

Proximus societal impact

ESG webinar - September 27, 2023



Speakers



Guillaume Boutin
Chief Executive Officer



Mark Reid
Finance Lead



Ben Appel
Corporate Affairs Lead



Catherine Bals
Sustainability Lead



Nancy Goossens
Investor Relations Lead

Societal responsibility is at the heart of our company

Proximus
plays a key
role in
Belgian's
society



93 years of history connecting the Belgian population



10,000+ employees (FTE's) in Belgium and many indirect jobs



Serving 2.8 million Belgian residential customers daily



3,800+ direct suppliers



€1.3 Bn of investments, €387 Mio in dividends and €128 Mio tax contribution in 2022

We achieved a series of major milestones over the last 3 years



**~1.5 million
Fiber**
Homes Passed
(Q2'23)



Largest
spectrum
holder in
Belgium



91,000
registered Doktr
users and 93%
patient satisfaction
rate
(Q2'23)



5 billion
mobile subscribers
connected via
BICS



**1st Belgian
company**
with net-zero
targets validated by
the SBTi



First in Europe
to build
disconnected
Sovereign Cloud
solution



30+ million
fraudulent
communications
blocked monthly by
Telesign



**Social
responsibility
charter** for fiber
roll-out



Re-established a
constructive **social
dialogue** and signed
new **collective
agreement**



274,000+
mobile phones
collected for recycling
or refurbishing
(2020-2022)



**bold
2025**

We deliver
great value for
our stakeholders



Act for an inclusive **society** &
be **sustainable** in everything we do



Delight customers with
unrivalled experience

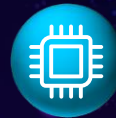


Grow profitably **locally** &
globally through strong brands

through **exceptional
strengths**



Roll out **#1 gigabit network**
for Belgium



Engineer **technology assets**
to enable digital ecosystems



Foster an engaging **culture** &
empowering **ways of working**



**bold
2025**

Fully engaged for

- ✓ Green sustainability
- ✓ Diversity & inclusion
- ✓ Responsible business conduct

A unique role in

- ✓ Digital infrastructure
- ✓ Digital trust
- ✓ Digital sovereignty



**bold
2025**

**“Boldly building
a connected world
that people trust
so society blooms”**

Boldly building...

...a **connected** world...

Building the best
gigabit network for Belgium

Developing **digital solutions**
for everyday life

Connecting people
and devices **worldwide**

...that people **trust**...

Ensuring **cybersecurity** for
our **customers**

Supporting Europe in
achieving **sovereignty**

Embedding highest **ethics**
and compliance standards

...so society **blooms**.

