Integrated annual report
2022

proximus | group

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Integrated reporting approach 2022

Since 2020, Proximus has been adopting an integrated reporting approach. This 2022 report follows the International Integrated Reporting Council (IIRC) framework, explaining how we create value for our stakeholders and society, and in relation to our ambitions, sense of purpose and goals.

Our stakeholders include all the individuals and organizations affected by our operations or with whom we have a relationship. They include, but are not limited to, enterprise, residential and wholesale customers, investors, employees, political and regulatory stakeholders, suppliers, partners, journalists and opinion leaders.

The scope of the information in this report covers Proximus Group, unless stated otherwise. Proximus Group comprises Proximus SA, its subsidiaries, as well as the Group's interest in associates and joint ventures accounted for under the equity method and joint operations. We refer you to Note 8 (p.242) for the list of subsidiaries, associates, joint ventures and joint operations. Proximus SA is a "Limited Liability Company of Public Law", registered in Belgium.

The purpose of this report is to inform our stakeholders about our role in society. We outline our corporate strategy and the progress we have made in achieving our goals, while making the link to our most material topics. This report also contains the full financial, environmental, social and governance statements and notes.

The Audit and Compliance Committee assists and advises the Board of Directors in its oversight of the efficiency of the systems for internal control and risk management of the company, of the external auditors' work and of the compliance with policies, legal and regulatory requirements.

The report has been prepared in accordance with the EU Directive on disclosure of non-financial and diversity information and SASB (Sustainability Accounting Standards Board).

It has also been prepared in reference to the GRI (Global Reporting Initiative) Standards. Proximus has not yet carried out a double materiality assessment which allows to identify actual and potential, positive and negative impacts both on the value of the company and on society and the environment. As a result, certain information is currently not yet available or complete in this year's report. In the future, Proximus intends to perform such an analysis.

Since its Annual Report of 2021, Proximus is integrating the recommendations of the TCFD (Task Force on Climate-related Financial Disclosure) to emphasize its efforts in identifying and mitigating climate-related risks and opportunities. We will continue to integrate TCFD recommendations in the coming years. Proximus also reports against the EU Taxonomy Regulations.

Every year, Proximus completes questionnaires from ESG rating agencies such as CDP, Sustainalytics, Ecovadis and S&P. The evaluations enable us to monitor our performance to continuously improve.

Dive deeper into our stories

You will notice special icons throughout this annual report. Here is what they mean:

- Read more
- External link

Proximus at a glance

A bold strategy for a secure, connected and more prosperous society

Dear reader,

2022 has been a complicated year. While 2020 and 2021 were marked by COVID-19 and its consequences, the past year presented families and businesses with new challenges in the wake of the war in Ukraine and its impact on the global economy. In Belgium, as elsewhere, we have witnessed levels of inflation and energy price volatility last seen in the 1970s. Not to mention the increasingly visible effects of global warming.

Given this particularly complex geopolitical and macroeconomic environment, the results posted by Proximus Group are quite simply remarkable. Last year, we were one of the best-performing European operators in terms of revenue growth, in line with what we promised in 2020 when we launched the #inspire2022 strategic plan. At the time, we focused our efforts on industrial investment, banking on a return to profitable growth in 2022. It was an ambitious move, but one that paid off. Thanks to the extraordinary work of the teams across the Group, we are now looking to the future with confidence, despite the uncertainties of the world around us.

An increasingly strong international position

Our confidence is built on solid foundations. This is down to the unique structure of our Group, which allows us that our revenue grows faster than other telecom operators in Europe. Having acquired 100% of the shares in BICS and Telesign, we can count on an increasing exposure to growth internationally, in addition to a strong position in domestic markets. In 2022, international business already accounted for a quarter of Proximus Group' revenues. This proportion will most likely continue to increase in the years ahead.

Our BICS and Telesign subsidiaries definitely picked up speed in 2022, both posting double-digit growth while still harboring enormous growth potential. BICS and Telesign, world leaders in their domain, symbolize the growing convergence between telecoms and IT and give Proximus Group the capacity to grow beyond Belgium and Europe.

Networks that give us a major lead

Our confidence in the future also comes from our technological infrastructure. We have managed to gain a decisive lead over the competition, both in terms of fiber and 5G. The various breakthroughs made in 2022 include the launch of 10 Gbps fiber technology in five Belgian cities, allowing download speeds of up to 8.5 Gbps. What's more, in June 2022, the Atomium became the millionth building in Belgium to be connected to fiber. A symbolic milestone! And at the end of the year, our fiber network covered 21% of the Belgian premises. This is great news for families and businesses alike, as reliable, fast and secure connectivity is crucial for the digital development of our society.

Building on this success, we will shift up a gear and roll out 600,000 fiber connections per year over the next few years. Quite an achievement. In terms of fiber coverage, too, we have upgraded our ambitions. We initially planned to cover 70% of the country with fiber by 2028, but our new goal is to extend fiber coverage to 95% of Belgian premises, with the ambition to offer Gigabit coverage for 100% by 2032, leveraging fixed wireless access technology for the remaining 5%. This ultra-fast rollout represents significant investments: by 2032, we will have invested more than € 9 billion in our fiber network, together with our partners.

Deploying fiber to everyone, even in remote rural areas, reflects our commitment to greater digital inclusion.

As for 5G, we are pleased to see that the legal framework is gradually being put in place throughout the country, which will allow Belgium to catch up where it was lagging. Like fiber, 5G is essential for the competitiveness of Belgian companies and for the digitalization of our country. Here too, we will move up a gear to cover all of Belgium's major cities by the end of 2024 and 100% of the country by 2025. In the summer of 2022, Proximus successfully secured substantive spectrum rights, a key factor in maintaining our leading position in the mobile sector for the next 20 years.

We are delighted that our commercial performance and customer satisfaction scores were also strong in 2022. Our Net Promoter Scores improved across all three of our residential brands as well as in the enterprise segment.

> *“Our new goal is to extend fiber coverage to 95% of Belgian premises, with the ambition to offer Gigabit coverage for 100% by 2032.”*

2022 was also the year that saw agile working methods being applied to 100% of our teams, an unprecedented transformation of our way of working that took place in a positive social climate. Combined with the further development of our "Think possible" corporate culture, this new operating model will enable us to innovate more quickly in order to even better meet our customers' needs. We also notice that agile working increases the autonomy and satisfaction of our employees.

Contributing to a more inclusive, safe and sustainable world

Proximus contributes to the country's competitiveness and the wellbeing of Belgians through its investments and innovations. But we won't settle for that. We want to step up as a company, as we have done, for example, by supporting Ukrainian refugees, hosting them in some of our Proximus buildings or providing them with 23,700 prepaid cards.

On the environmental front too, we want to set an example.

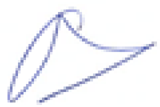
Data security and privacy protection are also at the heart of our concerns. The war in Ukraine has revealed the extent to which cyber defense has become a strategic issue for states around the world. Proximus clearly has a role to play in this area in the interests of our customers and society as a whole. As such, we are particularly proud to have launched Proximus Ada, the first Belgian center of expertise combining artificial intelligence and cybersecurity, and to be one of the first operators in the world to have concluded an agreement with Microsoft to develop a sovereign cloud. This aligns with our commitment to help restoring the technological self-reliance of Europe and Belgium, in terms of both infrastructure and data management.

On the environmental front too, we want to set an example. In 2022, Proximus became the third operator in the world to have its near- and long-term greenhouse gas emission reduction targets validated by the Science Based Target initiative (SBTi) to achieve net-zero greenhouse gas emissions by 2040. To meet this goal, we are reducing our own emissions and engaging our suppliers to follow suit. Proximus is committed to reducing its scope 3 greenhouse gas emissions, which include all emissions from our indirect activities, by 60% by 2030 and 90% by 2040.

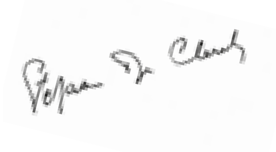
bold2025, a new strategic plan for the next three years

After the successful execution of #inspire2022, now comes the bold2025 strategic cycle and a redefined purpose: "Boldly building a connected world that people trust so society blooms". Why? Because, while we are aware that we will still face challenges, we are convinced that the thousands of people who work for Proximus have a positive role to play in meeting these challenges. In these difficult times, the world needs leaders who will build the society of tomorrow. Proximus can, and must, take on this role. Digitalization, technological infrastructures, security, data protection, and environment: we are at the heart of all these crucial issues.

Towards 2025, the opportunities for Proximus will amply compensate the potential headwinds. At Proximus, we are now, more than ever, ready to shape the Belgium of tomorrow. #thinkpossible



Guillaume Boutin
CEO



Stefaan De Clerck
Chairman of the Board of Directors

About us and how we create value for society

Proximus Group (Euronext Brussels: PROX) is a provider of **future-proof connectivity and digital services**, operating in the Benelux as well as global markets. As a major economic player in Belgium, we make the most of every opportunity to **positively impact the world around us**. The investments we make in our **open fixed and mobile networks** are critical for the growth of our economy and the development of new digital ecosystems and innovative solutions. Thanks to our affiliates **BICS and Telesign** – international frontrunners in digital identity APIs and communication platforms respectively – we provide reliable and secure communications experiences around the world.

On a societal level, we are shaping a **fair, trustworthy and inclusive digital world** and accelerating the transition to a **green society**.

Our brands

Through our leading brands, we meet the demands of a wide range of customers in the residential and enterprise segments, in the public sector as well as in the wholesale sector.

B2C brands

In Belgium, Proximus Group has adopted a **multi-brand strategy** that allows us to address the varied needs of a wide range of customers.

The **Proximus** brand is a reference brand in Belgium and the leader in converged connectivity services. Proximus' brand promise **"Think possible"** captures our strong belief that technology is a force for good and that our networks help build a connected and inclusive society where everybody thrives. With Proximus we help our customers get the most out of the digital world through our premium connectivity solutions, our digital platforms and our superior servicing approach of combining digital and human interactions.

Scarlet is a "no frills" brand for customers looking for simple solutions at the best prices. Scarlet makes qualitative home and mobile connectivity affordable for all.

Mobile Vikings is a 100% digital brand offering both mobile and internet at home. Its high-performing solutions appeal to young (at heart) digital savvy customers.

In Luxembourg, **Tango** is the leading alternative operator providing the best technology at the right price. Tango offers fixed and mobile telephony, internet and television services to residential customers and small businesses.

B2B brands

Proximus Group is the B2B leader in our sector, servicing a wide range of customers within the Benelux – from small to large enterprises. We function as a one-stop shop with a fully converged telecom and integrated ICT range of services or can offer our solutions in an over-the-top way, irrespective of the underlying connectivity. Alongside its affiliates, Proximus Group is primarily active in Belgium, the Netherlands and Luxembourg to create solutions and services that **accelerate the sustainable digital transformation of enterprise customers**.

- **Be-Mobile** offers a wide array of smart mobility solutions to help public authorities, road operators, car manufacturers, individual drivers and private companies improve day-to-day mobility.

- **ClearMedia** provides cloud, cybersecurity and digital workplace solutions, services and products tailored to the SME market through an indirect channel of local IT partners.
- **Codit** provides customers with tailored Microsoft Azure cloud solutions, focusing on automating business processes, building data platforms, app innovation, and providing IoT, AI and machine-learning solutions. It's active in the Benelux region, the UK, France, Malta, Portugal and Switzerland.
- **Davinsi Labs** contributes to a trustworthy and seamless digital world by offering security and service intelligence solutions. Focusing on data and meaningful insights, these solutions allow businesses to provide their customers with digital services with the highest standards of security, availability and performance.
- **Proximus SpearIT** is the ICT integrator for mid-sized companies, helping customers focus on future-proof business IT infrastructure.
- **Telindus** Luxembourg and **Telindus Netherlands** develop smart and secure IT platforms, integrating networking, cloud services, cybersecurity, business applications, data and AI.
- In the Netherlands, **Umbrio** offers strategic, security and service intelligence services that translate data into actionable insights.

Proximus Ada

Launched in March 2022, Proximus Ada, a wholly owned subsidiary of Proximus, is the **first Belgian center of excellence dedicated to artificial intelligence and cybersecurity**. Through collaborations and partnerships with universities, higher institutions of applied sciences, research institutions, public authorities and companies, our ambition is to develop a local ecosystem and boost the uptake of digital technology in society.

International

BICS is a communications platform company based in Belgium. One of the key **global voice carriers** and the leading **provider of mobile data services worldwide**, it creates reliable and secure communications experiences anytime, anywhere.

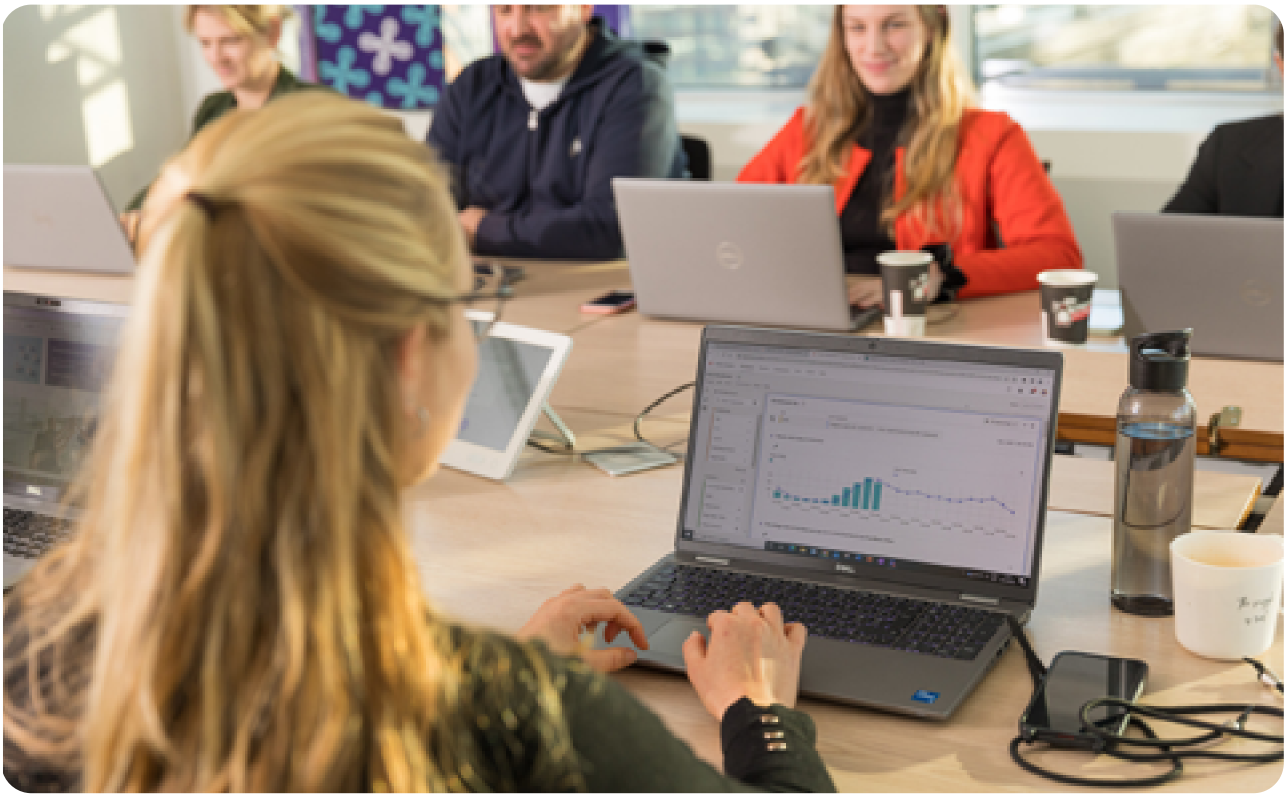
BICS provides high-quality, secure communication solutions to the world's largest mobile operators, virtual network operators, service providers, enterprise software vendors, hyperscalers and enterprises in Africa, Asia, Europe, the Middle East and the US.

In recent years, BICS has transformed from a traditional international wholesale carrier into a two-sided **communications platform company**, serving both the telecommunications and enterprise audiences. Its integrated software-based solution services help companies to accelerate their digital transformation and enhance customer experience.

BICS's solutions are essential for supporting today's modern, digital lifestyle and the need for global mobile connectivity and seamless customer experiences.

Telesign is a fast-growing leader in **digital identity and programmable communications solutions**, based in California. A trusted partner of enterprises around the globe, including eight of the world's ten largest digital enterprises, Telesign provides services across more than 230 countries and territories. Through easy-to-integrate APIs, the Telesign suite of products provides solutions for security, authentication, fraud detection, compliance, reputation scoring, risk management and secure communications, helping to establish continuous trust between businesses and their customers.

With its digital identity and global omnichannel communication capabilities, Telesign helps enterprises connect with their customers, protect online users, and defend across the full customer journey while enabling customers to engage with their services using their digital platforms of choice. In addition to strengthening the trust between an enterprise and its customers, Telesign solutions enhance the overall experience for customers, allowing them to act with increased confidence.



Our strategy

#inspire2022

In March 2020, we launched a three-year strategy for the period 2020-2022: #inspire2022. It was an ambitious industrial growth plan aimed at **accelerating gigabit-network investments** and **transforming our operating model** to be legacy-free and digital-first. A vital element in the pursuit of these goals was a responsible approach to **environmental and social considerations**. At the same time, we worked to improve the **employability of our employees** through up-skilling and re-skilling. Finally, we explored new paths for growth through partnerships and local ecosystems.

Challenging context

While we have achieved our key objectives, we did so in a unique context. As from the start of our #inspire2022 strategic cycle, we faced the **most challenging public health crisis** in modern times with the COVID-19 pandemic.

We are now facing a **challenging geopolitical and economic context**, with the war in Ukraine and global supply crises resulting in major disruption to the energy market and the highest inflation levels in over 40 years.

Another consequence of the war in Ukraine is that the **protection of technological infrastructures** becomes an even more strategic issue for states.

Within the Belgian telecom market, **several challenges** lie ahead. Such as fresh competition, the future fiber partnership between Fluvius and Telenet in Flanders and the announced merger between Orange and Voo in Wallonia. All this means that our market structure will change considerably.

bold2025: our new three-year strategy

The world is changing, society is undergoing an unprecedented transformation, while the effects of global warming are becoming increasingly tangible.

In this global context, the transition to a new strategic cycle was the right time to reflect on our purpose and the bigger role we want to take in society. Our new purpose is: **"Boldly building a connected world that people trust so society blooms."** We are actively building a connected world, shaped by strong connections between people, data, machines, ideas and companies. By protecting their data and securing our networks, we ensure that people can trust and embrace technology. If everyone makes the most of the possibilities of technology then individuals, households, companies and governments will flourish – and society will benefit.

This new purpose inspired our new three-year strategy for 2023-2025: **bold2025**

"Boldly building a connected world that people trust so society blooms."

Our bold2025 strategy further **reinforces the path taken with #inspire2022**. We chose the name 'bold' because we believe that it is by being bold that we will create most value for society, our customers and our shareholders.

Our strategy relies on three exceptional strengths – our gigabit network, our technology assets and our people – which will deliver excellent value to our stakeholders: society, our customers and our shareholders.

bold 2025

We deliver **great value** for **our stakeholders**

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

Delight customers with unrivalled experience

Grow profitably, **locally** and **globally**, through strong brands

through **exceptional strenghts**

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

Rollout **#1 gigabit network** for Belgium experience

Engineer **technology assets** to enable digital ecosystems

The value for our stakeholders

Act for an inclusive society and be sustainable in everything we do

Today, more than ever, we are determined to fulfill our societal role. Beyond our commitments to be circular by 2030 and reach **net-zero greenhouse gas emissions across our whole value chain by 2040**, Proximus is key to enabling other sectors to reach net zero. While tech innovation and digitalization are part of the answer to the climate challenge, we are vigilant in ensuring further digitalization does not aggravate the digital divide. That's why we aim to bring gigabit connectivity to the Belgian population as quickly as possible, building **digital trust** through cybersecurity, online fraud prevention and data protection.

Delight customers with unrivalled experience

In the **consumer market**, building on the superior quality and performance of fiber and the latest Wi-Fi technologies, our premium mobile network and the value of our digital platforms Pickx and Proximus+, we aim to lead in customer experience. Our brands, Proximus, Scarlet and Mobile Vikings continue to fulfill our strategy by **efficiently addressing the needs of the entire market**.

In the **enterprise market**, we will continue to further leverage our digital channels and platforms, such as Proximus+ and MyProximus Enterprise, with self-servicing capabilities to drive digitalization and efficiency. In addition, we aim to become the leading ICT service company in the Benelux region, by developing convergent end-to-end ICT services that leverage both the superiority of our fiber and 5G networks, and our investments in cybersecurity and cloud, combined with our best-in-class servicing portfolio built on exceptional people capabilities.

Grow profitably, locally and globally, through strong brands

bold2025 is a growth strategy. Despite challenging market conditions, our ambition in the domestic market is to **achieve above-market returns and grow**, even with the substantial impact expected from the entry of a fourth mobile network operator into the Belgian market. Internationally, however, the global markets in which **BICS and Telesign** operate are growing rapidly. We are proud of the fact that we have made bold investments to accelerate this growth.

Our strengths

Foster an engaging culture and empowering ways of working

After having exposed our entire workforce to agile work methodologies, we continue to unlock the benefits of the agile ways of working. We develop our people with **training and coaching**, grow our **"Think Possible" culture** and **improve the way we operate** as a group. To continue to retain and attract talent, we will prove we are a leading employer when it comes to offer real employment value and purpose to our employees.

Rollout #1 gigabit network for Belgium

We are acting on our ambition to extend fiber coverage to 95% of Belgian premises, while leveraging fixed wireless access technology for the remaining 5%, to offer **100% gigabit coverage by 2032**. The extensive spectrum package we acquired in 2022 will allow us to secure **mobile leadership** and stand out from the competition.

Engineer technology assets to enable digital ecosystems

We are completing our IT transformation and delivering a **future-proof IT landscape, infrastructure and processes**. We are transforming our technology to develop new, **leading app ecosystems**. These ecosystems are built on digital-native user experiences across our digital platforms and interfaces, and the use of **data and Artificial Intelligence (AI)**.

Our business model:
how we create value for society

Proximus Group aims to make a positive contribution to society, optimize the use of resources and create value with and for its stakeholders.

Resources

Human capital
- Diverse talent of 11,634 employees of 62 nationalities and 32% of women
- 42.3 training hours/employee on average
- Expertise from partners

Financial resources
- € 1,305 Mio investments
- € 3,307 Mio shareholders' equity
- € 2,758 Mio adjusted net debt

Natural resources
- 445 TJ fossil fuel
- 329 GWh electricity
- 76.5 TJ natural gas
- 1,063,493 m² building footprint
- 62,919,000 L water

How we create value

#inspire2022

Build the best open **gigabit network** for Belgium

Operate like a **digital native** company

Grow profitably through partnerships and ecosystems

Act for a **green** and digital society

We **fulfill these ambitions** thanks to agile working and the passion and expertise of **our employees.**

Think possible corporate culture
Based on 4 values

Collaboration | Agility
Customer Centricity | Accountability

Leading brands serving customers in the Benelux and internationally

proximus | scarlet | MOBILE VIKINGS | BICS | telesign

The value we create for our stakeholders

Customers

- 2,823,000 residential customers in the Benelux
- BICS and Telesign serving the needs of companies around the globe

Employees

- 1,324 internal moves
- 1,306 new hires around the globe

Suppliers

- 3,856 direct suppliers
- 488 suppliers, representing 68% of our external spend, were assessed by EcoVadis on their ESG-compliance and 76% of the assessed suppliers received a positive scoring
- All suppliers signed our Code of Conduct
- New supplier Engagement Program

Shareholders

- € 1,786 Mio Group underlying EBITDA
- € 387 Mio paid in dividend
- Corporate reputation and ESG as part of Management incentive plans

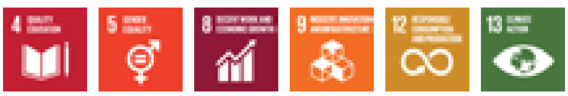
Belgian society

- 128 Mio total tax contribution
- 1.28 Mio homes & businesses enabled with fiber
- 161 schools connected to fiber
- 5G available in 94 cities and municipalities
- 8,594 people trained through digital inclusion projects
- 52% of tested devices accessible for at least five disabilities

Planet

- 1st large company in Belgium with validated Net-Zero targets from SBTi
- 87% waste recycled, reused or composted
- 121,042 old mobile phones collected
- 683,106 refurbished devices

Contributing to the Sustainable Development Goals



Detailed information on Proximus' contribution to the SDGs can be found on page 148

Key figures and highlights

Key figures

Group underlying revenue
€ 5,909 Mio

Capex[1]
€ 1,305 Mio

Group underlying EBITDA
€ 1,786 Mio

Free Cash Flow (adjusted)
€ 181 Mio

Number of employees
11,634

Board of Directors
43% women

Leadership Squad
22% women

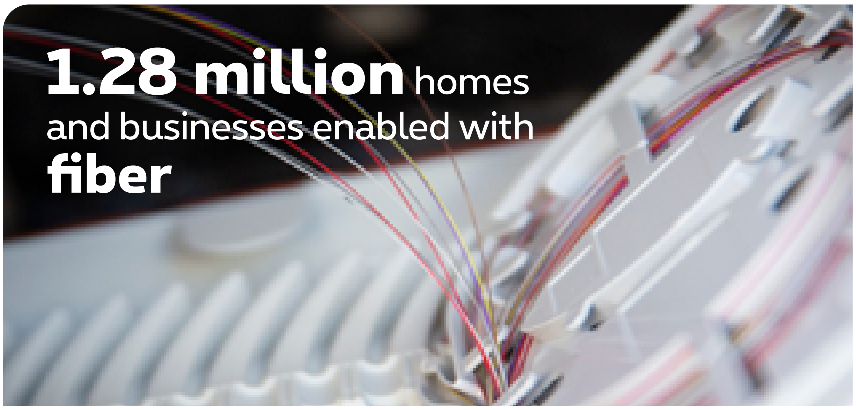
Total CO_2 emissions[2]
551 Kton

Avoided CO_2 emissions by customers
741 Kton

Refurbished devices
683,106

1 Excl. spectrum and football rights
2 Scope 1, 2 and 3

Key highlights

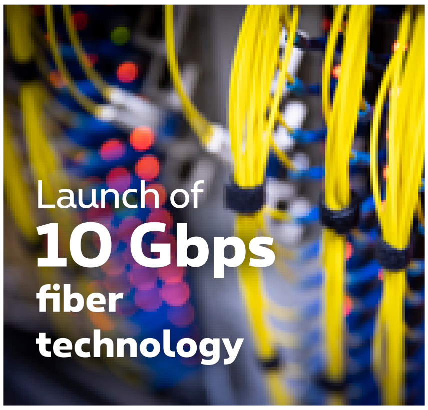


1.28 million homes and businesses enabled with **fiber**

Acquisition of **substantive spectrum rights** for the next 20 years

New healthcare actors joining the local ecosystem **Doktr**

Partnership with odoo to help **SMEs** in their digitalization



Launch of **10 Gbps fiber technology**

Mobile Vikings launched its “internet at home” offer

71% employee engagement

Solidarity for Ukraine through various initiatives

Partnership with **Microsoft** to develop **sovereign cloud solutions**

Telesign opens **a new data center in Brussels**

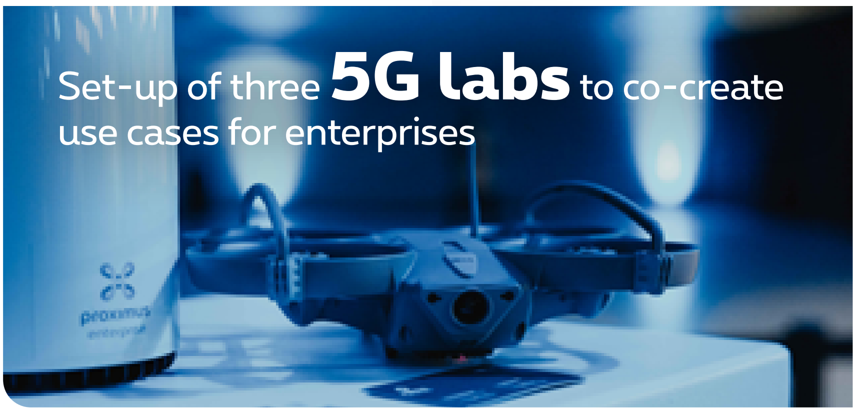
Full rollout of our **agile operating model**

First large Belgian company and third telco worldwide to acquire the **SBTi** validation for its greenhouse gas emissions net-zero targets

Launch of Proximus Ada center of excellence for **artificial intelligence** and **cybersecurity**

121,042 mobile phones collected for **recycling**

Strategic partnership between **BICS** and Qatari telecom company **Ooredoo Group**



Set-up of three **5G labs** to co-create use cases for enterprises

Proximus continues to take the lead in **DigitAll**, the Belgian ecosystem for **digital inclusion**

#inspire2022

#inspire2022

Since March 2020, Proximus has been executing its three-year strategy, #inspire2022. It was designed to accelerate change across our company so that we could return to profitable growth and address the competitive and societal challenges ahead.

As described in the strategy section, this strategic cycle ended in December 2022 and is being replaced by bold2025, our new strategy for 2023-2025.

Over the following pages, we outline the progress towards #inspire2022 ambitions, with a link to our 14 most important material topics. These material topics were identified during the materiality assessment process that we conducted with external consultants in 2021. All details on our materiality determination can be found on page 153.

The four strategic pillars of #inspire2022:

Build the best open **gigabit network** for Belgium.

Operate like a **digital native** company.

Grow profitably through partnerships and ecosystems.

Act for a **green** and digital society.

We **fulfill these ambitions** thanks to agile working and the passion and expertise of **our employees.**

Overview of #inspire2022

Build the best open **gigabit network** for Belgium

#inspire2022 ambitions	Baseline 2020	Status 2021	Status 2022
4.2 million gigabit homes and businesses enabled by 2028	460,000 homes and businesses connected by fiber	813,000 homes and businesses enabled with fiber	1.28 million homes and businesses enabled with fiber
Undisputed mobile leadership with **5G**	• First operator to launch public 5G in Belgium • 5G available at 138 sites in 69 cities and municipalities	• 20 use cases from enterprise customers on the 5G innovation platform • 5G available at 137 sites in 70 cities and municipalities	• 14 use cases from enterprise customers on the 5G innovation platform • 5G available at 490 sites in 94 cities and municipalities
Open networks to grow **wholesale** revenues	• 8 new fiber wholesale partners in 2020 • 5G network open to wholesale customers as from launch	• 8 new fiber wholesale partners in 2021 • 9 MVNO partners have access to 5G	• 4 new fiber wholesale partners - over 35 fiber partners end 2022 • Around a dozen MVNO partners have access to 5G

Material topic: Support digital infrastructure for Belgian society

Operate like a **digital native** company

#inspire2022 ambitions	Baseline 2020	Status 2021	Status 2022
Top 1 or 2 Telco **NPS** for convergent customers, driven by superior user experience, by 2022	• First operator to make commercial gestures following the COVID-19 outbreak: > 95% customers appreciated the initiatives • MyProximus and Pickx app ratings in Google Play and App Store: 4/5 • Satisfaction with our internet, TV and mobile products: > 90%	• NPS of our residential internet+TV+postpaid customers increased in 2021 • NPS of our biggest enterprise customers increased in 2021 • NPS of our Small & Medium-sized enterprise customers decreased in 2021	• NPS of our residential internet+TV+postpaid customers: from +16 in 2021 to +17 • NPS of Scarlet: remained stable at +21 • NPS of Mobile Vikings: from +43 in 2021 to +46
-40% in IT costs by 2025 with legacy-free IT	• Implementing a new simplified address management system • One single-data source for all billing aspects, improving data quality and user experience • Continuous integration, development and automation in IT operations to reduce time to market	• Simplifying technology infrastructure • Implementing an engineering-oriented culture • Increasing automation in the software delivery process • Simplifying business processes and products • Exerting clear control over demands on IT	• Contracts Negotiation & Sourcing Model • Architecture refactoring & re-engineering. • New Agile model implementation • IT Delivery Model Optimization & Automation • Progressive out-phasing of legacy systems
Train and selectively attract the best **digital talents** in Belgium	• > 200 employees recruited in domains of the future • Average of 39.5 hours of training per employee • € 34.45 million invested in employee re-skilling and up-skilling	• 172 employees recruited in domains of the future • Average of 41.3 hours of training per employee • € 32.34 million invested in employee re- and up-skilling	• 164 employees recruited in domains of the future • Average of 42.3 hours of training per employee • € 33.49 million invested in employee re/up-skilling

Material topic: Delivering customer promises

Grow profitably through partners and ecosystems

#inspire2022 ambitions	Baseline 2020	Status 2021	Status 2022
> 3 million unique Proximus active monthly **apps users** by 2022	• 1.6 million active users on MyProximus • 1.1 million active users on Pickx	• 1.7 million active users on MyProximus • 1.2 million active users on Pickx	• 1.72 million active users on MyProximus • 1.24 million active users on Pickx
> 2.1 million internet connections (consumer segment) by 2022	• 1,965,000 internet connections (consumer segment, SE segment included)	• 2,004,000 internet connections (consumer segment, SE segment included)	• 1,735,700 internet connections (consumer segment) - 301,100 internet connections (SE segment)
> € 100 million additional revenue from new non-telco domains by 2022	• Long-term commercial partnership with Belfius • Addressable TV: > 150 targeted campaigns	• Financial services: Launch of Banx and Beats with Belfius • eHealth: Launch of Doktr • Smart building: Launch of aug•e platform with BESIX and i.Leco • Addressable TV: > 400 targeted campaigns	• Financial services: further building on the innovative banking app Banx • eHealth: reinforcing the ecosystem around Doktr • Addressable TV: 440 targeted campaigns

Material topics: Delivering customer promises - Customer value for money - Support small and medium business development

Act for a **green** and **digital society**

#inspire2022 ambitions	Baseline 2020	Status 2021	Status 2022
Sustainability and **circularity** embedded in everything we do	120 ongoing projects related to circularity and carbon emissions at the end of 2020	> 150 ongoing projects related to circularity and carbon emissions at the end of 2021	> 150 ongoing projects related to circularity and carbon emissions at the end of 2022
Net zero by 2040 & **truly circular** by 2030	• Own emissions: 27.4 KTons • Indirect emissions: 527.2 KTons • 88% waste recycled • 409,000 modems & decoders refurbished • 72,764 mobile phones collected	• Own emissions: -3% (vs. 2020) • Indirect emissions: -3% (vs. 2020) • 89% waste recycled • 845,000 devices refurbished (incl. 493,000 modems & decoders) • 80,406 mobile phones collected	• Own emissions: +15% (vs. 2020) • Indirect emissions: -1% (vs. 2020) • 87% waste recycled • 683,106 devices refurbished (incl. 389,106 modems & decoders) • 121,042 mobile phones collected
Support **digital re-skilling** of 1,000+ Belgian job seekers yearly	• 1,158 job seekers supported by our initiatives in Belgium • 73% of tested devices accessible for at least five disabilities	• 1,145 job seekers supported by our initiatives in Belgium • 55% of tested devices accessible for at least 5 disabilities	• 1,544 job seekers supported by our initiatives in Belgium • 52% of tested devices accessible for at least five disabilities

Material topics: Human rights - Sustainable infrastructure - Responsible supply chain - Circular economy - Energy and CO_2 emissions - Digital access - Privacy & data security

Getting **our people** and organization ready for the future

#inspire2022 ambitions	Baseline 2020	Status 2021	Status 2022
Internal **moves**	• 2,146 employees changed function	• 782 employees changed function	• 1,324 employees changed function
Good physical and mental **well-being**	• 55% of employees giving a "good" score in the Speak-Up Survey (score of 4 and 5 on a 1-5 scale)	• 56% of employees giving a "good" score in the Speak-Up Survey (score of 4 and 5 on a 1-5 scale)	• The average score for all wellbeing questions in the Speak-Up Survey: 78%

Material topics: Human rights - Workplace wellness - Employee up-skilling, re-skilling & employability - Business conduct & ethics

Build the best open **gigabit network** for Belgium

Build the best open **gigabit network** for Belgium

As society becomes increasingly digitalized, data traffic continues to grow annually at double-digit % growth rates. To address the evolving needs of the users, we are building the best open gigabit network for Belgium. By rolling out **fiber and 5G** at an accelerated pace, we are quickly progressing towards our **goal of 100% gigabit coverage across the country by 2032**.

We are working to provide flawless connectivity to everyone, including consumers, businesses of all sizes, public services and cities, wherever they may be. Our gigabit network has already become **a catalyst for the economy**. It encourages innovation, boosts competitiveness and stimulates job creation.

‘In June 2022, Proximus announced its new ambition to offer 100% gigabit coverage by 2032.’

Furthermore, fiber is the most energy-efficient way to bring multi-gigabit coverage into homes and enterprises, while 5G offers new applications to reduce carbon emissions.

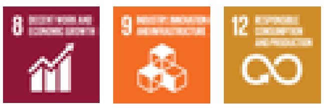
The goal of #inspire2022 was to roll out fiber to at least 4.2 million premises by 2028, covering a minimum of 70% of all homes and businesses in Belgium. To deploy fiber as quickly and cost-efficiently as possible, we are working with strategic partners willing to co-invest. In June 2022, Proximus announced its new ambition to extend fiber coverage to 95% of Belgian premises, leveraging other technologies like 5G for the remaining 5%, to **offer 100% gigabit coverage by 2032**.

Determined to maintain mobile leadership with 5G, Proximus secured an attractive and extensive spectrum package at the auction in July 2022. This is crucial, as this scarce resource, guaranteed for the next 20 years, will be an essential factor in confirming Proximus' leading position in mobile.

Our gigabit network is a **fully open access platform** on which all other service providers are welcome to offer their own specific services to their end customers under fair and non-discriminatory conditions.

Link to material topics
Support digital infrastructure for Belgian society

Link to Sustainable Development Goals



Rolling out our fiber network across the country

In 2022, we revised our ambition upwards to cover at least **5.9 million homes and businesses** (95%) by 2032.

This upscaling is made possible by:

- Proximus' standalone rollout, covering 2.2 million premises in the densest areas. The rollout is to be finalized by the end of 2026, with investments reaching peak levels in 2022-2023, before gradually decreasing.
- Deployment through partners Fiberklaar and Unifiber to 2.1 million premises in medium-dense areas.
- A new project to connect 1.7 million additional homes and businesses in low-population-density areas.

Fiber is the broadband technology of the future

With **virtually unlimited capacity**, fiber supports advanced technological developments in the areas of artificial intelligence, virtual reality, data analytics, the Internet of Things (IoT), and quantum internet technologies. The fiber network is **more energy-efficient** and has a **longer lifespan** than any other fixed internet technology.

Our expertise in fiber technology allowed us to further improve our network with innovations such as the world speed record we broke with a 25 Gbps fiber technology connection, or the launch of 10 Gbps fiber technology.

Leveraging the power of partnerships

In order to cost-efficiently deploy fiber as quickly as possible, we are working with partners willing to co-invest.

In 2021, we co-created the joint ventures **Fiberklaar** in Flanders and **Unifiber** in Wallonia. They are deploying fiber to 2.1 million premises in medium-dense areas.

In 2022, Proximus has signed a Memorandum of Understanding (MoU) with a Consortium of Belgian financial partners with I4B - **The Belgian Infrastructure Fund** - as an anchor investor with the aim of **bringing fiber coverage to rural zones** around the country.

In September 2022, the German-speaking Community of Belgium, Proximus, and Ethias created the joint venture **Glasfaser Ostbelgien** tasked with rolling out optical fiber throughout the region by 2026. Thanks to this **public/private agreement**, a first of its kind in Belgium, almost all of the 40,000 premises in the German-speaking municipalities will have access to the best in broadband.

An innovative way to roll out fiber is to use electric poles. This allows users to be connected more quickly, while at the same time significantly reducing any impact that the rollout work might have on residents. To this effect, a new agreement was signed with **ORES** and discussions are ongoing with **RESA** to roll out optical fiber in Wallonia. In Flanders, discussions are ongoing with Fluvius to also reach a large-scale partnership allowing aerial fiber deployment leveraging electrical poles.

Outphasing our copper network

When fiber is available in their city, customers are informed and can **migrate to the new network** technology. In 2022, the first decommissioning of a full copper neighborhood has enabled us to industrialize the process, gather best practices, and set a standard for future decommissioning. Furthermore, deactivating our copper network allows for **operational and energy savings and simpler infrastructure management**.

The residents in the areas where fiber is rolled out are being informed by means of mailings and local information sessions, thanks to the mobile information point that regularly drives around in the areas, or via our website, on which specific information on the progress of the works can be found.

Achievements 2022

- The fiber rollout is ongoing in **93 cities and municipalities.**
- **467,000** more homes and businesses are connected to fiber, bringing the total to **1.28 million.**
- The fiber footprint **increased to 21%** of the total Belgian premises (vs. 13.5% end 2021).
- We launched the **10 Gbps** fiber technology.
- Through our partnership with Signpost, we connected already **161 schools** to fiber.

Offering the best mobile experience in Belgium

We have a strong track record in pioneering mobile communications to deliver the best possible mobile experience for our customers. We aim to build on this by further strengthening our mobile network.

The multi-band spectrum auction that took place in June 2022 is an essential factor in confirming Proximus' ambition as mobile leader. With large portions of the auctioned spectrum to our name, we managed to secure more than other mobile players for the next 20 years. This allows us to increase mobile capacity, thus keeping up with customer data use, which is expected to continue growing in the coming decades. It also allows us to continue to innovate within the B2B landscape, as we develop new 5G use cases.

Detailed information on the multi-band spectrum auction can be found in the Regulatory framework.

Together with fiber, 5G forms the foundation of tomorrow's digital economy. The faster speed – up to ten times faster than 4G – enables new applications and ways of working, such as decentralized clouds and the Internet of Things (IoT). And its ultra-low latency allows hyper-realistic rendering in virtual-reality images.

Perspectives for new services

Although our existing 4G network provides one of the best quality levels available in the world today, 5G opens perspectives for the **creation of new services**. Due to its ultra-low latency data transfer and higher capacity, it avoids network saturation while helping to respond to the increase in energy consumption associated with the exponential use of mobile data. Furthermore, 5G is the most stable and secure wireless connection to date.

Pioneering 5G

The newly acquired spectrum in the 700 and 3600 MHz band makes it possible to deliver the benefits of 5G to the entire Belgian population through a **reliable, future-proof, and energy-efficient open mobile network**. We are a frontrunner in 5G technology: the first to commercially launch 5G in Belgium, demonstrate live end-to-end slicing, and deliver relevant use cases such as 5G security cameras and 5G drone warehouse scanning – all signs of our eagerness to leverage the full potential of 5G.

At the end of 2022, 5G was mainly available in Flanders. In 2022, we took substantial steps toward the launch of 5G technology in Wallonia and the Brussels Region as the legal framework is gradually being put in place. We will accelerate the deployment of 5G in 2023, with a view to cover all major cities in Belgium by the end of 2024. Our aim is to **cover 100% of the country by 2025**.

Three **5G innovation labs** have been established in partnership with advanced engineering center A6K, Howest and POM Fabriek Logistiek, to foster co-creation of relevant 5G use cases. Furthermore, the 5G technology allows us to set up a Mobile Private Network (MPN) for enterprises and public institutions. Thanks to this, they can run their private network and provide a service in a more secure and controlled way.

In November 2022, Proximus Group affiliate **BICS** successfully set up **the first-ever intercontinental 5G Standalone (SA) roaming connection** between Proximus' 5G network and a 5G network in the Middle East.

Leveraging the power of partnerships

We want to work as efficiently as possible, increase operational synergies, and manage our network sustainably.

Launched in 2020, **Mwingz, the joint venture with Orange Belgium**, aligns perfectly with that ambition. It will allow us to reduce each operator's mobile sites by 35% while improving the coverage of the shared network as the number of mobile sites of the shared network will be around 20% higher compared to each operator's former standalone network. The consolidation program progressed well in 2022, after some delay due to hardware deliveries impacted by the global supply chain disruptions.

Proximus has also partnered with Nokia and Ericsson, enabling us to build an efficient, open, reliable and sustainable mobile network: Through our **partnership with Nokia**, we are upgrading our Mobile Radio Access Network (RAN) equipment, while our **partnership with Ericsson** is dedicated to modernizing our Mobile Data Core Network.

‘The newly acquired spectrum makes it possible to deliver the benefits of 5G to the entire Belgian population through a reliable, future-proof, and energy-efficient open mobile network.’

To fuel innovation, we invest in future areas such as **5G slicing**. Thanks to our partnership with Nokia, we are **the first operator to achieve end-to-end resource reservation in a multi-vendor setup**. This configuration enables key services to keep running smoothly even during demanding times. In our **5G innovation platform** in Brussels, together with Ericsson, we successfully tested this functionality, which will allow us to offer our enterprise customers dedicated handling of business-critical applications.

A continued investment in 4G

While we await full 5G availability, we want to support the quality of our mobile services and **respond to the strong growth in traffic**. As such, we have continuously been investing to **increase the capacity of our mobile network**, particularly in locations where mobile traffic is very high. We are activating additional spectrum obtained through the spectrum auction in June 2022. In addition, we are accelerating the migration to our new 5G network in selected locations and adding new mobile sites to improve the network coverage and increase capacity.

At the end of 2022, Proximus announced it would **stop providing services on its 3G network** by the end of 2024. Instead, we will invest heavily in newer mobile network technology that is more powerful and energy efficient.

Addressing health concerns

Proximus is aware of concerns regarding electromagnetic fields and health. We **provide information on these topics and take precautionary measures**. We comply with the legislation in force, both for networks and for devices, and closely follow up developments in scientific research.

Removing mobile antennas, thanks to our network sharing with Orange Belgium, reduces any visual impact created by antennas and also partly addresses the concerns that some might have regarding the health impact of radio frequencies.

The potential health impact of radio frequencies, particularly those used in mobile telephony, has been the subject of **scientific studies** for over 30 years. The vast majority of (inter) national authorities and institutions – including the World Health Organization (WHO) – agree that when radio frequencies for mobile communication are below internationally authorized thresholds, there is no evidence they have adverse health consequences. This will not change with 5G.

On our websites, we provide information about the potential consequences of electromagnetic waves on health and the environment. There are also links to information made available by Belgian regional authorities and the WHO regarding scientific research in this field, as well as responses to concerns about the potential risks of exposure to electromagnetic waves from mobile phones.

Achievements 2022

- 5G is now available on **490 sites in 94 cities and municipalities**.
- We acquired substantive spectrum rights for the next **20 years.**
- Through MWingz, we were able to dismantle **72 sites,** further consolidating our shared mobile network.
- We realized **14** innovation use cases.

Contributing to a better society

Reliable, fast connectivity is crucial for the digital development of our society. With the digitalization of government services, job interviews, registration of children at school, bill paying, etc., citizens without digital access are at risk of exclusion.

Leaving no one behind

There are still areas in Belgium where people do not benefit from high-performance internet connections (> 30 Mbit/s). These areas – called "white zones" – are primarily located in rural areas in Wallonia. Thanks to our efforts, **95.3% of the customers had access to high-speed connectivity (> 30 Mbit/s) at the end of 2022**, compared to 94.8% at the end of 2021.

Thanks to the partnership with **Ethias and the German-speaking Community** of Belgium, white zones in this region are set to disappear, and fiber will be available throughout the region by 2026.

Our above-mentioned project with I4B – The Belgian Infrastructure Fund – is a **major step toward 100% national gigabit coverage**.

Transition to a sustainable infrastructure

As part of our commitment to a sustainable society, we apply **circular principles** to our network equipment and deploy more energy-efficient networks.

We are continuously testing and implementing intelligent features on our networks to power down some temporarily unused frequencies to **reduce the energy consumption**.

Outphasing our copper network also means that we use this valuable resource less for our network. The **copper we are able to recover is sold for reuse**. In 2022, we managed to recover a total of 630 tons of copper cable.

> *“The fiber rollout frees up space in our street cabinets. It allows us to convert them into charging points for electric vehicles.”*

The **fiber** we use can be entirely produced in Europe and consists of glass made from silicon dioxide, the most abundant element on Earth after oxygen. This resource is found in sand, clay, rocks and even water.

The **fiber** rollout also frees up space in our **street cabinets**. It allows us to convert them into charging points for electric vehicles. After a successful pilot in Mechelen, we continued the project in Oudenaarde in 2022 and we are investigating further opportunities.

As previously mentioned, Proximus shares its 5G mobile network with Orange Belgium, which will reduce the number of base stations by 35%. **Redundant equipment is recycled or resold for a second life.**

The **5G technology improves the efficiency of mobile data** transmission: less energy is required for the same amount of data. When traffic is low, 5G networks use little power, further reducing the power consumption of the antennas.

Detailed information on how our networks contribute to our net-zero and circular ambitions is available in the chapter "Act for a green and digital society".

Operate like a **digital native** company

Operate like a **digital native** company

Proximus has been transforming its operating model to make the company **truly fit for the digital world**. We aim to offer the same user standards as native digital players on the market. To this end, we largely adopted the agile way of working and simplified our processes with the aim of being more efficient, adapting swiftly to changing markets and evolving customer expectations.

Our customers are at the center of everything we do. Our ambition is to delight our residential and professional customers with premium services through **user-friendly and personalized experiences** based on a best-in-class digital ecosystem.

“Data is essential to creating and implementing even more proactive and personalized services.”

For instance, we have made good progress enhancing the **assistance journey** for residential and enterprise customers and boosting the in-home Wi-Fi experience. We also paid great attention to improving the **experience of our fiber customers**, both during and after the migration of their services to the fiber network.

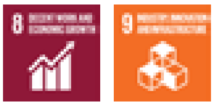
To operate like a digital native company, we also need to **become a legacy-free operator in terms of IT**. We continue to replace outdated IT systems in our infrastructure and aim to complete this process by 2025.

Additionally, we significantly reduced our IT costs and we are on target to reach our ambition to lower them by an estimated 40% by 2025. In parallel, we continued to invest in solid data foundations and the development of our automation and advanced analytic capabilities. Data is essential to creating and implementing even more proactive and personalized services.

Finally, we continue to substantially invest in the up-skilling and re-skilling of our employees, **allowing talent to grow in a digital world**.

Link to material topics
Delivering customer promises

Link to Sustainable Development Goals



Prioritizing the customer experience

Our customers interact with us in several ways: in person, on the phone, through digital platforms like our website or MyProximus. By improving these customer touchpoints and offering hassle-free interactions, we are committing to exceeding expectations every time customers are in touch with us. Our continuous effort to optimize our digital tools – while maintaining a human approach – brings us closer to our customers and drives our Net Promoter Score.

Acting upon customer feedback

We have taken great strides in **improving and redesigning our customer journeys**, calling on our customers themselves. Our approach ensures that we include our customers from the start of the design process and guarantees that we build an intuitive, digital-first customer experience.

Through **"Voice of the Customer"**, our customer feedback platform, we collect and analyze residential and enterprise customer feedback. This allows us to act on it swiftly. In 2022,

"Through "Voice of the Customer", our customer feedback platform, we collect and analyze residential and enterprise customer feedback."

we further rolled out "Voice of the Customer" dashboards for all customer-facing employees and launched several surveys for enterprise customers. We also set up an “Executive Advisory Board” with some of our key enterprise customers to capture their feedback on strategic topics and foster a closer customer relationship.

We have also developed **a customer experience dashboard** to map and track the drivers of customer satisfaction and dissatisfaction, enabling root cause analysis and preparation of action plans. This has allowed us to greatly improve the customer journey, primarily focusing on administrative and technical assistance journeys. For instance, **the digital interactive bill** and **advanced analytics recommendations** for our customer-facing agents have enhanced the assistance journey for residential and enterprise customers. However, we acknowledge that we need to continuously improve, for instance by enhancing the experience of our SME customers.

Customer interactions

We offer our customers a modern digital experience combined with human interaction whenever necessary.

Digital self-service options

Digital self-service options make it easy for our customers to manage their products and services themselves.

Since its creation, we’ve continuously **improved the MyProximus app** for residential customers, making it more relevant, intuitive, stable and efficient. The app clearly details the customer’s subscription, usage, and normal and extra costs. Additionally, we introduced new features, such as an interactive view of the billing history, a new welcome screen including links to our Pickx entertainment platform and our e-Press offer, and an update to MyFootprint, allowing the app to give the customer more accurate insight into their ecological footprint.

Enterprise customers can rely on our digital web and app portal with a wide range of self-servicing capabilities to manage their administrative requests. We are digitalizing our quote-to-bill journey and have already implemented online contract renewals, a centrally stored contract database and the digital bill. This revamped journey will be gradually rolled out to delight our enterprise customers.

Focus on digital sales channels

Multiple improvements were made to enhance the **performance of our online store**. As such, we managed to reduce the technical error rate to 8.8% (from 11.3% end of 2021).

We substantially improved the **stability of our online tools**, offering customers fast, easy and on-demand self-service options, requiring no help from our customer service or store employees.

Balancing digital and human interaction

The digitalization efforts mentioned above free up our experts' time, allowing them to help customers who have more complex questions or to help our customers who are not always at ease with digital.

For customers who feel more comfortable with face-to-face interactions, our store employees play a crucial role. In 2022, we focused on improving the in-store experience for our customers. For example, we installed a Pickx experience table to inform our customers on the platform features, and we also further increased our in-store fiber experience.

User experience

We are committed to offering products and services of the highest quality.

In-home Wi-Fi experience

In a context where the quality and performance of the internet and Wi-Fi at home or in the office are becoming increasingly crucial, in May 2022, we launched our new Internet Box, enabling a faster, smarter, safer, and more energy-efficient Wi-Fi connection. Equipped with Wi-Fi 6 and Mesh technologies, it offers the **fastest in-home Wi-Fi experience on the market**, with surfing speeds up to 40% faster than Wi-Fi 5. The Internet Box was also designed to be more environmentally friendly: it uses 24% less energy than the previous generation and the casing is made entirely of recycled plastic.

Besides, to provide the best unrivalled Wi-Fi experience throughout the home, our smart Wi-Fi solution monitors the Wi-Fi experience of our customers remotely and suggests, by means of the MyProximus app, pro-active actions to improve it. In addition, **Smart Wi-Fi** manages all connections and automatically adapts to provide customers with the best Wi-Fi coverage at home.

Lastly, we have introduced a **set of quality checks** that our technicians are required to perform when visiting a customer. This guarantees that all services work properly, improving our first-time-right score, as well as our product and customer satisfaction rates.

MyProximus app for enterprise users

In 2022, we streamlined the interface of the MyProximus app for professional mobile end-users to show the same features as the residential customers' interface.

We have also expanded the self-service functionalities in billing, technical assistance, and mobile, fixed and ICT contract management, as well as revamping the flow of our online ticket creation. These updates have allowed us to drive our e-service shares to 30% for administrative assistance by the end of 2022.

More brand promoters, across brands and segments

Proximus aims to become the operator with the best brand recommendation on the Belgian market.

We measure our brand recommendation with the **Net Promoter Score** (NPS). We ask customers how willing they are to recommend our brands to friends and family. Their responses give us insight into their brand loyalty.

In the residential market, our Mobile Vikings and Scarlet brands are already NPS leaders in the mobile and fixed segments respectively. In the convergent segment, the Proximus brand more than doubled its NPS over the last 3 years and reduced its gap vs. benchmarks.

In the enterprise market, the NPS of our small enterprise customers increased in 2022. Accounted customers also showed a better NPS, mainly thanks to our network enhancements, account managers and customer service officers.

Achievements 2022

- We had **1.72 million** active users on MyProximus (vs. 1.7 million at the end of 2021).
- Net Promoter Scores (NPS):
  - **Residential internet+TV+postpaid customers**: increase **from +16** in 2021 **to +17**
  - **Scarlet:** remained stable at **+21**
  - **Mobile Vikings:** increase **from +43 in** 2021 **to +46**

Digital transformation and IT

We need to break free from our legacy architecture and **become a genuine software company with a digital native approach**. The shift to legacy-free IT is expected to reduce our IT costs by an estimated 40% by 2025. We are on target to achieve this ambition.

To operate like a digital native company, our core IT systems should be **flexible, cloud-based and able to fully support state-of-the-art technologies**. Resilience and stability are consistently at the center of our engineering culture to ensure an excellent experience for our customers and employees.

We have defined a solid foundation based on (i) a flexible, modular, and legacy-free architecture, (ii) innovative data streaming set-up and (iii) a state-of-the-art delivery model. The innovation pillars foster a digital-first approach, a new entertainment architecture and an innovative technical ecosystem set-up.

Simplification and IT transformation

Our goal is to evolve toward **a modular, resilient and cost-effective IT landscape**, allowing Proximus to:

- Tear down old-fashioned monolithic applications and implement flexible modular set up.
- Reduce time-to-market of IT deliveries.
- Implement efficient processes and push automation.
- Simplify business processes and products.

The **IT "Total Cost of Ownership" Reduction Program**, launched in 2020, aims to **decrease IT costs by 40% by 2025**. We conducted a thorough review of IT development and processes in a wide variety of domains, from product provisioning through after-sales servicing. This has resulted in a series of solutions, which have allowed us to exceed our ambitions in 2022. For instance:

- Transformational solutions: we are replacing our monolithic legacy billing ecosystem with open and modular functional based set-up.
- Tactical solutions: we renegotiated contracts with IT providers and moved to a more outcome-based partner model that limits financial risks while emphasizing quality deliveries.
- We implemented and expanded a testing automation framework to reduce manual testing efforts.
- We set up a "Continuous Integration/Continuous Deployment" pipeline, allowing to put new code faster and more efficiently in production.

A fully digitally supported sales and servicing journey goes hand in hand with a **stable IT environment**. We're paying particular attention to **platform and infrastructure improvements** that increase the resilience of our digital customer tools. In 2022, we launched a completely new division within our IT organization, uniquely dedicated to maintaining an optimal user experience. This new entity will ensure a quality-by-design change process, expanding monitoring capabilities to pro-actively detect instabilities and work toward an open-user community where IT and end users interact closely to achieve a better overall experience.

Additionally, we have engaged in **a close partnership** with HCL, which became fully operational in February 2022.

Data analytics and AI

In 2022, we completed a major milestone in our data transformation through a **new data platform** that consolidates and structures our data in a secure and compliant-by-design manner. The platform takes Proximus a step closer to becoming a truly data-driven company that can make the right decisions for its customers, based on the valuable insights the platform provides. Furthermore, the platform will be a key enabler for our AI ambitions that were underscored by the 2022 launch of Proximus Ada. The new data architecture aims to ensure high-quality data, based on logical organized streaming to democratize the data usage.

Proximus Ada is Belgium's first center of excellence in AI and cybersecurity: two domains that will help society to address today's challenges – namely, energy and mobility. AI already plays a crucial role in optimizing the allocation of our (scarce) resources by steering energy consumption based on actual needs or through smart traffic management to reduced congestion and emissions. Our cybersecurity capabilities will enable us to offer these smart solutions securely.

This new affiliate is crucial in gaining operational efficiency for Proximus. For example, we have developed AI models allowing us to improve our operational efficiency in the following domains:

- Sales: via predictive routing, customer calls are automatically linked to the appropriate personnel.
- Field technicians: to avoid unnecessary interventions as well as determine what expertise is needed.
- Logistics: to better distribute mobile devices to shops.
- Customer management: to detect fraud.
- Fiber deployment: to improve quality through image recognition.

Agile software delivery

We've introduced additional **software deployment slots** that are in line with our agile methodology lifecycles to deliver new features to our customers on a bi-weekly basis. Today, 60% of our code releases occur through an agile go-live slot. Through automated testing, we cut down costs and time spent in the development lifecycle, enabling us to shift focus to value-adding improvements. Furthermore, we are balancing out agility and speed with a strong focus on quality through the adoption of uniform change standards and a "quality-first" mentality.

Number one entertainment platform

We aspire to make our **entertainment platform Pickx** the number one streaming service on the market, providing a broad offer of content and features that add to the viewing experience. Over the coming years, we will further **personalize the customer experience** through profiling and targeting of specific customer segments.

This, as well as extending the search and filter options to include the various content metadata fields, will allow for a more advanced content discovery. Additionally, Pickx will support cross-device use, enabling the viewer to easily switch devices in the middle of a content piece.

"We aspire to make our entertainment platform Pickx the number one streaming service on the market, providing a broad offer of content and features that add to the viewing experience."

Achievements 2022

- We launched **Proximus Ada.**
- We conducted a thorough review of **IT development** and processes in a wide variety of domains, from product provisioning through after-sales servicing.
- We launched a completely new division within our **IT organization,** uniquely dedicated to maintaining an optimal user experience.

Grow profitably through partners and ecosystems

Grow profitably through partners and ecosystems

Our #inspire2022 strategy is a **growth plan** in which we monetize our investments in our core business and explore new paths for growth through partnerships and local ecosystems. We want this growth to be sustainable and responsible.

By capitalizing on our talents, brands, customer base, networks and services, we aimed for – and **successfully returned to – profitable growth** in 2022, both in revenue and EBITDA.

In the consumer market, our multi-brand approach and our network and product superiority fueled the growth of our customer base. Our ambition was to reach 2.1 million **internet lines** in the combined consumer and small enterprise (SE) segments by the end of 2022[1]. We achieved 1,735,700 internet lines in the consumer segment and 301,100 in the SE segment.

"By capitalizing on our talents, brands, customer base, networks and services, we aimed for – and successfully returned to – profitable growth in 2022."

Growth has also come from **wholesale**, thanks to our open network strategy.

Developing strong local and global partnerships allowed us to target new business opportunities. We incorporate the innovative technology of these partners into our products and solutions. Through our **digital platforms**, such as **MyProximus and Pickx**, we are in contact with a huge number of customers every day. It's a unique opportunity to develop and market new, value-added services for them while boosting the use of our apps. Our ambition was to have more than 3 million active monthly app and web-portal users by the end of 2022. On MyProximus, we reached a total of 1.72 million active users and for Pickx we counted 1.24 million active users.

We are adding **next-generation ICT solutions and professional services** to our state-of-the-art fixed and mobile networks, offering our business customers tools and support that guide them through their digital transformations.

The acquisition of the **full ownership of BICS and Telesign** has resulted in the significant growth of our international activities.

Link to material topics
Delivering customer promises
Customer value for money
Supporting small and medium business development

Link to Sustainable Development Goals

1 Our strategic ambition included the Small Enterprise (SE) market. At the beginning of 2022, the entire SE customer base was moved from the Consumer unit to the Enterprise unit, impacting the revenue and operational data of both units, without affecting the total Domestic view.

Activities in the Benelux

Proximus provides future-proof connectivity services, digital services and ICT solutions to the consumer, enterprise and telecom wholesale markets in the Benelux via leading brands.

We work together with partners to **create ecosystems and develop innovative solutions** that benefit our customers. They include strong local partnerships that allow the creation of new business opportunities. Moreover, we incorporate the innovative technology of our hyper-scaler and global partners into the products and solutions we bring to the market.

Residential customers

Proximus offers products and solutions that are tailored to the needs, expectations and budgets of all customer segments.

"Our complementary brand portfolio allows us to address value seekers as well as price-conscious consumers."

Multi-brand approach

Being relevant to our customers means addressing their digital needs with **segmented value proposals**.

Our **complementary brand portfolio** allows us to address value seekers as well as price-conscious consumers:

- **Proximus** offers the best quality and service with a comprehensive range for residential customers and companies, such as our Flex offer. We monitor our customers' price/value perceptions through regular surveys. At the end of 2022, 77% of our residential customers were satisfied with the price/quality ratio of their Proximus pack, maintaining figures from 2021 despite the turbulent economy.
- The **Scarlet** range is aimed at customers looking for no-frills solutions at the best prices. Scarlet makes qualitative home and mobile connectivity affordable for all.
- **Mobile Vikings** is a 100% digital brand offering both mobile and internet at home. Its high-performing solutions appeal to young (at heart) digital savvy customers.

Strong local partners

To be relevant in the daily digital lives of consumers, we're expanding the number of services that we offer through **mobile applications**.

For this, we not only build on our own services, but also **work with strong local partners**, laying the foundation for local ecosystems that support companies in reaching a new audience and offering customers easy access to digital solutions.

'We work with local partners, laying the foundation for ecosystems that support companies in reaching a new audience and offering customers easy access to digital solutions.'

A selection of our ecosystems:
- Together with our partner Belfius, we further built on the innovative **banking app Banx**, with sustainability and digital experience as differentiators: 86% of users were satisfied with the app and 82% would recommend it. The positive impact on the planet and user-friendliness of the app were key motivators for satisfaction. At the same time, we want to offer our Banx customers a complete digital banking experience: Banx customers can now pay with Bancontact using Apple Pay.
- With the **teleconsultation app Doktr**, Proximus aims to use innovation and digitization to improve the healthcare and consultation experience for doctors and patients.
  In 2022, several health players reinforced the local ecosystem around Doktr together with Proximus:
  - Alliance with the health insurance funds **Christelijke Mutualiteiten/Mutualité Chrétiennes and Solidaris/Socmut**.
  - **Domus Medica**, the biggest association of general practitioners in Flanders and Brussels.
  - **AG Insurance**, Belgium's market leader in group healthcare insurance.

- We enhanced **MyFootprint**, a MyProximus app, developed with CO_2logic, that calculates a customer's CO_2 emissions by means of predefined questions. This way, they can see the direct impact of their behavior and take action to reduce any negative effect they have on the environment. In 2022, we made it possible to use the app to calculate the environmental impact of telecom consumption.
- We further partnered with **local players in mobility, energy and the service industries** to develop and deliver relevant digital services to our customers to manage their household, finances, mobility and health by means of the super app **Proximus+**, which we introduced to a test group of customers at the end of 2022.

Achievements 2022

Proximus

- **Flex** subscriptions of residential and SE customers reached a total of **1,067,000** (vs. 835,000 end 2021).
- Flex range extended with Flex XS.
- **252,000 fiber lines** were activated for residential and business customers by end 2022 (vs. 146,000 end 2021).
- We reached a **100%** digital onboarding of **e-SIM customers** through MyProximus app.
- The **Doktr** app had **68,000 registered users** of, and a patient-satisfaction rate of **93%** at the end of 2022.

Scarlet

- Scarlet launched Trio Mobile, the **first convergent proposition** with internet, TV and mobile.
- The data allowance for mobile packs increased, but the prices remained unchanged.

Mobile Vikings

- Mobile Vikings launched the **"internet at home" range**, also available bundled with the mobile offer.
- Mobile Vikings customers were migrated to the Proximus mobile network.

Small and medium-sized enterprises

We accompany small and medium-sized enterprises (SMEs) throughout their growth journeys and empower them in the digitalization of their businesses in uncertain and fast-changing times.

"We changed our organizational model to put more focus on the SME market."

Digitalization journey

In an increasingly globalized world, Proximus offers, also through its affiliate ClearMedia, relevant solutions designed to support the Belgian SMEs. This includes **Business Flex, Business Booster**, a suite of digital marketing services for SMEs or **Enterprise Pack Together**, our modular ICT bundle combining connectivity, communication solutions and IT options in an easy offering to guarantee that small businesses can focus on their core activities.

In 2022, we changed our organizational model to put more focus on the SME market, which has different needs than the large enterprises and residential customers. They need to have a one-stop-shop ICT partner that offers peace of mind and enables them to be successful in competitiveness and growth. In co-creation with our customers, we are investing in several structural initiatives to make the portfolio evolve in line with the needs of this important market segment.

Beyond connectivity

To be relevant to SMEs, we're building our services with the following partners who are recognized as SME market experts:

- In order to complement our own **Business Booster** range to allow SMEs to create their own websites and online social presence, we signed a **strategic partnership with Odoo** in July 2022. Odoo is a leading company offering a full suite of advanced digital solutions for SMEs. They include customer relations management, e-commerce, accounting and human resources.
- Together with our partner **UNIZO**, we offer online training modules that cover all aspects vital to establishing a company's online visibility, such as how to design a website or launch an online store.

Achievements 2022

- The **Business Booster** was launched, offering a complete package of digital solutions for small enterprises to build and host company websites, manage social media and digital advertising.
- **ClearMedia** has increased its year-over-year revenue by **48%**, with EBITDA up by **58%.**
- The range of packs gained traction: the pack penetration of **Business Flex** increased from 20.4% end of 2021 to **29.6%** end of 2022.
- The **Enterprise Pack Together** showed strong commercial performance with over **1,300 packs** sold in 2022.
- We launched the **"Mobile Threat Defense"** option that protects smartphones against potential cyberattacks and threats as part of the Enterprise Pack Together.

Large enterprises

We are combining our state-of-the-art fixed and mobile networks and our expertise with next-generation ICT solutions and services to offer large enterprises tools and support to **guide them through their digital transformation**.

Technological leadership

Companies require convergent ICT solutions that combine telecom and IT assets. We are investing heavily in both our **gigabit networks** (fiber and 5G) and in further **strengthening our IT capabilities** in areas like cybersecurity, cloud, advanced workplaces, data and Internet of Things (IoT). Thereby offering a catalogue of professional and managed services that guide our customers through their journeys to become digital, cloud-enabled, data-driven and end-to-end secure.

We drive technological leadership and innovation through **strategic partnerships with hyper-scalers like Microsoft and Google**, leveraging their technologies such as Google Cloud, Microsoft Azure or Microsoft Teams. Global operational partnerships complement our ICT capabilities to accelerate our growth in specific domains such as cloud with partners like **HCL Technologies**.

Also, our **affiliates, active in Belgium, the Netherlands and Luxembourg**, provide us with a unique combination of assets and skills to create solutions and applications that accelerate our customers' digital transformation.

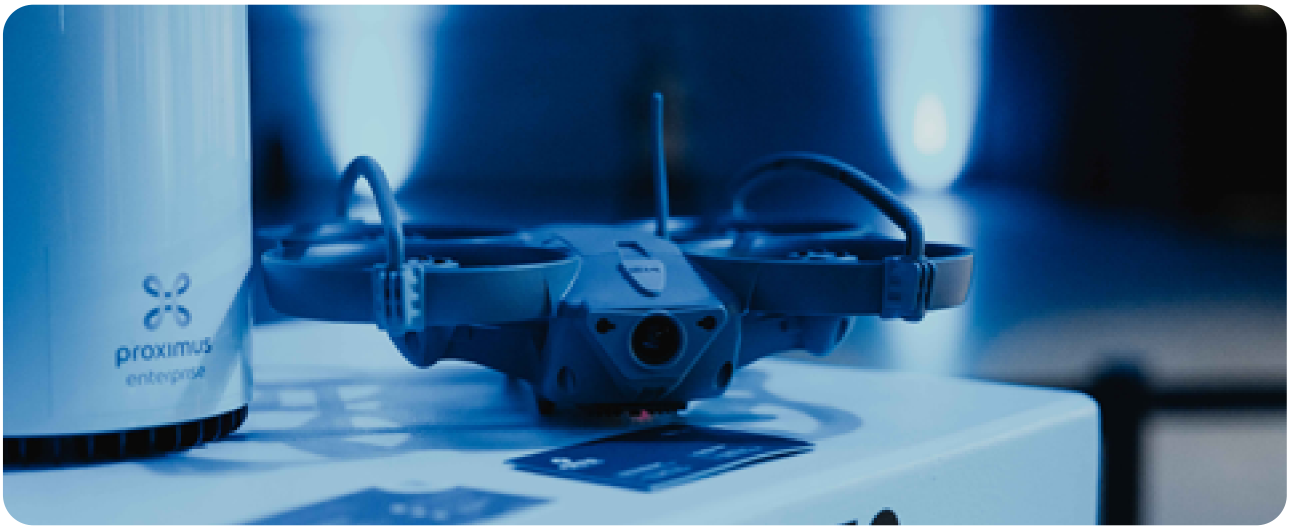
Finally, **5G** is generally considered to be a **key enabler of digital transformation** in almost every industry, and therefore, a long-term growth driver for Proximus. Over the course of 2022, we co-created 5G, IoT and edge-computing use cases together with customers and partners such as A6K, Fabriek Logistiek and Howest.

Digital transformation powered by partnerships

We rely on partnerships to bring our business customers relevant and differentiating solutions, efficiently accompanying them in their digital transformations and helping them to tackle societal challenges.

A selection of partnerships:

- The IT infrastructure partnership between Proximus and **HCL Technologies** that was signed in 2021 became fully operational in 2022. HCL Technologies now manages and services the Proximus private cloud infrastructure and supports our transition to a hybrid end-to-end cloud solution provider, leading to a richer service catalogue for large enterprises. In 2022, this contract was expanded to include **Telindus Netherlands**.
- In June 2022, Proximus signed a strategic partnership with **Howest University of Applied Science** to create a **state-of-the-art 5G Lab**. Equipped with Proximus 5G MPN technology, the 5G Lab supports various educational programs and allows students to discover, test and build new use cases with complementary technologies such as IoT, artificial intelligence, virtual reality and edge computing. Companies from various sectors will be able to investigate the possibilities of 5G for their businesses and develop new applications in collaboration with Howest students and under the guidance of Proximus experts.
- In July 2022, Proximus was selected as one of the few worldwide to co-develop **a Sovereign Cloud solution** – together with **Microsoft**. This will enable our customers in Belgium, Luxembourg and the Netherlands to use the most powerful public cloud capabilities while benefiting from the ultimate in sovereign and privacy controls.
- In June 2022, Proximus signed a unique partnership with **La Petite Merveille and the city of Durbuy**. Together, they'll invest in fiber and 5G connectivity to enable **innovative tourism services** based on advanced analytics and augmented and virtual reality technology in the city of Durbuy.



Achievements 2022

We successfully delivered growth in new services while maintaining market leadership in traditional domains. The rich offering of Proximus and its affiliates as well as the combination of services and solutions were key to winning over many new customers and reconfirming partnerships with our existing customer base.

Cloud:

- **BAM InterBuild:** our first Cloud Fusion deal with our partner HCL was complemented with our security solutions.
- **La Baloise:** Proximus Luxembourg will be delivering data center services (storage and housing) topped with a connectivity solution.

Security:

- **Astrid:** SpearIT was selected for the delivery of Checkpoint Firewalls for emergency centers.
- **DPG Media:** through demonstration of our security expertise via a consultancy mission, Davinsi Labs won a large Managed Detection and Response contract.

5G leadership:

- **Port of Antwerp:** together with DroneMatrix we won the Drone and 5G Tender. This win is the ideal steppingstone to further roll out this innovative solution to the partner ecosystem of Port of Antwerp.

Fixed connectivity:

- **Deceuninck:** we signed a 2-year fixed connectivity contract.
- **VDAB:** under the umbrella of our Flemish Government frame agreement, we were awarded the delivery of LAN, WAN & WLAN managed services.

Services:

- **Enbro:** with Aug•e, we sold consultancy services in energy monitoring. As Enbro is the largest energy broker in Europe, serving 250,000 customers, this deal puts us in pole position for additional business in this domain.
- **DPG and Sibelga:** the Security Consultancy services by Davinsi Labs convinced the customers to partner with us for their security solutions.

Wholesale customers

Since 1998, Proximus has been connecting customers to the world and **enabling communication service providers on the Belgian market** to serve their customers.

Our gigabit networks – fiber and 5G – are open networks with fair and non-discriminatory conditions.

Open network

Our gigabit networks (fiber and 5G) are **open networks with fair and non-discriminatory conditions**. This means all telecom operators are welcome to use them and offer services to their own end-customers. This way, we foster competition and innovation throughout Belgium. We provide our wholesale partners with **fully automated and customized services**, from quoting to billing. On top of this, we also deliver wholesale solutions that serve the different joint ventures in which Proximus is active.

