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BUREAU VERITAS CERTIFICATION

VERIFICATION STATEMENT

SECOND PARTY OPINION

TIM S.A.



Table of Contents

INTRODUCTION	2
CONCLUSION	2
PART 1	3
1.1 ABOUT TIM	3
1.1.1 2021-23 ESG Plan and KPIs	5
1.2 SUSTAINABILITY-LINKED BONDS PRINCIPLES (SLBP)	7
1.3 ON THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS	8
1.4 ABOUT KPIs and SPTs	8
1.4.1 Eco-efficiency.....	9
1.4.2. Renewable Energy	10
1.4.3 4G Coverage Expansion	10
PART 2	12
2.1 SCOPE AND METHODOLOGY	12
2.2 TIM AND BUREAU VERITAS' LIABILITIES	13
2.3 LIMITATIONS AND DISCLAIMERS	13
2.4 TECHNICAL OPINION	14
2.4.1 Framework.....	14
2.4.2 Selection of Key Performance Indicators (KPIs)	15
2.4.3 Calibration of Sustainability Performance Targets (SPTs)	19
2.4.4 Bond Characteristics.....	23
2.4.5 Disclosure	23
2.4.6 Verification.....	24
2.5 DECLARATION OF INDEPENDENCE AND IMPARTIALITY	24



INTRODUCTION

Bureau Veritas Certification Brasil ("Bureau Veritas") was engaged by TIM S.A. (TIM) to conduct a verification of its Framework for Sustainability-Linked Bonds and Loans (Framework), which will be used for a financial transaction described in this Statement, for a defined period in accordance with requirements demonstrated below. The technical basis used for this verification was the International Capital Market Association (ICMA) Guideline entitled Sustainability-Linked Bond Principles (SLBP), Voluntary Process Guidelines, June 2020.

The scope of the verification is restricted to TIM's business, with the geographic scope being Brazil, as detailed in this Statement.

CONCLUSION

Based on the verification carried out by us and the evidence gathered, it is our opinion that TIM's Framework, described in Part 1 of this Statement, meets the ICMA Sustainability Linked Bond Principles of June 2020 and, therefore, is suitable for use in private debt transactions or in debt transactions made in the local or international capital markets. The Framework clearly communicates the rationale for the selection of KPIs and SPTs adopted.

Additionally, we have concluded that the Key Performance Indicators (KPIs) and Sustainability Performance Targets (SPTs) described in the Framework are sufficiently material, comprehensive, robust, reliable and challenging, in light of the socio-environmental and economic expectations currently in place.

PART 1

1.1 ABOUT TIM

Information extracted from TIM's 2020 ESG Report (1.1 to 1.1.1), which content followed the methodology of the Global Reporting Initiative (GRI) and was verified by an independent body, as evidenced in the ESG Report published on the company's website (<https://ri.tim.com.br> under the section About TIM - Sustainability).

TIM is a telecommunications company based in Rio de Janeiro, controlled by TIM Brasil Serviços e Participações S.A., which provides mobile and fixed telephone, data transmission and ultra-broadband services in Brazil. It is listed on the Novo Mercado of B3, the Brazilian stock exchange, which governance standard focuses on minority shareholders and transparency in communication. The company also has ADRs (American Depositary Receipts) listed on the New York Stock Exchange (Nyse).

In December 2020, a new company was created to provide residential optical fiber infrastructure services, which has as one of its targets to accelerate the growth of the residential broadband business and allow a proper valuation of part of TIM's infrastructure.

In January 2021, TIM signed an agreement to acquire Oi's mobile assets along with other telecommunication providers. Such transaction will bring additional benefits to more than 51 million customers by improving their user experience and quality of the service provided.

We emphasize that this transaction is subject to analysis by the competent authorities for completion.

TIM states in its ESG Annual Report, published on its Investor Relations website, that it manages climate-related risks and sees climate change as an opportunity to create mitigation solutions for its own emissions and its customers. Extreme weather events can bring damage to the Company's facilities and infrastructure, directly impacting its business. Therefore, the Company considers that studies and adaptation actions are important to anticipate these adverse effects, in addition to developing structured processes and practices.

