



SUPPLY CHAIN

Insight

TIM Group

2026 July



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1. The values that underpin our relationship with our suppliers

Transparency, collaboration, free competition, respect for human rights, and quality are the core values that underpin our relationships with our suppliers.

We are committed to enforcing a zero-tolerance policy toward any form of harassment: behavior of a coercive, threatening, offensive, abusive, or exploitative nature—in any form—will never be tolerated. Such behavior constitutes a serious violation of ethical principles and fundamental human rights and will be addressed with the utmost severity.

We have also embarked on a path toward a sustainable supply chain with the aim of increasing the environmental, economic, and social value of this relationship over time. In fact, we are committed to adopting solutions that minimize the consumption of energy and natural resources, promote the use of renewable energy sources, and reduce greenhouse gas emissions throughout the entire supply chain. Furthermore, we encourage the responsible use and disposal of products, reducing pollution through practices of reduction, reuse, and recycling, with the goal of achieving an increasingly efficient use of resources.

Finally, we identify significant suppliers based on their relevance to our business and on ESG (environmental, social, and governance) factors, using methodologies based on specific risks related to the country, sector, and type of product or service.

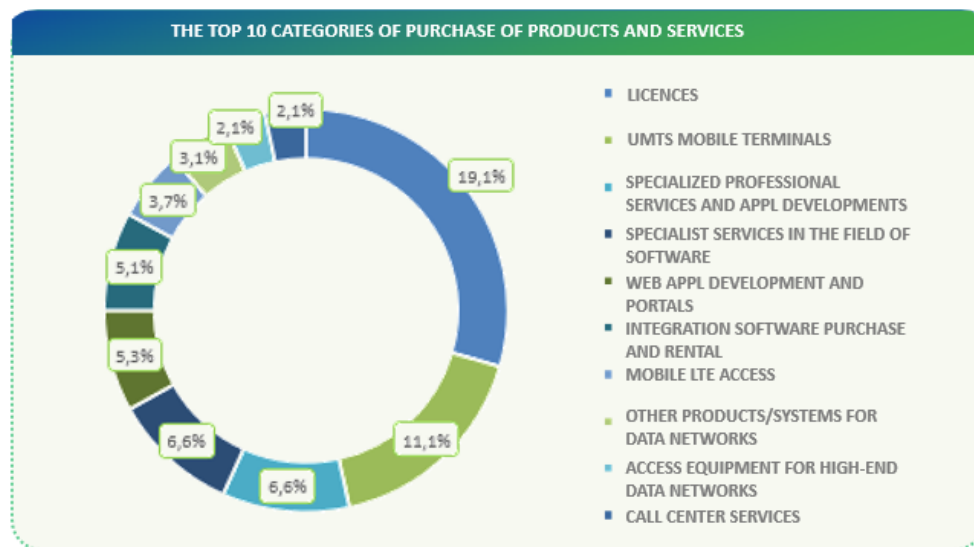


2. Supply Chain Statistics

We identify significant suppliers based on their business relevance and ESG (environmental, social, and governance) factors, using methodologies based on specific risks related to the country, sector, and type of product or service.

SUPPLY CHAIN NUMBERS (ITALY)			
1.937 Total active suppliers ¹ (Tier 1)	566 Significant suppliers ²	of which Suppliers Tier 1 of which Suppliers not Tier 1	532 34
		% TIM Spending toward Tier 1 (significant)	97,57%
123 New suppliers acquired in 2025	12.737 no.deeds of purchase	4.024 Mln€ Value of acquisitions	
768 Providers undergoing desk and on-site assessment	of which significant	39%	
134 Suppliers assessed with actual/potential negative impacts	of which with adherence to corrective actions and improvement plans	100%	
	of which supported in the implementation of corrective plans	100%	
	cases of exclusion from the supplier register	0%	
566 100%	Number of significant suppliers included in capacity building programs		
	of significant sole providers in capacity building programs		

- (1) Suppliers with orders and scheduled deliveries this year.
- (2) Suppliers with orders of $\geq$ €500,000 and a sustainability risk of $>$ €250,000. To assess ESG (environmental, social, and governance) factors, methodologies were adopted based on specific risks related to the country, sector, and type of product or service..



