns risk levels to facilities, with on-site checks for the most strategic or vulnerable ones. Probabilistic evaluations also include

low-probability extreme scenarios (e.g., events occurring every 200 years), estimating potential expected losses.

Organization's Processes for Managing Climate-Related Risks

The identified climate risks are managed through a combination of preventive measures, insurance tools, and structured governance. We implement targeted actions to reduce physical exposure, improve operational resilience, and ensure service continuity. Preventive measures include:

- optimizing the positioning of equipment at company sites;
- using hydrogeological risk maps to guide infrastructure development;
- prioritizing the decommissioning of the most energy-intensive and vulnerable technologies;
- adopting resilient construction standards; operational agreements with suppliers for emergency management;
- business continuity plans.

At the same time, we protect our physical assets with an All Risks Property insurance program that covers damages regardless of the cause. Moreover, since 2021, we have initiated a specific analysis to estimate indirect losses from service interruptions, aware of the critical role our services play for customers, institutions, and the country.

Risk analyses and assessments are documented and communicated through appropriate mechanisms to the respective Risk Owners, typically during ad hoc ERM Steering Committee meetings. These reports are periodically made available or provided upon specific request by Corporate Bodies such as the Control and Risk Committee (CRC), the Board of Directors (BoD), and the Board of Statutory Auditors.

Integration of Climate-Related Risks and Opportunities into the Current Decision-Making Process and Strategy Formulation

The climate risk assessment is fully integrated into the organization's decision-making and strategic processes, in line with our ESG framework. The evaluations conducted influence:

- industrial and financial planning;
- definition of environmental targets (e.g., Carbon Neutrality);
- investment priorities (CapEx and OpEx);
- development of sustainable products and services (in compliance with the EU Taxonomy).

The results of the climate risk analysis are used to simulate future scenarios, estimate economic impacts, anticipate regulatory developments, and guide strategy adaptation. These scenarios are also integrated into the assessment of opportunities related to climate change, such as the development of low-carbon technologies, increasing demand for low-emission digital services, and access to subsidized capital or sustainable finance instruments. Finally, the risk map considered in our climate risk assessment (summarized in the attached visual table) helps ensure consistency, completeness, and traceability in the integrated management of climate risks.

Types of Risks Considered in the Climate Risk Assessment

Category	Relevance	Description
Current regulation	Relevant	The integration of the European Directive 2014/95/EU into Italian legislation requires us to report our environmental impacts in a comprehensive and reliable manner, with particular attention to greenhouse gas emissions and carbon intensity. In addition to emissions data, we must provide disclosure on our strategy and action plans that contribute to achieving the objectives of the Paris Agreement. Our reporting is subject to verification by the national public authority that regulates financial markets.
Emerging regulation	Relevant	To contribute to the objectives of the Paris Agreement, we consider the introduction of a carbon tax plausible, as already implemented in several European countries and under discussion in Brazil. In Italy, this measure could come into effect within the next five years, especially if the ETS system proves ineffective. According to Bloomberg NEF, the price could reach €100/tCO_2 by 2030; already in 2024, the average value is estimated at €83.5/tCO_2, with significant impacts on fuel and electricity costs. To mitigate this risk, we continue to invest in energy efficiency, reducing consumption and emissions while increasing the use of renewable sources.
Technology	Relevant	ICT technologies require more energy throughout their life cycle, but their carbon footprint will remain almost stable (1.6% in 2017, 1.7% in 2030) thanks to greater efficiency and the increasing use of clean energy (source: Digital With Purpose-GeSI). Over the same period, the contribution of digitalization to emissions reduction will be about seven times greater than its impact. For us at TIM, ICT is therefore a strategic lever in the fight against climate change, provided we continue to innovate in efficiency.
Legal	Not relevant	The evolution of climate-related regulations requires us to constantly adapt. However, we do not believe that TIM's business activities have a climate impact significant enough to generate legal disputes, thanks also to our ongoing investments in energy efficiency and emissions reduction. Moreover, for over 25 years we have ensured transparent and comprehensive reporting of ESG information, in line with regulatory requirements.
Market	Relevant	Our customers – families, businesses, and institutions – are increasingly attentive to energy consumption and costs. For this reason, we are committed to offering solutions that are efficient both economically and environmentally. The growing awareness of climate issues, combined with price sensitivity, guides choices toward low-impact and high-efficiency products.
Reputation	Relevant	Sustainability is fully integrated into our strategy. The fight against climate change represents one of the Group's ESG priorities. A weak reputation on these issues can undermine the trust of customers and investors, with negative impacts on the business as well: higher acquisition and retention costs, reduced operating margins, and loss of competitiveness.
Acute physical	Relevant	The increase in extreme weather events, such as floods and hurricanes, in the areas where we operate makes operational continuity and asset resilience central to our Enterprise Risk Management process. At the same time, prolonged drought periods could affect the availability and cost of hydropower energy, with particularly significant impacts in Brazil. For this reason, we have conducted an analysis of hydrogeological risk, estimating the increase in risk exposure from now until 2050.
Chronic physical	Relevant	The increase in average temperatures leads to greater use of cooling systems, impacting energy consumption and operating costs. For this reason, our business plan includes targeted investments in energy efficiency. Additionally, hotter climatic conditions can also affect labor productivity, as highlighted by specific risk analyses.