Going all in in the
fight against global warming

Investing in **digital accessibility**,
inclusiveness and upskilling

Stimulating an **inspiring and**
inclusive work environment

**Boldly building
a connected world
that people trust
so society blooms**



Three commitments for a more connected world

1 Building the best **gigabit network** for Belgium

2 Developing **digital solutions** for everyday life

3 Connecting people and devices **worldwide**



1. Building the best gigabit network for Belgium

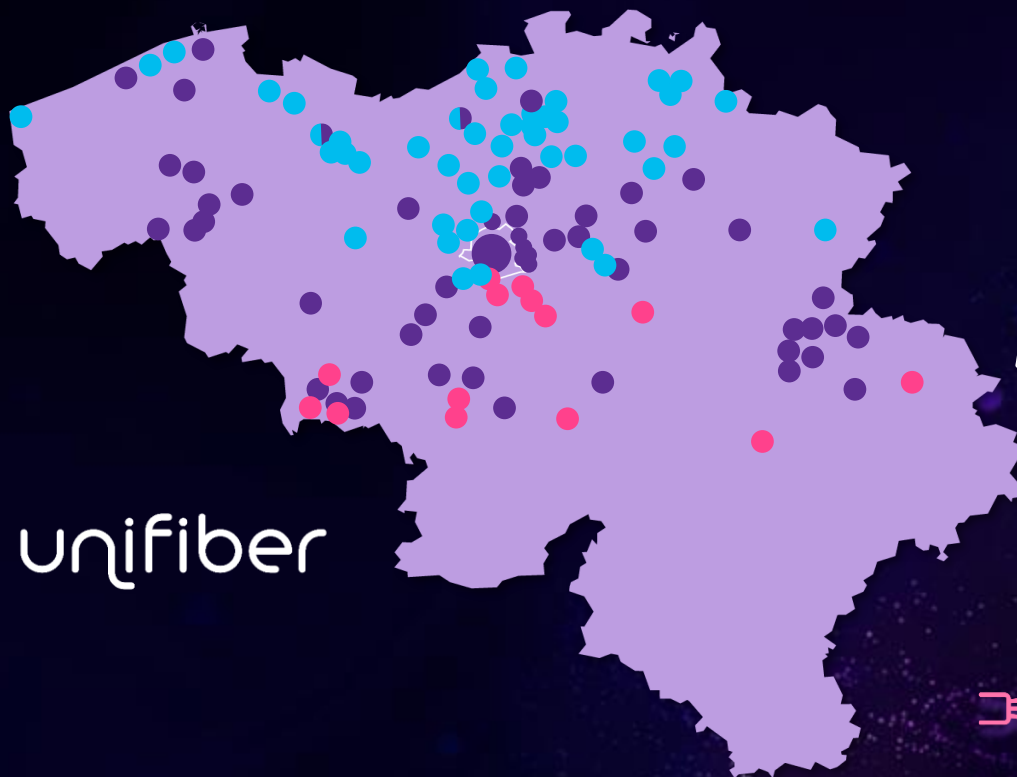
Bringing fiber to 25% of Belgian premises

(end June 2023)

Close to **1.5 Mio**
Homes Passed

115 cities

and municipalities with
fiber works ongoing



**GO
Fiber**
GLASFASER
OOSTBELGIEN

unifiber



Proximus
Fiberklaar
Unifiber



1. Building the best gigabit network for Belgium

Ambition of **100%** gigabit coverage

- Fiber, a **more durable** technology:
 - ✓ lower carbon impact vs copper
 - ✓ low production impact
 - ✓ **-15%** overall electricity use vs copper (user equipment included)
 - ✓ less truck rolls for maintenance and repair
- Offering **high speed & low latency**
- **Boosting local economy**: 8,000+ direct jobs for the next 5 years
- Call for a **Fiber collaboration & co-investment framework**

Fiber coverage ambition

homes & businesses passed, cumulative
(Proximus & partners)



Today



Mid term



Long term



High speed internet coverage in rural areas

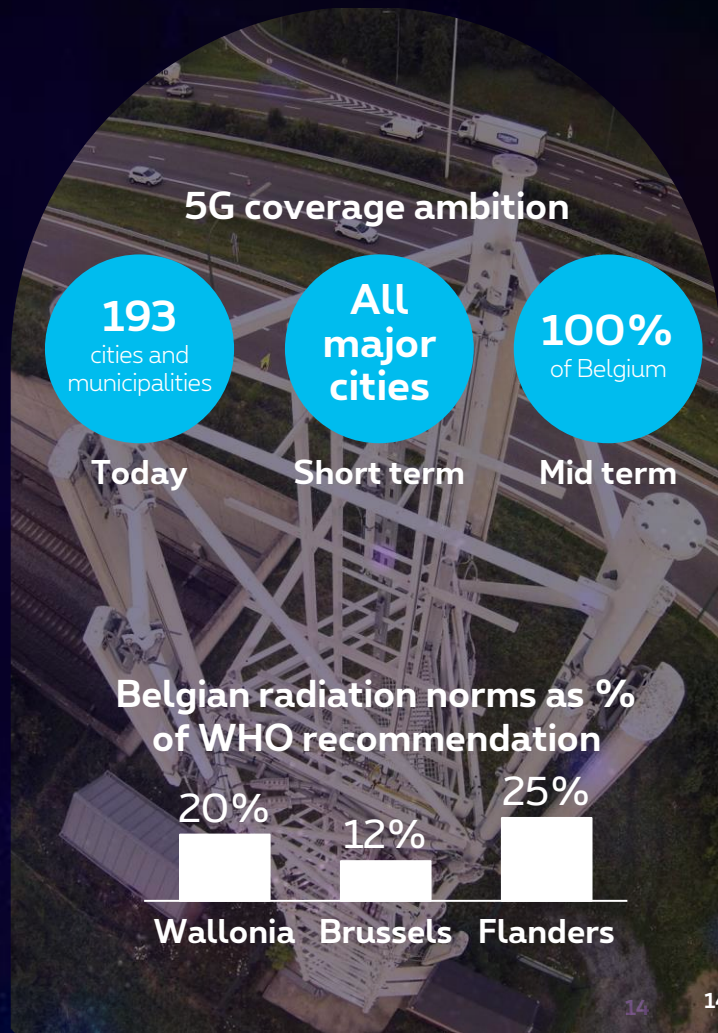
- End 2022, 95.3% of inhabitants of “white zones” had access to high-speed connectivity (>30 Mbit/s), compared to 93.5% in 2020
- Deploying innovative technologies to achieve 100%:
 - ✓ Aerial fiber installation on electricity poles
 - ✓ Combination of fiber and radio link
 - ✓ Micro-trenching
 - ✓ Fixed Wireless Access
- € 40M subsidies granted to GoFiber for white zones in German speaking region