Funding member since 2010



Value Chain Partner since 2022



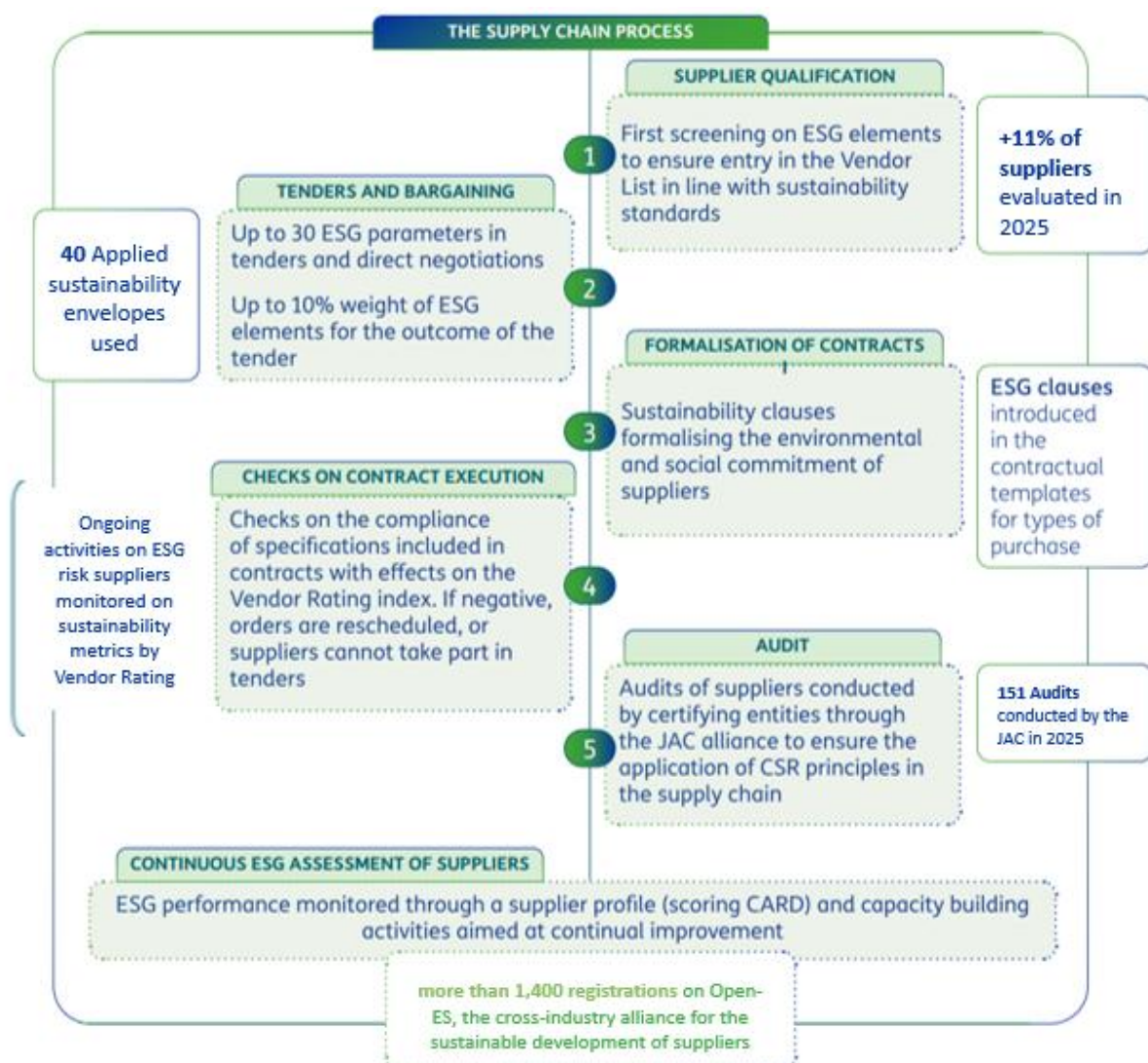
3. The Supply Chain Process

Sustainability in the supply chain makes it possible to significantly reduce Scope 3 emissions, given that procurement **accounts for approximately 80% of the company's total emissions**. At the same time, it contributes to improved market performance by encouraging suppliers to develop efficient, innovative, and low-emission solutions. For this reason, we have integrated ESG assessment criteria into every stage of the procurement process.

The policies and programs aimed at building a sustainable supply chain are overseen by the Group's Board of Directors and managed operationally by the Procurement Department to ensure consistency between our strategic vision and its practical implementation. Procurement practices are periodically reviewed to ensure alignment with our Code of Conduct and to prevent any conflicts with ESG requirements.



We also support our supply chain in achieving continuous improvement on ESG issues by training internal stakeholders involved in the procurement process, educating our suppliers on technical aspects as well as the Group's ESG requirements and programs, conducting ESG benchmarking against peers and best practices, and implementing screening and assessment activities to build ESG expertise and take any necessary corrective actions.





4. Supplier Qualification

During the supplier qualification process, we require that our suppliers' practices align with our company's ESG principles and policies and with our commitments regarding:

- **human rights and labor** (e.g., forced labor and child labor, adequate working conditions, occupational health and safety, discrimination and harassment, freedom of association and collective bargaining);
- **environmental impact** (emissions, pollution prevention and waste management, protection and promotion of natural habitats, forested areas, biodiversity, and land conservation);
- **corporate ethics** (anti-corruption and conflicts of interest, anti-competitive practices).

For suppliers at risk in terms of ESG, identified based on the geographic region in which they operate (Asia, Central and South America, North Africa, Eastern Europe), we conduct an assessment based on the completion of an ESG questionnaire—which is mandatory for inclusion in our Supplier Registry—that evaluates potential violations related to the environment, human rights, and working conditions. Suppliers with better ESG performance are preferred in supplier selection and contract awarding.