One of the risks identified by TIM is energy shortages, a factor that would negatively impact TIM's operations as a result of long-term droughts. Hence, the company has been adopting initiatives to reduce energy consumption and continues to invest in increasing renewable energy in its portfolio.

Considering the impact of the Company's activities related to climate change, telecommunications services can make a positive contribution to the reduction of emissions, since they enable remote communication, reducing the need for fossil fuel-based displacements, while offering alternatives for production processes and logistics flows in different sectors.

TIM states that it has continued its investments in infrastructure (92% of Capex), mainly in IT projects, LTE (4G) technology, transport network and FTTH expansion (for which approximately 13% of total investments in 2020 were allocated). These investments in infrastructure and network coverage enable user connectivity and, therefore, access to information, which are considered the main indirect economic impacts generated by TIM.

At the end of 2020, 9,723 people were part of human and intellectual capital of TIM, which had 51 million customers in Brazil and 4G coverage in 3,877 cities.

1.1.1 2021-23 ESG Plan and KPIs

In 2020 TIM made public on TIM Day, through the disclosure of its Industrial Plan, the 2021-23 ESG Plan, which includes the company's targets, organized into nine pillars, as shown below. The Plan is aligned with the Materiality Matrix revised in 2020 and presents enablers, commitments, targets previously signed for the 2020-22 Plan and the 2020 results.

- ✓ ENVIRONMENTAL
 - Renewable energy
 - Eco-efficiency
 - Waste and emissions

✓ SOCIAL

- Diversity and inclusion
- Participation and training
- Digital inclusion

✓ GOVERNANCE

- Customer satisfaction
- Ethics and transparency
- Information security and data privacy

The 2020-23 ESG Plan contemplates, among others, the following indicators (KPIs) that will be addressed in more detail throughout this Statement:

- Eco-efficiency in data traffic (bit/Joule), aligned to the Eco-efficiency pillar.
- Energy consumption, aligned to the Renewable Energy pillar.
- 4G presence in Brazilian municipalities, aligned to the Digital Inclusion and Customer Satisfaction pillars.

The above KPIs are related to the following Sustainable Development Goals (SDGs):



1.2 SUSTAINABILITY-LINKED BONDS PRINCIPLES (SLBP)

As already mentioned in this Statement, our Verification was conducted against the five main components of the ICMA Guideline – Sustainability-Linked Bond Principles (SLBP).

According to ICMA, Sustainability-Linked Bonds (SLBs) are any type of bond instrument, whose financial and/or structural characteristics may vary depending on whether the issuer achieves pre-defined Sustainability/ESG targets. In that matter, issuers expressly commit (including in the bond documentation) to future improvements in sustainability outcome(s) within a predefined timeframe. SLBs are a future performance-based instrument.

These targets are (i) measured using pre-defined Key Performance Indicators (KPIs) and (ii) evaluated against pre-defined Sustainability Performance Targets (SPTs).

The components checked by us were:

- ✓ Selection of key performance indicators (KPIs).
- ✓ Calibration of Sustainability Performance Targets (SPTs)
- ✓ Bonds Characteristics
- ✓ Disclosure
- ✓ Verification

1.3 ON THE ISSUANCE OF SUSTAINABILITY-LINKED BONDS

To enhance TIM's performance in ESG fronts that are relevant and material to its business and to contribute to positive transformations in society, the Company intends to contract private loan operations and/or issue bonds in capital markets (local or international) that are aligned with its sustainability targets.

The first transaction intended by TIM is a 1,600,000.00 (one billion and six hundred million reais) Debenture issue with 7-year term and final maturity in June 2028. This issue specifically complies with two of the SPTs presented in the Framework regarding (i) data Eco-efficiency and (ii) expansion of 4G coverage, as per Annex III of the Deed. In the event that the company complies with the SPTs on the agreed schedule, rate reductions will apply, which may cumulatively reach but will not exceed 0.25% (twenty-five hundredths percent).

1.4 ABOUT KPIs and SPTs

TIM has defined the following KPIs and respective SPTs as part of its Framework:

1.4.1 Eco-efficiency

The target (SPT) established for the Eco-efficiency in data traffic (bit/Joule) is to increase by 80% (eighty percent) the Eco-efficiency in data traffic, (bit/Joule) on average/year, by December 2025, compared to 2019 (Baseline).