Ambition of **100% 5G** coverage

- Differential spectrum package secured for best indoor and outdoor experience over next 20 years
- To a more durable mobile network:
 - ✓ 5G energy efficient: **-80%** kWh/GB vs 4G, mitigating impact of data volume growth
 - ✓ Mobile active network sharing, **-40%** mobile sites needed (from 3800 standalone to 2300)
- European partners Nokia (RAN) and Ericsson (Core)
- Top mobile quality, also for rural areas
- Well below World Health Organization emission norms





1. Building the best gigabit network for Belgium


Unlocking innovation in all sectors



**5G Innovation labs
in partnership with the A6K
Advanced Engineering Center
in Charleroi, Howest in Kortrijk
and POM Fabriek Logistiek in
Ghent**



Smart solutions for mobility

- Safer traffic with Be-Mobile traffic management solutions and real-time traffic information
-  Easier parking with 4411 app
 - ✓ 4 million registered users
 - ✓ In 170+ cities & municipalities in BE and NL
- Reduced risks from crowd movements
- Pilot project to convert network street cabinets into EV charging stations






Smart solutions for the environmental and climate challenges

- Digital workplace, online conferencing
- Insights on carbon impact with MyFootprint
- Precision agriculture – up to 80% less pesticides¹
- Smart buildings solutions for better energy management – up to 20% savings on the energy bill²





Smart solutions for healthcare

-  Convenient access to a doctor and secured medical video consultations
- More effective emergency communication with augmented reality (AR) glasses
- Better training for emergency personnel using virtual reality





Breaking down barriers of international communication



bics

Leading global communications platform
Headquartered in Brussels
Connecting 180+ countries





Mobile coverage everywhere with satellite direct-to-mobile phone service

- Agreement between BICS and Lynk Global
- Connecting people in **underserved areas** in the world
- Using cell tower in space technology
- "Plug & play" coverage expansion into remote areas for mobile operators



**Boldy building
a connected world
that people trust
so society blooms**



Three commitments for more trust in society

1 Ensuring **cybersecurity** for our **customers**

2 Supporting Europe in achieving **sovereignty**

3 Embedding highest **ethics and compliance** standards



1. Ensuring cybersecurity for our customers

Deep-rooted local cybersecurity expertise

> €22 million

invested in Corporate Cyber Security Program (2020-2022)

>1.8 million

customers prevented of accessing fraudulent websites in 2022 (+60%)

98.3%

Cyber Security Resilience index 2022, up from 96.81% in 2021



CSIRT



SOC

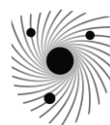
based in Belgium

4 ISO27001 certifications* and Trusted Introducer Certification

350+

experts across the Group

Close collaboration with



CENTRE FOR
CYBER SECURITY
BELGIUM

Founding partner of



CYBER SECURITY
COALITION

*For specific services offered to our Enterprise customers



Ready for Quantum cryptography

- Quantum cryptography, leveraging quantum physics and the physical properties of fiber, has the potential to make encryption unbreakable
- Successfully tested **Quantum Key Distribution technology** in our Proximus Fiber Quantum lab and on our network
- Industrial partners and academic experts ecosystem





