

# RESOURCES AND WASTE MANAGEMENT INSIGHTS

*July 2024*

The Group's environmental strategy is an integral part of the Business Plan and is declined in two main streams:

- long-term objectives that trace the path towards the decarbonisation of direct activities and of the production chain;
- projects aiming, among other things, at an efficient use of energy and water resources and the reduction and exploitation of waste.

The company's commitment is therefore aimed at reducing environmental impact and promoting sustainable practices within and outside the organization, in accordance with international best practices and standards.

## Energy management

In order to efficiently manage energy resources and reduce the environmental impact of its activities, the TIM Group has defined a structured program on the subject, which includes:

- an increase in purchase and use of energy from renewable sources, both through contracts for the supply of certified green energy, and through the installation of renewable energy self-production systems to power its infrastructure;
- the implementation of specific actions aimed at reducing energy consumption of production activities and civil, industrial and data center infrastructure through, for example, the adoption of "Building Energy Management Systems" (BEMS), the subscription of "Energy Performance Contracts" (EPC), the implementation of buildings and infrastructure construction based on principles of sustainable design, the progressive electrification of the company fleet;
- the adoption of specific quantitative targets regarding energy efficiency projects and regarding purchase and use of renewable energy, in addition to the targets of the industrial plan and the related monitoring of progress at individual Business Units' level and at Group level;
- the implementation of employee training initiatives to raise awareness of energy consumption reduction, and the adoption of good practices to achieve these goals;
- audits on the quality of energy management to assess the achieved performance and identify any improvement actions. The energy management systems are also ratified by external certifications to which the Group is subject, in compliance with international standards (e.g. ISO 14001, ISO 50001);
- continuous investment in research and development of innovative technologies, products and services, processes and business models, in order to improve energy efficiency, reduce energy consumption and consequent emissions of the Organization.

## Water resources management

Even if the company's productive activities do not require an intensive use of water, TIM Group monitors water consumption indicators and implements a structured management program that includes:

- the definition of targets for reducing water consumption, both at individual Business Units' level and at Group level, with the aim of improving water consumption performance in line with international best practices;
- conducting water use assessments to identify possible actions to improve water efficiency, starting from a detailed analysis of water consumption for civil and industrial use (trigeneration and cooling);
- implementation of interventions aimed at reducing the use of water within the organization, through the optimization of production processes, the adoption of remote working modes, the installation of low consumption devices;
- the implementation of measures to improve waste water management, through the adoption of advanced treatment technologies and continuous monitoring of quality parameters, in accordance with environmental regulations;

- the installation of waste water recovery and reuse plants to reduce the withdrawal of water from natural sources and promote sustainable use of water resources;
- training programs dedicated to employees to spread awareness of the importance of saving water resources and to promote responsible behavior.

## Waste management

TIM Group actively promotes circular economy models to reduce waste production and to transform waste into value, and specifically by:

- defining targets to reduce waste production, including the sellout of stocks of reconditioned smartphones and products with green characteristics, as well as a circular economy index that measures the average revenue per unit resulting from the resale of waste, discarded materials and assets per kilogram of waste produced;
- implementing action plans aimed at reducing the production of waste for disposal and increasing the useful life of goods by means of, for example, supplying remanufactured products for customer service and selling reconditioned products;
- promoting programs for the recycling of company equipment such as PCs and mobile phones as well as corporate furniture that are reused internally or donated for social purposes;
- choosing suppliers that recover waste sent to disposal as much as possible and that prioritize the reuse of rare resources and precious materials;
- delivering training and awareness programmes for employees in order to spread awareness and promote responsible behavior within the Organisation;
- conducting audits on the waste management system to verify its quality and compliance. The process includes a detailed analysis of the flows of the different types of waste in the different locations, and identifying, whenever necessary, any improvement actions;
- the diverting of waste from landfill<sup>1</sup>, certified by an independent and accredited entity, in accordance with ISO 14001, to ensure the transparency and effectiveness of the waste management practices implemented by the Organization. In addition, an external and independent entity provides assurance regarding the amount of smartphones recovered and not sent to landfill;
- continuous investment in research and development for the innovation of processes, materials and solutions that promote the reduction of waste, through the recovery of technological waste, as well as the regeneration and reuse of products.

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<sup>1</sup> Diversion rate FY 2023 of about 98%. The figure is calculated as:  $\text{Weight of diverted waste} / (\text{weight of diverted waste} + \text{weight of waste set to landfill}) \times 100$ .

## Quantitative performance

	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total energy used in data centers (MWh)</b>	153,600	234,719	260,429	254,703
<b>Percentage of renewable energy (of total energy) *</b>	30	100	100	100

\* The target for the percentage of renewable energy (of total energy) for FY 2023 was 100%.

	FY 2020	FY 2021	FY 2022	FY 2023	Tgt 2023
<b>Average PUE</b>	1.54	1.54	1.539	1.56	1.54
<b>Coverage (Percentage of total ICT population *)</b>	100	100	100	61	

\* The ICT population encompasses the Data Centers operated by Noovle SpA, an entity within the TIM Group specializing in data center infrastructure. The company has been created in 2021. Previously existing DCs have been conferred to Noovle.

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total non-renewable energy consumption *</b>	MWh	1,718,373	1,197,075	1,220,737.440072	928,979.879112
<b>Total renewable energy consumption</b>		655,552	1,162,221	1,450,523.443704	1,666,075.561494
<b>Data coverage</b>	Percentage of all revenues, employees, etc.	100	100	100	100

\* The target for total non-renewable energy consumption for FY 2023 was 950,000 MWh.

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
<b>Total waste recycled/reused</b>	Tonnes	<b>9,778</b>	<b>11,388</b>	<b>9,541</b>	<b>9,157</b>
<b>Total waste disposed *</b>		<b>229</b>	<b>42</b>	<b>694</b>	<b>187</b>
<b>Waste landfilled</b>		75	32	634	187
<b>Waste incinerated with energy recovery</b>		0	0	0	0
<b>Waste incinerated without energy recovery</b>		1	2	1	0
<b>Waste otherwise disposed: On site &amp; at an external site</b>		0	0	59	0
<b>Waste with unknown disposal method</b>		153	8	0	0
<b>Data coverage</b>	Percentage of all revenues, employees, etc.	100	100	100	100

\* The target for total waste disposed for FY 2023 was 200 tonnes.

	Unit	FY 2020	FY 2021	FY 2022	FY 2023
<b>Water withdrawal</b> (excluding saltwater)	Million cubic meters	1.4	1.3	1.5	1.635
<b>Water discharge</b> (excluding saltwater)		0.42	0.39	0.45	0.4905
<b>Total net fresh water consumption *</b>		0.98	0.91	1.05	1.1445
<b>Data coverage</b>	Percentage of all revenues, employees, etc.	100	100	100	100

\* The target for total net freshwater consumption for FY 2023 was 1.2 million cubic meters.