Customization and digitalization

Our team of experts (pre-sales, sales, product and service managers) define which solutions fit our wholesale customers' needs, together with them. Our main products are fixed assets (interconnect, transit, infrastructure, back-hauling, rental of internet and professional connectivity services), mobile assets (interconnect, MVNO, Instant Roaming) and digital assets (from quote to cash).

Achievements 2022

- End of 2022, Proximus counted over **35 fiber partners** and around **a dozen Mobile Virtual Network Operators** (MVNO) on its networks.
- Proximus also serves more than **150 fixed and mobile partners/customers/carriers**.
- By expanding its international availability, Proximus has over **700 active roaming agreements** for everything including VoLTE, 5G and IoT coverage.
- In the **survey** held end of 2022, **96%** of our wholesale customers said they were satisfied, with **70%** very satisfied to extremely satisfied.

International activities

The acquisition of the **full ownership of BICS and Telesign** in 2021 gave us full strategic and operational flexibility. Since that point, both businesses have grown rapidly thanks to their respective management teams. Developing our international activities through BICS and Telesign has given us direct access to highly growing, adjacent digital communication markets which have significant future potential to be accretive to Proximus Group.

BICS

BICS is responsible for **international carrier activities** on the international communications market.

Communications platform

BICS's strategy revolves around **re-positioning the company as a communications platform** at the center of the digital communication market. By leveraging its leadership position within the traditional telecoms market, BICS is providing communication solutions to the enterprise market.

Partnerships

BICS has strengthened its leadership position through **strategic partnerships** across both the telecom and enterprise markets.

In July 2022, BICS announced its **partnership with Ooredoo Group**. BICS will manage voice services across Ooredoo Group's inbound and outbound operations. It includes the provision of fraud-protection solutions and the use of machine learning to enhance customer experience.

BICS and **Lynk**, the world's leading satellite-direct-to-phone telecoms service provider, announced their partnership, focused on using satellites to expand mobile coverage to remote and offshore areas around the globe. BICS is leveraging its network to pair Lynk's satellite constellation with the world's mobile operators, benefiting communities and allowing mobile operators to expand their coverage without investing in terrestrial cell towers.

In September, BICS partnered with global technology leader **Thales** to accelerate eSIM integration for IoT. Through an eSIM Connectivity Service, this partnership provides an instant bridge between IoT enterprises and mobile operators on a global scale.

BICS was also confirmed as a **Microsoft Teams Operator Connect partner**, enabling MS Teams Phone with cloud telephony via BICS's SIP Trunking solutions. The services are fully integrated with Teams in the Microsoft Azure Cloud and invite a simplified adoption of MS Teams for enterprises globally.

Achievements 2022

- The partnership with **Ooredoo Group** was announced.
- After launching its Communication Platform as a Service, BICS was recognized as a **"Notable Vendor for Communications Platforms as a Service"** in the Gartner "Market Guide".
- Gartner acknowledged BICS in the "Magic Quadrant", with a 4.5/5.0 rating for **"Managed IoT Connectivity Services"**.
- BICS was recognized as Compliant with the **Global Leader's Forum Code of Conduct** and as a **Microsoft Teams Operator Connect partner**.

Telesign

Telesign provides **digital identity services**, international **delivery authentication**, and **programmable communications** for the world's largest internet brands, digital champions, and cloud-native businesses.

Building trust in the digital experience

The prevalence and growth of communication fraud, account takeover fraud, and charge-back fraud have risen to alarming levels. They are costing companies billions of euros each year. With over 2,200 behavioral variables, phone number intelligence, traffic pattern analysis, and an extensive global fraud database, Telesign **assesses the risk of bad actors and pre-empts fraudulent activities**.

From onboarding and engagement to account integrity and fraud protection, Telesign **builds trust** across the full journey of digital experience for companies and their consumers. By signing new users globally with safe, simple, and secure approaches to onboarding, Telesign has helped **reduce the presence of fake and unreliable users**.

Telesign's growth strategy is built on four pillars:

- **Use-case and value-chain expansion** – Telesign evaluates whether new use cases would benefit from its digital identity and programmable communication capabilities. Its current focus is on transaction-fraud management and risk-based authentication, while also seeing opportunities in areas such as single sign-on, document verification, and digital-channel measurement services. Additionally, there are substantial product-cross-selling opportunities across Telesign's customer base.
- **New customer segments** – Telesign also sees profitable growth emanating from new customer segments. Today, its customers are mostly larger organizations with higher levels of sophistication. But a tremendous, margin-accretive opportunity is opening up in extending Telesign's customer focus to mid-market companies and SMEs. Telesign is increasing digital marketing and internal sales resources to focus on these segments and integrating low-code/no-code graphical design tools popular with SMEs.
- **Geographic expansion** – Telesign has opportunities to significantly add to its growth by expanding geographically. In 2022, only 30% of its revenue came from customers based outside the US. Telesign can grow international revenue with its existing large-cap customer base, while also adding new non-U.S. customers. To accomplish this, Telesign is onboarding additional sales and marketing resources outside North America, including demand generation, account and customer success managers, and account-based marketing. M&A will also be considered to establish Telesign's presence in regions of strategic interest.

- **Market growth** – As the world continues to transform offline consumer activities into digital experiences, as mobile becomes the primary source of identity, and as machine learning and analytics become critical in addressing fraud, Telesign's **global addressable market is also growing rapidly**. Telesign is well positioned to take advantage of this growing market.

Achievements 2022

- Gartner recognized Telesign as a **representative vendor for "Communications Platforms as a Service"** in their 2022 "Market Guide", while Forrester Research listed the company as a notable vendor in their "The Identity Verification (IDV) Landscape, Q3 2022" report.
- Telesign has undergone considerable growth over the year. The team of 507 employees at the end of 2021 has grown to **714 employees**.
- This was necessary with **a 91% increase in sales bookings** over the year and an expansion in our coverage that now sees us servicing more than **230 countries and territories**.

Contributing to a better society

#inspire2022 is a growth plan and we want this growth to be sustainable and responsible. On the consumer market, being sustainable and responsible means, for example, offering **easy access to essential services**, such as health services or financial services.

On the enterprise market, together with customers and partners, we are developing innovative and smart solutions that **respond to critical environmental and societal challenges**.

At the same time, we are fully aware that an increasingly digitized world raises new challenges and risks, that we try to address in a responsible way.

Additionally, we are taking action to **manage and minimize our impact** on the environment with numerous initiatives, while **helping our customers reduce their own carbon footprint**.

The digital society must be inclusive. We already actively contribute to helping people develop digital skills. However, **adequately up-skilling the entire population is a big challenge**. Even if digital skills improve globally, they do so more slowly than the rate that society is becoming digitalized. As such, the issue of digital skilling is growing (and not only among senior citizens).

Trust is one of the most important success factors for becoming a truly digital society. That's why data security and cyber defense are so high on our agenda.

Detailed information on how Proximus contributes to making digital society accessible and to building trust in digital technology is available in the next chapter "Act for a green and digital society".

Act for a **green** and **digital society**

Act for a **green** and **digital society**

At Proximus, we want to help **build a fairer and more inclusive society**. We want to make the digital world we live in safer. And like all large companies, we have a role to play in the fight against global warming.

We are aware that the nature of telecom operations can have a significant impact on the environment and climate change. That's why we have been taking **action to reduce our impact on global warming**.

Between 2007 and 2021, **we cut our electricity consumption by 30%**. And, by 2026, we want to reduce our consumption by another 20%.

Confirming the strength of our commitment towards the environment, in September 2022, we became the first large Belgian company and third telco worldwide to acquire the SBTi validation for our net-zero targets. This means that as well as clear and scientifically validated targets to achieve net-zero greenhouse gas emissions by 2040, we have now also defined a comprehensive plan to achieve them.

‘We became the first large Belgian company and third telco worldwide to acquire the SBTi validation for our net-zero targets.’

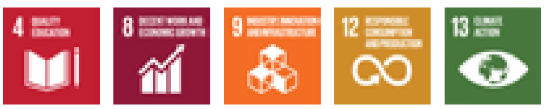
Beyond our responsibility to reduce our impact on climate, the telecom and ICT sector also has the ability and the opportunity to **help other sectors in their decarbonization efforts** through smart digital solutions.

Tech innovation and digitalization are part of the answer to the climate challenge. But we also realize that the increasing digitalization of society increases the risk of a digital divide. **We do not want to leave anyone behind**.

We're aware that not everyone has the same access to our services and products. With our low-price Scarlet brand – the Proximus "entry" range – and with our social tariffs, we contribute to **making connectivity affordable**. We support partners that develop digital skills in Belgium. But Proximus is making its biggest impact in two domains. By building the best gigabit network, Proximus will grant the entire population **access to high quality connectivity services**. And, as a leader in security and cloud sovereignty, we are contributing to **building trust in digital**, a necessary condition for people and companies to thrive in the digital world.

Link to material topics
Human rights
Sustainable infrastructure
Responsible supply chain
Circular economy
Energy and CO_2 emissions
Digital access
Privacy & data security

Link to Sustainable Development Goals



Contributing to the green transition

Proximus has a dual role to play in the fight against climate change. We reduce greenhouse gas emissions and move towards a circular economy, while also developing technology and solutions to empower consumers, businesses and organizations to limit their own footprint.

Our net-zero targets

By joining the **European Green Digital Coalition** in 2021, we committed ourselves to reach net-zero greenhouse gas emissions across our value chain by 2040. We also defined and aligned our environmental targets with the new Corporate Net-Zero Standard, launched by SBTi[1] in October 2021, and developed an action plan to achieve these targets.

In August 2022, the SBTi validated our near-term and long-term greenhouse gas (GHG) emission reduction targets. Concretely, we commit to **reach net-zero greenhouse gas (GHG) emissions across our entire value chain by 2040**, from a 2020 base year, ten years ahead of the 2050 ambitions pursued by Belgium. This target means an effective reduction of at least 90% of all our emissions (direct and indirect) and the use of carbon removal technology for the remaining emissions (less than 10%).

1 The Science Based Targets initiative (SBTi) is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). The SBTi drives ambitious climate action in the private sector by enabling organizations to set science-based emissions reduction targets.

We defined two stages in the achievement of our objectives:

Near-term targets:

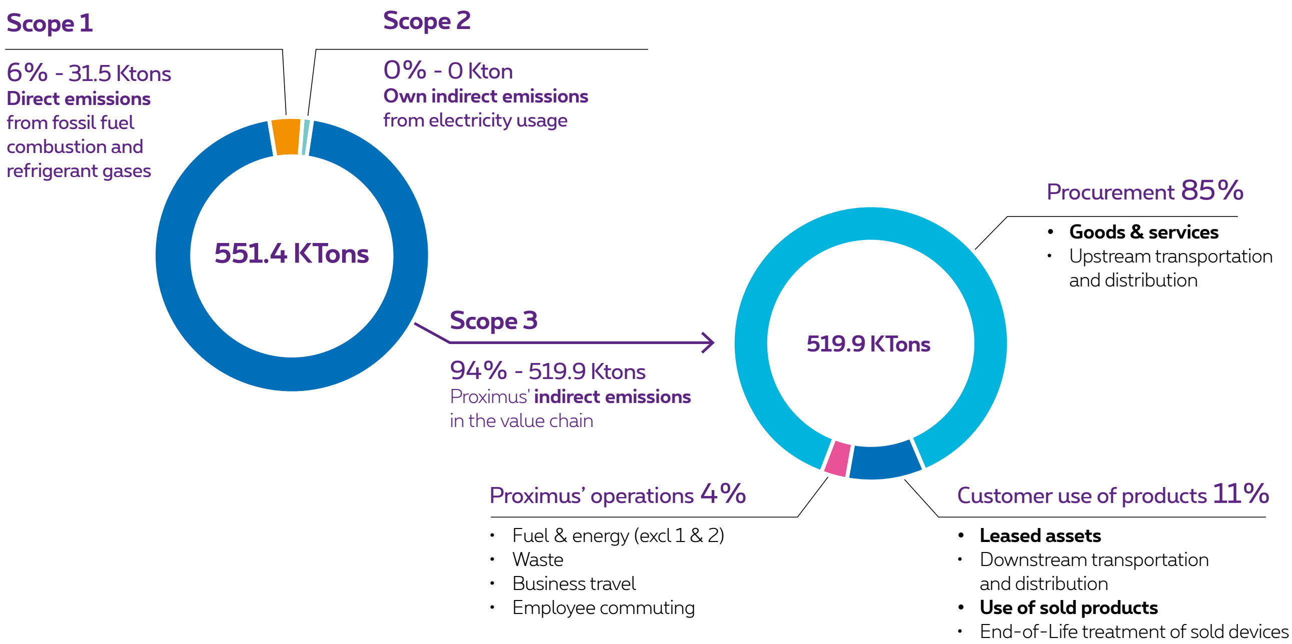
- Reduce absolute scope 1 and 2 GHG emissions by 95% by 2030 (from a 2020 base year).
- Continue to source 100% renewable electricity annually.
- Reduce absolute scope 3 GHG emissions by 60% by 2030 (from a 2020 base year).

Long-term targets:

- Maintain a minimum of 95% absolute scope 1 and 2 GHG emission reductions from 2030 through 2040 (from a 2020 base year).
- Reduce absolute scope 3 GHG emissions by 90% by 2040 (from a 2020 base year).

Reaching our net-zero target means we need to **work on all three scopes**. However, for a telco and ICT operator like Proximus, most of the work lies in reducing scope 3 emissions.

Breakdown of Proximus Group CO_2 footprint in 2022 (Scope 1 – 2 – 3)



Scopes 1 and 2: our direct and indirect emissions

Scope 1 emissions are direct emissions linked to fossil fuel combustion and refrigerant gases. Scope 2 emissions are our own indirect emissions linked to our electricity usage.

To date, 31.5 Ktons of our own direct emissions still need to be reduced to reach our 2030 target. This means **replacing fossil fuel heating systems with alternative heating technologies**, which requires an investment of € 17 million by 2030. Electrification of our management fleet will also require investment, but it is part of our normal vehicle-replacement cycle.

By 2030, Proximus will have completely **banned the use of fossil fuels for its vehicle fleet and buildings**. This transition is following its predicted course. The main challenges ahead of us are supply chain issues and the inadequate EV charging capacity in Belgium as well as the immature market for alternatives to fossil-fueled technical vehicles.

We are extremely vigilant about our electricity consumption and have a series of measures in place to keep it under control despite growing demand. We are continuously **evolving towards a more**

energy-efficient network by focusing on our technical buildings, mobile network, fixed access network and data centers.

In this respect, the **5G technology has built-in calibrated efficiency mechanisms**. In the long term, these mechanisms are expected to reduce the energy consumption of the network by a factor of up to ten compared to the energy consumption of 4G networks. Despite the expected high increase in data traffic, the increase in energy consumption of our mobile network will be limited to only 40% by 2026, thanks to 5G energy efficiency.

We made the switch to **100% renewable electricity** in 2019. Over the course of the next two years, we will enhance the amount of locally produced electricity by deploying solar panels on our suitable buildings. We have an ambition to tenfold our current solar production. And by 2026, we will work with more local electricity sources through investments in **Power Purchase Agreements** and long-term partnerships with Belgian wind and solar plants.

Scope 3: indirect emissions resulting from our value chain

Our scope 3 emissions are highly concentrated within our **procurement activities** and represent 17 times the amount generated by our own operations. They account for about 94% of our total CO_2 emissions in 2022. To reach our emission reduction targets, we are transitioning towards **sustainable sourcing as a standard practice**, which impacts the way we operate as well as the way we engage with our suppliers.

Internally, we are progressively transforming the way we operate to avoid carbon emissions:

- **Source less:** where possible we are shifting towards circular business models.
- **Source right:** when sourcing goods and services, we adapt our processes to select the most sustainable option from the most sustainable supplier. In other words, integrating environmental requirements in selecting what we buy and from whom we buy it.

Externally, we want to accelerate change by actively engaging our suppliers to embark on that same transition. Through our **Supplier Engagement Program**, we cooperate with our main suppliers to set emissions reduction targets that are just as ambitious as ours and to transparently disclose their progress annually. For key strategic suppliers, we continuously identify areas of improvement, for example validating (science-based) emission-reduction targets or purchasing renewable electricity. Identified action points are integrated into contractual clauses we invite our suppliers to commit to while supporting them to improve their climate change management.

> *Through our Supplier Engagement Program, we cooperate with our main suppliers to set emissions reduction targets that are just as ambitious as ours.*

Achievements 2022

Transportation

- More than **75%** of the new management cars we ordered were electric or hybrid.
- Proximus teamed up with companies like Danone, Delhaize, Schoenen Torfs and Telenet to come up with an efficient and sustainable way of delivering parcels to consumers and stores. In March, CULT (Collaborative Urban Logistics & Transport) started making **bundled emission-free deliveries** in the city of Antwerp.

Networks

- When phasing out old network equipment like legacy voice switches, we incorporate new, more **energy-efficient technologies.** In 2022, we completed the phase-out of our old DWDM network, resulting in an electricity saving of more than **1.65 GWh** on a yearly basis.
- We are **simplifying our network** by replacing technical buildings with extremely compact units, resulting in electricity savings of more than **24.5 GWh** or a reduction in CO_2 emissions of **4.36 kilotons** per year. We have phased out five large buildings in 2022, while a new program has been started up for phasing out smaller technical buildings as well. Thirty-four of those have already been phased out.
- As of 2022, we started with the **simplification & consolidation of our testing labs** for network equipment, service platforms and IT environments (which will continue in 2023 and 2024). Once these works have been completed, we will have one lab that will consume up to **40% less power** and occupy up to **45% less floor space.** As of now, we've already managed to reduce the power consumption by **0.8 GWh** on a yearly basis thanks to legacy switch-off, lab network simplification and virtualization activities.
- The accelerated fiber rollout allowed us to **reduce the number of remaining street cabinets, and make** them more compact, with an associated reduction in electricity consumption. In 2022, we switched off **nine** street cabinets and performed a **compaction in 33.** These numbers will continue to rise significantly over the coming years as more customers are migrated to the fiber products.
- Through Mwingz, we have continued the **consolidation of our mobile sites.** Once fully operational, the network sharing approach will allow us to reduce the number of base stations by **35%** as well as the mobile electricity consumption by **20%**, compared to a standalone scenario. Thanks to this consolidation, we have been able to switch-off **72 mobile sites** in 2022.
- We've kept the Power Usage Efficiency (PUE) of our **data centers** constant at **1.49** throughout 2022. This represents a **25% decrease** for the last decade.

Truly circular by 2030

Applying the principles of circular economy, such as eco-design, leasing vs. selling devices, repairing and refurbishing, and sharing agreements, are among the biggest levers for reducing indirect emissions (scope 3).

At Proximus, we are dedicated to no longer depleting raw materials but reusing them instead. **Our ambition is to reuse or recycle up to 90% of waste by 2025 and to reach zero waste by 2030.**

The deployment of networks and the manufacturing of devices have a significant impact on the environment. This is why we are increasingly integrating circularity principles into our business models. Consequently, we are using less new material, refurbishing more frequently, reducing the amount of goods purchased and ultimately reducing our emissions.

For the latest and all new generations of Customer-Premise Equipment (CPE), we collaborate on their **eco-design** with our suppliers to minimize their environmental footprint. Our newest Internet Box has a casing made entirely of recycled plastics, and compared to the previous model, it uses 24% less electricity and has a 30% lower environmental footprint (CO_2 emissions) per unit.

By delivering our equipment-as-a-service, we lease and retain ownership of our devices. After use by one customer, we collect the devices, refurbish them and repurpose them at another customer instead of purchasing new ones. By doing so, **we are able to refurbish more than 90% of our modems and decoders**. We return these devices to the market up to four times before recycling them.

"Our ambition is to reuse or recycle up to 90% of waste by 2025 and to reach zero waste by 2030."

Achievements 2022

Devices

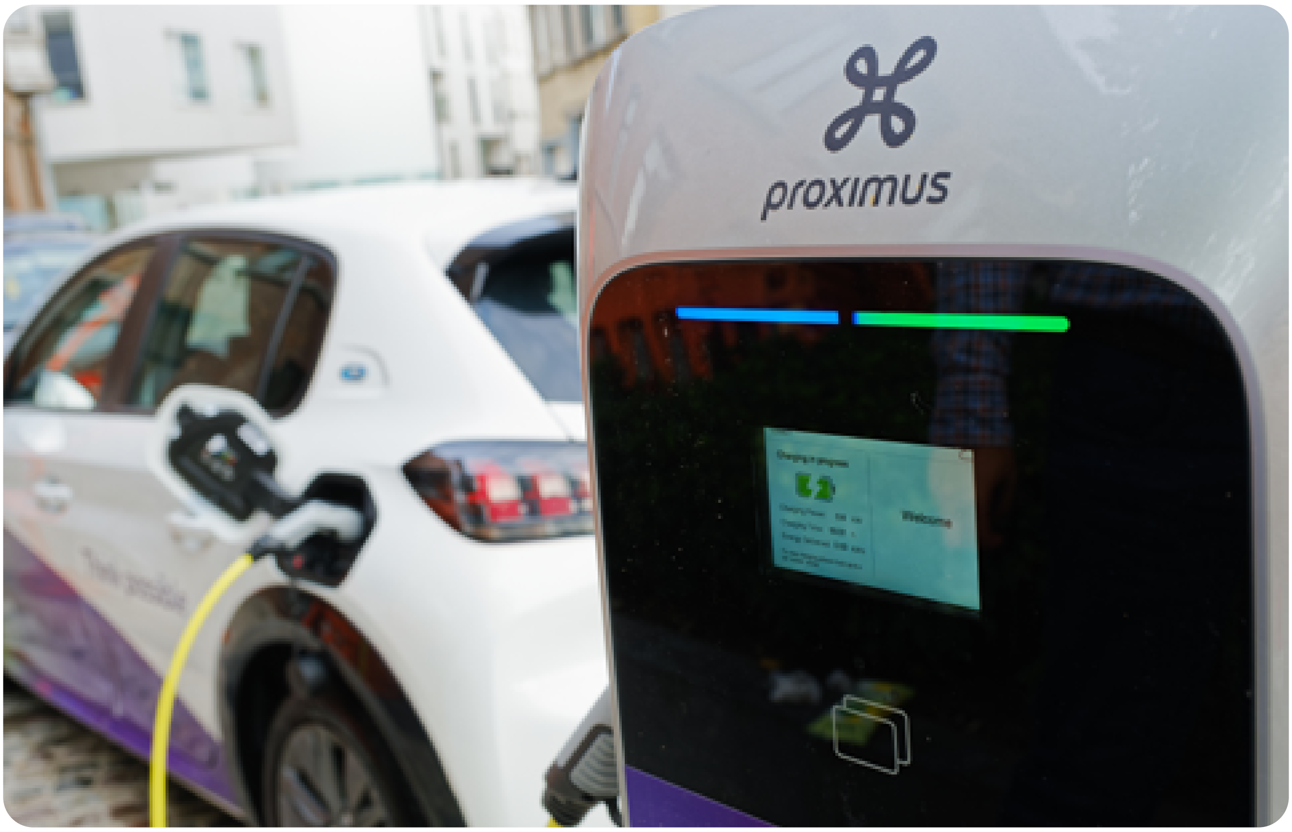
- By encouraging consumers to bring back their mobile devices, we **collected 121,042 smartphones** for refurbishment or recycling (vs. 80,406 in 2021).
- We offer **refurbished smartphones** as an alternative to new devices.
- We **refurbished 683,106 devices such as modems, decoders, power supplies and Wi-Fi Boosters** (vs. 845,000 devices in 2021).
- We launched the new **eco-designed Internet Box.**

Packaging

- We are eliminating unnecessary plastics, such as the plastic bags around cables or adapters. We use smaller boxes, made from recycled cardboard and our sleeves are printed using vegetable-based inks.

Network

- The replacement of the copper network with fiber has enabled Proximus to recover copper. In total, Proximus recovered **630 tons of copper cable** (vs. 859 in 2021). Recovered copper is sold for reuse.
- Our street cabinets have been given a second life as charge points for electric vehicles. Determined to play a leading role in accelerating the electrification of the Belgian car fleet, Proximus aims, with a partnership model, to provide additional **charging points for electric vehicles.**



Enabling the transition to a greener society

As a telco and ICT provider, Proximus is uniquely placed to enable its customers and society at large to reduce their greenhouse gas emissions.

Digital4Climate, the first Belgian study to provide scientific figures on the potential of digital technology to reduce our country's CO_2 emissions, demonstrates that by 2030, the positive impact of digital technology on the climate will be five times greater than its total footprint.

For consumers looking to make a responsible and sustainable choice when buying a new mobile phone, Proximus introduced the **Eco Rating label** in April 2022. This label, created by a consortium of telecom operators, is already used by 31 participating suppliers in 35 countries. It provides a clear environmental score for mobile phones.

Together with its business customers and partners, Proximus develops **smart digital solutions that optimize the use of resources and reduce CO_2 emissions**, such as monitoring of energy consumption, device leasing solutions, online collaboration and conferencing solutions.

Achievements 2022

- Proximus launched the **Eco Rating** label for smartphones.
- Proximus' solutions enabled its **business customers to reduce their CO_2 footprint** by **741 kilotons** (vs. 502 kilotons in 2021). This figure is higher than Proximus' carbon emissions (**551 kilotons** in 2022 vs. 459 kilotons in 2021).

Compliance and recognition

From working to reach net-zero greenhouse gas (GHG) emissions across our entire value chain by 2040 to being a truly circular company by 2030: our green ambitions are bold. We rely on certifications and programmes to tell us how we are doing and suggest further improvements.

Achievements 2022

- We became the **third operator in the world** to acquire the **SBTi** (Science Base Targets initiative) validation for our net-zero targets.
- The Proximus distribution center received the **3 stars Lean & Green** label after cutting its CO_2 emissions by **55%** since **2015.**
- Proximus received a **CDP Climate Change "A" score.** Proximus is also listed as a 2021 **CDP Supplier Engagement Leader**.
- For the sixth time in a row, Proximus received a **Gold label** from **EcoVadis.**

For more information

Biodiversity

In 2022 a **workgroup** started to explore what role Proximus should (or can) play in the field of biodiversity.

We already implemented **some biodiversity-related initiatives** such as reducing our land use, planting trees through our Banx partnership with Natuurpunt-Natagora, integrating biodiversity into the transformation of our Brussels headquarters and reducing our energy consumption.

Contributing to the digital society

In a world that's becoming increasingly reliant on digital solutions, we have a responsibility to ensure that everyone can use and benefit from this digitalization. First, by deploying a **network for all Belgians** and ensuring our digital services and products are **safe, inclusive and accessible** to everyone. Secondly, by **helping people to acquire the skills** they need to seize digital opportunities. Finally, by building cyber-resilient infrastructure and meeting high standards in **data and privacy protection**. Because, by playing a leading role in building the digital society in Belgium, we are committed to empowering everyone to benefit from technology.

'We have a responsibility to ensure that everyone can use and benefit from the digitalization.'

Access to digital for all

In 2022, we continued to improve connectivity in places that lacked high-performance internet connections. We made massive investments and entered joint ventures to provide gigabit connectivity throughout the country.

Affordability is also key. Thanks to the wide range of products in our portfolio, we ensure that **everyone can find a suitable solution**. Our Scarlet brand serves price-conscious consumers while Mobile Vikings has a sharply-priced mobile and "internet at

home" product that appeals to young people who make intensive use of mobile data.

The Federal Minister for Telecommunications validated the **"Internet for All"** project in February 2022. This project, in partnership with social organizations, provides economically disadvantaged Belgians with a modem that connects to a mobile network, with Proximus offering 50 GB/month of mobile data for two years, an offer that may be renewed depending on the user's situation. In 2022, we distributed 1,633 modems via this initiative.

We offer **social tariffs** to people in difficult economic situations. Moreover, to support underprivileged families who have been feeling the brunt of the severe inflation, Proximus lowered the price for its entry-level Internet access offer **Internet Essential** from € 27.50 to € 25 per month in May 2022.

In November 2022, the Belgian government agreed on a new social tariff for internet access, at € 19 per month. The new rate should be available from 2024 for over half a million low-income households.

Proximus has undertaken several initiatives to show our **support of the Ukrainian people** since the beginning of the war. One of them was the distribution of Proximus prepaid cards to Ukrainian refugees in Belgium with 10 GB/month as well as unlimited SMS and calls in the European Union. While, for families hosting Ukrainian refugees, we have removed the fixed internet data limit and switched them to unlimited internet, for our internet customers that don't have a pack where internet is already unlimited.

We have a partnership with **Bednet** and **ClassContact**, that allows children living with long-term illnesses to continue their education at home or in hospital through videoconferencing solutions. We support these organizations by providing internet connections and financial aid.

We test the accessibility of new smartphones and tablets in collaboration with the **Passe Muraille** association. Through their independent panel of people with disabilities, they guarantee that our devices meet everyone's needs. Our online catalogue uses icons to show which devices are adapted to users with disabilities.

Our websites Proximus.be and Proximus.com and our MyProximus and Pickx **platforms** are accessible to **people with hearing or visual impairments**. We offer adapted subtitles and audio descriptions on several channels on the TV platform Pickx as provided by the content providers. We intend to extend this functionality to other channels and programs in our video-on-demand catalogue. By 2024, 25% of programs in this catalogue should have audio descriptions and 25% should have adapted subtitles.

DigitAll, the digital inclusion alliance

According to a study by the King Baudouin Foundation as much as **46% of the Belgian population today risks being excluded** from our increasingly digitalized society. Digital exclusion affects Belgians of all ages and backgrounds who lack access to technology or have inadequate digital skills.

Proximus is a driving force, together with BNP Paribas Fortis, in **DigitAll**, an ecosystem of 49 companies, social organizations and government bodies **working together for more digital inclusion in Belgium**. By signing the Digital Inclusion Charter, they make a firm commitment towards taking action to close the digital divide and create awareness.

In 2022, DigitAll launched MobiDig and the Digital Inclusion by Design Index. **MobiDig**, a mobile e-inclusion solution, stimulates and supports social organizations to teach digital skills to hard-to-reach people, such as the homeless, vulnerable youngsters or elderly people.

The **Digital Inclusion by Design Index** is an online questionnaire to evaluate the inclusiveness and user-friendliness of digital tools such as apps and websites. It also provides tips to make improvements.

To make everyone aware of the risks of digital exclusion, a **nationwide communication campaign** was launched in June 2022. The campaign highlighted a little-known aspect of the problem, namely that many more of us than we realize are affected by digital exclusion. The campaign focused on the impact that digital exclusion can have on our human rights.

Empowering through education

We are a partner of **MolenGeek**, an organization in Brussels that helps less privileged job seekers with an entrepreneurial mindset to build their careers in the new digital world, and one of the founding partners of **School19**, the first free Belgian coding school.

Proximus is also a founder and long-term partner of **Technobel**, which offers ICT training courses to job seekers as well as information and awareness initiatives for citizens, schools and professionals. Technobel is – together with VDAB, Forem and Onem – one of the key players in equipping several hundreds of new people in our fiber ecosystem of partners.

Together with Signpost, Belgium's market leader for IT solutions in education, we offer **Academic Connect**. This solution allows teachers and students to step into the digital era and adopt new ways of learning.

Achievements 2022

- **23** new devices were tested for their **accessibility**. **52%** of the tested devices were deemed accessible for at least five disability categories (vs. 55% in 2021).
- **151,587** people benefitted from our **social tariffs** (vs. 160,225 in 2021).
- **23,700** prepaid cards were distributed to **Ukrainian refugees**.
- The **DigitALL** awareness campaign and the Digital Inclusion by Design Index were launched.
- **Technobel** trained **263** job seekers and taught **81** people fiber skills.
- 241 schools have signed a contract for Academic Connect of which **161 schools** were already connected to fiber.

Building trust in digital

We are actively involved in developing a safer digital society, being aware that the use of our networks and services may result in a risk of data security and privacy. Cybercrime has now become the fastest-growing form of criminal activity, with examples including cyberbullying as well as identity and data theft. By **building a cyber-resilient infrastructure** and meeting high standards in **data and privacy protection**, we empower everyone to benefit from the exciting opportunities that the digital world offers.

Security is our top priority when developing new infrastructure and digital services.

Proximus's role in the Benelux

Security is our top priority when developing new infrastructure and digital services. To guarantee our customers a safe ICT environment, we offer them **solutions for protection**. We also keep our **employees up to date** with the latest security practices and **raise awareness** among our customers. And because digital threats cross borders, we collaborate closely with national and international cyber authorities.

Within our company

In 2022, Proximus invested about € 8 million in its **Corporate Cyber Security Program** (vs. € 6.8 million in 2021). This investment is helping to make our company more cyber-resilient, while offering best-in-class secured services and networks to our customers. Moreover, the program protects our company against business disruption, supports the development of a modern API Security and Cloud and boosts our cybersecurity capacity to cope with the acceleration of threats.

To safeguard our company data and our customers' privacy we continuously **modernize our Identity and Access Management** (IAM) systems.

To demonstrate our commitment to the security of our customers and stakeholders, we are committed to maintaining a **Trusted Introducer Certification** and four **ISO 27001** certifications. These cover housing and hosting in our data centers, our remote operations center and our Explore range for enterprise connectivity.

We are **compliant** with the High Risk Vendors regulatory restrictions and with the regulatory restrictions for access to critical infrastructure. We have policies in place that ensure our vendors eliminate software vulnerabilities. When introducing new technologies, in-depth cyber security penetration tests are part of our standard processes.

Every year, our **Cyber Security Incident Response Team** (CSIRT) experts hold information sessions for our employees on the trends and threats CSIRT is monitoring at Proximus. We noticed an increase in social engineering attacks towards our employees with 199 attempts in 2022 compared to 152 in 2021. Due to the general increase in phishing attacks, we have also stepped up our efforts to **train our employees** to more easily identify phishing messages by organizing more frequent and diversified internal phishing simulations. We also encourage them to report suspicious emails to our CSIRT. These reports from our employees allow the Centre for Cybersecurity Belgium (CCB) to take action to prevent other organizations from falling victim to phishing.

For our customers

With the outbreak of COVID-19 and the war in Ukraine, there has been a **worldwide increase in cyberattacks** involving more targeted and sophisticated phishing campaigns, Distributed Denial of Service (DDoS) attacks or ransomware. At the same time, data has become a key asset for many organizations. Its use increases the need for protection, privacy and sovereignty.

Numerous **phishing** campaigns targeted our customers by impersonating and abusing Proximus brands. 126 phishing campaigns were recorded in 2022 versus 166 in 2021. Phishing messages via SMS are also on the rise.

Apart from phishing, **Distributed Denial of Service-attacks (DDoS)** are causing business disruptions within Belgian companies and governmental institutions. Therefore, we have **doubled our DDoS Defense platform capacity** and made additional investments to increase network protection from DDoS attacks.

In **partnership with AXA Partners**, we propose **Cyber Care** to our residential customers. This insurance policy offers technical, legal, financial and psychological support in the event of cybercrime.

For our business customers, security and sovereignty have become critical, as they are compelled to be data driven, cloud enabled and digitally end-to-end secure. Today, Proximus is already recognized as a leader in security thanks to its strong assets and its continuous innovation efforts. For example, we have entered into a partnership with **Microsoft** for the development of a **sovereign cloud solution**. It enables us to offer our customers both the power of the artificial intelligence of American clouds and the high level of data protection required by the European regulations, guaranteed by Proximus.

For society

Proximus is collaborating with the Centre for Cyber Security Belgium on the **Belgian Anti-Phishing Shield** (BAPS) project. It engages all Belgian telecom operators to block phishing websites that have been identified and verified by the Centre for Cyber Security.

Public awareness remains the best way to mitigate the risk of attacks. The CSIRT posts warnings on social media whenever a new phishing campaign that impersonates Proximus is detected. Furthermore, via this channel, we advise people on how best to protect themselves from cyberthreats. In addition, the Proximus Security Operations Center monitored 3.2 billion notable events in 2022, alerting enterprise customers of incidents and remedying them.

To raise awareness of internet safety among young people, Proximus takes part in the **Internet Safe & Fun Days** twice a year. For ten years our employees, trained by partner organization Child Focus, have visited primary schools to make children aware of safe and responsible internet use.

We also teamed up with the Centre for Cyber Security Belgium and the Cyber Security Coalition for **the 8th National Cyber Security Awareness Campaign**. In 2022, the focus of the campaign was on mobile security advising consumers to only download applications from official app stores.

Fostering Belgian expertise

The first objective of **Proximus Ada**, the Belgian center of excellence for artificial intelligence and cybersecurity, is to become a pillar of innovation and a center of expertise for all the companies of Proximus Group, both in Belgium and internationally. Proximus Ada will not only enable them to develop and launch new applications that will fuel their growth in Belgium and abroad, but to also build a safer digital space for users and society.

Exchanging knowledge and experiences is key to cyber-resilience in organizations and the protection of people. In 2022, Proximus handled 707 requests from law enforcement authorities to block access to websites. We cooperate closely with the judicial authorities and help them in their investigations into criminal offences, such as the possession and distribution of child pornography.

"The first objective of Proximus Ada is to become a pillar of innovation and a center of expertise for all the companies of Proximus Group."

We grow and share our expertise via a series of engagements:

- On a national level, we remain a committed partner to **BE-Alert**, a 24/7 public warning system used by the Belgian authorities to broadcast news and information in the event of a crisis.
- The **Belgian Cyber Security Coalition**, of which we are a co-founder, is a collaboration platform with cybersecurity experts from the public authorities, the academic world and the private sector. It aims to create awareness, exchange experience, foster operational collaboration and share policy recommendations.
- We cooperate closely with other European telecom operators through the **ETIS platform**, where we preside over the security workgroup.We are working together with the **European Network & Information Security Agency** (ENISA) to better understand the evolution of regulations.
- To stay up to date on new cyberthreats, we also engage with **NATO, Europol** (Cyber Crime Centre) and **Interpol** (Global Cybercrime Expert Group).

Proximus' role at EU and global level

BICS

BICS provides a comprehensive range of **fraud-prevention and security solutions** to protect all forms of telecom service (voice, SMS, roaming, and signaling). Its fraud prevention hub carries around half the world's data roaming traffic and analyzes millions of internal and external data points. Their solutions use crowdsourced intelligence, behavioral traffic analysis and machine learning to identify potential threats and global fraud trends.

By offering near real-time protection against new and known security threats, BICS' proactive fraud protection solutions block an average of 14 million fraudulent attempts per quarter and have saved their customers an estimated € 2.1 billion. In October 2022, BICS was reconfirmed as compliant with the GLF Code of Conduct to prevent fraud in international communications. BICS believes that telecom fraud is a global issue and, as such, needs to be tackled with a global, collaborative and open approach. As an active member of fraud prevention working groups and associations, BICS actively works to collaborate in the fight against fraud.

To bolster IPX security, BICS provides expertise in **Network Vulnerability Assessments** to test vulnerabilities on networks, as well as a Telecom Intrusion Detection System, which provides firewall-enhanced real-time detection of signaling attacks.

Telesign

Telesign offers a suite of **digital identity solutions**, which aim to prevent fraud, secure communications, and enable the digital economy by allowing companies and their customers to act with confidence that their digital interactions are safe and trusted. Billions of global digital signals pass through Telesign solutions to bring a stop to fake accounts and account takeovers, secure customer interactions and reduce and prevent fraud.

In May 2022, the company opened a **new data center in Brussels**.

Gaia-X

Since June 2021, Proximus has been a board member of Gaia-X, the European Association for Data and Cloud. The architecture of Gaia-X is based on the principle of decentralization, a result of a multitude of platforms that follow a common Gaia-X standard. The aim is to **develop a data infrastructure based on the values of openness, transparency and trust**. This membership puts Proximus at the forefront for the provision of innovative digital products and services, together with other European stakeholders from a variety of industries.

Achievements 2022

- **Cyber Security Resilience – 98.3 %** of major cybersecurity incidents with a potential visible impact on the business were prevented in 2022 vs. 96.81% in 2021.
- The Cyber Security Incident Response Team (CSIRT) prevented **1,808,008** customers from accessing **fraudulent websites** in 2022 (vs. 1,131,110 in 2021).
- The CSIRT conducted three **security assessments** for external customers that are active in the sectors of manufacturing industry, healthcare and administrative & supporting services.
- The **Internet Safe & Fun Days** reached **4,600** children in **111** schools (vs. 10,020 children in 167 schools in 2021).
- **BICS** was reconfirmed as compliant with the GLF Code of Conduct to prevent fraud in international communications.
- **Telesign** opened a new data center in Brussels.

Getting **our people** and organization ready for the future

Getting **our people** and organization ready for the future

Our people are the driving force of our company. We offer our employees a challenging and inspiring work environment where **everybody is encouraged to grow and be at their best** in an atmosphere of inclusion and collaboration, opportunities and contribution, innovation and responsibility.

‘We will be transforming our workspaces to create a sustainable and inspiring digital campus that is inviting and inspiring to human contact and co-creation.’

We are accelerating our transformation into a truly digital, customer-centric company, by transforming our operating model and adopting agile working methods. This approach allows us to respond to customer needs more quickly, delivering innovative solutions more swiftly. This is down to our engaging teams and individuals in a true spirit of ownership and customer orientation.

Teamwork and collaboration are at the heart of everything we do. Nurturing the positive team spirit in our workforce is at the core of our leadership practices. Over the coming years, we will be **transforming our workspaces** – both in Brussels and in our regional offices – to create a sustainable and inspiring digital campus that is inviting and inspiring to human contact and co-creation.

Link to material topics

Workplace wellness

Employee up-skilling, re-skilling and employability

Business conduct & ethics

Human Rights

Link to Sustainable Development Goals

Agile: the new way of working

Our new operating model aims to develop agile working on a large scale across the whole of Proximus. Our agile way of working will future-proof our organization while furthering us as a truly digital customer-centric company and capitalizing on the talents of all.

Becoming a genuinely agile company

In order to become the reliable reference brand and digital partner we want to be, more significant shifts are needed in the way we work. Shifts that will make us better able to **adapt to changing markets and customer expectations** with fast and efficient delivery of innovative solutions.

We believe agile working is the answer. Agile working is a **powerful way for us to fulfill our promises** and prove to our customers that we deserve their trust. It will empower our employees, encourage them to use their talents and set new standards for customer satisfaction. We use different flavors of agile working tailored to the teams' roles and needs.

Our agile transformation has been implemented as of January 2022. The new model became a reality for most Proximus employees, drastically changing the way they work, collaborate and deliver as an organization. Important training investments are made to build the right skills and leadership to make this happen. But there is still work to be done before it is fully adopted. Important training investments are made to build the right skills and leadership to make this happen.

We will continue the rollout in 2023. This way of working invites us to simplify our governance and to make our **"Think possible"** mindset and behaviors the motivating factor in everything we do.

“Think possible” culture

At Proximus, not only is what we do important, but also how we do it. Our “Think possible” brand promise also reflects our corporate culture. Because **thinking in terms of opportunities** is exactly what we do, every day. It is the mindset via which we realize projects, build partnerships and close deals. Our culture creates an environment in which we achieve the impossible. And in which we are constantly challenged to grow and learn new things. For our customers, for ourselves and our colleagues, but also for Proximus and for society.

The “Think possible” culture can be summarized in four main behaviors and is built on four values:

4 values: Collaboration - Agility - Customer Centricity - Accountability

Achievements 2022

- More than **2,500 employees** work in “agile tribes” – **multidisciplinary teams of experts**.
- **10 “agile circles”** have been launched with over **600 employees.** They bring together our customer service representatives with complementary knowledge and expertise to help solve customer problems from start to finish.
- All employees are getting onboarded in new **agile practices**.

Shaping the workforce of the future

With the war for talent set to intensify in the coming years, Proximus is proud of its **stimulating, inspiring work environment**. We are committed to helping our employees to blossom, and with a constant flow of attractive opportunities, we actively encourage them to continuously grow and develop. Particularly so for digital talents. In this fast-changing world, we fulfill every demand to keep up with new technologies and new ways of working. In doing so, Proximus also invests in the employability of its people in our digital future and their future professional life.

Up-skilling and re-skilling our workforce

Our employees have access to a range of up-skilling opportunities via our "learning@proximus" platform. It includes **a broad portfolio of courses** in various forms: from classroom training to digital modules and e-books.

The subjects range from mastering the basics of digital working, to specific courses designed to help employees stay up to date with developments in their fields of expertise. The platform also provides them with tools to build their futures and even take a new direction in their careers.

In 2022, we have **supported our employees to adopt the agile way of working** with investments in targeted coaching and learning modules. For example, we started a learning track on design thinking, a key aspect of our new agile approach. We organized an "Agile on Tour" week across various offices in

Belgium. All organized activities were about sharing knowledge and experiences with colleagues around the agile way of working.

We continuously upskill our field employees (engineers, technicians, splicers) and team members who are in direct contact with customers (in call centers and shops) in specific domains like fiber and other new technologies or applications. Our programs in **cybersecurity** lead to official certifications.

In 2022, through our partner **Technobel**, our employees had the opportunity to follow training courses related to the following topics: fiber, artificial intelligence, IoT, cybersecurity, programming, network fundamentals, cloud and 5G.

We noted that **senior employees** make less use of learning opportunities, so we encouraged and promoted their learning development. In 2022, they were given the opportunity to perform an online Skillscan. The results of the test and the possibility of individual coaching were used to guide them in their careers and professional development.

Attracting the best talent

Despite the challenging socio-economical context, the competition between companies to attract talent has not diminished. Talent acquisition and retention are key to safeguarding today's and tomorrow's excellent and innovative client solutions. Starting from our culture and daily employee experience, we launched **our employer branding campaign, "Think Possible with us"**, in 2022. It introduces a new promise where, thanks to our mindset, "we make things possible".

Through a targeted search for talent, we recruited employees in domains such as **sales, data analysis, UX design, IT architects and software development**.

In 2022, our **Proximus Graduate Program** offered 13 newly-graduated talents the exclusive opportunity to benefit from an extensive learning path. Made possible by a combination of challenging assignments and specially designed learning moments. A great chance to prepare for future key roles.

We aim for **Proximus Ada** to be recognized as an international center of excellence with a strong Belgian base, capable of attracting, training and retaining highly qualified and motivated Belgian talents. Initially, Ada employed around 50 experts in artificial intelligence and cybersecurity, but the expectation is that this figure will triple over the next three years for a total of 150 locally based experts.

In May 2022, we organized the first **Fiber Job Day** together with our partners at our headquarters in Brussels. Our aim was to promote fiber jobs and find motivated, talented people for a variety of roles related to the installation, maintenance and repair of the fiber network. Organized with partners such as FOREM, Actiris, VDAB and Bruxelles Formation, it was attended by more than 500 people.

Our annual measurement of **employee engagement** is our compass for a multitude of initiatives. Thanks to the high rating, we're proud to see many of our employees excel as ambassadors of our employer brand. In June 2022, we launched our renewed employee referral program, **"Bring a friend"**. This stimulates employees to refer people in their personal networks for open positions at Proximus in return for a small bonus if successful.

Achievements 2022

- We invested **€ 33.49 million** in employee re-skilling and up-skilling.
- On average, every employee attended **42.3** hours of training, in alignment with our ambitions.
- **1,324** employees switched jobs internally, vs. **782** in 2021.
- **456** new employees joined Proximus, vs. **443** in 2021.
- **164** employees recruited in future-oriented domains, vs. 172 in 2021.
- **514** new employees joined BICS and Telesign, vs. **286** in 2021.
- **336** new employees joined Proximus B2B affiliates, vs. **260** in 2021.

Embracing the hybrid way of working

We are fully embracing the new ways of working, growing towards a new **balance of working at the office and working from home**, bearing in mind the environmental impact of commuting, the importance of face-to-face contact and the benefits and convenience that working from home offers. Even before the COVID-19 pandemic, Proximus allowed two days of homeworking for most of its employees and this evolved further to three days.

We aim for success in this transition of work habits by investing in digital platforms and leadership coaching as well as supporting colleagues in the challenges of this new environment. One where results, effectiveness, balance and collaboration prevail on physical presence for everybody.

Campus: reinventing the workspace

By the end of 2026, our Brussels headquarters will be transformed into **a sustainable and inspiring digital campus**, connected to our regional offices and the home workspaces of our employees.

With Campus, we will reshape our ways of working, transforming our culture, adapting our policies and processes, and leveraging technology to help us **become more efficient and effective**. In so doing, we're ensuring that our workspaces support our "Think possible" mindset.

Campus allows us to embrace and promote sustainability, helping us to minimize our environmental footprint while connecting our new building more with the neighborhood.

Campus is not just about Brussels. We have foreseen eight administrative buildings as future **regional campuses**. As in Brussels, we will move away from the "one size fits all" philosophy. We plan on launching different pilot programs to **test a range of different workspace concepts**. We anticipate having the work on the regional campus buildings completed by the end of 2025.

In a nutshell, Campus will give us a choice of where and how we work. We target the combination of digital and physical work based on a belief that the encounter of human beings remains vital for selected activities. Campus also allows us to embrace and promote sustainability, helping us to minimize our environmental footprint while connecting our new building more with the neighborhood.

The right digital tools

To facilitate digital communication, we are offering our employees a set of secure and user-friendly digital tools that can be used on any device, as well as the **training to master these tools**. Examples include **Dr Digital** – training to improve digital skills in the different applications that make up Office 365 (Outlook, OneNote, SharePoint, PowerPoint, Excel, etc.).

WAP+, our social enterprise portal, connects our employees at both individual and organizational levels. The **Spencer** app helps them manage their holidays, absences and team calendar from their mobile devices.

Proximus employees have access to **Vaigo – the platform that integrates all the options within their mobility budget**. This makes it easy for them to purchase train or bus tickets, enter their expenses, keep an overview of their spending, and plan their travel. Since June 2022, employees have been able to use their mobility budgets to buy a bicycle to travel to work. Via Vaigo, Proximus provides financial support for office equipment they use while working from home (chairs, monitors, wireless headsets, ergonomic computer mice).

In 2022, we also introduced several new handy services for our employees, such as an app to report problems in our buildings, and the **"ProxiRoom"** tool, which helps employees find a suitable workplace in one of our smaller Proximus buildings from which they can work remotely.

Creating a positive work environment for everyone

We are constantly working to build and maintain a positive work environment. Our workplace culture reflects the power of embracing diversity and inclusion. We strongly commit to fuel general well-being. Through various programs, workshops, campaigns and events, Proximus stimulates the physical, social and mental health of its employees.

Diversity and inclusion

Diversity and inclusion are fully embedded in who we are at Proximus. **Promoting diversity and inclusion**, makes a vital contribution to well-being and creates the best conditions for our employees to develop personally and professionally. Our workforce is made up of 62 nationalities.

A **diverse workforce** helps to maintain a work environment that fosters different perspectives in its creativity and innovation, and reflects the diversity of our customers, market and society at large.

In 2022, we developed a specific digital module for all our customer-facing employees on **inclusive communication**. The purpose of this module is to introduce a few principles for gender-inclusive communication that each employee can draw on and adapt to the context in which they operate. In our recruitment and branding campaigns, we target under-represented communities to strengthen our talent base.

Find out more about our engagement in this domain in our 'Diversity and inclusion' statement.

Being our best selves at work

We are creating a positive work environment where people feel good and feel valued, where working conditions are adapted to personal needs, and where employees are healthy, engaged and actively contribute to our company's ambitions. This is a different story for every team and individual. That's why we must remain attentive, measure regularly and identify as well as address potential topics.

We hold **regular "Speak-Up" surveys** among our employees on their experiences at work, where we assess all aspects that drive their engagement and well-being. These surveys have helped us take the steps necessary to improve employee well-being.

We regularly call on our internal **social consultants and prevention advisors** to support our employees in different areas of well-being at work, such as their psychosocial and ergonomic needs.

With our **Work-Life Community**, our employees and their families benefit from complementary services such as the Proximus Fun Day, organized school-holiday activity camps for children and, through Proximus Affinity, discounts on various brands.

We also ensure that every employee can **work in a safe and healthy manner**. Our departments Human Resources (HR) and Prevention and Protection (CPP) are the driving force behind all Proximus well-being activities. They define a common well-being policy and offer advice on all problems surrounding this topic.

Find out more about our commitment in this area in our social statement.

"We ensure that every employee can work in a safe and healthy manner."

Manage for impact, manage responsibly

Governance and compliance

Corporate governance statement

Corporate governance aims to define a set of rules and behaviors according to which companies are properly managed and controlled, with the objective of increasing transparency. It is a system of checks and balances between the shareholders, the Board of Directors, the Chief Executive Officer and the Leadership Squad. Proximus is committed to comply with the legal and regulatory obligations and best practices.

Proximus governance model

At Proximus, we know that doing business the right way is our license to operate. We put the right measures in place to ensure our business is conducted ethically. This first of all means having a clear governance model, which for us, as a limited liability company under public law, is imposed by the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 23 March 2019 ("the Belgian Code of Companies and Associations") and the Belgian Corporate Governance Code of 2020.

The key features of Proximus' governance model are:

- a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management
- an Audit & Compliance Committee, a Nomination & Remuneration Committee and a Transformation & Innovation Committee created by the Board within its structure
- a Chief Executive Officer (CEO) who takes primary responsibility for operational management including, but not limited to, day-to-day management
- a Leadership Squad which assists the CEO in the exercise of his duties.

We not only follow the law but want to ensure every one of our collaborators is aware of the behaviors to follow and to avoid. Therefore, Proximus adopted a Code of Conduct, applicable to all employees. Proximus employees must follow a mandatory training on the application of the principles of the Code of Conduct. On top of this, we have various internal policies to make sure our employees act ethically.

Board of Directors

The Board of Directors is composed of no more than fourteen members, including the person appointed as Chief Executive Officer. The CEO is the only executive member at the Board. All other members are non-executive Directors.
Directors are appointed for a renewable term of up to four years. According to the limits for independent Directors, defined in article 7:87 of the Belgian Code of Companies and Associations and the 2020 Corporate Governance Code, the maximum term for independent Directors is limited to twelve years. The Board of Directors decided in 2021 that this maximum term also applies for the non-independent Directors.

The Directors are appointed at the general meeting by the shareholders. The Board of Directors exclusively recommends candidates who have been proposed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee takes the principle of reasonable representation of significant stable shareholders into account and any shareholder who holds at least 25% of the shares has the right to nominate Directors for appointment pro rata to his shareholding. Based on this rule the Belgian State has the right to nominate 7 Directors. All other Directors must be independent within the meaning of article 7:87 of the Belgian Code of Companies and Associations and of the 2020 Corporate Governance Code and at any time the Board needs to have at least 3 independent Directors. Proximus is proud of a substantial female representation on its Board of Directors. This composition and the complementary expertise and skills of all directors create a dynamic which benefits the good management of the company.

Composition of the Board of Directors

Members of the Board of Directors appointed by the General Shareholders' Meeting upon proposal of the Belgian State

Name	Gender*	Age	Position	Term
Stefaan De Clerck[1]	M	71	Chairman	2013 – 2025
Guillaume Boutin	M	48	Chief Executive Officer	2019 - 2024
Karel De Gucht	M	69	Director	2015 - 2025
Béatrice de Mahieu[3]	F	50	Director	2022 - 2026
Martine Durez[2]	F	72	Director	1994 - 2022
Audrey Hanard[3]	F	37	Director	2022 - 2026
Ibrahim Ouassari	M	44	Director	2021 - 2025
Isabelle Santens[2]	F	63	Director	2013 - 2022
Claire Tillekaerts[3]	F	66	Director	2022 - 2026
Paul Van de Perre[2]	M	70	Director	1994 - 2022

Members of the Board of Directors appointed by the General Shareholders' Meeting

Name	Gender*	Age	Position	Term
Pierre Demuelenaere	M	64	Independent Director	2011 - 2023
Martin De Prycker	M	68	Independent Director	2015 - 2023
Catherine Rutten	F	54	Independent Director	2019 - 2023
Joachim Sonne	M	48	Independent Director	2019 - 2024
Agnès Touraine[4]	F	68	Independent Director	2014 - 2026
Catherine Vandenborre[4]	F	52	Independent Director	2014 - 2026
Luc Van den hove	M	63	Independent Director	2016 - 2024

* F: Female / M: Male

1 By decision of the AGM of 20 April 2022, the mandate of Mr. Stefaan De Clerck was extended until the AGM of 2025

2 The mandates of Mrs. Martine Durez, Mrs. Isabelle Santens and Mr. Paul Van de Perre ended at the AGM of 20 April 2022

3 By decision of the AGM of 20 April 2022, Mrs. Béatrice de Mahieu, Mrs. Audrey Hanard and Mrs. Claire Tillekaerts were appointed until the AGM of 2026

4 By decision of the AGM of 20 April 2020, the mandates of Mrs. Agnès Touraine and Mrs. Catherine Vandenborre were extended until the AGM of 2026

Attendance Board of Directors and Committee meetings

In 2022, seven meetings of the Board of Directors were held, four meetings of the Audit & Compliance Committee, four of the Nomination & Remuneration Committee and two of the Transformation & Innovation Committee.

Name	Board (total 7[1])	ACC (total 4)	NRC (total 4)	TIC (total 2)
Stefaan De Clerck	7/7	4/4	4/4	2/2
Guillaume Boutin	7/7			
Karel De Gucht	7/7	4/4		
Béatrice de Mahieu[3]	6/6			1/1
Pierre Demuelenaere	7/7		4/4	
Martin De Prycker	7/7		4/4	2/2
Martine Durez[2]	1/1		1/1	
Audrey Hanard[3]	3/6			
Ibrahim Ouassari	7/7			2/2
Catherine Rutten	7/7	4/4		
Isabelle Santens[2]	1/1			
Joachim Sonne	7/7	4/4		
Claire Tillekaerts[3]	4/6		2/2	
Agnès Touraine	6/7			2/2
Catherine Vandenborre	6/7	4/4		
Luc Van den hove	7/7		4/4	2/2
Paul Van de Perre[2]	1/1			1/1

ACC: Audit & Compliance Committee; NRC: Nomination & Remuneration Committee; TIC: Transformation & Innovation Committee

1 Extraordinary remunerated Board meetings on 12 May 2022 and 27 June 2022

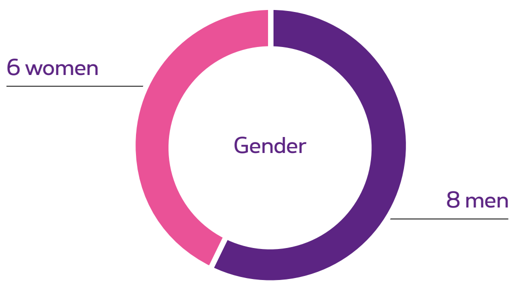
2 Mandates ended on 20 April 2022

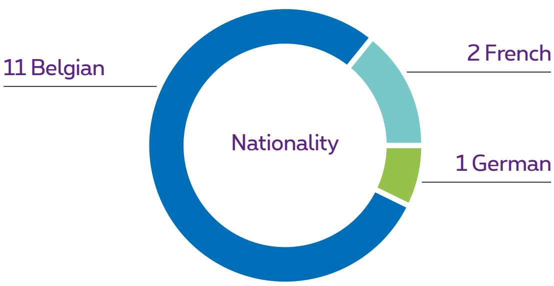
3 Appointed on 20 April 2022

Diversity at the Board of Directors

The Board of Directors takes into account how it will enhance diversity of the Board of Directors with respect to gender, age and nationality when replacements and appointments are considered.

The diversity characteristics for the Board of Directors can be visualized as follows:





Functioning of the Board of Directors

The Board of Directors meets whenever the interests of the company so require or at the request of at least two Directors.

In principle, the Board of Directors holds five regularly scheduled meetings annually, plus one meeting dedicated to the affiliates.

The Board of Directors also yearly discusses and evaluates the strategic long-term plan in an extra meeting.

In general, the Board's decisions are made by simple majority of the Directors present or represented, although for certain issues a qualified majority is required.

The Board of Directors has adopted a Charter which, together with the Charters of the Board Committees, reflects the principles by which the Board of Directors and its Committees operate.

The Board Charter stipulates, among other things, that important decisions should have broad support, understood as a qualitative concept indicating effective decision-making within the Board of Directors following a constructive dialogue between Directors.

Files on important decisions are prepared by standing or ad hoc Board Committees, with significant representation of non-executive, independent Directors within the provisions of article 7:87 of the Belgian Code of Companies and Associations.

Committees of the Board of Directors

Proximus has an Audit & Compliance Committee, a Nomination & Remuneration Committee and a Transformation & Innovation Committee.

The members of the committees are appointed by the Board of Directors, after consultation with the Nomination and Remuneration Committee, for a renewable term of, in principle, three years (Bylaws & Charters | Proximus Group)

Audit & Compliance Committee

The Audit & Compliance Committee (ACC) consists of five non-executive Directors, the majority of whom are independent. In line with its Charter, the Committee is chaired by an independent Director.

The Audit & Compliance Committee's role is to assist and advise the Board of Directors in its oversight of:

- The financial and non-financial reporting processes
- Efficiency of the systems for internal control and risk management of the company
- The company's internal audit function and its efficiency
- The quality, integrity and legal control of the statutory and the consolidated annual accounts and the financial and non-financial statements of the company, including the follow-up of questions and recommendations made by the auditors
- The relationship with the company's auditors and the assessment & monitoring of the independence of the auditors
- The company's compliance with legal and regulatory requirements
- Compliance within the company with the company's Code of Conduct and the Dealing Code.

Critical concerns are communicated to the Board via the Audit & Compliance Committee. External audit reports comprise financial & IT security risks. Internal audit reports cover financial, compliance and IT security risks. The Audit & Compliance Committee is informed of all discussions and decisions taken by the management in the Risk Management Committee .

The Audit & Compliance Committee meets at least once every quarter.

The members of the Audit & Compliance Committee (composed of non-executive members of which two are female and three are male), are: Mrs. Catherine Vandenborre (Chairwoman), Messrs. Stefaan De Clerck, Karel De Gucht (as of 1 January 2022), Joachim Sonne and Mrs. Catherine Rutten.

A majority of the members of the Audit & Compliance Committee have extensive expertise in accounting and audit. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. The Chairwoman and the majority of the members exercised several Board or executive mandates in large Belgian or international companies.

Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) consists of five Directors, the majority of whom are independent. In line with its Charter, this Committee is chaired by the Chairman of the Board of Directors, who is an ex-officio member.

The Nomination & Remuneration Committee's role is to assist and advise the Board of Directors regarding:

- The nomination of candidates for appointment to the Board of Directors and the Board Committees
- The appointment of the CEO and of the members of the Leadership Squad on proposal of the CEO
- The appointment of the Secretary General
- The remuneration of the members of the Board of Directors and the Board Committees
- The remuneration of the CEO and members of the Leadership Squad
- The annual review of the remuneration concept and strategy for all personnel, and specifically the compensation packages of the Leadership Team
- The oversight of the decisions of the CEO with respect to the appointment, the dismissal and the compensation of Management
- The preparation of the remuneration report and the presentation of that report at the Annual General Shareholders' Meeting
- Corporate governance matters.

The Nomination & Remuneration Committee meets at least four times per year.

At the beginning of each year, the Committee reviews the performance, budgets for pay-out of bonuses and merits and long-term and short-term incentive plans. At that meeting, the concept and strategy of the remuneration policy is also discussed. The Committee determines the performance measurement targets of the CEO and the members of the Leadership Squad through Key Performance Indicators.

The members of the Nomination & Remuneration Committee (composed of non-executive members of which one is female and four are male) are: Messrs. Stefaan De Clerck (Chairman), Pierre Demuelenaere, Martin De Prycker, Luc Van den hove, Mrs. Martine Durez (until 20 April 2022) and Mrs. Claire Tillekaerts (as of 28 April 2022).

Transformation & Innovation Committee

The Transformation & Innovation Committee (TIC) consists of a maximum of six Directors. In line with its Charter, the Chairman of the Board of Directors is ex-officio member, and the Committee is chaired by the Chairman of the Board of Directors. Three members are appointed among the independent Directors.

The Transformation and Innovation Committee is a permanent committee of the Board, discussing those selected files that need preparatory reflection and need to mature before being brought to the Board for decision. The topics discussed at the Transformation and Innovation Committee may be of diverse nature and will evolve over time depending on the company's needs and could deal with matters concerning a.o. technology, network, branding/marketing, sustainability, transformation, HR skills, digitalization… If appropriate, the Board of Directors can decide on establishing a special ad hoc Committee, dealing with a specific subject and composed of members with the appropriate experience.

The members of the Transformation & Innovation Committee (composed of non-executive members of which two are female and four are male) are: Messrs. Stefaan De Clerck (Chairman), Martin De Prycker, Ibrahim Ouassari (as of 1 January 2022), Luc Van den hove, Paul Van de Perre (until 20 April 2022), Mrs. Agnès Touraine and Mrs. Béatrice de Mahieu (as of 28 April 2022).

Sustainability governance

The commitment of embedding sustainability in everything we do is achieved by integrating it in operational management under the supervision of the Board of Directors and under the responsibility of the CEO and the Leadership Squad in the capacity of the Corporate Affairs Lead as Sustainability Champion.

By regularly introducing a variety of sustainability topics at the Board and its committees as well as discussing our ambitions, strategy, goals and advancement on sustainability we ensure that Board members acquire the right skills and experience and keep up to date with environmental, social & governance matters. Through the CEO Activity Report, achievements are reported bi-monthly towards the Board who also reviews progress on a quarterly basis as part of the strategic review. Sustainability related risks, including but not limited to climate-change risks, are part of the Audit & Compliance Committee's oversight of risk management.

Reporting and tracking happen on a monthly basis towards the Leadership Squad allowing fact-based discussions and prioritization. Key sustainability initiatives have been identified and are managed jointly by the business units and the sustainability team. A monthly status is made to a steering committee, KPIs and budget are reported quarterly to the strategic management team.

The sustainability impact is integrated into every file or initiative that comes on the agenda of the Leadership Squad meetings. Our sustainability ambitions are reflected in the management incentives (more details can be found in the remuneration report on page 116).

Further corporate governance, compliance and risk management information related to sustainability can be found in the Compliance & Ethical standards section of this Governance Report, the Risk management Report, the Diversity & Inclusion Statement and the non-financial Statements.

Detailed non-financial figures can be found in the Environmental and Social Statements.

The progress towards assessing EU taxonomy alignment and implementing the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) is explained in the non-financial Statements.

The #inspire2022 strategy ambitions and 2022 achievements can be found in the second chapter .

Deviation from the 2020 Corporate Governance Code

Proximus complies with the 2020 Corporate Governance Code except for two deviations.

Provision 7.6 stipulates that a non-executive board member should receive part of his/her remuneration in the form of shares in the company. Because of its specific shareholdership, having the Belgian State as majority shareholder, the company opts not to introduce share-related remuneration at this stage.

For the same reason Proximus is not compliant with provision 7.9 that stipulates that the Board should set a minimum threshold of shares to be held by the executives.

Relationship Agreement

In accordance with article 8.7. of the 2020 Corporate Governance Code, Proximus concluded in December 2022 a Relationship Agreement with its majority shareholder, the Belgian State. This agreement, that does not impact the autonomy of Proximus, nor the competences of its corporate bodies, has the aim to create a framework for the exchange of information, in full respect with the European and Belgian financial legislation. This Relationship Agreement is published on the company's website.

Conflict of interest

A general policy on conflict of interest applies within the company. It prohibits the possession of financial interests that may affect personal judgment or professional tasks to the detriment of Proximus Group.

On 24 February 2011, the Board adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its Board members.

The Board and each individual Director must respect all the rules relating to conflicts of interest between the Company and a Director. In case of conflict of interest, the meeting in which the conflict of interest is reported and the matter which gave rise to the conflict is published in the annual report of the relating financial year.

In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO, Mr. Guillaume Boutin, declared during the Board of Directors of 17 February 2022 to have a conflict of interest in connection with his performance evaluation for 2021, item on the agenda of that Board meeting.

Proximus has contractual relationships and provides also telephony, Internet, digital and/or ICT services to many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and at arm's length.

Insider trading and market manipulation (market abuse)

In order to comply with legislation on insider trading and market manipulation, Proximus adopted a Dealing Code prior to the Initial Public Offering. This Code aims to create awareness about possible improper conduct by employees, officers and Directors and possible sanctions. This Dealing Code has been widely communicated and is available to all employees. A list of key persons is kept, and all members of the Board and key employees were requested to sign an affidavit that they had read, understood and agreed to comply with the requirements of the related legislation. Closed periods are defined and communicated by the Group Compliance Office to those concerned.

Evaluation of the Board

The Board evaluates its performance and interaction with the executive management at least every three years. The latest evaluation took place at the end of 2021 together with external partner Guberna. The Board members were invited to answer an extensive questionnaire, followed by an interview between Guberna and each individual Board member. The Board members were asked their opinion on corporate governance at Proximus, the functioning of the Board and of the committees. Guberna concluded in 2022 that the assessment was overall positive and identified as main strengths a well-balanced composition of the Board, the high quality of information flow to the Board, a Board culture stimulating the decision-making in the interest of the company and an excellent leadership by the Board's Chair. As a result of the evaluation, the Board approved an action plan. First element is to increase the visibility for the Board on the governance of the affiliates. To this end a special yearly board is dedicated on this topic. The Board further decided to include in the management reporting to the Board a step-back of important investment files, comparing the business case with the achieved results. The Board further organised a benchmark on board and executive compensation and organized special onboarding sessions for the new members after the AGM of April

2022. Starting from the need for new competences, the Board did develop a competence dashboard, taking potential gaps into account when deciding on profiles for new directors.

Non-executive Directors regularly evaluate their interaction with the executive management and meet at least once a year without the CEO. At the beginning of every year, the committee chairs submit their annual reports to the Board.

Leadership Squad

Chief Executive Officer

In its meeting of November 27, 2019, the Board appointed Mr. Guillaume Boutin as new CEO. The CEO is entrusted with day-to-day management and reports to the Board of Directors. The Board has moreover delegated broad powers to the CEO.

The contract of Mr. Guillaume Boutin is a renewable six-year fixed term contract that started on 1 December 2019.

The AGM of 15 April 2020 extended his mandate as Board member until the AGM to be held in 2024.

Leadership Squad members

The members of the Leadership Squad are appointed and dismissed by the Board of Directors at the proposal of the CEO, after consultation of the Nomination & Remuneration Committee.

The powers of the Leadership Squad are determined by the CEO. The Leadership Squad's role is to assist the CEO in the exercise of his duties.

The Leadership Squad aims to decide by consensus, but in the event of disagreement, the view of the CEO will prevail.

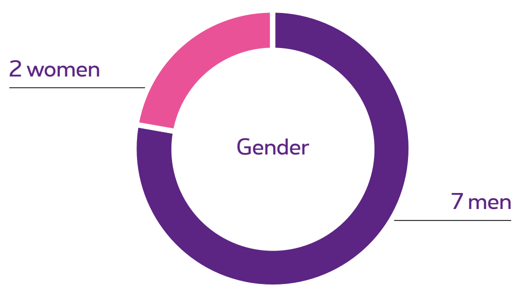
The Leadership Squad generally meets on a weekly basis.

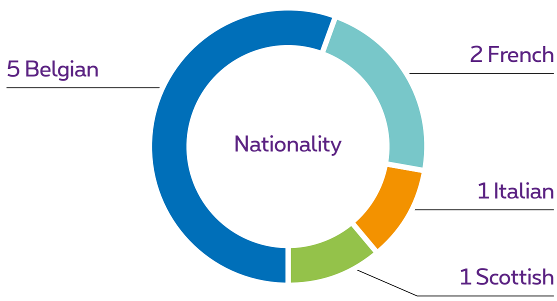
In 2022, the Leadership Squad, in addition to the CEO, was composed of the following members:

Name	Gender	Age	Position
Jim Casteele	M	51	Consumer Market Lead
Anne-Sophie Lotgering	F	48	Enterprise Market Lead
Dirk Lybaert	M	62	Corporate Affairs Lead and Secretary General
Antonietta Mastroianni	F	49	Digital & IT Lead
Mark Reid	M	51	Finance Lead
Geert Standaert	M	52	Network & Wholesale Lead
Renaud Tilmans	M	54	Customer Operations Lead
Jan Van Acoleyen	M	60	Human Capital Lead

Diversity at the Leadership Squad

The diversity characteristics for the Leadership Squad can be visualized as follows:





Board of Auditors

Composition

The Board of Auditors of the company is composed as follows:

- Deloitte Auditors SRL, represented by Mr. Geert Verstraeten (until April 20, 2022), also Chairman of the Board of Auditors and Mr. Koen Neijens (as of 20 April 2022)
- Mr. Jan Debucquoy, Member of the Court of Auditors
- Mr. Dominique Guide, Member of the Court of Auditors
- CDP Petit & Co SRL, represented by Mr. Damien Petit (until 20 April 2022).
- Luc Callaert SRL, represented by Mr. Luc Callaert (as of 20 April 2022)

Deloitte Auditors SRL, represented by Mr. Koen Neijens and Luc Callaert SRL, represented by Mr. Luc Callaert are responsible for the audit of the consolidated financial statements of Proximus and its subsidiaries. Deloitte Auditors SRL is also responsible for the review of non-financial performance indicators.

The other members of the Board of Auditors are, together with Deloitte, entrusted with the audit of the non-consolidated financial statements of Proximus as parent company.

The mandates of Deloitte Auditors SRL and Luc Callaert SRL for the audit of the consolidated financial statements will expire at the annual General Shareholders' Meeting in 2025.

Additional fees paid to the auditors

In accordance with the provisions of article 3:65 §2 of the Belgian Code of Companies and Associations, Proximus declares the supplementary fees that it granted during the 2022 financial year to two auditors, members of the Joint Auditors: Deloitte Auditors SRL and CDP Petit & Co SRL (until 20 April 2022) and Luc Callaert SRL (as of 20 April 2022).

The Group spent an amount of € 1,026,653 during the year 2022 for non-mandate fees for Deloitte Auditors SRL, the Group's auditors. This amount is detailed as follows:

Amount spent by the Group for non-mandate fees for Deloitte Auditors SRL

(in €)	Auditor	Network of auditor
Other mandatory audit missions	107,776	694,562
Tax advice		
Other missions	135,226	89,089
Total	**243,002**	**783,651**

In 2022 the Group did not spend an amount for non-mandate fees to CDP Petit & Co SRL and Luc Callaert SRL.

Amount spent by the Group for non-mandate fees for CDP Petit & Co SRL / Luc Callaert SRL

(in €)	Auditor
Other mandatory audit missions	0.00
Tax advice	
Other missions	
Total	**0.00**

Members of the Board of Directors

Guillaume Boutin

Mr. Guillaume Boutin has been Chief Executive Officer since 1st December 2019 and presides over the Leadership Squad of Proximus. He is Chairman of the Board of Directors of BICS and Telesign, as well as member of the Proximus Art Board.

Previously, Mr. Boutin joined the Proximus Leadership Squad as Chief Consumer Market Officer in August 2017.

Mr. Boutin started his career joining a web start-up. He then joined SFR where he successively held various positions in strategy, finance and marketing until he joined Canal+ Group in 2015 as Chief Marketing Officer.

He holds a "baccalauréat scientifique", followed by a degree in telecommunications engineering (Telecom Sud Paris "Programme Grande Ecole", 1997) and a degree from HEC Paris, "Programme Grande Ecole", obtained in 1999.

Stefaan De Clerck

Mr. Stefaan De Clerck is Chairman of the Proximus Board of Directors since 20 September 2013.

He chairs the Proximus Joint Committee, the Proximus Pension Fund and the Proximus Art ASBL/VZW. He is board member of the Proximus Foundation and of Connectimmo.