First Belgian AI & cybersecurity expertise center



proximus
ada

Growing from 50 experts at launch in 2022 to 100+ by 2024

50+ AI projects running

14,000 security alerts handled in 2022



An increasingly important role in global fraud prevention

bics

- 29.5 billion calls benefited from BICS fraud protection in 2022
- **690 million** fraudulent call attempts were blocked in 2022
- AI for multi-channel fraud prevention
- Active in pan-industry fraud prevention (i3forum Board, GSMA, BEREC, MEF...)





1. Ensuring cybersecurity for our customers

Leading in global digital identity



Prevent transmission
of **30+ million**
fraudulent messages
per month



Fraud Protection



Onboarding



Enterprises

Consumers

Continuous trust



Engagement



Account Integrity

Protect
355+ million
accounts from
takeovers per year

Headquartered in the US and active in **230+** countries and territories
Serving **9 out of 10** largest brands in the world



Pioneering sovereign cloud solutions

- Proximus is one of the first operators in the world selected by **Microsoft** to co-develop a **sovereign cloud solution** based on confidential computing
- Proximus and **Google Cloud** are joining forces to provide a **disconnected cloud platform** to benefit from advanced cloud features in Belgium and Luxembourg, a first in Europe





Protecting and securing customer's personal data

- Thorough **governance** and processes for privacy compliance, e.g. internal privacy by design process
- 18 internal dedicated privacy resources and community of ~100 Privacy Ambassadors
- 4 ISO27001 certifications*





3. Embedding highest ethics and compliance standards

A strong governance model

- Guided by the 1991 Law reforming certain public economic enterprises, the Belgian Companies Code and the 2020 Corporate Governance Code
- 2022 **Relationship Agreement** with Belgian State and Public Affairs policy for clear rules of engagement
- Board members
 - ✓ assessed by the Nomination & Remuneration committee and appointed by General shareholders' meeting
 - ✓ appointed for 4 years, with a maximum of 12 years
 - ✓ diversity in gender, nationalities, skills, backgrounds, etc.
 - ✓ evaluation at least every 3 years

50%

independent
Board members
out of 14

93%

Board attendance
rate in 2022
(100% for
committees)

50%

women



3. Embedding highest ethics and compliance standards

Compliance and sustainability at the heart of our governance and management remuneration system

Board of Directors

Follow up on ESG delivery through the CEO activity report

Key ESG decision files

Sustainable Finance decision files

Audit & Compliance Committee

Annual and quarterly ESG reporting

Sustainability and compliance-related risks & controls



Nomination & Remuneration Committee

ESG in Management remuneration system

STI: 40%

20% gigabit networks
20% employee engagement, circular economy, NPS

LTI: 50%

25% corporate reputation,
25% CO2 emissions

Transformation & Innovation Committee

Deep-dives on key ESG themes for information and guidance

(e.g. the Net Zero challenge)



3. Embedding highest ethics and compliance standards

Embedding ethical behaviors

- Proximus Code of Conduct
- **Mandatory training** for all Proximus Group employees
- Policies and Compliance controls
- Whistleblowing system

Completion rates
mandatory e-learning
(% of Group employees)

92%

Code of conduct
training

93%

Anti-corruption &
conflicts of
interest

93%

GDPR



3. Embedding highest ethics and compliance standards

Ethics and compliance in our supply-chain

- **Supplier Code of Conduct** (based on Responsible Business Alliance standards and UN Global Compact principles)
- EcoVadis assessments for suppliers representing 68% of our external spend
- Member of the Joint Audit Cooperation (JAC)
- Extra initiatives to reinforce compliance
e.g. societal responsibility charter for fiber roll-out, human rights risk assessment in the supply-chain