The ambition was defined in terms of measuring the data and voice traffic of fixed and mobile networks (bit) compared to energy consumption (joule), in all direct operations that exist (in the baseline), according to the KPI calculated in the year 2019. The scope for the calculation of Eco-efficiency in TIM's data traffic is national.

The Framework defines some situations of exclusion/expurgation from the calculation that, in our opinion, are relevant and do not imply lack of ambition. In this context, we highlight the possible completion of the acquisition of Oi's assets, for which the impact will be excluded from the eco-efficiency calculation.

KPI'S ANNUAL PERFORMANCE CHART

KPI / SPT	2019 (baseline)	2025
Eco-efficiency (bit/Joule)	9.827	≥ 17.689 (80% increase)

1.4.2. Renewable Energy

The target related to the Renewable Energy KPI is to reach a percentage of 90% of renewable energy consumption by December 2025. The baseline used for the analysis was 2019. The ambition was defined in absolute terms (percentage of renewable energy in total energy consumption).

The scope for TIM's energy consumption is national, taking into account the energy consumption from renewable sources in relation to the total energy consumed by the company, considering percentages (annualized) at the end of the period.

KPI'S ANNUAL PERFORMANCE CHART

KPI / SPT	2019 (baseline)	2020	2025
Renewable energy	50%	64%	90%

1.4.3 4G Coverage Expansion

The KPI Expansion of 4G Coverage aims to reach 100% 4G presence in Brazilian municipalities by December 2023.

The ambition was defined in absolute terms, based on the count of municipalities with 4G coverage provided by TIM by the end of 2023 (the metric considers ANATEL's criterion which establishes that a municipality will be considered supplied when the coverage area reaches at least 80% of the urban area of the municipality's main district).

**Expansion of 4G Coverage KPI's ANNUAL PERFORMANCE
CHART:**

KPIs	2017	2018	2019	2020	2023
4G Coverage (Municipalities ¹)	3003	3272	3477	3877	5570
Coverage % ²	54%	59%	62%	70%	100%
Increasing 2017-2020	29%				
2020-2023 Projected increase	44%				

¹ According to the number of municipalities surveyed on the IBGE website on May 27th, 2021.

² The future measurement will consider the most recent updated base of municipalities released by IBGE in 2023.

PART 2

2.1 SCOPE AND METHODOLOGY

The scope of this verification covered the analysis of:

- A Framework prepared by TIM for 3 KPIs collected from its sustainability report, for future utilization in private debts or capital market transactions.
- A draft of the Debentures Issuance Deed.
- Justification for issuing an SLB bond and consistency with the company's overall sustainability and business strategy.
- Defined KPIs: scope, inclusiveness, baseline, relevance, strategy and materiality.
- Potential changing of the financial and/or structural characteristics of the financial bonds and the triggering events that lead to such a change.
- Definition and application of methodology/metrics for the reliability of KPIs.
- Available resources to meet the established targets.
- Traceability of the data that is included in the targets (accuracy of the data that is included in the KPIs).
- Disclosure of information about the SLB (performance against the targets and the related impact on the financial and/or structural characteristics of the bond).

Concerning the performance analysis of the KPIs, described in the Company's Framework and attributed to the above mentioned debenture issuance operation of TIM, we clarify that annual verification events will be conducted.

The scope of this verification was Limited, according to the Bureau Veritas internal protocol for verification of Sustainability Bonds. This scope differs from the Reasonable scope since it emphasizes the verification of the adopted systematics that allow the generation of reliable data.

2.2 TIM AND BUREAU VERITAS' LIABILITIES

The collection of the data analyzed by our team is entirely responsibility of TIM's management. Bureau Veritas is responsible for providing an independent opinion to TIM, in accordance with the scope of work defined in this statement.

2.3 LIMITATIONS AND DISCLAIMERS

This verification is restricted to the reliability analysis of the targets (SPTs) described in this Statement, with no analytical responsibility regarding other data and indicators reported in TIM's Framework.

It was excluded from this verification any information assessment related to:

- ✓ Activities performed outside the period covered by this Statement.
- ✓ Activities not corresponding to the actual verification scope.