He is also member of the Orientation Council of Euronext, of the Strategic Committee of FEB/VBO, of the BBR (Benelux Business Roundtable) and of the Bureau of Eurometropole Lille-Kortrijk-Tournai.

Before Proximus, he served as a Member of the Belgian Parliament from October 1990 until October 2013. From June 1995 until April 1998 and from December 2008 until December 2011 he was the Belgian Minister of Justice. From 1999 until 2003 he was President of CD&V, the Flemish Christian-Democratic Party.

He was the Mayor of the city of Kortrijk (Belgium) from January 2001 until end-December 2012. Mr. De Clerck holds a Master's degree in Law from the Catholic University of Leuven.

Karel De Gucht

Mr. Karel De Gucht, State Minister, was the European Commissioner for Trade from February 2010 until 31 October 2014, where he was pivotal in negotiating, concluding and managing several European Free Trade and Investment Agreements worldwide.

Previously he served as Belgium's Minister of Foreign Affairs from 2004 to 2009, Deputy Prime Minister from 2008 to 2009, and as European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response from 2009 to 2010.

Currently he is the President of the Brussels School of Governance at the Vrije Universiteit Brussel (VUB) – his alma mater (Masters of Laws, 1976) and where he teaches European Law. He serves as a Director on the Boards of ArcelorMittal SA, of EnergyVision, Youston (Chair), Sprimoglass and is a Member of the Advisory Board of CVC Capital Partners.

He is also the manager of La Macinaia, a family-run wine producing company in the Chianti region (Italy).

Béatrice de Mahieu

Mrs. Béatrice de Mahieu is the CEO of BeCode, the largest social impact coding school in Belgium, since 1 September 2022.

From 2019 until September 2021, Béatrice de Mahieu was the CEO of Co.Station Belgium (a tech startup co-working and innovation hub) where she created and developed the open innovation business line.

Since the start of her career in 1999, Béatrice de Mahieu has worked successively for large telecom, tech and media companies (Telenet, Microsoft, Elle Belgium...) where she contributed to the growth strategies and digital transformation.

As of 2011, Béatrice de Mahieu started to work as a mentor and investor for technological and digital startups and guided them in their search for investors, the development of their strategy and the growth of these young companies.

Béatrice de Mahieu is currently a board member of Fintech Belgium, Ambassify, Slimme Regio Vlaanderen, Beefounders, We Tech Care and Agoria Brussels and an external innovation board member for NMBS and Elia Group.

Béatrice de Mahieu has a degree in Applied Communication – Advertising at the Institute for Higher Social Communication Studies (IHECS) and is co-author of “Pimento Map: evaluate the strength of your business plan” (2014) and “Shiftmakers: L'Art du (self)leadership dans les années 2020” (2022).

Pierre Demuelenaere

Until 31 August 2015, **Mr. Pierre Demuelenaere** was President and CEO of IRIS (Image Recognition Integrated Systems), a company he co-founded in 1987 to commercialize the results of his PhD and that became listed on Euronext in 1999.

Mr. Demuelenaere has more than 30 years of experience in Imaging and Artificial Intelligence. He has accumulated solid experience in technology company management, R&D management and setting up international partnerships with US and Asian companies (HP, Kodak, Adobe, Fujitsu, Samsung, Canon, etc.).

Throughout the years, he remained very involved in defining the R&D vision of IRIS and contributed to the development of new technologies, new products and the filing of a large number of patents.

In 2013, Mr. Demuelenaere successfully negotiated the acquisition of IRIS Group by Canon. The company has now become a member of the Canon Group.

Mr. Demuelenaere holds a Civil Engineering degree in Microelectronics from the UCLouvain and received his PhD in Applied Sciences in 1987. He has received the “2001 Manager of the Year” award and the “2002 Entrepreneur of the Year” award. In 2008, Data News elected him “ICT personality of the year”.

Amongst his other activities, in 2018 and 2019, he was Chairman of the Board of Directors and CEO ad interim of EVS Broadcast Equipment. He is also member of the Board of Directors of Guberna and Tessares, as well as Professor of management at the UCLouvain. He served for 7 years as a director on the Board of BSB, an insurance and banking software company, for 23 years on the Board of Pairi Daiza and for 10 years on the Board of e-capital, a Venture Capital Fund.

Martin De Prycker

Mr. Martin De Prycker is a managing partner of the Qbic Fund, an inter-university fund, supporting university spin-off companies in Belgium.

Mr. De Prycker was CEO of Barco between 2002 and 2009. Under his leadership he focused on, and made the company grow in markets using displays such as the medical, digital cinema, control and airline industry, and spinning off the non-core product lines such as graphics, textile and subcontracting.

Prior to that, he was CTO and member of the Executive Committee of Alcatel-Lucent. Before becoming CTO of Alcatel-Lucent, Mr. De Prycker was responsible for establishing the company’s worldwide market leadership in the broadband access market. Under his leadership, ADSL was transformed from a research project into a multi-billion-dollar business for Alcatel-Lucent.

Between 2009 and 2013 Mr. De Prycker was CEO of Caliopa, a startup of UGent/IMEC in silicon photonics, allowing the transport of hundreds of Gbps on optical fiber. Caliopa was acquired by Huawei in 2013. He is also a member of the Board of Directors of several companies, including EVS, Sentiance, Arkite, Venture Spirit and Faktion and Chairman of the Board of Calltic.

Mr. De Prycker holds a Ph.D. in Computer Sciences, a Master of Science in Electronics from the University of Ghent, as well as an MBA from the University of Antwerp.

Audrey Hanard

Mrs. Audrey Hanard is a Partner at Dalberg Global Advisors, a mission-driven strategy advisory firm focusing on sustainable impact. She works with her clients, who are NGOs, UN agencies, governments and foundations to improve educational and employment outcomes globally by developing, implementing and measuring impactful strategies in support of inclusive development. In doing so she leverages 10+ years of experience advising corporate, government and philanthropic clients on those topics as a manager with McKinsey & Co, and with Telos Impact.

Audrey Hanard is currently the Chair of the Board of Directors of bpost, the leading Belgian postal and e-commerce operator working with 36,000 staff worldwide. She is also the President of Be education, an organization supporting initiatives that contribute to improving the quality of education in Belgium. She previously was President of the Friday Group, a think tank of young Belgian talents from different professional backgrounds determined to inspire Belgian policy through diversity.

Audrey Hanard holds a MSc in Business Engineering from the Université Libre de Bruxelles (Solvay Brussels School, ULB) and a Master of Public Administration from Columbia University (School of International and Public Affairs).

Ibrahim Ouassari

Mr. Ibrahim Ouassari is the founder and CEO of MolenGeek. After an atypical and self-taught career in technology, Ibrahim has established himself as an accomplished consultant in the sector since 1999. He then left the consulting industry to launch his entrepreneurial career with several companies and worked with clients from some of the largest and most renowned companies.

It was his experience that led him to launch MolenGeek in May 2015, an inclusive international technological ecosystem that makes the "TechWorld" accessible. It is at that moment that Ibrahim took up one of his greatest challenges: to merge two worlds that do not meet. On the one hand, unsuspected talents from working-class neighborhoods and on the other hand, the world of technology.

MolenGeek is an international solution that brings new perspectives to thousands of young people. Ibrahim combined his entrepreneurial tech experience and his knowledge of the field to reveal talents by introducing them to new technologies. He is supported by the greatest names in the tech industry, cited in Davos by Sundar Pichai, CEO of Google, after his visit to MolenGeek, and was also selected by the latter in WIRED UK as "innovator who is building a better future for 2021". Google, Meta, Microsoft, Salesforce, Amazon, PwC or even Proximus are investing in MolenGeek.

In 2018 Ibrahim was part as an expert of Horizon 2020 NMBP Advisory Group for DG Research & Innovation of the European Commission, whose mission is to help us notably to ensure impact of the R&I investments 2021-2027 in the fields of industrial technologies and improve societal involvement.

Catherine Rutten

Mrs. Catherine Rutten is Vice-President International, Government Affairs & Public Policy at Vertex Pharmaceuticals since 1 July 2020. From September 2013 till end of June 2020 she was CEO of pharma.be, the association of innovative biopharmaceutical companies in Belgium. From 2003 to 2013 she has been Member of the Council of the Belgian Institute for Postal Services and Telecommunications, the Belgian regulator for electronic communications, for the postal market, the electromagnetic spectrum of radio frequencies, and media regulator in the Brussels-Capital Region. Prior to that, she worked as Director Regulatory Affairs at the Belgian branch of BT. She started her career as a lawyer, member of the Brussels Bar, in 1994.

She is member of the board of Women on Board. Mrs. Rutten holds a Degree in Law from the University of Leuven and the University of Namur, a LL.M. in intellectual property law from the London School of Economics and Political Science and a LL.M. in European Law from the College of Europe.

Joachim Sonne

Mr. Joachim Sonne has over 20 years' experience in Investment Banking. He is currently a Senior Advisor to AustralianSuper and board advisor to a number of technology companies. Until September 2019, Mr. Sonne served as Managing Director and Co-Head of the EMEA Telecom, Media and Technology Advisory Group at J.P. Morgan in London. He joined J.P. Morgan in 1998, worked from 2006 until 2010 in the Communications Group in New York and between 2010 to 2011 for the German mergers and acquisitions practice of J.P. Morgan in Frankfurt.

Mr. Sonne graduated with distinction from the European School of Management–EAP, Paris-Oxford-Berlin and holds a European Master of Management, a Diplom-Kaufmann and a Diplôme de Grande Ecole.

Claire Tillekaerts

From October 2006 until June 2022, **Mrs. Claire Tillekaerts** has been the general manager of Flanders Investment & Trade, the government agency supporting Flemish companies in their effort to deploy business internationally abroad and assisting foreign companies seeking to set up business or expand operations in Flanders, the northernmost region of Belgium. From May 1st, 2012, on, she was appointed CEO of FIT by the government of Flanders until June 30th 2022. Claire Tillekaerts has been an independent barrister at the Ghent Court of Law for 2 decades, along with a six-year academic teaching commission at Ghent University.

In 2001, she was commissioned to establish the law department at the Hogeschool Gent, in a bid to bring about the merger with other centers of higher education, an assignment combined a.o. with that of advisor at the creation of the Ghent University Association and with establishing international research fundings.

Claire Tillekaerts holds a Master's degree in law and a postgraduate degree in Management Studies.

She is member of the Board of Directors of the Belgian Foreign Trade Agency (Vice-President), VLEVA (Flanders-Europe Liaison Agency), De Warande, ORSI Academy and the Belgian National Orchestra and is President of the Board of Directors of the Flanders International Film Festival (Ghent), President of the Belgian National Bank Council of Regency and member of the Belgian National Bank Remuneration and Appointments Committee.

Agnès Touraine

Mrs. Agnès Touraine is CEO of Act III Consultants, a management consulting firm dedicated to digital transformation.

Previously, Mrs. Touraine served as Chairman and CEO of Vivendi-Universal Publishing (video games and publishing), a $4.7 billion company, after having spent 10 years with the Lagardère Group as Head of Strategy and CEO of the mass market division and five years with McKinsey.

She graduated from Sciences-Po Paris and Columbia University (MBA). She sits on the Boards of Rexel SA, GBL, SNCF and previously Darty Plc as well as Neopost SA. She is also sitting on non-profit organizations board such as The French-American Foundation and IDATE. Until July 2019 she has been Chairwoman of the Board of Directors of IFA (French Governance Institute).

Catherine Vandenborre

Mrs. Catherine Vandenborre is Chief Financial Officer at Elia. Previously, she was a member of the Executive Committee of APX-ENDEX, the Anglo-Dutch gas and electricity exchange based in Amsterdam, and CEO of Belpex. She began her career at Coopers & Lybrand as an auditor.

Mrs. Vandenborre is member of various Boards, including Contassur, an insurance company. She holds a degree in Business Economics from the UCL as well as degrees in Tax Law and Financial Risk Management.

Luc Van den hove

Mr. Luc Van den hove is President and Chief Executive Officer (CEO) of imec since July 1, 2009. He spent his entire career in the domain of chip technology and digital technologies as enabled by semiconductors. He joined imec, at the moment when imec was founded in 1984, as part of the starting team.

Under his guidance imec has become the world-leading R&D center on nanoelectronics, an organization with a staff of more than 5,000 people, operating with an annual budget of around € 800M (2022) and with offices in Belgium, the Netherlands, US, Japan and India. Imec is the world's leading research center in the field of chip technology and digital applications such as healthcare, automotive, artificial intelligence, cybersecurity and 5G/6G connectivity.

Currently, Mr. Van den hove is also professor of Electrical Engineering at the University of Leuven. He is a member of the board of Proximus and a member of the Technology Board Committee of ASML. He is a member of the US Academy of Engineering.

He has authored or co-authored more than 150 publications and conference contributions. He is a frequently solicited speaker on technology trends and applications for nano-electronics at major top conferences. He has presented more than 50 keynote presentations.

Mr. Van den hove received his Ph. D. in Electrical Engineering from the University of Leuven, Belgium.

Members of the Leadership Squad

Guillaume Boutin

Mr. Guillaume Boutin has been Chief Executive Officer since 1st December 2019 and presides over the Leadership Squad of Proximus. He is Chairman of the Board of Directors of BICS and Telesign, as well as member of the Proximus Art Board.

Previously, Mr. Boutin joined the Proximus Leadership Squad as Chief Consumer Market Officer in August 2017.

Mr. Boutin started his career joining a web start-up. He then joined SFR where he successively held various positions in strategy, finance and marketing until he joined Canal+ Group in 2015 as Chief Marketing Officer.

He holds a "baccalauréat scientifique", followed by a degree in telecommunications engineering (Telecom Sud Paris "Programme Grande Ecole", 1997) and a degree from HEC Paris, "Programme Grande Ecole", obtained in 1999.

Jim Casteele

Mr. Jim Casteele is Consumer Market Lead of Proximus since March 1st, 2020. He already assumed this post ad interim on 2 December 2019.

He started his career at Siemens Atea and joined the former Belgacom Group in 1997. Before being appointed as Director Consumer Products & Solutions and Innovation in January 2017, he held several management and director positions within Proximus Group in various disciplines such as strategy & innovation, product management, partnerships and pricing.

He is Board member of Proximus Luxembourg, and Chairman of the Boards of Proximus Media House, Scarlet Belgium and Mobile Vikings and has an advisory role in the Board of Be-Mobile.

Mr. Casteele holds a degree as Civil Engineer in Electronics (University of Ghent) as well as a degree in General Management (Vlerick Leuven Ghent Management School).

Anne-Sophie Lotgering

Mrs. Anne-Sophie Lotgering is Proximus' Enterprise Market Lead since July 2020.

Previously, she was Chief Marketing and Digital Officer, Customer Marketing and Innovation at Orange Business Services. During her career with the Orange Group, Anne-Sophie held various senior positions in business-to-business sales, marketing and strategy for more than 15 years. She was also General Manager for Central & Eastern Europe at Microsoft Services.

She is Board member of Proximus Luxembourg, Belgian Mobile ID, Conscia and Chairwoman of Proximus ICT. Mrs. Lotgering is a graduate of the Sorbonne in Paris.

Dirk Lybaert

Mr. Dirk Lybaert is Corporate Affairs Lead & Secretary General of Proximus and has the following responsibilities: Legal, Regulatory, Public Affairs, Group Communications, Internal Audit & Risk Management, Security Governance & Investigations, Corporate Prevention & Protection, Reputation & Sustainability and Data Protection.

Mr. Lybaert was Secretary General of Belgacom from 2005 to 2014. From 1995 until 2007, he was an assistant at the Law Faculty of the University of Brussels for the "Named Contracts" course. From 2000 to 2005 he held different positions within the legal department of Belgacom.

Prior to joining Belgacom, Mr. Lybaert served as an officer with the Federal Police, where he reached the position of Lieutenant-Colonel and Director of the Anti-Terrorism Program.

Mr. Lybaert is a member of the Board of Directors of BICS, Telesign, Proximus Foundation, Proximus Art, Proximus Opal and MWingz. He also has external mandates at Aquafin, Bednet and Voka.

Mr. Lybaert holds a Master's degree in Criminology from the University of Ghent, Law from the University of Brussels (VUB) and Business Law from the University of Antwerp, and degrees in Advanced Management from Vlerick Business School and Social and Military Sciences.

Antonietta Mastroianni

Mrs. Antonietta Mastroianni has been a member of the Proximus Leadership Squad since April 2021 where she acts as Chief Digital & IT Officer. Before joining Proximus, she was Group CIO and CDIO at the Danish TDC, Head of IT and Business Partner at Swiss Sunrise, and she had several roles in Swisscom and H3G Italy.

She is an influential IT leader with 20 years of international Telecom experience in leveraging technology to drive organizational growth, performance and profitability. She focuses on digital and agile transformation, the impact of leading-edge technology on business, technology and product innovation as well as IT and Telco transformation. She has worked in different European countries (Italy, Switzerland, Denmark and Belgium) and is a council member of Etis. Currently she also holds the VC Finance seat in the Board of Directors of Gaia-X and is chairwoman in the Board of Directors of Proximus Ada.

Mrs. Mastroianni studied Computer and Automation Engineering at university of Siena and she is a member of the Order of Engineers of the province of Caserta. In 2022, Antonietta was awarded the Telco Women of the Year Award by NetworkX and was also named Telco CxO of the Year in 2021.

Mark Reid

Mr. Mark Reid is Proximus' Finance Lead since May 2021. Before joining Proximus, Mr. Reid served as the Chief Financial Officer of the Central European Region of Liberty Global, based in Zurich for 5 years. Prior to that role he was Deputy CFO at Virgin Media in London also part of the Liberty Global family. He has held Senior Financial roles in International Telecom, Digital Media & Travel companies for over 20 years and has worked in Switzerland, UK & the US. He is a Board member of BICS, Telesign, MWingz and the Proximus Pension Fund.

Mr. Reid holds an Honors Degree in Aeronautical Engineering from Glasgow University. He's a Chartered Accountant with the certification from the Chartered Institute of Management Accountants (CIMA)..

Geert Standaert

Mr. Geert Standaert is Network & Wholesale Lead. He has been a member of the Leadership Squad since March 2012. In this function, he currently is responsible for the Network Business Unit, overseeing all Network, Telco Platform & Infrastructure, Service Engineering & Operations for the Group including Carrier & Wholesale activities.

Mr. Standaert joined the Group in 1994 and held director positions in various disciplines, including IT, Infrastructure Operations and Data Operations before becoming Vice President Customer Operations in 2007.

Mr. Standaert is a member of the Board of Directors of Fiberklaar, Unifiber and OLV hospital Aalst. Mr. Standaert holds a Master's degree in Civil Engineering from the University of Ghent (RUG).

Renaud Tilmans

Mr. Renaud Tilmans is Customer Operations Lead. He joined the Leadership Squad of Proximus in May 2014. In this function, he works with his teams to align procedures and create synergies between the operational after-sales activities of the different Business Units. Mr. Tilmans is also in charge of transversal growth opportunities in the field of eHealth and eEducation.

Mr. Tilmans joined Belgacom in 1993. He held various director positions in the field of ICT and networks before becoming Vice President Customer Operations of the Business Unit Service Delivery Engine & Wholesale in 2012.

Within Proximus Group, Mr. Tilmans is since 26 September 2019 Chairman of the Board of Directors of Proximus Luxembourg. He is also member of the Board of Fiberklaar.

Mr. Tilmans is a civil engineer from the UCL (Louvain-la-Neuve) and holds degrees in IT and management.

Jan Van Acoleyen

Mr. Jan Van Acoleyen is Human Capital Lead of Proximus. He joined Proximus in May 2016, after a long career with various international HR management roles, mainly in high-tech companies such as Alcatel, Agfa-Gevaert and Barco. As an HR leader, he acquired extensive experience in organizational and cultural transformations.

Mr. Van Acoleyen has a Master's degree in Educational Studies from Leuven University and an Executive MBA from the Antwerp Management School (University of Antwerp).

He is an independent member of the Board of Directors of SD Worx, independent member of the Board of Vlaeynatie and member of the Board of Experience@Work. Within Proximus Group he is board member of BICS, MWingz, Proximus Foundation, Proximus Pension Fund and is Chairman of the Remuneration Committee of BICS as well as Chairman of the Board of Be-Mobile..

Chief executive officers of BICS and Telesign

BICS

Matteo Gatta

Mr. Matteo Gatta was appointed CEO of BICS in 2021 and has spearheaded the company's transformation from a traditional wholesale carrier to a global leader in digital communications, cloud communication services, mobility and IoT. He aims to make BICS a true communications platform company and a reference partner for mobile operators and enterprises, globally.

He has acquired over 20 years' experience in mobile and internet access services and software development, having held various positions in Italy, the UK and Belgium.

Matteo has served as CEO of telecom provider Scarlet, Director of Network Strategy, Innovation & Partnerships at Proximus, and as Board Member of Proximus Luxembourg, previously Tango – Telindus, and Tessares.

He was also a founding director of the IoT technology alliance, LoRa Alliance. Matteo was appointed CEO of BICS in January 2021, where he is accelerating the company's growth and diversification strategy.

Telesign

Joseph Burton

Mr. Joseph Burton is the CEO of Telesign. Before Telesign, he served as CEO of Plantronics (now Poly) from 2016 to 2020, after joining the company in 2011 as Chief Technical Officer and then serving as Chief Commercial Officer.

He started his career in 1990 as a software engineer, was acquired into Cisco in 2001 and served as Cisco's CTO for Unified Communications until 2010.

He specializes in digital transformation, growth acceleration, corporate and go-to-market strategies, and has extensive expertise in technology and product development.

Mr. Burton is a Board member of AVI-SPL, ACCO Brands, and the University of California Santa Cruz.

He holds a Bachelor of Science in Computer Information Systems and completed the Stanford Executive program at Stanford University.

Compliance & Ethical standards

Role of compliance at Proximus

Acting with integrity, compliance and honesty is an essential prerequisite for the success of Proximus Group. Fair and open competition is important to society and contributes to increased welfare for all. All Group employees are involved and made aware of the importance of compliant behavior. Together, we strengthen the trust of our customers, our business partners, and other stakeholders in our Group by treating each other fairly.

The Group Compliance Office is responsible for coordinating compliance activities within Proximus Group, and aims to promote, at all levels, ethical conduct, respect of values and compliance with laws, internal and external rules, and policies. The Group Compliance Office also prevents unlawful or unethical behaviour and ensures an appropriate response in case such behavior occurs.

Our compliance program is a key building block for our Environmental, Social and Governance strategy.

The Proximus Code of Conduct was approved by the Proximus Board of Directors. All employees are expected to perform their daily activities and achieve their business objectives in accordance with the strictest ethical standards and principles, using the Proximus Code of Conduct, which is reflected in multiple Group and Company policies and procedures, as their guide. The Code of Conduct and other compliance policies can be found in the Compliance section of our corporate website.

Tone from the top and middle management promotes the right culture regarding compliance and ethics. Proximus takes a strong stance against corruption, Code of conduct violations and privacy and runs a zero tolerance policy. Our employees attend mandatory training on the application of the principles of the Code of Conduct, Anti-Bribery and GDPR.

We communicate our values and the behavior we expect to external employees and business partners through our Suppliers Code of Conduct.

Organization of compliance activities

The Group Compliance Office is managed by the Audit, Risk and Reputation Lead, who reports to the Chairperson of the Audit and Compliance Committee (ACC).

The ACC Charter (available on our corporate website) determines the ACC's responsibility in helping and advising the Board of Directors with respect to monitoring Proximus' compliance with the legal and regulatory requirements, as well as internal compliance with the Code of Conduct and the Group' policies and procedures.

The Compliance Program

The Proximus Code of Conduct reflects the fundamental principles and rules that form the basis of our commitment to being a responsible company and to contribute to the economic, social and environmental development of our society. The Code of Conduct applies to all Group employees. Proximus employees follow mandatory training on the application of the principles of the Code of Conduct and use it as a reference in their daily work.

Proximus has also developed a set of Policies that formally compile the behavioral guidelines that Proximus employees are expected to follow as well as the existing restrictions on key topics such as Insider Trading, Anti-Bribery and Corruption, Economic Sanctions and Human Rights.

In a joint effort, Group Legal and the Compliance Office have prepared a Corporate Handbook for Proximus affiliates, detailing governance, and compliance principles. In addition, affiliates ensure appropriate compliance programs are established to comply with their local and sectoral laws and regulations.

Proximus has established reliable reporting channels for internal and external stakeholders that guarantees the protection of internal whistle-blowers from sanctions and help ensure possible misconduct is reported, thoroughly investigated, and clarified. 8 whistleblowing cases were handled in 2022. All of them were thoroughly analyzed by Compliance and Investigations and appropriate action was taken.

Regarding insider trading, Proximus uses a tool (InsiderLog) that allow lists of insiders to be dealt with automatically.

To ensure compliance with the constantly evolving sanctions and embargoes the Proximus Compliance Office has implemented a new tool to screen third parties for sanctions (Dow Jones – Risk Center).

Proximus has asked its suppliers and business partners to subscribe to a code of conduct. This code is based on the 10 principles of the United Nations Global Compact. It covers compliance with the law in general and our anti- bribery/ corruption policies, including provisions against anticompetitive practices and conflicts of interest.

Checks are carried out by the Group Compliance Office and/or by owners of policies to verify their correct application. The Group Compliance Office supports policy owners with the creation, the review and the implementation of their compliance control plan. Non-compliant business behavior is addressed immediately and reported to the Audit and Compliance Committee (joint reporting of Security Governance & Investigations, Corporate Protection & Prevention and the Group Compliance Office). Red flags identified during our third-party business relationships due diligence processes are escalated to the right stakeholders to ensure they are addressed in a timely and appropriate manner. Negative results and related actions are also reported to the Audit & Compliance Committee.

Incidents and policy improvements are integrated in an action plan which is part of the Compliance oversight.

KPIs	Result 2021	Result 2022
Number of cases investigated by the Investigations Department for violation of policies/code of conduct	48	38
Number of whistleblowing cases	5	8
Number of dismissals resulting from investigations	10	6
Number of warnings resulting from investigations	7	16

The following efforts have been done in 2022 to promote compliance:

- Mandatory Code of Conduct, Anti-Bribery and GDPR eLearning for all Proximus Group employees.
- Adoption of the Corporate Handbook by Proximus affiliates.
- Ongoing communication campaigns via the intranet for our employees, on topics related to compliance, such as conduct, anti-bribery and human rights.
- New repository of policies and procedures, with an updated Policies Charter.
- Communication to and adherence from suppliers of our Suppliers Code of Conduct.
- Definition of second line controls in collaboration with policies owners.
- Introduction of a new Sanctions Screening tool.

Private customer data

We apply strict rules and policies within our company, complying with the GDPR and e-privacy directives.

Proximus is adapting its Privacy Ambassador network to adapt it to the new 'Agile ways of working' organization across different business units to ensure the highest level of awareness and accountability for privacy compliance. These Ambassadors receive regular privacy training.

We are constantly improving our Privacy Review Process to address all privacy matters at the highest level of management through dedicated Privacy Governance. The process has been carefully embedded into our corporate policy, making data privacy an absolute priority.

Additional resources have been made available to support the Legal Privacy team and the Data Protection Officer. This has allowed the acceleration of privacy reviews. The Legal Privacy Team and Data Protection Officer share valuable tools and content about privacy regulations, increasing awareness across the company.

For certain processing activities, Proximus collects a prior consent from its customers before processing their data for other purposes such as targeted advertisement. Proximus processes its customers' personal data according to the opt-in method after obtaining their prior consent. Here are the numbers of consent records obtained by Proximus for some of these purposes in 2022:

- Opt-in consents for targeted advertising on TV: between 135,000 and 140,000.
- Opt-in consents for use of web traffic data for marketing purposes: between 420,000 and 425,000.

In addition, in 2022, Proximus registered between 5,000 and 6,000 general opt-outs for processing of personal data for direct marketing.

Human Rights

Respecting human rights is a fundamental value for us. People are entitled to be treated with respect, care and dignity. Our Code of Conduct, policies and procedures are inspired by fundamental principles such as those of the Universal Declaration of Human Rights, the European Convention on Human Rights, and the United Nations Convention on the Rights of the Child.

Proximus is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and the International Labor Organization's (ILO) fundamental conventions. Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations.

Sustainable supply chain

Next to ensuring compliance inside of the company, Proximus also pays attention to sustainability and ethics throughout its supply chain. We, therefore, have developed a Supplier Code of Conduct which is in line with national and international legislation and follows the standard set by the Responsible Business Alliance (RBA).

We have a leading position in the Joint Audit Cooperation (JAC, a global association of telecom operators aiming to verify, assess, share and develop sustainability practices for its suppliers and their tiers through risk audits, assessments and scorecards). As a member of JAC, we join 24 other telecom operators, together representing more than 60% of worldwide telecom turnover. We make sure audits are performed by third parties on the suppliers' and supplier tiers' premises.

We integrate ESG standards into our supplier selection process and in all of our contracts. We monitor our key suppliers on their ESG standard by obliging them to undergo a valid evaluation by third-party assessment organizations. We accomplish this by inviting them to an EcoVadis assessment and by audits in frame of our role in the JAC.

Through the JAC, an on-going human rights due diligence with our major supply chain partners monitors potential occurrence and/or impact of non-respect of UN Guiding Principles on Business and Human Rights. We recognize our corporate responsibility to respect these principles. We commit to "know and show" to mitigate potential human rights impacts beyond our direct control and influence the behaviour of suppliers and their stakeholders.

Diversity & Inclusion Statement

In accordance with Article 3 of the law of 3 September 2017 on the disclosure of non-financial and diversity information by certain large companies and groups, Proximus's diversity policy, and its purpose and results, are described below.

Strategic orientation regarding diversity & inclusion

Proximus believes that a diverse workforce, through our employees' unique talents, experiences and all other characteristics unrelated to someone's abilities, will help us reach a more diverse marketplace and will create sustainable business.

Therefore, Proximus has a Policy on diversity and equal opportunities, which applies to all employees.

With this policy, Proximus wants to enable conditions in which individual differences are recognized and respected and all employees are treated fairly and equally regardless of their background.

Diversity is part of Proximus Code of Conduct. For Proximus, diversity and equality mean:

- Treating all applicants and employees equally, based only on relevant competencies and objective criteria.
- Creating an open and welcoming work environment that encourages contributions from people of all backgrounds and experiences.
- Promoting a mindset of respect and openness throughout all levels of the organization.
- Demonstrating behavior free from any form of racism, intolerance, discrimination, harassment or other attitude that could negatively affect the dignity of men, women and x at the workplace.
- Incorporating diversity in all aspects of the way we do business, without any form of intolerance.

Within Proximus, specific teams are in charge of monitoring compliance with the Code of Conduct and of taking the correct measures in case of non-compliance.

Diversity & inclusion in our leadership and employee communities

Proximus is particularly conscious of the importance of diversity at all levels of the organization. To reinforce our commitment to recruiting employees with an inclusion and growth mindset and whose behavior is in line with the company's four core values, we have put in place a non-discrimination clause for each new application. Once they are part of the company, we ensure that they are the best ambassadors of our company culture by including a part on our inclusion program and philosophy in our on-boarding tool, our welcome days, and in all related training for team leaders, experts, trainees, etc.

While taking care to put in place well-balanced and talented mixed teams, Proximus reinforces its capacity for innovation and fosters its learning and feedback culture, the engagement of its employees and their creativity towards the future challenges of a digital world.

Gender mainstreaming

Proximus is committed to a gender-neutral and non-discriminatory policy, which is reflected in all types of communication.

We are an inclusive company and equal opportunities is a basic principle of our mission statement that applies to everyone, regardless of gender or sexual orientation.

Inclusion puts into practice the concept of a gender-neutral and non-discriminatory policy by creating an environment of involvement, respect and connection.

The strength of the company lies in the richness of the talents of all employees, which creates added value.

Proximus has also decided to extend its gender strategy through the following actions:

- Celebration of International Women day on 8 March.
- Celebrations organized during diversity month (May) via various blog posts on the intranet and social networking sites.
- Actions in the framework of the international day against homophobia, transphobia and biphobia on 17 May.
- Establishment of a working group for the drafting of the LGBTQIA+ / gender policy.
- Continued collaboration with Open@Work on the development of an LGBTQIA+ policy.
- Sign-up of a Memorandum of Understanding to confirm our partnership with Open@Work and endorse working towards a more inclusive workplace for our LGBTQIA+ personnel.
- Development of a corporate visual identity, branding and internal communication plan for D&I in collaboration with Group Communications Department and an external agency.
- Participation in the project for the development of the anti-discrimination awareness campaign in the Proximus shops (campaign for tolerance and respect of the public towards our employees).
- Review of the training offer and development of a new module about gender neutral communication.
- Analysis of the remuneration structure by level.

Proximus has set itself the objective of being the most active company in the promotion of women in the digital world and reached its target of recruiting 30% of women with a university degree in technical areas by the end of 2022.

Within the framework of its Collective Agreement 2021-2022, Proximus commits to keep on taking initiatives in this domain and to remain open and non-restrictive in its communication, marketing and recruitment campaigns. Proximus has also taken additional initiatives to communicate its diversity and inclusion vision, strategy and actions via information to the business units' staff, live information sessions that are offered to all employees, internal CEO communications to all employees, different social media and posts on the corporate website of Proximus.

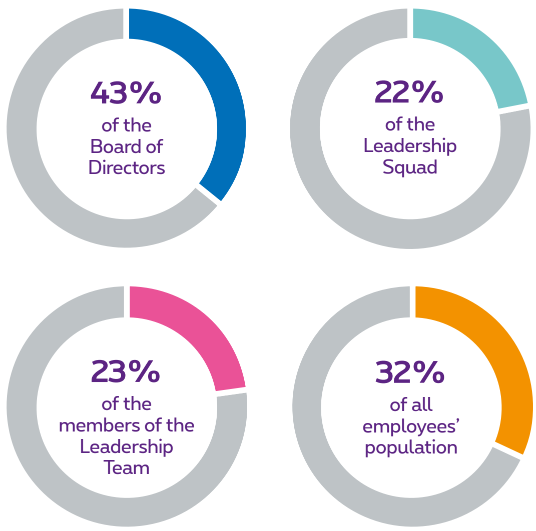
We will also continue to communicate via our diversity & inclusion page that provides information regarding events, celebrations and more on the topic of diversity and inclusion at Proximus and in the wider world.

In 2023, we will also launch an inspiring internal and external employer branding campaign with a focus on raising awareness of our relevant strategy and actions and strengthen Proximus' position on diversity & inclusion.

We have a Diamond Sponsorship in the "Women on Board" organization and we have continued to strengthen our partnership with Google, extending our #IamRemarkable community through the organization of new sessions all year long. At the heart of the #IamRemarkable initiative is a 90-minute workshop that strives to empower participants to talk openly about their achievements in their personal and professional lives, provides them with tools to develop this set of skills, and invites them to challenge the biases surrounding self-promotion.

We will continue to form supportive networking groups in order that everyone can feel a sense of belonging within our community.

With regards to gender diversity, this approach is also reflected in female representation at different levels of our company:



Proximus Group also has a very diverse workforce in terms of culture with 62 nationalities.

A culture allowing everyone to reconcile activities during different phases of life

Proximus wants to create conditions that allow its employees to reconcile various aspects of their professional and private lives with different phases of life by offering opportunities for internal job change and development opportunities, work-from-home, part-time schedules, home childcare, etc. These measures enable our employees to work in a safe, inspiring and inclusive workplace, with equal opportunities for everyone, allowing them to combine their personal and professional lives in order to be optimally present and feel supported, motivated and engaged at work.

Proximus is a founding partner of "Experience@Work". Thanks to this company, experienced talents from organizations can be deployed in other organizations that are looking for specific experience and/or talent.

We offer support to 50+ staff to assist them in their personal development. We offer them the possibility to assess their skills via a personal scan in order to evaluate their competences and aspirations and act on their results should they wish to. We regularly inform our 55+ employees about sustainable employability and the possibilities they have to manage their career goals via an updated brochure available on our intranet.

Human rights

Our ethical business practices are defined by our code of conduct. Here next to, our Human Rights policy and our policy on Diversity and Equal Opportunities which have been reviewed in 2022 ensure working conditions in which differences are recognised and respected, and where all employees are given equal opportunities. Both policies are applicable to all active employees of Proximus Group.

Working conditions

Proximus is committed to creating working conditions that promote fair employment practices in which ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and the International Labor Organization's (ILO) fundamental conventions.

Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations. We will not contract child labor or any form of forced or compulsory labor as defined by the ILO's fundamental conventions. Moreover, we are opposed to discriminatory practices and do our utmost to promote equality, diversity and inclusion in all employment practices.

Our working environment standards are applied to every member of our diverse community and are exemplified by all managers, team leaders and employees, who are expected to act as role models in this matter.

Remuneration report

The remuneration policies of the Directors and of the Leadership Squad are inspired by current legislation, and by the Belgian Corporate Governance Code 2020 ("the 2020 Corporate Governance Code") as well as by the market practices and trends, but also according to the Proximus context, its specific strategies and its ambition to participate in an inclusive, secure, sustainable and prosperous digital Belgium.

Our company is taking particular care to provide relevant and transparent information on the general principles governing its remuneration policy and the level of remuneration of the members of the Board of Directors and of the Leadership Squad. The Proximus Remuneration Policy has been submitted to the General Meeting of Shareholders of Proximus on 21 April 2021 and is available on the corporate website of Proximus.

Unless otherwise stated, all amounts in this remuneration report are presented as gross amounts. For employees this is the gross salary (excl. employer's social contribution) and for self-employed employees this is the gross remuneration (excluding VAT).

Remuneration of the members of the Board of Directors

Structure of the remuneration of the members of the Board of Directors

The principle of continuity with the past has been maintained. The remuneration adopted by the General Assembly of 2004 has remained applicable in 2022 and no substantial change of the policy is expected for the coming years.

The Board of Directors is composed of no more than fourteen members, including the Chief Executive Officer ("the CEO"). The CEO is the only executive member at the Board, all other members are non-executive Directors.

The CEO is not remunerated for the exercise of his mandate as member of the Board of Directors and of the Committees, nor for any other mandate within the Group subsidiaries Boards of Directors with the exception of his mandate as Chairman of the Board of Directors of Telesign US, as per American market practices.

	Chairman of the Board of Directors	Non-executive Director
Annual fixed compensation	€ 50,000	€ 25,000
Attendance fee to meetings		
Board of Directors	€ 10,000	€ 5,000
Committee as Chairman of the Committee	€ 5,000	€ 5,000
Committee as member of the Committee	€ 2,500	€ 2,500
Allowance for communication costs	€ 4,000	€ 2,000

The non-executive Directors are remunerated as follows:

- For the Chairman of the Board of Directors:
  - An annual fixed compensation of € 50,000 granted pro rata temporis of the duration of the mandate.
  - An attendance fee of € 10,000 per attended meeting of the Board of Directors.
  - An attendance fee of € 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.
  - An annual fixed allowance of € 4,000 for communication costs.
  - The use of a company car.

- For the other members of the Board of Directors:
  - An annual fixed compensation of € 25,000 granted pro rata temporis of the duration of the mandate.
  - An attendance fee of € 5,000 per attended meeting of the Board of Directors.
  - An attendance fee of € 2,500 per attended meeting as a member of an advisory committee of the Board of Directors. This fee is doubled per attended meeting as chairman of this advisory committee.
  - An annual fixed allowance of € 2,000 for communication costs.

These amounts are paid semi-annually and are not subject to indexation.

For the performance of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration, nor do they receive benefits linked to complementary pension plans or any other group insurance.

Although the 2020 Corporate Governance Code recommends that non-executive board members should receive part of their remuneration in the form of shares in the company, the company has decided not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder.

The Chairman of the Board of Directors is also Chairman of the Joint Committee and of the Pension Fund, and he does not receive any fees for these mandates.

Remuneration granted to the members of the Board of Directors in 2022

The total amount of the remunerations granted in 2022 to all the members of the Board of Directors, Chairman included, is amounting to gross € 987,723.

Committee	meetings	attendance rate
Board of Directors	7	93%
Transformation & Innovation Committee	2	100%
Audit & Compliance Committee	4	100%
Nomination & Remuneration Committee	4	100%

The overview of the individual gross amounts paid out to the Directors in 2022, based on their activities and attendance to Board and Committee meetings, is presented in the following table.

Remuneration granted to the members of the Board of Directors in 2022

Directors	Annual fix compensation	Attendance fees[1]	Allowance[2]	Total 2022
Stefaan De Clerck	€ 50,000	€ 110,000	€ 6,223	€ 166,223
Guillaume Boutin	-	-	-	-
Karel De Gucht	€ 25,000	€ 45,000	€ 2,000	€ 72,000
Béatrice de Mahieu[4]	€ 17,361	€ 32,500	€ 1,389	€ 51,250
Pierre Demuelenaere	€ 25,000	€ 45,000	€ 2,000	€ 72,000
Martin De Prycker	€ 25,000	€ 50,000	€ 2,000	€ 77,000
Martine Durez[3]	€ 7,639	€ 7,500	€ 611	€ 15,750
Audrey Hanard[4]	€ 17,361	€ 15,000	€ 1,389	€ 33,750
Ibrahim Ouassari	€ 25,000	€ 40,000	€ 2,000	€ 67,000
Catherine Rutten	€ 25,000	€ 45,000	€ 2,000	€ 72,000
Isabelle Santens[3]	€ 7,639	€ 5,000	€ 611	€ 13,250
Joachim Sonne	€ 25,000	€ 45,000	€ 2,000	€ 72,000
Claire Tillekaerts[4]	€ 17,361	€ 25,000	€ 1,389	€ 43,750
Agnès Touraine	€ 25,000	€ 35,000	€ 2,000	€ 62,000
Catherine Vandenborre	€ 25,000	€ 50,000	€ 2,000	€ 77,000
Luc Van den hove	€ 25,000	€ 50,000	€ 2,000	€ 77,000
Paul Van de Perre[3]	€ 7,639	€ 7,500	€ 611	€ 15,750
TOTAL	**€ 350,000**	**€ 607,500**	**€ 30,223**	**€ 987,723**

1 Extraordinary remunerated Board meetings on 12 May 2022 and 27 June 2022
2 Annual fixed telecom allowance. For the Chairman, this amount also includes the benefit in kind related to the use of company car, which amounted to € 2,223 in 2022.
3 Mandates ended on 20 April 2022
4 Appointed on 20 April 2022

The following table gives an overview of the remuneration granted over the last 5 years to members of the Board of Directors, Chairman included. The year-over-year variance is solely due to the number of board and committee meetings held per calendar year and the attendance or absence of members at these meetings.

Remuneration granted to the members of the Board of Directors over 5 years

Total 2018	Total 2019	Total 2020	Total 2021	Total 2022
€ 1,000,499	€ 1,243,509	€ 1,231,116	€ 1,192,366	€ 987,723
year-over-year variance	+24.3%	-1.0%	-3.1%	-17.2%

Global Rewards Program – general vision

As provider of digital services and communication solutions, our company is operating in a complex, dynamic and constantly changing environment, on a highly competitive and rapidly evolving Belgian and international telecom market.

To achieve our transformation, ambitions and objectives, and so ensure the long-term sustainability of our Group, we need qualified, talented and highly committed employees and managers, working in close cooperation, building resilience and promoting our culture and values. It is therefore critical to have a competitive and market attractive Global Rewards Program for both the Leadership Squad members and all other members of the Top Management, as well as for the entire workforce.

Our company has innovative, competitive and market attractive remuneration policies and practices that are regularly assessed and updated through close cooperation with universities and external human resources fora. The practices used for the remuneration of our employees – wages and working conditions included – are defined in a process of dialogue with the Board of Directors and with the social partners.

In view of its history as a company under public law, our company presents certain differences, in its dynamics and structure, compared to the private sector. These differences have had a considerable influence on the evolution of its remuneration policy. Our human resources department has thus developed creative and modular programs to meet our obligations related to the statutory nature of the employment of certain staff members and has introduced new elements that have made it possible to harmonize policies between statutory and contractual staff members.

The main objectives of our Global Rewards Program are as follows:

- To drive performance that generates long-term profitable growth and create long-term value for our Group as a reference operator;
- To stimulate empowerment to meet our commitment to participate in the creation of an inclusive, safe, sustainable and prosperous digital Belgium;
- To offer a fair and equitable remuneration to our staff (both to civil servants and to the contractual employees), and competitive on the market;
- To recognize and reward high performance in line with our company values and culture;
- To link pay to both individual performance and the overall success of our company in order to reinforce the alignment with the business strategy and successful execution
- To enable our company to attract and retain market's talents at all levels;
- To combine the needs and responsibilities of employees and their families with those of the company and society at large.

Our company also maintains – and modernises – additional motivational instruments, such as work- life benefits (e.g. sick childcare and hospitalisation), wellbeing initiatives and social assistance.

Our priority is to work on the basis of remuneration practices that prepare the future and support the promise made to our employees to empower them to take accountability, to achieve our company's ambition and strategic objectives and to make them proud of the successes we achieve together.

Remuneration of the members of the Leadership Squad

Decision-making process

The remuneration program of the Leadership Squad and the individual remuneration packages are set by the Board of Directors upon recommendations from the Nomination & Remuneration Committee. The individual remuneration packages are defined according to the individual responsibilities, sustained performance and critical skills.

Competitiveness of the remuneration of the Leadership Squad

The remuneration policies and practices applicable to the Leadership Squad are aimed to reward the executives competitively and at rates that are attractive in the market, align the interests of management and shareholders and comply with the governance rules applicable in Belgium. Although the 2020 Belgian Corporate Governance Code recommends that the Board should set a minimum threshold of shares to be held by the members of the Leadership Squad, the company has decided not to comply with this provision taking into account its specific shareholdership, having the Belgian State as majority shareholder.

To achieve its transformation, ambitions and objectives, and thus ensure the long-term sustainability of the Group, our company intends to attract and retain qualified, talented and committed leaders for its Leadership Squad. We want to recognize clear role models, who deliver a high level of performance and promote our culture and values.

Like the rest of the top management of our company, the members of the Leadership Squad benefit from dedicated reward programs which focus on the principles of our strategy to consistently reward high performance of individuals and of the company. A significant part of their total remuneration is variable, based on stringent quantitative and qualitative performance criteria, and is driven by our company's objectives in terms of performance and growth and by our company's commitment to contribute to an inclusive, safe, sustainable and prosperous digital Belgium. This way, our company wants to encourage them to deliver a long-term, sustainable profitable growth, in line with our Group's strategy and the expectations of our shareholders.

The market positioning of these remuneration packages is reviewed on a regular basis by benchmarking the remuneration of the members of our Leadership Squad against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector. This analysis – carried out by specialized external consultants – aims to ensure that the global remuneration of each member of the Leadership Squad remains adequate, fair and in line with market practices and consistent with the evolution of both his/her responsibilities and the market situation of Proximus Group in terms of size, scope of activities and financial results.

To distinguish ourselves from other employers, our company seeks to differentiate in the total package offered, by providing not only a cash remuneration but also other benefits. A limited degree of freedom is also left to the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of the pay-out means of their variable compensation.

Unless otherwise stated, all the amounts mentioned in this report are gross amounts before employer's social contribution.

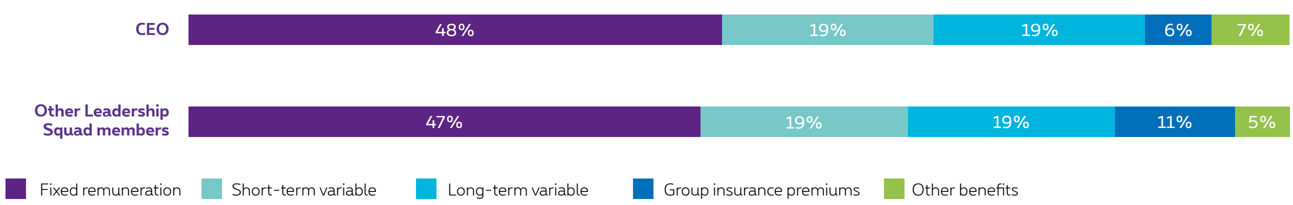
Remuneration structure of the Leadership Squad

The remuneration of the members of the Leadership Squad is built upon the following components:

- Fixed remuneration
- Short-term variable remuneration
- Long-term variable remuneration
- Group insurance premiums
- Other benefits
- One-off and exceptional bonuses.

Current variable remuneration policy is aligned for all Leadership Squad members, CEO included. The target percentage of both the short-term and the long-term variable remuneration amounts to 40% of the fixed remuneration.

Relative importance of the various components of the on-target remuneration before employer's social contribution (end 2022)



The CEO and the other members of the Leadership Squad do not receive any remuneration in the form of Proximus shares or Proximus stock options.

Fixed remuneration

The fixed remuneration consists of a fixed salary earned by the CEO and by the other members of the Leadership Squad for the reported year in such respective roles. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices. This remuneration is allocated regardless of the results and is contractually subject to the consumer price index[1].

The fixed remuneration of the CEO is set by the Board of Directors at the beginning of his six-year mandate for the duration of his mandate. The fixed remuneration of the Leadership Squad members others than the CEO is regularly assessed by the Nomination & Remuneration Committee, based on an extensive review of sustained performance and assessment of potential of each member provided by the CEO, as well as on external benchmarking data on market practices. Thereby, the evolution of the fixed remuneration depends on the competency level of the Leadership Squad member, of his or her sustained performance level, of the evolution of his or her responsibilities, as well as of the evolution of the market. Possible adjustments are always submitted to the Board of Directors for approval.

Fixed remuneration in K€ before employer' social contribution over 5 years

As for the CEO, the amounts reported for 2018 were paid to the former CEO, Mrs. Leroy, as for most of 2019 (385 k€) while one month in 2019 (44 k€) and the amounts reported since 2020 were paid to the current CEO, Mr. Boutin. The increase from 2021 to 2022 is due to the five indexes which had to be applied in 2022. Indeed, Proximus follows the public sector indexation system. In practice, this means that as soon as the pivot index is exceeded, salaries are automatically increased by 2% two months after the index is exceeded.

As for the other members of the Leadership Squad, the increase from 2021 to 2022 is also mainly due to the five indexes of 2022 but is also resulting from the changes in the composition of the Leadership Squad. A role has been partially vacant in 2021 and an additional role has been created at Leadership Squad level in 2021 in order to support our digital transformation and ambitions. A new member has therefore joined the Leadership Squad in April 2021.

Since 2022, fees are paid by Telesign US to Guillaume Boutin for his mandate as Chairman of the Board of Directors of Telesign US, amounting to 75,000 USD, as is common practice in the United States. The same way, fees are also paid by Telesign to a member of the Leadership Squad since 2022 for his mandate as Chairman of a Committee of Telesign US, amounting to 8,000 USD. These fees are not included in the fixed remuneration reported in this document, which focuses on the compensation items related to Proximus S.A.

1 In accordance with the rules laid down by the Law of 1 March 1977 organising a system of linking certain public sector expenditure to the State consumer price index, as amended by Royal Decree No 178 of 30 December 1982.

Short-term variable remuneration

Purpose and components of the short-term variable remuneration

The members of the Leadership Squad, CEO included, receive a target short-term variable remuneration expressed as a percentage of the annual fixed remuneration. This target percentage is identical for all Leadership Squad members, CEO included, and amounts to 40% of the fixed remuneration.

Our short-term variable remuneration system has been designed to support the strategy and the values of our Group and to enhance a performance-based management culture.

Our company indeed considers close collaboration of all employees to be imperative. All efforts need to be focused and aligned towards the Group's ambition to be successful and ensure its sustainability.

The Group results are therefore highly impacting (for 60%) the short-term variable remuneration of the members of the Leadership Squad, on top of the individual performance (for 40%), and this in line with our company values.

Group performance – KeyPerformance Indicators (KPIs)

The short-term annual variable remuneration is for 60% based on the Group's performance against a set of Key Performance Indicators (KPIs), that are, on a yearly basis, defined by the Board of Directors upon recommendation from the Nomination & Remuneration Committee. These KPIs are the so called STI KPIs (Short Term Incentives KPIs).

The amounts of short-term variable remuneration mentioned in current report are the ones paid out to the Leadership Squad members in the course of 2022 and are thus related to the results of the Group KPIs of the 2021 performance year.

The Remuneration Committee recommended the following set of KPIs to the Board of Directors for the 2021 performance year:

2021
Short-term variable remuneration Key Performance Indicators

25%	25%	35%	15%
Build the best open **gigabit network** for Belgium	Operate like a **digital native** company	**Grow profitably** through partnerships and ecosystems	Act for a **green** and digital society

Each Strategic Goal has a weight in the overall STI KPI framework, in line with its relative importance for the Group. Each Strategic Goal has a number of clearly identified, specific, measurable and actionable KPIs associated to it. These KPIs are either of a financial, a non-financial or a mixed nature.
For the sake of confidentiality, the STI KPIs are only reported a posteriori in this report.

The high ESG (Environmental, Social and Governance) ambitions of our Group are reflected in our STI KPIs. The chosen KPIs show our company's commitment to contribute to a more green, circular and safe society. In the 2022 framework, dedicated metrics on CO_2 emissions reduction have been added. The weight of the ESG-related KPIs in the overall STI framework increase year over year, in line with the increased importance of climate change and digital inclusion on the societal agenda.

A detailed definition for each of the STI KPIs can be found in the following table.

Strategic goal 2021	KPI nature	STI KPI 2021	Weight	KPI Definition
Sustainable Growth	Financial	Business Cash Flow	20%	Amount of Cash generated by the business operations.
	Mixed	Net Acquisition Value	10%	Annualized value generated/destroyed by gains and losses of customers in the mass- and professional markets.
	Financial	Net Indirect OPEX	5%	Net Indirect OPEX spent in the observed year. Defined as the Total OPEX minus a number of specific items.
Digital Company	Non-Financial	NPS	5%	Net Promoter Score, computed as the weighted average of NPS results per customer segment.
	Non-Financial	Customer Excellence	10%	This KPI consists of 3 sub-KPIs. They only relate to the Proximus brand, excluding Scarlet. 1. Customer Effort Score Fiber Migration (migration from copper to fiber). 2. Customer Effort Score Support Journeys (Administrative + Technical). 3. Contact Centre Volumes (calls, mails, chats): the increasing volume of digital-first interactions is expected to deflate Contact Centre Volumes and to have a positive impact on customer experience.
	Non-Financial	Digital Company	10%	This KPI consists of 3 sub-KPIs: 1. E-share of Sales: digital penetration of our sales volumes. 2. MyProximus Usage: monthly number of users of the MyProximus App. 3. Pickx Usage: monthly number of Pickx users (App + Web).
Gigabit Network	Non-Financial	Fiber Construction	15%	Deployment of our new Fiber network: incremental number of Fiber Homes Passed realised in the observed year.
	Non-Financial	Fiber Filling Rate	5%	Ratio between the Park of Activate Fiber Homes and the Park of Homes Passed that are eligible for Fiber Activation.
	Non-Financial	5G Deployment	5%	Total number of active 5G sites.
Green & Digital Society	Non-Financial	Green & Digital Society	5%	This KPI consists of 3 sub-KPIs: 1. Returned devices: number of mobile and fixed devices collected for refurbishment or recycling. 2. Recycled Copper Cables: quantity of out-phased network copper cables offered for recycling. 3. Cyber Security Resilience: a measure of our business resilience against cyber security threats.
	Non-Financial	Employees	10%	Measurement of our employees' engagement, agility, empowerment, accountability and strategic alignment with respect to our company.
		Total	**100%**	

Measuring methodology: we all go the extra smile!

For each performance indicator, an end-of-year target has been defined, as well as a pay-out interval with a minimum (Min) and a maximum (Max) threshold. The targets and thresholds have been defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable. For a KPI that meets its end-of-year target, the short-term variable remuneration pay-out ("Multiplier") is at 100% of its target level. In case of overperformance versus target at year end, the Multiplier linearly grows to a maximum of 200% beyond which it is capped, whilst it linearly decreases to zero in case of underperformance versus target at year end.

The Business Cash Flow and the Indirect Opex Savings are determined based on audited financial figures, adjusted to obtain underlying financial figures after exclusion of incidentals. Non-financial and mixed indicators are measured by internal experts and external agencies specialized in market and customer intelligence.

The achievements of these KPIs are regularly followed-up at the Leadership Squad and are discussed at the Remuneration Committee and at the Board of Directors.

Individual performance

The individual performance is taken into account for 40% in the short-term variable remuneration.

On top of the Group results, the individual performance is annually evaluated in the course of the first quarter following the end of the financial year by the Board of Directors. This evaluation is based on the recommendations made by the Chairman of the Board of Directors for the CEO performance and by the CEO for the other members of the Leadership Squad.

Throughout each performance period, the achievements of the on-going year are regularly measured and discussed. The final evaluation takes into account the realizations versus predefined measurable individual objectives as well as the achievements of the Leadership Squad members in their leadership role and their active role in the promotion of our company culture and values.

These individual objectives are set every year in line with the specific role and responsibilities of each Leadership Squad member and need to reflect our long-term corporate strategy which is cascaded within the company and included in the individual objectives as to enable our Group to fulfil its ambitions.

ESG-related metrics are part of the individual annual targets, such as climate change KPIs (aiming to reduce our environmental footprint, that of our customers and that of our suppliers), a positive influence on (digital) society, governance KPIs or parameters with a social responsibility dimension. Our company wants to encourage permanent awareness and climate-friendly behaviour and management.

We are committed to stimulate high and sustainable levels of performance in a spirit of innovation, collaboration, agility and personal development.

Upon final evaluation, the Board of Directors will not only take into consideration the individual differentiation between the members of the Leadership Squad in terms of performance and talent but will also ensure that the total amount allocated for individual performance is in line with the results at Group level, in order to consolidate the interdependence between the individual contribution and the company's performance.

Short-term variable remuneration allocation

As mentioned above, the amount effectively paid to the CEO and to the other members of the Leadership Squad varies according to the Group results (for 60%) and to the evaluation of the individual performances (for 40%) by the Board of Directors.

2021 performance year	Objectives of the Short-term variable remuneration		weight
CEO and other members of the Leadership Squad	Group KPI	Sustainable Growth	21%
		Digital company	15%
		Gigabit network	15%
		Green & Digital Society	9%
	Personal objectives		40%
	Total target		100%

In case of objectives realization at 100%, the CEO or the other members of the Leadership Squad gets 100% of his or her short-term variable remuneration target amount. In case of excellent performance at Group and individual level, the short-term variable remuneration can go above the 100% of the target amount, with a cap at 200%, according to a linear allocation curve. Conversely, this percentage can drop down to 0% in case of severe underperformance.

As also stated above, the Board of Directors will always ensure that the total amount allocated for individual performance is in line with the results at Group level, in order to consolidate the interdependence between the individual contribution and the company's performance.

One of the principles of our company's remuneration policy is the degree of freedom for the top management, the CEO and the other members of the Leadership Squad included, with regard to the choice of pay out means of their variable remuneration. They therefore get the opportunity to invest part of their short-term variable remuneration in a bonus pension plan, i.e. an additional supplementary pension plan, and to receive part of their short-term variable remuneration in cash bonuses, in non-recurring benefit or in (non-Proximus) warrants or fund options, always within the limits of the relevant regulations.

Short-term variable remuneration in K€ before employer' social contribution over 5 years

In 2022, a short-term variable remuneration has been allocated to the CEO for a total amount of gross € 276,019. The amounts reported till 2019 were paid to the former CEO, Mrs. Leroy. The amount reported for 2020 included the amount paid to the current CEO, Mr. Boutin (€ 18,833 gross) but also included the amount (€ 440,000 gross) paid out to former CEO, Mrs. Leroy, for her performance years 2017 to 2019.

The total short-term variable remuneration effectively allocated in 2022 to the other members of the Leadership Squad (2021 performance year) amounts to gross € 1,402,844. The year-to-year variations are mainly resulting from (i) the variations in the Group KPI results, from (ii) the changes in the composition of the Leadership Squad and from (iii) the exceptional bonus paid in 2020 to our former Chief Financial Officer, Mrs. Dufour, rewarding her excellent performance in the course of 2019 in her ad interim CEO role. The reported amount for 2020 also included the amount paid to the current CEO, Mr. Boutin, for his performances in 2019 as member of the Leadership Squad (before his nomination as CEO).

Long-term variable remuneration

Purpose and components of the long-term variable remuneration

Our company wants to encourage its Leadership Squad, as well as the other members of its top management, to generate sustainable and profitable performance and growth over the long term, in line with our strategy at Group level, our societal ambitions and the expectations of our shareholders and all our other stakeholders.

To achieve this ambition, the remuneration policy of our Leadership Squad, CEO included, significantly links their variable remuneration to our Group's long-term financial and non-financial strategic objectives through a long-term variable remuneration.

Long-term variable remuneration allocation

The members of the Leadership Squad, CEO included, receive a target long-term variable remuneration expressed in a percentage of the fixed remuneration. This target percentage is the same as the percentage of their target short-term variable remuneration, i.e. 40% of the annual fixed remuneration.

The long-term variable remuneration is allocated to the members of the Leadership Squad by the Board of Directors upon recommendations made by the Nomination & Remuneration Committee. The long-term incentives plan currently in place is a long-term Performance Value Plan, which has been adopted by our company in 2013 and has been reviewed in 2019 and in 2022.

Long-term Performance Value Plan

The long-term incentive plan offered by our company to its executives is currently set up as a Performance Value Plan. Under this Performance Value Plan, targets are defined and fixed for the next 3 years and as a result, the awards granted are blocked for a period of 3 years. The amount actually paid after vesting, will depend on a final multiplier as described below.

This plan has been designed to keep the long-term variable remuneration of the executives balanced and attractive while maximizing Proximus Group's long-term value by aligning the interests of Proximus Group's executives with Proximus Group's shareholders and stakeholders. It aims to ensure that the actions and initiatives taken by the executives are guided by long-term and sustainable interests. Therefore, this remuneration clearly constitutes a long-term incentive.

Leadership Squad members who would put an end to their employment relationship with our company before the end of the blocking period would lose the awards granted. This rule also applies in case the company puts an end to an employment relationship for serious cause on the part of a member of the Leadership Squad.

Long-term Incentive Key Performance Indicators

Just like the STI KPIs, the Key Performance Indicators used in the frame of the Long-term Performance Value Plan - the so called LTI KPIs - are also related to the strategic goals of our Group and enable us to assess the progresses of our Group towards our societal ambitions, strategy and sustainability on the long term.

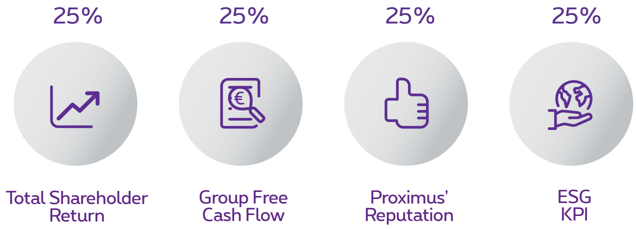
We keep the future in mind

In order to reflect the high ESG (Environmental, Social and Governance) ambitions of our Group in our LTI KPIs as well, a fourth KPI, specifically related to ESG matters, has been added to the original ones since 2022. This way, encouraging ESG innovation, we want to increase the focus on our efforts to evolve towards a more sustainable society. This ESG KPI will be reviewed over the years in line with our ESG concerns and long-term commitment to contribute to the necessary changes.

Therefore, in 2022, 4 KPIs have been defined which enhance the sense of long-term and sustainable business vision among Proximus Group's senior management and support Proximus in delivering sustainable Free Cash Flow and improving our brand perception and reputation:

- 2 financial KPIs: The Total Shareholder Return of Proximus and the Group Free Cash Flow
- 2 non-financial KPIs: The Reputation index of Proximus and an ESG (Environmental, Social and Governance) KPI.

2022
Long-term variable remuneration Key Performance Indicators



The KPIs have been given different weights in the overall Long-term Performance Value Plan framework, in line with their relative importance in terms of long-term sustainability of the Group. The weight of each KPI has been reviewed with the introduction of the ESG KPI as 4th KPI. A detailed definition for each of the KPIs, as well as their weight factors, can be found in the following table.

LTI KPI	Weight	KPI Definition and Measurement
Total Shareholder Return	25%[1]	This criterium reflects Proximus' long-term competitivity on the European telecom market by measuring its position against a representative basket of comparable European companies with respect to their Total Shareholder Return. The Total Shareholder Return being defined as the combination of share price appreciation and the dividends paid to show the total return to the shareholder. Current basket of European companies is the following: Deutsche Telekom, Orange, KPN, BT, Swisscom, Telefonica, Telecom Italia, Telenor, TeliaSonera and OTE. This KPI is measured annually, per calendar year, and the annual result is expressed as a percentage between 0 and 175, depending on the ranking of Proximus within the peer group.
Group Free Cash Flow	25%[1]	The Group Free Cash Flow KPI will measure Proximus' healthy financial evolution over the years. Group Free Cash Flow targets are defined by Proximus' Board of Directors in line with the 3-year plan. This KPI is assessed annually against the objectives set and the annual result is expressed as a percentage between 0 and 175.
Reputation index	25%[2]	The Reputation Index is a a holistic, measurable and actionable KPI enabling Proximus to fully integrate the concept of reputation into its long-term strategy. It measures the corporate reputation of the company in the perception of relevant external stakeholders, representing long term value creation for these stakeholders. A third-party company measures the annual results which are expressed as a percentage between 0 and 175.
ESG KPI	25%	This ESG KPI reflects the high ambitions of Proximus to evolve towards a more sustainable society The KPI currently covers the companywide CO_2 emissions reduction but additional ESG metrics will be considered to enrich the ESG KPI, in line with Proximus societal ambitions, strategy and sustainability on the long term.

For the Reputation Index, the ESG KPI and the Group Free Cash Flow, targets and thresholds are defined in such a way that they stimulate the teams to go the extra (s)mile whilst remaining realistic and achievable on the long-term.

Each year, an annual result is calculated on the basis of the weighted average of the 4 above-mentioned performance criteria. After the blocking period of 3 years, the Performance Values vest and the Performance Values are then paid to the beneficiaries according to the final multiplier, being the average of the three yearly multipliers.

1 40% for the Tranche 2020 and the Tranche 2021 – 25% as from the Tranche 2022

2 20% for the Tranche 2020 and the Tranche 2021 – 25% as from the Tranche 2022

In case of final multiplier at 100%, the executives get 100% of the long -term variable remuneration originally granted to them. In case of sustained excellent Group performance over this 3-year period, the final multiplier for the long-term variable remuneration can go above the 100%, with a cap at 175%.

Conversely, this percentage can drop down to 0% in case of severe underperformance.

The payment of the Performance Values is made through a cash bonus.

Long-term variable remuneration granted in K€ before employer social contribution over 5 years

Given Mr. Boutin started his CEO mandate in December 2019, only the long-term variable remuneration allocated to him in the course of 2020 for one month performance in his CEO role is included in the reported granted amount for 2020. Since 2021, the amount allocated refers to full-year performances. The former CEO, Mrs. Leroy, was not eligible to long-term variable remuneration. In 2022, a long-term variable remuneration has been granted to the CEO for a total amount of gross € 208,073, which will vest in May 2025, therefore cannot be paid before May 2025.

The total long-term variable remuneration effectively granted to the members of the Leadership Squad others than the CEO was amounting to gross € 1,097,703 in 2021 and to gross € 1,154,000 in 2022. The year-to-year variations are mainly resulting from the changes in the composition of the Leadership Squad.

Group insurance premiums

Complementary pension

The CEO participates in a complementary pension scheme entirely financed by Proximus which foresees an annual defined contribution calculated as a percentage of the fixed remuneration. This percentage amounts to 10%.

Formula for complementary pension of the CEO = 10% * W

W = reference salary = monthly salary multiplied by 12

The other members of the Leadership Squad participate in a complementary pension scheme entirely financed by Proximus which consists of a "Defined Benefit Plan" offering pension rights which are in line with market practices. This scheme therefore corresponds to a promise made by the company of a certain amount at retirement age based on the plan rules, an amount that does not depend on an investment return.

Formula for complementary pension of the other members of the Executive Committee = N/60 * W - N/45 * ELP

N = number of service years expressed in months and years

W = reference salary = monthly salary multiplied by 12

ELP = Estimated Legal Pension = the legal pension ceiling

Other group insurances

The CEO and the other members of the Leadership Squad also benefit from other group insurances in line with market practices, such as life and invalidity insurances.

As for the life insurance, the beneficiaries of the CEO or of another member of the Leadership Squad will receive, in the event of death during the term of his or her contract, a gross capital lump equal to the monthly salary multiplied by 60.

In the event of work incapacity due to illness or private accident, the professional income of the CEO or another member of the Leadership Squad is 100% guaranteed for the first three months of the incapacity. As from the fourth month, the disability insurance covers the payment of a disability annuity by the insurance company on top of the ceiling of the legal sickness-disability insurance provided by the Belgian social security.

Average premiums for the company

The average premiums paid by our company for the group insurances of the CEO is estimated to 14% of his fixed remuneration.

As for the other members of the Leadership Squad, the average premiums paid by our company for their group insurances in 2022 amounted to about 24% of their fixed remuneration.

Group insurance premiums in K€ before employer taxes over 5 years

The amounts reported till 2019 for the CEO were paid to the former CEO, Mrs. Leroy. The amounts reported since 2020 were paid to the current CEO, Mr. Boutin. The decrease is due to the change of complementary pension plan features with the nomination of current CEO, Mr. Boutin.

The year-to-year variations for the other members of the Leadership Squad are mainly resulting from the changes in the composition of the Leadership Squad.

Other benefits

Our Group wants to stimulate its executives by offering a portfolio of benefits and advantages that are competitive in the marketplace and consistent with the Group's culture. The CEO and the other members of the Leadership Squad receive benefits on top of their remuneration, including medical insurance, the use of a company car, welfare benefits and other benefits in kind. Comparative assessments are regularly made on these benefits which are adapted according to the common market practices.

Where feasible, our portfolio of benefits and advantages is tailored and updated in line with our company's ambition to act for a green and digital society. For instance, our mobility program is now focused on clear objectives of a greener fleet and of a wide offer of green alternatives to car use for our employees, members of the Leadership Squad included.

Non-recurring costs – like relocation costs upon recruitment of new members residing abroad, for instance – are impacting the evolution from year to year of the total cost for our company for these benefits and advantages. The ratio versus the fix remuneration can therefore significantly evolve from a year to another. For 2022, this ratio is estimated to 14% for the CEO and to 23% for the other members of the Leadership Squad.

Other benefits in K€ before employer taxes over 5 years

The amounts reported for the CEO till 2019 were paid to the former CEO, Mrs. Leroy. The amounts reported for 2020 and 2021 were paid to the current CEO, Mr. Boutin. The increase in 2020 of the Other benefits are mainly due to specific advantages related to the foreign executive status of current CEO.

The significant increase in other benefits for members of the Leadership Squad is mainly due to specific advantages related to the foreign executive status of several members, including the specific costs related to the recruitment in 2021 of two members from abroad, like the relocation costs.

One-off and exceptional bonuses

The Board of Directors may, in exceptional circumstances and upon recommendations made by the Nomination & Remuneration Committee, grant one-off bonuses to one or more members of the Leadership Squad.

This may be necessary, for example, in the case of additional responsibilities exceptionally assumed by a member of the Leadership Squad when a Leadership Sqwuad position is vacant, or in the event that a sign-on or a special retention bonus would be necessary due to market circumstances. If granted, such bonuses are reported together with the short-term variable remuneration. These possible exceptional bonusses are included in the total short-term variable remuneration amount allocated to the other Leadership Squad members.

Recovery of undue variable remuneration

A claw back stipulation is part of the contract of the CEO enabling our company to recover the paid short-term and long-term variable remuneration or to withhold the payment of this variable remuneration in the case of established fraud.

As for the other members of the Leadership Squad, the employment contracts of those members appointed as from January 1, 2020 include a specific claw back stipulation regarding the recovery in favour of our company of the short-term and long-term variable remuneration that would have been attributed to them on the basis of erroneous financial information. The employment contracts of those members appointed prior to January 1, 2020, however, do not include such a stipulation.

These stipulations do not mention the way undue variable remuneration would be recovered. If the case were to arise, which seems unlikely in view of the multiple controls and audits carried out before publication of the results, the recovery would be analysed, both in terms of the amounts to be recovered and the way to do it.

Main provisions of the contractual relationships

Proximus' contractual relations with the CEO and the other members of the Leadership Squad are in line with current market practice.

Contractual arrangement with the CEO

The CEO has a contract as self-employed executive with a fixed six-year term.

The CEO is bound by a non-competition clause, prohibiting him during 12 months after leaving the Group from working for any company of the telecommunication industry that is active in Belgium, in Luxemburg or in The Netherlands. If activated by our company, the CEO would receive an amount equal to one year's fixed remuneration as compensation.

The CEO is also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

If the CEO mandate is revoked by our company before the end of the six-year term, except if the mandate is ended for reason of material breach, our company will pay the CEO a contractual termination indemnity equal to one year's fixed salary and target short-term variable remuneration.

Main contractual terms of the other Executive Committee members

Our company and the other members of the Leadership Squad are bound by employment agreements for an indefinite period that comply with Belgian corporate governance legislation and are all subject to Belgian jurisdiction.

All members of the Leadership Squad other than the CEO are bound by a non-competition clause prohibiting them during 12 months after leaving the Group from working for any other mobile or fixed licensed operator active on the Belgian market. If activated by our company, he/she would receive an amount equal to six months' fixed remuneration as compensation.

Just like the CEO, the other members of the Leadership Squad are also bound by exclusivity and confidentiality obligations and are liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

They have a contractual termination clause which foresees an indemnity of one year's remuneration. Nevertheless, we will apply the Belgian mandatory employment law if it provides for a longer notice period (or a corresponding higher termination indemnity).

General overview

Below charts reflect the remuneration allocated to the members of the Leadership Squad over the last 5 years by our company or any other undertaking belonging to the Group (benefit based on gross or net remuneration, depending on the type of benefit).

Remuneration overview of the CEO

Please note that for 2020, the current CEO, Guillaume Boutin, received 1/12 of the short- (€ 18.833 gross) and long-term variable remuneration (€ 18.833 gross). Since 2021, he is entitled to 12 months short- and long-term variable remuneration (in 2022, respectively € 276.019 gross STI in line with Group KPIs achievements and € 208.073 gross LTI).

CEO	2018		2019		2020		2021		2022	
Fixed remuneration	€ 522,810	56%	€ 429,498	52%	€ 507,492	45%	€ 512,537	45%	€ 549,015	46%
Short-term variable remuneration	€ 225,295	24%	€ 215,661	26%	€ 458,833	41%	€ 265,614	23%	€ 276,019	23%
Long-term variable remuneration	€ 0	0%	€ 0	0%	€ 18,833	2%	€ 203,996	18%	€ 208,073	17%
Group insurance premiums	€ 180,003	19%	€ 157,433	19%	€ 78,550	7%	€ 69,007	6%	€ 76,962	6%
Other benefits	€ 12,438	1%	€ 17,619	2%	€ 55,083	5%	€ 86,402	8%	€ 88,660	7%
Subtotal (excl. employer's social contribution)	€ 940,546		€ 820,211		€ 1,118,791		€ 1,137,556		€ 1,198,729	
Termination benefits	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%
Total (excl. employer's social contribution)	€ 940,546		€ 820,211		€ 1,118,791		€ 1,137,556		€ 1,198,729	

* CEO: All amounts reported till 2019 were paid to the former CEO, Mrs. Leroy. The short-term variable remuneration amount reported for 2020 includes the amount of a deferred short-term variable remuneration (€ 440,000 gross) paid out to former CEO, Mrs. Leroy, for her performance years 2017 to 2019. The contract of current CEO foresees a short-term variable remuneration target amounting to 40% of the fixed remuneration. The decrease in 2020 of the Group insurance premiums is due to the change of complementary pension plan features with the nomination of current CEO. The increase since 2020 of the Other benefits is mainly due to specific advantages related to the foreign executive status of current CEO. The increase in fixed remuneration in 2022 is due to the five indexes which had to be applied in 2022. The reported fixed remuneration of 2022 does not include the fees paid by Telesign US for his Chairman mandate (amounting to 75,000 USD).