Proximus' Supplier Code of Conduct



Human rights

Diversity & non-discrimination

Health & safety

Freedom of association

Wages & benefits

Working hours

Forced labor

Child labor

Business Integrity

Environmental considerations

Privacy & Confidentiality

(non exhaustive)

**Boldy building
a connected world
that people trust
so society blooms**



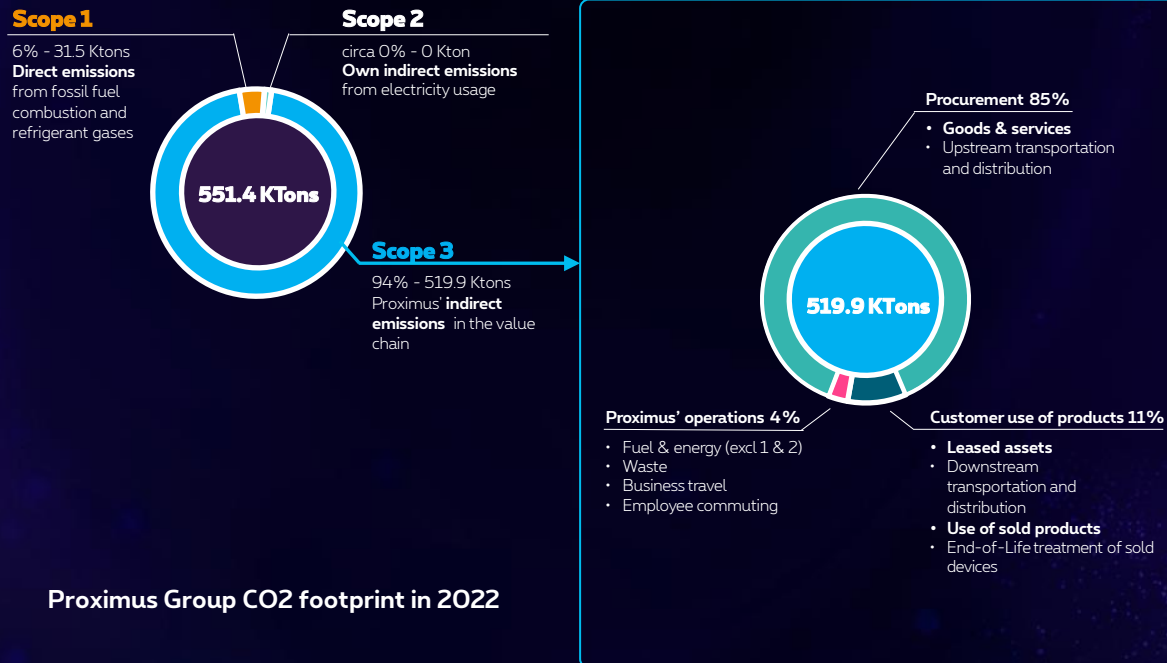
Three commitments for a blooming society

- 1 Going all in in the **fight against global warming**
- 2 Investing in digital **accessibility, inclusiveness & upskilling**
- 3 Stimulating an **inspiring & inclusive work environment**



1. Going all in in the fight against climate change

Acting with an SBTi approved Net Zero target for 2040



Targets

vs 2020 baseline

-95%

scope 1&2 by 2030
31.5 Ktons in 2022

-60%

scope 3 by 2030
519.9 Ktons in 2022

-90%

scope 3 by 2040





1. Going all in in the fight against climate change

Scope 1 & 2: energy consumption control and shift to renewable



Keep electricity consumption under control

Efficiencies on fixed networks and buildings to compensate for expected 35% year over year data growth



Move away from fossil fuel in our operations

€17 Mio for fossil free heating in buildings
Electrification of management fleet
(only EV orders and green mobility plan)
Proof of concept for electrical technical fleet
Challenge of alternative for heavy duty vehicles



Maintain a strong green electricity sourcing strategy

Maximized self-production (solar panels)
PPA sign-offs
(preferably with additionality)
Member of the RE100 initiative



Engaging with suppliers on Scope 3

- **Select suppliers** according to emission intensity and long-term partnership towards 2030
- **Cluster suppliers** according to maturity level in terms of SBTi target setting and negotiation leverage which determines intensity of engagement
- **Engage with suppliers** to disclose their emissions, validate their targets and set up reduction plans