The verification process brings, due to its Limited scope, some restrictions regarding the identification of mistakes.

Due to the characteristics of the operations and the SLB Principles, we clarify that relevant facts of the company regarding ESG topics, either in the regulatory sphere or in its relationship with stakeholders, do not interfere in our Opinion, since the commitments assumed in SLB operations configure a restricted scope to specific themes assessed by us, which were duly associated with the indicators and targets selected for the financial operation.

2.4 TECHNICAL OPINION

2.4.1 Framework

TIM's Framework was assessed in relation to its completeness and consistency with the company's governance. For this purpose, we conducted a number of interviews with managers and reviewed the framework against the SLB Principles. As reported in Part 1 of this Statement, we found a clear alignment of the company's indicators and targets in relation to its strategy and the resources allocated to meet the targets committed to in the debenture transaction. In our opinion the Framework meets the ICMA's 2020 SLB Principles.

2.4.2 Selection of Key Performance Indicators (KPIs)

The choice of KPIs is properly aligned with: (1) the Paris Agreement, (2) the Materiality Assessment conducted by TIM in 2019 and revised in 2020, and (3) the 2030 Commitment assumed by the company.

Regarding the Paris Agreement, it is our opinion that there is alignment in the general sense of the need to reduce GHG emissions, with the increasing use of clean energy and efficiency improvement. We did not see any deployment of the telecommunications sector in specific objectives or targets established.

TIM's Materiality Assessment Report, which was reviewed by our team, indicates Energy Management as one of the main strategic material issues for the company, due to the fact that besides being a determining factor for the continuous operation of its operations, it is also a factor of considerable environmental impact. The company acknowledges that energy shortages are an important operational risk, directly related to operational costs, and that supply interruptions affect service delivery and customer experience.

The internal interviews and the staff workshop held in the course of the materiality assessment, emphasized the importance of using energy in the operations from renewable sources, which have a lower environmental impact, as well as self-generation to ensure the electrical safety of the operations. Energy management did not figure as highly influential in the previous assessment, conducted in 2017, but has gained strong significance, as shown in the materiality assessment conducted in 2020.

Other material themes highlighted are Infrastructure Investment and Network Reliability. Infrastructure investments would comprise network expansion, by increasing coverage in different regions. TIM's main social impact would be the possibility to offer telephone and internet services that could transform business and social relations, linked to digital inclusion and universal access, i.e., also reaching isolated communities, rural and poor areas. These topics became even more relevant in the materiality review carried out in 2020, considering the effects and repercussions of the Covid 19 pandemic.

It is our opinion that the Materiality Study is balanced and reliable, clearly demonstrating the priority topics for TIM. The methodology used for its development was based on the Global Reporting Initiative Guideline, aiming at identifying the most relevant environmental, social and economic issues for the company and its stakeholders.

The report reviewed shows the relationship of the theme Energy Management with the Sustainable Development Goals (SDGs) 7- *Affordable and clean energy* and 13- *Climate action*, linking themes Infrastructure Investment and Network Reliability to the SDGs 9- *Innovation and infrastructure*, 11- *Sustainable cities and communities* and 15 - *Life on land*.

The energy theme, whether in terms of Eco-efficiency or the use of renewable energy sources, is essential for telecom companies that, at their core, transform energy into information flow.

In addition to other environmental impacts resulting from the use of non-renewable energy sources, the already noticeable climate changes affect the availability of energy produced in the national hydroelectric plants, representing an additional interruption risk in the services provided by the companies.

We consider the ambition of extending 4G coverage to all Brazilian municipalities to be a social impact of great relevance.

Studies such as the one conducted by IPEA in 2017 demonstrate the direct and significant relationship between broadband availability and the GDP of Brazilian municipalities, emphasizing the importance of digital inclusion.

We note that TIM is implementing actions associated with a Termo de Ajuste de Conduta (Behavior Adjustment Commitment - TAC) signed on June 25th, 2020, under the terms of Resolution No. 629, of December 16th, 2013, between TIM and Anatel, aiming to make 4G available to 350 municipality by 2021.