All these amounts are gross amounts before employer's social contribution.

Remuneration overview of the other members of the Leadership Squad

Please note that an additional role has been created at Leadership Squad level in 2021 in order to support our digital transformation and ambitions.

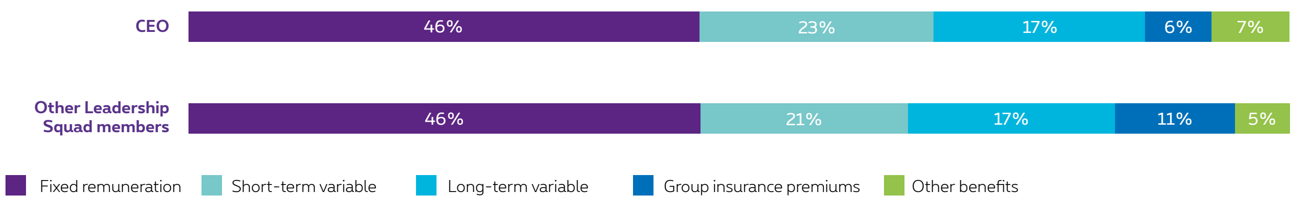
Other members of the Leadership Squad	2018		2019		2020		2021		2022	
Fixed remuneration	€ 2,466,946	47%	€ 2,632,038	48%	€ 2,166,045	39%	€ 2,534,773	43%	€ 3,055,941	46%
Short-term variable remuneration	€ 1,110,745	21%	€ 1,070,733	20%	€ 1,807,390	33%	€ 1,123,605	19%	€ 1,402,844	21%
Long-term variable remuneration	€ 1,025,000	20%	€ 1,055,000	19%	€ 916,375	17%	€ 1,097,703	19%	€ 1,154,000	17%
Group insurance premiums	€ 494,319	9%	€ 529,369	10%	€ 468,275	9%	€ 657,319	11%	€ 743,750	11%
Other benefits	€ 124,172	2%	€ 145,588	3%	€ 135,648	2%	€ 442,935	8%	€ 329,817	5%
Subtotal (excl. employer's social contribution)	€ 5,221,182		€ 5,432,728		€ 5,493,733		€ 5,856,335		€ 6,686,352	
Termination benefits	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%	€ 0	0%
Total (excl. employer's social contribution)	€ 5,221,182		€ 5,432,728		€ 5,493,733		€ 5,856,335		€ 6,686,352	

* Other members of the Leadership Squad: the increase of fixed remuneration in 2022 is mainly due to the five indexes which had to be applied in 2022 The increase since 2021 of the Other benefits is mainly due to specific advantages related to the foreign executive status of several members and the recruitment of two of them. The reported fixed remuneration of 2022 does not include the fees paid by Telesign US to a member of the Leadership Squad for his Chairman mandate in a Telesign US Committee (amounting to 8,000 USD).

The roles acted ad interim as CEO or as other member of the Leadership Squad are not taken into consideration for current report.

All these amounts are gross amounts before employer's social contribution.

Relative importance of the various components of the remuneration effectively allocated in 2022 before employer's social contribution



Wages and working conditions: internal comparisons, and company performance

The global working conditions of our senior management, CEO and members of our Leadership Squad included, are highly similar to the working conditions of all other employees.

Besides being limited, the few differences in benefits that exist between top management and Leadership Squad members on the one hand and the rest of the workforce on the other are usually related to general market practices or individual needs. For instance, while medical coverage is the same for the vast majority of our employees, senior managers included, this medical coverage is extended for employees whose taxable family income is below a certain ceiling - extension for dentures, hearing aids and other medical prostheses – and is also extended for the members of the Leadership Squad as to offer market conform conditions. The differences in benefits between the members of the Leadership Squad and the rest of the employees are generally more related to the status of foreign executive of several members of the Leadership Squad than to the function level or role.

In terms of remuneration, we ensure consistency between the remuneration and the business results as well as consistency between the remuneration policy of our executives and the remuneration policy of all other employees, for instance by aligning the ratio of the short-term variable remuneration actually allocated versus the target.

Our reward approach has always been designed to deliver long term sustainability, to reflect an excellent asset management risk model and to support the long-term business interests of our shareholders. It takes into account our responsibility towards our customers, our shareholders, the Belgian society and other stakeholders. This approach is also consistently applied to each subsidiary entity of our Group.

We want to recognize and fairly reward all employees' contributions. Our Group is committed to providing fair, gender neutral and consistent wages and working conditions to all employees, regardless of their level of responsibility or role. It is critical to have a competitive and market attractive Global Rewards Program for our entire workforce as to propel our company, all together, towards the future and to progress together in our ambition to participate in the construction of a green and digital Belgium we want to live in.

Pay ratio and pay evolution

The Pay ratio portraying the gap between highest and lowest paid remuneration in the company (Proximus S.A.) on a full-time basis is equal to 27.9 in 2022. This ratio is measured by comparing the highest (the CEO one) and lowest remuneration, taking into account the total target remuneration package (including base pay, premiums, variable pay, group insurances and benefits), excluding employer's social contributions. Taking the fees paid by Telesign US to the CEO for his Chairman mandate into consideration would bring this ratio to 29.6.

Considering the scope of our organization, where everyone has a role to play but with very different levels of strategic responsibility, such a ratio is consistent and below market practices[1].

Below table aims at portraying the evolution of the average remuneration on a full-time equivalent basis of the company's employees (other than members of the Board of Directors and of the Leadership Squad) between 2018 and 2022.

Average remuneration of the company's employees over years, including the year-over-year evolution

	2018	2019	2020	2021	2022
Average remuneration*	€ 77,786	€ 81,802	€ 86,677	€ 87,400	€ 93,471
Year-over-year evolution		+5%	+6%	+1%	+7%

* The average remuneration is measured by comparing the personnel costs – as published in the Social Balance sheet (code 1023) of the Annual Accounts of Proximus SA of the involved year – with the number of full time equivalents employees of Proximus SA at the closing date of the period (Leadership Squad excluded).

The Pay ratio portraying the gap between the CEO's remuneration and the average remuneration of the company's employees is equal to 12.9 in 2022. Taking the fees paid by Telesign US to the CEO for his Chairman mandate into consideration would bring this ratio to 13.7.

The year-over-year evolution (2022 vs. 2021) of the CEO total target remuneration and the average remuneration of the company's employees is respectively +9.8% and +7%. Those increases are due to the five indexes which had to be applied in 2022.

1 According to an analysis on the BEL20 published Remuneration Policies and Reports published by Willis Towers Watson– based on 17 remuneration reports published by 7 June 2022 – the median of the disclosed pay ratio between the highest and the lowest remuneration was of 42.9 for 2021.

Company performance

Below table shows the company's performance between 2018 and 2022.

For more info, please see the Proximus Financial Report.

Company performance over years, including the year-over-year evolution

(€ million)	Underlying revenue		Underlying EBITDA	
2022	5,909	+7.8%	1,786	-2.7%
2021	5,578	+1.8%	1,772	-3.5%
2020	5,479	-3.6%	1,836	-1.8%
2019	5,686	-2.1%	1,870	+0.3%
2018	5,807		1,865	

Application of the Remuneration Policy and votes on previous Remuneration Report

Application of the Remuneration Policy and derogations

Proximus undertakes to remunerate the members of the Board of Directors, the CEO and the other members of the Leadership Squad only in accordance with its Remuneration Policy, approved by the General Meeting of Shareholders of Proximus on 21 April 2021.

However, the Board of Directors may, in exceptional circumstances and upon proposal of the Nomination and Remuneration Committee, temporarily derogate from all elements of the Remuneration Policy. Exceptional circumstances shall only cover situations in which the derogation from the Remuneration Policy is necessary to serve the long-term interests and sustainability of Proximus as a whole.

When resolving on derogations from the Remuneration Policy, the Board of Directors must comply with the decision-making procedure set out in the Remuneration Policy.

Any derogation will be communicated at the first General Meeting of Shareholders following the derogation and will be explained in the Remuneration Report for the related year.

Shareholders votes on previous Remuneration Report

The Remuneration Policy document detailing the general principles governing our company remuneration policy applicable to the members of its Board of Directors and its Leadership Squad has been submitted to the votes of our shareholders at the General Assembly of April 20, 2021. The shareholders have shown their support and confidence in our Remuneration Policy by a very substantial majority (97.5%), which strengthens the choices we have made in this domain for the future.

The Remuneration Report of 2021, submitted to the votes of our shareholders at the General Assembly of April 20, 2022, has been approved by 75.5%. This result has prompted us to adopt even more transparency in this report and to go further in the readiness and the level of details of the disclosed information, as the opinion and trust of our shareholders matters much for us.

Regulatory framework

Cable & broadband regulation

The Belgian regulators' decision of 29 June 2018 on the broadband and TV market analysis outlined the regulation of Proximus's FTTH fiber and DSL network and of the cable networks. In terms of pricing, the regulators have imposed a "fair pricing" model for the FTTH monthly rental fees.

Concerning the Proximus wholesale fiber pricing, BIPT concluded on 9 March 2021 that the rates that Proximus applies for FTTH wholesale monthly rental fees are fair and are in line with the regulation it set in 2018. These are the access prices other operators pay for using Proximus's FTTH fiber optic network.

In April 2021, BIPT made the first step for the preparation of the review of the Broadband and TV markets of June 2018. The regulatory framework foresees that the regulators must review markets that are susceptible to ex ante regulation on a regular basis. Technical and competitive developments as well as the evolution of needs and consumptions habits must be taken into account.

In 2021, BIPT also announced its intention to apply the Proximus fiber access obligations to Proximus joint ventures Fiberklaar and Unifiber. These will be subject to the access, transparency, non-discrimination and price control obligations imposed on Proximus based on the 2018 decision. The preparation of the reference offer and the determination of the underlying costs in the context of a fair pricing approach is expected to occur in the course of 2023.

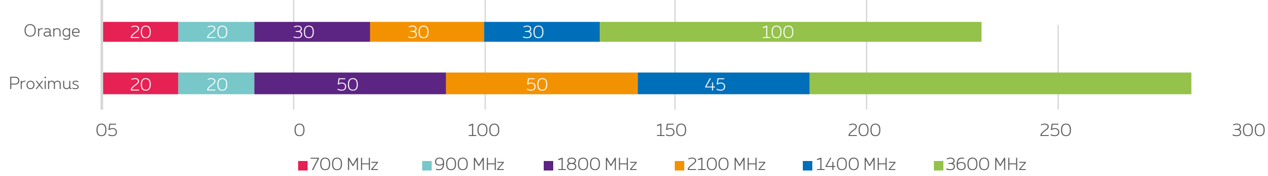
The decision of December 2019 on the review of the wholesale provision of high-quality access market entered into force on 1 February 2020. Alternative operators purchase these high-quality access services to connect sites (companies, base stations, interconnection points, etc.) that they cannot reach with their own infrastructure. Proximus has to apply fair pricing to monthly rental fees. Considering that several alternative infrastructures are already present, BIPT foresees a softer regulation in some areas, i.e. no price regulation on active access. In 2021, BIPT started its exercise to review the list of these competitive areas. Based on this analysis, new areas may be added to or removed from the list.

Radio spectrum

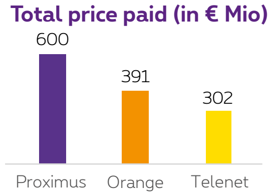
Belgium

The multi-band spectrum auction, including the renewal of the existing 2G/3G spectrum licenses (900 MHz, 1800 MHz and 2100 MHz) as well as the granting of new 5G spectrum (700 MHz, 1400 MHz and 3600 MHz), has been closed on 20 July 2022. In total, Proximus has been able to secure 285 MHz for € 600 million. All licenses will be valid for 20 years, except the 3600 MHz band which will expire by 7 May 2040. The 900 MHz, 1800 MHz and 2100 MHz bands will start on 1 January 2023 and the 1400 MHz band 6 months later on 1 July 2023.

Spectrum holding per operator (MHz)



Total price paid (in € Mio)



International roaming

On 4 April 2022, the European Council adopted a new legislative act to extend the roaming regulation until 30 June 2032.

In addition, the wholesale roaming charges (the prices that operators charge each other when their customers use other networks when roaming in the EU), are capped at € 2 per Gigabyte (Gb) from 2022 progressively down to € 1 in 2027. Furthermore, wholesale caps for voice and SMS are lowered based on a two-step glide path in 2022 and 2025.

€ excl. VAT	1/1/2022-30/6/2022	1/7/2022-31/12/2022	2023	2024	2025	2026	2027 -2032
Voice call/min	0.032	0.022	0.022	0.022	0.019	0.019	0.019
SMS	0.01	0.004	0.004	0.004	0.003	0.003	0.003
Data/GB	2.5	2	1.8	1.55	1.3	1.1	1

Coverage and quality of networks

Through its "Atlas" project, BIPT publishes detailed information on the coverage of mobile and fixed networks in Belgium and the quality of the user experience on these networks.

BIPT published the last edition of its mobile maps on 10 February 2022 (status October 2021). These maps enable to verify the coverage of each of the three mobile operators (Telenet/Base, Orange and Proximus) individually on the map of Belgium. The maps show different coverage levels (very good/deep indoor, good/indoor, satisfactory/outdoor). They show that, for 4G, Proximus has the highest population coverage for all coverage levels. BIPT prepares an update of the mobile Atlas for early 2023.

Begin 2022 BIPT published a "drive test and train test study" on the quality of mobile user experience offered by the three mobile operators. The study concludes that the performance of mobile networks in Belgium has been stable or has improved, both for voice and data, thanks to advancements in technology as well as investments and optimization by the operators. It highlights that, based on international experience, Belgian mobile operators offer very good quality. For example, in drive tests, Proximus shows excellent results for call setup times, video streaming start times and Dropbox performance and, in train tests, Proximus achieved the highest score for 19 of the 21 indicators measured. BIPT prepares an update for end 2022 or early 2023.

For fixed networks, BIPT continues to publish aggregated coverage maps of Proximus and the cable operators by different download speeds: 1 Mbps, 10 Mbps, 30 Mbps, 50 Mbps and 100 Mbps. BIPT prepares an update of the fixed Atlas for early 2023 with more detailed maps.

On 16 May 2022, BIPT published, for the first time, maps showing the actual and the short term planned FTTH (Fibre-To-The-Home) coverage in Belgium indicated in a specific color showing the FTTH operators present and the status of their rollout (deployed and planned). BIPT requests this information from the fiber operators. BIPT updates this map on a quarterly basis and thus provide a clear overview of the evolution of the deployment of optical fiber in Belgium.

Since December 2021, BIPT publishes its "Fiber Vademecum" at in which it aims to inform a broad public (end-users, building-owners, operators & public authorities) about fiber and its roll-out. Given the large range of target audiences, the information remains high-level, and is rather objective-technical.

Net neutrality

Following the rulings by the Court of Justice of 2 September 2021, Proximus has been obliged to stop all its zero-rating offers (mostly Mobilus favorite app offers and Epic offers). This deletion was implemented on 1 September 2022. The Body of European regulators, BEREC, reviewed in consequence of the court ruling its Open Internet Guidelines for zero-rating practices considering now that such practices are incompatible with the Open Internet Regulation.

On 28 June 2022, BIPT adopted its 6th report on net neutrality monitoring in Belgium, covering the period from 1 May 2021 to 30 April 2022. BIPT opinion is that so far there are no major reasons for concern in Belgium regarding open internet access.

Universal service – social tariffs

On 8 November 2022, the Belgian government agreed a new social tariff for internet access, at € 19 per month. The new rate should be available from 2024 for over half a million low-income households.

Transposition of EU Code

From 3 January 2023, the prepaid mobile customers will have the right to request a refund of the remaining credit in case of a migration to another operator. This requirement was part of the EU telecom Code (adopted end 2018) which was transposed into the Belgian Telecom law on 31 December 2021. The transferring provider shall refund, upon request, any remaining credit to the customers using prepaid services. Refund may be subject to a fee of € 5 (not subject to VAT) only if indicated in the contract.

The modalities to implement this obligation are defined in a Royal Decree published on 3 October 2022.

EU Digital Market Act and Digital Services Act

The EU's Digital Markets Act (DMA) came into effect on 1 November 2022. The new competition law is aimed at large online marketplaces, app stores, search engines, social networks and cloud platforms, which will have until March 2024 to implement the new restrictions.

The DMA prohibits various unfair practices identified in a number of earlier competition cases by the EU against internet giants. These include, among others, not favoring their own services over third parties using their online platforms, not re-using data obtained from competing sellers on the platforms and allowing alternative payment services and app installations for access to their platforms.

In addition, the so-called gatekeepers must notify the European Commission of all acquisitions, regardless of size, and the Commission has extra powers to impose remedies if it identifies competition concerns. Violations of the DMA can also result in fines of up to 10 % of turnover and 20 % for repeat offences.

On 4 October 2022, the Council of the EU gave its formal approval to the new Digital Services Act (DSA). The Regulation shall apply from 17 February 2024.

First proposed in December 2020, the Digital Services Act sets a new level of accountability for online platforms to remove illegal and harmful content, while also increasing transparency on how algorithms are used and introducing protection for minors from personalized ads. It will cover a range of online intermediary services, including ISPs, hosting companies and large search engines and online marketplaces. Very large providers will also face extra regulatory requirements.

The Proximus share

Share listing

Stock Market	First Market of Euronext Brussels
Ticker	PROX
ISIN code	BE0003810273
Bloomberg code	PROX BB
Nasdaq code	PROX-EB
Reuters code	PROX.BR

Proximus share performance in 2022

Proximus closed 2022 at € 8.996, or 47.5% lower than the last closing price of 2021.

The Proximus share had a good start to the year, following the announced intention to take Proximus' international subsidiary Telesign public.

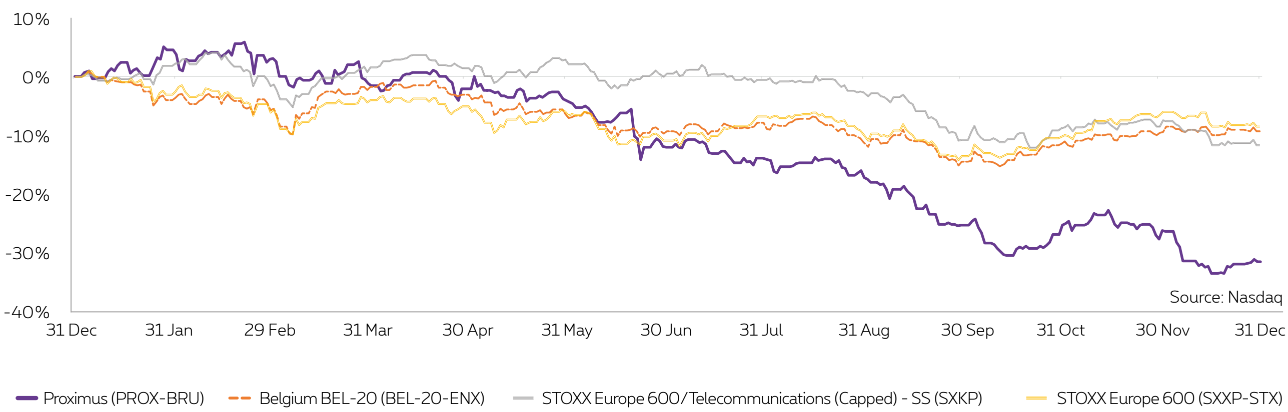
In late March, the fear of a new mobile entrant was stirred by the regulator's (BIPT) announcement that a newcomer in June's spectrum auction had exercised the option to access reserved spectrum. This means that this new mobile operator can enter the Belgian mobile market with an adequate spectrum package. The uncertainty on the future Belgian mobile market structure put significant pressure on the Proximus share for an extended period and came on top of the war in Ukraine impacting the overall market.

The outcome of the Belgian Mobile spectrum auction in June was broadly in line with analyst expectations on price, while the key surprise was the Romanian Telecom provider Digi which obtained the reserved spectrum in partnership with Citymesh.

Proximus announced early July that it no longer intended to take Telesign public. This decision was a result of the high market volatility linked to the external macro-economic environment.

Despite continued good quarterly results, with the full-year guidance upgraded twice, the share also remained under pressure in the second half of the year, driven by ongoing fears that the mobile market structure was to become more challenging, but also due to the potential overlapping Fiber deployment in Belgium, exposure to high wage inflation, and rising energy costs. All this was expected to put pressure on the Free Cash Flow (FCF), with research analysts pointing to an uncovered dividend by FCF.

Proximus share price evolution 2023 vs. 3 indices (in %- rebased)



Key figures on the Proximus share

Share information	2013	2014	2015	2016	2017	2018 IFRS15	2019 IFRS16	2020	2021	2022
Share price high	23.25	32.29	35.67	31.74	32.81	28.10	28.17	27.12	19.16	18.65
Share price low	16.32	20.78	27.93	25.31	26.42	19.31	21.96	15.01	15.95	8.47
Share price on 31 December	21.55	30.10	30.00	27.36	27.35	23.62	25.52	16.21	17.14	9.00
Annual trading volume (number of shares)	189,753,834	178,802,905	179,825,076	157,368,090	147,754,799	169,849,252	168,509,614	206,692,812	199,060,570	259,157,567
Average trading volume per day (number of shares)	744,133	701,188	702,442	612,327	579,431	650,763	660,822	804,252	774,555	1,008,395
Number of outstanding shares	319,204,181	321,230,597	322,003,751	322,637,103	322,638,989	322,703,817	322,982,509	322,690,026	322,741,364	322,392,507
Weighted average number of outstanding shares	318,759,360	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006	322,752,015	322,751,990	322,552,465
Market capitalization on 31 December (€ billion)[1]	6.88	9.67	9.66	8.83	8.82	7.62	8.24	5.23	5.53	2.90
Key data per share - on reported basis										
EBITDA	5.33	5.48	5.12	5.38	5.49	5.56	5.19	5.95	5.66	5.66
Earnings[2]	1.98	2.04	1.50	1.62	1.62	1.58	1.16	1.75	1.37	1.40
Price/ earnings on 31 December[3]	10.9	14.73	20.03	16.86	16.90	15.00	22.09	9.27	12.48	6.43
Ordinary dividend (gross)[4]	1.68	1.00	1.00	1.00	1.00	1.00	1.00	0.70	0.70	0.70
Interim dividend (gross)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Gross dividend yield[3]	10.10%	4.98%	5.00%	5.48%	5.48%	6.35%	5.88%	7.40%	7.00%	13.34%
Key data per share - on underlying basis										
EBITDA	NA	5.15	5.38	5.57	5.65	5.78	5.79	5.69	5.49	5.54
Earnings	NA	1.85	1.68	1.71	1.72	1.71	1.76	1.75	1.38	1.50
Price/ earnings on 31 December	NA	16.28	17.87	15.96	15.92	13.78	14.51	9.25	12.44	6.00

1 Calculation based on number of outstanding shares & last closing price of the respective year

2 Corresponds to the Net Income (Group Share) / weighted average number of outstanding shares

3 Based on the last closing price of the respective year

4 Accounting view (not cash view)

Our shareholders

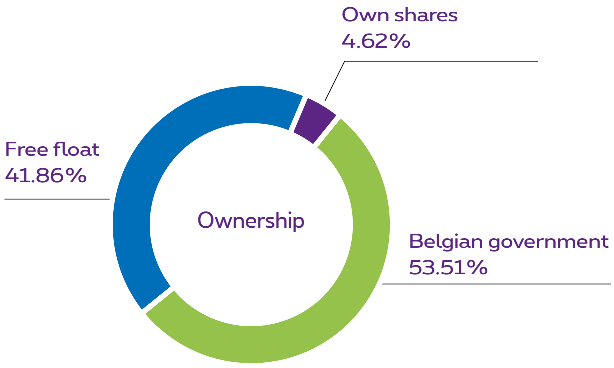
Proximus' main shareholder is the Belgian Government, owning 53.51% of the company's shares. Proximus held 4.62% of its own shares end-2022. The free float represented 41.86% or nearly 142 million shares, about 57% of which was held by institutional shareholders.

Proximus' main institutional shareholders are located in the United States and France, followed by Germany and UK.

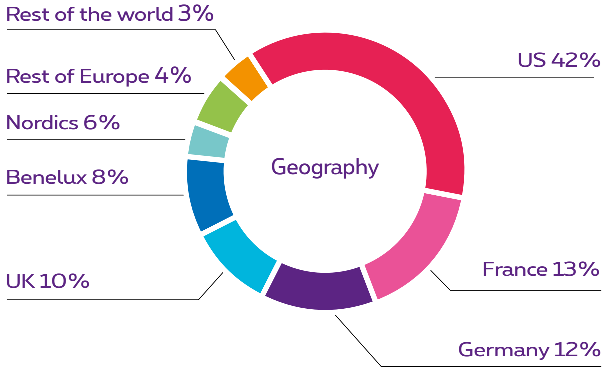
Proximus shares ownership – 31 December 2022

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180,887,569	53.51%	56.11%	55.99%	180,887,569	180,887,569
Proximus own shares	15,632,628	4.62%	0.00%	0.21%	0	693,702
Free-float	141,504,938	41.86%	43.89%	43.80%	141,504,938	141,504,938
Total	**338,025,135**	**100.00%**	**100.00%**	**100.00%**	**322,392,507**	**323,086,209**

Proximus shares ownership



Institutional shares per geography



Source: Shareholder analysis November 2022
% of identified institutional shareholders - Nasdaq

Evolution of treasury shares

End of period 2021	**15,283,771**
Changes through liquidity contract	359,086
Discount Purchase Plan employee	-10,229
End of period 2022	**15,632,628**

End-2022, Proximus held 15,632,628 treasury shares, representing 4.62% of the total number of shares. In the course of 2022, 10,229 treasury shares were used in a Discounted Share Purchase Plan, and no options were exercised[1].

The voting rights of all treasury shares are suspended by law. Proximus has 14,938,926 treasury shares that are not entitled to dividend rights and 693,702 treasury shares that are entitled to dividend rights.

Under Belgian law, companies are prohibited from owning more than 20% of their outstanding share capital.

1 For more information, please see Remuneration Report

Transparency declarations

According to Proximus' bylaws, the thresholds as from which a shareholding needs to be disclosed have been set at 3% and 7.5%, in addition to the legal thresholds of 5% and each multiple of 5%.

In 2022, Blackrock Inc. notified of the changes in their Proximus shareholding as listed below.

To Proximus' knowledge, no other shareholder owned 3% or more of Proximus' outstanding shares as at December 31, 2022.

Notifications of important shareholdings to be made according to the Law of May 2, 2007 or Proximus' bylaws should be sent to

- FSMA on trp.fin@fsma.be
- Proximus on investor.relations@proximus.com

				Voting rights		Total incl. equivalent financial instruments	
Date on which threshold was crossed	**Notified on**	**Notifier**	**Reason for notification**	**# voting rights after the notified transaction**	**% voting rights in total of 338,025,135 voting rights**	**# voting rights after the notified transaction**	**% voting rights in total of 338,025,135 voting rights**
20/12/2022	22/12/2022	Blackrock Inc.	<5%	13,727,440	**4.06%**	15,572,027	**4.61%**
19/12/2022	22/12/2022	Blackrock Inc.	<5%	15,546,657	**4.60%**	17,369,412	**5.14%**
02/12/2022	06/12/2022	Blackrock Inc.	>3%	11,894,985	**3.52%**	14,561,603	**4.31%**
01/12/2022	05/12/2022	Blackrock Inc.	<3%	10,047,819	**2.97%**	13,640,775	**4.04%**
30/11/2022	02/12/2022	Blackrock Inc.	<5%	10,403,276	**3.08%**	13,988,006	**4.14%**
22/11/2022	23/11/2022	Blackrock Inc.	<5%	15,224,290	**4.50%**	19,890,618	**5.88%**
17/10/2022	19/10/2022	Blackrock Inc.	>5%	18,766,191	**5.55%**	20,320,944	**6.01%**
10/10/2022	11/10/2022	Blackrock Inc.	<5%	16,525,862	**4.89%**	19,381,651	**5.73%**
21/09/2022	23/09/2022	Blackrock Inc.	>5%	18,605,105	**5.50%**	20,376,172	**6.03%**
29/07/2022	02/08/2022	Blackrock Inc.	<5%	16,669,500	**4.93%**	19,765,856	**5.85%**
23/05/2022	24/052022	Blackrock Inc.	>5%	17,084,870	**5.05%**	19,502,298	**5.77%**
19/05/2022	23/05/2022	Blackrock Inc.	<5%	16,576,558	**4.90%**	19,769,007	**5.85%**
05/05/2022	06/05/2022	Blackrock Inc.	>5%	17,885,787	**5.29%**	19,609,797	**5.80%**
21/04/2022	25/04/2022	Blackrock Inc.	<5%	16,893,662	**5.00%**	19,003,040	**5.62%**
07/04/2022	11/04/2022	Blackrock Inc.	>5%	16,991,604	**5.03%**	19,267,131	**5.70%**
29/03/2022	30/03/2022	Blackrock Inc.	<5%	15,899,684	**4.70%**	19,310,109	**5.71%**
28/03/2022	30/03/2022	Blackrock Inc.	>5%	17,186,212	**5.08%**	19,701,381	**5.83%**
25/03/2022	28/03/2022	Blackrock Inc.	<5%	16,701,096	**4.94%**	19,125,445	**5.66%**
24/03/2022	28/03/2022	Blackrock Inc.	>5%	17,129,572	**5.07%**	19,188,304	**5.68%**
11/03/2022	14/03/2022	Blackrock Inc.	<5%	16,081,527	**4.76%**	20,193,391	**5.97%**
31/01/2022	02/02/2022	Blackrock Inc.	>5%	17,144,751	**5.07%**	20,103,111	**5.95%**

Shareholder remuneration

Dividend policy

bold2025 sets out an ambitious path for future growth and value creation for Proximus Group, continued investment in the #1 Gigabit network for Belgium, enhanced customer experience, next generation products and services, and further international development, whilst balancing the need to keep a sound financial position leads to a rebasing of the dividend policy.

Proximus intends to return a stable gross 2023 dividend of € 1.20 per share, subject to a financial performance delivery in line with the strategic plan. On the basis of the 2024 and 2025 results, Proximus will rebase its dividend level to € 0.60 per share. The rebased sustainable dividend level incorporates all currently known macro and inflationary headwinds, as well as expected changes in market structure.

On an annual basis, the proposed dividend is reviewed and submitted to the Board of Directors, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The shareholder remuneration policy is based on a number of assumptions regarding future business and market evolutions and may be subject to change in case of unforeseen risks or events outside the company's control.

Dividend on the 2022 result

On February 16, 2023, the Board of Directors approved the decision to propose to the Annual General Shareholders' Meeting of April 19, 2023 a gross dividend on the 2022 result of € 1.20 per share, of which € 0.50 interim dividend per share was paid in December 2022.

After approval by the Annual Shareholders' Meeting, the normal dividend of € 0.70 per share will be paid on April 28, 2023, with record date on April 27, 2023 and ex-dividend date on April 26, 2023.

This brings the total declared dividend over the 2022 result to € 387 million.

Investor relations

Proximus Investor Relations (IR) aims at ensuring open communication with the Belgian and international investment world on a regular basis. Through transparent, consistent dialog with investors and financial analysts, the Group strives for a fair share value based on high-quality financial information.

To keep Proximus' current and potential shareholders informed, Proximus' management speaks to the financial community on a regular basis. Each quarterly results announcement is followed by a conference call and investor/analyst presentation during which maximum time is reserved for a "question & answer" session.

Throughout 2022, Proximus has organized several roadshows with top management. Furthermore, Proximus has participated in several major international investment conferences. In all these activities, management is supported by the Investor Relations team (IR).

The Proximus IR team offers daily support to the retail and institutional shareholders as well as to the sell-side analysts.

A strict quiet period is observed before the communication of the quarterly results. The start of the quiet period is published on the Proximus Investor Relations website: proximus.com/investors.

Financial calendar[2]

April 12, 2023	Start of quiet period ahead of Q1 2022 results
April 19, 2023	Annual General Shareholders' Meeting (AGM)
April 28, 2023	Dividend payment (to be approved by the AGM)
April 28, 2023	Announcement Q1 2022 results
July 12, 2023	Start of quiet period ahead of Q2 2022 results
July 28, 2023	Announcement Q2 2022 results
October 11, 2023	Start of quiet period ahead of Q3 2022 results
October 27, 2023	Announcement Q3 2022 results

2 Note that these dates may be subject to change

Non-financial Statements

Contribution to the UN Sustainable Development Goals

The Sustainable Development Goals (SDGs) define global sustainable development priorities for 2030 and seek to mobilize governments, businesses and society at large around a common set of objectives and targets.

As a telco & ICT operator, we have a role to play in contributing to these goals. However, not all 17 SDGs are directly relevant to our business. In 2022, we performed a more precise mapping of our business model and sustainability strategy to the SDGs with the goal of creating greater focus and clarity. We chose to focus on four key SDGs where we believe Proximus can have the greatest impact and bring the largest contribution: SDGs 8, 9, 12 and 13.

We added SDG's 4 "Quality education" and 5 "Gender equality", for which we evaluate having a medium impact, but they are embedded in our corporate values.

SDG	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	**4.4** By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship	**Employee development:** A wide range of training programs on our "learning@proximus" platform from classroom training to digital modules and e-books for employees to stay up to date with developments in their fields of expertise. The learning platform provides employees with tools to build their futures and even take new directions in their careers. Specific support offered to 50+ staff to support them in their personal development, with continuous learning, Experience@work, … Continuous up-skilling of our field employees (engineers, technicians, splicers) and customer-facing employees (in call centers and shops).	Medium	Enhancing positive impact	Employee up-skilling, re-skilling & employability
		Capacity building: Supporting Bednet and ClassContact, two associations that allow children living with long-term illnesses to continue their education at home or in the hospital. Academic Connect: a solution allowing teachers and students to step into the digital era and adopt new ways of learning.	Medium	Enhancing positive impact	Digital inclusion
		Youth employment: Thirteen recent master's graduates hired for our Proximus Graduate Program and around 70 internships. Partnerships with MolenGeek, an organization helping less-privileged job seekers to build their careers in the new digital world and with School19, the first free Belgian coding school. Founding partner of Technobel, which offers ICT training courses to job seekers, as well as information and awareness initiatives for citizens, schools and professionals.	Medium	Enhancing positive impact	Employee up-skilling, re-skilling & employability Digital inclusion

SDG	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
Achieve gender equality and empower all women and girls	**5.1** End all forms of discrimination against all women and girls everywhere	**Equal remuneration for women and men:** Proximus respects the equal pay principle. Since 2021, a gender pay equality assessment is performed, showing that the difference between female and male workers is not due to a different pay policy but to the fact that women work more part-time than full-time compared to men.	Medium	Enhancing positive impact	Diversity & Inclusion
		Parental leave and child care: Proximus offers conditions that allow its employees to reconcile the different aspects of their professional and private lives during their different life phases: parental leave, home working, part-time schedules, sick childcare, childcare cost intervention, transition allowance, scholarship, children's holidays offer, kids' days, support of social consultants in case of difficult personal situation.	Medium	Enhancing positive impact	Diversity & Inclusion
		Workplace harassment: Proximus has a policy on diversity and equal rights which applies to all employees of Proximus Group. Diversity & Inclusion is also part of the Code of Conduct which is applicable to all employees and part of the mandatory training. Within Proximus, specific teams are in charge of monitoring compliance with the Charter and of taking the correct measures in case of non-respect. Specific training is given to frontline employees on how to deal with and report aggressive customers. Incidents, including violence or harassment from thirds (e.g. customers in shops) and any corrective action is reported quarterly to the Audit & Compliance Committee.	Medium	Enhancing positive impact	Diversity & Inclusion
		Non-discrimination: Proximus has set itself the objective of being the most active company in the promotion of women in the digital world, reaching its target of recruiting 30% of women in technical areas requiring a university degree by the end of 2022.	Medium	Enhancing positive impact	Diversity & Inclusion
		Inclusive supply chain: Our Supplier Code of Conduct requires suppliers to respect and support the protection of the human rights of workers (including non-discrimination), as well as individuals and communities affected by their activities.	Medium	Enhancing positive impact	Human rights Responsible supply chain
	5.5 Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life	**Female representation at the different levels of our company:** 43% of the Board of Directors 22% of the Leadership Squad 32% of all employee population	Medium	Enhancing positive impact	Diversity & Inclusion

SDG	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**8.2** Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labour-intensive sectors	As the major provider of connectivity services, digital services and ICT solutions in Belgium, Proximus contributes to Belgium's sustainable economic growth by: • Building the gigabit network for Belgium with fiber & 5G. • Enabling the digital transformation of our enterprise customers. • Supporting the development of new ecosystems, new business models and job creation (e.g. Doktr ...). • Supporting the development of artificial intelligence and cybersecurity expertise in Belgium with Proximus Ada.	High	Enhancing positive impact	Support digital infrastructure for Belgian society Access to essential services
	8.5 By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value	Proximus Group employs 11,634 employees. Proximus welcomed 456 new hires, including 172 in the shops and the contact centers. Regarding our employees, we are committed to fair pay, equal opportunities and training & development opportunities. We ensure a safe and secure working environment and promote wellbeing at work. By signing our Supplier Code of Conduct, our suppliers agree to adhere to the same level of commitment as ours. Proximus collaborates with several adapted work companies, offering the possibility to approximately 200 people with disabilities to carry out activities such as cabling, kit assembly, repairs, and testing and packaging of its products.	High	Enhancing positive impact	Employee up-skilling, re-skilling & employability Responsible supply chain
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	**9.1** Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all	With its gigabit network, Proximus builds the future-proof and sustainable digital infrastructure of Belgium and commits to offer a high-performance internet to all Belgians: • Ambition to offer 100% gigabit coverage by 2032. • Ambition to achieve national 5G coverage by the end of 2024. Our offering makes digital access affordable: Low-cost Scarlet brand, attractive entry products for internet and mobile with Proximus brand, social tariffs, "Internet for All" offer for disadvantaged Belgians We also foster the development of innovative products and services: • On our 5G innovation platform, customers from different industrial sectors can test new 5G use cases before starting development. • Together with academia, partners and customers, Proximus develops innovative smart solutions that help industries to become more sustainable.	High	Enhancing positive impact	Support digital infrastructure for Belgian society Sustainable infrastructure Digital access
		At the same time, we are aware of the public concerns regarding networks deployment and we do our best to answer those concerns: • Health concerns linked to relectromagnetic fields: compliance with the legislation, follow-up of scientific research and feedback from the public. • Mental health issues linked to digital addiction:feedback from the public. • Visual pollution of the landscape: 35% fewer antennas thanks to Mwingz. • Works in the street: agreements with utilities companies to optimize road works; aerial fiber deployment.		Minimizing negative impact	Address 5G concerns Mental health

SDG	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
Ensure sustainable consumption and production patterns	**12.2** By 2030, achieve sustainable management and efficient use of natural resources	Between 2007 and 2021, we reduced our electricity consumption by 30%, through: • phasing out technical buildings and outdated network infrastructure. • building energy-efficient technical rooms • reducing the number of street cabinets (thanks to fiber rollout). • sharing the mobile access network with Orange Belgium. Since 2019, Proximus has been sourcing only renewable electricity and is increasingly buying its electricity from local sources. By 2030, Proximus will have completely banned the use of fossil fuels for its vehicle fleet and buildings. We also organize greener urban deliveries. We enable our customers to reduce their environmental impact, by: • Offering of refurbished smartphones. • Offering customers apps to gain an insight into their ecological footprint (e.g. Banx, My Footprint, Eco-rating label). • Solutions and expertise to enable the decarbonization of other industries (e.g. smart solutions such as aug.e).	High	Minimizing negative impact	Environmental solutions Sustainable infrastructure
	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse	Proximus aims to be truly circular by 2030: • Through eco-design, refurbishment, reuse and recycling, we extend our devices' lifecycle. Our new Internet Box, which has a casing made entirely of recycled plastic, has a 30% smaller environmental footprint and uses 24% less electricity than Bbox V3. • We collect old mobile phones for refurbishing and recycling. • Proximus shares its mobile access network with Orange Belgium, thereby reducing the number of base stations by 35%. • Copper from network is recycled. • We propose leasing business models to our enterprise customers (e.g. Engage Packs). At the end of the leasing, we collect the devices for refurbishing or recycling. On the residential market, this leasing model is applied to our modems and decoders, 90% of which are refurbished and put back in circulation four times. However, consumers are not yet ready to lease their smartphones. The challenge lies in motivating them to bring back the phones they don't use anymore. Proximus is working towards 90% re-used or recycled waste by 2025 and zero waste by 2030. In 2022, Proximus already recycled or re-used 87% of its waste.	High	Minimizing negative impact	Circular economy

SDG	SDG sub-target	Proximus actions	Level of contribution	Sense of contribution	Link to material topics
Take urgent action to combat climate change and its impacts	**13.1** Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	Proximus has started to implement TCFD recommendations. For example, since 2022, climate risks are structurally integrated into the Enterprise Risk Management (ERM) processes.	High	Minimizing negative impact	Energy and CO_2 emissions
	13.2 Integrate climate change measures into national policies, strategies and planning	Fighting climate change is integral to Proximus' strategy: • Since 2019, Proximus has been sourcing only renewable electricity and is increasingly buying its electricity from local sources. • In 2021, we joined the European Green Digital Coalition. • In 2022, Proximus was the first large company in Belgium and third telco worldwide to have its Net-Zero targets validated by the SBTi (overall target, near-term and long-term targets). • By 2030, Proximus will have completely banned the use of fossil fuels for its vehicle fleet and buildings. • As our biggest remaining carbon footprint resides across our value chain, we work closely with our suppliers to achieve our ambition to be net zero by 2040.	High	Minimizing negative impact	Energy and CO_2 emissions

Materiality and stakeholder dialogue

Materiality determination

In 2021, we conducted a materiality assessment in partnership with external consultants. The materiality matrix resulting from this process was validated by the Board of Directors in 2021. It served as a guide for defining the strategic priorities of our new strategic cycle, bold2025, and identifying areas of mutual benefit between Proximus and all its stakeholders.

The following steps were taken to conduct the materiality assessment:

Step 1 **Internal & external analysis**

We conducted extensive desk research to establish the full universe of topics potentially relevant to our strategy. Our analysis included a range of internal sources such as past stakeholder surveys and strategy documents, as well as publicly available industry benchmarks and a review of sector peers.

Step 2 **Leadership Squad engagement**

We consulted the Leadership Squad to establish a shortlist of the most relevant topics to Proximus and get their assessment of each topic's impact on Proximus long-term success.

Step 3 **Stakeholder consultation**

We conducted online quantitative research as well as in-depth qualitative interviews to assess the importance of each material topic in the eyes of our stakeholders. The stakeholder groups consulted were: investors, employees and senior management (Proximus Leadership Team), political and regulatory stakeholders, suppliers, partners, enterprise customers, journalists & opinion leaders, and a general public sample including residential customers as well as non-customers.

Step 4 **Materiality matrix development**

Based on the consultation's findings, we plotted these most important topics, and their potential impact on Proximus' long-term business success on a matrix. The integrated materiality matrix combines the view of our stakeholders and of the Leadership Squad. The topics are clustered in 5 areas of interest: customer trust, digital society, environmental impacts, employee welfare and business conduct.

However, in the specific context of annual reporting, we limit the number of material topics that are reported in this annual report to the 14 most important topics, included in zones "Very High" & "High" as shown in the matrix below.

Proximus materiality matrix is unchanged compared to 2021.

List of material topics and definitions

Customer trust

Delivering customer promises: Deliver high-quality reliable digital services and great customer support.

Customer value for money: Give our customers the best possible service at the best possible price.

Environmental impacts

Energy and CO_2 emissions: Reduce energy and CO_2 emissions, and use renewable energy resources.

Sustainable infrastructure: Minimize the environmental impacts of the digital infrastructure (e.g. materials and energy).

Circular economy: Reuse and recycling of electronic devices and materials.

Environmental solutions: Develop solutions for consumers and businesses to reduce their environmental footprint.

Employee welfare

Employee up-skilling, re-skilling & employability: Support employees with opportunities to develop their skills throughout their employment.

Diversity & Inclusion: Cultivate a diverse workforce, an inclusive company culture, and make minorities visible in our marketing.

Workplace wellness: Ensure the physical and mental well-being of our employees.

Business conduct

Business conduct & ethics: Maintain the highest standards of integrity in all aspects of the business, including ethical data management.

Responsible supply chain: Source materials in a way that respects people and the planet.

Human rights: Respect human rights across our entire supply chain.

Digital society

Digital access: Bridge the digital gap with affordable high-speed internet for every Belgian home.

Digital inclusion: Equip people with digital skills for better learning, employability and online safety.

Privacy & data security: Ensure that data is secure and personal information is protected.

Support digital infrastructure for Belgian society: Help public service organizations (hospitals, government, schools...) build their digital infrastructure.

Access to essential services: Create tools to develop more inclusive access to essential services (e.g. health or banking apps).

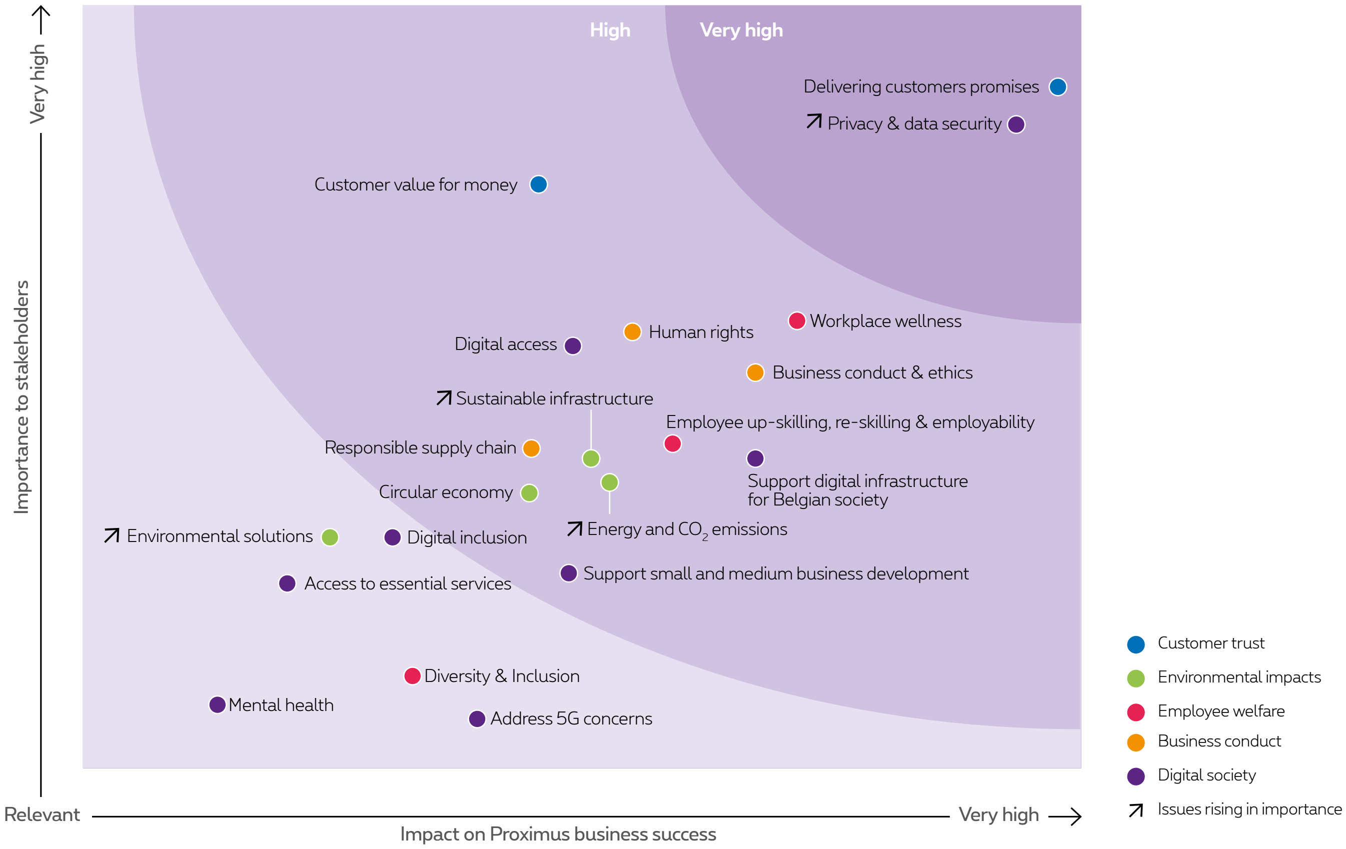
Support small and medium business development: Help Belgian SMEs grow by providing digital tools and infrastructure.

Address 5G concerns: Educate the public on 5G through evidence-based research.

Mental health: Address digital issues that can affect mental health (e.g. overconsumption, freedom of choice).

Materiality Matrix

The assessment identified 20 material topics that are all taken into account by Proximus in its new strategy for 2023-2025.



Correspondence between Proximus most material topics and the SASB sector-specific topics

To ensure our identified priorities are aligned with the SASB sector-specific topics we linked our most important topics to the SASB topics for the sector "Telecommunication services". See table below:

SASB topics	Proximus material topics
GHG Emissions	Energy and CO_2 emissions
Energy Management	Energy and CO_2 emissions Sustainable infrastructure
Customer Privacy	Privacy & data security
Data Security	Privacy & data security
Labor Practices	Human rights
Employee Health & Safety	Workplace wellness
Employee Engagement, Diversity & Inclusion	Diversity & Inclusion
Employee up-skilling, re-skilling & employability	Circular economy
Product Design & Lifecycle Management	Circular economy
Supply Chain Management	Responsible supply chain
Materials Sourcing & Efficiency	Circular economy

Stakeholder dialogue

We engage with our stakeholder on a structured and regular basis. This is essential to the way we do business. These interactions are guided by a solid governance and a clear ethical compass: responsibly and respectfully.

First of all, we strive to improve our ESG measures (environmental, social and corporate governance) by defining a clear improvement strategy, setting up clear action plans and integrating them in the short-term and long-term incentives of top management.

In 2021, we conducted a materiality assessment. The new materiality matrix was validated by our Board of Directors. We repeat this assessment every 3 years. The next one will be held in 2024.

Proximus is an autonomous public enterprise with the Belgian state as a majority shareholder, resulting in regular interactions with policymakers. We actively engage with decision makers on every political level and support activities which foster public debate about the consequences of a rapidly changing and increasingly digital world. Through our membership of various (business) associations, we also engage with politicians at the Belgian and European level.

Proximus refrains from any funding of political parties, political individuals or government institutions. Our management upholds strict standards on ethical and transparent behavior. Proximus has a Public Affairs policy defining how to engage with public authorities.

Our stakeholders include all the individuals and organizations affected by our operations or with whom we have a relationship. They include but are not limited to enterprise and residential customers, investors, employees, public authorities and regulatory bodies, suppliers and society at large.

Stakeholder group	How we engage	Main topics and concerns	Our response
Employees	• Annual survey to evaluate employee engagement & satisfaction • Strategy updates • Weekly CEO newsletter • Regular meetings, breakfasts, field visits with the Leadership Squad • Weekly 15-minute meeting with the CEO • Dialogue with Unions	• Workplace wellness, incl. adapting to a post-COVID-19 hybrid work environment • Up-skilling & re-skilling opportunities • Opportunities for personal & career development • Communication sharing with the Leadership Squad • Climate action • Position on societal issues • Diversity & Inclusion • Delivering customer promises	• Initiatives promoting a positive physical and mental health environment in the workplace • Initiatives promoting a more inclusive culture, autonomy and flexibility (e.g. working from home) • Our Agile transformation, aiming at more wellbeing at work through better collaboration, clear priorities and more autonomy • Dedicated communication and change plans on agile operating model • Series of post-COVID-19 reconnect events • Intermediate "Pulse" survey in June 2022 • Regular short surveys on specific topics (ex. work environment, new culture, …) • Large offer of training courses, including developing skills in domains of the future • Strategic ambitions and achievements communicated on a regular basis to all employees, through digital channels and live events, incl. climate actions, position on societal issues such as the war in Ukraine, …

Stakeholder group	How we engage	Main topics and concerns	Our response
Residential customers	• Direct touchpoints (contact centers, technicians, shops) • Digital channels (websites, emails, social media) • Mass-communication campaigns (TV, radio, printed press, ...) • Self-service portal, "MyProximus" • "Voice of the Customer" platform to collect customer's feedback • "Customer experience dashboard" to track the drivers of customer satisfaction and dissatisfaction • Dedicated design thinking sessions and focus groups	• Superior network quality & reliability • Excellent customer support • Customer value for money • Delivering customer promises • Privacy & data security • Environmental solutions • Position on societal issues • Inflation and energy crisis	• Accelerated roll-out of fiber, launch of the 10Gbps technology on fiber and further roll-out of 5G • Collaboration with the Centre for Cyber Security Belgium on the Belgian Anti-Phishing Shield (BAPS) project to block phishing websites • Launch of the first Internet Box integrating Wi-Fi 6 technology and intelligent Wi-Fi repeaters for a better surfing experience • Multi-channel customer support: online, on the phone and in shops • Complementary brand portfolio incl. "internet at home" launch at Mobile Viking, Scarlet Trio Mobile launch and data doubling in mobile bundles, Flex XS launch at Proximus • MyProximus app: improved performance and new features • Improved administrative and technical assistance journey • Strict rules and policies with regards to customer data, complying to GDPR and e-privacy directives • Cyber Care insurance • Offer of refurbished smartphones, smartphones recycling programs and launch of the Eco Rating label • Offer of solutions helping customers to reduce their environmental footprint (Banx, MyFootprint) • Tips to keep telecom budget under control, tips to reduce the energy consumption of devices, EnergyID in MyProximus and social tariffs
Enterprise customers	• Account and customer success managers • Business experts • Contact centers • Digital channels • Indirect partner channel • Self-service portal, "MyProximus" • "Voice of the Customer" platform to collect customer's feedback • Dedicated design thinking sessions, advisory boards and events • Professional fairs and events	• Superior network quality & reliability • Be the trusted partner in their digital transformation • Personalized and high quality service • Delivering on customer promises • Customer value for money • Privacy & data security and (cyber)security risks • Environmental solutions • Industry leadership through innovation • Position on societal issues • Inflation and energy crisis • War for talents • Business conduct & ethics and human rights	• Accelerated roll-out of fiber, further roll-out of 5G and use of 5G innovation platform • Additional investments to increase network protection from DDoS attacks • Digital workplace, security and cloud solutions • Partnership with Microsoft on Sovereign Cloud • Creation of Proximus Ada, our center of excellence in cybersecurity and AI • Continued investments in security, cloud sovereignty, cyber defence, digital identity and fraud protection • Strategic workforce planning aligning profiles to customer projects • Managed IT Services offering to mitigate the shortage of IT talents • Solutions enabling customers to reduce their own footprint • Acting upon ESG • Mandatory Code of Conduct, Anti-Bribery and GDPR eLearning for all employees of Proximus Group, Supplier Code of Conduct • Strict rules and policies with regards to customer data, complying to GDPR and e-privacy directives • BICS repositioning as a communication platform

Stakeholder group	How we engage	Main topics and concerns	Our response
Public authorities & regulators	• Regular meetings with ministers, elected representatives, local authorities, regulators, legislative and policy making authorities or lobbying organizations • Engagement through business associations such as UWE, Agoria, Voka, VVSG, the European Telecommunications Network Operators' Association (ETNO), GSMA, etc.	• Compliance to regulations in place in Belgium, Europe & internationally • Business ethics • Climate action • Position on societal issues, incl. digital access for all	• A legal watch is operated by Group Legal to keep track of the evolution of laws applicable to Proximus. These are then transmitted to the various Domain owners to be incorporated in ad-hoc or periodic policy reviews. Group Compliance Office regularly participates to round tables and seminars organised by our law firms and other organisations to remain aware of the latest laws and regulations of the Compliance Domains. • Group Public Affairs pro-actively advise, counsel and support Proximus Group in order to optimize the surrounding business climate, deliver as much as possible improved business conditions, as far as those conditions are influenced by public authorities.
Investors	• Quarterly results presentations with Q&A • Annual General Meeting • Investor roadshows with top management • Sector conferences, IR-only roadshows and conference calls • Meetings with institutional investors	• Communication and insights on the market we operate in, including impacts of inflation and energy crisis • Information on achievements, strategy and domestic and international ambitions • Information on long-term value creation • Clear ESG metrics and targets • Business conduct & ethics	• In 2022, investors and analysts received press releases detailing the latest developments regarding price indexations, fiber rollout, spectrum auction and plans with Telesign • The quarterly presentations addressed the hot topics in the market such as updates on the Fiber project, the main KPIs for Consumer and Enterprise, and a more frequent view on the progress made in the ESG domain • The Proximus IR team offers daily support to the retail and institutional shareholders as well as to the sell-side analysts.
Suppliers	• On-site supplier audits through JAC (Joint Audit Cooperation) • Third-party risk assessments through EcoVadis • Supplier Relationship Management • Supplier Engagement Program • Circular Demand Management	• Meeting our long-term commitment and obligations • Transparent contract conditions with fair pricing conditions • More collaboration on carbon footprint reduction objectives and circularity • Supply chain disruptions and material shortage • Inflation and energy prices • Human rights	• Risks monitoring and mitigation by closely interacting with our key suppliers, in a bi-directional Supplier Relationship Management • Risk mitigation is done via multi-sourcing & tier 2 management, improved inventory management (stock, forecast, transport), product/process reengineering and an enhanced and close Supplier Relationship Management (contracts...) • Structural review in progress of Procurement processes and documentation to include environmental requirements. Assessment criteria were defined to score a supplier's climate change maturity level which will be integrated in all interactions with suppliers • Suppliers were assigned a criticality level to be engaged on climate change requirements. High and Medium criticality suppliers will be engaged next year to publicly set emission reduction targets and report transparently on their progress and initiatives • Climate change and circularity requirements will be defined per purchasing cluster of goods and services as a guideline for decision makers relating to procurement demand management • Supplier Code of Conduct under review to include stricter requirements related to climate change and human rights in line with increasingly stringent legislation

Stakeholder group	How we engage	Main topics and concerns	Our response
Society at large	• Quarterly surveys amongst the general public in Belgium • Partnerships and dialogue with various Belgian NGOs and associations	• Access to the digital society • Affordable access to high-speed internet for all • Positive impact on Belgian society • Climate action • Data protection & privacy • Geopolitical instability and (cyber)security risks • Highest standards of integrity and business ethics	• Ambition to extend fiber coverage to 95% of Belgian premises, with the ambition to offer 100% gigabit coverage by 2032 • Complementary brand portfolio that addresses value seekers as well as price-conscious consumers • "Internet for All" project and social tariffs • Partnerships and collaboration with a series of organizations to help reduce the digital divide (DigitAll, MolenGeek, School19, Technobel, …) • Validation by the SBTi of our near-term and long-term greenhouse gas (GHG) emission reduction targets. Concretely, we commit to reach net-zero greenhouse gas emissions across our entire value chain by 2040 (10 years ahead of European objective) while engaging our suppliers to deliver on the same climate ambitions throughout their own value chains • Proximus joining the efforts of Belgium for energy savings by implementing a series of energy efficiency measures • Strict rules and policies on data privacy, complying with the newest regulation • Collaboration with the Centre for Cyber Security Belgium on the Belgian Anti-Phishing Shield (BAPS) project to block phishing websites • Collaboration with Child Focus for the Internet Safe & Fun Days

Social statement

General note to the social statement

The social statement describes the key indicators, scoping, boundaries, calculation methodologies and reporting standards for all social domains.

The indicators marked with a tick mark are subject to external limited assurance by Deloitte.

Scope of the social statement

The scope of this statement is limited to the activity of Proximus SA, unless stated otherwise. It does not include activities linked to our Belgian affiliates. The numbers are expressed in FTE unless stated otherwise. Full year data are reported.

S1: Workforce

S1	Workforce	Unit	2018	2019	2020	2021	2022	*
	Total number of employees (FTE) for Proximus Group	**Number**	**13,385**	**12,931**	**11,423**	**11,532**	**11,634**	
	BICS	Number	505	467	468	450	503	
	Telesign	Number	222	322	504	504	704	
	Proximus Group excl BICS and Telesign	Number	12,658	12,143	10,530	10,577	10,427	
	Total number of employees and workers (FTE)	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.70**	
	Employees	Number	10,168.1	9,651.6	8,180.3	8,796.2	8,615.70	
	Workers	Number	1,001.6	904.6	643.7	0	0.0	
	Total number of employees (FTE) by gender	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Female	Number	3,375.5	3,232.7	2,629.5	2,633.5	2,627.6	
	Male	Number	7,794.2	7,323.5	6,194.5	6,162.7	5,988.1	
	Total number of employees (FTE) per level	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Top management	Number	162.3	153.5	164	167	166.0	
	Female	Number	34.5	35.5	39	37	37.0	
	Male	Number	127.8	118	125	130	129.0	
	Senior management	Number	905.2	914.8	899.4	953	1,059.4	
	Female	Number	225.2	234	239.4	268.6	313.5	
	Male	Number	680	680.8	660	684.4	745.9	
	Middle management	Number	2,154.4	2,171.7	2,060.9	2,155.2	2,109.6	
	Female	Number	566.3	577.2	571.1	614.9	615.7	
	Male	Number	1,588.1	1,594.5	1,489.8	1,540.3	1,493.9	
	Lower management	Number	662.5	605.7	539.2	524.5	520.4	
	Female	Number	250.8	235.2	209.2	199.2	207.8	
	Male	Number	411.7	370.5	330	325.3	312.6	
	Sales	Number	1,605.5	1,516.6	1,123.1	1,087.8	1,049.1	
	Female	Number	693.1	643	435	403.9	377.6	
	Male	Number	912.4	873.6	688.1	683.9	671.5	
	Employees	Number	5,679.8	5,194	4,037.5	3,908.7	3,711.2	
	Female	Number	1,605.6	1,507.8	1,135.9	1,109.9	1,076.0	
	Male	Number	4,074.2	3,686.1	2,901.6	2,798.8	2,635.2	

*External audit

S1	Workforce	Unit	2018	2019	2020	2021	2022	*
S1.1	**Total number of employees (FTE) by employment contract, by gender and by region**	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Defined duration	Number	184	164.8	131.8	99	118.0	
	Female	Number	84	58.8	65.8	33	43.0	
	Male	Number	100	106	66	66	75.0	
	Brussels	Number	51	37.8	28.8	27	26.0	
	Flanders	Number	83	68	77	42	56.0	
	Wallonia	Number	50	59	26	30	36.0	
	Replacement contract	Number	1	0	0	1	2.0	
	Female	Number	0	0	0	0	1.0	
	Male	Number	1	0	0	1	1.0	
	Brussels	Number	0	0	0	0	0.0	
	Flanders	Number	0	0	0	0	1.0	
	Wallonia	Number	1	0	0	1	1.0	
	Statutory	Number	3,238.6	2,768.8	1,879.1	1,737.6	1,544.8	
	Female	Number	600.2	512.6	336.6	318.3	290.6	
	Male	Number	2,638.4	2,256.6	1,542.5	1,419.3	1,254.2	
	Brussels	Number	1,372.5	1,226.1	955.3	897.1	843.3	
	Flanders	Number	954.1	779.3	424.5	384.2	316.1	
	Wallonia	Number	912	763.4	499.3	456.3	385.4	
	Undefined duration	Number	7,746	7,622.6	6,813.1	6,958.6	6,950.9	
	Female	Number	2,691.2	2,661.5	2,227.1	2,282.2	2,293.0	
	Male	Number	5,054.8	4,961.1	4,586	4,676.4	4,657.9	
	Brussels	Number	5,021.2	4,956.8	4,551.2	4,645.2	4,674.0	
	Flanders	Number	1,341.5	1,312.1	1,127.4	1,180	1,150.1	
	Wallonia	Number	1,383.4	1,353.7	1,134.6	1,133.4	1,126.8	
	Total number of employees (FTE) by language	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Dutch	Number	5,982.7	5,625.4	4,717.5	4,700.3	4,593.2	
	French	Number	5,155.5	4,900.4	4,088.7	4,078.6	4,006.9	
	German	Number	31.5	30.4	17.8	17.3	15.5	
	Total number of employees (FTE) by age group	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Under 30	Number	1,005.3	861.3	838.9	758.2	695.1	
	30-50	Number	6,222.1	5,917.9	5,038.4	4,869	4,683.2	
	Over 50	Number	3,942.3	3,777.1	2,946.8	3,169	3,237.3	
	Total number of employees (FTE) by employment type, by gender	**Number**	**11,169.7**	**10,556.2**	**8,824**	**8,796.2**	**8,615.7**	
	Full time	Number	9,362.8	9,125.9	8,093.7	8,063.9	7,894.0	
	Female	Number	2,541.8	2,499.6	2,202.3	2,224.7	2,234.3	
	Male	Number	6,821	6,626.3	5,891.4	5,839.2	5,659.7	
	Brussels	Number	5,686.6	5,623.3	5,224.4	5,245.5	5,203.6	
	Flanders	Number	1,803.7	1,701.1	1,423.3	1,413.8	1,343.1	
	Wallonia	Number	1,872.5	1,801.5	1,446.0	1,404.6	1,347.3	

*External audit

S1	Workforce	Unit	2018	2019	2020	2021	2022	*
	Part time	Number	1,806.9	1,430.3	730.3	732.3	721.7	
	Female	Number	833.7	733.1	427.2	408.8	393.3	
	Male	Number	973.2	697.2	303.1	323.5	328.4	
	Brussels	Number	758.1	597.4	310.9	323.8	339.7	
	Flanders	Number	574.9	458.3	205.6	192.4	180.1	
	Wallonia	Number	473.9	374.6	213.9	216.1	201.9	
	Percentage of total employees covered by collective bargaining agreements	**%**	**98.5%**	**98.5%**	**98.1%**	**98.1%**	**98.1%**	

Definitions

- **Workforce:** number of active employees on Proximus SA payroll at the end of the period. Those numbers include part-time and defined duration/replacement contract employees, but exclude employees with a dormant contract, long-term illness, students and sub-contractors.
- **Proximus Group:** Proximus SA and its subsidiaries form Proximus Group.
- **Employees:** employees perform mainly intellectual work.
- **Workers:** workers perform mainly manual work.
- **Full time equivalent:** the FTE of an employee is calculated by dividing the actual working hours of this employee by the total working hours of a full-time employee at the end of the reporting period.
- **Statutory employee:** any employee who is permanently appointed to a grade by the appointing authority of Proximus.
- **Collective bargaining agreements:** the Collective Agreement (CA) refers to an agreement between Proximus and its social partners (the three Representative Union Organizations). A CA consists of various topics, divided into four main pillars for the active employees: generic, well-being, employment (working conditions) and quantitative (compensation & benefits). The measures applicable to the non-active population, are classified into a fifth main pillar. Some measures are strictly limited to the duration of the CA period, while some cover a longer period and others have a recurring effect. Negotiations about a CA are driven by a list of requirements drafted by the representative unions. The CA 2021-2022 was unanimously approved by the Joint Committee on December 22, 2021. All employees are covered by the collective bargaining agreements except the executive and the senior management. Proximus' collective bargaining agreements cover systematically two years: 2017-2018, 2019-2020 and 2021-2022.

Note

- **S1.1** The number of statutory employees (FTEs) is decreasing each year because in 1996 Proximus stopped recruiting people with a statutory contract. Since the statutory members belong to the older age groups and naturally evolving towards retirement.

S2: Well-being, satisfaction and retention

S2	Well-being, satisfaction and retention	Unit	2018	2019	2020	2021	2022	*
S2.1	**Results of employee engagement survey**	**Average score %**	**72.7%**	**56%**	**71.5%**	**70%**	**71%**	
S2.2	**Total number and rate of employee turnover (FTE) during the reporting period, by gender and age group**	**% (Number)**	**6.6% (738.7)**	**7.6% (807)**	**24.7% (2,179.7)**	**4.4% (388.7)**	**5.9% (506.2)**	
	Female	% (Number)	4.9% (166.2)	6.5% (208.5)	30.5% (803.3)	3.8% (100.7)	4.4% (116.5)	
	Male	% (Number)	7.4% (572.5)	8.2% (598.5)	22.2% (1,376.4)	4.7% (288)	6.5% (389.7)	
	Under 30	% (Number)	9.5% (96.1)	14.8% (128.1)	20.1% (168.9)	13.4% (101.6)	14.7% (102.0)	
	30-50	% (Number)	2.1% (119.9)	3.2% (189.1)	16.1% (810.7)	2.8% (135.6)	4.2% (194.5)	
	Over 50	% (Number)	12.1% (522.7)	13% (489.8)	40.7% (1,200)	4.8 % (151.5)	6.5% (209.7)	
	Total number and rate of new employee hires (FTE) during the reporting period, by gender and age group	**% (Number)**	**4.9% (548)**	**2.9% (308.8)**	**5.2% (458.9)**	**5% (442.5)**	**5.3% (455.3)**	
	Female	% (Number)	5.2% (177)	3.1% (101.8)	6.2% (161.9)	5.5% (146)	5.7% (150.5)	
	Male	% (Number)	4.8% (371)	2.8% (207)	4.8% (297)	4.8% (296.5)	5.1% (304.8)	
	Under 30	% (Number)	33.2% (341)	18.8% (162)	32.9% (276)	28.1% (213)	29.2% (202.8)	
	30-50	% (Number)	3.2% (201)	2.3% (133.5)	3.5% (175.9)	4.5% (217.5)	4.9% (228.5)	
	Over 50	% (Number)	15% (6)	0.4% (13.3)	0.2% (7)	0.4% (12)	0.7% (24.0)	
S2.3	**Total number of employees that returned to work in the reporting period after parental leave ended, by gender**	**Number**	**351**	**340**	**537**	**231**	**276**	
	Female	Number	184	181	261	119	126	
	Male	Number	167	159	276	112	150	
S2.4	**Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender**	**Number**	**330**	**342**	**274**	**525**	**220**	
	Female	Number	166	180	136	259	112	
	Male	Number	164	162	138	266	108	
	Return to work and retention rates of employees that took parental leave, by gender	**%**						
	Return to work	%	98%	95.2%	88.6%	96.7%	96.5%	
	Female	%	97.9%	95.8%	85.6%	96%	98.4%	
	Male	%	98.2%	94.6%	91.7%	97.4%	94.9%	
	Retention rates	%	92.4%	95.5%	76.8%	87.2%	92.1%	
	Female	%	94.3%	95.7%	72%	85.2%	90.3%	
	Male	%	90.6%	95.3%	82.1%	89.3%	93.9%	
S2.5	**Work-life balance**	**%**						
	Working from home	%	N.A.	N.A.	55%	76%	N.A.	
	Good physical and mental well-being	%	N.A.	N.A.	55%	56%	78%	
	Good work-life balance	%	N.A.	69%	68%	73%	79%	

*External audit

S2	Well-being, satisfaction and retention	Unit	2018	2019	2020	2021	2022	*
S2.6	Gender pay equality assessment	%						
	Management	Fixed Remuneration in €	N.A.	N.A.	N.A.	€ 146,617.7	162,841.0 €	
	Female	%	N.A.	N.A.	N.A.	99.8%	99.61%	
	Male	%	N.A.	N.A.	N.A.	100.1%	100.11%	
	Employees	Fixed Remuneration in €	N.A.	N.A.	N.A.	€ 55,765.3	62,348.0 €	
	Female	%	N.A.	N.A.	N.A.	97.1%	97.72%	
	Male	%	N.A.	N.A.	N.A.	101.4%	101.08%	

Definitions

- **Turnover:** the number of employees (FTEs) who left the company during the reporting period. This number includes all kinds of leaves (voluntary or not, end of contract, pension). The rate is calculated by dividing the number of leavers (FTEs) during the reporting period by the number of employees (FTEs) at the end of the reporting period.
- **New hires:** number of employees (FTEs) hired during the reporting period. The rate is calculated by dividing the number of hired employees (FTEs) during the reporting period by the number of employees (FTEs) at the end of the reporting period. It is the number of new entries over the reporting period, divided by the total number of employees working in that category at the end of the reporting period. E.g.: (Number of new female hires within the reporting period/Number of women working at Proximus SA by end of the reporting period)*100.
- **Return to work rate: calculation:** Total number of employees that did return to work after parental leave/ Total number of employees due to return to work after taking parental leave*100. Expressed in headcount, not in FTE.
- **Retention rate: calculation:** Total number of employees retained 12 months after returning to work following a period of parental leave/ Total number of employees returning from parental leave in the prior reporting period(s)*100.
- **Working from home:** percentage of the total work duration performed from home.
- **Good physical and mental well-being** We calculate the average score of all wellbeing questions in Speak Up. Speak Up is an internal employee engagement survey.
- **Good work-life balance** (the percentage of employees giving a "good" score in the Speak Up Survey): "I can manage my job responsibilities in a way that enables a healthy work-life balance" Scale of 1-5, Good= 4 or 5. Speak Up is an internal employee engagement survey.
- **Gender pay:** is an analysis of the remuneration structure by level. This KPI is about percentage and fixed remuneration.
- **Percentage (%):** 100% is here equal to the average Proximus wage by level (management or employees) with which the wages per gender are compared.
- Fixed remuneration consists of a fixed salary earned by the employee for the reported year. This remuneration is defined by the nature and the specificities of the function and by the level of individual skills and experience, considering market practices.

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Notes

- **S2.1:** The percentage for the employee engagement survey has fallen slightly, but despite this the score remains high. People respond positively to the level of autonomy and responsibility they get and take in their work. Engagement items relating to pride to work for Proximus and e-NPS (employee-Net Promotor Score) item also remain positive. A typical e-NPS question is "How likely would you be to recommend your company to people you know as a great place to work". Some categories in the employee satisfaction survey show a slight decrease.
- **S2.2:** 2020 was an exceptional year due to the transformation plan. In 2021 &2022, we notice that the normal turnover figures for the years prior to 2020 are returning.
- **S2.3:** In 2022, 276 employees came back out of parental leave. All parental leaves in the year were taken into account, whether the person left at the end of the year or not.
- **S2.4:** 2021-22 decrease is the consequence, 12 months later, of previous KPI
- **S2.5:** The first quarter of 2022, the number of homeworkers remains affected by the COVID-19 situation. From April, we gradually returned to a normal situation, namely 3 days of homeworking authorized per week for employees whose function allows it. Following the introduction of a new mobility management system, we are unable to calculate the percentage of homeworking days for 2022.

  The question on mental-physical wellbeing is no longer asked as such in our annual employee survey, we now calculate the average score of all wellbeing questions. We look at wellbeing from a more holistic perspective, including having trusting relationships at work, receiving appreciation, feeling energized, having fun at work besides work-life balance & being supported to remain resilient. New items have been added to reflect this broader view and we see that our employees overall feel well at Proximus.
- **S2.6:** In 2022, female managers received 0.39% less than the average salary for their status, while female employees received 2.28% less than the average for their status. This difference is due to the fact that women working at Proximus work more part-time than full-time compared with their male colleagues. The difference is therefore not due to a different pay policy for men and women.