Supplier Engagement
Program

150

Top suppliers
representing 85%
of 2022 scope 3
Category
1&2 emissions

35%

of scope 3 C.1&2
emissions repre-
sented by suppliers
with validated
targets by 2025



Source less/right to be truly circular by 2030

- **Zero waste** by 2030: up to 90% reused, composted or recycled by 2025, vs 87% in 2022
- **Network** equipment shared, recycled or reused
- Circularity by design for **devices**
 - ✓ New Internet Box: CO2 footprint **-30%**
 - ✓ Product-as-a-service (e.g. lease devices)
 - ✓ Modems, decoders,... refurbishment: 683,000+ in 2022
 - ✓ Mobile phones collection: 121,000+ in 2022
- Environmental criteria in requirements and in supplier evaluations





2. Investing in digital accessibility, inclusiveness and upskilling

Lowering barriers for access to digital in Belgium

Affordability

Social tariffs for 150,000+ low-income persons

Scarlet Poco at €23/month
Proximus Internet Essential at €25/month (reduced price)

Targeted initiatives in times of crisis

(Covid 19, floods in Wallonia, war in Ukraine, earthquake in Turkey, Syria, Morocco)

Equipment

Support organizations that provide a second life to electronic equipment for the disadvantaged

Digital
for Youth



Help connect 1,000+ sick children with their school



Skills

Partnering to support digitally excluded groups



Boosting the digital maturity of 62,000+ entrepreneurs



Inclusiveness

Accessible devices:
12 of the 23 devices tested in 2022 accessible for at least five disability categories



Proximus websites and digital platforms are accessible to people with hearing or visual impairments



2. Investing in digital accessibility, inclusiveness and upskilling

Supporting the education system in all its forms

Schools

Safe Internet use training:
200+ Proximus volunteers,
10,000 children, 200+ schools



Connectivity solutions
for schools



Universities

5G innovation labs



AI & cybersecurity
collaborations



Up/re-skilling

Supporting new pedagogy
coding schools open to
everyone



Supporting ICT courses
for job seekers



STEM equity

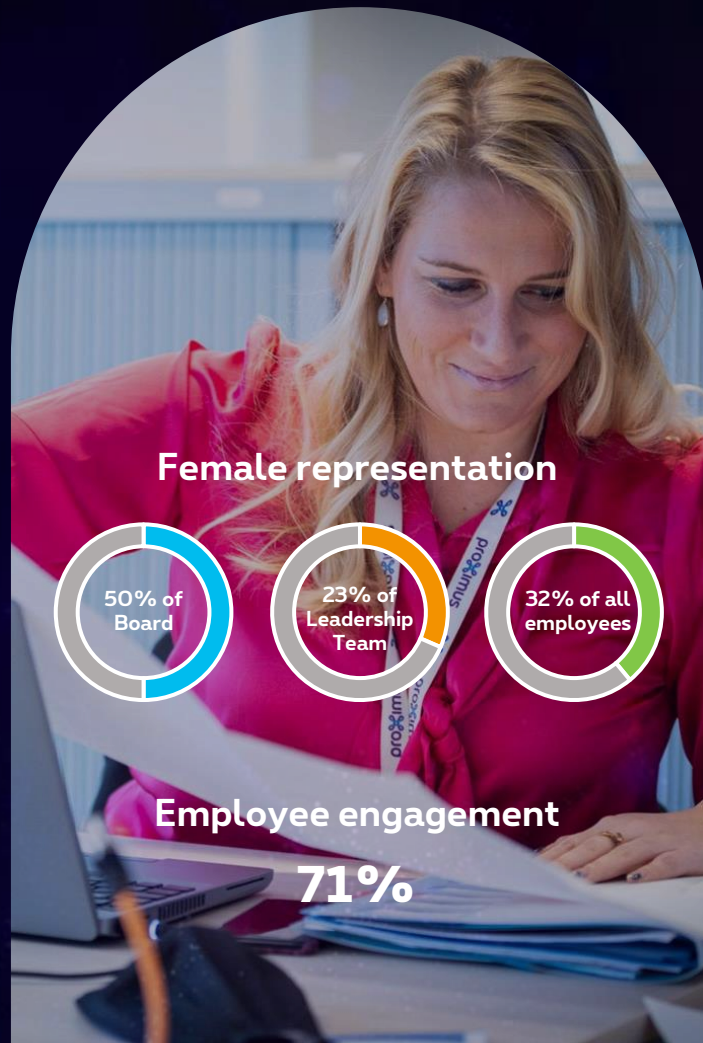
Telesign career advice
for youth and
Women in Tech group





