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

- 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)
We deliver great value for our stakeholders through exceptional strengths.

- Act for an inclusive society & be sustainable in everything we do.
- Delight customers with unrivalled experience.
- Grow profitably locally & globally through strong brands.
- Roll out #1 gigabit network for Belgium.
- Engineer technology assets to enable digital ecosystems.
- Foster an engaging culture & empowering ways of working.
Fully engaged for

- Green sustainability
- Diversity & inclusion
- Responsible business conduct

A unique role in

- Digital infrastructure
- Digital trust
- Digital sovereignty
“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

Capital Markets Day 2023
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**
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
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
2. Developing digital solutions for everyday life

Smart solutions for the environmental and climate challenges

• Digital workplace, online conferencing

• Insights on carbon impact with MyFootprint

• Precision agriculture – up to 80% less pesticides\(^1\)

• Smart buildings solutions for better energy management – up to 20% savings on the energy bill\(^2\)

Sources: 1 ILVO / 2 Aug.e

Avoided 741 kilotons CO\(_2\) emissions in 2022

\begin{align*}
\text{2020} & : 465 \\
\text{2021} & : 502 \\
\text{2022} & : 741 
\end{align*}
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

50% of the world’s data roaming traffic

BICS

Leading global communications platform
Headquartered in Brussels
Connecting 180+ countries

5 billion mobile subscribers connected worldwide
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
Boldly 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
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

4
ISO27001 certifications* and Trusted Introducer Certification

350+
experts across the Group

Close collaboration with

Founding partner of

*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.
1. Ensuring cybersecurity for our customers

First Belgian AI & cybersecurity expertise center

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

1. Ensuring cybersecurity for our customers

- Prevent transmission of **30+ million** fraudulent messages per month
- Protect **355+ million** accounts from takeovers per year

Continuous trust

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*

*For specific services offered to our Enterprise customers*
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

- Board attendance rate in 2022 (100% for committees)
- 50% independent Board members out of 14
- 50% women
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)
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

Corporate website/compliance
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)
Boldly 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

**Proximus Group CO2 footprint in 2022**

**Scope 1**
- 6% - 31.5 Ktons
- Direct emissions from fossil fuel combustion and refrigerant gases

**Scope 2**
- circa 0% - 0 Kton
- Own indirect emissions from electricity usage

**Scope 3**
- 94% - 519.9 Ktons
- Proximus' indirect emissions in the value chain

**Procurement 85%**
- Goods & services
- Upstream transportation and distribution

**Proximus’ operations 4%**
- Fuel & energy (excl 1 & 2)
- Waste
- Business travel
- Employee commuting

**Customer use of products 11%**
- Leased assets
- Downstream transportation and distribution
- Use of sold products
- End-of-Life treatment of sold devices

**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
1. Going all in in the fight against climate change

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 represented 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
- 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

Average training hours/employee

<table>
<thead>
<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hours</td>
<td>24.0</td>
<td>39.5</td>
<td>42.3</td>
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</table>

Internal moves

<table>
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<tr>
<th>Year</th>
<th>2018</th>
<th>2020</th>
<th>2022</th>
</tr>
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<tbody>
<tr>
<td>Moves</td>
<td>983</td>
<td>2,146</td>
<td>1,324</td>
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</tbody>
</table>

2020 Proximus’ transformation plan led to an exceptional high number of moves. €33M for employee re- & up-skilling.
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

<table>
<thead>
<tr>
<th>People/Planet</th>
<th>Revenue accretive</th>
<th>Cost efficiencies</th>
<th>Risk mitigation</th>
</tr>
</thead>
<tbody>
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<td>Developing digital solutions for everyday life</td>
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Our 2022 ESG ratings

CDP
A LIST 2022
CLIMATE

CDP
SUPPLIER ENGAGEMENT LEADER 2022

GOLD
2022 ECOVADIS Sustainability Rating

S&P Global
ESG Score Result
69

MORNINGSTAR | SUSTAINALYTICS
ESG Risk Rating
18.1 Low Risk
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?

Investor.relations@proximus.com

Forward-looking statements in this document rely on assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside Proximus’ control. This document contains non-audited ESG information. The ESG indicators subject to limited external assurance are highlighted in our 2022 Integrated annual report. The information presented here should be considered in conjunction with all the available public information regarding the Proximus Group. Please consult proximus.com/investors for the overall disclosed information.