S3: Training and development

S3	Training and development	Unit	2018	2019	2020	2021	2022	*
S3.1	**Total number of internal moves (function changes) during the reporting period**	**Number**	**983**	**519**	**2,146**	**782**	**1,324**	
S3.2	**Average hours of training that the organization's employees (FTEs) have undertaken during the reporting period, by gender and employee category**	**Hours**	**24**	**39**	**39.5**	**41.3**	**42.3**	
	Female	Hours	23	30	34.5	30.8	36.3	
	Male	Hours	24	42	41.7	45.8	44.9	
	Executive	Hours	35	37	26.1	26.3	47.7	
	Senior management	Hours	28	38	32.3	30.3	42.4	
	Middle management	Hours	24	38	30.3	32.2	41.6	
	Lower management	Hours	25	41	30.8	30.7	40.8	
	Employees	Hours	22	39	46.5	50.6	42.6	

Definitions

- **Internal moves:** the number of employees (FTEs) who have changed function during the reporting period.
- **Training hours:** average hours of training that the organization's employees (FTEs) have undertaken during the reporting period.

Notes

- **S3.1:** In 2022, we have a relatively high number of internal moves, mainly related to the introduction of the PEAK organization, through which 350 functions have been redefined, the recruitment of a significant number of splicers and internal moves at Sales. We encourage internal mobility, as we want to ensure that all employees benefit from continuous learning and do a job that matches their talents.
- **S3.2:** The average training hours per employee in 2022 (42.3) is above our internal ambitions (40.2). In 2022, we invested € 33.49 Mio in training vs € 32.34 Mio in 2021. 78% of employees have completed minimum 2 days of training, above our goal (75% of employees).

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S4: Health and Safety

S4	Health and Safety	Unit	2018	2019	2020	2021	2022	*
S4.1	**Safety figures by gender (Proximus Group)**							
	Injury rate (IR)	Rate	0.000007	0.000007	0.000008	0.000004	0.00001	
	Female	Rate	0.000005	0.000008	0.000002	0.000001	0.000008	
	Male	Rate	0.000008	0.00001	0.00001	0.000005	0.00001	
	Occupational disease rate (ODR)	Rate	0.0000003	0.0000007	0.0000005	0.0000003	0.00000007	
	Female	Rate	0	0	0.0000002	0	0.0000002	
	Male	Rate	0.0000004	0.000001	0.0000006	0.0000005	0	
	Lost day rate (LDR)	Rate	0.0003	0.0001	0.0002	0.0001	0.0001	
	Female	Rate	0.0002	0.0001	0.000004	0.000009	0.000010	
	Male	Rate	0.0004	0.0001	0.0002	0.0002	0.00015	
	Absentee rate (AR)	%	7.7%	7.9%	6.3%	6.3%	7.1%	
	Female	%	10.8%	11.6%	8.2%	8.2%	9.4%	
	Male	%	6.3%	6.2%	5.5%	5.4%	6.1%	
	Work-related fatalities	Number	0	0	0	0	1	
	Female	Number	0	0	0	0	0	
	Male	Number	0	0	0	0	1	
S4.2	**Injury rate (IR) and work-related fatalities for all workers (excluding employees) whose work, or workplace, is controlled by Proximus Group**	**Number**						
	Injury rate	Number	2	28	15	10	10	
	Work-related fatalities	Number	0	0	0	0	0	

Definitions

- **Injury rate (IR):** frequency of injuries, relative to the total time worked by all workers during the reporting period. Calculation: number of injuries in Proximus Group/total number of hours scheduled to be worked by Proximus Group employees.
- **Occupational disease rate (ODR):** frequency of occupational diseases (disease arising from a work situation or activity, or from a work-related injury) relative to the total time worked by all workers during the reporting period. Calculation: number of occupational diseases/total number of hours scheduled to be worked by Proximus Group employees.
- **Lost day rate (LDR):** impact of occupational diseases and accidents as reflected in time off work taken by the affected workers. A lost day is defined as time ("days") that cannot be worked (and are thus "lost") because of a worker or workers being unable to perform their usual tasks due of an occupational disease or accident. Calculation: total number of lost days (due to occupational disease or accident)/total number of hours scheduled to be worked by Proximus Group employees.
- **Absentee rate (AR):** measure of actual absentee days lost, expressed as the number of sick days divided by the number of theoretical working days, considering, by definition, the scheduled working hours of the person. An absentee is an employee who is absent from work because of taking a sick day (with or without attestation), excluding work accidents and pregnancy. Calculation example for female employees: (sum of all sick days registered amongst female employees/ sum of all the theoretical working days amongst female employees)*100

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Notes

S4.1 and S4.2: Compared to 2021, in 2022 we see an increase in the rate of absenteeism due to illness. This increase is mainly due to short-term absences. In 2021, we continued to strictly enforce safety and health guidelines, which helped limit illnesses during the peak of the annual flu epidemic and illnesses due to Covid-19. As observed nationally, the gradual easing of health measures in 2022 has arguably increased our employees' exposure to the annual flu epidemic.

The department for Prevention and Protection (CPP) is the driving force behind Proximus' well-being activities. It defines a common well-being policy and gives advice on all issues surrounding this topic. All products, goods and services at Proximus need to meet the "well-being at work" standards. The Well-being Committee deals with the elaboration and follow- up of the prevention and protection plans and handles aspects such as risk analysis of workplaces, medical surveillance, personal protective equipment, fire safety measures to protect workers and the evaluation and resolution of psychological risks and issues.

Additionally, local well-being committees discuss topics such as accidents at work, local prevention matters or respect of safety instructions.

The Prevention & Protection measures related to the COVID-19 pandemic outbreak implemented in 2020 are stopped as from May 2022. Because Corona is not gone from society, we kept active our information channels such as our Corona information on intranet, our Corona mailbox Proximus and corona telephone Hotline for answering any questions from employees about corona.

We launched a campaign in cooperation with the business to prevent third-party aggression towards our shop employees and to reduce the impact on their psychosocial well-being. Psychosocial risk analyses were launched for specific work situations. A new psychosocial well-being vision has been developed in close collaboration with GHR with a new Feelgreat index that gives an indication of the psychosocial well-being of employees.

We started up our Campus project where employees will work in a new way of working offering them different work environment to work in such as specific collaboration zones, concentration zones and co-creation zones using adapted furniture like stand-up tables, alcoves, etc.

We have an occupational medical surveillance program for workers who are exposed to occupational risks. Together with our affiliate Doktr and our medical partner Cohezio we set up a pilot program to do the occupational medical surveillance on a digital way, using a special smartphone App so that doctor and employee can talk to and see each other via digital way. In 2022, we implemented a new Global Prevention Plan by conducting risk analysis, taking the necessary prevention and protection measures to reduce work-related accidents, as well as communicating safety instructions to employees and the VCO/VCA rules for operational departments. We also conducted a risk analysis on installation work of fibre conductors in the neighbourhood of tramways, reviewed the risk analysis for our on-site technicians and warehouse employees, put in place safety measures related to the charging of our electrical vehicles, psychosocial risk analysis in different departments, reviewed the one about ergonomics in our shops, and we organized training on firefighting and BA4/BA5 training for working safely on electrical installations.

Due to new legislation, we adapted our procedures concerning the re-integration of long-term sick employees

Over the next years, we intend to roll out our new way of working Campus program. We will also continue to implement the VCA/VCO policies and continue to review our policy on ergonomics and analyse the risks related to the use of different equipment such as our new (digital) working equipment and telecom installations and determine appropriate prevention and protection measures. In addition, we will continue to organize safety trainings using digital technology and elaborate a work smarter charter. We will also further analyse the safety aspects of charging of our electrical vehicles and are working together with Vias to develop a road safety awareness campaign.

S5: Responsible marketing

S5	Responsible marketing	Unit	2018	2019	2020	2021	2022	*
S5.1	Number of complaints from JEP (# of which justified)	Number (Number)	7 (2)	2 (1)	1 (0)	2 (0)	1 (1)	

Definitions

- **Responsible marketing:** applying responsible & ethical methods in marketing campaigns. These include transparency about promo costs and conditions, respect for the customer's debt profile/credit situation, proactive guidance towards the best offer for the customer, commitment to a better environment and striving for more digital versions to reduce the use of natural resources.
- **JEP:** the Jury on Ethical Practices in Advertising is an independent self-regulatory body for advertising in Belgium, responsible for ensuring fair, truthful and socially responsible advertising. Any consumer can submit a complaint to JEP.

Note

Proximus pays particular attention to responsible marketing practices and complies with the rules prohibiting the advertising of mobile phones to children under 7.

Proximus actively protects their mobile post-paid customers from bill shocks. With Mobilus Full Control, customers can control their budget. With our new Flex packs with mobile, customers can surf out of bundle at no extra cost, only with a reduced speed. On the MyProximus app, mobile post-paid customers can keep track of their usage on calls, text messages and data. We also send them alerts about their current in-bundle and out-of-bundle usage, and we inform them of the possibility to buy additional oneshot data bundles or a data boost when reaching the end of the bundle. In addition, we proactively contact customers with regular out-of-bundle usage to suggest better tailored plans.

S5.1: We received only 1 complaint from the Jury on Ethical Practices which was justified, which remains notably low, as it has been for the past years. The referenced complaint concern only Proximus SA advertisements.

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S6: Digital inclusion

S6	Digital inclusion	Unit	2018	2019	2020	2021	2022	*
	Community investment							
S6.1	**Community investment**	**€**	**N.A.**	**N.A.**	**N.A.**	**436,191**	**469,332**	
S6.2	**Community investment**	**Hours**	**N.A.**	**N.A.**	**N.A.**	**2,961**	**2,295**	
	Access to digital	**Numbers**						
	Donated laptops	Numbers	N.A.	N.A.	N.A.	445	259	
	Donated Wi-Fi codes	Numbers	N.A.	N.A.	24,693	2,581	NA	
	Digital education	**Numbers**						
	Total number of people trained through digital inclusion projects	Numbers	N.A.	12,524	10,400	14,144	8,594	
S6.3	**Digital accessibility**	**%**						
	Tested devices accessible for at least 5 disability categories (percentage of devices)	%	N.A.	44%	73%	55%	52%	✓
	Percentage of accessible tested devices (at least for 5 disability category)	%	N.A.	N.A.	N.A.	61%	86%	✓

Definitions

- **Community investment - in monetary value:** monetary investment we make in social organizations with a focus on digital inclusion.
- **Community investment - in employee/volunteer hours:** hours of employee volunteering in digital inclusion initiatives.
- **Donated laptops:** number of computers offered to schools collecting old smartphones.
- **Donated Wi-Fi codes:** number of free access codes to our Proximus Public Wi-Fi network offered to disadvantaged pupils and students during COVID-19 period, allowing them to connect with schools when they were closed.
- **Digital inclusion projects (# persons reached):** number of people (students, teachers, seniors) trained by the initiatives we support (MolenGeek, 19, Technobel, diggit, Internet Safe & Fun).
- **Tested devices accessible for at least 5 categories of disability:** number of tested smartphones and tablets that are accessible for disabled people (6 categories of disability in total are tested by Proximus).
- **Percentage of accessible tested devices (at least for 5 disability categories):** % of tested devices during the reporting year compared to all devices added to the offerings during the reporting year

Note(s)

- **S6.1:** We invest € 469,332 in digital inclusion projects for job seekers (MolenGeek, 19 and Technobel), children (Internet Safe & Fun together with Child Focus), long-term sick children (Bednet and ClassContact) and disabled people (Passe Muraille), and in the Digital Inclusion Alliance, DigitAll.
- **S6.2:** Our employees spent 2,295 hours in digital inclusion initiatives as volunteers in the Internet Safe & Fun project, as General Manager of Technobel and to install internet lines for long-term sick children.
- **S6.3:** We aim to test all the new devices that we integrate into our offer. This increase of the percentage of accessible tested devices (at least for 5 disability category) shows that we are on the right track.

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Environmental statement

General note to the environmental statement

The environmental statement describes the key indicators, scoping, boundaries, calculation methodologies and reporting standards for all environment domains. The indicators marked by a tick mark are subject to external limited assurance by Deloitte.

Scope of the environmental statement

We measure all activities that are subject to operational control and material for Proximus Group. These include Proximus SA, Proximus Media House SA, BICS SA, Telesign Corporation, Connectimmo SA, Proximus ICT SA, Davinsi Labs SA, Codit SARL, ClearMedia SA, Telindus – ISIT BV, Umbrio BV, Proximus Luxembourg SA, Mobile Vikings SA and Be Mobile SA. All figures reported are Proximus Group based except when mentioned differently.

E1: Energy

E1	Energy	Unit	2018	2019	2020	2021	2022	*
	Total energy consumption within the organization	**TJ**	**1,876**	**1,808**	**1,652**	**1,571**	**1,625**	✓
	Evolution total energy consumption (vs previous year)	**%**	**-5%**	**-4%**	**-9%**	**-5%**	**3%**	
	Evolution total energy consumption (vs 2020)	**%**	**-**	**-**	**-**	**-5%**	**-2%**	
	Evolution total energy consumption (vs 2007)	**%**	**-26%**	**-29%**	**-35%**	**-38%**	**-36%**	
E1.1	Total fuel consumption within the organization from non-renewable sources	TJ	552	525	384	391	445	✓
	Heating: Natural gas	TJ	101	105	62	73	71	✓
	Heating: Heating oil	TJ	50	35	46	25	38	✓
	Vehicle fleet: Diesel	TJ	398	373	262	259	261	✓
	Vehicle fleet: Petrol	TJ	4	12	15	30	69	✓
	Vehicle fleet: CNG	TJ	-	-	-	4	5	✓
	Total fuel consumption within the organization from renewable sources	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Heating, cooling or steam consumption	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Electricity, heating, cooling or steam sold	**TJ**	**0**	**0**	**0**	**0**	**0**	
	Electricity consumption within the organization	**TJ**	**1,323**	**1,283**	**1,267**	**1,180**	**1,180**	
	Electricity consumption within the organization in GWh	GWh	368	357	352	328	329	
	Evolution electricity consumption (vs previous year)	%	-5%	-3%	-1%	-7%	0%	
	Evolution electricity consumption (vs 2020)	%	-	-	-	-7%	-7%	
	Evolution electricity consumption (vs 2007)	%	-21%	-23%	-24%	-29%	-29%	
	Fixed and mobile network	GWh	269	268	272	251	253	
	Data Centers	GWh	55	53	51	53	49	
	Offices + Shops	GWh	43	36	28	24	27	

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E1	Energy	Unit	2018	2019	2020	2021	2022	*
	% electricity consumed from renewable sources with GoO or own production (RE100 Belgium/Group)	%	100/99	100/100	100/100	100/100	100/100	
	Energy efficiency ratio (revenue based)	**TJ/Mio €**	**0.322**	**0.317**	**0.290**	**0.280**	**0.278**	✓
	Energy efficiency ratio (FTE based)	**TJ/FTE**	**0.140**	**0.140**	**0.140**	**0.136**	**0.140**	✓
	Energy savings network	**TJ**	**47**	**40**	**29**	**22**	**36**	
	PUE data centers	**Ratio**	**1.65**	**1.60**	**1.56**	**1.49**	**1.49**	

Definitions

- **TJ:** Terajoule is a unit of energy.
- **Heating:** natural gas: Calculation based on suppliers' billing data based on gas meter readings.
- **Heating oil:** Calculation based on suppliers' billing data based on oil tank refills.
- **Electricity consumption within the organization:** Calculation based on the Proximus energy management system GENY (Belgian activities) and the invoices of energy suppliers from 2022.
- **GoO:** A Guarantee of Origin is a tracking instrument and labels electricity from renewable sources to provide information to electricity customers on the source of their energy.
- **RE100:** RE100 is the global corporate renewable energy initiative bringing together hundreds of large and ambitious businesses committed to 100% renewable electricity.
- **FTE:** Number of Full Time Equivalent employees.
- **Energy savings network:** Calculation based on actions undertaken during the reporting period calculated over a window of 12 months. The savings projects were implemented during the reporting year, hence the results only become material in the current and following reporting year, but the order of magnitude remains comparable on a year-by-year basis. The infrastructure savings are calculated based on the directly measured electricity consumption and an estimated indirect consumption such as for cooling before and after the savings.
- **PUE:** Power Usage Effectiveness, a ratio describing how efficiently a data center uses energy, focusing on how much the computing equipment uses compared to the cooling and other overhead that occurs.

Note

- **E1.1:** Increase compared to 2021 due to a normalization post-COVID-19.

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E2: Emissions

E2	Emissions	Unit	2018	2019	2020*	2021*	2022	*
	CO_2e emissions scope 1, 2 and 3	**KTons**	**847.7**	**779.3**	**554.6**	**536.0**	**551.4**	✓
	Evolution CO_2e emissions scope 1, 2 and 3 (vs previous year)	**%**	**4%**	**-8%**	**-29%**	**-3%**	**3%**	
	Evolution CO_2e emissions scope 1, 2 and 3 (vs 2020 baseline) - SBTi Net-Zero	**%**	**-**	**-**	**-**	**-3%**	**-1%**	
	CO_2e emissions scope 1 and scope 2 market based	KTons	39.0	36.9	27.4	26.6	31.5	✓
	Evolution CO_2e emissions scope 1 and 2 (vs previous year)	%	-16%	-5%	-26%	-3%	18%	
	Evolution CO_2e emissions scope 1 and 2 (vs 2020 baseline) - SBTi Net-Zero	%	-	-	-	-3%	15%	
	Evolution CO_2e emissions scope 1 and 2 (vs 2007 baseline)	%	-78%	-79%	-83%	-84%	-81%	
E2.1	CO_2e carbon credits obtained	KTons	42.2	40.1	27.4	26.6	5.9	
	Carbon intensity (scope 1 and 2) - Revenue based	Tons CO_2e/Mio € revenue	6.7	6.5	5.0	4.8	5.4	
	Carbon intensity (scope 1 and 2) - FTE base	Tons CO_2e/#FTEs	2.9	2.9	2.4	2.3	2.7	
	CO_2e emissions scope 1 - heating, refrigerants and fleet fuel	KTons	38.0	36.0	26.6	26.6	31.5	✓
E2.2	CO_2e emissions scope 1 - heating	KTons	10.0	9.2	7.2	6.4	7.3	✓
E2.3	CO_2e emissions scope 1 - refrigerants	KTons	0.3	0.3	0.3	0.2	1.2	✓
E2.2	CO_2e emissions scope 1 - fleet fuel	KTons	27.7	26.5	19.1	20.1	22.9	✓
	CO_2e emissions scope 2 - electricity - market based method	KTons	1.0	0.9	0.8	0.0	0.0	✓
	CO_2e emissions scope 2 - electricity - location based method	KTons	65.0	62.5	70.4	52.2	53.9	
	CO_2e emissions scope 3 - 12 relevant categories	KTons	808.7	742.4	527.2	509.4	519.9	✓
	Evolution CO_2e emissions scope 3 (vs 2020 baseline) - SBTi Net-Zero	%	-	-	-	-3.4%	-1.4%	
E2.4	Scope 3 - category 1 - purchased goods and services	KTons	540.0	460.4	440.6	421.7	437.3	✓
E2.4	Scope 3 - category 2 - capital goods	KTons	184.5	199.8	0.0	0.0	0.0	✓
E2.5	Scope 3 - category 3 - fuel and energy related activities (not in scope 1 and 2)	KTons	8.9	9.3	8.7	8.9	15.1	✓
	Scope 3 - category 4 - upstream transportation and distribution	KTons	3.6	2.9	3.4	4.0	4.1	✓
	Scope 3 - category 5 - waste disposal	KTons	1.0	1.0	0.7	0.5	0.6	✓
E2.2	Scope 3 - category 6 - business travel	KTons	1.3	1.8	1.6	0.4	1.4	✓
E2.2	Scope 3 - category 7 - employee commuting	KTons	5.2	5.4	2.8	1.3	2.5	✓
	Scope 3 – category 9 - downstream transportation and distribution	KTons	-	-	-	0.7	0.7	✓

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E2	Emissions	Unit	2018	2019	2020*	2021*	2022	*
E2.6	Scope 3 - category 11 - use of sold products	KTons	4.6	4.5	13.4	19.8	2.9	✓
	Scope 3 - category 12 - end of life treatment of sold products	KTons	-	-	-	0.01	0.01	✓
E2.6	Scope 3 - category 13 - downstream leased assets	KTons	59.7	57.4	55.9	52.1	55.4	✓
E2.7	Scope 3 - Category 15 - Investments	KTons	N.A.	N.A.	0.1	0.1	0.1	✓
	Scope 3 - category 8, 10, 14 - not applicable	KTons	N.A.	N.A.	N.A.	N.A.	N.A.	

Definitions

- **CO_2e emissions scope 1+2+3:** The CO_2e consumption represents a CO_2 equivalent emission figure of all greenhouse gases combined, i.e., CO_2, CH_4, N_2O, HFCs, PFCs, SF_6. The gases of primary interest for Proximus are CO_2 and HFCs, but CH_4 and N_2O are also included in the calculation as stipulated by the GHG Protocol. Since many years we adopt the principle of best available data quality.
- **Science Based Target:** Science-based targets provide a clearly defined pathway for companies to reduce Greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered "science-based" if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming. The Intergovernmental Panel on Climate Change warned that global warming must not exceed 1.5°C to avoid the catastrophic impacts of climate change and that GHG emissions must halve by 2030 and drop to zero by 2050.

  - The Science BasedT argets initiative has validated that the corporate greenhouse gas emissions reduction targets submitted by Proximus have been deemed to be in conformance with the SBTi Criteria and Recommendations (version5). The SBTi's Target Validation Team has classified Proximus' scope 1 and 2 target ambition and has determined that it is in line with a 1.5°C trajectory.

    Proximus commits to reduce absolute scope 1 GHG emissions 95% by 2030 from a 2020 base year. Proximus also commits to continue sourcing 100% renewable electricity annually until 2030. Proximus further commits to reduce absolute scope 3 GHG emissions 60% by 2030 from a 2020 base year.
  - The Science Based Targets initiative also assessed Proximus' near and long term targets against the SBTi net-zero criteria (version 5) and approved our submitted targets.
    - Near-Term Targets
      Proximus commits to reduce absolute scope 1 GHG emissions 95% by 2030 from a 2020 base year. Proximus also commits to continue sourcing 100% renewable electricity annually until 2030. Proximus further commits to reduce absolute scope 3 GHG emissions 60% by 2030 from a 2020 base year.
    - Long-Term Targets
      Proximus commits to maintain a minimum of 95% absolute scope 1 and 2 GHG emission reductions by 2030 through 2040 from a 2020 base year. Proximus commits to reduce absolute scope 3 GHG emissions 90% by 2040 from a 2020 base year.
- **Carbon credits:** Proximus is the main driving force behind the development of the multiannual "Gold Standard" certified climate project called the TEG Stove project (More info: www.tegstove.org).

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Notes

- **E2:** As we aligned to the Net Zero standard in 2022, this has an influence on our calculations. Our new baseline is 2020. This means that the years marked with an * have been adapted according to the new guidelines – and thus deviate from the previous years. Starting from 2020, all our calculations are done according to the SBTi Net Zero guidelines. The upscaling to the validated Net Zero target had an impact on Scope 3 category 1, 3, 4, 5, 6, 7, 11, 12, 13 and 15 in 2020 and 2021, compared to the figures reported in the annual report 2021. This mainly includes boundary extension to Proximus Group for Scope 3. New lines have been added in this table to compare with the 2020 baseline.
- **E2.1:** Proximus compensated its own scope 1 and 2 emissions in the period 2016-2021. In 2022 Proximus abandoned the carbon neutrality claim. However, Proximus keeps supporting the TEG Stove project and reports the obtained carbon credits on its journey to Net Zero.
- **E2.2:** Increase compared to 2021 due to a normalization post-COVID-19.
- **E2.3:** On the one hand, we saw a significant increase in the dismantling of telecom and refrigeration equipment, where there is always a difference between the original charge of refrigerants and what is extracted during decommissioning. On the other hand, we noticed reliability problems in a certain type of machinery that led to some major leaks.
- **E2.4:** Scope 3 category 1 also embeds emissions related to Scope 3 category 2. Emission factors for certain commodity categories were changed to better reflect the activities captured in that category. Spend-based emissions were corrected with the average annual inflation rate. For certain suppliers with audited carbon accounting practises, we switched from an industry-average emission factor to a supplier-specific emission factor.
- **E2.5:** The significant increase is mainly due to a methodology update for green power (grid) resulting in higher emission factors.
- **E2.6:** Wi-Fi Boosters were moved from category 11 to category 13 as we only lease them to our customers and no longer sell them.
- **E2.7:** This new category reflects the footprint of our joint ventures Fiberklaar and Unifiber in accordance with our Net Zero target.

Overview of our Scope 1, 2 and 3 standards

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs Group total	GWP	Source emission factors	External assurance level
Scope 1 – Direct emissions					
Car fleet fuel	High	Proximus Group/ 100%	AR5 IPCC	Base Carbone + Bilan Carbone	Limited
Heating of building installations	High	Proximus Group/ 100%	AR5 IPCC	Gas: GHG protocol heating fuel: Base Carbone + Bilan Carbone	Limited
Cooling of building installations-refrigerants	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 2 – Indirect emissions					
Emissions released during the generation of electricity that is purchased by the company. This includes also EV charging.	High	Proximus Group/ 100%	AR5 IPCC	IEA (CO_2 emissions from electricity – highlights) - 2022	Limited
Scope 3 - Cat. 1					
Resource extraction, transportation and production of purchased goods and services	Medium	Proximus Group/ 100%	AR5 IPCC	Supplier-delivered Life Cycle Assessments (Product-level), Bilan Carbone + Ademe, IEA, Carnegie Mellon EIO-LCA, CO_2 emissions on supplier-level	Limited
Scope 3 - Cat. 2					
Capital goods	Medium	Proximus Group/ 100%	AR5 IPCC	Integrated in Scope 3 - Cat. 1	Limited
Scope 3 - Cat. 3					
Extraction, production and transportation of direct fuels and electricity purchased by Proximus Group, non-reported in scopes 1 and 2. Network losses, among others, are included in transportation	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 - Cat. 4					
Transportation of subcontractors for network operations, subcontracted warehousing	Low	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone EEIO model (other subcontractors fall within Cat.1)	Limited
Scope 3 - Cat. 5					
Treatment of waste flows	Medium	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, Defra	Limited
Scope 3 - Cat. 6					
International travel by airplane or train	Low	Proximus in Belgium/ 100%	AR5 IPCC	Official figures of travel agency, Defra	Limited
Scope 3 - Cat. 7					
Employee commuting Company cars are accounted for in scope 1. Homeworking has been removed following SBTi Net Zero guidelines.	High	Proximus Group 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 3 - Cat. 9					
Outbound transportation from the warehouse to customers and shops	Low	Proximus in Belgium/ 100%	AR5 IPCC	Supplier-level emission factors, otherwise integrated in Scope 3 Cat. 1	Limited

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs Group total	GWP	Source emission factors	External assurance level
Scope 3 - Cat. 11					
Energy consumption of customers' Proximus devices (sold mobile phones)	High	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 - Cat. 12					
End of life treatment of mobile phones	Low	Proximus Group/ 100%	AR5 IPCC	Bilan Carbone	Limited
Scope 3 - Cat. 13					
Energy consumption of customers' Proximus devices (leased modems, TV decoders and WiFi- Boosters)	Medium	Proximus in Belgium/ 98%	AR5 IPCC	Bilan Carbone, IEA	Limited
Scope 3 - Cat. 15					
Activities from Joint Ventures Fiberklaar and Unifiber	N.A.	Proximus in Belgium/ 100%	AR5 IPCC	N.A.	Limited
Scope 3 – Cat. 8, 10, 14					
N.A.	N.A.	N.A.	AR5 IPCC	N.A.	N.A.

E3: Abatement of Carbon Emissions through our products & services

E3	Carbon Abatement	Unit	2018	2019	2020	2021	2022	*
	Total	**KTon CO_2e**	**-**	**-**	**465.19**	**501.9**	**741.4**	
E3.1	Broadband enabled homeworking	KTon CO_2e	-	-	372.5	382.2	612.2	
	Dematerialization & device leasing	KTon CO_2e	-	-	41.2	63.2	66.5	
E3.2	Online conferencing & collaboration	KTon CO_2e	-	-	32.9	36.6	34.4	
	Cloud & IP communication	KTon CO_2e	-	-	1.3	1.5	1.6	
E3.3	Proximus & public cloud	KTon CO_2e	-	-	3.9	4.0	1.6	
	Vehicle & traffic management	KTon CO_2e	-	-	7.4	8.7	9.1	
E3.4	Smart building & metering	KTon CO_2e	-	-	5.9	5.7	16.1	

Definitions

- **Carbon abatement:** We chose to calculate the avoided emissions we can account for based on our products and solutions direct margin. The following elements have been considered in the calculation:
  - The volume of products and solutions sold
  - The contribution of our solution or product to the carbon abatement
  - The amount of CO_2 emissions the product or solution itself generates
  - The direct margins on our products or solutions.
- **Dematerialization:** suppressing the use of physical material by for example offering a digital alternative.
- **IP:** The Internet Protocol is a family of computer network communication protocols designed for use on the Internet.
- **Smart building & metering:** The IoT (Internet of Things) solution embody intelligence in buildings in order to consume energy and space more efficiently. IoT solutions will also help to monitor how rooms are used and to adjust their function whenever possible.

Notes

- **E3.1:** Broadband enabled Homeworking avoided emissions increase is due to a higher homeworking frequency in Belgium compared to previous years which were based on pre-COVID-19 statistics.
- **E3.2:** The decrease in Online Conferencing is due to the Proximus Meeting Service (Audioconferencing), which stopped in Q2 2022.
- **E3.3:** Due to data availability, this year's Proximus & Cloud solutions emissions avoidance is based on the Housing solution only and excluding Data Centers and Public Cloud solutions.
- **E3.4:** Emission avoidance increase associated to the Smart building & metering solution is mainly driven by the large-scale deployment of smart electricity and gas meters in Belgium.

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E4: Circularity

E4	Circularity	Unit	2018	2019	2020	2021	2022	*
E4.1	**Total waste - Belgium**	**KTons**	**14.7**	**13.6**	**10.78**	**8.70**	**6.97**	✓
	% of hazardous waste - Belgium	%	4.0%	8.7%	5.4%	3.5%	2.7%	✓
	% waste reused-recycled - Belgium	%	87%	87%	88%	89%	87%	✓
	Non-hazardous waste - recycled or reused - Belgium	KTons	12.20	10.60	8.82	7.45	5.86	✓
	Recycled copper cables - Belgium	KTons	-	-	-	0.86	0.63	✓
	Non-hazardous waste - with energy recovery - Belgium	KTons	2.00	1.80	1.32	0.95	0.92	✓
E4.2	Hazardous waste - recycled or recovered - Belgium	KTons	0.60	1.20	0.57	0.30	0.19	✓
E4.3	**Paper consumption - Belgium**	**KTons**	**0.97**	**0.65**	**0.59**	**0.38**	**0.29**	
E4.4	**Water consumption - Belgium**	**'000L**	**146,599**	**109,392**	**87,551**	**77,823**	**62,919**	
E4.5	**Total collected devices (including DTMC) - Belgium and Proximus Luxembourg**	**Number**	**-**	**-**	**-**	**907,194**	**776,914**	✓
E4.6	Total Don't Miss The Call (DMTC) Mobile phones collected	Number	18,279	31,475	72,764	80,406	121,042	✓
E4.7	Mobile phones collected in Proximus SA and Proximus Luxembourg for reuse and recycling	Number	9,237	19,255	64,941	70,830	103,435	✓
	Mobiles phones collected in schools with GoodPlanet Belgium for reuse and recycling	Number	9,042	12,220	7,823	9,576	17,607	✓
	Number of refurbished computers offered to schools as reward for mobile phone recycling - Belgium	Number	156	189	239	432	349	
E.4.5	Number of refurbished modems - Belgium	Number	182,553	140,000	164,340	178,520	143,970	✓
	Number of refurbished modems-number of new installed modems - Belgium	%	32%	26%	32%	28%	25%	
E.4.5	Number of refurbished TV decoders - Belgium	Number	222,991	196,000	245,136	314,407	244,990	✓
	Number of refurbished TV decoders - number of new installed TV decoders - Belgium	%	44%	39%	41%	51%	38%	
	Number of refurbished remotes - Belgium	Number	-	-	-	8,348	31,789	✓
E.4.5	Number of refurbished PSU's - Belgium	Number	-	-	-	231,357	173,385	✓
E.4.5	Number of refurbished Wi-Fi boosters - Belgium	Number	-	-	-	78,400	46,460	✓
	Number of refurbished PABX - Belgium	Number	-	-	-	9,250	5,929	✓
	Number of refurbished network equipment - Belgium	Number	-	-	-	6,506	6,363	✓
	Number of refurbished ONT's - Belgium	Number	-	-	-	-	2,986	✓

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Definitions

- **Waste calculation:** Monthly bills and certificates of waste processors are combined into a single annual report, which is then updated with additional information received from the waste processors:
  - The weights of the subscriptions and the individually measured weights of the waste collections.
  - Distinction between hazardous and non-hazardous waste.
  - Processing methods such as composting, recycling, reprocessing, reuse or residual waste with energy recover
- **DMTC:** Our mobile phone collection program, "Don't Miss The Call".
- **PSU's:** Power supply units are the power cables of the devices we recover.
- **PABX:** Private automatic branch exchange, is a private telephone switchboard. This is a telephone switchboard used privately by a company.
- **ONT:** The Optical Network Terminal is a device that converts the optical signal coming through the fiber into separate signals for TV, voice and data.

Notes

- **E4.1:** A general reduction of wastes is observed, with the highest contribution coming from the reduction of wastes associated with excavation works (soil and rubble). This is the consequence of a reduced numbers of interventions on the copper network.
- **E4.2:** 98% of the hazardous waste is related to batteries. In 2022, less projects involving battery removal were conducted, leading to a decrease of the battery wastes, reflected in the total hazardous waste reduction.
- **E4.3:** The reduction in paper consumption is driven by three factors: less paper used on office printers, door-to-door advertising was replaced by inserts in daily press and there was a switch to electronic invoicing versus paper ones.
- **E4.4:** "Water consumption - Belgium" is measured based on periodic bills.
- **E4.5:** ONT's were added to the categories of refurbished devices. In 2021, refurbishment activities increased because of the global chipset shortage. The stock of devices to be refurbished in 2022 was therefore lower and very dependent on the devices collected from our customers, which explains a reduced refurbishment activity in 2022 compared to 2021. In addition, some old devices are not compatible anymore with the technical requirements of our network and hence cannot be refurbished.
- **E.4.6:** Increased focus on mobile devices collection allowed Proximus to reach the target of 120.000 mobile phones collected.
- **E4.7:** Correction of the 2021 collected mobile phones: devices collected in Luxembourg were not included.

E5: Supply Chain

E5	Supply Chain	Unit	2018	2019	2020	2021	2022	*
E5.1	% of the total spend covered by supplier Ecovadis sustainability scorecards - Proximus SA	%	40%	32%	55%	56%	68%	
E5.2	Number of on-site audits in collaboration with JAC	Number	91	84	80	71	98	
E5.3	Circular Manifesto's signed	Number	-	-	21	53	87	
	Procurement controlled spend covered by Circular Manifesto's - Proximus SA	%	-	-	-	50%	50%	

Definitions

- **JAC:** Joint Audit Co-operation, an association of telecom operators aiming to verify, assess and develop the CSR (Corporate Social Responsibility) implementation across the manufacturing centers of the most important ICT multinational suppliers.
- **Circular Manifesto:** is a public letter of intent aligning the sustainable goals of the supplier with the ones of Proximus.

Notes

- **E5.1:** Increase due to Proximus increasing its efforts in engaging its suppliers and due to suppliers taking pro-active action to execute the self-assessment
- **E5.2:** Increase due to a normalization post-COVID-19.
- **E5.3:** Increase number of Manifesto's signed due to increased engagement of suppliers by Proximus as we are internally increasing the importance of supplier engagement

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E6: Environmental management system

Proximus' environmental management system is made up of different components. There are different parties involved and the system has a variety of tools and resources.

Stakeholders

- The Sustainability department, with a strong focus on environmental issues, circularity and climate change
- The Corporate Prevention & Protection department, including the Environmental department
- The Internal Audit department reports to the Board of Directors and carries out audits on all kinds of environmental aspects at the request of the Environment or Sustainability departments, the Board of Directors, or the Executive Committee
- Government-accredited independent external organizations, which audit our waste policy and procedures (packaging, WEEE, batteries).

Resources and activities

- Procedures, guidelines, plans and campaigns related to environmental issues (e.g. surveys and info sessions for employees to improve our mobility policy)
- New packaging waste prevention plan 2022-2025, approved by the Interregional Packaging Commission and awareness campaigns on waste recycling
- Anti-pollution plan in the event of severe air pollution in the Brussels Region
- Environmental policy updated
- Field visits concerning environmental issues such as hazardous products, waste and control of permit
- Communication channels: intranet news, toolboxes, internal reporting to the Executive Committee
- Integrated management system, ISO9001 certificate and ISO14001 certificate for our Data center in Machelen
- Environmental and sustainability clauses in purchasing procedures
  - Regional permits for light 5G roll-out in Flanders and Brussels
  - Noise studies and control measurements to ensure compliance with noise standards and limit disturbance for neighbours
  - Soil survey for high-risk installations
  - E-learning module on the impact of mobile and wireless telephony on the health of employees
- Creation and communication towards concerned employees of a toolbox concerning PFAS matters.

EU Taxonomy

Introduction to EU Taxonomy

The EU Taxonomy is a classification system which establishes a list of economic activities that qualify as environmentally sustainable and that feeds into the Action Plan on Financing Sustainable Growth supporting the European Green Deal. By providing a common language for sustainable activities, the EU Taxonomy is meant to drive financial flows towards the transition to a low carbon, resilient and sustainable future society.

The ICT sector, defined as those industries that *"intend to fulfil or enable the function of information processing and communication by electronic means"* is partially covered in the Taxonomy regulation because of the ICT industry's relative size in the Economy and particularly the role data centers play given their significant energy consumption.

Being a critical player in enabling climate change mitigation, Proximus is ahead of the curve in developing sustainable investments, notably with its Fiber and 5G networks. Nevertheless, the current Taxonomy's narrow scope which excludes the core activities of the Telecom industry, doesn't allow us to highlight our most sustainable activities.

Outcome of Taxonomy eligibility & alignment

Overall, and in line with its peers, Proximus has limited eligibility as the Taxonomy crucially leaves out Telecom networks from the targeted activities. Amongst these eligible activities, most are not aligned with the Taxonomy as Proximus does not meet some of the Technical Screening Criteria defined at this stage.

EU Taxonomy KPIs	Total 2022 (M€)	Eligible (%)	Aligned (%)
Turnover	€ 5,909	0%	0%
CapEx	€ 1,305	0%	0%
OpEx	€ 1,936	0%	0%

Given the lack of Revenues, CapEx and OpEx linked to eligible activities within Proximus' overall business, the outcome of our EU taxonomy alignment exercise shows that the eligibility and alignment are **immaterial for Proximus in 2022**. Nevertheless, Proximus is committed to continue progressing towards our sustainability ambitions through numerous initiatives such as the rolling out of energy-efficient and future proof telecom networks which in turn will allow our customers to realize energy efficiency gains for their own activities.

Detailed assessment of relevant activities

Compared to its Annual Report 2021, Proximus has performed a detailed assessment of the Group's economic activities to further refine its eligibility and expand on alignment by linking key metrics (Revenues/CapEX/OpEx) to eligible activities for FY2022.

Through this exercise, five economic activities as defined in the EU Taxonomy have been identified as potentially eligible. These activities are either referring to Climate Change Mitigation aiming at reducing the causes of climate change or Climate Change Adaptation aiming at addressing the effects of a changing climate. The activities have been mapped based on the detailed descriptions in the regulation:

Taxonomy activity		Proximus Activity	Climate Change Mitigation	Climate Change Adaptation
6.15	Infrastructure enabling road transport and public transport	EV charging points	✓	✓
8.1	Data processing, hosting and related activities	Datacenters	✓	✓
8.2	Data-driven solutions for GHG emissions reductions	IoT activities	✓	
8.2	Computer programming, consultancy and related activities	ICT consulting		✓
8.3	Programming and broadcasting activities	Proximus Media House		✓

Out of the previously-mentioned activities, **EV charging points** and the smart building & metering IoT services have been assessed as eligible.

Detailed assumptions for retained eligible activities:

- Activity 6.15 focuses on infrastructure that will enable zero-emissions road transport which is fully in line with Proximus' **EV charging points activities**. Although the development of EV Charging Stations are currently at pilot stage, this activity is part of Proximus' strategic ambition which expects to grow in the coming years
- Activity 8.2 focuses on solutions that are predominantly aimed at the provision of data and analytics enabling GHG emission reductions which is the case of Proximus' **smart building & metering** activities. Similarly, to EV charging points, these activities are still relatively small but are also part of Proximus' strategic ambition and are expected to grow in the coming years

Datacenter activities, ICT consulting services and Proximus Media House have not been assessed as eligible for Proximus because of the following interpretations of the EU Taxonomy Directive:

- Eligible activities are only those for which Proximus has direct ownership of
- Eligible activities should be directly aimed at adapting society to a changing climate (for activities falling under the "Climate Change Adaptation" environmental objective)

Proximus' core business, the development and management of Telecommunication networks, is excluded from the current Taxonomy regulation's scope.

The eligible activities have then been assessed against the technical screening criteria (Substantial Contribution, Do No Significant Harm (DNSH) to the other objectives and Minimum Safeguards) and they are considered as not aligned:

- Still at pilot stage, EV Charging Stations activity cannot yet be fully assessed
- As for the IoT activities, no full life-cycle GHG emission analysis is formally completed for the moment
- Finally, Proximus as a Group is partially aligned with the Minimum Safeguards as the criteria on human rights and corruption, bribe solicitation and extortion are met but few publications efforts need to be addressed for Proximus to be fully aligned with the other minimum safeguard's conditions.

Looking forward

Sustainable change is one of the key pillars at Proximus. We are undertaking **strong actions to support the transition towards a sustainable society.** Proximus will be able to showcase its sustainability credentials and engagement in a broader sense as part of the upcoming Corporate Sustainability Reporting Directive (CSRD), that will require large companies to report on their environmental and social impacts from FY 2024 onwards.

Regardless of the limited eligibility for the economic activities of Proximus under the EU Taxonomy directive and the absence of its core activities within the framework, we believe that the **Telecom industry** and its network infrastructure is a **critical enabler for climate mitigation solutions**, both for our customers and for society.

EU Taxonomy KPI tables

				Substantial contributions (%)						Do no significant harm (Y/N)										
	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned portion of turnover, year N	Taxonomy-aligned portion of turnover, year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities		**MEUR**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
None		0	0%														0%	-	-	-
Turnover of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0%**														**0%**			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
None		0	0%														0%			
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Total (A.1 + A.2)		**0**	**0%**														**0%**			
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy-non-eligible activities (B)		€ 5,909	100%																	
Total (A + B)		**€ 5,909**	**100%**																	

				Substantial contributions (%)						Do no significant harm (Y/N)										
	Code(s)	Absolute CAPEX	Proportion of CAPEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned portion of CAPEX, year N	Taxonomy-aligned portion of CAPEX, year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities		**MEUR**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
None		0	0%														0%	-	-	-
CAPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0%**														**0%**			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data-driven solutions for GHG emissions reductions	8.2	0	0%														0%			
CAPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Total (A.1 + A.2)		**0**	**0%**														**0%**			
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																				
CAPEX of Taxonomy-non-eligible activities		€ 1,305	100%																	
Total (A + B)		**€ 1,305**	**100%**																	

				Substantial contributions (%)						Do no significant harm (Y/N)										
	Code(s)	Absolute OPEX	Proportion of OPEX	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned portion of OPEX, year N	Taxonomy-aligned portion of OPEX, year N-1	Category (enabling activity)	Category (transitional activity)
Economic activities		**MEUR**	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**Y/N**	**%**	**%**	**E**	**T**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1 Environmentally sustainable activities (taxonomy-aligned)																				
None		0	0%														0%	-	-	-
OPEX of environmentally sustainable activities (taxonomy-aligned) (A.1)		**0**	**0%**														**0%**			
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																				
Data-driven solutions for GHG emissions reductions	8.2	0	0%														0%			
OPEX of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																				
Total (A.1 + A.2)		**0**	**0%**														**0%**			
B. TAXONOMY-NON ELIGIBLE ACTIVITIES																				
OPEX of Taxonomy-non-eligible activities		€ 1,936	100%																	
Total (A + B)		**€ 1,936**	**100%**																	

ANNEX XII – Template 1 Nuclear and fossil gas related activities

	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	**NO**
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	**NO**
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	**NO**
	Fossil gas related activities	
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	**NO**
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	**NO**
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	**NO**

ANNEX XII – Template 2 Taxonomy-aligned economic activities (denominator)

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	0 €	0%	0 €	0%	0 €	0%
8	**Total applicable KPI**	0 €	0%	0 €	0%	0 €	0%

ANNEX XII – Template 3 Taxonomy-aligned economic activities (numerator)

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
2	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
3	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
4	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
5	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
6	Amount and proportion of taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
7	**Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	0 €	0%	0 €	0%	0 €	0%
8	**Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI**	0 €	0%	0 €	0%	0 €	0%

ANNEX XII – Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities

		Amount and proportion					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
2	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
3	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
4	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
5	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
6	Amount and proportion of taxonomy-eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%	0 €	0%	0 €	0%
7	**Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	0 €	0%	0 €	0%	0 €	0%
8	**Total amount and proportion of taxonomy eligible but not taxonomy-aligned economic activities in the**	0 €	0%	0 €	0%	0 €	0%

ANNEX XII – Template 5 Taxonomy non-eligible economic activities

		Amount	%
1	Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
2	Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
3	Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
4	Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
5	Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
6	Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0 €	0%
7	**Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI**	0 €	0%
8	**Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI**	0 €	0%

Table of Task Force on Climate-Related Financial Disclosures (TCFD)

As climate change is becoming increasingly important, in 2022, we continued the implemention of the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), an international framework to financially assess climate risk and opportunities. In 2022, Proximus officially became a supporter of TCFD recommendations . It is the first year we used scenario analysis in our disclosure of climate-related risk and opportunities.

Governance

Disclose the company's governance around climate-related risks and opportunities.

Recommendations	References
a Describe the Board's oversight of climate-related risks and opportunities.	- Corporate governance statement, p.88 - Sustainability governance, p.94 - Risk management report, p.346 - Risk Management & Compliance Committee, p.356 - CDP Climate Change responses 2022: C1.1, C1.1a, C1.1b, C1.1.d, C1.2a
b Describe management's role in assessing and managing climate- related risks and opportunities.	- Sustainability governance, p.94 - Remuneration report: short-term and long-term variable remuneration, p.123 - Environmental management system, p.182 - CDP Climate Change responses 2022: C1.2, C1.2a, C1.3, C1.3a

Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the company's businesses, strategy, and financial planning where such information is material.

Recommendations	References
a Describe the climate-related risks and opportunities the company has identified over the short, medium, and long term.	- Applying high ethical standards, p.108 - Environmental risk and climate change, p.351 - Sourcing & supply chain, p.355 - CDP Climate Change responses 2022: C2.1a, C2.1b, C2.2a, C2.3, C2.3a, C2.4, C2.4a, C3.1
b Describe the impact of climate-related risks and opportunities on the company's businesses, strategy, and financial planning.	- Contributing to the UN Sustainable Development Goals, p.148 - Act for a green and digital society, p.57 - Materiality and stakeholder dialogue, p.153 - EU taxonomy, p.183 - CDP Climate Change responses 2022: C3.1, C3.3, C3.4, C3.5, C3.5a
c Describe the resilience of the company's strategy, taking into consideration different climate-related scenarios.	- Environmental risk and climate change, p.351 - Operational risk, p.354 - CDP Climate Change responses 2022: C2.3a, C2.4a, C3.1, C3.2

Risk Management

Disclose how the company identifies, assesses, and manages climate-related risks.

Recommendations	References
a Describe the company's processes for identifying and assessing climate-related risks.	- Risk management report, p.346 - Environmental risk and climate change, p.351 - CDP Climate Change responses 2022: C2.2, C2.2a, C3.1, C3.2
b Describe the company's processes for managing climate-related risks.	- Act for a green and digital society, p.57 - Risk management report, p.346 - CDP Climate Change responses 2022: C2.2, C2.2a, C3.1, C3.2
c Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the company's overall risk management.	- Risk management report, p.346 - CDP Climate Change responses 2022: C2

Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Recommendations	References
a Disclose the metrics used by the company to assess climate-related risks and opportunities.	- Act for a green and digital society, including a status on our net zero and truly circular ambitions, p.57 - Environmental statement, p.171 - CDP Climate Change responses 2022: C4.1a, C4.2a, C4.2c
b Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	- Status on our net zero and truly circular ambitions, p.176 - Emissions, p.173 - Abatement of carbon emissions through our products & services, p.178 - CDP Climate Change responses 2022: C5.1a, C5.1b, C5.1c, C5.2, C6.1, C6.2, C6.3, C6.5, C6.10, C7.2, C7.3, C7.5, C7.6b, C7.9a
c Describe the targets used by the company to manage climate-related risks and opportunities and performance against targets.	- Environmental statement, p.171 - CDP Climate Change responses 2022: C4.1a, C4.2a, C4.2c, C4.3a, C4.3c, C4.5a

GRI content index

Proximus has reported the information cited in this GRI content index for the period January 1st to December 31st 2022 with reference to the GRI Standards.

GRI standard	Disclosure	Disclosure requirements	Reference
GRI 2: General Disclosures 2021 - Disclosures about the reporting organization			
1. The organization and its reporting practices			
2-1	Organizational details	a. report its legal name; b. report its nature of ownership and legal form; c. report the location of its headquarters; d. report its countries of operation.	a. Proximus b. Limited company under Belgian Public Law c. Boulevard du Roi Albert II, 27 B - 1030 Brussels d. Our brands (p.10-12)
2-2	Entities included in the organization's sustainability reporting	a. list all its entities included in its sustainability reporting; b. if the organization has audited consolidated financial statements or financial information filed on public record, specify the differences between the list of entities included in its financial reporting and the list included in its sustainability reporting; c. if the organization consists of multiple entities, explain the approach used for consolidating the information, including: i. whether the approach involves adjustments to information for minority interests; how the approach takes into account mergers, acquisitions, and disposal of entities or parts of entities; ii. whether and how the approach differs across the disclosures in this Standard and across material topics.	a. Integrated reporting approach 2022 (p.3) b. n/a c. i. n/a ii. n/a
2-3	Reporting period, frequency and contact point	a. specify the reporting period for, and the frequency of, its sustainability reporting; b. specify the reporting period for its financial reporting and, if it does not align with the period for its sustainability reporting, explain the reason for this; c. report the publication date of the report or reported information; d. specify the contact point for questions about the report or reported information.	a. Jan 1 to Dec 31, 2022 b. Consolidated Financial Statements (p.204) c. March, 2023 d. Corporate Affairs Proximus, Bd du Roi Albert II, 27 B-1030 Brussels
2-4	Restatements of information	report restatements of information made from previous reporting periods and explain: i. the reasons for the restatements; ii. the effect of the restatements.	a. There is no restatement of information unless specifically otherwise stated in the text
2-5	External assurance	a. describe its policy and practice for seeking external assurance, including whether and how the highest governance body and senior executives are involved; b. if the organization's sustainability reporting has been externally assured: i. provide a link or reference to the external assurance report(s) or assurance statement(s); ii. describe what has been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; iii. describe the relationship between the organization and the assurance provider.	b. i. Auditor's reports (p.366) ii. Auditor's reports (p.366) iii. Board of Auditors (p.97)

GRI standard	Disclosure	Disclosure requirements	Reference
2. Activities and workers			
2-6	Activities, value chain and other business relationships	a. report the sector(s) in which it is active; b. describe its value chain, including: i. the organization's activities, products, services, and markets served; ii. the organization's supply chain; iii. the entities downstream from the organization and their activities; c. report other relevant business relationships; d. describe significant changes in 2-6-a, 2-6-b, and 2-6-c. compared to the previous reporting period.	a. About us and how we create value for society (p.9) b. i. About us and how we create value for society (p.9-12) ii. - Our business model: how we create value for society (p.16-17) iii. Proximus customers and the use of its products and services is mentioned throughout the report, for example on p.9 'About us and how we create value for society' and on p.17 the number of users is mentioned. c. Key highlights (p.20-21) d. No specific changes to the organization and its supply chain.
2-7	Employees	a. report the total number of employees, and a breakdown of this total by gender and by region; b. report the total number of: i. permanent employees, and a breakdown by gender and by region; ii. temporary employees, and a breakdown by gender and by region; iii. non-guaranteed hours employees, and a breakdown by gender and by region; iv. full-time employees, and a breakdown by gender and by region; v. part-time employees, and a breakdown by gender and by region; c. describe the methodologies and assumptions used to compile the data, including whether the numbers are reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; d. report contextual information necessary to understand the data reported under 2-7-a and 2-7-b; e. describe significant fluctuations in the number of employees during the reporting period and between reporting periods.	a. Social statement (S1: Workforce) (p.160) b. i. Social statement (S1: Workforce) (p.161) ii. Social statement (S1: Workforce) (p.161) iii. n/a iv. Social statement (S1: Workforce) (p.161) v. Social statement (S1: Workforce) (p.162) c. i. Social statement (S1: Workforce) (p.160) ii. Social statement (Scope of the social statement) (p.160) d. Social statement (S1: Workforce) (p.162) e. n/a"
2-8	Workers who are not employees	a. report the total number of workers who are not employees and whose work is controlled by the organization and describe: i. the most common types of worker and their contractual relationship with the organization; ii. the type of work they perform; b. describe the methodologies and assumptions used to compile the data, including whether the number of workers who are not employees is reported: i. in head count, full-time equivalent (FTE), or using another methodology; ii. at the end of the reporting period, as an average across the reporting period, or using another methodology; c. describe significant fluctuations in the number of workers who are not employees during the reporting period and between reporting periods.	a. Social statement (S1: Workforce) (p.160) ii. Social statement (S1: Workforce) (p.162) b. i. Social statement (S1: Workforce) (p.160) ii. Social statement (Scope of the social statement) (p.160)

GRI standard	Disclosure	Disclosure requirements	Reference
3. Governance			
2-9	Governance structure and composition	a. describe its governance structure, including committees of the highest governance body; b. list the committees of the highest governance body that are responsible for decisionmaking on and overseeing the management of the organization's impacts on the economy, environment, and people; c. describe the composition of the highest governance body and its committees by: i. executive and non-executive members; ii. independence; iii. tenure of members on the governance body; iv. number of other significant positions and commitments held by each member, and the nature of the commitments; v. gender; vi. under-represented social groups; vii.competencies relevant to the impacts of the organization; viii.stakeholder representation.	a. Proximus governance model (p. 89-93) b. Committees of the Board of Directors (p.92-93) c. i. Board of Directors (p.89-92) and Committees of the Board of Directors (p.92-93) ii. Composition of the Board of Directors (p.90) and Committees of the Board of Directors (p.92-93) iii. Composition of the Board of Directors (p.90) iv. Members of the Board of Directors (p.98-103) and Members of the Leadership Squad (p.104-106) v. Composition of the Board of Directors (p.90) and Committees of the Board of Directors (p.92-93) vii.Members of the Board of Directors (p.98-103) and Committees of the Board of Directors (p.92-93)
2-10	Nomination and selection of the highest governance body	a. describe the nomination and selection processes for the highest governance body and its committees; b. describe the criteria used for nominating and selecting highest governance body members, including whether and how the following are taken into consideration: i. views of stakeholders (including shareholders); ii. diversity; iii. independence; iv. competencies relevant to the impacts of the organization.	a. - Board of Directors (p.89) - Committees of the Board of Directors (p.92) b. i. Board of Directors (p.89) iii. Board of Directors (p.89)
2-11	Chair of the highest governance body	a. report whether the chair of the highest governance body is also a senior executive in the organization; b. if the chair is also a senior executive, explain their function within the organization's management, the reasons for this arrangement, and how conflicts of interest are prevented and mitigated.	a. Board of Directors (p.89-92) b. n/a
2-12	Role of the highest governance body in overseeing the management of impacts	a. describe the role of the highest governance body and of senior executives in developing, approving, and updating the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainable development; b. describe the role of the highest governance body in overseeing the organization's due diligence and other processes to identify and manage the organization's impacts on the economy, environment, and people, including: i. whether and how the highest governance body engages with stakeholders to support these processes; ii. how the highest governance body considers the outcomes of these processes; c. describe the role of the highest governance body in reviewing the effectiveness of the organization's processes as described in 2-12-b, and report the frequency of this review.	a. Sustainability governance (p.94) b. Sustainability governance (p.94) ii. Sustainability governance (p.94) c. Sustainability governance (p.94)
2-13	Delegation of responsibility for managing impacts	a. describe how the highest governance body delegates responsibility for managing the organization's impacts on the economy, environment, and people, including: i. whether it has appointed any senior executives with responsibility for the management of impacts; ii. whether it has delegated responsibility for the management of impacts to other employees; b. describe the process and frequency for senior executives or other employees to report back to the highest governance body on the management of the organization's impacts on the economy, environment, and people.	a. i. Sustainability governance (p.94) ii. Sustainability governance (p.94) b. Sustainability governance (p.94)
2-14	Role of the highest governance body in sustainability reporting	a. report whether the highest governance body is responsible for reviewing and approving the reported information, including the organization's material topics, and if so, describe the process for reviewing and approving the information; b. if the highest governance body is not responsible for reviewing and approving the reported information, including the organization's material topics, explain the reason for this.	a. - Sustainability governance (p.94) - Materiality determination (p.153) b. n/a

GRI standard	Disclosure	Disclosure requirements	Reference
2-15	Conflicts of interest	a. describe the processes for the highest governance body to ensure that conflicts of interest are prevented and mitigated; b. report whether conflicts of interest are disclosed to stakeholders, including, at a minimum, conflicts of interest relating to: i. cross-board membership; ii. cross-shareholding with suppliers and other stakeholders; iii. existence of controlling shareholders; iv. related parties, their relationships, transactions, and outstanding balances.	a. Conflict of interest (p.95) b. Conflict of interest (p.95)
2-16	Communication of critical concerns	a. describe whether and how critical concerns are communicated to the highest governance body; b. report the total number and the nature of critical concerns that were communicated to the highest governance body during the reporting period.	a. Audit & Compliance Committee (p.92) b. The Compliance Program (p.108-109)
2-17	Collective knowledge of the highest governance body	a. report measures taken to advance the collective knowledge, skills, and experience of the highest governance body on sustainable development.	a. Sustainability governance (p.94)
2-18	Evaluation of the performance of the highest governance body	a. describe the processes for evaluating the performance of the highest governance body in overseeing the management of the organization's impacts on the economy, environment, and people; b. report whether the evaluations are independent or not, and the frequency of the evaluations; c. describe actions taken in response to the evaluations, including changes to the composition of the highest governance body and organizational practices.	a. Evaluation of the Board (p.95-96) b. Evaluation of the Board (p.95-96) c. Evaluation of the Board (p.95-96)
2-19	Remuneration policies	a. describe the remuneration policies for members of the highest governance body and senior executives, including: i. fixed pay and variable pay; ii. sign-on bonuses or recruitment incentive payments; iii. termination payments; iv. clawbacks; v. retirement benefits; b. describe how the remuneration policies for members of the highest governance body and senior executives relate to their objectives and performance in relation to the management of the organization's impacts on the economy, environment, and people.	a. i. - Structure of the remuneration of the members of the Board of Directors (p.122-124) - Remuneration structure of the Leadership Squad (p.126-133) ii. One-off and exceptional bonuses (p.135) iii. One-off and exceptional bonuses (p.135) iv. Recovery of undue variable remuneration (p.135) v. - Structure of the remuneration of the members of the Board of Directors (p.122-124) - Group insurance premiums (p.133-134) b. - Short-term variable remuneration (p.128-131) - Long-term variable remuneration (p.131-133)
2-20	Process to determine remuneration	a. describe the process for designing its remuneration policies and for determining remuneration, including: i. whether independent highest governance body members or an independent remuneration committee oversees the process for determining remuneration; ii. how the views of stakeholders (including shareholders) regarding remuneration are sought and taken into consideration; iii. whether remuneration consultants are involved in determining remuneration and, if so, whether they are independent of the organization, its highest governance body and senior executives; b. report the results of votes of stakeholders (including shareholders) on remuneration policies and proposals, if applicable.	a. i. - Remuneration of the members of the Leadership Squad (p.125-126) - Nomination and Remuneration Committee (p.93) ii. Global Rewards Program - general vision (p.125) b. Shareholders votes on previous Remuneration Report (p.139)

GRI standard	Disclosure	Disclosure requirements	Reference
2-21	Annual total compensation ratio	a. report the ratio of the annual total compensation for the organization's highest-paid individual to the median annual total compensation for all employees (excluding the highest-paid individual); b. report the ratio of the percentage increase in annual total compensation for the organization's highest-paid individual to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual); c. report contextual information necessary to understand the data and how the data has been compiled.	a. Pay ratio and pay evolution (p.138-139) b. Pay ratio and pay evolution (p.138-139) c. Wages and working conditions: internal comparisons, and company performance (p.137-138)
4. Strategy, policies and practices			
2-22	Statement on sustainable development strategy	a. report a statement from the highest governance body or most senior executive of the organization about the relevance of sustainable development to the organization and its strategy for contributing to sustainable development.	a. A bold strategy for a secure, connected and more prosperous society (p.5-7)
2-23	Policy commitments	a. describe its policy commitments for responsible business conduct, including: i. the authoritative intergovernmental instruments that the commitments reference; ii. whether the commitments stipulate conducting due diligence; iii. whether the commitments stipulate applying the precautionary principle; iv. whether the commitments stipulate respecting human rights; b. describe its specific policy commitment to respect human rights, including: i. the internationally recognized human rights that the commitment covers; ii. the categories of stakeholders, including at-risk or vulnerable groups, that the organization gives particular attention to in the commitment; c. provide links to the policy commitments if publicly available, or, if the policy commitments are not publicly available, explain the reason for this; d. report the level at which each of the policy commitments was approved within the organization, including whether this is the most senior level; e. report the extent to which the policy commitments apply to the organization's activities and to its business relationships; f. describe how the policy commitments are communicated to workers, business partners, and other relevant parties.	i. Compliance & Ethical standards (p.108-109) ii. Sustainable supply-chain (p.111) iv. The Compliance Program (p.108); Human Rights (p.110) b. i. The Compliance Program (p.108) c. Proximus governance model (p.89) and Role of compliance at Proximus (p. 108) e. Compliance & Ethical standards (p.108-109) f. Compliance & Ethical standards (p.108-109)
2-24	Embedding policy commitments	a. describe how it embeds each of its policy commitments for responsible business conduct throughout its activities and business relationships, including: i. how it allocates responsibility to implement the commitments across different levels within the organization; ii. how it integrates the commitments into organizational strategies, operational policies, and operational procedures; iii. how it implements its commitments with and through its business relationships; iv. training that the organization provides on implementing the commitments.	a. ii. Proximus governance model (p.89) iii. Sustainable supply-chain (p.111) iv. Compliance & Ethical standards (p.108-109)
2-25	Processes to remediate negative impacts	a. describe its commitments to provide for or cooperate in the remediation of negative impacts that the organization identifies it has caused or contributed to; b. describe its approach to identify and address grievances, including the grievance mechanisms that the organization has established or participates in; c. describe other processes by which the organization provides for or cooperates in the remediation of negative impacts that it identifies it has caused or contributed to; d. describe how the stakeholders who are the intended users of the grievance mechanisms are involved in the design, review, operation, and improvement of these mechanisms; e. describe how the organization tracks the effectiveness of the grievance mechanisms and other remediation processes, and report examples of their effectiveness, including stakeholder feedback.	

GRI standard	Disclosure	Disclosure requirements	Reference
2-26	Mechanisms for seeking advice and raising concerns	a. describe the mechanisms for individuals to: i. seek advice on implementing the organization's policies and practices for responsible business conduct; ii. raise concerns about the organization's business conduct.	b. The Compliance Program (p.108-109)
2-27	Compliance with laws and regulations	a. report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by: i. instances for which fines were incurred; ii. instances for which non-monetary sanctions were incurred; b. report the total number and the monetary value of fines for instances of noncompliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: i. fines for instances of non-compliance with laws and regulations that occurred in the current reporting period; ii. fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; c. describe the significant instances of non-compliance; d. describe how it has determined significant instances of non-compliance.	
2-28	Membership associations	a. report industry associations, other membership associations, and national or international advocacy organizations in which it participates in a significant role.	a. VBO/FEB, VOKA, ETNO, Agoria, BECI, UWE, GSMA, ETIS, FITCE, Cyber Security Coalition, Guberna, Center on Regulation in Europe, Greenwin, Experience@work, #embrace difference, Open@work, Women on board, #iamremarkable, Belgian Association of Marketing, JAC (Non-exhaustive list)
5. Stakeholder engagement			
2-29	Nomination and selection of the highest governance body Approach to stakeholder engagement	a. describe its approach to engaging with stakeholders, including: i. the categories of stakeholders it engages with, and how they are identified; ii. the purpose of the stakeholder engagement; iii. how the organization seeks to ensure meaningful engagement with stakeholders.	a. i. Stakeholder dialogue (p.156) ii. Stakeholder dialogue (p.156-159) iii. Stakeholder dialogue (p.156-159)
2-30	Collective bargaining agreements	a. report the percentage of total employees covered by collective bargaining agreements; b. for employees not covered by collective bargaining agreements, report whether the organization determines their working conditions and terms of employment based on collective bargaining agreements that cover its other employees or based on collective bargaining agreements from other organizations.	a. Social statement (S1: Workforce) (p.162)
GRI 3: Material topics 2021 - Disclosures and guidance about the organization's material topics			
3-1	Process to determine material topics	a. describe the process it has followed to determine its material topics, including: i. how it has identified actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights, across its activities and business relationships; ii. how it has prioritized the impacts for reporting based on their significance; b. specify the stakeholders and experts whose views have informed the process of determining its material topics.	a. i. Integrated reporting approach (p.3) - Materiality determination (p.153) ii. Integrated reporting approach (p.3) - Materiality determination (p.153) b. Materiality determination (p.153)
3-2	List of material topics	a. list its material topics; b. report changes to the list of material topics compared to the previous reporting period.	a. Materiality determination (p.153) b. Materiality determination (p.153)

GRI standard	Disclosure	Disclosure requirements	Reference
INDIRECT ECONOMIC IMPACTS 2016 **Linked with highly material topics Supporting digital infrastructure for Belgian society & Support small and medium business development**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Build the best open gigabit network for Belgium (p.27); Grow profitably through partners and ecosystems (p.45) c. Overview of #inspire2022 (p.24-25) d. i. - Addressing health concerns (p.32) - Sustainability governance (p.94) iii. - Rolling out our fiber network across the country (p.28-29) - Offering the best mobile experience in Belgium (p.30-32) - Activities in the Benelux (p.46-48) e. ii. - Overview of #inspire2022 (p.24-25) - Build the best gigabit network for Belgium (p.27) - Rolling out our fiber network across the country (p.28-29) - Offering the best mobile experience in Belgium (p.30-32) iii. - Overview of #inspire2022 (p.24-25) - Build the best gigabit network for Belgium (p.27) - Rolling out our fiber network across the country (p.28-29) - Offering the best mobile experience in Belgium (p.30-32) - Activities in the Benelux (p.46-48) f. Stakeholder dialogue (p.156-159)
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	- Overview of #inspire2022 (p.24-25) - Build the best open gigabit network for Belgium (p.26-34) - Grow profitably through partners and ecosystems (p.44-56)
	Own indicator	Number of homes and business enabled with fiber	Overview of #inspire2022 (p.24-25)
	Own indicator	Number of cities and municipalities where 5G is available	Overview of #inspire2022 (p.24-25)
	Own indicator	Number of use cases on 5G innovation platform	Overview of #inspire2022 (p.24-25)
	Own indicator	Number of new fiber wholesale partners	Overview of #inspire2022 (p.24-25)
	Own indicator	Number of MVNO partners that have access to 5G	Overview of #inspire2022 (p.24-25)
	Own indicator	Number of internet connections (consumer segment)	Overview of #inspire2022 (p.24-25)
	Own indicator	NPS of PXS Small & Medium-sized enterprise customers	- Overview of #inspire2022 (p.24-25) - Prioritizing the customer experience (p.40)

GRI standard	Disclosure	Disclosure requirements	Reference
ANTI-CORRUPTION 2016 **Linked to highly material topic Business conduct and ethics**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Role of compliance at Proximus (p.108) c. The Compliance Program (p.108-109) d. i. - The Compliance Program (p.108-109) - Proximus governance model (p.89) - Sustainability governance (p.94) e. ii. The Compliance Program (p.108-109)
GRI 205: Anti-corruption 2016	Own indicator	Number of cases investigated by the Investigations Department for violation of policies/code of conduct	The Compliance Program (p.108-109)
	Own indicator	Number of whistleblowing cases	The Compliance Program (p.108-109)
	Own indicator	Number of dismissals resulting from investigations	The Compliance Program (p.108-109)
	Own indicator	Number of warnings resulting from investigations	The Compliance Program (p.108-109)
MATERIALS 2016 **Linked to highly material topic Sustainable infrastructure**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	c. Act for a green and digital society (p.58-66) d. i. Act for a green and digital society (p.58-66) ii. Act for a green and digital society (p.58-66) e. i. Sustainability governance (p.94) ii. - Overview of #inspire2022 (p.24-25) - Environmental statements (E4: circularity) (p.179) iii. Environmental statements (E4: circularity) (p.179)
GRI 301: Materials 2016	Own indicator	Number of modems & decoders refurbished	- Overview of #inspire2022 (p.24-25) - Environmental statements (E4: circularity) (p.179)
	Own indicator	Number of mobile phones collected	- Overview of #inspire2022 (p.24-25) - Environmental statement (E4: circularity) (p.179)
	Own indicator	Number of refurbished computers offered to schools as reward for mobile phone recycling	Environmental statement (E4: circularity) (p.179)

GRI standard	Disclosure	Disclosure requirements	Reference
ENERGY 2016 **Linked to highly material topic Energy and CO_2 emissions**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.58) b. Contributing to the green transition (p.59-62) c. Act for a green and digital society (p.58) e. i. Sustainability governance (p.94) ii. Environmental statement (E1: Energy) (p.171-172) iii. Environmental statement (E1: Energy) (p.171-172) f. Stakeholder dialogue (p.156-159)
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental statement (E1: Energy) (p.171-172)
	302-3	Energy intensity	Environmental statement (E1: Energy) (p.171-172)
	302-4	Reduction of energy consumption	Environmental statement (E1: Energy) (p.171-172)
	302-5	Reductions in energy requirements of products and services	Environmental statement (E1: Energy) (p.171-172)
EMISSIONS 2016 **Linked to highly material topic Energy and CO_2 emissions**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.58-65) b. Contributing to the green transition (p.59-62) c. Act for a green and digital society (p.58) e. i. Sustainability governance (p.94) ii. Environmental statement (E2: Emissions) (p.173-177); Environmental statement (E3: Abatement of Carbon Emissions through our products & services) (p.178) iii. Environmental statement (E2: Emissions) (p.173-177); Environmental statement (E3: Abatement of Carbon Emissions through our products & services) (p.178) f. Stakeholder dialogue (p.156-159)

GRI standard	Disclosure	Disclosure requirements	Reference
GRI 305: Emissions 2016	305-1	Direct greenhouse gas (GHG) emissions (Scope 1)	Environmental statement (E2: Emissions) (p.173-177)
	305-2	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	Environmental statement (E2: Emissions) (p.173-177)
	305-3	Other indirect greenhouse gas (GHG) emissions (Scope 3)	Environmental statement (E2: Emissions) (p.173-177)
	305-4	Greenhouse gas (GHG) emissions intensity	Environmental statement (E2: Emissions) (p.173-177)
	305-5	Reduction of GHG emissions	- Environmental statement (E2: Emissions) (p.173-177) - Environmental statement (E3:Abatement of Carbon Emissions through our products & services) (p. 178)
WASTE 2020 **Linked to highly material topic Circular economy**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Truly circular by 2030 (p.63-64) d. - Truly circular by 2030 (p.63-64) - Sustainability governance (p.94) i. Truly circular by 2030 (p.63-64) ii. Truly circular by 2030 (p.63-64) iii. Truly circular by 2030 (p.63-64) e. ii. - Environmental statement (E4: circularity) (p.179) - Environmental statement (E5: Supply chain) (p.181) iii. - Overview of #inspire2022 (p.25) - Truly circular by 2030 (p.63-64) - Environmental statement (E5: Supply chain) (p.181)
GRI 306: Waste 2020	306-3	Waste generated	Environmental statement (E4: circularity) (p.179)
	306-4	Waste diverted from disposal	Environmental statement (E4: circularity) (p.179)

GRI standard	Disclosure	Disclosure requirements	Reference
SUPPLIER ENVIRONMENTAL ASSESSMENT 2016 **Linked to highly material topic Responsible supply chain**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.58) c. Contributing to the green transition (p.59) e. i. Sustainability governance (p.94) ii. Environmental statement (E5: Supply chain) (p.181) iii. Environmental statement (E5: Supply chain) (p.181) f. Stakeholder dialogue (p.156-159)
GRI 308: Supplier Environ-mental Assessment 2016	Own indicator	% of the total spend covered by supplier Ecovadis sustainability scorecards - Proximus SA	Environmental statement (E5: supply chain) (p.181)
	Own indicator	Circular Manifesto's signed	Environmental statement (E5: supply chain) (p.181)
EMPLOYMENT 2016 **Linked to highly material topic Workplace wellness**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Getting our people and organization ready for the future (p.76); Creating a positive work environment for everyone (p.89-90) c. Creating a positive work environment for everyone (p.84-85) d. - Proximus governance model (p.89) - Sustainability governance (p.94) - The Compliance Program (p.108-109) iii. Creating a positive work environment for everyone (p.84-85)) e. ii. Social Statement (S2: Well-being, satisfaction and retention) (p.163-164) iii. Social Statement (S2: Well-being, satisfaction and retention) (p.163-164) f. Stakeholder dialogue (p.156)
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social statement (S2: Well-being, satisfaction, and retention) (p.163-164)

GRI standard	Disclosure	Disclosure requirements	Reference
TRAINING AND EDUCATION 2016 **Linked to highly material topic Employee upskilling, reskilling & employability**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Getting our people and organization ready for the future (p.76); Shaping the workforce of the future (p.79-81) c. Shaping the workforce of the future (p.79-81) e. i. Sustainability governance (p.94) ii. Social statement (E3: Training and development) (p.166) iii. Social statement (E3: Training and development) (p.166) f. Stakeholder dialogue (p.156)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	- Overview of #inspire2022 (p.24-25) - Social statement (S3: Training and development) (p.166)
	404-2	Programs for upgrading employee skills and transition assistance programs	Getting our people and organization ready for the future (p.75-81)
	404-3	Percentage of employees receiving regular performance and career development reviews.	Performance review, development and career coaching are closely linked to our culture. Our performance review process focuses on the strengths of employees to sharpen them further, through continuous coaching and feedback. We are convinced that this approach is beneficial for the employee himself. Indeed, an employee who evolves and develops, will perform all the better. It is also beneficial for Proximus because it helps it, in the end, to return to growth. At least 2 times a year each active employee receives a performance/career review.
	Own indicator	(€) million invested in employee re- and up-skilling in 2021	- Overview of #inspire2022 (p.24-25)

GRI standard	Disclosure	Disclosure requirements	Reference
LOCAL COMMUNITIES 2016 **Linked with highly material topic Digital access**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.58) c. Act for a green and digital society (p.58) d. i. Contributing to the digital society (p.67-69) ii. Contributing to the digital society (p.67-69) iii. Contributing to the digital society (p.67-69) e. i. Sustainability governance (p.94) ii. Social statement (S6: Digital inclusion) (p.170) iii. Social statement (S6: Digital inclusion) (p.170) f. Stakeholder dialogue (p.156-159)
GRI 413: Local communities 2016	Own indicator	Percentage of tested devices accessible for at least 5 disabilities	Overview of #inspire2022 (p.24-25)
	Own indicator	Donated Wi-Fi codes	Social statement (S6: Digital inclusion) (p.170)
	Own indicator	Donated laptops	Social statement (S6: Digital inclusion) (p.170)
SUPPLIER SOCIAL ASSESSMENT 2016 **Linked to highly material topic Responsible Supply chain**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.57) c. The Compliance Program (p.108-109) d. i. The Compliance Program (p.108-109) ii. The Compliance Program (p.108-109) e. i. Sustainability governance (p.94) f. Stakeholder dialogue (p.156-159)

GRI standard	Disclosure	Disclosure requirements	Reference
GRI 414: Supplier Social Assessment 2016	Own indicator	Number of on-site audits in collaboration with JAC	Environmental statement (E5: Supply chain) (p.181)
CUSTOMER HEALTH AND SAFETY 2016 **Linked to highly material topic Delivering customer promises & Customer value for money**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Grow profitably through partners and ecosystems (p.45) c. Grow profitably through partners and ecosystems (p.45) d. iii. Activities in the Benelux (p.46-52); International activities (p.53-55) e. i. Sustainability governance (p.94) ii. Overview of #inspire2022 (p.24-25) iii. Overview of #inspire2022 (p.24-25) f. Stakeholder dialogue (p.156-159)
GRI 416: Customer Health and Safety 2016	Own indicator	Residential customers satisfaction about the price/quality ratio of their Proximus pack	Activities in the Benelux (p.47)

GRI standard	Disclosure	Disclosure requirements	Reference
CUSTOMER PRIVACY 2016 **Linked to highly material topic Privacy and data security**			
3-3	Management of material topics	For each material topic reported under Disclosure 3-2, the organization shall: a. describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights; b. report whether the organization is involved with the negative impacts through its activities or as a result of its business relationships, and describe the activities or business relationships; c. describe its policies or commitments regarding the material topic; d. describe actions taken to manage the topic and related impacts, including: i. actions to prevent or mitigate potential negative impacts; ii. actions to address actual negative impacts, including actions to provide for or cooperate in their remediation; iii. actions to manage actual and potential positive impacts; e. report the following information about tracking the effectiveness of the actions taken: i. processes used to track the effectiveness of the actions; ii. goals, targets, and indicators used to evaluate progress; iii. the effectiveness of the actions, including progress toward the goals and targets; iv. lessons learned and how these have been incorporated into the organization's operational policies and procedures; f. describe how engagement with stakeholders has informed the actions taken (3-3-d) and how it has informed whether the actions have been effective (3-3-e).	a. Act for a green and digital society (p.58) c. Building trust in digital (p.70) d. i. Building trust in digital (p.70-74) ii. Building trust in digital (p.70-74) e. i. Sustainability governance (p.94) ii. Building trust in digital (p.74) iii. Building trust in digital (p.74) f. Stakeholder dialogue (p.156-159)
GRI 418: Customer Privacy 2016	Own indicator	Social engineering attempts aimed at our employees	Building trust in digital (p.71)

Consolidated financial statements

Consolidated Financial Statements

Prepared under International Financial Reporting Standards for each of the two years ended 31 December 2022 and 2021.