5. Metrics and Targets Used to Assess and Manage Climate-Related Risks and Opportunities

Metrics Used to Evaluate Climate-Related Risks and Opportunities in line with Strategy and Risk Management Process

To assess progress against environmental goals and to structurally manage the risks and opportunities related to climate change, TIM has defined a set of key indicators aligned with its decarbonization strategy. These metrics are regularly used for monitoring, reporting, and guiding business decisions, in close integration with the Enterprise Risk Management process.

The main monitored metrics include:

- **Quantity of Scope 1 emissions** (direct emissions generated by the Group's production activities);
- **Quantity of Scope 2 emissions** (indirect emissions from the purchase of electricity);
- **Quantity of Scope 3 emissions**, with a focus on categories material to the Group (in particular: Category 1 – purchased goods and services; Category 2 – capital goods; Category 11 – use of sold products); Greenhouse Gas (GHG) emission intensity rate, useful for evaluating emission performance in relation to economic activity (carbon intensity);
- **Percentage of electricity from renewable sources** out of the total electricity consumed.

These metrics are essential tools not only for measuring internal progress but also for anticipating potential economic and financial impacts related to the adoption of stricter environmental regulations (e.g., carbon tax), ESG reputation, or future availability of sustainable capital.

Greenhouse gas (GHG) emissions Scope 1, Scope 2, and, if appropriate, Scope 3, and associated risks

In line with European regulatory requirements, and with the disclosure requirement 'E1-6 Scope 1, 2, 3 gross GHG emissions and total GHG emissions', we systematically collect

emissions data, which is integrated into our ESG reporting processes and environmental management system, specifically monitoring:

- Scope 1 emissions, relating to direct sources (e.g. fuel combustion, refrigerant gas leaks);
- Scope 2 emissions, linked to purchased and consumed energy (calculated using both location-based and market-based methods);
- Scope 3 emissions, which represent the largest share of the overall carbon footprint, with particular focus on the three most relevant categories: purchased goods and services, capital goods, and use of sold products.

The reporting of the Group TIM's emissions for the year 2024 is available in the 2024 Sustainability Report on our Group website, starting from page 193, where absolute values, changes compared to previous years, and the methodological sources used are provided. The detailed monitoring of these emissions allows the identification of potential risk areas, such as:

- exposure to environmental regulations (e.g., ETS system, carbon tax);
- increase in operational costs related to energy and high-carbon-intensity materials;
- indirect impacts on the supply chain, reputation, and access to ESG credit.

Monitoring greenhouse gas (GHG) emissions is central to our Group's climate strategy. In line with European regulatory requirements, and specifically with the disclosure obligation «E1-6 Gross GHG emissions for Scope 1, 2, 3 and total GHG emissions,» we carry out a systematic collection of emission data, integrated into ESG reporting processes and the environmental management system, specifically monitoring:

- Scope 1 emissions, related to direct sources (e.g., fuel combustion, refrigerant gas leaks);
- Scope 2 emissions, linked to purchased and consumed energy (calculated using both location-based and market-based methods);
- Scope 3 emissions, which represent the largest share of the overall carbon footprint, focusing on the three most relevant categories: purchased goods and services, capital goods, and use of sold products.

The Group's TIM emissions reporting for 2024 is available in the 2024 Sustainability Report on our Group website, starting from page 193, where absolute values, changes compared to previous years, and methodological sources used are provided.

Accurate monitoring of these emissions enables the identification of potential risk areas, such as:

- exposure to environmental regulations (e.g., ETS system, carbon tax);
- increased operating costs related to energy and high-carbon-intensity materials; indirect impacts on the supply chain, reputation, and access to ESG financing.

Targets used by the organization to manage climate-related risks and opportunities and performance against objectives

In line with the new 2025-2027 Industrial Plan, TIM has defined clear and measurable climate targets, consistent with the Paris Agreement and its commitment to contribute to the transition towards a low-carbon economy. These targets have been developed considering the three emission scopes (Scope 1, 2, and 3) and cover both the national and international perimeter of the Group.

The main strategic objectives are:

- Net Zero (Scope 1+2+3) by 2040;
- Carbon Neutrality (Scope 1+2) by 2030, including through the offsetting of residual emissions;
- 100% procurement of renewable energy for the Group's electricity needs by 2025;
- Development of a new Climate Transition Plan for Scope 3 by 2030.

The achievement of these objectives is monitored through the environmental indicators system described above. The data collected feed into periodic ESG reports and voluntary disclosures (CDP, SBTi, Sustainability Report), allowing verification of performance against targets and timely identification of any deviations or delays.

These targets also act as a lever for continuous improvement, encouraging energy efficiency projects, technological innovation, and supply chain engagement in reducing indirect

emissions. Their alignment with international standards further strengthens the transparency and reliability of our ESG approach towards investors, stakeholders, and regulatory authorities.