Promoting diversity and inclusion

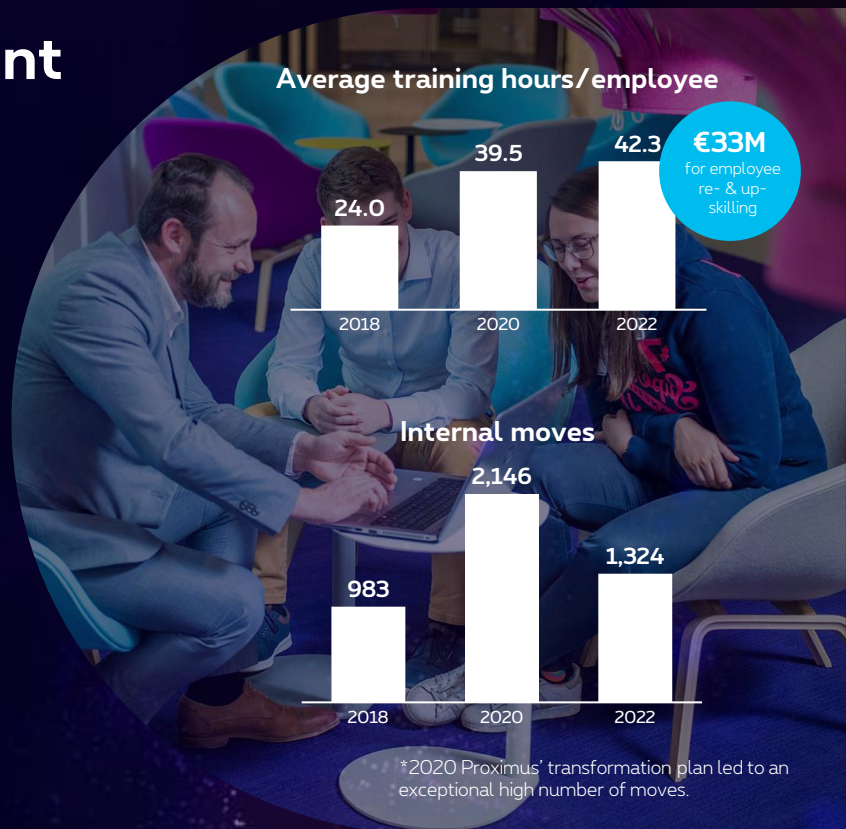
- **62** nationalities in the Group
- Equal pay principle
- Focus on unconscious bias and inclusive hiring practices
- Member of “Open@Work” in Belgium and advocating for LGBTQIA+ rights
- **Zero tolerance against discrimination**





Investing in learning & development

- Proximus Academy
- Continuous upskilling of field and customer-facing employees
- Specific support offered to 50+ staff
- 4,000+ employees working in “Agile Tribes” and 500+ in “Agile Circles”
- **Agile mindset** cultural change program for all



Contributing to SDGs by Boldly building...

...a connected world...

Building the best
gigabit network for Belgium



Developing **digital solutions**
for everyday life



Connecting people
and devices **worldwide**



...that people trust...

Ensuring **cybersecurity** for
our **customers**



Supporting Europe in
achieving **sovereignty**



Embedding highest **ethics**
and compliance standards



...so society blooms.