Consolidated Balance Sheet

(EUR million)		As at 31 December	
ASSETS	Note	2021 restated	2022
NON-CURRENT ASSETS		7,699	8,589
Goodwill	3	2,588	2,595
Intangible assets with finite useful life	4	1,265	1,779
Property, plant and equipment	5	3,311	3,531
Right-of-use assets	6	274	277
Lease receivable		6	7
Contract costs	7	110	111
Investments in associates and joint ventures	8	34	43
Deferred income tax assets	10	6	5
Equity investments measured at fair value	9	1	1
Pension assets	11	80	140
Other non-current assets	12	24	99
CURRENT ASSETS		1,685	1,952
Inventories	13	132	187
Trade receivables	14	879	938
Contract assets	14	120	137
Current tax assets		166	24
Other current assets	15	140	269
Cash and cash equivalents	17	249	299
Non-current assets held for sale	16	0	99
TOTAL ASSETS		9,384	10,541

LIABILITIES AND EQUITY	Note		
EQUITY	18	2,978	3,308
Shareholders' equity attributable to the parent	18	2,978	3,307
Non-Controlling interests	18	0	1
NON-CURRENT LIABILITIES		3,897	4,231
Interest-bearing liabilities (1)	19	2,737	2,676
Lease liabilities	6	204	199
Liability for pensions, other post-employment benefits and termination benefits	11	447	361
Provisions	20	153	136
Deferred income tax liabilities	10	136	181
Other non-current payables	21	220	679
CURRENT LIABILITIES		2,509	3,002
Interest-bearing liabilities	19	252	588
Lease liabilities	6	69	73
Liability for pensions, other post-employment benefits and termination benefits	11	62	52
Trade payables		1,548	1,620
Contract liabilities	22	135	127
Tax payables		11	16
Other current payables	22	432	526
TOTAL LIABILITIES AND EQUITY		9,384	10,541

(1) "Derivatives held for trading" were reclassified from "interest-bearing liabilities" to "non interest-bearing liabilities". The reclass amounted to EUR 3 million in 2021.

Consolidated Income Statement

(EUR million)	Note	As at 31 December 2021	2022
Net revenue	23	5,537	5,853
Other operating income	24	42	60
Total income		**5,579**	**5,914**
Costs of materials and services related to revenue	25	-1,997	-2,186
Workforce expenses	26	-1,200	-1,301
Non-workforce expenses	27	-554	-601
Total operating expenses before depreciation and amortization		**-3,751**	**-4,088**
Operating income before depreciation and amortization		**1,828**	**1,826**
Depreciation and amortization	28	-1,183	-1,179
Operating income		**645**	**647**
Finance income		4	4
Finance costs		-58	-53
Net finance costs	29	-54	-49
Share of loss on associates	8.3	-10	-20
Income before taxes		**581**	**578**
Tax expense	10	-137	-128
Net income		**445**	**450**
Attributable to:	18		
Equity holders of the parent (Group share)		443	450
Non-controlling interests		1	0
Basic earnings per share (in EUR)	30	1.37	1.40
Diluted earnings per share (in EUR)	30	1.37	1.40
Weighted average nb of outstanding ordinary shares	30	322,751,990	322,552,465
Weighted average nb of outstanding ordinary shares for diluted earnings per share	30	322,751,990	322,552,465

Consolidated Statement of Comprehensive Income

(EUR million)	Note	As at 31 December 2021	2022
Net income		445	450
Other comprehensive income:			
Items that may be reclassified to profit and loss			
Exchange differences on translation of foreign operations		15	10
Cash flow hedges:			
Gain/(Loss) taken to equity		-13	204
Transfer to profit or loss for the period		-2	0
Total before related tax effects		1	215
Cash flow hedges:			
Gain/(Loss) taken to equity		3	-51
Income tax relating to items that may be reclassified		4	-51
Total of items that may be reclassified to profit and loss - net of related tax effects		4	163
Items that will not be reclassified to profit and loss			
Remeasurement of net defined benefit obligations	11	142	125
Total before related tax effects		142	125
Remeasurement of net defined benefit obligations		-35	-19
Income tax relating to items that will not be reclassified		-35	-19
Total of items that will not be reclassified to profit and loss, net of related tax effects		106	106
Total comprehensive income		555	719
Attributable to:			
Equity holders of the parent		553	719
Non-controlling interests		3	0

Consolidated Cash Flow Statement

(EUR million)	Note	As at 31 December 2021	2022
Cash flow from operating activities			
Net income		445	450
Adjustments for:			
Depreciation and amortization	4/5/6	1,183	1,179
Impairment on current and non-current assets	3/4/5	2	0
Increase / (decrease) of provisions	20	9	-19
Deferred tax expense/ (income)	10	-12	-24
Loss / (gain) from investments accounted for using the equity method	8.3	10	20
Fair value adjustments on financial instruments	29	1	1
Adjustments for finance cost (1)		-2	0
Loss / (gain) on disposal of property, plant and equipment	24	-1	-4
Operating cash flow before working capital changes		1,634	1,602
Change in :			
Inventories		-26	-55
Trade receivables		11	-62
Other assets		-54	120
Trade payables		144	52
Other liabilities		-15	92
Net liability for pensions, other post-employment benefits and termination benefits	11	-74	-31
Decrease/(increase) in working capital, net of acquisitions and disposals of subsidiaries		-13	116
Net cash flow provided by operating activities		1,621	1,717
Cash flow from investing activities			
Cash paid for acquisitions of intangible assets and property, plant and equipment	4/5	-1,137	-1,441
Cash paid for investments in associates and joint ventures	8.4	-44	-30
Cash paid for acquisition of consolidated companies, net of cash acquired	8.4	-130	-3
Net Cash received from sales of property, plant and equipment and other non-current assets		6	13
Net cash used in investing activities		-1,305	-1,461
Cash flow before financing activities		316	256
Lease payments excluding interest paid	6	-79	-89
Free cash flow		237	167
Cash flow from financing activities other than lease payments			
Dividends paid to shareholders	31	-388	-387
Dividends to and transactions with non controlling interests	18.2	-217	2
Net Sale/ (purchase) of treasury shares		2	-5
Increase / (decrease) of shareholders' equity		-1	0
Asset financing arrangement issuance	19.3	0	65

Asset financing arrangement repayment	19.3	0	-18
Cash paid for matured cash flow hedge instrument related to long term debt		-13	0
Debt issuance (2)	19.3	980	477
Debt repayment (2)	19.3	-663	-252
Cash flows used in financing activities other than lease payments		**-299**	**-119**
Exchange rate impact		1	1
Net change of cash and cash equivalents		**-62**	**50**
Cash and cash equivalents at 1 January		310	249
Cash and cash equivalents at the end of the period	17	249	299

Additional information		
(A) Net cash flow from operating activities includes the following cash movements :		
Interest paid	-46	-51
Interest received	1	2
Income taxes paid	-198	-4
(B) Free cash flow: cash flow before financing activities and after lease payments		

Consolidated Statement of Changes in Equity

(EUR million)	Issued capital	Treasury shares	Restric'd reserve	Equity instruments and hedge reserve	Other remeasur-ement reserve	Foreign currency trans- lation	Stock Compen-sation	Retained Earnings	Share'rs' Equity	Non-control. interests	Total Equity
Balance as at 1 January 2021	1,000	-423	100	4	-208	-8	3	2,434	2,903	123	3,026
Total comprehensive income and expense	0	0	0	-11	106	14	0	443	553	3	555
Dividends to shareholders (relating to 2020)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-161	-161	0	-161
Acquisition of Non-Controlling interests	0	0	0	0	0	0	0	-92	-92	-126	-218
Treasury shares											
Sale of treasury shares	0	1	0	0	0	0	0	1	2	0	2
Stock options											
Stock forfeited	0	0	0	0	0	0	-3	3	0	0	0
Total transactions with equity holders	0	1	0	0	0	0	-3	-475	-477	-126	-603
Balance as at 31 December 2021	1,000	-422	100	-7	-102	7	0	2,403	2,978	0	2,978
Total comprehensive income	0	0	0	154	106	10	0	450	719	0	719
Dividends to shareholders (relating to 2021)	0	0	0	0	0	0	0	-226	-226	0	-226
Interim dividends to shareholders (relating to 2022)	0	0	0	0	0	0	0	-161	-161	0	-161
Acquisition of Non-Controlling interests	0	0	0	0	0	0	0	2	2	1	3
Treasury shares											
Sale of treasury shares	0	-3	0	0	0	0	0	-2	-5	0	-5
Total transactions with equity holders	0	-3	0	0	0	0	0	-388	-390	1	-390
Balance as at 31 December 2022	1,000	-425	100	147	4	16	0	2,465	3,307	1	3,308

Notes to the consolidated financial statements

Note 1. Corporate information

The consolidated financial statements at 31 December 2022 were authorized for issue by the Board of Directors on 16th February 2023. They comprise the financial statements of Proximus SA, its subsidiaries, as well as the Group's interest in associates and joint ventures accounted for under the equity method and joint operations (hereafter "the Group").

Proximus SA is a "Limited Liability Company of Public Law" registered in Belgium. The transformation of Proximus SA from "Autonomous State Company" into a "Limited Liability Company of Public Law" was implemented by the Royal Decree of 16 December 1994. Proximus SA headquarters are located at Boulevard du Roi Albert II, 27 1030 Brussels, Belgium. Proximus' shares are listed on Euronext Brussels.

Proximus Group (Euronext Brussels: PROX) is a provider of digital services and communication solutions operating in the Belgian and international markets. Delivering communication and entertainment experiences for residential consumers and enabling digital transformation for enterprises, we open up a world of digital opportunities, so people live better and work smarter. Thanks to advanced interconnected fixed and mobile networks, the Group provides access anywhere and anytime to digital services and data, as well as to a broad offering of multimedia content. The Group is a pioneer in ICT innovation, with integrated solutions based on IoT, Data analytics, cloud and security. The Group has the ambition to become the reference operator in Europe through next generation networks, a truly digital mindset and a spirit of openness towards partnerships and ecosystems, while contributing to a safe, sustainable, inclusive and prosperous digital Belgium. In Belgium, the core products and services of the Group are offered under the Proximus, Scarlet and Mobile Vikings brands. The Group is also active in Luxembourg as, under the brand names Tango and Telindus Luxembourg, and in the Netherlands through Telindus Netherlands. The Group's international carrier activities are managed by BICS, a leading international communications enabler, one of the key global voice carriers and the leading provider of mobile data services worldwide. With TeleSign, the Group also encompasses a fast-growing leader in digital identity services, serving the world's largest internet brands, digital champions and cloud native businesses.

The number of employees of the Group (in full time equivalents) amounted to 11,634 at 31 December 2022 and 11,532 at 31 December 2021. For the year 2022, the average headcount of the Group was 168 management personnel and 11,361 employees; for the year 2021 the average headcount of the Group is 169 management personnel and 11,276 employees.

Note 2. Significant accounting policies

Basis of preparation

The accompanying consolidated financial statements as of 31 December 2022 and for the year then ended have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. The Group did not early adopt any IASB standards or interpretations.

Changes in accounting policies

The Group does not anticipate the change in the application of standards and interpretations. The accounting policies applied are consistently with those of the previous financial years except that the Group decided to voluntary change its accounting policy for multi-seasonal sport broadcasting rights (see below) and applied the new or revised IFRS standards and interpretations as adopted by the European Union that became mandatory on 1 January 2022 and that are detailed as follows:

New standards and Amendments to standards:

- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (applicable for annual periods beginning on or after 1 April 2021)
- Amendments to IFRS 3 – Business Combination - Reference to the Conceptual Framework
- Amendments to IAS 16 - Property, Plant and Equipment – Proceeds Before Intended Use
- Amendments to IAS 37 – Provisions, Contingent liabilities, Contingent assets - Onerous Contract – Cost of Fulfilling a Contract
- Annual Improvements to IFRS Cycle 2018-2020

The adoption of these new and amended standards has no impact on the financial statements of the Group.

In 2022, the accounting policy regarding the recognition of football broadcasting rights and all other multi-seasonal sport broadcasting rights was updated to better reflect the fact that these contracts provide long term rights and obligations to Proximus. The updated policy foresees to capitalize the football broadcasting rights, and all other multi-seasonal sport broadcasting rights, for the full contract duration together with the recognition of the corresponding liability (for the full contract duration). In the previous accounting policy, these rights and the corresponding liability were recognized by season. This update does not impact the income statement, the equity statement nor the cash flow statement. Comparative figures of 2021 have been restated as summarized below to reflect the updated accounting policy.

(EUR million)	As at 1st January 2021	Restatement	As at 1st January 2021 Restated
Intangible assets with finite useful life	1,047	184	1,231
Other non-current payables	102	154	256
Trade payables	1,213	30	1,243

(EUR million)	As at 31 December 2021	Restatement	As at 31 December 2021 Restated
Intangible assets with finite useful life	1,113	151	1,265
Other non-current payables	102	118	220
Trade payables	1,515	34	1,548

Operating segments

The Group's operating segments are the Group's components whose operating results are regularly reviewed by its Leadership Squad, the Group's chief operating decision makers (CODM), to make decisions about resources to be allocated to the segment and assess the performance.

The internal profitability reports, that are regularly reviewed by the CODM to allocate resources to segments and assess performance, are organised based on the nature of products and services provided and geographical area. As a result, the Group operating segments are defined as follow:

- Domestic: segment providing communication and ICT services to residential, business and telecom wholesale markets in Belgium / BeNeLux. This operating segment regroups a.o. the former business units CBU, EBU and CWS.
- International Carrier Services (BICS) is responsible for international carrier activities on the international communications market.
- TeleSign: is specialized in international delivery authentication and digital identity services to the world's largest internet brands, digital champions and cloud native businesses.

Alternative Performance Measures

The Group uses so called "Alternative Performance Measures" ("APM") in the financial statements and notes. An APM is a financial measure of historical or future financial performance, financial position or cash flows, other than a financial measure defined in the applicable financial reporting framework (IFRS). A glossary describing these is included in the section "Management Discussion" of the Consolidated Management Report. They are consistently used over time and when a change is needed, comparable information is restated.

Basis of consolidation

Note 8 lists the Group's subsidiaries, joint operations, joint ventures and associates. Subsidiaries are those entities controlled by the Group. Control exists when the Group has the power over the investee, is exposed or has rights to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins from the date on which the Group obtains control over the subsidiary and ceases when the Group loses control over the subsidiary. Intercompany balances and transactions and resulting unrealized profits or losses between Group companies are eliminated in full in consolidation. When subsidiaries accounting policies are not aligned with the Group ones, the Group performs the necessary adjustments to ensure that the consolidated financial statements are prepared using uniform accounting policies.

Changes in Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction. Any difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company. Transaction costs associated with the purchase or sale of a non- controlling interest in a subsidiary, when control is maintained, is recognized as a deduction from equity only if they are incremental costs directly attributable to the equity transaction.

Joint operations are joint arrangements whereby the parties that have joint control of the arrangements have rights to the assets, and obligations for the liabilities, relating to the arrangements. Arrangements of which the design and purpose is such that the parties are substantially the only source of cash flows contributing to the continuity of the operations of the arrangement are recognized as joint operations.

When the Group undertakes its activities under joint operations, the Group recognizes based on its ownership interest, net off intercompany eliminations, its share in the assets and liabilities and its share in the costs and revenue. Revenue is only recognized when the joint operation sells its output to third parties.

Joint ventures are joint arrangements whereby the parties that have joint control of the arrangements have rights to the net assets of the joint arrangements. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant activities require unanimous consent of the parties sharing control. Joint ventures are incorporated in these consolidated financial statements using the equity method.

Associated companies are companies in which the Group has a significant influence, defined as an investee in which the group has the power to participate in its financial and operating policy decisions (but not to control the investee). These investments are also accounted for using the equity method.

Under the equity method, the investments held in associates or joint ventures are initially recognized at cost and the carrying amount is subsequently adjusted to recognize the Group's share in the profit or losses or other comprehensive income of the associate or joint venture as from the date of acquisition. These investments and the equity share of results for the period are shown in the balance sheet and income statement as respectively, investments in associates and joint ventures, and share in the result of the associates and joint ventures.

Business Combinations

Acquisitions of businesses are accounted using the acquisition method. The consideration transferred is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree, and the equity interests issued in exchange for control of the acquiree. Acquisition related costs are accounted for as expenses in the periods in which the costs are incurred.

At acquisition date, the identifiable assets acquired, and the liabilities assumed are recognized at their fair value at that date. This includes fair valuing the unrecognized assets and liabilities in the balance sheet of the acquiree, which concerns mainly customer bases and trade names.

Non-controlling interests are initially measured at the proportionate share of the recognized amounts of the acquiree' s identifiable net assets.

Judgments and estimates

In preparing the consolidated financial statements, management is required to make judgments and estimates that affect amounts included in the financial statements.

Judgments and estimates that are made at each reporting date reflect conditions that existed at those dates (e.g. market prices, interest rates and foreign exchange rates, as well as existing accounting rules and guidance in domains where there is limited authoritative literature). Although these estimates are based on management's best knowledge of current events and actions that the Group may undertake, actual results may differ from those estimates.

The group evaluated the direct and indirect impact of climate change on its business risks, its operations and its financial reporting and has currently not identified material judgments and estimates affected by climate change.

- ### Critical judgments in applying the Group accounting policies

The following are the critical judgments, apart from those involving estimations (which are presented separately below), that the directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in financial statements.

- *Assessment of control on entities* ***incorporated in the context of fiber network deployment***

  In the context of its ultimate objective of connecting Belgium through an open, future-proof network that brings high or very high-speed connectivity to every home and business, including those in less densely populated areas, Proximus co-created three separate companies, Fiberklaar, Unifiber and Glasfaser Ostbelgien, to help it accelerating the fiber roll-out in respectively Flanders, Wallonia and in the German-speaking Community.

  These three companies have for business to engineer, design, build, maintain, upgrade, own, deploy, run and market a passive wholesale Point-to-Point Fiber-To-The-Home network in the Footprint (the "FTTH Network"), with a minimum rollout speed, a coverage ambition for the defined footprint, certain technical qualities (speed, capacity…). The networks to be built will be open and neutral, i.e. available to all Service Providers under non-exclusive and non-discriminatory terms to allow Service Providers (Proximus for instance) to compete on downstream markets.

  In its assessment of the type of control its exercises on these companies (control alone, joint control or significant influence), Proximus identified what the companies' relevant activities were, how the decisions about these activities were taken and whether it obtained variable return from its interaction with them, via, among others, the exercise of its voting rights. Other facts and circumstances were also considered in the assessment, such as the companies' social purposes, the nature and of the companies' other shareholders, the existence of pre-agreed and negotiated contexts and the companies' dependency to their shareholders as sources of cash flows contributing to the continuity of their operations.

  Proximus concluded that it was not controlling alone those three entities as the decisions about the activities identified as relevant within the context of the arrangements signed with the co-investors are not taken alone by Proximus. These decisions were about essentially the approval of the budget, the appointment and dismiss of senior management, the commercialization of the offer, the building of the network. Furthermore, Proximus expected, based on the information available to it when it concluded that it was not controlling these entities, that it would not substantially be the only source of cash flows contributing to the continuity of the operations of the arrangements by these entities.

  On that basis, the Group concluded that the investments in Fiberklaar, Unifiber and Glasfaser Ostbelgien, qualify currently and respectively as associate, joint venture and associate. These conclusions are monitored periodically to the light of those criteria, underlying facts, governance and existing agreements between shareholders or with the companies.

- ### Key sources of estimation uncertainty

  - *Claims and contingent liabilities and assets (see note 34)*

Related to claims and contingencies, judgment is necessary in assessing the existence of an obligation resulting from a past event, in assessing the probability of an economic outflow, and in quantifying the probable outflow of economic resources. This judgment is reviewed when new information becomes available and with support of outside experts advises.

  - *Recoverable amount of cash generating units including goodwill*

In the context of the impairment test, the key assumptions that are used for estimating the recoverable amounts of cash generating units to which goodwill is allocated are discussed in note 3 (Goodwill).

- *Actuarial assumptions related to the measurement of employee benefit obligations and plan assets*

The Group holds several employee benefit plans such as pension plans, other post-employment plans and termination plans. In the context of the determination of the obligation, the plan asset and the net periodic cost, the key assumptions that are used are discussed in note 11 (Assets and liabilities for pensions, other post-employment benefits and termination benefits).

- *Estimation of useful life*

Items of Property, Plant and Equipment are depreciated using a straight-line method to allocate their depreciable amount on a systematic basis over their useful life. The depreciable amount is the cost less its estimated residual value. Useful life of an asset is estimated on a realistic basis based on the experience of the Group with similar assets and reviewed at least annually. The effect of changes in useful life are recognized prospectively.

- *Tax proceedings*

  Indian case

  BICS received withholding tax assessments from the Indian tax authorities in relation to payments made by an Indian tax resident customer to BICS in the period 1 April 2007 to 31 March 2012. BICS filed appeals against the assessments for the period 1 April 2007 to 31 March 2012 with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. Furthermore, BICS is opposing the assessments in relation to the periods from 1 April 2008 to 31 March 2011 on procedural grounds. The amount of the contingent liability including late payment interest should not exceed EUR 33 million. BICS has not paid the assessed amounts and has not recorded a tax provision. Management assesses that the position as recognized in the financial statements reflects the best estimate of the probable outcome.

Foreign currency translation

The individual financial statements of each subsidiary are prepared in the currency of the primary economic environment in which the entity operates. When the factors set out by IAS 21 to determine the functional currency are mixed and the functional currency is not obvious, management judgment is used to determine which functional currency most faithfully represents the economic effects of its underlying transactions, events and conditions.

Foreign currency transactions are recognized in functional currency on initial recognition, at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency of the entity at the balance sheet date using the exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies are not remeasured. Net exchange differences on the translation of monetary assets and liabilities are classified in “non-workforce expenses” in the income statement in the period in which they arise.

Foreign operations

The Group determines the functional currency (i.e. the currency of the primary economic environment in which the subsidiary operators) of each individual subsidiary included in its consolidated figures. An operation that is integral to the parent (Proximus SA) i.e. carries on business as if it were an extension of the parent’s operation, has Euro as functional currency

Results and financial position of entities with a functional currency other than Euro are included in the Proximus Group accounts as follows:

- Assets and liabilities (including comparatives) are translated at the closing rate at the reporting date.
- Income and expenses are translated at exchange rates at the date of the transaction.
- Non-controlling interests are translated at exchange rates at the date of the transaction.
- All resulting exchange differences are recognized in other comprehensive income. On disposal of such entity, the deferred cumulative amount recognized in other comprehensive income relating to that foreign operation is recognized in profit or loss.

Goodwill

Goodwill represents the excess of the sum of the consideration transferred, the amount of non-controlling interests, if any, and the fair value of the previously held interest, if any, over the net fair value of identifiable assets, liabilities and contingent liabilities acquired in business combination. When the Group obtains control, the previously held interest in the acquiree, if any, is re-measured to fair value through profit or loss.

Changes in a contingent consideration included in the consideration transferred are adjusted against goodwill when they arise during the provisional purchase price allocation period and when they relate to facts and circumstances existing at acquisition date. In other cases, depending if the contingent consideration is classified as equity or not, changes are taken into equity or in profit or loss.

Acquisition costs are expensed, and non-controlling interests are measured at acquisition date at their proportionate interest in the identifiable assets and liabilities of the acquiree, on a transaction-by-transaction basis.

Goodwill is stated at cost and not amortized but subject to an annual impairment test at the level of the cash generating unit to which it relates and whenever there is an indicator that the cash generating unit to which the goodwill has been allocated may be impaired. The Group monitors the goodwill at the level of the operating segments as this reflects the way the Group manages its operations.

Intangible assets with finite useful life

Intangible assets consist primarily of the Global System for Mobile communication ("GSM") license, the Universal Mobile Telecommunication System ("UMTS") license, 4G and 5G spectrum licenses, customer bases, patents and trade names acquired in business combinations, internally and externally developed software and other intangible assets such as football rights and broadcasting rights.

Intangible assets with finite life acquired separately are measured on initial recognition at cost. Only the fixed portion of the consideration is capitalized. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition.

The Group capitalizes certain costs incurred in connection with developing or purchasing software for internal use and certain media production costs when they are identifiable, when the Group controls the asset and when future economic benefits from the asset are probable.

The Group enters SaaS arrangement and pays a fee in exchange for a right to receive access to the supplier's application software for a specified term. The Group recognizes a software asset in a cloud-computing arrangement at the contract commencement date if it obtains control of software at that date. This is when, at the inception of the arrangement:

- The Group has the contractual right to take possession of the software during the hosting period without significant penalty, and
- It is feasible for the Group to run the software on its own hardware or contract with another party unrelated to the supplier to host the software

The Groups' accounting policy is to capitalize the football broadcasting rights, and all other multi-seasonal sport broadcasting rights, for the full contract duration together with the recognition of the corresponding liability (for the full contract duration).

For contracts with other TV channels, the Group capitalizes the costs for the total contract duration, as the content is deemed to be sufficiently identifiable (the major part of the content is already produced) for the non-cancellable duration of the contract (generally 18 months-3 years).

The company continues to monitor the related accounting rules and guidance in this domain where there is limited authoritative literature.

Intangible assets with finite useful life are stated at cost less accumulated amortization and impairment losses. The residual value of such intangible assets is assumed to be zero.

Customer bases and trade names acquired in business combinations are straight-line amortized over their estimated useful life (3 to 20 years). Except if the useful life is based on the contractual limits or reflecting management intention, it is set consistently with the expected cash flows used in the valuation model for such an asset. It is defined in such a way that the expected cumulated discounted cash flows generated by the concerned asset over its useful life represent approximately 90% of the total cumulated discounted cash flows expected from the asset.

GSM, UMTS, 4 G and 5G spectrum licenses, other intangible assets and internally generated assets with finite useful life are amortized on a straight-line basis over their estimated useful life. Amortization commences when the intangible asset is ready for its intended use. The licenses' useful lives are fixed by Royal Decree and they range from 5 to 20 years.

The useful lives are assigned as follows:

	Useful life (years)
GSM, UMTS, 4G and other network licenses	Over the license period
SPECTRUM 2600 MHZ	15
SPECTRUM 800 MHZ	20
SPECTRUM 1800 MHZ 2G	20
SPECTRUM 2100 MHZ 3G	20
SPECTRUM 900 MHZ	20
SPECTRUM 1400 MHZ	20
SPECTRUM 700 MHZ	20
SPECTRUM 3600 MHZ	17 years 8 months
Customer bases, trade names, patents and software acquired in a business combination	3 to 20
Software	5
Broadcasting rights for sport seasons	Over the contract period
Rights to use, and other broadcasting rights	Over the contract period (usually from 2 to 5)

The amortization period and the amortization method for an intangible asset with finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates.

Property, plant and equipment

Property, plant and equipment including assets rented to third parties through operating leases, are presented according to their nature and are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of additions and substantial improvements to property, plant and equipment is capitalized. The cost of maintenance and repairs of property, plant and equipment is charged to operating expenses when it does not extend the life of the asset or does not significantly increase its capacity to generate revenue. The cost of an item of property, plant and equipment includes the costs of its dismantlement, removal or restoration, the obligation for which the Group incurs as a consequence of installing the item.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the year the asset is derecognized.

Depreciation of an asset begins when the asset is ready for its intended use. Depreciation is calculated using the straight-line method over the estimated useful life of the asset.

The useful lives are assigned as follows:

	Useful life (years)
Land and buildings	
Land	Indefinite
Buildings and building equipment	22 to 33
Facilities in buildings	3 to 10
Leasehold improvement and advertising equipment	3 to 10
Technical and network equipment	
Cables and ducts	15 to 20
Switches	8 to 10
Transmission	6 to 8
Radio Access Network	6 to 7
Mobile sites and site facility equipment	5 to 10
Equipment installed at client premises	2 to 8
Data and other network equipment	2 to 15
Furniture and vehicles	
Furniture and office equipment	3 to 10
Vehicles and smartcables	4 to 10

The asset's residual values, useful life and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end.

Costs of material, workforce and non-workforce expenses are shown net of work performed by the enterprise that is capitalized in respect of the construction of property, plant and equipment.

Assets and associated liabilities classified as held for sale

The Group classifies assets (or disposal group) as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through a continuing use. This condition is met when the asset (or disposal group) is available for immediate sale in its present condition, the sale is highly probable and expected to occur within one year. Assets and associated liabilities held for sale (or disposal group) are recorded at the lower of their carrying value or fair value less costs to sell and are classified as current assets.

Contract costs

Contract costs eligible for capitalization as incremental costs of obtaining a contract comprise commission paid to dealers relating to postpaid contracts. Contract costs are recognized as non-current assets as the economic benefits from these assets are expected to be received in the period longer than twelve months.

Contract costs relating to postpaid contracts are deferred on a systematic basis that is consistent with the transfer to the customer of the services, being the time, at which related revenue is recognized. The group adopted a portfolio approach for the contract costs. Contract costs relating to the residential market are deferred over three years and for the professional market five years.

All other commissions are expensed when incurred.

Impairment of non-financial assets

The Group reviews the carrying value of its non-financial assets at each balance sheet date for any indication of impairment.

The Group compares at least once a year the carrying value with the estimated recoverable amount of intangible assets under construction and cash generating units including goodwill. The Group performs this annual impairment test during the fourth quarter of each year.

An impairment loss is recognized when the carrying value of the asset or cash generating unit exceeds the estimated recoverable amount, being the higher of the assets or cash generating unit's fair value less costs to sell and its value in use for the Group.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

Deferred taxation

Deferred taxation is provided for all temporary differences between the carrying amount of assets and liabilities in the consolidated balance sheet and their respective taxation bases.

Deferred tax assets associated to deductible temporary differences and unused tax losses carried forward are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary difference or the unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset will be realized, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Changes in deferred tax assets and liabilities are recognized in profit or loss except to the extent that they relate to items recognized directly in equity, in which case the tax effect is also recognized directly in equity.

Pensions, other post-employment benefits and termination benefits

The Group operates several defined benefit pension plans to which the contributions are made through separately managed funds. The Group also agreed to provide additional post-employment benefits to certain employees. The cost of providing benefits under the plans is determined separately for each plan using the projected credit unit actuarial valuation method.

Actuarial gains and losses, the return on plan assets, excluding amounts included in net interest on the net defined benefit liability (asset) and any change in the effect of asset ceiling– if applicable, are recognized through Other Comprehensive Income. Any past service cost and gain or loss on settlement is recognized in profit and loss when they occur.

The Group classifies the periodic cost in operating and financing activities for their respective components.

The Group also operates several defined contribution plans. For plans with guaranteed minimum return management applied the 'Projected Unit Credit 'method.

The discount rate used to calculate the present value of the defined benefit obligation of the plans is determined by reference to the yield on high-quality corporate bonds (at the end of the reporting period) of currency and term consistent with the liabilities. The net defined benefit liability is defined as the present value of the defined benefit obligation less the fair value of the plan assets (if any).

The Group operates several restructuring programs that involve termination benefits or other forms of additional compensation. Voluntary termination benefits to encourage employees to leave service are recognized when employees accept the offer of those benefits. Involuntary termination benefits are recognized when the Group has communicated its plan of termination to the affected employees and the plan meets specified criteria. Related provisions are recognized when valid expectations are raised in those affected by the plans and implementation is started i.e. an agreement is reached with the unions on the features of the plans and those features are communicated to those affected.

Benefits conditional on future service being provided do not qualify as termination benefits but as long-term employee benefits. The liability for those benefits is recognized over the period of the future service.

For certain participants of the restructuring plans, benefits are paid until the earliest retirement date. Assumptions used to make a reliable estimate of the ultimate cost to the Group are pension age, the discount rate and future price inflation. Assumptions are reviewed at the end of the reporting period. The actuarial gains and losses on the liabilities for restructuring programs are recognized in profit or loss when incurred.

Short-term and long-term employee benefits

The cost of all short-term and long-term employee benefits, such as salaries, employee entitlements to leave pay, bonuses, medical aid and other contributions, are recognized during the period in which the employee renders the related service. The Group recognizes those costs only when it has a present legal or constructive obligation to make such payment and a reliable estimate of the liability can be made.

Financial instruments

Classification

The Group classifies its financial assets in the following categories:

- At fair value through profit and loss ("FVTPL"); or
- At fair value through other comprehensive income ("FVTOCI"); or
- At amortized cost.

The Group classifies its financial liabilities in the following categories:

- At fair value through profit and loss ("FVTPL"); or
- At amortized cost.

Financial assets

The Group determines the classification of the financial assets at initial recognition. The classification is driven by the Group's business model for managing the financial assets ('hold to collect', 'hold to collect and sell' and 'other') and their contractual cash flow characteristics (Solely payments of Principal and Interest "SPPI" test i.e. whether contractual cash flows are solely payments of principal and interest on the principal amount outstanding).

If a non-equity financial asset fails the SPPI test, the Group classifies it at Fair Value Through Profit or Loss (FVTPL). If it passes the SPPI test, it will either be classified at amortized cost if the 'hold to collect' business model test is met, or at Fair Value Through Other Comprehensive Income (FVTOCI) if the 'hold to collect and sell' business model test is met.

For equity financial assets other than interests in subsidiaries, associates and joint ventures, the Group makes at initial recognition an irrevocable election (on an instrument-by-instrument basis) to designate them as at FVTOCI or FVTPL.

The equity investments held for trading are always designated at FVTPL.

Financial liabilities

Financial liabilities are measured at amortized cost, unless they are required to be measured at FVTPL (such as instruments held for trading or derivatives) or the Group has opted to measure them at FVTPL.

Measurement

- **Financial assets at FVTOCI**

Investments in equity instruments designated at FVTOCI are initially recognized at fair value plus directly attributable transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income, with no subsequent recycling to profit or loss.

Accumulated remeasurements on disposal or settlements of equity instruments carried at FVOCI are reclassified from OCI to retained earnings.

The Group holds no other investment measured at FVTOCI.

Dividend income is recognized in profit or loss.

- ## Financial assets and liabilities at amortized cost

Financial assets, other than trade receivables, and liabilities at amortized cost are initially recognized at fair value plus or minus directly attributable transaction costs. Trade receivables are measured at their transaction price if the trade receivables do not contain a significant financing component.

These financial instruments are subsequently carried at amortized cost using the effective interest rate method less any impairment, if applicable.

- ## Financial assets and liabilities at FVTPL

Financial assets and liabilities carried at FVTPL are initially recorded at fair value and transaction costs are expensed. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities are included in the consolidated net (loss) income in the period in which they arise. The Group has not designated financial liabilities at FVTPL (FV option).

Derivatives are measured at FVTPL.

Expected credit losses
The Group applies the forward-looking expected credit loss (ECL) model.

The ECL model considers all losses that result from all possible default events over the expected life of the financial instrument (life-time expected credit losses) or that result from possible default events over the next 12 months (12-month expected credit losses), depending on whether the credit risk of the financial asset has increased significantly since initial recognition or not (the general ECL model).

The Group recognizes a loss allowance for expected credit losses on financial assets that are measured at amortized costs. Same treatment is applied to contract assets resulting from the application of IFRS 15 and lease receivables, even though these are not classified as financial assets.

At each reporting date, the Group measures the loss allowance for these assets.

The Group has limited trade receivables with financing component. The Group applies a simplified method and measures the loss allowance at an amount equal to the lifetime expected credit losses, for all trade receivables, whether assessed on an individual or collective basis, considering all reasonable and supportable information, including information that is forward-looking.

For receivables on residential and professional market, the payment delays compared to the contractual due dates and the status of the legal actions taken to recover the receivables due are the main information considered to assess whether credit risk has increased significantly since initial recognition. A provision matrix is used.

For the BICS and TeleSign segment, the Group considers experience and reasonable and supportable information about future expectations to define provision rates on an individual case basis..

Following indicators are used:

- an actual or expected significant deterioration of the customer's external (if available) or internal credit rating.

- significant deterioration of the country risk in which the customer is active.
- existing or forecasted adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations.
- an actual or expected significant deterioration in the operating results of the debtor.
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The same methodology is applied for contract assets.

For financial assets at amortized costs, contract assets and lease receivables, allowances and impairment are recognized in profit or loss.

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are assumed not recoverable by external recovery agency, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Criteria for initial recognition and for de-recognition of financial assets and liabilities

Financial assets and liabilities are initially recognized when the Group becomes party to the contractual terms of the instruments. "Regular way" ("spot") purchases and sales of financial assets are accounted for at their settlement dates.

Financial assets (or a portion thereof) are derecognized only when the contractual rights to cash flows from the financial assets expire. For equity investments, the accumulated remeasurements to fair value in other comprehensive income are reclassified to retained earnings on de-recognition.

Financial liabilities (or a portion thereof) are de-recognized when the obligation specified in the contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

Fair value of financial instruments

The following methods and assumptions are used to estimate the fair value of financial instruments:

- Investments in non-quoted companies are measured at Fair value. Fair value is estimated by reference to recent sale transactions on the shares of these non-quoted companies and, in the absence of such transactions, by using different valuation techniques such as discounted future cash flow models and multiples methods.
- For long-term debts carrying a floating interest rate, the amortized cost is assumed to approximate fair value.
- For long-term debts carrying a fixed interest rate, the fair value is determined based on the market value when available or otherwise based on the discounted future cash flows calculated using the market interest rates at the reporting date.
- For derivatives, fair values are estimated by either considering their quoted price on an active market, and if not available by using different valuation techniques, in particular the discounting of future cash flows.

Criteria for offsetting financial assets and liabilities

Where a legally enforceable right of offset currently exists for recognized financial assets and liabilities, and the Group has the intention to settle the liability and realize the asset simultaneously, or to settle on a net basis, all amounts in the statement of financial position are offset.

Trade receivables

Trade receivables are measured in the balance sheet at amortized costs (SPPI model applies) less any allowance for expected credit losses.

Cash and cash equivalents

Cash and cash equivalents include cash, current bank accounts and term accounts with a maturity on acquisition of less than three months. These assets are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Cash and cash equivalents are carried at amortized cost.

Interest-bearing liabilities

All loans and borrowings are initially recognized at their cost which generally corresponds to the fair value of the consideration received (net of issuance costs associated with the borrowings).

After initial recognition, debts are measured at amortized cost using the effective interest rate method, with amortization of discounts or premiums through profit or loss.

Derivatives

The Group does not hold or issue derivative financial instruments for trading purposes but some of its derivative contracts do not meet the criteria set by IFRS 9 to be subject to hedge accounting and are therefore treated as derivatives held for trading, with changes in fair value recorded in profit or loss.

The Group makes use of derivatives such as IRS, IRCS and forward foreign exchange contracts to reduce its risks associated with foreign currency fluctuations on underlying assets, liabilities and anticipated transactions. The derivatives are carried at fair value under the caption's other assets (non-current and current), non-interest-bearing liabilities (non-current and current) and other payables (non-current and current).

An IRCS is used to reduce the Group exposure to interest rate and foreign currency fluctuations on a long-term debt denominated in JPY. The Group does not apply hedge accounting for this derivative.

This long-term debt expressed in JPY includes an embedded derivative. Such derivative is separated from its host contract and carried at fair value with changes in fair value recognized in profit or loss. The mark-to-market effects on this derivative are offset by those on the IRCS.

The group used interest rate swaps to mitigate the risk of Interest rate variations between the hedge inception date and the issuance date of highly probable fixed rate long-term debts. The effective portion of changes in the fair value of hedging instruments that are designated in a cash flow hedge is recognized in other comprehensive income and gradually reclassified to profit or loss through financial result, in the same period during which the hedged item hits the Group profit or loss through the interests paid.

The Group contracts derivatives (forward foreign exchange contracts) to hedge its exposure to currency fluctuations for highly probable forecasted transactions. The Group applies cash flow hedge accounting for part of these hedging transactions.

- For hedging transactions to which the Group does not apply hedge accounting, the derivatives are consequently carried at fair value, with changes in fair value recognized in profit or loss through financial result. When the underlying is recognized in the balance sheet and relates to costs recorded in operating income or to capitalized expenditures, the changes in fair value recognized in profit or loss are reclassified to the operating income when the hedging instrument matures.
- For hedging transactions to which hedge accounting is applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged transaction occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition is adjusted with the amount previously recognized via other comprehensive income. If the hedge transaction relates to costs recorded in operating income, the amount previously recognized via other comprehensive income are reclassified in operating income when the costs related to the underlying service are recognized in profit and loss. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group applies IAS 32 to option contracts that are share-based payments not granted in exchange for goods or services nor granted to employees in their capacity as employees. Option contracts, such as warrants, that qualify as derivatives and financial liabilities are classified as financial liabilities at fair value through profit and loss (financial result).

Net gains and losses on financial instruments

Dividends, interest income and interest charges arising from financial instruments are posted to the finance income (costs).

Remeasurements of financial instruments carried at FVTPL are accounted for as finance income (costs) when the instruments relate to financing activities.

Remeasurements of the financial instruments carried at FVTPL that relate to operating or investing activities (other than mentioned above), are accounted for as other operating income (expenses).

Accumulated remeasurements of equity instruments carried at FVOCI are reclassified from OCI to retained earnings on de-recognition.

Net gains and losses on derivatives used to manage foreign currency exposure on operating activities that do not qualify for hedge accounting under IFRS 9 are recorded as operating income/expenses.

Net gains and losses resulting from fair value measurement of derivatives used to manage interest rate exposure on interest-bearing liabilities that do not qualify for hedge accounting under IFRS 9 are recorded in finance income/(costs).

Contract assets

A contract asset is the Group's right to consideration in exchange for goods or services that it has already transferred to a customer and arise essentially in the context of contracts containing mobile and fix joint offer with a subsidized handset and services to be delivered over 24 months. The contract asset corresponds to the excess of revenue allocated to the devices over the cash received. The "contract asset" is transferred to "trade receivable" over the contract term. The assets are classified as current as they are expected to be realized as part of the Group normal operating cycle.

In case of early termination, the customer has to pay a penalty which corresponds to the prorata of the discount offered in the joint offer for the remaining contract duration. This penalty is always higher than the remaining balance of the contract asset. The difference between the reversal of the contract asset and the penalty is recognized as device revenue.

Contract assets is a conditional right recognized on the balance sheet at cost less loss allowance, as defined on the lifetime expected credit loss model.

Inventories

Inventories are stated at the lower of cost and net realizable value.

Cost is determined based on the weighted average cost method except for IT equipment (FIFO method) and goods purchased for resale as part of specific contracts containing a performance obligation involving the construction of an asset (individual purchase price).

For inventory intended to be sold in joint offers, calculation of net realizable value considers the future margin expected from the telecommunications services in the joint offer, with which the item of inventory is offered.

For contracts including performance obligation involving the construction of an asset, the revenue for that performance is recognized over time based on an input method. That method measures the progress towards complete satisfaction of the related performance obligation by reference to the amount of contract costs incurred for work performed at balance sheet date in proportion to the estimated total costs for the contract. Contract cost includes all expenditures directly related to the specific contract and an allocation of fixed and variable overheads incurred in connection with contract activities based on normal operating capacity.

Lease agreements

The Group assesses whether a contract is or contains a lease, at inception of the contract. Under IFRS 16 a contract is, or contains, a lease if it conveys the right to control the use of an identified asset (the underlying asset) for a period of time in exchange for consideration.

For some contracts, judgment is required to assess whether a contract conveys the right to control the use of an asset or is instead a contract for a service that is provided using that asset. When a contract does not qualify as a lease under IFRS 16, any amounts prepaid under such contracts are treated as prepaid expense (service), which is the case for certain fibre-related capacity acquired by the Group.

Group as a lessee (receives a right to use an asset from a supplier)

When the Group is lessee, it applies a single recognition and measurement approach for all leases. The Group recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, The Group does not apply the short-term lease recognition exemption nor the low-value recognition exemption.

The lease term consists of the non-cancellable period of a lease, together with periods covered by options to extend the lease if the Group is reasonably certain to exercise these options, and periods covered by options to terminate the lease if the Group is reasonably certain not to exercise these options. Judgment is required in assessing whether these options will be exercised or not, considering all facts and circumstances that create an economic incentive to exercise an extension or termination option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment.

The Group has defined four major categories of leases:

- Buildings: mainly concern commercial (point of sale) or service activity (office and head office) leases, as well as leases of technical buildings not owned by the Group
- Mobile sites: only includes site rentals for mobile antennas and leases of R-layers (i.e. well identified area of a pylon) on pylons of another operator
- Fleet: contains the lease of vehicles (management, sales, and utility cars)
- Other: primarily consists of ICT equipment

• Lease liabilities

The Group recognizes a liability (i.e. a lease liability) at the date the underlying asset is made available. The lease liability is equal to the present value of the lease payments not paid at that date, plus any amounts that the Group is reasonably certain to pay at the end of the lease such as the exercise price of a purchase option (where it is reasonably certain to be exercised) or penalties payable to the lessor for terminating the lease (where such termination option is reasonably certain to be exercised).

The Group systematically determines the lease term as the period during which leases cannot be cancelled, plus periods covered by any extension options that the lessee is reasonably certain to exercise and by any termination options that the lessee is reasonably certain not to exercise.

The lease liability is measured using the interest rate implicit in the contract. If the rate cannot be readily determined, the Group uses its Incremental Borrowing Rate (IBR) which it assumes to be the theoretical interest rate the Group would need to pay when issuing funding over a similar term as in the lease.

The applicable rate per contract is primarily dependent on the total expected term of a lease at its commencement date (new leases) or the total expected remaining lease term in case of a remeasurement of a lease.

The amount of lease liability is reassessed after the lease commencement date to reflect changes introduced in the following main cases:

- a change in term resulting from a contract amendment or a change in assessment of the reasonable certainty that a renewal option will be exercised or a termination option will not be exercised.

- a change in the amount of lease payments, for example following application of a new index or rate in the case of variable payments.
- a change in the assessment of whether a purchase option will be exercised.
- any other contractual change, for example a change to the scope of the lease or the underlying asset.

The lease liabilities are included in Interest-bearing loans and borrowings (see Note 19).

- **Right-of-use assets**

A right-of use is recognized as an asset, with a corresponding lease liability. Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use).

Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognized, lease payments made at or before the commencement date less any lease incentives received and the estimate of costs to be incurred by the Group in dismantling and removing the underlying asset, restoring the site on which the underlying asset is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets. The right-of-use assets are also subject to impairment.

Group as a lessor (grants a right to use an asset to a customer)

A contract by which the Proximus customer does not obtain substantially all of the benefits of the identified asset or where the customer has not the right to direct the use of the asset does is not qualify as a lease-out. This is the case for modems and decoders used by Proximus to deliver the services to the customer. Income for these contracts is accounted for on a straight-line basis over the period of use by the customer and is included in revenue in the statement of profit or loss due to its operating nature.

Leases whereby the Group transfers substantially all the risks and rewards incidental to ownership of the underlying asset to the lessee are classified as finance lease. For finance leases the Group recognizes a receivable at an amount equal to the net investment in the lease, this is the gross investment in the lease discounted at the interest rate implicit in the lease. The Group did not enter into material finance lease out contracts.

Provisions

Provisions are recognized when the Group has a present legal or constructive obligation resulting from past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. A past event is deemed to give rise to a present obligation if, considering the available evidence, it is more likely than not that a present obligation exists at the balance sheet date. The amount recognized as provision is the best estimate of the expenditure required to settle the present obligation at the end of the reporting period. Provisions are discounted where the effect of the time value of money is material. The unwinding is recognized via the finance expense.

The estimated costs associated with dismantling and restorations to its original condition are recorded under property, plant and equipment and depreciated over the useful life of the asset. This total cost, discounted to its present value, is recorded under provisions. Where discounting is used, the increase in the provision due to the passage in time is recognized in financial expense in profit or loss.

Share based payment

Equity and cash settled share-based payments to employees are measured at the fair value of the instrument at the grant date taking into account the terms and conditions upon which the rights are granted.

For equity settled arrangement the fair value is recognized in workforce expenses over their vesting period, together with an increase of the caption "stock compensation" of the shareholders' equity for the equity part and an increase of a dividend liability for the dividend part. When the share options give right to dividends declared after granting the options, the fair value of this right is re-measured regularly.

For cash settled arrangement the fair value is recognized in workforce expenses over their vesting period together with an increase in the liabilities. The liabilities are regularly re-measured to reflect the evolution of the fair values.

We refer to Note 35 for the explanation of the valuation techniques used.

Contract liabilities

Contract liabilities comprise the Group's obligation to transfer goods or services to a customer for which the Group has received consideration or the amount is due.

Revenue

When Proximus enters a new contract, it determines the contract duration, the transaction price, the performance obligations included in the contract and the stand-alone selling price for each promise identified.

To define the duration of its contracts the Group considered the contractual period in which the parties to the contract have present enforceable rights and obligations. A contract has a duration when it includes a substantive termination payment. The duration runs until the termination payment is not due anymore. If there is no substantive termination payment clause, the contract has no duration (i.e. open-ended contracts).

The Group assesses at contract inception the goods or services promised in a contract with a customer and identifies as performance obligation each promise to transfer to the customer either a good or service (or a bundle of) that is distinct, either a series of distinct goods or services that are substantially the same and that have the same pattern of transfer to the customer. Identifying the performance obligations requires judgment and a thorough understanding of the contract promises and how they interact with each other

Performance obligations are identified when following criterial are met

- Capable of being distinct: the customer can benefit from the goods and services on its own or together with other resources readily available to the customer
- Distinct within the context of the contract: a promise within the context of the contract is distinct from other promises in the contract if the Group considers that it fulfills its contractual obligations by delivering the concerned promise independently from the others. Promises in a context of a contract are not distinct within the context of the contract when their nature is to be transferred in combination with other promises.

Following promises can be performance obligations, depending on their natures and interdependencies with the other promises in the contract:

- Traffic and data usage services: revenue is recognized on usage
- TV services: revenue is recognized over the contractual term
- Maintenance services: recognized over the contractual term
- Sale of equipment: revenue is recognized when the customer obtains control over the equipment
- Rent of equipment: rental revenue is recognized over the contractual period
- Setup/installation/activation fees: recognized when delivered
- License of intellectual property: revenue recognized when transferred to the customer.

When these promises are not distinct, the Group combines them with other promises in the arrangement until the combined promises form a promise that is distinct (i.e. a performance obligation). Timing of revenue recognition for a Performance Obligation is based on the pattern of transfer to the customer of the predominant promise in that bundle.

When the "series guidance" applies i.e. when goods and services are distinct and substantially the same, the Group considers them as one performance obligation. Each pricing plan – postpaid and prepaid (mobile voice, fix voice, internet, TV) is therefore considered as single performance obligation.

When contracts include different performance obligations that are not substantially the same, the transaction price is allocated to the different performance obligations of the arrangements based on their relative stand-alone selling prices. When contracts include customer options (i.e. unilateral rights granted to the customer) to acquire additional goods or services with a discount, including sales incentives, customer award points, contract renewal options or other discounts on future goods or services, revenue is allocated to these options when they provide the customer with a material right i.e. an unilateral right for the customer to obtain an advantage because he enters the contract.

When another party is involved in providing goods or services to a customer, the Group assesses for each performance obligation whether the nature of its promise is to provide the specified goods or services itself (ie the Group is a principal) or to arrange for those goods or services to be provided by the other party (ie the Group is an agent). To assess whether it acts as principal or agent in a transaction, when another party is involved, Proximus determines whether it controls the goods and services before they are transferred to its end customer. To this extent, Proximus analyses the legal terms of the contracts and their substance through the prism of the indicators of control. Proximus takes also into consideration other facts and circumstance to complete its understanding of the situation.

When the Group acts as agent the commission only is recognized in revenue.

Determination of the stand-alone selling price: in situations where the stand-alone selling price is not directly observable, the Group assesses it using all information (including market conditions, Proximus-specific factors and information about the customer or class of customer) that is reasonably available to it. This situation occurs mainly in the context of combined offers with subsidized devices, for which a cost-plus approach method is applied to one of the components. Discounts granted because a customer entered into a contract, are allocated to all performance obligations triggering the granting of the discount.

Operating expenses

The costs of materials and services related to revenues include the costs for purchases of materials and services directly related to revenue.

Work force expenses are expenses related to own employees (personnel expenses and pensions) as well as to external employees.

Operating expenses are reported net of work performed by the Group, which is capitalized. They are reported by nature.

Incremental costs to obtain a contract are deferred on a straight-line basis over 3 years for contract for the residential market and 5 years for the professional market.

Note 3. Goodwill

(EUR million)	Goodwill
As at 31 December 2020	2,465
Purchase price allocation of Mobile Vikings	114
Effect of movements in foreign exchange	9
As at 31 December 2021	2,588
Purchase price allocation of 3m Digital Networks Pvt Ltd	1
Effect of movements in foreign exchange	6
As at 31 December 2022	2,595

Compared to year-end 2021 the goodwill increased by EUR 7 million because of the acquisitions of the year (EUR 1 million) and due to the USD/EUR conversion of the TeleSign goodwill (EUR 6 million). TeleSign has US Dollar as functional currency.

Goodwill is tested for impairment at the level of the operating segments as the performance and allocation of resources within the group are monitored at operating segment level.

As at 31 December 2022, all businesses acquired were fully allocated to one single operating segment, to the exception of the goodwill allocated to BICS and TeleSign. The goodwill previously allocated to BICS, when it acquired the control of TeleSign was reallocated to BICS and TeleSign on a pro rata basis of the synergies expected from the business combination for each of the two companies taken individually. These synergies were identified at the date of the takeover of TeleSign by BICS.

The carrying amount of the goodwill is allocated to the operating segments as follows:

	As at 31 December	
(EUR million)	2021	2022
Domestic	2,188	2,188
International Carrier Services	298	299
TeleSign	102	109
Total	2,588	2,595

Goodwill Impairment Test outcome

General comments

The valuation of the different segments is performed essentially on basis of a discounted free cash flow method (income valuation technique). The cash flows considered are those of the FCF Five-Year Plan (2023 - 2027) presented by the management to the January 2023 Group Board of Directors. Subsequent years were extrapolated based on growth rates that are specific to each segment.

The Group reviews annually the growth rate and the weighted average costs of capital in the light of the market economics.

The free cash flows considered for calculating the value in use are estimated for the concerned assets in their current condition and exclude the cash inflows and outflows that are expected to arise from any future restructuring to which the Group is not yet committed and from improving or enhancing the assets performance.

The reliability of the impairment test outcome depends on the accuracy of the budgeting exercises on which it is based. The Group's FCF Five-Year Plan represents management's view of the most likely scenario, based on its understanding of the evolution of the business and the company's long-term strategy. The FCF Five-Year Plan assumes no or almost no impact any more from Covid but takes into consideration the effects of inflation, which results from the war in Ukraine and the risk on energy supply, and the risk of a fourth entrant.

The Group estimates a separate post-tax weighted average cost of capital for each segment. It takes into consideration:

- The specificities of the segment activities. These specificities are different enough from one segment to another one to justify separate calculations
- The relative weight of the segment capital structure components, including a risk premium specific to its inherent risks.
- Other risks, such as the country risk, market risk & industry risk, the credit risk and the company size risk. These latest risks are captured in the weighted average cost of capital, through the careful selection of a risk-free interest rate, a beta, a market risk premium and a credit spread attached to the segment, considered for the purpose of the exercise as a separate entity.

TeleSign

The recoverable amount of TeleSign has been estimated based on its fair value less costs of disposal.

The valuation exercise was based on commonly used valuation techniques such as the Discounted Cash Flow, Equity multiples in the CPaaS and Digital Identity space (including Enterprise Value on revenue and/or gross profit). It was reviewed and validated by an experienced third-party advisor.

The valuation model assumes a growth rate for the terminal value of 2.0% and a post-tax weighted average costs of capital of 10%.

A sensitivity analysis performed on the WACC and the growth rate in the terminal value taken separately did not reveal any impairment risk seen the significant excess of TeleSign recoverable amount above its carrying amount.

BICS

The recoverable amount of BICS has been estimated based on its value in use.

The valuation model assumes a growth rate for the years beyond the years covered by the FCF Five-Year Plan of 0.0%, unchanged compared to 2021.

The key variables used in determining BICS value in use were:

- The direct margin
- The capital expenditures
- The long-term growth rate
- The post-tax weighted average cost of capital (WACC)

BICS direct margin is highly sensitive to the voice and messaging business to the transaction volumes together with mobile network termination prices and market prices for terminating the traffic per country, and for the mobility and capacity products, to the pricing.

The calculated post-tax weighted average costs of capital for BICS were 9.70 % in 2022 and 7.73% in 2021. The pre-tax weighted average costs of capital were 12.36 % in 2022 and 8.91% in 2021.

A sensitivity analysis performed on the WACC and the growth rate in the terminal value taken separately did not reveal any impairment risk seen the significant excess of BICS recoverable amount above its carrying amount.

Domestic

Both valuation models (value in use and fair value less costs of disposal) have been considered for the determination of the recoverable amount of the Domestic segment. The fair value model was built on the basis of discounted free cash flows.

The cash flows considered are those of the Free Cash Flows (FCF) Five-Year Plan (2023 - 2027) presented by the management to the January 2023 Group Board of Directors. However, to better capture the expected long-term positive effects of the ongoing roll-out fibre project, management considered a period of 15 years for the fibre related free cash flows. These free cash flows are the direct result of the long-term business plans negotiated with the co-owners of the entities specifically created to accelerate the fibre roll-out (see note 8.3) and of Proximus own internal fibre business case.

The free cash flows projections are highly dependent from following key parameters:

- The fiber deployment speed
- The speed of customer migration to the fiber network
- The Group ability to monetize the fiber investments (ability to upsell the average revenue per customer, to win-back market share and to attract other OLOs as wholesale customers)
- The size and importance of comparable fiber networks
- Fiber roll-out building costs, including impact of inflation and level of interest rates

The valuation model assumes following growth rates for the Domestic EBITDA (Earnings Before Interests, Taxes, Depreciation and Amortization) segment:

- For the years 2023 – 2027, a compound annual growth rate of 0.24 %
- For the years 2028 – 2037, for the fiber related activities, a compound annual growth rate of 1.96%

The terminal value (calculated for the years after 2027 for the non-fiber activities and after 2037 for the fiber related activities) was based on a free cash growth rate of 0.43 %, unchanged from 2021. The combination of all these assumptions resulted in an implied free cash flows growth rate for the years beyond the FCF Five-Year Plan for the Domestic segment (fiber and non-fiber related activities) of 2.11%.

Assumptions made regarding these parameters are based on Proximus experience, the learning curve and available market information (interest rates, inflation, and European benchmarks on "Fiber-To-The-Home" networks). Consequently, the fair value measurement of the Domestic segment is categorized as level 3.

Based on the information available to it, management is confident that its projections beyond the Five-Year Plan are reliable because they are based on realistic and achievable assumptions. The evolution of these parameters will be closely monitored. Management understands that, in the current volatile market environment, deviations could occur despite the remedies that will be taken to address them. Each parameter taken in isolation is not likely to lead to an impairment of the goodwill allocated to the Domestic segment. An unfavorable combination of several parameters could have a more significant impact.

To capture these risks, and in anticipation of a further increase of the interest rates, an additional 0.5 % risk premium was included in the cost of equity, as well as prospective risk-free rates and Beta. These changes were taken to reflect the current exceptional market conditions but do not constitute a permanent change in the calculation methodology per se. As a result, the calculated post-tax weighted average costs of capital for Domestic increased to 5.63 % in 2022 from 3.65% in 2021. The pre-tax weighted average costs of capital were 6.86 % in 2022 and 5.16% in 2021.

Next to these specific considerations, Domestic operating income before depreciation and amortization is highly sensitive to following operational parameters: number of customers by type of service (TV, fix….), traffic (if applicable), net ARPU by customer for each type of service and manpower unit cost. The value attached to these operational parameters is the result of an internal process, conducted throughout the segment and at group level, by confronting data from the market, market perspectives, and the strategies the Group intends to implement to be adequately prepared for upcoming challenges.

Taking into account all the inputs and assumptions listed above, the impairment test of the Domestic segment showed an excess at December 31, 2022 of the segment recoverable amount over its carrying amount of EUR 1.9 billion. A sensitivity analysis performed on the post-tax weighted average costs of capital and the growth rate in the terminal value taken separately shows that Domestic recoverable value equals its carrying amount with a post-tax weighted average costs of capital of 6.63% or an average free cash flows growth for the period beyond the 5-Year Plan of 0.92%.

Note 4. Intangible assets with finite useful life

(EUR million)	Intangible Licenses	Intangible Customer base & trade name	Intangible TV rights	Intangible Fixed & Mobile network	Intangible Software applications	Other intangibles and Intangibles under construction	Total
Cost							
As at 1 January 2021	404	901	525	476	2,301	59	4,667
Additions	23	0	124	77	253	15	491
Acquisition of subsidiary	0	27	0	0	12	1	40
Derecognition	0	-2	-97	-18	-43	25	-134
Reclassifications	0	0	1	31	-4	-1	27
Foreign exchange adjustment	0	7	0	0	1	0	8
As at 31 December 2021	427	934	553	566	2,521	98	5,098
Additions	618	2	29	86	281	15	1,032
Acquisition of subsidiary	0	3	0	0	0	0	3
Derecognition	-150	0	-21	-4	-83	-9	-268
Reclassifications	0	0	0	-11	14	-1	2
Effect of movements in foreign exchange	0	5	0	0	1	0	6
As at 31 December 2022	895	945	561	637	2,734	103	5,874
Accumulated amortization and impairment							
As at 1 January 2021	-296	-745	-234	-341	-1,791	-29	-3,435
Amortization charge for the year	-30	-52	-134	-51	-211	-11	-489
Impairment	0	0	0	0	-1	0	-1
Acquisition of subsidiary	0	0	0	0	-8	0	-8
Derecognition	0	2	97	17	42	-25	132
Reclassifications	0	0	2	-28	1	-2	-27
Foreign exchange adjustment	0	-3	0	0	-1	0	-3
As at 31 December 2021	-326	-797	-269	-404	-1,969	-68	-3,833
Amortization charge for the year	-35	-54	-137	-63	-225	-11	-525
Derecognition	150	0	21	4	83	9	267
Reclassifications	0	0	0	11	-12	0	-1
Foreign exchange adjustment	0	-2	0	0	0	0	-3
As at 31 December 2022	-211	-854	-384	-452	-2,124	-70	-4,095
Carrying amount as of 31 December 2021	101	137	284	162	551	30	1,265
Carrying amount as of 31 December 2022	684	91	176	185	610	32	1,779

The GSM and UMTS licenses acquisition value include the costs related to the Global System for Mobile communication (“GSM”) and Universal Mobile Telecommunication System (“UMTS”).

The Group possesses the following licenses in Belgium and Luxembourg.

Year of acquisition	Description	Acquisition value	Net book value	Period	Payment method	Start of Amortization
		(EUR million)				
1998	ILT 2238	2	0	1998 -	completed	1/1/1998
2015	900 MHz spectrum	75	0	2015-2021	over the period	4/8/2015
2021	900 MHz spectrum	15	0	2021-2022	completed	3/15/2021
2021	UMTS	7	0	2021-2022	completed	3/15/2021
2011	4G	20	6	2012-2027	completed	7/1/2012
2013	800 Mhz spectrum	120	65	2013-2033	over the period	11/30/2013
2014	900 MHz spectrum	16	0	2015-2021	over the period	11/27/2015
2022	900 MHz spectrum	12	0	2022-2022	completed	3/15/2022
2022	UMTS	6	0	2022-2022	completed	3/15/2022
2022	SPECTRUM 1800 MHZ 2G	110	110	2023-2043	over the period	1/1/2023
2022	SPECTRUM 2100 MHZ 3G	145	145	2023-2043	over the period	1/1/2023
2022	SPECTRUM 900 MHZ	57	57	2023-2042	over the period	1/1/2023
2022	SPECTRUM 1400 MHZ	109	109	2023-2043	over the period	7/1/2023
2022	SPECTRUM 700 MHZ	123	121	2022-2042	over the period	9/1/2022
2022	SPECTRUM 3600 MHZ	56	55	2022-2040	over the period	9/1/2022
2019	800 Mhz sepctrum	2	1	2019-2027	bi-annual	1/1/2019
2019	900 MHz spectrum	2	1	2019-2027	bi-annual	1/1/2019
2019	1800 Mhz spectrum	2	1	2019-2027	bi-annual	1/1/2019
2019	2100 Mhz spectrum	2	1	2019-2033	bi-annual	1/1/2019
2019	2600Mhz spectrum	1	0	2019-2027	bi-annual	1/1/2019
2020	800Mhz spectrum	6	5	2020-2035	upfront+yearly	10/1/2020
2020	3600Mhz spectrum	8	6	2020-2035	upfront+yearly	10/1/2020
	Total	895	684			

The first phase of the spectrum auction, organized by regulator BIPT, concluded on 20th June, 2022. Proximus acquired substantive spectrum rights in the 900 MHz, 1800 MHz and 2100 MHz band, as well as in the newly auctioned 700 MHz and 3600 MHz bands, essential for a large-scale 5G deployment. These spectrum licenses represent a total investment of EUR 491 million for a period of 20 years (18 years for the 3600 MHz band) which is recognized as intangible fixed asset and payable by annual installments over the same period. In addition to this spectrum package Proximus secured on the 20th of July, 2022 45 Mhz of spectrum in the 1400 MHz band for a total investment of EUR 109 million for a period of 20 years.

Intangible assets acquired in a business combination relate to customer bases, trade names and patents recognized mainly as a result of the purchase price allocation performed when the Group acquired control over BICS and TeleSign. Following the businesses combination in 2021 with Mobile Vikings, the Group recognized the fair value of its customer base and brand for EUR 27 million.

In 2022, the Group acquired TV rights for an amount of EUR 156 million mainly broadcasting rights. In July 2020, Proximus and Eleven entered into an agreement whereby Proximus acquired the right to broadcast to its customers Eleven's Pro League specific channels (national). The contract was signed for a duration of 5 years. The contract with Eleven related to international football events was extended until 2025. The 2021 figures for Broadcasting rights have been restated because the Groups' accounting policy is now to capitalize the football and other multi-seasonal broadcasting rights for the full contract duration (see note 2).

Note 5. Property, Plant and Equipment

(EUR million)	Land and buildings	Fixed Network	Mobile Network	Network for converged services	Technical equipment	Other tangible assets and assets under construction	Total
Cost							
As at 1 January 2021	538	8,634	1,453	43	1,553	270	12,490
Additions	6	553	82	6	100	9	756
Acquisition of subsidiary	0	0	0	0	1	-1	0
Derecognition	-3	-95	-5	-1	-303	-2	-407
Reclassifications	0	-1	6	-11	-10	-12	-27
Exchange adjustment	0	0	0	0	1	0	1
As at 31 December 2021	541	9,091	1,535	37	1,342	265	12,812
Additions	6	682	100	3	85	13	891
Derecognition	-18	-446	-158	0	-88	-10	-720
Classified as held for sale (*)	-364	0	0	0	-18	0	-383
Reclassifications	0	0	0	0	4	-5	-2
Exchange adjustment	0	0	0	0	1	0	1
As at 31 December 2022	166	9,327	1,477	40	1,325	263	12,599
Accumulated depreciation and impairment							
As at 1 January 2021	-322	-6,409	-1,101	-21	-1,229	-238	-9,320
Depreciation charge for the year	-17	-321	-141	-6	-122	-7	-614
Acquisition of subsidiary	0	0	0	0	-1	0	-1
Derecognition	2	95	5	1	304	2	408
Reclassifications	0	1	0	2	24	0	27
As at 31 December 2021	-337	-6,634	-1,237	-24	-1,025	-244	-9,500
Depreciation charge for the year	-9	-335	-103	-4	-111	-7	-569
Derecognition	16	449	158	0	84	10	717
Classified as held for sale (*)	272	0	0	0	12	0	284
Reclassifications	0	0	0	0	1	0	1
As at 31 December 2022	-59	-6,519	-1,182	-28	-1,040	-240	-9,068
Carrying amount as of 31 December 2021	204	2,457	298	13	316	22	3,311
Carrying amount as of 31 December 2022	107	2,808	295	12	286	23	3,531

(*) see note 16

The carrying amount of tangible fixed assets increased by EUR 220 million to EUR 3,531 million, mainly driven by the strong ramp-up of fiber deployment,and the Mobile network upgrade and consolidation, supporting the Group growth and efficiency ambitions .

Per December 2022, the gross carrying amount of fully depreciated property, plant and equipment that is still in use amounts to EUR 6,709 million. Note that the major part is related to technical and network equipment.

Note 6. Leases

The Group leases several assets including buildings (offices, shops, technical rooms ...), mobile sites (i.e. facilities to install mobile communication equipment) and fleet (management cars, utility cars & bikes). These leases generally have lease terms between 4 and 15 years. The average lease term is 9 years.

The carrying amounts of right-of-use assets recognized and the movements during the period are disclosed below

(EUR million)	Buildings	Mobile sites	Fleet	Other	Total
As at 1 January 2021	145	91	45	4	285
New contracts	5	6	21	2	34
Depreciations	-25	-33	-22	0	-80
Contract modifications/disposals/reassessments	10	25	-1	0	34
As at 31 December 2021	135	89	43	7	274
New contracts	12	8	24	20	63
Depreciations	-25	-30	-25	-4	-84
Contract modifications/disposals/reassessments	4	25	-1	-3	25
As at 31 December 2022	126	91	41	20	277

In 2021 the mobile site contracts continued (in general) to be extended. As a result of the digitalization process, the number of stores further decreased, while other building contracts were extended. Car contracts were generally not extended but replaced by new contracts.

In 2022 we noticed the same trends. However, at the same time, two new groups of assets have emerged: bikes on the one hand and cloud infrastructure from our partnership with HCL on the other hand. The bikes (representing 1% of the Fleet figures) are optional leases for employees meeting specific criteria (like opting for an electric or hybrid company car).

Partnership with HCL Technologies

In 2021 Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 and that was finished in February 2022.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million) for the infrastructure that remains in the Proximus data centers and under Proximus control. On 31 December 2022 the carrying amount is EUR 50 million (see Note 5, "Technical Equipment").

New cloud infrastructure that was purchased by HCL (nominal amount of 18 million) and used by it in the context of the partnership, qualified as a lease. On 31 December 2022 the carrying amount of the right of use is EUR 17 million (See "Other" in the table above).

The carrying amounts of lease liabilities and the movements during the period are disclosed below

(EUR million)	Buildings	Mobile sites	Fleet	Other	Sub-leases	Total
As at 1 January 2021	144	83	44	5	8	284
New contracts	5	6	21	2	0	34
Contract modifications/disposals/reassessments	10	24	1	1	0	35
Interest expense	1	1	0	0	0	2
Capital Reimbursements	-25	-28	-24	-3	0	-80
Interest Reimbursements	-1	-1	0	0	0	-2
As at 31 December 2021	134	85	42	5	8	273
New contracts	12	8	24	20	0	63
Contract modifications/disposals/reassessments	4	21	0	-1	1	25
Interest expense	1	1	0	0	0	2
Capital Reimbursements	-25	-30	-25	-10	0	-90
Interest Reimbursements	-1	-1	0	0	0	-2
As at 31 December 2022	126	83	40	13	9	272
Current portion	23	27	18	1	3	73
Non current portion	102	57	22	12	6	199

There is no material cash outflow in 2022 relating to leases that have not commenced on 31 December 2022.