The additional effort to expand to 100% of the municipalities by 2023 implies reaching predominantly communities with low HDI and little commercial appeal (barely competitive or non-competitive municipalities, according to PERT - Plano Estrutural de Redes de Telecomunicações (Telecommunication Network Structural Plan), showing pioneering spirit in relation to other telecom companies in the country.



The context created by the Covid 19 pandemic has emphasized the importance of such themes. The demand for connectivity has led to a significant increase in the sector's energy consumption, and the effects of changes in habits, such as home-office, are expected to continue over time, demanding even more connectivity. On the other hand, the need for digital inclusion has never been more relevant, as basic public services will be progressively digitalized and communities not yet supplied by 4G will be drastically affected by this transformation.

We also highlight that TIM's KPIs are aligned with the principles and metrics defined by the Sustainability Accounting Standard Board (SASB) for the telecommunications sector, specifically regarding the topic of operations' environmental footprint, which suggests metrics for consumed energy and percentage of renewable energy, among others (SASB-TELECOMMUNICATION SERVICES-v.2018).

It is our understanding that there is full alignment between the Eco-efficiency and Renewable Energy KPIs and STPs with TIM's Commitment to become 100% carbon neutral by 2030.

With regard to the Renewable Energy KPI, which will not be used in the debenture issuance described in this Statement, we opine favorably to the use of this KPI in a future private loan transaction or bond issuance in the capital markets (local or international), provided that the KPI and the associated STP keep all the characteristics described in the Framework and in this Statement and as long as the new transaction occurs within 18 months from the date of issuance of this Statement.

2.4.3 Calibration of Sustainability Performance Targets (SPTs)

According to the Target Chart presented in this Statement in 1.4 (on KPIs and STPs), TIM has committed to achieving targets aligned to its 2021-23 ESG plan.

It is our opinion that the target of increasing by more than 80% the Eco-efficiency in data traffic (bit/Joule) on the average/year until December 2025 represents a challenge. Particularly given the 80% increase over the **9,827 bits/Joule** achieved in 2019 (Baseline), within the context of extending and modernizing the current network and implementing 5G technology. During our field verification we found that, in order to achieve the intended goal, TIM must keep its modernization plan in progress focusing on decommissioning 2G network, sharing infrastructure and consolidating platforms aiming at simplifying architectures. It is our understanding that this represents a major operational effort, otherwise data traffic will be consuming more energy than necessary, and the overall efficiency of operations will drop.

Additionally, the SPT of reaching a percentage of 90% of renewable energy consumption by December 2025 represents, in our view, an adequate ambition considering the adequacy of the current energy matrix, proportionally reducing the participation of the energy acquired from the captive market. Considering that currently (data from the close of 2020) renewable energy represents 64% of the total consumed by the company,

this goal can only be reached with significant investments in Distributed Generation projects, including the operation of Hydroelectric Generating Centers (HGCs) and photovoltaic generation plants, 100% dedicated to operations, and in the energy acquisition in the Free Market through bilateral contracts with renewable energy generating companies.

Finally, we recognize that the target of reaching 100% 4G presence in Brazilian municipalities by December 2023 represents an unrivalled advance among the operators in the national telecommunications sector.

Regarding the management of KPIs, we found that the current system in use by the company was implemented in 2020 and is managed by an independent function competent to do so. The governance of the process is robust, as demonstrated by the ESG indicator system, with a clear definition of those responsible and the collection, consolidation, evaluation, validation, and approval of the processed information routines.

Regarding the reliability of the data presented by TIM, we found that the information collected to monitor the eco-efficiency target is incorporated into the company's management system, being the raw data of energy consumption (both scope 2 - purchased energy, and scope 1 - energy from generators and fuel consumption by the operational fleet) recorded by local units, aggregated through an application developed by the company and then consolidated in the eco-efficiency spreadsheet, which converts the information from various sources to the metrics defined for the indicator.

Traffic information is automatically collected through counters of mobile network elements (voice measured in Erlangs and data in Bytes) and CDRs for the fixed network (measured in Bytes), managed by the MicroStrategy tool and consolidated by the responsible sector, enabling the conversion of units and total of measures in Gbit.