Going all in in the
fight against global warming



Investing in **digital accessibility,**
inclusiveness and upskilling



Stimulating an **inspiring and**
inclusive work environment



Implementing our ESG strategy is value accretive

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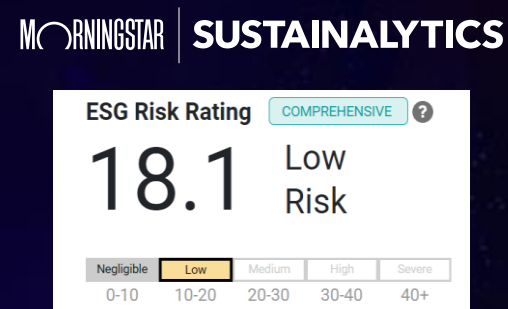
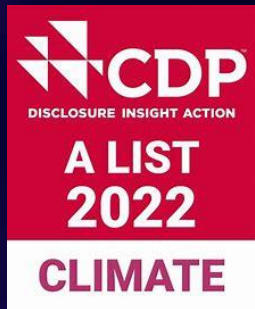
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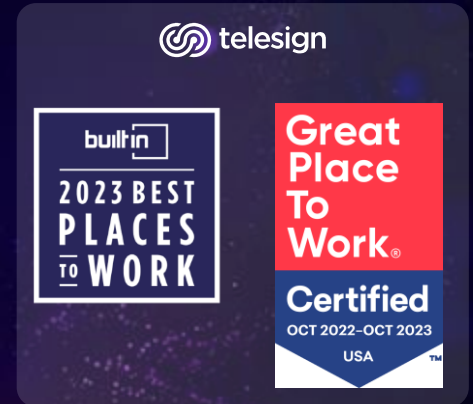
Stimulating an **inspiring and inclusive work environment**



Our 2022 ESG ratings



Alliances, initiatives and awards



Proximus reports according to current standards and prepares for CSRD

- Proximus already reports against the following frameworks and regulations



Global Reporting initiative



Non-financial reporting directive



Task force on Climate-related Financial Disclosures



EU Taxonomy Regulations



Sustainable Development Goals



The IFRS Foundation

- Ongoing double materiality assessment, gap analysis and implementation roadmap vs CSRD

We issued a first Green Bond in 2021

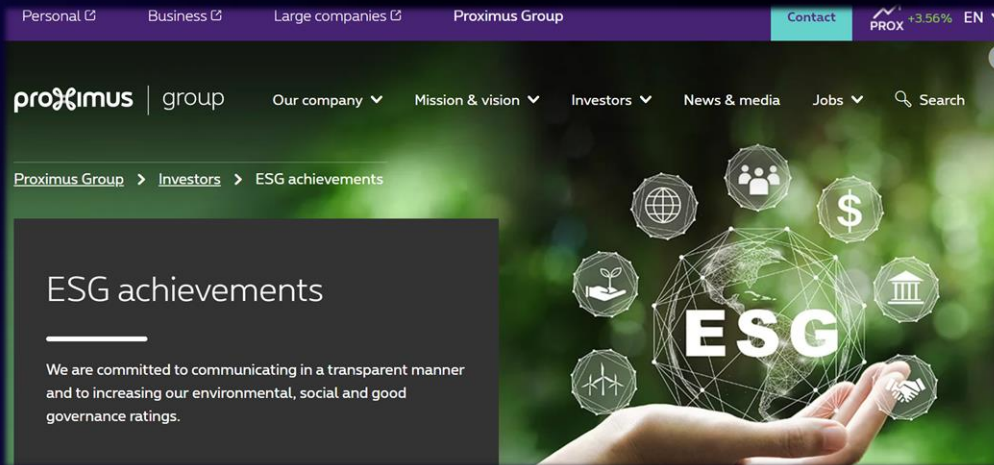
- First Green Bond issued in November 2021
- Under a Sustainable Finance framework reviewed by Sustainalytics
- Compliant with the Green and Social Principles of the LMA (Loan Market Association) and ICMA (International Capital Market Association)
- 15-year tenor
- Fixed rate coupon 0.75% per annum

750
million euros

5x
oversubscribed

160+
European
institutional
investors

Follow us on proximus.com for ESG updates



- Annual report 2022
- ESG factbook
- CMD 2023
- Remuneration report
- Policies

Thank you

Questions?

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