(EUR million)	2021	2022
The following are the amounts recognized in profit or loss:		
Depreciation	-80	-84
Interest expenses	-2	-2
Total	-82	-86
The Group had total cash outflows for leases of		
Repayment of lease liabilities (cash out for financing activities)	-79	-90
Interest expenses (in the operating cash flow)	-2	-2
Total	-82	-92

The maturity table of the undiscounted expected future cashflows to the lease liabilities are disclosed below:

As at 31 December 2021 (EUR million)	2022	2023	2024	2025	2026	2027	2028- 2048	Total
Undiscounted lease payments	71	54	41	31	24	16	43	281
As at 31 December 2022								
Undiscounted lease payments		86	50	40	30	19	55	278

Note 7. Contract cost

Contract costs include mainly the asset recognized in relation to commissions paid to dealers for the acquisition of post-paid contracts. These costs directly related to contracts, are incurred only because the Group entered into contracts and are expected to be recovered over the contract duration. Contract costs include also the expenses activated to ensure the matching principle with revenue. These activated expenses are taken to profit and loss at the same pace as the recognition of the related revenue.

For commissions related to the acquisition of mobile prepaid customers, the Group applies the practical expedient provided for in IFRS 15, allowing to expense as incurred incremental costs to obtain a contract if otherwise would have been deferred over one year or less.

The asset is deferred on a straight-line basis over 3 years for contracts belonging to residential market and 5 years for the enterprise market. The deferral of these costs is recognized according to their nature being 'cost of material and services related to revenue'.

Movements on contract costs in 2022 and 2021 are as follows:

	As at 31 December	
(EUR million)	**2021**	**2022**
Balance as at 1 January	108	110
Decrease/ Increase in contract assets relating to existing contracts in the opening balance		
Normal evolution	-66	-67
New contract costs	68	67
Balance as at 31 December	110	111

The portion of the balance as at 31 December 2022 and 2021 of the contract costs deferred within the year and deferred more than one year are as follows:

	As at 31 December	
(EUR million)	**2021**	**2022**
Contract costs	110	111
Deferred within 12 months	55	56
Deferred beyond 12 months	55	55

Note 8. Investments in subsidiaries, joint operations, joint ventures and associates

Note 8.1. Investments in subsidiaries

The consolidated financial statements include the financial statements of Proximus SA and the subsidiaries listed in the following table (the percentage in the table below represents the percentage of shares held by the Group):

Name	Registered office	Country of incorporation	2021	2022
Proximus SA under Public Law	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0202.239.951	Belgium	Mother company	
PXS Re	Rue de Merl 74 2146 Luxembourg	Luxemburg	100%	100%
Connectimmo SA	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0477.931.965	Belgium	100%	100%
Proximus Media House (PmH)	Rue Carli 2 1140 Evere VAT BE 0875.092.626	Belgium	100%	100%
Telindus - ISIT BV	Krommewetering 7 3543 AP UTRECHT	The Netherlands	100%	100%
Proximus Luxembourg SA	18 rue du Puits Romain 8070 Bertrange	Luxemburg	100%	100%
Proximus ICT SA	Koning Albert II laan 27 1030 Brussels VAT BE 0826.942.915	Belgium	100%	100%
Proximus ICT - Expert Community CVBA	Ferdinand Allenstraat 38 3001 Heverlee VAT BE 0841.396.905	Belgium (3)	100%	0%
Proximus Opal SA	Bld du Roi Albert II 27 1030 Bruxelles VAT BE 0861.585.672	Belgium	100%	100%
Be-Mobile SA	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0881.959.533	Belgium	93%	93%
Mediamobile Nordic OY	Äyritie 8B 01510 Vantaa, Finland FI 23364202	Finland (4)	100%	0%
Mediamobile SA	Rue du Gouverneur Général Eboué 24 F-92130 Issy Les Moulineaux	France	100%	100%
Flitsmeister BV	Landjuweel 24 3905 PG Veenendaal	The Netherlands	93%	93%
Cascador BV	Kardinaal Mercierlaan 1, bus A 9090 Melle VAT BE 0648 964 048	Belgium	100%	100%

Name	Registered office	Country of incorporation	2021	2022
Scarlet Belgium NV	Carlistraat 2 1140 Evere VAT BE 0447.976.484	Belgium (2)	100%	0%
Clearmedia NV	Merksemsesteenweg 148 2100 Deurne VAT BE 0831.425.897	Belgium	100%	100%
Davinsi Labs NV	Borsbeeksebrug 28/2verd 2600 Antwerpen VAT BE 0550.853.793	Belgium	100%	100%
Belgacom International Carrier Services Mauritius Ltd	Chancery House 5th floor , Lislet, Geoffrey Street Port Louis 1112-07	Mauritius (1)	100%	100%
Belgacom International Carrier Services SA	Bld du Roi Albert II 27 1030 Brussels VAT BE 0866.977.981	Belgium (1)	100%	100%
Belgacom International Carrier Services Deutschland GMBH	Eichweisenring 11 70567 Stuttgart	Germany (1)	100%	100%
Belgacom International Carrier Services UK Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom (1)	100%	100%
Belgacom International Carrier Services Nederland BV	Wilhelminakade 173, unit 41 32 3072 AP Rotterdam	The Netherlands (1)	100%	100%
Belgacom International Carrier Services North America Inc	Corporation trust center - 1209 Orange street USA - 19801 Willington Delaware	United States (1)	100%	100%
Belgacom International Carrier Services Asia Pte Ltd	80 Robinson Road #02-00 Singapore 068898	Singapore (1)	100%	100%
Belgacom International Carrier Services (Portugal) SA	Avenida da Republica, 50, 10th floor 1069-211 Lisboa	Portugal (1)	100%	100%
Belgacom International Carrier Services Italia Srl	Via della Moscova 3 20121 Milano	Italy (1)	100%	100%
Belgacom International Carrier Services Spain SL	Calle Salvatierra, 4, 2c 28034 Madrid	Spain (1)	100%	100%
Belgacom International Carrier Services Switzerland AG	Gesellschaftsstrasse 27 3001 Bern	Switzerland (1)	100%	100%
Belgacom International Carrier Services Austria GMBH	Wildpretmarkt 2-4 1010 Wien	Austria (1)	100%	100%
Belgacom International Carrier Services Sweden AB	Drottninggatan 30 411-14 Goteborg	Sweden (1)	100%	100%
Belgacom International Carrier Services JAPAN KK	#409 Raffine Higashi Ginza, 4-14 Tsukiji 4 - Chome - Chuo-ku Tokyo 104-0045	Japan (1)	100%	100%
Belgacom International Carrier Services China Ltd	5/F Manulife Place 348 Kwun Tong Road, Kowloon Hong Kong	China (1)	100%	100%

Name	Registered office	Country of incorporation	2021	2022
Belgacom International Carrier Services Ghana Ltd	20 Jones Nelson Road, Adabraka, PO Box GP 821 Accra	Ghana (1) (4)	100%	0%
Belgacom International Carrier Services Australia Pty Ltd	1 Margaret Street - Level 11 Sydney NSW 2000 Australia	Australia (1)	100%	100%
Belgacom International Carrier Services Dubai FZ-LLC	Dubai Internet City Premises 306 - Floor 03- Building 02 -PO box 502307 Dubai	United Arab. Emirates (1)	100%	100%
Belgacom International Carrier Services South Africa Proprietary Ltd	Central Office Park n°5 257 Jean Avenue, Centurion Gauteng 0157	South Africa (1)	100%	100%
Belgacom International Carrier Services Kenya Ltd	5th Floor, West Wing, ICEA Lion Center Riverside Park, PO Box 10643 00100 Nairobi	Kenya (1)	100%	100%
Belgacom International Carrier Services France SAS	Rue du Colonel Moll 3 75017 Paris	France (1)	100%	100%
Belgacom International Carrier Services Malaysia	Level 6, Menara 1 Dutamas Solaris Dutamas, No. 1 Jalan Dutamas 1, 50480 Kuala Lumpur No. 202001015524 (1371844-D)	Malaysia (1)	100%	100%
TeleSign Holdings Inc	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	100%
TeleSign Corporation	13274 Fiji Way , Suite 600 Marina del Rey, CA 90292	United States	100%	100%
TeleSign UK	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Mobile Ltd	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Doo	Tresnjinog cveta 1 11070 Novi Beograd	Serbia	100%	100%
TeleSign Netherlands B.V.	2 New Bailey, 6 Stanley Street, Salford Greater Manchester M3 5GS	United Kingdom	100%	100%
TeleSign Singapore Pte. Ltd.	1 Robinson Road, #17-00 AIA Tower Singapore (048542)	Singapore	100%	100%
TeleSign (Beijing) Technology Co., Ltd.	Office 1551, 15/F, Office Building A, Parkview Green, 9 Dongdaqiao Road, Chaoyang District Beijing 100020	P.R. China	100%	100%
Codit Holding BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 662.946.401	Belgium	100%	100%
Codit BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0471.349.823	Belgium	100%	100%
Codit Switzerland AG	The Circle 6 8058 Zurich VAT CHE-335.776.516	Switzerland	100%	100%

Name	Registered office	Country of incorporation	2021	2022
Codit Integration Ltd.	Landmark House, Station Road RG27 9HA Hook (Hampshire) VAT GB 241.5781.10	United Kingdom	100%	100%
Codit Managed Services BV	Gaston Crommenlaan 14, box 301 9050 Ledeberg VAT BE 0835.734.875	Belgium	100%	100%
Codit Mare Limited	International House, Mdina Road BKR 3000 Mriehel C55412	Malta	100%	100%
Codit Nederland B.V	Atoomweg 350, 3542AB Utrecht	The Netherlands	100%	100%
Votijnit Lda. (Codit Portugal)	Edificio LACS Anjos, Rua Febo Moniz, 27 1150-152 Lisboa NIPC 510.595.251	Portugal	100%	100%
Codit Software Limited	International House, Mdina Road BKR 3000 Mriehel C64225	Malta	100%	100%
Codit France S.A.S.	18, Boulevard Malesherbes 75008 Paris 08 VAT FR 0478.300.189	France	100%	100%
UMBRiO Holding BV	Bisonspoor 3002-A501 3605 LT Maarssen	The Netherlands	100%	100%
Mobile Vikings NV	Kempische Steenweg 309 - box1 3500 Hasselt VAT BE 0886,946,917	Belgium	100%	100%
Telesign Belgium	Koning Albert II laan 27 1030 Brussels VAT BE 0781.957.877	Belgium (5)	0%	100%
3M Digital Networks Private Limited (Mobtexting)	45/B, Subam Complex, 1st A Main 3rd Floor, Rear Wing, Sarakki Indl Layout, J P Nagar, Phase-3, Bengaluru, Karnataka 560 078 U72200KA2012PTC066750	India (1) (6)	0%	100%
Proximus Ada	Koning Albert II laan 27 1030 Brussels VAT BE 0781.848.902	Belgium (5)	0%	100%
Doktr	Koning Albert II laan 27 1030 Brussels VAT BE 0787.949.212	Belgium (5)	0%	80%
Proximus Luxembourg Infrastructure	18 rue du Puits Romain 8070 Bertrange	Luxemburg (5)	0%	100%

(1) Entity of BICS Group
(2) Entity merged with Proximus SA
(3) Entity merged with Clearmedia
(4) Entity liquidated in 2022
(5) Entity created in 2022
(6) Entity acquired in 2022

Note 8.2. Investments in joint operations

The Group has a material joint operation in MWingz located Bld Simon Bolivar 34 in 1000 Brussels (VAT BE 0738 987 372). In November 2019, Proximus and Orange Belgium entered into a strategic agreement to share a part of their mobile access networks. The shared mobile access network is planned, built and operated by this joint company, owned 50/50 by Proximus and Orange Belgium which started its services to the shareholders in April 2020. The agreement is based on the following principles:

- The operators contractually share control of the agreement, i.e. decisions about the relevant activities require unanimous consent of the parties.
- Mwingz exclusively delivers services to the parents.

In its consolidated financial statements, the Group accounts Mwingz as a joint operation and recognizes its share in the assets and liabilities and its share in Mwingz costs from third parties, based on its ownership interest. Revenues from the sale of joint operation services to Proximus and Orange Belgium are eliminated.

Note 8.3. Investments in joint ventures and associates

(EUR million)	2021	2022
Carrying amount	34	43
Loss of continuing operations	-10	-20

The Group had interests in the following joint ventures and associates:

Name	Registered office	Country of incorporation	Group's participating interests	
			2021	2022
Associates				
Belgian Mobile ID SA/NV	Markiesstraat 1 1000 Brussel VAT BE 541.659.084	Belgium (2)	15%	15%
Synductis CV	Brusselsesteenweg 199 9090 Melle VAT BE 502.445.845	Belgium (2)	17%	17%
Experience @ work CVBA	Minderbroedersgang 12 2800 Mechelen VAT BE 627.819.632	Belgium	30%	30%
Tessares SA/NV	Avenue Jean Monnet 1 1348 Ottignies-Louvain-la-Neuve VAT BE 600.810.278	Belgium	23%	23%
Co.station Belgium NV	Sinter-Goedeleplein 5 1000 Brussel VAT BE 599,786,434	Belgium	20%	20%
Fiberklaar Midco BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,489,106	Belgium	50%	50%
Fiberklaar BV	Raymonde de Larochelaan 13 9051 Sint-Denijs-Westrem VAT BE 760,540,475	Belgium	50%	50%
I.Leco NV	Kleinhoefstraat 6 2440 Geel VAT BE 471,967,356	Belgium	38%	38%
Belgian Parking Register NV	Kardinaal Mercierlaan 1A 9090 Melle VAT BE 0778.406.687	Belgium	50%	50%
Ads&Data	Harensesteenweg 226 1800 Vilvoorde VAT BE 0809.309.701	Belgium (2)	11%	11%
Glasfaser Ostbelgien	Klötzerbahn 24 4700 Eupen VAT BE 0791.811.295	Belgium (1)	-	50%
Joint ventures				
Unifiber Midco SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.814.647 RPR/RPM	Belgium	50%	50%
Unifiber SA	Waterloo Office Park Drève Richelle 161 D, Boite 20 1410 Waterloo 0771.870.372 RPR/RPM	Belgium	50%	50%

(1) Entity created in 2022
(2) Significant influence as Proximus has at least one site in the board of the entity

Fiberklaar was co-created in March 2021 with EQT Infrastructure to accelerate the roll-out of fiber in Flanders. Fiberklaar works to design, build, maintain, and upgrade the fiber network across the region to accelerate super fast and stable fiber connectivity in Flanders. Fiberklaar's target is to connect 1.5 million homes and businesses in Flanders by 2028. Proximus holds 49.66% of Fiberklaar and the arrangement qualifies as an associate under IAS 28.

Unifiber was co-created in July 2021 with Eurofiber to accelerate the roll-out of fiber in Wallonia. Unifiber works to design, build, maintain, and upgrade the fiber network across the region to accelerate super fast and stable fiber connectivity in Wallonia. Unifiber's target is to connect 0.6 million homes and businesses in Wallonia by 2028. Proximus holds 49.99% of Unifiber and the arrangement qualifies as joint venture under IAS 28.

In September 2022, Proximus co-created "Glasfaser Ostbelgien" or GO Fiber, a public-private partnership with the German-speaking Community and Ethias. Its objective is to connect almost all of the 40,000 homes and businesses in this region, including in the so-called "white zones". Proximus owns 49.96% of Glasfaser Ostbelgien. The arrangement qualifies as associate under IAS 28.

Contingencies and commitments in relation with the joint-ventures and associates fiber entities (Fiberklaar, Unifiber and Glasfaser Ostbelgien):

- Imposed to the fiber entities
  - After the roll-out period, Fiberklaar and Unifiber are required to meet the net debt/EBITDA target ratios defined in their shareholders' agreements. Available cash must be used to meet these targets as a matter of priority before any distribution to shareholders.
- Imposed to the fiber entities' shareholders
  - Proximus has a contractual obligation to financially support entities Fiberklaar and Unifiber by acquiring a predefined volume of fiber connections for the already deployed areas. This will be done by the complete migration of its customer base and the phasing out of its copper network within a few years after the completion of the fiber rollout. For Glasfaser Ostbelgien, there is no predefined volume, but there is still the migration commitment.
  - Upon the occurrence of a "Flip Over Event" (such as the achievement of the deployment of the network on a targeted number of households, a predefined date, etc.), the shareholders of the fiber entities are obliged to transfer the minimum number of shares required to Proximus for the latter to obtain control by having the majority of the shareholding. If necessary, and in the most limited way possible, adaptations could be made to the shareholders' agreements in order to ensure control at Proximus after Flip Over. The earliest change of control is expected to occur in 2028.
  - At the timing of the Flip Over, Proximus has the right to acquire the number of shares necessary to own at least 50% plus one and up to 75% minus one of Glasfaser Ostbelgien Shares. It is also granted a call option to extend its shareholding to 60% of Fiberklaar Midco shares.
  - Fiberklaar and Unifiber will maximize their funding through debt and operating cash flows. The shareholders will supplement the remaining financing needs with a capital injection, pro rata to their share.
  - All shares held by Midco Unifiber and Midco Fiberklaar in Unifiber and Fiberklaar are pledged to the banks as part of the financing arrangements obtained by Unifiber and Fiberklaar.

Changes in associates and joint venture:

(EUR million)	Unifiber SA	Fiberklaar BV	Other Associates	**Total**
Carrying amount				
As at 1 January 2021	**0**	**0**	**4**	**4**
Investments	10	30		40
Profit for the year	-1	-8	-1	-10
As at 31 December 2021	**9**	**22**	**3**	**34**
Investments		30	-1	29
Profit for the year	-7	-13		-20
As at 31 December 2022	**2**	**39**	**2**	**43**

Summary of balance sheet, profit and loss and other comprehensive income of the material joint venture and associate

	Unifiber		**Fiberklaar**	
(EUR million)	**2021**	**2022**	**2021**	**2022**
Non-current assets	3	54	27	223
Current assets	16	32	47	33
Cash and cash equivalents	16	21	46	32
Total assets	19	86	74	256
Equity	18	10	44	88
Non-current liabilities	0	57	25	120
Interest-bearing liabilities	0	57	25	120
Current liabilities	1	18	5	48
Total liabilities and equity	19	86	74	256
Net revenue	0	0	0	1
Depreciation and amortization	0	0	0	1
Interests and debt charges on financial instruments at amortized costs	0	-5	-7	-4
Profit or loss from continuing operations	-2	-8	-16	-16
Total comprehensive income	-2	-8	-16	-16
% ownership	50%	50%	50%	50%
Share held in Equity	9	5	22	44
Harmonization and retraitment	0	-3	0	-5
Carrying amount	9	2	22	39

Note 8.4. Acquisitions and disposal of subsidiaries, joint ventures and associates

Entities incorporated in 2022

Proximus Ada

In March 2022 Proximus established the wholly owned subsidiary Ada, an innovation and expertise centre dedicated to artificial intelligence and cybersecurity. The entity started its activities in April 2022. Proximus Ada employed around 52 experts in artificial intelligence and cybersecurity on 31 December 2022.

Doktr

On 1 July 2022, Proximus transferred the activities related to the Doktr application to this new company, Doktr SRL. Doktr aims to become an integral part of the healthcare offering, facilitating video consultations in an accessible, secure and user-friendly manner.

Glasfaser Ostbelgien

See note 8.3.

Acquisition of 2022

BICS-3m Digital Networks Pvt Ltd

BICS acquired 100% of the shares of a Communications Platform as a Service (CPaaS) specialist, 3m Digital Networks Pvt Ltd, an international communications enabler, by its fully owned Singaporean subsidiary. The acquisition will add a range of cloud-native communications solutions to BICS portfolio, including AI-enabled voice, multi-channel messaging and advanced analytics services.

Acquisitions of 2021

Mobile Vikings

Following the positive decision of the Belgian competition authority in June 2021, the Group acquired in June 2021 a 100% stake in Mobile Vikings NV for an amount of EUR 128 million net of cash acquired.

The completion of the purchase price allocation led to the recognition, at their acquisition-date fair value, of non-current assets, consisting of the customer base and the brand, for an amount of EUR 27 million. The carrying amount of the other assets acquired and liabilities assumed correspond to their acquisition date fair values.

As a result, the group recognized a goodwill of EUR 114 million.

The fair value of the identifiable assets and liabilities of Mobile Vikings as at the date of acquisition is detailed as follows (in Million Euro):

	Fair Value recognized at acquisition
Intangible assets with finite useful life	31
Deferred income tax assets	1
Trade receivables	6
Investments and cash and cash equivalents	24
Total assets	**63**
Deferred income tax liabilities	-7
Trade payables	-15
Income tax payables	-1
Other current payables & other amounts payables	-2
Total non-controlling interests and liabilities	**-24**
Net assets acquired	**39**
Consideration	**153**
Goodwill from acquisition	**114**
Consideration paid	153
Net cash acquired of the subsidiary (after deduction of loan)	24
Net cash outflow	**128**

The "cash paid for acquisition of consolidated companies net of cash acquired" in the Cash Flow Statement reported as "cash flow from investing activities" amounts to EUR 130 million. EUR 2 million relates to earn outs paid for other historical acquisitions.

Fiberklaar and Unifiber

See note 8.3

Control in BICS/TeleSign

The Group held until February 2021, 57.6% of the BICS/TeleSign shares and 57.6% of the voting rights to the BICS shareholders' meeting. The Group concluded that it controlled BICS/TeleSign thanks to the decision-making rules and deadlock procedures foreseen in the shareholders' agreement in force as from 1 January 2010.

In accordance with the agreement entered on 9 February 2021 Proximus acquired on 23 February 2021 the 42.4% stake from the minority shareholders of BICS/TeleSign, (MTN 20% and Swisscom 22.4%) for a total cash consideration of EUR 217 million and owns now 100% of the shares.

This EUR 217 million is reported in the 2021 cash flow statement as Cash used for financing activities.

Note 9. Equity investments measured at fair value

At 31 December 2022 and 2021, the group held participating interests in non-quoted companies, the fair value amounted to EUR 1 million.

The group elected to classify at initial recognition these interests at fair value through other comprehensive income as they are not held for a purpose of trading but acquired with a long-term strategic view.

Note 10. Income taxes

Gross deferred income tax assets / (liabilities) relate to the following:
(EUR million)

	As at 31 December	
	2021	2022
Accelerated depreciation	-45	-40
Fair value adjustments on acquisition	-33	-20
Statutory provision not retained under IFRS	-7	-8
Remeasurement of financial instruments to fair value	-2	-52
Deferred taxation on sales of property, plant and equipment	-7	-7
Post-employment, termination and other benefits	-7	-19
Deferred taxation on contract assets & contract costs	-56	-61
Other	-2	0
Gross deferred income tax liabilities	-159	-209
Fair value adjustment on fixed assets	12	11
Tax losses carried forward	3	0
Provisions for liabilities and charges	12	11
Other	2	10
Gross deferred income tax assets	29	32
Net deferred income tax assets / (liabilities), when grouped per taxable entity, are as follows :		
Net deferred income tax liability	-136	-181
Net deferred income tax asset	6	5

The movements in 2022 of the deferred tax position are as follows
(EUR million)

As at 31 December 2021	-129
Decrease as the result of the purchase price allocation	-1
Decrease recognized through other comprehensive income	-71
Increase recognized in income statement	25
As at 31 December 2022	-176

The movements in 2021 of the deferred tax position are as follows
(EUR million)

As at 31 December 2020	-103
Decrease as the result of the purchase price allocation	-6
Decrease recognized through other comprehensive income	-32
Increase recognized in income statement	12
As at 31 December 2021	-129

The 2022 deferred tax expense in the profit or loss is mainly the consequence of the accelerated depreciation of some network components and the annual declining depreciation method on the tangible assets and broadcasting intangible assets acquired in 2018 and 2019 applied by Proximus SA in BGAAP, the increase in the post-employment and termination benefits and the remeasurement to FV of the financial instruments. This expense is partially offset by the decrease of the deferred tax liability on fair value adjustments on acquisitions.

The deferred income tax assets on fair value adjustment of fixed assets relate mainly to the elimination of the gain resulting from the intercompany sale at fair value of certain fixed assets.

Deferred tax assets have not been recognized in respect of the losses of subsidiaries that have been loss-making for several years. Cumulative tax losses carried forward and tax deductions available for such companies amounted to EUR 22 million at 31 December 2022 (EUR 50 million in 2021) of which EUR 22 million has no expiration date but is limited in use of 1 Mio per year and 70% for the surplus in the same year.

In the income statement, deferred tax income/ (expense) relate to the following:

	Year ended 31 December	
(EUR million)	2021	2022
Accelerated depreciation	14	5
Fair value adjustments on acquisition	10	14
Remeasurement of financial instruments to fair value	-4	0
Deferred taxation on sales of property, plant and equipment	1	0
Fair value adjustment on fixed assets	-2	-1
Post-employment, termination and other benefits	-2	7
Tax losses carried forward	-4	-3
Contract assets and contract cost	-4	-5
Other	3	7
Deferred tax expense of the year	12	25

The consolidated income statement includes the following tax expense:

	As at 31 December	
(EUR million)	2021	2022
Current income tax expense	-149	-153
Deferred income tax	12	25
Income tax expense reported in consolidated income statement	-137	-128

The reconciliation of income tax expense at the statutory income tax rate to income tax expense at the group's effective income tax rate for each of the two years ended is as follows:

(EUR million)	2021	2022
Income before taxes	581	578
At Belgian statutory income tax rate of 25%	145	145
Lower income tax rates of other countries	0	1
Non-taxable income	-20	-24
Non-deductible expenditures for income tax purposes	10	5
Non-deductible losses from joint ventures and associates	7	8
Other	-6	-5
Income tax expense	137	128
Effective income tax rate	23.51%	22.22%

The 2022 effective income tax rate amounts to 22.22% which is lower compared to the effective income tax rate of 23.51% in 2021.

The non-taxable income mainly relates to the application of general principles of tax law such as the patent- and innovation income deduction applicable in Belgium.

The 2022 non-deductible expenditures for income tax purposes primarily relate to various expenses that are disallowed for tax purposes.

Note 11. Assets and liabilities for pensions, other post-employment benefits and termination benefits

The Group has several plans that are summarized below:

	As at 31 December	
(EUR million)	2021	2022
Termination benefits and additional compensations in respect of restructuring programs	140	116
Defined benefit plans for complementary pension plans net liability / (net asset)	-79	-140
Other pension plans	1	1
Post-employment benefits other than pensions	365	295
Net asset recognized in the balance sheet	79	140
Net liability recognized in the balance sheet	508	413
Net liability (current)	62	52
Net liability (non-current)	447	361

The calculation of the liability is based on the assumptions established at the balance sheet date. The assumptions for the various plans have been determined based on both macro-economic factors and the specific terms of each plan relating to the duration and the beneficiary population.

The discount rate used for the valuation of pension plans, other post-employment benefit plans and termination benefits is based on the yield of Eurozone high quality corporate bonds with a duration matching the duration of such plans.

The decrease in cash outflow resulting from the liability for pensions, other postemployment and termination benefits reported in the net cash flow from operating activities results from lower payment in 2022 vs 2021 for the early leave plan and fit for purpose plan.

Note 11.1. Termination benefits and additional compensations in respect of restructuring programs

Termination benefits and additional compensations included in this chapter relate to employee restructuring programs. No plan assets are accumulated for these benefits.

In 2007, the Group implemented a voluntary external mobility program to the Belgian State for its statutory employees and a program for unfit statutory employees. Under the terms of this plan, the Group will pay benefits until retirement date of the participant.

In 2016, the Group implemented a voluntary leave program allowing for early termination from the age of 60 (or 58 for a small group). For certain participants to the early leave restructuring plan, benefits are paid from the age of 60 until the earliest retirement date. For those entering in the plan before the age of 60 and therefore required to render service until 60, the cost of the plan was recognized for the period of service still to be delivered between the moment of entering in the program and 60. The cost evolves with the index and the discount rate. The staff turnover is considered to be zero.

In 2019, Proximus launched its Fit for Purpose (FFP) transformation plan. An analysis based on the company's future challenges has led to the identification of areas of activity that either are being modified or that are disappearing. In this context, 1,347 FTEs were leaving Proximus. The provision for termination benefits (EUR 288 million) was entirely booked in 2019 as a result of a detailed and formal communication to those affected by the plan and as these benefits were not conditional to future service. The provision includes all benefits that are paid to the participants either at dismissal date or until earlier pensionable date. The provisions also include outplacement costs. The costs of reskilling and upskilling of employees are not included in the provision. The long-term part of the provision relates to the payments to be made after more than one year (mainly until pensionable date). This evolves with the index and discount rate. The staff turnover assumption is considered to be zero in the calculation. In 2022, the liability for termination benefits has also been updated to reflect the fact that Proximus can de facto no longer withdraw to offer certain benefits to employees in existing programs.The provision has been increased by EUR 22 million in 2022 and decreased by EUR 1 million in 2021.

Any subsequent re-measurement of the liability for termination benefits and additional compensations is recognized immediately in the profit or loss.

The funded status of the plans for termination benefits and additional compensations is as follows :

	As of 31 December	
(EUR million)	2021	2022
Benefit Obligation	140	116
Benefit obligation in excess of plan assets	140	116

The movement in the net liability recognized in the balance sheet is as follows :

	As at 31 December	
	2021	2022
At the beginning of the year	209	140
Total expense (income) for the period	-3	22
Payment to the participants	-66	-46
At the end of the year	140	116

The liability for termination benefits and additional compensations was determined using the following assumptions:

	As at 31 December	
(EUR million)	2021	2022
Discount rate	0%	3.20%
Future price inflation	2.15%	3.00%

Sensitivity analysis

An increase or decrease of 0.5% in the effective discount rate involves a fluctuation of the liability by approximately EUR 1 million.

The Group expects to pay an amount of EUR 33 million for termination benefits and additional compensations in 2023. The payments in 2022 amounted to EUR 46 million.

Note 11.2. Defined contribution and benefit plans for complementary pensions

Defined benefit plans of Proximus SA and some subsidiaries

Proximus SA and some of its Belgian subsidiaries offer defined benefit pension plans for their employees. These plans provide pension benefits, for services as of 1 January 1997 at the earliest. They provide benefits based on salary and years of service. They are financed through the Proximus Pension Fund, a legally separate entity created in 1998 for that purpose.

The financing method is intended to finance the current value of future pension obligations (defined benefit obligation – DBO) relating to the years of service already rendered in the company and taking into account future salary increase. The financing method is derived from calculations under IAS 19. The annual contribution is equal to the sum of the service cost, the net financial cost (interest cost on DBO minus the expected return on assets) and the amortization of the difference between the assets and the DBO exceeding 10% of the higher of the DBO or the assets. Therefore, the amount contributed may differ from the amount recognized in the income statement.

At 31 December 2022, the assets of the Pension Fund exceed the minimum required by the pension regulator, being the technical provision. The technical provision represents the amount needed to guarantee the short-term and long-term equilibrium of the Pension Fund. It is constituted of the vested rights increased with an additional buffer amount in order to guarantee the long-term durability of the pension financing. The vested rights represent the current value of the accumulated benefits relating to years of service already rendered in the company and based on current salaries. They are calculated in accordance with the pension regulation and applicable law regarding actuarial assumptions.

As for most of defined benefit plans, the pension cost can be impacted (positively or negatively) by parameters such as interest rates, future salary increases and inflation. These risks are not unusual for defined benefit plans.

For the complementary defined benefit pension plan, actuarial valuations are carried out at 31 December by external independent actuaries. The present value and the current service cost and past service cost are measured using the projected unit credit method.

The funded status of the pension plans is as follows :

	As at 31 December	
(EUR million)	2021	2022
Defined Benefit Obligation	825	716
Plan assets at fair value	-904	-857
Deficit / (surplus)	-79	-140

The components recognized in the income statement and other comprehensive income are as follows :

(EUR million)	Year ended 31 December 2021	2022
Current service cost - employer	52	52
Net interest	0	-1
Recognized in the income statement	52	50
Remeasurements		
Actuarial (gains)/losses from changes in financial assumptions	-40	-192
Actuarial (gains)/losses from changes in demographic assumptions	0	20
Actuarial (gains) / losses arising from experience adjustments	-11	22
Actuarial (gains) / losses related to return on assets, excluding amounts included in the net interest cost	-95	88
Recognized in other comprehensive income	-146	-61
Total	-93	-11

The movement in the net liability recognized in the balance sheet is as follows :

(EUR million)	Year ended 31 December 2021	2022
At the beginning of the year	67	-79
Expense for the period recognized in the income statement	52	50
Remeasurement recognized in other comprehensive income	-146	-61
Contributions paid	-52	-50
Net deficit/ (Net surplus)	-79	-140

Change in plan assets :

(EUR million)	As at 31 December 2021	2022
At the beginning of the year	770	904
Interest income	6	10
Return on assets, excluding amounts included in the net interest expense	95	-88
Contributions paid	52	50
Benefits payments and expenses	-20	-19
At the end of the year	904	857

Change in the defined benefit obligation :

	As of 31 December	
(EUR million)	2021	2022
At the beginning of the year	837	825
Service cost	52	52
Interest cost	7	9
Benefits payments and expenses	-20	-19
Actuarial losses/ (gain)	-51	-150
At the end of the year	825	716

The pension liability was determined using the following assumptions :

	As at 31 December	
(EUR million)	2021	2022
Discount rate	1.05%	3.50%
Future price inflation	2.15%	3.00%
Nominal future salary increase	3.30%-3.40%	4.15%-4.25%
Nominal future baremic salary increase	3.15%-3.30%	4%-4.15%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The significant change in financial assumptions influenced positively the obligations as disclosed in the tables above. The effect of the discount rate on the obligation is partially compensated by the effect of the inflation.

The turnover is considered in the calculation of the pension liability. For statutory employees it is assumed to be zero and for contractual employees is based on a degressive withdrawal rate based on the age.

The pension liability is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 13.9 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation and real salary increase. The sensitivity analysis has been determined based on reasonably possible changes of the respective assumptions, while holding the other assumptions constant.

We expect, that considering the current uncertainties on the market, the level of discount rate to be more stable in 2023 than in 2022 and that the inflation will slightly evolve but remain relatively high still for a long period of time,

If the discount rate increases (or decreases) by 0.5%, the estimated impact on the defined benefit obligation would be a decrease (or increase) by around 6.5% to 7%.

If the inflation rate increases (or decreases) by 0.25%, the defined benefit obligation would increase (or decrease) by around 3%. If the real salary increases (decreases) by 0.25%, the defined benefit obligation would increase (decrease) by around 6%.

Plan assets

The assets of the pension plans are detailed as follows:

	As at 31 December	
(EUR million)	2021	2022
Equity instruments	49.8%	48.2%
Debt instruments	34.8%	36.2%
Convertible bonds	5.2%	4.8%
Other (property, infrastructure, Private equity funds, insurance deposits)	10.2%	10.8%

The actual return on plan assets is as follows:

	As at 31 December	
(EUR million)	2021	2022
Actual return on plan assets	101	-79

The investment strategy of the Pension Fund is defined to optimize the return on investment within strict limits of risk control and taking into account the profile of the pension obligations. The relatively long duration of the pension obligations (13.9 years) allows to allocate a reasonable portion of its portfolio to equities. Over the last five years, the pension fund has significantly increased the diversification of its investment portfolio across asset classes, regions and currencies in order to reduce the overall risk and improve the expected return.

At the end of 2022 the portfolio was invested by about 48.2% in listed equities (in Europe, US and Emerging Markets), about 36.2% in fixed income (government bonds, corporate bonds, and senior loans) and about 4.8% in convertible bonds (World ex US), the remaining part being invested in European infrastructure, global private equity, European non-listed real estate and cash. The actual implementation of the investments is outsourced to specialized asset managers.

Nearly all investments are done via mutual investment funds. Direct investments amount for less than 1% of the assets. Equity instruments, debt instruments and convertible bonds have quoted prices in active markets. The other assets, amounting for 10.0% of the portfolio are not quoted. The Pension Fund does not directly invest in Proximus shares or bonds, but it is not excluded that some Proximus shares, or bonds are included in some of the mutual investment funds in which the pension Funds invests.

The Proximus Pension Fund has taken a proactive approach about the inclusion of ESG criteria in its investment policy. As almost all investments are made through collective funds managed by external managers, this approach involves an ongoing dialogue with the managers, inviting them to take these criteria into account.

The Group expects to contribute an amount of EUR 35 million to the Proximus Pension Fund in 2023.

Other pension plans

The Group also operates another defined benefit plan with a more limited amplitude, being a Defined Benefit Obligation EUR 6 million and plan assets of EUR 5 million resulting in a net liability of EUR 1 million.

The Group operates some plans based on contributions for qualifying employees. For the plans operated abroad, the Group does not guarantee a minimum return on the contribution. For those operated in Belgium a guaranteed return is provided. All plans (operated in Belgium and abroad open and closed) are not material at Group level and do not present any net liability material for the Group.

Note 11.3. Post-employment benefits other than pensions

Historically, the Group grants to its retirees' post-employment benefits other than pensions in the form of socio-cultural aid premium, train tickets and other social benefits including a subsidized hospitalization plan. There are no plan assets for such benefits.

The subsidy to the hospitalization plan is based on an indexed fixed amount per beneficiary.

The funded status of the plans is as follows :

	As at 31 December	
(EUR million)	2021	2022
Defined Benefit Obligation	365	295
Net liability recognized in the balance sheet	365	295

The components recognized in the income statement and other comprehensive income are as follows :

	Year ended 31 December	
(EUR million)	2021	2022
Current service cost - employer	4	4
Interest cost	3	3
Recognized in the income statement	7	7
Remeasurements		
Actuarial losses from changes in financial assumptions	6	-61
Effect of experience adjustments	-1	-3
Recognized in other comprehensive income	4	-63
Total	11	-56

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The movement in the net liability recognized in the balance sheet is as follows :

	As at 31 December	
(EUR million)	2021	2022
At the beginning of the year	368	365
Expense for the period recognized in the income statement	7	7
Remeasurement recognized in other comprehensive income	4	-63
Payment to the participants	-14	-14
At the end of the year	365	295

The liability for post-employment benefits other than pensions was determined using following assumptions :

	As at 31 December	
	2021	2022
Discount rate	1.00%	3.50%
Future cost trend (index included)	2.15%	3.00%
Mortality	BE Prospective IA/BE	BE Prospective IA/BE

The significant change in financial assumptions influenced positively the obligations as disclosed in the tables above. The effect of the discount rate on the obligation is partially compensated by the effect of the inflation.

The liability for post-employment benefits other than pensions is determined based on the entity's best estimate of the financial and demographic assumptions which are reviewed on an annual basis.

The duration of the obligation is 12.2 years.

Sensitivity analysis

Significant actuarial assumptions for the determination of the defined benefit plans obligations are discount rate, inflation, future cost trend and mortality. The sensitivity analysis has been performed based on reasonably possible changes of the respective assumptions, while holding the other assumptions constant.

If the discount rate increases (or decreases) by 0.5%, the defined benefit obligation would decrease (or increase) by around 6%.

If the future cost trend increases (or decreases) by 0.5%, the defined benefit obligation would increase (or decrease) by around 6%.

If a 1-year age correction would be applied to the mortality tables, the defined benefit obligation would change by around 4%.

The Group expects to contribute an amount of EUR 16 million to these plans in 2023.

Note 11.4. Other liabilities

The Group participates in a State Defined Benefit plan. On 31 December 2003, Proximus transferred to the Belgian State its legal pension obligation for its statutory employees and their survivors, in exchange of a payment of EUR 5 billion to the Belgian State. The transfer of the statutory pension liability to the Belgian State in 2003 was coupled with an increased employer social security contribution for civil servants as from 2004 and included an annual compensation mechanism to off-set certain future increases or decreases in the Belgian State's obligations as a result of actions taken by Proximus. Following a change in law (Program Law of 25 December 2017), as from 2018, the obligation to off-set stopped for the Belgian State.

Note 12. Other non-current assets

		As at 31 December	
(EUR million)	Note	**2021**	**2022**
Other derivatives	32.1	3	83
Other financial assets at amortized cost		20	16
Total		24	99

Other derivatives relate essentially to a 10-year forward starting interest rate swap for a notional amount of EUR 500 million entered on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025. The Group applies hedge accounting to this swap.

Other financial assets concern LT cash guarantees and LT receivables non- trade.

Note 13. Inventories

	As at 31 December					
(EUR million)	**2021**			**2022**		
	Gross amount	**Written off**	**Net amount**	**Gross amount**	**Written off**	**Net amount**
Raw materials, consumables and spare parts	46	-6	40	62	-6	56
Work in progress and finished goods	20	0	20	23	0	23
Goods purchased for resale	75	-4	71	111	-3	108
Total	142	-10	132	197	-9	187

'Raw materials, consumables, and spare parts' are mainly materials for the gigabit network, like cables and installation tools

'Work in progress and finished goods' contain mainly projects which are not yet completed.

Goods purchased for resale are CPE's (customer premises equipment), like smartphones/tablets and their related accessories (34%), equipment for internet and TV at home (decoders (28%), modems (16%), TV's (1%)), ICT (13%), terminals (4%) and PABX (3%).

Note 14. Trade receivables and contract assets

14.1 Trade receivables

	As at 31 December	
(EUR million)	**2021**	**2022**
Trade receivables	879	938
Trade receivables - gross amount	977	1,025
Loss allowance	-98	-87

Trade receivables are amounts due by customers for goods sold or services performed in the ordinary course of business. Most trade receivables are non-interest bearing and are usually on 30-90 days terms. For TeleSign most customers have a 30-day term, with few exceptions which have a 60-day term. Terms are somewhat longer for the receivables of the International Carrier Services segment (BICS), since major part of its trade receivables relates to other Telco operators. Given the bilateral nature of BICS business, netting practice is very common, but this process can be quite long. The related netting agreements are not legally enforceable.

BICS business being rather volatile, therefore when analysing variances in the cashflow those related to trade receivables and trade payables should be considered together.

For the Domestic business, the netting payment is also applied with some other telecom operators.

For the years presented, no trade receivables were pledged as collaterals. In 2022, Proximus Group received bank and parent guarantees of EUR 2 million (in 2021, EUR 2 million) as securities for the payment of outstanding invoices.

14.2 Contract assets

	As at 31 December	
(EUR million)	**2021**	**2022**
Contract assets gross	127	145
Settled within 12 month of the reporting period	92	104
Settled after 12 month of the reporting period	35	40
Loss allowance	-7	-8
Contract assets net	120	137

The evolution of the gross amount of the contract assets during the year, can be explained as follows

	As at 31 December	
(EUR million)	**2021**	**2022**
Balance at 1 Jan	118	127
Decrease in contract assets relating to existing contracts in the opening balance	-131	-143
Normal evolution	-112	-122
Anticipated termination	-19	-21
New contract assets	140	161
Balance at 31 Dec	127	145

14.3 Loss allowance on trade receivables and contract assets

The group applies the IFRS 9 simplified approach for measuring the expected credit losses. This approach uses a lifetime expected loss allowance for all trade receivables and contract assets. To measure the expected credit losses, trade receivables and contract assets of residential and corporate markets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to a right to consideration in exchange of goods and services that have already transferred and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The group has therefore concluded that the expected loss rates for trade receivables of the residential and corporate markets are a reasonable approximation of the loss rates for the contract assets. These expected loss rates correspond to historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The group updated in the course of 2021 the expected credit loss for the outstanding trade receivables in the context of Covid-19 based on the same criteria as in 2020: the sector in which customers operate, the relationship with the customer and their respective ageing. This update had a very small impact on the bad debt provision. In 2022, the group continues to monitor macro-economic developments and the impact on the expected credit losses.

For the BICS and TeleSign segments expected credit losses for trade receivables have been determined on individual basis considering different factors determining a credit scoring such as micro and macro-economic criteria as well as credit rating, country risk, customer history, possible compensation in order to net the risk and other internal and external sources.

The analysis of trade receivables that were past due but not impaired is as follows:

As at 31 December					Past due					
(EUR million)	Gross receivables / contract assets	Loss allowance	Net carrying amount	Not past due	< 30 days	30-60 days	60-90 days	90-180 days	180-360 days	> 360 days
Trade receivables										
2020	967	-99	868	512	79	35	21	44	43	133
2021	977	-98	879	519	77	44	26	46	45	123
2022	1,025	-87	938	593	86	42	25	60	10	123
2022 % loss allowance on trade receivables			8%	1%	2%	3%	7%	12%	45%	30%
The loss allowance on contract assets was as follow :										
Contract assets	145	-8	137	137						
2022 % loss allowance on contract asset			6%	6%						

The closing loss allowances for trade receivables and contract assets as at 31 December 2022 reconciles to the opening loss allowances as follows:

The evolution of the allowance for doubtful debtors is as follows:

(EUR million)	Trade receivables	Contract assets	Total
As at 31 December 2021	98	7	105
Increase in loss allowance through income statement	27	1	28
Receivables written off as uncollectible	-38	0	-38
Other movements	-1	0	-1
As at 31 December 2022	87	8	95

Note 15. Other current assets

(EUR million)	Note	As at 31 December 2021	2022
VAT receivables		7	7
Derivatives	32.1	1	125
Prepaid expenses		109	103
Accrued income		2	8
Other receivables		22	26
Total		140	269

Derivatives relate essentially to a 10-year and a 7-years forward starting interest rate swaps for a total notional amount of EUR 1.1 billion entered on February and November 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with two highly probable forecasted transactions, being respectively a 10-year bond to be issued in October 2023 and a 7-year bond to be issued in March 2023. The Group applies hedge accounting to these swaps.

Prepaid expenses are mainly composed of ICT fees (EUR 66 million in 2022 versus EUR 67 million in 2021), renting expenses on real estate, software and mobile sites (EUR 8 million in 2022 versus EUR 8 million in 2021), SAAS contracts (EUR 5 million in 2022 versus EUR 4 million in 2021), hardware-, software- and infrastructure maintenance expenses (EUR 9 million in 2022 versus 11 million in 2021) and consultancy fees (EUR 4 million in 2022 versus 3 million in 2021).

Note 16. Non-current assets held for sale

On 14 March 2022, Proximus and Immobel reached a binding agreement regarding the redevelopment of Proximus' headquarters in Brussels. The works should start in 2024 and should be finished by the end of 2026. The renovated building will not only be used by Proximus, but also by other companies and will also contain residential spaces, public accommodation, retail, etc.

As a result of the agreement, Proximus acquired rights and gave commitments to dispose of property, plant and equipment (end 2023) for a sales price of EUR 143 million, in that case followed by a lease-back of part of the renovated building (as from 2027). Proximus will defer the gain on the sale of the headquarters over the lease duration (20 years). This gain will materialize through a reduction of the Right of Use asset, hence the D&A charges.

The assets of Proximus Towers are classified as held for sale at December 2022 for their book value (EUR 99 million).

(EUR million)	Land and buildings	Technical equipment	Total
Cost	364	18	383
Depreciation	-272	-12	-284
Carrying amount as of 31 December 2022	92	6	99

Note 17. Cash and cash equivalents

		As at 31 December	
(EUR million)	Note	2021	2022
Term account at amortized costs	32.4	10	10
Cash at bank and in hand	32.4	239	288
Total		249	299

Short-term deposits are made for periods varying between one day and three months, depending on the immediate cash requirements of the Group, and earn or pay interest at the respective short-term deposit rates. Interest rates applied on cash with banks are floating as corresponding to the daily bank deposit rates.

The cash and cash equivalents are held with banks and financial institutions counterparties with a high long-term credit rating between A- and A+ with a minimum of A-. Therefore, the expected credit loss on cash and cash equivalents is deemed immaterial.

Note 18. Equity

Note 18.1 Shareholders' equity

At 31 December 2022, the share capital of Proximus SA amounted to EUR 1 billion (fully paid up), represented by 338,025,135 shares, with no par value and all having the same rights, provided such rights are not suspended or cancelled in the case of treasury shares. The Board of Directors of Proximus SA is entitled to increase the capital for a maximum amount of EUR 200 million.

The Company may acquire its own shares and transfer the shares thus acquired in accordance with the provisions of the New Commercial Code of Companies and Associations. The Board of Directors is empowered by article 13 of the Articles of Association to acquire the maximum number of own shares permitted by law. The price paid for these shares must not be more than five percent above the highest closing price in the thirty-day trading period preceding the transaction nor more than ten percent below the lowest closing price in that same thirty-day period. Said authorization is renewed and granted for a period of five years as of 21 April 2021.

Proximus SA has a statutory obligation to distribute 5% of the parent company income before taxes to its employees. In the accompanying consolidated financial statements, this profit distribution is accounted for as workforce expenses.

In December 2015, a new law was adopted by the Belgian Parliament with the purpose of modernizing the 1991 Law reforming certain economic public companies, especially by the flexibility of certain organizational constraints in order to create a level playing field with competing companies, by aligning the corporate governance to the normal rules for listed companies in Belgium and by defining the framework for the government to decrease their participation below 50%. The General Shareholders Meeting of 2016 decided to change the bylaws in order to incorporate the amendments made to the 1991 Law.

On 31 December 2022, the number of treasury shares amounts to 15,632,628.

In 2022 and 2021, the Group sold respectively 10,229 and 6,438 treasury shares to its senior management for less than EUR 1 million under share purchase plans at a discount of 16.70% (see note 35).

Number of shares (including treasury shares):	2021	2022
As at 1 January	338,025,135	338,025,135
As at 31 December	338,025,135	338,025,135

Number of treasury shares:	2021	2022
As at 1 January	15,335,109	15,283,771
Sale under a discounted share purchase plan	-6,438	-10,229
Purchase / (Sale) of treasury shares	-44,900	359,086
As at 31 December	15,283,771	15,632,628

Note 18.2 Non-controlling interests

Until 2021 included, non-controlling interests related essentially to BICS.

In accordance with the agreement entered on February 9th 2021 Proximus acquired on 23 February 2021 the 42.4% stake from the minority shareholders of BICS, (MTN 20% and Swisscom 22.4%) for a total cash consideration of EUR 217 million. As Proximus already controlled BICS before this transaction, this acquisition qualifies as an equity transaction. This means that the negative difference between (1) the amount by which the non-controlling interests are adjusted, and (2) the fair value of the consideration paid is deducted directly from the shareholders' equity attributable to the parent.

In 2022, the remaining non-controlling interests related only to Doktr (EUR 1 million as at 31 December 2022).

Note 19. Interest-bearing liabilities

Note 19.1 Non-current interest-bearing liabilities

		As at 31 December	
(EUR million)	Note	2021	2022
Unsubordinated debt (bonds, notes)		2,337	2,239
Credit institutions		401	400
Other loans		0	37
Total		2,737	2,676

On 22nd December 2021, the Group repaid anticipately and without penalty, the EUR 500 million bond maturing on 22nd March 2022 with an annual fixed coupon of 0.5%.

On 10th November 2021, the Group issued its first EUR 750 million Green Bond starting on 17th November 2021 and maturing on 17th November 2036 with an annual fixed coupon of 0.75%.

In 2021, Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. Other loans consist in the long-term part of the asset financing arrangement (nominal amount of EUR 65 million received by Proximus in 2022. As at 31 December 2022, Proximus had already repaid this financial liability for EUR 18 million) resulting from the partnership, for the infrastructure that remains in the Proximus datacenters and under its control.

All long-term debt is unsecured. During 2022 and 2021 there have been no defaults or breaches on loans payables.

Over the two years presented, an interest rate and currency swap (IRCS) was used to manage the currency and interest rate exposure on the JPY unsubordinated debentures. The swap enabled the Group to transform the interest rate on these debentures which are fully hedged economically, from a fixed interest rate to a floating interest rate. and converting the remaining liability in JPY into fixed rate liability in EUR (see note 32.1).

Unsubordinated debentures in EUR and in JPY are issued by Proximus SA. The capital is repayable in full on the maturity date.

The group used interest rate swaps to mitigate the risk of interest rate variations between the hedge inception date and the issuance date of highly probable fixed rate long-term debts. In the tables below, the effective interest rates of the debts concerned by these hedges incorporates the effects of these hedges when they matured.

Non-current interest-bearing liabilities as at 31 December 2022 are summarized as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable (b)	Interest rate payable	Effective interest rate
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	2.34%	2.34%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	599	600	Amortized cost	Apr-24	Annually	2.38%	2.46%
EUR	498	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	732	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
Other loans							
EUR	37	37	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Total	2,676	2,698					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2020

Non-current interest-bearing liabilities as at 31 December 2021 are summarised as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable (b)	Interest rate payable	Effective interest rate
Unsubordinated debentures							
Floating rate borrowings							
JPY (a)	11	11	Amortized cost	Dec-26	Semi-annually	-0.72%	-0.72%
Fixed rate borrowings							
EUR	150	150	Amortized cost	Mar-28	Annually	3.19%	3.22%
EUR	100	100	Amortized cost	May-23	Annually	2.26%	2.29%
EUR	599	600	Amortized cost	Apr-24	Annually	2.38%	2.46%
EUR	497	500	Amortized cost	Oct-25	Annually	1.88%	2.05%
EUR	150	150	Amortized cost	May-40	Annually	1.50%	1.52%
EUR	100	100	Amortized cost	Sep-31	Annually	1.75%	1.78%
EUR	730	750	Amortized cost	Nov-36	Annually	0.75%	1.05%
Credit institutions							
Fixed rate borrowings							
EUR	400	400	Amortized cost	Mar-28	Annually	1.23%	1.04%
EUR	1	1	Amortized cost	Oct-23	Monthly	0.60%	0.60%
Total	2,737	2,762					

(a) converted into a floating rate borrowing in EUR via currency interest rate swap

(b) for floating rate borrowings, interest rate is the one prevailing at the last repricing date before 31 December 2021

Note 19.2 Current interest-bearing liabilities

	As at 31 December	
(EUR million)	2021	2022
Current portion of amounts payable > 1 year		
Unsubordinated debt (bonds, notes)	0	100
Credit institutions	1	1
Other loans	0	10
Credit institutions	150	0
Unsubordinated debt (bonds, notes)	100	477
Other loans	1	0
Total	252	588

A bond of EUR 100 million will mature in May 2023 and was transferred from non-current to current interest-bearing liabilities.

The other unsubordinated debt represented a drawn and outstanding amount of EUR 477 million euros of the Commercial Paper program.

The tables below detail the current portion of the unsubordinated debentures maturing within one year.

Current interest-bearing liabilities as at 31 December 2022 are summarised as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
Current portion of interest-bearing-liabilities > 1 year							
Unsubordinated debentures							
Fixed rate borrowings							
EUR	100	100	Amortized cost	May-23	Annually	2.26%	2.29%
Other loans							
Fixed rate borrowings							
EUR	10	10	Amortized cost	Nov-28	Monthly	3.04%	3.04%
Credit institutions							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Oct-23	Monthly	0.60%	0.60%
Interest-bearing-liabilities							
Unsubordinated debt (bonds, notes)							
Fixed rate borrowings							
EUR	477	477	Amortized cost	Jan & Feb 2023	At inception	1.55%-1.97%	1.55%-1.97%
Total	588	588					

Current interest-bearing liabilities as at 31 December 2021 are summarized as follows:

	Carrying amount (EUR million)	Nominal amount (EUR million)	Measurement under IFRS 9	Maturity date	Interest payment / repriceable	Interest rate payable	Effective interest rate
Current portion of interest-bearing-liabilities > 1 year							
Credit institutions							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Dec-22	Monthly	0.60%	0.60%
Unsubordinated debt (bonds, notes)							
Fixed rate borrowings							
EUR	100	100	Amortized cost	Jan-22	At inception	0.60%	0.60%
Credit institutions							
Fixed rate borrowings							
EUR	150	150	Amortized cost	Jan-22	Annually	0.61%	0.61%
Other loans							
Fixed rate borrowings							
EUR	1	1	Amortized cost	Jan-22	Annually	0.00%	0.00%
Total	252	252					

Note 19.3 Information about the Group financing activities related to interest bearing liabilities

(EUR million)	As at 31 December 2021	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2022
Long-term					
Unsubordinated debt (bonds, notes)	2,337	0	0	-97	2,239
Credit institutions	401	0	-1	0	400
Other loans	0	65	0	-28	37
Derivatives held for trading	3	0	0	-2	1
Current portion of amounts payable > one year					
Unsubordinated debentures	0	0	0	100	100
Credit institutions held to maturity	1	0	0	0	1
Other current interest bearing liabilities					
Credit institutions	150	0	-150	0	0
Other loans	0	0	-19	28	10
Unsubordinated debt (bonds, notes)	100	477	-100	0	477
Other loans	1	0	-1	0	0
Total liabilities from financing activities excluding lease liabilities	2,992	543	-270	1	3,265
Lease liabilities current and non current	273	0	-89	87	272
Total liabilities from financing activities including lease liabilities	3,265	543	-359	88	3,536

(EUR million)	As of 31 December 2020	Cash flow issuance	Cash flow repayments	Non-cash changes	As at 31 December 2021
Long-term					
Unsubordinated debt (bonds, notes)	2,104	730	0	-498	2,337
Credit institutions	401	0	-1	0	401
Other loans	1	0	-1	0	0
Derivatives held for trading	4	0	0	-1	3
Current portion of amounts payable > one year					
Unsubordinated debt (bonds, notes)	0	0	-500	500	0
Credit institutions held to maturity	1	0	0	0	1
Other current interest bearing liabilities					
Credit institutions	0	150	0	0	150
Unsubordinated debt (bonds, notes)	150	100	-150	0	100
Other loans	12	0	-11	0	1
Total liabilities from financing activities excluding lease liabilities	2,673	980	-663	1	2,992
Lease liabilities current and non current	284	0	-79	68	273
Total liabilities from financing activities including lease liabilities	2,957	980	-742	69	3,265

The non-cash changes in 2022 refer to the transfer of a EUR 100 million bond from non-current to current and the remeasurement to fair value of the embedded derivative related but separated from the long-term debt expressed in JPY, its host contract.

The cash flow movements in relation with the current and non-current other loans in 2022 relate to the short-term and long-term part of the asset financing arrangement (nominal amount of EUR 65 million) foreseen in the context of that partnership with HCL Technologies (see note 19.1).

The non-cash changes in 2021 refer to the transfer of a EUR 500 million bond, repaid anticipately in December 2021 (see note 19.1), from non-current to current and the remeasurement to fair value of the embedded derivative related but separated from the long-term debt expressed in JPY, its host contract.

Note 20. Provisions

(EUR million)	Workers' accidents	Litigation	Illness days	Dismantling pylons	Other risks	Total
As at 1 January 2021	28	23	16	45	28	139
Additions	0	20	0	0	5	25
Utilisations	-3	-2	0	0	-1	-6
Withdrawals	0	-6	-1	0	0	-7
Unwinding	1	1	0	0	0	2
As at 31 December 2021	26	36	15	44	32	153
Additions	2	5	0	0	9	15
Utilisations	-2	-6	0	-1	-6	-16
Withdrawals	0	-7	-1	-4	-4	-17
Unwinding	1	0	0	0	-2	0
Transfer	0	0	0	3	-3	0
As at 31 December 2022	26	29	14	41	25	136

The provision for workers' accidents relates to compensation that Proximus SA should pay to members of personnel injured (including professional illness) when performing their job and on their way to work. Until 31 December 2002, according to the law of 1967 (public sector) on labour accidents, compensation was funded and paid directly by Proximus. This provision (annuities part) is based on actuarial data including mortality tables, compensation ratios, interest rates and other factors defined by the law of 1967 and calculated with the support of a professional insurer. Considering the mortality table, it is expected that most of these costs will be paid out until 2062. As from 1 January 2003, contractual employees are subject to the law of 1971 (private sector) and statutory employees remain subject to the law of 1967 (public sector). For both the contractual and statutory employees, Proximus is covered as from 1 January 2003 by insurance policies for workers' accidents and therefore will not directly pay members of personnel.

The provision for litigation represents management's best estimate for probable losses due to pending litigation where the Group has been sued by a third party or is subject to a judicial dispute. The expected timing of the related cash outflows depends on the progress and duration of the underlying judicial procedures.

The provision for illness days represents management's best estimate of probable charges related to the granting by Proximus of accumulating non-vesting illness days to its statutory employees.

The provision for dismantling of pylons includes the expected costs for dismantling and restoration of the sites on which the antennas are located. It is expected that most of these costs will be paid during the period 2023-2050. The provision for restoration costs is estimated at current prices and discounted using a discount rate of 3.5% based on the expected timing to settle the obligation.

The provision for other risks includes mainly the environmental risks and sundry risks.

Note 21. Other non-current payables

	As at 31 December	
(EUR million)	**2021 restated**	**2022**
Other non-current payables -trade	215	674
Other non-current payables- non trade	5	5
Total	220	679

All other non-current payables are non-interest-bearing liabilities.

Non-current payables-trade include licenses (see note 4), broadcasting and content rights payable over the part of the contract duration that is more than one year (mostly less than 5 years). Figures as from 31 December 2021 were restated because the Groups' accounting policy is now to capitalize the football and other multi seasonal broadcasting rights for the full contract duration together with the corresponding liability.

The increase in the Non-current payables-trade is linked to the acquisition of substantive spectrum rights for a period of 20 years, recognized as intangible asset and payable by annual instalments over the same period. Interests are due on these spectrum related payments.

Non-current payables – non trade include the embedded derivative related but separated from the long-term debt expressed in JPY, its host contract (see Derivatives in note 2).

Note 22. Other current payables

	As at 31 December	
(EUR million)	2021	2022
VAT payables	6	48
Payables to employees	113	121
Accrual for holiday pay	87	94
Accrual for social security contributions	46	51
Advances received on contracts	8	15
Other taxes	108	141
Deferred income	2	3
Accrued expenses	25	25
Other debts	37	28
Subtotal Other current payables	432	526
Contract Liability	135	127
Total	567	653

Contract liabilities comprise the Group's obligation to transfer goods or services in the future to a customer for which the Group has received consideration from the customer or the amount is due. The part of the contract liability as of 31 December 2021 recognized in revenue in 2022 is disclosed in Note 23.

The increase of the caption "other taxes" is linked to an increase of withholding tax, property tax and tax on pylons.

Tax on pylons

Local taxes on mobile network equipment have been levied by certain provinces and municipalities for over 20 years in Belgium.

Proximus has consistently challenged the legality of these taxes in all regions, based on a variety of legal arguments. The European Court of Justice ruled in two Proximus cases of December 2015 that a tax on pylons is not, per se, in contradiction with European law. Proximus continues to launch legal proceedings with respect to taxes on pylons received from municipalities and provinces in the three regions based on other arguments.

Provisions are recorded based on assessments of the legal proceedings of outside counsel based on prevailing case law. Interest charges for unpaid tax bills are recorded monthly at the legal tax rate.

The position recognized in the Financial Statements reflects management's best estimate of the probable outcome.

Note 23. Net revenue

Net revenue corresponds to the revenue from contracts with customers. The group derives revenue from the transfer of goods and services over time and at a point in time as follows:

	As at 31 December	
(EUR million)	**2021**	**2022**
Net revenue recognized at one point in time	560	622
Net revenue recognized over time	4,977	5,231
Total	5,537	5,853

The disaggregation of net revenue is based on types of goods and services delivered and market and type of customers as follows:

(EUR million)		As at 31 December 2021	2022
Domestic			
Residential			
	Customer services revenues (X-play) (1)	1,735	1,782
	Prepaid	44	41
	Terminals (2)	228	231
	Lux. Telco (3)	125	131
	Other	56	56
	Total Residential	*2,187*	2,241
Business			
	Services (4)	1,597	1,587
	Products (5)	236	272
	Lux. Telco (3)	24	27
	Total Business	*1,858*	*1,887*
Wholesale			
	Fixed & Mobile wholesale services (6)	120	140
	Interconnect (7)	164	140
	Total Wholesale	*284*	*280*
Other		4	9
Total Domestic		4,333	4,416
BICS		997	1,130
TeleSign		326	473
Eliminations		-120	-166
Total Net Revenue		5,537	5,853

(1) Customer services revenues (X-play): 'Play' is a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards).
A 4-Play customer subscribes to all four services. 'X-Play' is the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

(2) Terminals: corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

(3) Luxembourg Telco: including Fixed & Mobile services, Terminals & Other

(4) Business Services: corresponds to Fixed Data, Fixed Voice, Mobile & IT

(5) Business Products: corresponds to Terminals & IT

(6) Wholesale Fixed & Mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

(7) Wholesale Interconnect: the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fixed voice, mobile voice and mobile SMS/MMS services.

The results for 2021 have been adapted to the organizational steering of the company in January 2022. The results of 2021 have been restated accordingly and are published on the Proximus website.

The main change concerns the move of the entire Small Enterprise (SE) customer base from the former Consumer unit to the former Enterprise unit, impacting the revenue and operational data of both units, without affecting the total Domestic view. More concretely:

- Following an organizational change within the company, the Proximus 'Business' unit now also covers the SE customers (businesses with less than 10 employees) in addition to the Medium Enterprises (ME) and the Corporate customer base of the former Enterprise unit.

- The revenue of the 'Business' unit is reported under a new structure, better reflecting the company strategy.

Moreover, the Business Mobile ARPU does no longer include the revenue generated by Mobile Network Services, for which the generated revenue is independent from the number of mobile postpaid cards. The restated Mobile ARPU for the Business unit is hence affected by both the removal of Network Services revenue and the inclusion of SE customers in the Mobile base.

- The new 'Residential' unit reflects the former Consumer unit excluding SE customers.
- Revenue from Mobile Vikings is reported in the respective residential product groups:
- The Mobile Vikings postpaid customers and related revenue is now part of the Residential Customer Services structure (X-Play). As a consequence of the integration of this Mobile-only customer base, the overall ARPC becomes lower.
- The Mobile Vikings Prepaid revenue is included in the Residential Prepaid revenue category.
- Mobile Vikings revenue remaining in 'Other' is related to interconnect revenue.

The following table presents the transaction price assigned to unfulfilled performance obligations at December 31, 2022 and 2021. Unfulfilled performance obligations are the services that the Group is obliged to provide to customers during the remaining fixed term of the contract and consideration received from customers before satisfying performance obligations such as advances for airtime.

Unfulfilled performance obligations at 31 December 2022

	Expected timing of recognition		
(EUR million)	2023	2024	> 2024
Transaction price allocated to performance obligations that are unsatisfied at reporting date	172	54	45
Related to contract liabilities	68	14	45
Related to contract assets	104	40	0

Unfulfilled performance obligations at 31 December 2021

	Expected timing of recognition		
(EUR million)	2022	2023	> 2023
Transaction price allocated to performance obligations that are unsatisfied at reporting date	169	54	39
Related to contract liabilities	77	20	39
Related to contract assets	92	35	0

Note 24. Other operating income

	As at 31 December	
(EUR million)	2021	2022
Gain on disposal of intangible assets and property, plant and equipment	1	5
Miscellaneous reinvoicing and recovery of expenditures	36	50
Other income	4	5
Total	42	60

“Miscellaneous reinvoicing and recovery expenditures “includes compensation for network damage by third parties as well as employee and third-party contributions for sundry services.

Increase in 2022 compared to 2021 is mainly due to the refund of the insurance company linked to the catastrophic flooding in the summer 2021 which primarily affected the southern provinces of Belgium.

Note 25. Costs of materials and services related to revenue

	As at 31 December	
(EUR million)	2021	2022
Purchases of materials	444	487
Purchases of services	1,554	1,699
Total	1,997	2,186

Goods and services directly related to revenue are external variable costs incurred in the context of a sales transaction, and that changes in proportion to sales. In the Proximus Group, it mainly includes traffic expenses (interconnection costs, termination costs…) , subscriber acquisition and retention costs, external costs directly related to ICT contracts such as equipment, maintenance, vendor support being recharged to the customers and costs related to Proximus TV such as content costs and variable broadcasting rights. It includes also cost of goods and work in progress being invoiced to customers.

Purchases of materials are shown net of work performed by the enterprise that is capitalized for an amount of EUR 68 million in 2022 and of EUR 63 million in 2021. It includes mainly modems and set up boxes installed on client premises.

Note 26. Workforce expenses

(EUR million)	As at 31 December 2021	2022
Salaries and wages	661	717
Social security expenses	162	173
Pension costs	51	51
Post-employment benefits other than pensions and termination benefits	3	25
External Workforce	256	259
Other workforce expenses	66	76
Total	1,200	1,301

Workforce expenses are expenses related to own employees as well as to external working parties (included in other workforce expenses).

Salaries and wages and social security expenses are shown net of work performed by the enterprise that is capitalized for an amount of EUR 128 million in 2021 and EUR 142 million in 2022.

Post-employment benefits other than pensions and termination benefits includes the impact of the FFP transformation plan (2022 EUR 24 million, 2021 EUR 1 million) and other termination benefits (2022 EUR 3 million, 2021 EUR 1 million). It also includes the current service cost and past service cost of other post- employment benefits (2022 EUR 4 million, 2021 4 million EUR).

External workforce expenses include consultancy and outsourcing costs.

Other workforce expenses include costs relating to internal workforce (such as meal vouchers, social activities, workers accident insurance, train tickets for actives).

Note 27. Non-Workforce expenses

	As at 31 December	
(EUR million)	2021	2022
Service and capacity contracts and non lease components of renting contracts	43	59
Maintenance and utilities	170	184
Advertising and public relations	86	103
Administration, training, studies and fees	137	144
Telecommunications, postage costs and office equipment	28	25
Loss allowance	26	27
Taxes other than income taxes	28	29
Other Non-Workforce expenses	35	29
Total	554	601

Note 28. Depreciation and amortization

	As at 31 December	
(EUR million)	2021	2022
Amortization of licenses and other intangible assets	489	525
Depreciation of property, plant and equipment	614	569
Depreciation of right of use	80	84
Total	1,183	1,179

Note 29. Net finance cost

	As at 31 December	
(EUR million)	2021	2022
Finance income	4	4
Interest income on financial instruments		
At amortized costs	2	3
Other finance income	2	1
Finance costs	-58	-53
Interests and debt charges on financial instruments at amortized costs		
Unsubordinated debentures	-43	-48
Lease interests	-2	-4
Short term debt	0	-1
Long term payables	-4	-2
Discounting charges		
On pensions and other post-employment benefits	-4	5
Impairment losses		
On investments in associate and joint ventures	0	-1
Fair value adjustments of financial instruments		
Not in a hedge relationship - FVTPL	-2	0
Other finance costs	-2	-2
Total	-54	-49

The remeasurement to fair value of the liability relating to the put option granted to the former owners of Be-Mobile on their own shares led to a loss of EUR 2 million in 2021 (and no impact in 2022).

The gain on pensions and other post-employments benefits (EUR 5 million) results mainly from the effect of the evolution of the market conditions, notably the significant change in the discount rates, on the obligations.

Note 30. Earnings per share

Basic earnings per share are calculated by dividing the net income for the year attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net income for the year attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year, both adjusted for the effects of dilutive potential ordinary shares.

The following table reflects the income and share data used in the computation of basic and diluted earnings per share.

	As at 31 December	
	2021	2022
Net income attributable to ordinary shareholders (EUR million)	443	450
Adjusted net income for calculating diluted earnings per share (EUR million)	443	450
Weighted average number of outstanding ordinary shares	322,751,990	322,552,465
Weighted average number of outstanding ordinary shares for diluted earnings per share	322,751,990	322,552,465
Basic earnings per share (EUR)	1.37	1.40
Diluted earnings per share (EUR)	1.37	1.40

The sale of shares to the company management under share purchase plans at a discount of 16.70% had a dilutive effect, but this was insignificant in 2022 and 2021.

Note 31. Dividends paid and proposed

	2021	2022
Dividends on ordinary shares:		
Proposed dividends (EUR million)	387	387
Number of outstanding shares with dividend rights	322,741,364	322,741,364
Dividend per share (EUR)	1.2	1.2
Interim dividend paid to the shareholders (EUR million)	161	161
Interim dividend per share (EUR)	0.5	0.5

The proposed dividends for 2021 have been effectively paid in April 2022. The interim dividends for 2022 have been paid in December 2022.

Note 32. Additional disclosures on financial instruments

Note 32.1. Derivatives

The Group makes use of derivatives such as interest rate swaps (IRS), interest rate and currency swaps (IRCS), forward foreign exchange contracts and currency options.

		As at 31 December	
(EUR million)	**Note**	**2021**	**2022**
Non-current assets			
Derivatives held-for-hedging	12	0	82
Other derivatives	12	3	2
Current assets			
Derivatives held-for-hedging	15	0	123
Derivatives held-for-trading	15	1	1
Total assets		4	208
Non-current liabilities			
Other derivatives	21	3	1
Current liabilities			
Derivatives held-for-hedging		0	1
Derivatives held-for-trading		1	1
Total liabilities		3	3

The tables below show the positive and negative fair value of derivatives, included in the balance sheet respectively as current/non-current assets or liabilities.

As at 31 December 2021	Fair value	
(EUR million)	Asset	Liability
Interest rate and currency swaps	3	0
Interests and currency related - other derivatives	0	-3
Forward foreign exchange contracts	1	-1
Derivatives not qualifying for hedge accounting	4	-3

As at 31 December 2022	Fair value	
(EUR million)	Asset	Liability
Forward foreign exchange contracts	0	-1
Interest rate swaps	205	0
Derivatives qualifying for hedge accounting	205	-1
Interest rate and currency swaps	2	0
Interests and currency related - other derivatives	0	-1
Forward foreign exchange contracts	1	-1
Derivatives not qualifying for hedge accounting	3	-2
Total	208	-3

The group entered forward interest rate swap for a notional amount of EUR 500 million on February 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with a highly probable forecasted transactions, being a 10-year bond to be issued in April 2025 (Note 12). The Group applies hedge accounting to this swap (cash flow hedging).

The group entered forward interest rate swaps for a total notional amount of EUR 1.1 billion on February and November 2022 to cover the Group exposure to the variability in cash flows attributable to the long-term interest rate risk associated with two highly probable forecasted transactions, being respectively a 10-year bond to be issued in October 2023 and a 7-year bond to be issued in March 2023 (Note 15). The Group applies hedge accounting to these swap (cash flow hedging).

Interest rate and currency swaps (IRCS) are used to manage the currency and interest rate exposure on outstanding JPY 1.5 billion unsubordinated debentures (see note 19).

Note 32.2. Financial risk management objectives and policies

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The main risks arising from the Group's use of financial instruments are interest rate risk, foreign currency risk, liquidity risk and credit risk.

All financial activities are subject to the principle of risk minimization. To achieve this, all matters related to funding, foreign exchange, interest rate and counterparty risk management are handled by a centralized Group Treasury department. Simulations are performed using different market (including worst case) scenarios with a view to estimating the effects of varying market conditions. All financial transactions and financial risk positions are managed and monitored in a centralized treasury management system.

Group Treasury operations are conducted within a framework of policies and guidelines approved by the Leadership Squad and the Board of Directors. Group Treasury is responsible for implementing these policies. According to the policies, derivatives are used to hedge interest rate and currency exposures. Derivatives are used exclusively as hedging instruments, i.e., not for trading or other speculative purposes. Derivatives used by the Group mainly include forward exchange contracts, interest rate swaps and currency options.

The table below provides a reconciliation of changes in equity and statement of OCI by hedge type for 2022

(EUR million)	**Note**	**Gain taken to equity**	**Transfer to profit or loss for the period**
Interest rate swap instruments	OCI	154	0
Changes in other comprehensive income in relation with cash flow hedges		153	0

Interest rate risk

The Group's exposure to changing market interest rates primarily relates to its long-term financial obligations. Group Treasury manages exposure of the Group to changes in interest rates and the overall cost of financing by using a mix of fixed and variable rate debts, in accordance with the Group's financial risk management policies. The aim of such policies is to achieve an optimal balance between total cost of funding, risk minimization and avoidance of volatility in financial results, whilst considering market conditions and opportunities as well as overall business strategy.

Proximus' non-current interest-bearing liabilities (including their current portions) as at 31 December 2022 and 2021 were mainly fixed-rate debts, as shown in the tables below. These tables also show the average interest rate of these debts, as well as their average time to maturity and the effect of the interest rate and currency swap agreements (IRCS) on the bond labeled in JPY. Lease liabilities and current interest-bearing liabilities are not considered in these two tables.