To monitor the performance of the goal associated with renewable energy, TIM identifies and manages, through a tool called Energy Management System (EMS), the amount and source of energy used in each process. This internal system is able to identify and record the energy source, whether it is locally generated, purchased from contracts with third parties in distributed generation projects, purchased from bilateral contracts with generators and/or energy traders in the free trade market (FTM) or from the Brazilian energy matrix.

We found that the EMS allows the traceability of information and identifies as being from renewable source all the energy from the Distributed Generation (DG) and from the Free Trade Market (free market = FM), as well as a fraction of the energy acquired from the Regulated Trade Market (captive market = CM). The fraction of renewable energy offered in the captive market, used for calculation purposes, is that published by the Empresa de Pesquisa Energética (Ministério do Meio Ambiente) (Energy Research Company - Ministry of the Environment).

The calculation formula for the KPI (ESG01), would be:

$$\text{Renewable Energy}\% = \frac{\Sigma \text{Renewable energy consumed (r.CM+FM+DG)}}{\Sigma \text{Total energy consumed (CM+FM+DG)}} \times 100$$

Where:

CM= Σ (sum) consumption of captive energy obtained through the collection of electric power invoices issued by the power supplier, digitalized and internalized in the EMS system; FM= Σ consumption of free market energy obtained from Online meters; DG= Σ consumption of injected energy obtained through the collection of electric power invoices issued by the power supplier, digitalized and internalized in the EMS system and r= % of renewable energy, published in the current energy balance disclosed by the Empresa de Pesquisa Energética (Ministério do Meio Ambiente) (Energy Research Company - Ministry of the Environment), which constitutes the total energy supplied in the CM.

The source of the information to calculate the indicator related to the spread of 4G presence (determined by the ratio between the number of municipalities supplied by TIM with 4G technology and the total number of Brazilian municipalities) will come from the data released by Anatel about 4G coverage. The number of existing Brazilian municipalities is published on official government and IBGE websites. As with the other indicators, this one should also be consolidated by the independent and competent function, and periodically disclosed by the company.

The sustainability performance themes and targets are on the company's strategic agenda, as shown in the ESG Annual Report and information published on the company's website, as evidenced by our team.

The resources for the implementation of sustainability programs and the achievement of the associated targets are in the company's Industrial Plan, which is also disclosed by TIM on its Investor Relations website (TIM Day).

2.4.4 Bond Characteristics

The financial operation reviewed by our team foresees an adjustment in the characteristics of the bond, which includes (but is not limited to) an increase or decrease in the coupon, in the buyback rate or other changes in the characteristics of the bond, depending on the achievement of the SPTs.

We have evidenced that the calculation of the selected SPTs (targets) may exclude the effects of certain material changes in applicable laws or regulations or atypical activities of the company, which may be analyzed in each pertinent situation according to the terms and conditions of the bond.

We have also evidenced that the draft of the deed of simple debentures, non-convertible into shares, unsecured in a single series of TIM S/A that is intended to be used, includes two of the three KPIs and STPs presented in the Company's Framework and has a systematic that foresees external verification and disclosure of data about the company's performance, regarding these indicators, as per Annex of the mentioned agreement.

2.4.5 Disclosure

According to TIM's statement in its Framework, the disclosure of KPIs and SPTs will be done by the ESG Report and other company media.



2.4.6 Verification

Bureau Veritas has been engaged to conduct a verification prior to the issuance of the Debenture, by issuing this Statement.

TIM states in its Framework that it will submit the KPIs/SPTs to independent verification on an annual basis until the end of the Debenture transaction.

2.5 DECLARATION OF INDEPENDENCE AND IMPARTIALITY

Bureau Veritas is an independent professional services company expert in Quality, Environmental and Sustainability management systems, among others, with more than 185 years of experience in independent verification services.

Bureau Veritas has a quality management system, certified by a third party, according to which it keeps documented policies and procedures for compliance with ethical, professional and legal requirements.

The verification team has no link whatsoever with TIM and is conducting this verification independently.

Bureau Veritas has implemented and applies a Code of Ethics throughout its business to ensure that its employees meet the highest standards of ethics, integrity, objectivity, confidentiality and professional competence/behavior in their day-to-day activities.



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