In 2025, there was also an intensification of verification activities along the supply chain: the number of suppliers undergoing document-based or on-site assessments increased by 11% compared to 2024. These audits include both activities conducted during the qualification phase for inclusion in the Supplier Registry and checks on suppliers registered on the Open-es platform, as well as those audited as part of the JAC initiative. The strengthening of ESG monitoring measures has led to an increase in the number of suppliers for whom actual or potential negative impacts were



identified (344 in 2025 compared to 137 in 2024). This increase is primarily attributable to the expanded scope and greater systematic nature of the monitoring activities and has led to the implementation of specific improvement plans, in line with the Group's due diligence approach.

5. Tenders and Negotiations

In competitive bidding and direct negotiations, we use a sustainability component weighing up to 10 percent, which involves applying a checklist of 30 parameters (eco-standard guidelines) to the procurement of products and services.

In 2025, 12,737 procurement transactions were carried out, with a total value exceeding 4 million euros. Approximately 40 sustainability components were applied.

6. The Formalization and Execution of Contracts

Example of ESG Contractual Clauses for Technological Waste

We include standard clauses in our contracts that require suppliers to comply with TIM's Code of Ethics. In addition, we are beginning to include **ESG clauses specific to the product or service being purchased**.

To verify that the product or service meets the requirements specified during the supplier selection process, we conduct on-site audits with our employees, who help assess the supplier's performance and determine the "Vendor Rating" score.

Example of ESG Contract Clauses for Technological Waste

- *Request for EoW (End of Waste) certification, recyclability percentage, and recycling report;*



- *The right to terminate the contract in the event of noncompliance with even a single environmental protection clause.*

We evaluate supplier performance based on audits to verify compliance with the technical specifications of products or the performance of services. The results are summarized in Vendor Rating indicators; if these indicators are negative, this results in adjustments to orders or exclusion from bidding processes.

Example of ESG Factors for Vendor Rating

- *Contract for the Construction of Copper and Fiber-Optic Access and Transmission Networks: Safety and environmental protection considerations are taken into account, and inspections are then conducted to verify energy consumption parameters..*

7. Audits

In 2025, 768 suppliers underwent second-party audits (39% of which were deemed significant), focusing on environmental requirements and occupational health and safety; where nonconformities were identified, Corrective Action Plans (CAPs) were established with agreed-upon timelines, confirming the Group's structured approach to monitoring and continuous improvement. The total number of suppliers assessed as having actual or potential negative impacts is 344.

Furthermore, to promote sustainability throughout the entire value chain, we also conduct on-site audits, including through the involvement of third parties such as certification bodies or the **Joint Alliance for CSR (JAC)**. The goal is to assess our suppliers' compliance with key industry ESG standards and methodologies, such as SA8000 and ISO 14001, and, if necessary, to jointly identify corrective actions and



improvement plans.

The JAC, a multi-stakeholder initiative founded in 2010 by Orange, Deutsche Telekom, and TIM, brings together various companies in the telecommunications sector with the aim of promoting safe and fair working conditions, as well as responsible economic, social, and environmental management.

When third-party audits identify non-compliance with required standards or methodologies, we work with the supplier to define a Corrective Action Plan (CAP), which establishes the timeline and procedures for resolving the issues.

While respecting the autonomy and responsibility of each supplier or partner, we can offer opportunities to access specific training activities, promoting a collaborative approach focused on continuous improvement.

For example, we provide access to the Open-es platform, which guides them in developing a plan to improve their ESG performance, or to the JAC Academy project, a structured program designed to support them in developing skills in the areas of environmental, social, and governance issues.

Main Activities of the JAC

- Social and environmental audits of the supply chain for shared suppliers
- Roundtable discussions on Scope 3, zero waste, the circular economy, and human rights to implement shared solutions
- Capacity-building activities for suppliers

JAC's Numbers

- 31 members



- 151 audits conducted in 2025
- 4 audits conducted by TIM for the JAC
- 794 corrective action plans

8. Ongoing ESG Assessment of Suppliers

We conduct ESG assessments, both remotely (desk-based) and on-site, with the aim of verifying suppliers' compliance with TIM's ESG requirements. The assessment is based on a systematic request for documentary evidence, and failure to comply within the specified timeframe may result in exclusion from the supplier roster.

In 2025, we conducted desk assessments of 768 suppliers, 39% of whom were deemed significant, identifying several cases with actual or potential negative impacts. When necessary, we implement corrective actions and improvement plans, supporting suppliers throughout the implementation process—including through remote and on-site support activities and the development of capacity-building programs.

During FY 2025, no supplier was removed from the supplier registry, demonstrating the effectiveness of the dialogue and collaboration we maintain with our partners throughout the supply chain.

Since 2022, we have been a Value Chain Partner of the Open-es alliance, which—through a shared platform and an ESG questionnaire based on international standards—enables us to conduct joint assessments of suppliers' ESG performance.

**TIM suppliers registered on Open-es
by the end of 2025 via the ESG questionnaire
over 1,500**