To be noted that, as explained in note 32.1, the Group entered forward interest rate swap in 2022 to cover its exposure to the variability in cash flows attributable to the long-term interest rate risk associated with bonds to be issued in 2023 and 2025.

	As at 31 December 2022								
	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	2,750	1.37%	7				2,750	1.37%	7
Variable				11	2.34%	4	11	2.34%	4
JPY									
Fixed	11	5.04%	4	-11	-5.04%	4			
Total	2,761	1.38%	7	0			2,761	1.37%	7

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

	As at 31 December 2021								
	Direct borrowing			IRCS agreements			Net obligations		
	Notional amount	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity	Amount payable (receivable)	Weighted average interest rate (1)	Average time to maturity
	(EUR million)		(in years)	(EUR million)		(in years)	(EUR million)		(in years)
EUR									
Fixed	2,750	1.42%	8				2,750	1.42%	8
Variable				11	-0.72%	4.96	11	-0.72%	5
JPY									
Fixed	11	5.04%	5	-11	-5.04%	4.96			
Total	2,761	1.43%	8	0			2,761	1.41%	8

(1) Weighted average interest rate taking into account last repriced interest rates for floating borrowings.

On June 29 2021, the Group entered into an interest rate swap to hedge its exposure to the variability in cash flows attributable to the long-term interest rate risk associated with the issuance of a highly probable fixed rate long-term debt of EUR 750 million, expected to be issued in November 2021 and which effectively materialized on November 10, 2021 for that amount. The hedge, for a nominal amount of EUR 600 million fixed at 0.44%, was unwound at that date and resulted in the payment of an amount of EUR 12.9 million to the hedge counterparties. The Group applied hedge accounting to this swap (cash flow hedging).

On February 14, 2022, the Group entered interest rate swaps to hedge its exposure to the variability in cash flows attributable to the long-term interest rate risk associated with the issuance of a highly probable fixed rate long-term debt to refinance the maturing 2024 and 2025 long term Eurobonds. The Group applies hedge accounting to these swaps (cash flow hedging).

On November 30, 2022, the Group entered an interest rate swap to hedge its exposure to the variability in cash flows attributable to the long-term interest rate risk associated with the issuance of a highly probable fixed rate long-term debt of EUR 500 million, expected to be issued in March 2023. The Group applies hedge accounting to this swap (cash flow hedging).

Foreign currency risk

The Group’s main currency exposures result from its operating activities. Such exposure arises from sales or purchases by operating units in currencies other than euro. Transactions in currencies other than euro mainly occur in the International Carrier Services (“BICS”) segment and TeleSign segment. Indeed, their activities generate payments to and receipts from the companies they interact with in various foreign currencies. Next to these, Proximus as well as several of its affiliates also engage in international activities (ICT, roaming, capital and operating expenditure) giving rise to currency exposures.

Risks from foreign currencies are hedged to the extent that they are liable to influence the Group’s cash flows. Foreign currency risks that do not influence the Group’s cash flows (i.e., the risks resulting from the translation of assets and liabilities of foreign operations into the Group’s reporting currency) as a rule are not hedged. However, the Group could envisage hedging such so-called translation differences should their potential impact become material to the Group’s consolidated financial statements.

The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

In 2022 and 2021, the Group only incurred currency exposures relative to its operating activities. Foreign currency transactions are recognized in functional currency on initial recognition at the foreign exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at balance sheet date using the exchange rate at that date. The net exchange difference on the translation of these monetary assets and liabilities are recorded via the income statement. However, in a limited number of cases, hedge accounting has been applied, the effective portion of the gains and losses on the hedging instrument is recognized via other comprehensive income until the hedged item occurs. If the hedged transaction leads to the recognition of an asset, the carrying amount of the asset at the time of initial recognition incorporates the amount previously recognized via other comprehensive income. The ineffective portion of a cash flow hedge is always recognized in profit or loss.

The Group performed a sensitivity analysis on the exchange rates EUR/USD, EUR/GBP EUR/CHF, EUR/SDR, EUR/ZAR, EUR/AUD and EUR/HKD, currency pairs to which it is exposed in its operating activities, for the year 2022.

Foreign currency Group's net position as at 31/12/2022	(in EUR)	Effect in P&L if foreign currency against EUR moves by :								Closing rate (in EUR)
(in EUR)		-15.0%	-10.0%	-5%	-2.5%	2.5%	5%	10%	15%	1 EUR = xxx
1,584,714	USD	-222,864	-148,576	-74,288	-37,144	37,144	74,288	148,576	222,864	1.07
-1,285,070	GBP	217,335	144,890	72,445	36,222	-36,222	-72,445	-144,890	-217,335	0.89
-710,957	CHF	108,301	72,200	36,100	18,050	-18,050	-36,100	-72,200	-108,301	0.98
-790,294	SDR	148,456	98,971	49,485	24,743	-24,743	-49,485	-98,971	-148,456	0.80
2,417,219	ZAR	-20,034	-13,356	-6,678	-3,339	3,339	6,678	13,356	20,034	18.10
1,201,924	AUD	-114,885	-76,590	-38,295	-19,147	19,147	38,295	76,590	114,885	1.57
1,013,900	HKD	-18,288	-12,192	-6,096	-3,048	3,048	6,096	12,192	18,288	8.32
	Total	98,021	65,347	32,674	16,337	-16,337	-32,674	-65,347	-98,021	

Notes:

- +15% means when foreign currency wins 15% vs. EUR
- -15% means when foreign currency loses 15% vs. EUR
- A positive sign means a profit in P&L
- A negative sign means a loss in P&L

Credit risk and significant concentrations of credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

Credit risk encompasses all forms of counterparty exposure, i.e. where counterparties may default on their obligations to Proximus in relation to lending, hedging, settlement and other financial activities.

The Group's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event the counterparties fail to perform their obligations in relation to each class of recognized financial assets, including derivatives with positive market value, is the carrying amount of those assets in the balance sheet and bank guarantees granted.

To reduce the credit risk in respect of financing activities and cash management of the Group, transactions are only entered into with leading financial institutions whose long-term credit ratings equal at least A- (S&P).

The Group applies the IFRS 9 simplified approach for measuring the expected credit losses for trade receivables and contract assets, meaning the lifetime expected credit loss. The determination of this loss allowance might be at portfolio or individual level, depending on the assessed risk related to the customer.

Credit risk on operating activities with significant clients is managed and controlled on an individualized basis. When needed, the Group requests additional collaterals. These significant customers are however not material to the Group, since the client portfolio of the Group is mainly composed of a large number of small customers. Hence, credit risk and concentration of credit risk on trade receivables is limited. For amounts receivable from other telecommunication companies, the concentration of credit risk is also limited due to netting agreements (see note 14.3) with accounts payable to these companies, prepayment obligations, bank guarantees, parent guarantees and the use of credit limits obtained via credit insurance.

The Group is exposed to credit loss in the event of non-performance by counterparty on short-term bank deposits and financial derivatives (see note 32.2). However, the Group does not anticipate non-performance by any of these counterparties as it only deals with prime financial institutions, and, as a rule, only invests in highly liquid and short-term securities (mainly cash and cash equivalents), for which, seen the excellent rating of the counterparts, the Group do not calculate loss allowances provisions.

Moreover, the Group monitors potential changes in credit risk on counterparties by tracking their external credit ratings on an ongoing basis as well as evolutions in its bank's credit default swap rates (a leading indicator often anticipating on future rating changes).

In addition, the Group is exposed to credit risk by occasionally granting non-recourse bank guarantees in favor of some of its institutional or governmental clients. At 31 December 2022, it had granted bank guarantees for an amount of EUR 40 million and EUR 49 million at 31 December 2021.

Finally, the Group has not pledged any financial assets, nor does it hold any collateral against any of its counterparties.

Liquidity risk

In accordance with the treasury policy, Group Treasury manages its overall cost of financing by using a mix of fixed and variable rate debts.

A liquidity reserve in the form of credit lines and cash is maintained to guarantee the solvency and financial flexibility of the Group at all times. For this purpose, Proximus entered into committed bilateral credit agreements with different maturities and into a committed sustainable linked Syndicated Revolving Facilities for a total amount of EUR 751 million. For medium to long-term funding, the Group uses bonds and medium-term notes. The maturity profile of the debt portfolio is spread over several years. Group Treasury frequently assesses its funding resources considering its own credit rating and general market conditions.

The table below summarizes the maturity profile of the Group's non-current (and related current portions) interest-bearing liabilities at each reporting date. This maturity profile is based on contractual undiscounted interest payments and capital reimbursements. For floating rate liabilities, interest rates used to determine cash outflows are the ones prevailing at their last price fixing date before reporting date (as of 31 December 2022 and 2021, respectively). Lease liabilities (for the leasing liabilities maturity profile, see note 6), derivatives and current interests-bearing liabilities are not considered in this table.

(EUR million)	2022	2023	2024	2025	2026	2027-2048
As at 31 December 2021						
Capital	252	101	600	500	11	1,550
Interests	46	46	44	29	20	116
Total	297	146	644	529	31	1,666
As at 31 December 2022						
Capital		111	610	509	18	1,562
Interests		47	44	30	20	116
Total		158	654	539	38	1,678

The cash outflows expected in 2022 for the reporting year 2021 and the cash outflows expected in 2021 for the reporting year 2020 are impacted by Proximus short term commercial papers and treasury loans.

Bank credit facilities at 31 December 2022

In addition to the interest-bearing liabilities disclosed in notes 19.1 and 19.2, the Group is backed by committed credit facilities of EUR 751 million. These facilities are provided by a diversified group of Belgian and international banks. As at 31 December 2022, there were no outstanding balances under any of these facilities. A total of EUR 751 million of credit lines was therefore available for drawdown as at 31 December 2022.

The Group also uses a EUR 3.5 billion Euro Medium-term Note ("EMTN") Program and a EUR 1 billion Commercial Paper ("CP") Program. As at 31 December 2022, there was an outstanding balance under the EMTN Program of EUR 2,350 million, whereas the Commercial Paper Program showed a drawn and outstanding amount of EUR 477 million.

Note 32.3. Net financial position of the Group and capital management

The Group defines the net financial position as the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include non-current trade payables.

Adjusted Net Financial Position refers to the total interest-bearing debt (short term + long term) minus cash and cash equivalents, excluding lease liabilities.

		As at 31 December	As at 31 December
(EUR million)	Note	2021	2022
Investments, Cash and cash equivalents	16 / 17	249	299
Derivatives (current and non-current)	12	3	208
current assets		0	2
Assets		252	509
Non-current liabilities (*)	19.1	-2,944	-2,876
Current liabilities (*)	19.2	-321	-662
Liabilities		-3,265	-3,538
Net financial position (*)		-3,013	-3,030
Of which Leasing liabilities		273	272
Adjusted financial position (**)		-2,740	-2,758

(*) Including derivatives and leasing liabilities

(**) The adjusted financial position excludes leasing liabilities

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that always allow for security of liquidity via flexible access to capital markets, to be able to finance strategic projects and to offer an attractive remuneration to shareholders. Over the two years presented, the Group did not issue new shares or any other dilutive instruments, except for the shares sold to senior management of the group at a discount of 16.7%.

Note 32.4 Categories of financial instruments

The Group occasionally uses interest rate (IRS) and/or currency swaps (IRCS) to manage the exposure to interest rate risk and to foreign currency risk on its non-current interest-bearing liabilities (see note 32.2).

The following tables present the Group's financial instruments per category defined under IFRS 9, as well as gains and losses resulting from re-measurement to fair value. Based on market conditions at 31 December 2022, the carrying amount of the unsubordinated debentures and of the loan granted by the European Investment Bank (EIB), which are accounted for at amortized cost, exceeded by EUR 401 million, or 14%, their fair value. In 2021, the fair value of these financial instruments exceeded their carrying amount by EUR 145 million, or 5.3%.

The 2022 and 2021 fair values, calculated for each debenture separately, were obtained by discounting the cumulated cash outflows generated by each debenture with the interest rates at which the Group could borrow at respectively 31 December 2022 and 31 December 2021 for similar debentures with the same remaining maturities.

The Group did not reclassify, during the period, financial instruments from one category to another.

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2022.

As at 31 December 2022 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	1	1
Other non-current assets				
Other derivatives	32.1	FVTPL	2	2
Derivatives held-for-hedging	32.1	Hedging instrument	82	82
Other financial assets		Amortized cost	7	7
Current assets				
Trade receivables	14	Amortized cost	938	938
Interests bearing				
Other receivables		Amortized cost	8	8
Non-interests bearing				
Other receivables		Amortized cost	17	17
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	123	123
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	10	10
Cash at bank and in hand	17	Amortized cost	288	288
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,239	1,887
Credit institutions	19.1	Amortized cost	400	352
Other loans	19.1	Amortized cost	37	37
Non interest-bearing liabilities				
Other derivatives	32.1	FVTPL	1	1
Other non-current payables	21	Amortized cost	678	678

Current liabilities				
Interest-bearing liabilities, current portion				
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	100	99
Credit institutions	19.2	Amortized cost	1	1
Other loans	19.2	Amortized cost	10	10
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	477	477
Trade payables		Amortized cost	1,620	1,620
Other current payables				
Derivatives held for trading	32.1	FVTPL	1	1
Derivatives held-for-hedging	32.1	Hedging instrument	1	1
Other debt		FVTPL	3	3
Other amounts payable		Amortized cost	304	304

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

The following table shows the classifications under IFRS 9 for each class of assets and financial liabilities as at 31 Dec 2021.

As at 31 December 2021 (EUR million)	Note	Classification under IFRS 9	Carrying amount under IFRS 9	Fair value
ASSETS				
Non-current assets				
Equity investments	9	FVOCI	1	1
Other non-current assets				
Other derivatives	32.1	FVTPL	3	3
Other financial assets		Amortized cost	10	10
Current assets				
Trade receivables	14	Amortized cost	879	879
Interests bearing				
Other receivables		Amortized cost	2	2
Non-interests bearing				
Other receivables		Amortized cost	19	19
Derivatives held for trading	32.1	FVTPL	1	1
Cash and cash equivalents				
Short-term deposits	17	Amortized cost	10	10
Cash at bank and in hand	17	Amortized cost	239	239
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debt (bonds, notes)	19.1	Amortized cost	2,337	2,456
Credit institutions	19.1	Amortized cost	401	423
Non interest-bearing liabilities				
Other derivatives	32.1	FVTPL	3	3
Other non-current payables	21	Amortized cost	100	100

Current liabilities				
Interest-bearing liabilities, current portion				
Credit institutions	19.2	Amortized cost	1	1
Interest-bearing liabilities				
Credit institutions		Amortized cost	150	150
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	100	100
Other loans	19.2	Amortized cost	1	1
Trade payables		Amortized cost	1,515	1,515
Other current payables				
Derivatives held for trading	32.1	FVTPL	1	1
Other debt		FVTPL	3	3
Other amounts payable		Amortized cost	286	286

FVTPL: Financial assets/liabilities at fair value through profit and loss

FVTOCI: Financial assets at fair value through other comprehensive income

Note 32.5 Fair value of financial assets and liabilities

Financial instruments measured at fair value are disclosed in the table below according to the valuation technique used. The hierarchy between the techniques reflects the significance of the inputs used in making the measurements:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable for the asset or liability, either directly or indirectly.

Level 3: valuation techniques for which all inputs which have a significant effect on the recorded fair value are not based on observable market data.

The Group holds financial instruments classified in Level 1, 2 and 3.

The valuation techniques for fair value measuring the Level 2 financial instruments are:

- Other derivatives in Level 2
  Other derivatives include mainly the interest rate swaps and interest rate and currency swaps (IRCS) the Group entered to reduce the interest rate and currency fluctuations on some of its long-term debentures. The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

- Unsubordinated debentures
  The unsubordinated debentures are recognized at amortized cost. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at 31 December 2022 for similar debentures with the same remaining maturities.

The financial instrument classified among the level 3 category is fair valued based on cash outflows in different scenarios, each one being weighted for its chance of occurrence. The weights are either based on statistical data that are very stable over time, either based on Proximus best estimate of the scenario occurrence. The instrument fair value is very depending on but proportionate to changes in estimated cash outflows.

As at 31 December 2022		Classification under IFRS 9	Balance at 31 December 2022	Fair values measurement at end of the reporting period using :		
(EUR million)	Note			Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	1			1
Other non-current assets						
Other derivatives	32.1	FVTPL	2		2	
Derivatives held-for-hedging	32.1	FVOCI	82		82	
Current assets						
Non interest-bearing receivables						
Derivatives held for trading	32.1	FVTPL	1	1		
Derivatives held-for-hedging	32.1	FVOCI	123		123	
LIABILITIES						

Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes) except for their "non-closely related" embedded derivatives	19.1	Amortized cost	2,239		1,887	
Credit institutions	19.1	Amortized cost	400		352	
Other loans	19.1	Amortized cost	37		37	
Non interest-bearing liabilities						
Other derivatives	32.1	FVTPL	1		1	
Current liabilities						
Interest-bearing liabilities, current portion						
Unsubordinated debentures except for their "non-closely related" embedded derivatives	19.2	Amortized cost	100		99	
Credit institutions	19.2	Amortized cost	1		1	
Other loans	19.2	Amortized cost	10		10	
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	477		477	
Non interest-bearing liabilities						
Other derivatives	32.1	FVTPL	1	1		
Derivatives held-for-hedging	32.1	FVOCI	1	1		
Other debt		FVTPL	3			3

FVTPL: Financial assets/liabilities at fair value through profit and loss
FVTOCI: Financial assets at fair value through other comprehensive income

As at 31 December 2021		Classification under IFRS 9	Balance at 31 December 2021	Fair values measurement at end of the reporting period using :		
(EUR million)	Note			Level 1	Level 2	Level 3
ASSETS						
Non-current assets						
Equity investments	9	FVOCI	1			1
Other non-current assets						
Other derivatives	32.1	FVTPL	3		3	
Current assets						
Non interest-bearing receivables						
Derivatives held for trading	32.1	FVTPL	1	1		
LIABILITIES						
Non-current liabilities						
Interest-bearing liabilities						
Unsubordinated debt (bonds, notes) except for their "non-closely related" embedded derivatives	19.1	Amortized cost	2,337		2,456	
Credit institutions	19.1	Amortized cost	401		423	
Non interest-bearing liabilities						
Other derivatives	32.1	FVTPL	3		3	
Current liabilities						

Interest-bearing liabilities, current portion						
Credit institutions	19.2	Amortized cost	1		1	
Interest-bearing liabilities						
Credit institutions	19.1	Amortized cost	150		150	
Unsubordinated debt (bonds, notes)	19.2	Amortized cost	100		100	
Other loans	19.2	Amortized cost	1		1	
Non interest-bearing liabilities						
Other derivatives	32.1	FVTPL	1	1		
Other debt		FVTPL	3			3

FVTPL: Financial assets/liabilities at fair value through profit and loss
FVTOCI: Financial assets at fair value through other comprehensive income

Note 33. Related party disclosures

Note 33.1. Consolidated companies

Subsidiaries, joint-operations, joint-ventures and associates are listed in note 8.

Commercial terms and market prices apply for the supply of goods and services between Group companies.

The transactions between Proximus SA and its subsidiaries, being related parties, are eliminated for the preparation of the consolidated financial statements. The transactions between Proximus SA and its subsidiaries are as follows:

Proximus SA transactions with its subsidiaries and joint operations	**As at 31 December**	
(EUR million)	**2021**	**2022**
Revenues	154	151
Costs of materials and services related to revenue	-137	-132
Net finance costs	1	0
Dividends received	220	340

Proximus SA transactions with its subsidiaries and joint operations	**As at 31 December**	
(EUR million)	**2021**	**2022**
Trade receivables	34	24
Trade payables	-30	-33
Interest-bearing receivables/liabilities	-684	-801

Note 33.2. Relationship with shareholders and other State-controlled enterprises.

The Belgian State is the majority shareholder of the Group, with a stake of 53.51%. The Group holds treasury shares for 4.62%. The remaining 41.86% are traded on the First Market of Euronext Brussels.

Relationship with the Belgian State

The Group supplies telecommunication services to the Belgian State and State-related entities. State related enterprises are those that are either State-controlled or State-jointly-controlled or State-influenced. All such transactions are made within normal customer/supplier relationships on terms and conditions that are not more favourable than those available to other customers and suppliers. The services provided to State-related enterprises do not represent a significant component of the Group's net revenue, meaning less than 5%.

Relationship with Belfius Bank NV

Proximus and Belfius Bank NV have the same majority shareholder, the Belgian State. Hence, Belfius is considered as a "related party" in accordance with the International Financial Reporting Standards as adopted by the European Union. Consequently, the cooperation agreement with Belfius related to the Banx service has been approved by the Board of Directors on the 29th of April 2021 in line with the conclusion of the special report prepared by three independent directors in accordance with the Art. 7.97 of the Belgian Code for Companies and Associations. In 2022 the Banx project was started up and had a minor impact on the consolidated figures,

Banx is a fully digital Belgian banking experience, imagined by Proximus, powered by Belfius. Banx raises the bar for digital banking and allows users to monitor the impact of their purchases on the planet. The banking app aims to encourage users to make more conscious and sustainable choices.

Note 33.3. Relationship with key management personnel

The remuneration of the Board of Directors was decided by the General Shareholders' Meeting of 2004.

The principles of this remuneration remained applicable in 2022 and no substantial change of the policy is expected: it foresees an annual fixed compensation of EUR 50,000 for the Chairman of the Board of Directors and of EUR 25,000 for the other members of the Board of Directors, with the exception of the CEO. All members of the Board of Directors, with the exception of the CEO, have the right to an attendance fee of EUR 5,000 per attended meeting of the Board of Directors. This fee is doubled for the Chairman. Attendance fees of EUR 2,500 are foreseen for each member of an advisory committee of the Board of Directors, with the exception of the CEO. For the Chairman of the respective advisory committee, these attendance fees are doubled.

The members also receive EUR 2,000 per year for communication costs. For the Chairman of the Board of Directors, the communication costs are also doubled.

The Chairman of the Board of Directors is also Chairman of the Joint Committee and of the Pension Fund. Mrs Catherine Vandenborre is member of the Board of the Pension Fund. They do not receive any fees for these board mandates. For the execution of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration such as bonuses or long-term incentive plan, nor do they receive benefits linked to complementary pension plans or any other group insurance.

The total remuneration for the Directors amounted to gross EUR 987,723 for 2022 to gross EUR 1,192,366 for 2021. The directors have not received any loan or advance from the Group.

The number of meetings of the Board of Directors and advising committees are detailed as follows:

	2021	2022
Board of Directors	9	7
Audit and Compliance Committee	5	4
Nomination and Remuneration Committee	6	4
Transformation & Innovation Committee	2	2

In its meeting of 24 February 2011, the Board adopted a "related party transactions policy" which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its board members. Proximus has contractual relationships and is also a vendor for telephony, Internet and/or ICT services for many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and are arm's length of nature.

For the year ended 31 December 2022, a total gross amount (included the long-term performance-based payments) of EUR 7,885,081 (before employer social security costs) was paid or granted in aggregate to the members of the Leadership Squad, Chief Executive Officer included. In 2022, the members of the Leadership Squad were Guillaume Boutin, Dirk Lybaert, Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni and Mark Reid.

For the year ended 31 December 2021, a total gross amount (included the long-term performance- based payments) of EUR 6,993,891 (before employer social security costs) was paid or granted in aggregate to the members of the Executive Committee, Chief Executive Officer included. In 2021, the members of the Executive Committee were Guillaume Boutin, Dirk Lybaert, Geert Standaert, Renaud Tilmans, Jan Van Acoleyen, Anne-Sophie Lotgering, Jim Casteele, Antonietta Mastroianni (9 months) and Mark Reid (8 months).

These total amounts of key management compensation include the following components:

- Short-term employee benefits: annual salary (base and short-term variable) as well as other short-term employee benefits such as medical insurance, private use of management cars, meal vouchers, and excluding employer social security contributions paid on these benefits;
- Post-employment benefits: insurance premiums paid by the Group in the name of members of the Executive Committee. The premiums cover mainly a post-retirement complementary pension plan;
- Performance Value based payments (long-term): gross amounts granted under the Performance Value Plan, which creates pay-out rights in May 2024 (granted in 2021) or in May 2025 (granted in 2022) depending on the achievement of company driven performance criteria which consist of the Group free cash flow, the reputation index, the company's Total Shareholder Return compared to a predefined group of other European telecom operators and since 2022 an Environmental, Social and Governance KPI.

	As at 31 December	
EUR	2021	2022
Short-term employee benefits	4,965,866	5,702,296
Post-employment benefits	726,326	820,712
Performance based payments	1,301,699	1,362,073
Total	6,993,891	7,885,081

* All these amounts are gross amounts before employer's social contribution

Note 33.4. Regulations

The telecommunications sector is regulated by European legislation, Belgian federal and regional legislation and by decisions of sectors specific regulators (the Belgian Institute for Postal services and Telecommunications, commonly referred to as the "BIPT/IBPT" and the regional regulators competent for media) or administrative bodies such as the Competition authorities.

Note 34. Rights, commitments and contingent liabilities

Claims, legal and tax proceedings

Our policies and procedures are designed to comply with all applicable laws, accounting and reporting requirements, regulations and tax requirements, including those imposed by foreign countries, the EU, as well as applicable labor laws.

The complexity of the legal and regulatory environment in which we operate and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations as well as changes in laws and regulations or the manner in which they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impacts of our financial statements.

The telecommunications industry and related service businesses are characterized by the existence of a large number of patents and trademarks. Litigation based on allegations of patent infringement or other violations of intellectual property rights is common. As the number of entrants into the market grows and the overlap of product functions increases, the possibility of an intellectual property infringement claim against Proximus increases.

Proximus is currently involved in various claims and legal proceedings, including those for which a provision has been made and those described below for which no or limited provisions have been accrued, in the jurisdictions in which it operates concerning matters arising in connection with the conduct of its business. These include also proceedings before the Belgian Institute for Postal services and Telecommunications ("BIPT"), appeals against decisions taken by the BIPT, and proceedings with the tax administrations.

Broadband/Broadcast Access Related Cases

Between 12 and 14 October 2010, the Belgian Directorate General of Competition started a dawn raid in Proximus's offices in Brussels. This investigation concerns allegations by Mobistar and KPN regarding the wholesale DSL services of which Proximus would have engaged in obstruction practices. This measure is without prejudice to the final outcome of the full investigation. Following the inspection, the Directorate General of Competition is to examine all the relevant elements of the case. Eventually the College of Competition Prosecutors may propose a decision to be adopted by the Competition Council. During this procedure, Proximus will be in a position to make its views heard. (This procedure may last several years.)

During the investigation of October 2010, a large numbers of documents were seized (electronic data such as a full copy of mail boxes and archives and other files). Proximus and the prosecutor of the Competition authority exchanged extensive views on the way to handle the seized data. Proximus wanted to be sure that the lawyers "legal privilege" (LPP) and the confidentiality of in house counsel advices are guaranteed. Moreover, Proximus sought to prevent the Competition authority from having access to (sensitive) data that were out of scope. Not being able to convince the prosecutor of its position, Proximus started two proceedings, one before the Brussels Court of Appeal and one before the President of the Competition Council, in order to have the communication to the investigation teams of LPP data and data out of scope suspended. On 5 March 2013, the Court of Appeal issued a positive judgment in this appeal procedure by which it ruled that investigators had no authority to seize documents containing advices of company lawyers and documents that are out of scope and that these documents should be removed/destroyed. To be noted that this is a decision on the procedure in itself and not on the merit of the case.

On 14 October 2013, the Competition authority launched a request for cassation against this decision. Proximus has joined this cassation procedure. Eventually, on 22 January 2015, the Supreme Court decided to confirm the Judgment of 5 March 2013, except for a restriction with regard to older documents, which was annulled. It is up to the Court of Appeal now to take a new decision on this restriction.

In March 2014, KPN has withdrawn its complaint; Mobistar remaining the sole complainant.

Based on the facts and information available per end December 2022, management recorded no provision for this case.

Mobile On-net cases related

In the proceedings following a complaint by KPN Group Belgium in 2005 with the Belgian Competition Authority the latter confirmed on 26 May 2009 one of the five charges of abuse of dominant position put forward by the Prosecutor on 22 April 2008, i.e., engaging in 2004-2005 in a "price-squeeze" on the professional market. The Belgian Competition Authority considered that the rates for calls between Proximus customers ("on-net rates") were lower than the rates it charged competitors for routing a call from their own networks to that of Proximus (=termination rates), increased with a number of other costs deemed relevant. All other charges of the Prosecutor were rejected. The Competition Authority also imposed a fine of EUR 66.3 million on Proximus (former Belgacom Mobile) for abuse of a dominant position during the years 2004 and 2005. Proximus was obliged to pay the fine prior to 30 June 2009 and recognized this charge (net of existing provisions) as a non-recurring expense in the income statement of the second quarter 2009.

Proximus filed an appeal against the ruling of the Competition Authority with the Court of Appeal of Brussels, contesting a large number of elements of the ruling: amongst other the fact that the market impact was not examined. Also, KPN Group Belgium and Mobistar filed an appeal against said ruling.

Following the settlement agreement dated 21 October 2015, the appeals of Base and Mobistar against the decision of the Belgian Competition Authority are withdrawn. Proximus will continue its appeal procedure against this decision.

In its interim judgment of 7th of October 2020, the Brussels Court of Appeal partially annulled the decision of 26th of May 2009 of the Competition Council, based on the reasoning that (i) the Belgian Competition Authority could not have established the existence of an abuse of a dominant position for 2004 without the document seized during the illegal dawn raid, while (ii) the documents seized during the illegal dawn raid were not indispensable for the establishment of the abuse of a dominant position for 2005. Consequently, Court decided that the procedure should only be continued for the latter period (both for other procedural issues and on merits). Proximus launched a "pourvoi en cassation" against this judgment in so far, according to Proximus, the decision should not have been annulled partially (2004), but totally (2004 and 2005), exactly because of the illegality of the dawn raid. This "pourvoi en cassation" was rejected on 12th of January 2023, meaning that the procedure before the Brussels Court of Appeal further continues

In October 2009, seven parties (Telenet, KPN Group Belgium (former Base), KPN Belgium Business (Tele 2 Belgium), KPN BV (Sympac), BT, Verizon, Colt Telecom) filed an action against Belgacom mobile (currently Proximus and hereinafter indicated as Proximus) before the Commercial Court of Brussels formulating allegations that are similar to those in the case mentioned above (including Proximus-to-Proximus tariffs constitute an abuse of Proximus's alleged dominant position in the Belgian market), but for different periods depending on the claimant, in particular, in the 1999 up to now timeframe (claim for EUR 1 provisional and request for appointment of an expert to compute the precise damage). In November 2009 Mobistar filed another similar claim for the period 2004 and beyond.

Following the settlements with Telenet, KPN, BASE Company and Orange, the only remaining claimants are BT, Verizon and Colt Telecom.

Per end December 2022, management recorded a provision for this case based on their best estimate and information available.

MWingz - mobile radio access network sharing case

On 22nd of November 2019, Orange Belgium and Proximus concluded a mobile radio access network (RAN) sharing agreement. Telenet, which contests the agreement, lodged a complaint with the Belgian Competition Authority and made a request for preliminary measures. On 8th of January 2020, the Belgian Competition Authority, whilst acknowledging the benefits of the agreement, decided to suspend the agreement for 2 months, giving Orange Belgium and Proximus the time to have discussions with the telecommunications regulator. In the meantime, several preparatory actions can still be taken. In the absence of new initiative from the prosecutors of the Belgian Competition Authority, the suspension took an end after the 2 months period allowing Proximus to fully implement the radio access network (RAN) sharing agreement. Following an investigation of almost 3 years, during which Proximus fully cooperated, the prosecutors of the Belgian Competition Authority decided to reject Telenet' s complaint unconditionally and put an end to the procedure.

Tax proceedings

BICS is engaged in tax proceedings with the Indian tax authority. See note 2

- Excess profit ruling

On 11 January 2016, the European Commission announced its decision to consider Belgian tax rulings granted to multinationals with regard to "Excess Profit" as illegal state aid (hereafter "Decision").

BICS applied such tax ruling for the period 2010-2014 and paid the deemed aid recovery assessments. Furthermore, both BICS and the Belgian State filed an appeal against the decision of the European Commission before the European Court. The EU General Court ruled in its decision of 14 February 2019 in favour of the Belgian State against the European Commission based on the argument that there is no "state aid scheme". The European Commission filed an appeal against the aforementioned decision with the Court of Justice of the EU (CJEU) on 24 April 2019. In addition, on 16 September 2019, the European Commission opened a separate in-depth investigation into 39 individual excess profit rulings, including the excess profit rulings obtained by BICS. The individual opening decisions were eventually published on 31 August 2020. BICS submitted its comments to the Commission on 29 September 2020. On 16 September 2021, the CJEU held that the Decision correctly found that the excess profit ruling system constitutes an "aid scheme" and referred the case back to the General Court, for a decision on whether or not the EPR "scheme" also amounted to illegal State aid, as no decision has yet been taken in this respect (neither by the EU General Court or the CJEU). Management assesses that the position as recognized in the financial statements still reflects the best estimate of the probable outcome.

Capital expenditure commitments

At 31 December 2022, the Group had contracted commitments of EUR 977 million (intangible assets EUR 19 million; tangible assets EUR 958 million). Investments will occur mainly during the year 2023 (€644 million).

In addition, by acquiring certain spectrum rights in 2022, the group commits to pay annual fees as presented below:

BAND	Existing / New	Amount of spectrum	Positioning	Validity period	Start date	End Date	Unique fee (€ million)	Annual fee total commitment (€ million) (*)
800 MHz	Existing	2 x 10 MHz	801-811 / 842-852 MHz	20 year	11/30/2013	11/29/2033	120	28
2600 MHz	Existing	2 x 20 MHz	2500-2520 / 2620-2640 MHz	15 year	7/1/2012	6/30/2027	20	7
700 MHz	New	2 x 10 MHz	723-733/778-788 MHz	20 year	9/1/2022	8/31/2042	123	52
900 MHz	New	2 x 10 MHz	895-905/940-950 MHz	20 year	1/1/2023	12/31/2042	57	56
1800 MHz	New	2 x 25 MHz	1710-1735/1805-1830 MHz	20 year	1/1/2023	12/31/2042	110	77
2100 MHz	New	2 x 25 MHz	1920-1945/2110-2135 MHz	20 year	1/1/2023	12/31/2042	145	77
1400 MHz	New	1 x 45 MHz	1472-1517 MHz	20 year	7/1/2023	6/30/2043	109	65
3500 MHz	New	1 x 100 MHz	3700-3800 MHz	Until May 6th 2040	9/1/2022	5/6/2040	56	24
As of 31 of December 2022							740	385

(*) the amount presented is not discounted and includes estimated inflation effect

Proximus will obtain a license on certain spectrum bands for a consideration consisting of a so-called "unique fee" and "annual fees". The "unique fee" can be paid upfront in one single payment or in yearly installments. The "annual fee" is a spectrum availability fee and is subject to an annual indexation adjustment.

The tangible assets are mainly related to commitments related to technical and network equipment related to the further accelerated investment plan for Fiber.

Purchase commitments of shares

In the context of various acquisitions, there are contingent commitments (earn outs & put options & purchase commitments) for a total amount of EUR 3 million per end of 2022.

Other rights and commitments

At 31 December 2022, the Group has the following other rights and commitments:

Guarantees

The Group received guarantees for EUR 2 million from its customers to guarantee the payment of its trade receivables and guarantees for EUR 26 million from its suppliers to ensure the completion of contracts or works ordered by the Group. The Group granted guarantees for an amount of EUR 146 million (including the bank guarantees mentioned in note 32.2) to its customers and other third parties to guarantee, among others, the completion of contracts and works ordered by its clients and the payment of rental expenses related to buildings and sites for antenna installations.

Partnership with HCL Technologies

In 2021 Proximus entered a partnership with HCL Technologies whereby that company operates and maintains Proximus' private cloud infrastructure. The partnership foresaw a transition phase, that started in October 2021 and that was finished in February 2022.

HCL and Proximus concluded an asset financing arrangement (nominal amount of EUR 65 million, carrying amount of EUR 50 million, see Note 5) for the infrastructure that remains in the Proximus datacenters and under Proximus control which is recognized as a finance lease for which Proximus has an obligation to repurchase the assets. On top of that financing for existing assets the partnership includes a lease for the renewal of infrastructure (nominal amount of €18 million, carrying amount of €17 million, see Note 6).

Partnership between BICS and Ooredoo Group

BICS has entered into multiyear contractual agreements whereby BICS will manage end-to-end traffic for operators. These agreements include a commitment (subject to satisfying certain conditions on ongoing basis) from BICS to send inbound traffic to certain operators for an aggregated amount not exceeding EUR 50 million per annum with a maximum duration of 3 years.

Note 35. Share-based Payment

Discounted Share Purchase Plans

In 2022 and 2021, the Group launched Discounted Share Purchase Plans.

Under the 2022 and 2021 plans, Proximus sold respectively 10,229 and 6,438 shares to the senior management of the Group at a discount of 16.66% compared to the market price (discounted price for EUR 13.47 per share in 2022 and for EUR 14.14 in 2021). The cost of the discount is below EUR one million in 2022 and in 2021 and was recorded in profit or losses workforce expenses (see note 26). This has a dilutive effect.

Performance Value Plan

In 2013, 2014, 2015, 2016, 2017 and 2018, Proximus launched different tranches of the "Performance Value Plan" for its senior management. Under this Long-Term Performance Value Plan, the granted awards are conditional upon a blocked period of 3 years after which the Performance Values vest. The possible exercising rights are dependent on the achievement of market conditions based on Proximus' Total Shareholder Return compared to a group of peer companies.

After the vesting period rights can be exercised for four years. In case of voluntary leave during the vesting period, all the non-vested rights and the vested rights not exercised yet are forfeited. In case of involuntary leave (except for serious cause) or retirement the rights remain and continue to vest during the normal 3-year vesting period.

The Group determines the fair value of the arrangement at inception date and the cost is linearly spread over the vesting period with corresponding increase in equity for equity settled (currently not material) and liability for cash settled shared based payments.

For cash settled share-based payment the liability is periodically re-measured.

The fair value of the tranches until 2018 amounted to EUR 0 for each tranche as of 31 December 2022.

The annual charge of these tranches amounted to EUR 0 million. The calculation of simulated total shareholder return for those tranches under the Monte Carlo model for the remaining time in the performance period for awards with market conditions included the following assumptions as of 31 December 2022.

	As at 31 December	
	2021	2022
Weighted average risk free of return	-0.38%	2.14%
Expected volatility - company	24.27%-24.84%	32.42%-38.15%
Expected volatility - peer companies	12.03%-49.51%	15.61%-75.28%
Weighted average remaining measurement period	1.65	0.45

In 2019, 2020, 2021and 2022, Proximus launched tranches of the new "Performance Value Plan" for its senior management. Under this new Cash-Settled Long-Term Performance Value Plan, the granted awards are blocked for a period of 3 years after which the Performance Values vest. The final paid amount depends on the results of 3 KPI's which are: the Proximus' Total Shareholder Return compared to a group of peer companies (40%), the group Free Cash Flow (40%) and the Reputation Index (20%). The final KPI is the average of the intermediary results of the 3 calendar years.

The fair value of the tranches 2020, 2021 and 2022 amounted respectively to EUR 5, 4, and 2 million as of 31 December 2022 based on actual calculation. The annual charge of these tranches amounted to respectively EUR 2, 3 and 2 million.

Note 36. Relationship with the auditors

The Group expensed for the Group's auditors during the year 2022 for an amount of EUR 3,290,070 for audit mandate and control missions and EUR 224,315 other missions.

This last amount is detailed as follows:

EUR	Auditor	Network of auditor
Audit mandate	1,184,684	1,303,048
Other Control Missions	107,776	694,562
Other missions	135,226	89,089
Total	1,427,686	2,086,699

Note 37. Segment reporting

The Group's operating segments are established based on those components that are evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance.

The Group has determined the chief operating decision maker to be the Proximus Executive Committee.

The operating segments are largely organized according to the nature of products and services provided and geographical area and are:

- Domestic: segment providing communication and ICT services to residential, businesses and telecom wholesale markets in Belgium.
- International Carrier Services (BICS) is responsible for international carrier activities on the international communications market.
- TeleSign: specialized in delivery authentication and digital identity services to the world's largest internet brands, digital champions and cloud native businesses.

The Chief Operating Decision Maker assesses performance and makes decisions about resource allocation and performance based on the EBITDA net of incidentals. Within Domestic net revenue is reviewed by the chief operating decision maker by market being residential (CBU component), professional (EBU component) and wholesale markets (CWS component).

Capex information is not provided to the CODM by operating segment but by key domain being e.g. fiber, mobile, content…

Group financing (including finance expenses and finance income) and income taxes were managed on a group basis and are not allocated to operating segments.

The accounting policies of the operating segments are the same as the significant accounting policies of the Group. Segment results are therefore measured on a similar basis as the operating result in the consolidated financial statements but are disclosed excluding "incidentals" and including lease depreciation and interest. The Group defines "incidentals" as material items that are out of usual business operations (see definitions).

Intercompany transactions between legal entities of the Group are invoiced on an arm's length basis.

As of January 2021, following changes have been made in the segment reporting:

- The former ICS segment has been split into "BICS" and "TeleSign" and "Domestic" is the operating segment mainly for Belgian markets.

- Domestic revenue no longer includes the eliminations between Domestic & BICS. These are now reported separately in the "Eliminations" category.

	As at 31 December 2022							
	Proximus Group				underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**TeleSign**	**Eliminations**
Net revenue	5,853	0	0	5,853	4,416	1,130	473	-166
Other operating income	60	0	-5	56	62	2	1	-9
TOTAL INCOME	5,914	0	-5	5,909	4,478	1,132	473	-174
Costs of materials and services related to revenue	-2,186	-1	0	-2,187	-1,118	-869	-360	159
Direct margin	3,728	-1	-5	3,722	3,360	263	114	-15
Workforce expenses	-1,301	0	36	-1,265	-1,111	-85	-71	2
Non workforce expenses	-601	-83	13	-671	-584	-58	-41	13
TOTAL OPERATING EXPENSES	-1,902	-83	49	-1,936	-1,695	-143	-112	15
OPERATING INCOME before depreciation & amortization	1,826	-84	44	1,786	1,665	120	1	0
Depreciation and amortization	-1,179							
OPERATING INCOME	647							
Net finance costs	-49							
Share of loss on associates	-20							
INCOME BEFORE TAXES	578							
Tax expense	-128							
NET INCOME	450							
Attributable to:	0							
Equity holders of the parent (Group share)	450							
Non-controlling interests	0							

	As at 31 December 2021							
	Proximus Group				underlying by segment			
(EUR million)	**Reported (IFRS 16)**	**Lease depreciation and interest**	**Incidental**	**Underlying**	**Domestic**	**BICS**	**TeleSign**	**Eliminations**
Net revenue	5,537	0	-1	5,537	4,333	997	326	-120
Other operating income	42	0	0	41	48	2	1	-10
TOTAL INCOME	5,579	0	-1	5,578	4,381	999	327	-130
Costs of materials and services related to revenue	-1,997	-2	0	-1,999	-1,095	-772	-248	115
Direct margin	3,582	-2	-1	3,579	3,286	227	79	-14
Workforce expenses	-1,200	0	9	-1,191	-1,076	-75	-42	3
Non workforce expenses	-554	-80	18	-616	-556	-51	-20	12
TOTAL OPERATING EXPENSES	-1,754	-80	26	-1,807	-1,633	-126	-63	14
OPERATING INCOME before depreciation & amortization	1,828	-82	26	1,772	1,654	102	17	0
Depreciation and amortization	-1,183							
OPERATING INCOME	645							
Net finance costs	-54							
Share of loss on associates	-10							
INCOME BEFORE TAXES	581							
Tax expense	-137							
NET INCOME	445							
Attributable to:								
Equity holders of the parent (Group share)	443							
Non-controlling interests	1							

In respect of geographical areas, the Group realized EUR 3,858 million net revenue in Belgium in 2021 and EUR 3,912 million in 2022 based on the country of the customer. The net revenue realized in other countries amounted to EUR 1,679 million in 2021 and EUR 1,942million in 2022. More than 90% of the segment assets are located in Belgium.

Note 38. Recent IFRS pronouncements

The Group does not early adopt the standards or interpretations that are not yet effective at 31 December 2022.

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

This means that the Group did not apply the following standards or interpretations that are applicable for the Group as from 1 January 2023 or later:

Newly issued standards, Interpretations and amendments:

- IFRS 17 - Insurance Contracts (and related amendments such as Amendments to IFRS 4 Insurance contracts) (2023)
- Extension of the Temporary Exemption from Applying IFRS 9) (2023)
- Amendments to IAS 1 - Classification of Liabilities as Current or Non-Current (2024)
- Amendments to IAS 1- Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (2023)
- Amendments to IAS 1 – Non-current liabilities with covenants (2024)
- Amendments to IAS 8- Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (2023)
- Amendments to IAS 12- Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (2023)
- Amendments to IFRS 16 – Lease liability in a sale and lease back (2024)

The Group will continue investigating the possible impacts of the application of these new standards and interpretations on the Group's financial statements in the course of 2023.

The Group does not anticipate material impacts from the initial application of those IFRS

Note 39. Post balance sheet events

There are no significant post balance sheet events.

Consolidated management report

Management discussion and analysis of financial results

1. Introductory remarks

Underlying revenue and EBITDA

Proximus' management discussion is focused on underlying figures, i.e., after adjustments. The underlying company figures are reported to the chief operating decision-makers in view of resource allocation and performance assessment.

Proximus provides a transparent view of the operational drivers of the business by isolating adjustments, i.e., revenues and costs that are unusual or not directly related to Proximus' business operations, and which had a significant impact on the year-on-year variance of the Proximus Group revenue or EBITDA. In addition, following the application of the IFRS 16 accounting standard, the definition of "underlying" was adapted to include lease depreciation & interest as of 2019. The adjusted revenue and EBITDA are referred to as "underlying" and allow for a meaningful year-on-year comparison.

Definitions can be found in Section 6 of this document.

	Revenues		Ebitda	
(EUR million)	**2021**	**2022**	**2021**	**2022**
Reported	5,579	5,914	1,828	1,826
Adjustments	-1	-5	-56	-40
Underlying	5,578	5,909	1,772	1,786
Adjustments	-1	-5	-56	-40
Lease Depreciations			-80	-83
Lease Interest			-2	-2
Transformation			10	39
Acquisitions, mergers and disposals	-1	-5	12	7
Litigation/regulation			3	-2

Remark: "Underlying Revenue" corresponds to "Total Income", excluding adjustments.

Reporting changes as of 2022

As of January 2022, some reporting changes have been implemented following the organizational steering of the company. The results of 2021 have been restated accordingly to allow for a comparable base.

The main change concerns the move of the entire Small Enterprise (SE) customer base from the former Consumer unit to the former Enterprise unit, impacting the revenue and operational data of both units, without affecting the total Domestic view. More concretely:

Following an organizational change within the company, the Proximus 'Business' unit now also covers the SE customers (businesses with less than 10 employees), in addition to the Medium Enterprises (ME) and the Corporate customer base of the former Enterprise unit.

The revenue of the 'Business' unit is reported under a new structure, better reflecting the company strategy.

Moreover, the Business Mobile ARPU no longer includes the revenue generated by Mobile Network Services, for which the generated revenue is independent from the number of mobile postpaid cards. The restated Mobile ARPU for the Business unit is hence affected by both the removal of Network Services revenue and the inclusion of SE customers in the Mobile base.

The new 'Residential' unit reflects the former consumer unit excluding SE customers.

Revenue from Mobile Vikings is reported in the respective residential product groups: The Mobile Vikings postpaid customers and related revenue is now part of the Residential Customer Services structure (X-Play), i.e., increasing the Mobile-only base as of June 2021. As a consequence of the integration of this mobile-only customer base, the overall ARPC became mathematically lower.

The Mobile Vikings Prepaid revenue is included in the Residential Prepaid revenue category.

Mobile Vikings interconnect revenue moved to Wholesale as of November 2022.[1]

Rounding

In general, all figures are rounded. Variances are calculated from the source data before rounding, implying that some variances may not add up.

[1] Only marginal net positive impact on Wholesale revenue

Key Figures - 10-year overview

Income Statement (EUR million)	2013	2014	2015	2016	2017	IFRS 15 2018	IFRS 15&16 2019	IFRS 15&16 2020	IFRS 15&16 2021	IFRS 15&16 **2022**
Reported income	6,318	6,112	6,012	5,873	5,802	5,829	5,697	5,481	5,579	5,914
Revenue adjustments	N/A	248	17	3	24	21	11	2	1	5
Underlying revenue	N/A	5,864	5,994	5,871	5,778	5,807	5,686	5,479	5,578	5,909
Reported EBITDA (1)	1,699	1,755	1,646	1,733	1,772	1,794	1,676	1,922	1,828	1,826
Lease depreciation and interest	N/A	N/A	N/A	N/A	N/A	N/A	84	84	82	84
EBITDA adjustments	N/A	102	-88	-63	-51	-70	-278	1	-26	-44
Underlying EBITDA (1)	N/A	1,653	1,733	1,796	1,823	1,865	1,870	1,836	1,772	1,786
Depreciation and amortization	-782	-821	-869	-917	-963	-1,016	-1,120	-1,116	-1,183	-1,179
Operating income (EBIT)	917	933	777	816	809	778	556	805	645	647
Net finance income / (costs)	-96	-96	-120	-101	-70	-56	-47	-48	-54	-49
Share of loss on associates	0	-2	-2	-1	-2	-1	-1	-1	-10	-20
Income before taxes	822	835	655	715	738	721	508	756	581	578
Tax expense	-170	-154	-156	-167	-185	-191	-116	-174	-137	-128
Non-controlling interests	22	27	17	25	30	22	19	18	1	0
Net income (Group share)	630	654	482	523	522	508	373	564	443	450
Cash flows (EUR million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Cash flows from operating activities	1,319	1,447	1,386	1,521	1,470	1,558	1,655	1,515	1,621	1,717
Cash paid for Capex	-852	-916	-1,000	-962	-989	-1,099	-1,091	-1,089	-1,137	-1,441
Cash flows from / (used in) other investing activities	38	180	22	0	-189	-8	12	9	-168	-20
Lease payments	N/A	N/A	N/A	N/A	N/A	N/A	-78	-82	-79	-89
Free cash flow (2)	505	711	408	559	292	451	498	352	237	167
Cash flows from / (used in) financing activities other than lease payments	-353	-364	-608	-764	-256	-444	-515	-363	-299	-119
Net increase / (decrease) of cash and cash equivalents	152	347	-200	-205	36	7	-17	-13	-62	50
Balance sheet (EUR million)	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Balance sheet total	8,417	8,522	8,283	8,117	8,527	8,671	8,978	8,779	9,233	10,541
Non-current assets	6,254	6,339	6,386	6,372	6,735	6,850	7,160	7,120	7,548	8,589
Investments, cash and cash equivalents	415	710	510	302	338	344	327	313	249	299
Shareholders' equity	2,846	2,779	2,801	2,819	2,857	3,005	2,856	2,903	2,978	3,307
Non-controlling interests	196	189	164	162	156	148	142	123	0	1
Liabilities for pensions, other post-employment benefits and termination benefits	473	504	464	544	568	605	864	645	508	413
Net financial position (incl. lease liability)	N/A	N/A	N/A	N/A	N/A	N/A	-2,492	-2,639	-3,013	-3,030
Net financial position (excl. lease liability as from 2019)	-1,815	-1,800	-1,919	-1,861	-2,088	-2,148	-2,185	-2,356	-2,740	-2,758
Proximus share	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Weighted average number of ordinary shares (3)	318,759,360	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006	322,752,015	322,751,990	322,552,465
Basic earnings per share - as reported (EUR) (4)	1.98	2.04	1.50	1.62	1.62	1.58	1.16	1.75	1.37	1.40
Total dividend per share (EUR) (5)	2.18	1.50	1.50	1.50	1.50	1.50	1.50	1.20	1.20	1.20
Data on employees	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Number of employees (full-time equivalents)	15,699	14,187	14,090	13,633	13,391	13,385	12,931	11,423	11,532	11,634
Average number of employees over the period	15,753	14,770	14,040	13,781	13,179	13,161	13,007	11,544	11,445	11,529
Underlying revenue per employee (EUR)	N/A	410,746	426,958	425,997	438,413	441,238	437,173	474,647	487,381	512,534
Total income per employee (EUR)	401,080	413,826	428,194	426,201	440,240	442,870	438,005	474,783	487,451	512,936
Underlying EBITDA per employee (EUR)	N/A	111,923	123,467	130,315	138,325	141,681	143,801	159,057	154,814	154,912
Total EBITDA per employee (EUR)	107,851	118,798	117,251	125,743	134,483	136,342	128,856	166,467	159,721	158,394
Ratios - on reported basis	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Return on Equity	22.1%	23.5%	17.2%	18.6%	18.3%	16.9%	13.1%	19.4%	14.9%	13.6%
Direct margin	59.5%	60.4%	60.5%	61.8%	62.7%	63.5%	64.6%	65.3%	64.2%	63.0%
Net debt / EBITDA (6)	1.07	1.03	1.17	1.07	1.18	1.20	1.30	1.23	1.50	1.51
EBITDA Margin	27%	29%	27%	30%	31%	31%	29%	35%	33%	31%
Ratios - on underlying basis	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Return on Equity	N/A	21.8%	18.9%	19.4%	19.2%	18.4%	19.9%	19.5%	15.5%	14.6%
Direct margin	N/A	57.8%	59.6%	61.8%	62.5%	63.4%	64.6%	65.3%	64.2%	63.0%
Net debt / EBITDA (6)	N/A	1.09	1.11	1.04	1.15	1.15	1.17	1.28	1.55	1.54
EBITDA Margin	N/A	28%	29%	31%	32%	32%	33%	34%	32%	30%
CAPEX	2013	2014	2015	2016	2017	2018	2019	2020	2021	**2022**
Total CAPEX (7)	972	994	1,002	949	1,092	1019	1035	1237	1246	1923
Capex excl Spectrum and Football right	852	912	927	949	1,002	1019	1027	1000	1203	1,305

(1) Earnings Before Interests, Taxes, Depreciation and Amortization.
(2) Cash flow before financing activities but after lease payments.
(3) i.e. excluding Treasury shares
(4) No difference between basic and diluted earnings per share
(5) Accounting view (no cash view)
(6) Net debt excluding lease liabilities, Proximus definition
(7) Capex was restated for years 2020 and 2021

- Proximus Group revenue increased by 5.9% year-on-year, with strong growth for both the Domestic and International segments.
- Underlying Domestic revenue was up by 2.2% to a total of EUR 4,478 million for full-year 2022.
- Internationally, both BICS and Telesign delivered strong revenue growth, increasing revenue by 13.3% and 44.5%, respectively.
- Proximus' strong cost control through its ongoing multi-year efficiency program mitigated inflationary pressure.
- The underlying Group EBITDA for the year 2022, totaled EUR 1,786 million, up by 0.8%.
- Proximus' Domestic segment and BICS both closed 2022 with growing EBITDA, up by 0.7% and 18.1%, respectively. Telesign's increased investments in its growth trajectory were reflected in lower EBITDA.
- Proximus Group generated FCF of EUR 167 million in 2022, or EUR 181 million on adjusted basis.

2. Proximus Group

Revenue

The Proximus Group ended the year 2022 with total underlying revenue of EUR 5,909 million, an increase on the previous year of 5.9% or EUR 331 million.

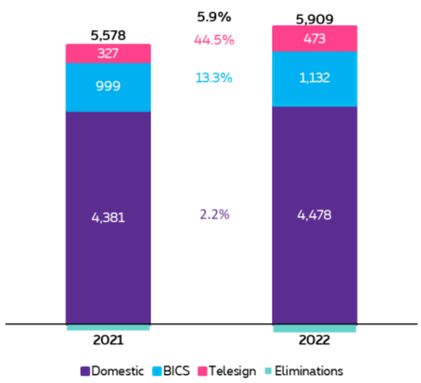
Group underlying revenue
EUR 5,909M
Up 5.9% YoY

Within the mix, the underlying Domestic revenue was up by 2.2% to a total of EUR 4,478 million. This includes the revenue contribution from Mobile Vikings, consolidated as of 1 June 2021 in the Proximus Residential revenue. When excluding the revenue from Mobile Vikings, Proximus' Domestic revenue was up year-on-year by 1.6%. The support from the solid operational results from both the Residential and Enterprise units was partly offset by the loss in low-margin Wholesale Interconnect revenue, following the continued decrease in regular SMS usage with customers moving to OTT services.

Both international segments BICS and Telesign contributed strongly to the growth in 2022 Group revenue. In 2022, BICS grew its revenue by 13.3% to EUR 1,132 million, a strong improvement from the 3.6% revenue growth for 2021. Both revenue from BICS' Enterprise customers and Telecom customers progressed significantly, up by 36.2% and 8.2% respectively on the previous year.

Telesign posted a strong sales year, with revenue up by 44.5% (including positive currency effect). The growth was driven by both Programmable Communications and Digital Identity services.

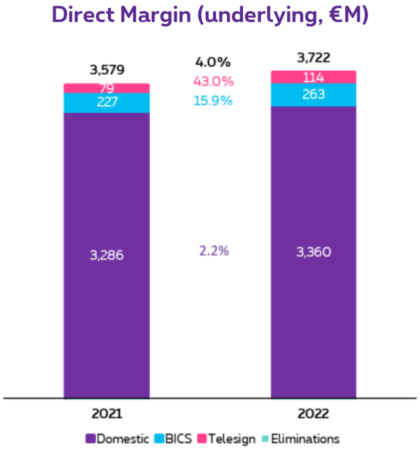
Group revenue by segment (underlying, €M)



Direct Margin

Over the full year 2022, Proximus Group posted an underlying direct margin of EUR 3,722 million, i.e., up by EUR 143 million or 4.0% on full-year 2021, with both Domestic and International contributing fairly equally to this uplift. The Domestic direct margin was up by 2.2% to a total of EUR 3,360 million. Compared to the preceding year, BICS improved its direct margin by 15.9%, reaching EUR 263 million, and Telesign grew its direct margin by +43.0%, totaling EUR 114 million, including a significant positive currency effect.

Group underlying direct margin
EUR 3,722M
Up 4.0% YoY



Operating expenses (OPEX)

Steep inflation significantly impacted the Proximus Group operating expenses, up from the previous year by 7.1%, reaching a total of EUR 1,936 million.

The Domestic OPEX totaled EUR 1,695 million, a 3.8% increase. The steep inflationary impact, costs related to the company's growing customer base and transformation related OPEX where partially offset by a lower headcount, down year-on-year by 151 FTEs, and other ongoing cost efficiencies. Proximus' company-wide cost program delivered over the past three years a total cost savings of EUR 230 million.

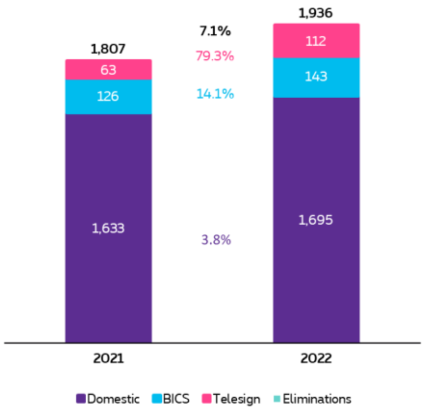
BICS posted EUR 143 million OPEX for 2022, an increase of 14.1% on 2021, partially driven by higher wage and energy costs, and including non-structural performance-related labour costs.

The year on year increase in the BICS headcount by 53 FTEs, or +11.7% compared to end-2021 is mainly related to the acquisition of Mobtexting India, supporting BICS' growth objectives in CPaaS.

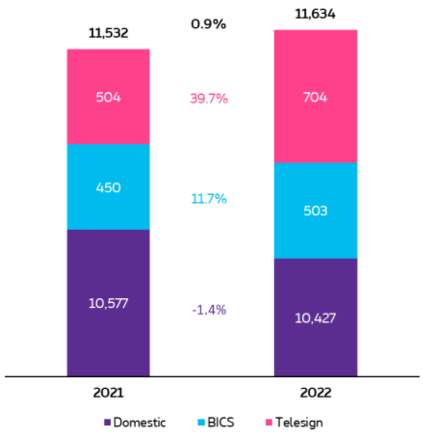
Telesign's operating expenses totaled EUR 112 million, EUR 50 million higher than 2021, driven by the anticipated significant investment to realize its growth plan. This includes amongst others increased marketing expenses as well as intensive additional employee hiring, with headcount increasing year-on-year by 200 FTEs.

Operating Expenses increased for 2022, reaching a total of **EUR 1,936M** for the Proximus Group.

Operating expenses (underlying, €M)



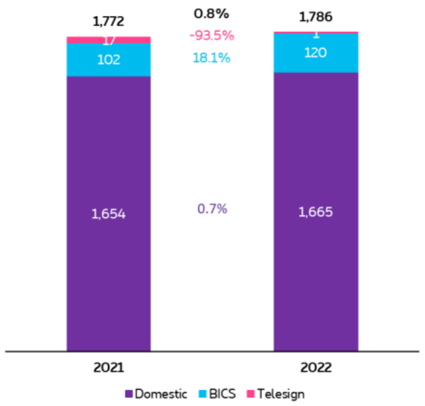
Headcount evolution (in FTE per YE)



Underlying EBITDA

The underlying Group EBITDA for the year 2022 totaled EUR 1,786 million, up by 0.8% or EUR 14 million on the previous year, with both Domestic and BICS EBITDA contributing to this growth.

Group EBITDA by segment (underlying, €M)



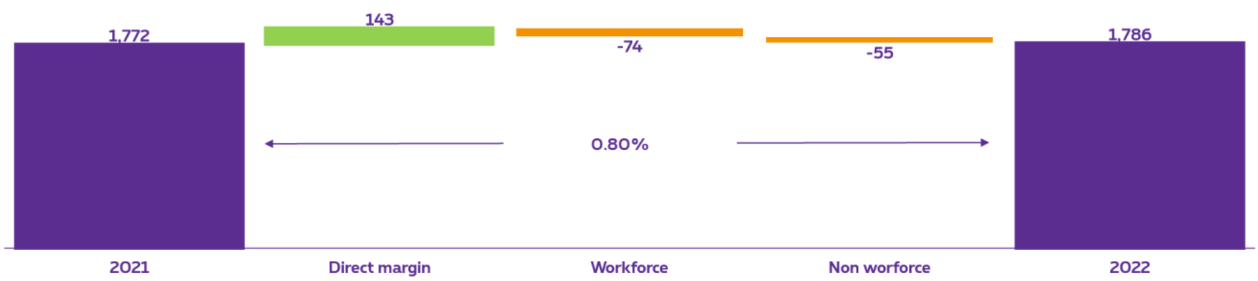
Group underlying EBITDA
€ 1,786M
Up 0.8% YoY

The **Domestic operations** of Proximus posted EUR 1,665 million EBITDA, a year-on-year increase of 0.7%, driven by higher direct margin.

BICS closed 2022 with EBITDA up 18.1%, totaling EUR 120 million, as a result of its strong Direct margin growth, in part offset by higher Operational costs. BICS' segment margin as percentage of revenue further improved, with 10.6% for 2022, compared to 10.2% the previous year.

Telesign invested significantly in its growth ambitions during 2022, resulting in a significant increase in its operating expenses. This effect was, however, fully offset by its firm increase in direct margin, resulting, overall, in a slightly positive EBITDA for 2022 of EUR 1 million.

Group EBITDA evolution (underlying, €M)



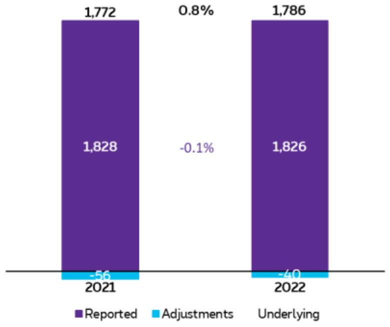
Reported EBITDA

Operating lease excluded, and other adjustments included, the Proximus Group reported EBITDA of EUR 1,826 million, compared to EUR 1,828 million in 2021.

In 2022, the Proximus Group recorded a net of EUR 40 million in adjustments, compared to EUR 56 million net positive EBITDA incidentals for 2021.

The lease depreciation and interest for 2022 were EUR 3 million lower year-on-year, totaling EUR 83 million. (As of 2019, following the application of IFRS 16, these expenses are excluded from the reported EBITDA). This was partly offset by transformation costs of EUR 39 million and adjustments for M&A related costs.

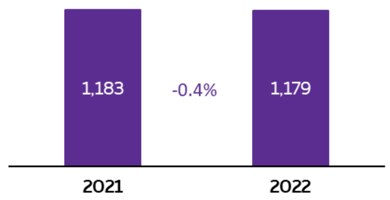
Reported and underlying EBITDA (€M)



Depreciation and amortization

In 2022, depreciation and amortization totaled EUR 1,179 million, including lease depreciation. This was slightly below the EUR 1,183 million for 2021.

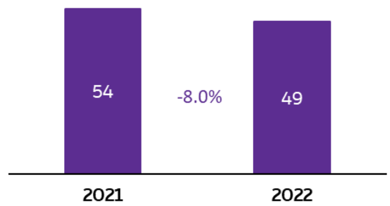
Depreciation and amortization incl. lease depreciation (€M)



Net finance cost

The full-year 2022 net finance cost totaled EUR 49 million including lease interests, EUR 5 million below one year ago, mainly explained by a EUR 7 million one-off impact of discount rate increase on long term provisions.

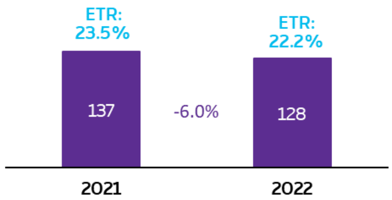
Net finance cost incl. lease interest (€M)



Tax expense

The 2022 tax expenses amounted to EUR 128 million, leading to an effective tax rate of 22.2%. The difference with the Belgian statutory tax rate of 25% is the result of the application of general principles of Belgian tax law, such as the patent income deduction and other R&D incentives.

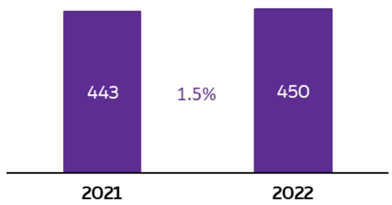
Tax expense (€M) and ETR



Net income

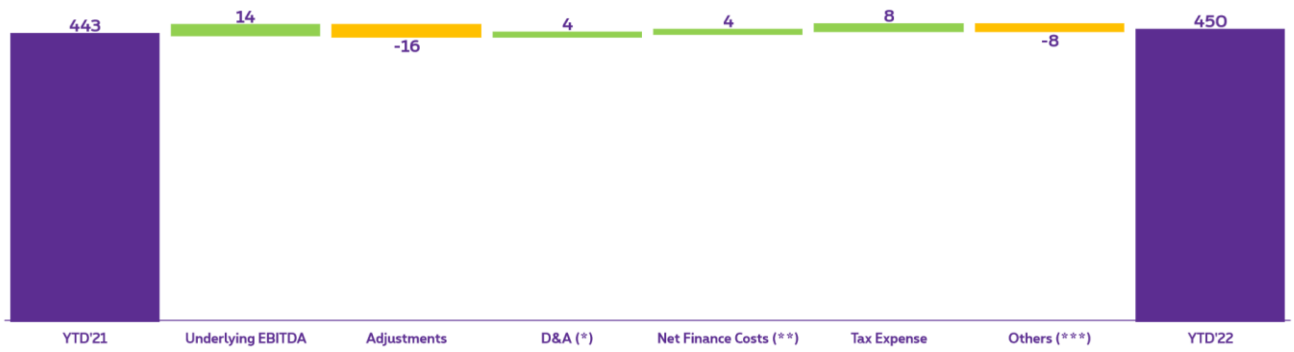
The year-on-year Proximus Net income (Group share) progressed by 1.5%, driven by a 0.4% increase in EBIT, a decrease in net finance costs and a lower effective tax rate partially offset by a higher share of loss on associates, mainly related to the Fiber JVs: Fiberklaar and Unifiber.

Net income (Group Share) (€M)



€ 450M
Net income

Net income evolution (€M)



(*) excluding lease depreciation; (**) excluding lease interest; (***) includes Non-controlling interests and Share of loss from associates

CAPEX

Overall, the Proximus Group accrued CAPEX totaled EUR 1,923 million for 2022, compared to EUR 1,246 million for 2021. This includes EUR 618 million of capex for acquired mobile spectrum. The majority relates to the multi-band spectrum obtained in the auction of July 2022, during which Proximus secured for EUR 600 million a total of 285Mhz spectrum, with licenses valid for the next 18-20 years.

Excluding spectrum and football broadcasting rights the Proximus Group accrued CAPEX over the year 2022 totaled EUR 1,305 million, in line with its provided guidance for the year. The year-on-year increase of EUR 101 million from 2021 was largely driven by Proximus' investments in its Gigabit networks. Fiber-related investments accounted for 35% of the total CAPEX. By end-2022, Proximus was deploying Fiber in 93 cities and municipalities in Belgium. Compared to end-2021, Proximus increased its footprint by 58% in 2022, reaching 1,282,000 premises with fiber, representing a Fiber footprint in Belgium of over 21%.

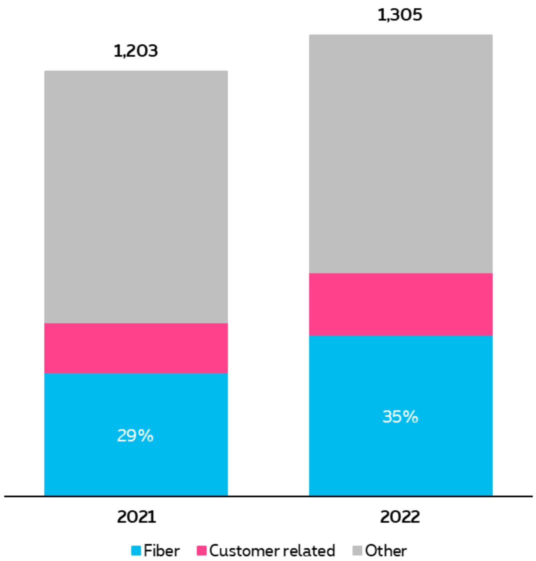
Moreover, the Mobile network (RAN) consolidation between Proximus and Orange Belgium announced in 2019 is ongoing, led by the created joint-operation Mwingz with CAPEX incurring following the pace of the mobile site consolidation.

Following an increased level of customer installations over 2022, more specifically for Fiber, the customer-related CAPEX increased, covering customer equipment and activation costs.

Moreover, in line with its strategy, Proximus increased its investments in Digitalization and IT transformation.

Accrued CAPEX (€M)

(excl. spectrum and football rights)



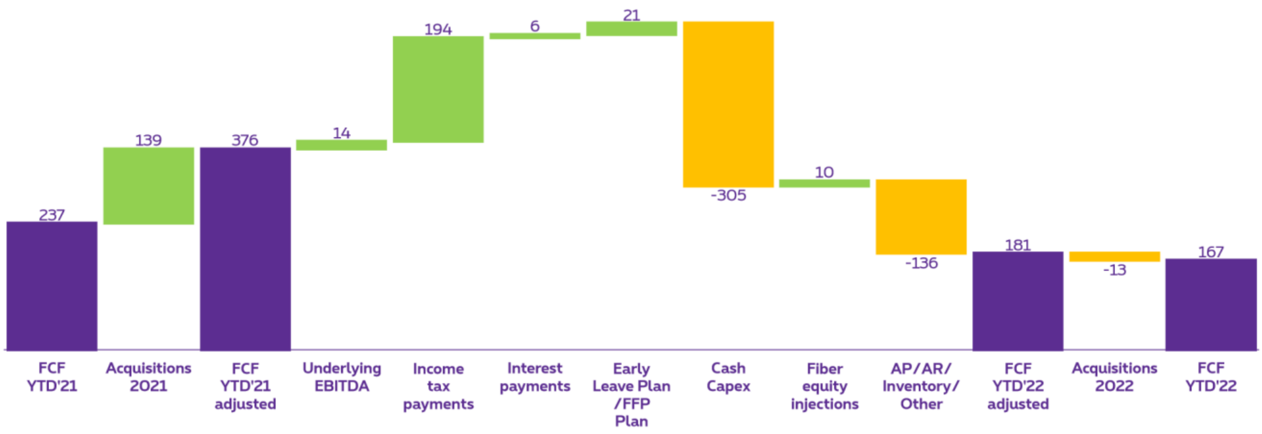
Free Cash Flow

The total FCF over the year 2022 totaled EUR 167 million, or EUR 181 million when adjusted for M&A-related transaction costs. The decrease from the comparable adjusted 2021 FCF of EUR 376 million (EUR 237 million reported FCF) mainly resulted from higher cash-out for Capex, increasing by EUR 305 million, following the higher Fiber investments and spectrum acquisitions, as well as an unfavorable year-on-year evolution of business working capital needs. This was in part offset by year-on-year lower income tax payments, cash-out for ongoing transformation plans and a lower amount of equity injections in the Fiber joint ventures Fiberklaar and Unifiber, the two entities created to deploy Fiber in the Flanders and Walloon regions, respectively.

€ **181M** adjusted FCF

Free Cash Flow evolution (€M)

(Management view reflecting the main components, sometimes in aggregate and may differ from the Consolidated Cash Flow statement)



Net financial position

At the end of December 2022, Proximus' adjusted net financial position was EUR 2,758 million (including re-measurements to fair value), keeping a very sound net debt/EBITDA ratio of 2.3X (S&P definition).

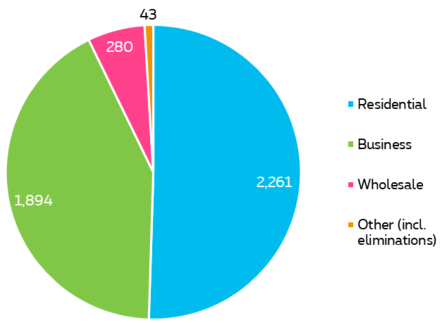
Evolution of Adjusted Net Financial Position (excl. lease liabilities) (€M)

* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt

- Domestic revenue of EUR 4,478 million in 2022, up by 2.2% from 2021.
- Domestically, Proximus maintained good commercial momentum supported by its different brands.
- Residential revenue over 2022 totaled EUR 2,261 million, up by 2.4%.
- Business revenue increased to EUR 1,894 million for 2022, a 1.7% growth from 2021.
- Wholesale revenue of EUR 280 million in 2022, a 2.1% decline compared to 2021, largely related to Interconnect revenue erosion, with no material margin impact.

3. Domestic

Domestic revenue by unit (underlying, €M)



For its Domestic operations, Proximus posted revenue of EUR 4,478 million in 2022, an increase of 2.2% or EUR 97 million from the year 2021. The Residential unit accounted for about 50% of the total Domestic revenue, the Enterprise unit 42% and the Wholesale segment 6%.

With Proximus deploying Fiber in 93 cities end-2022, the product superiority of Fiber becomes an increasingly relevant sales proposal for Proximus' Domestic market. Over the year 2022, the number of activated Fiber customers increased by an additional 106,000, comprised of a mix of Residential and Business, new customers and migrated copper customers. This compares to an increase of 62,000 activated Fiber customers in 2021. By end-2022 the Fiber customer base totaled 252,000

Residential revenue

Revenue generated by Proximus Residential customers totaled EUR 2,261 million over 2022, up by 2.4% or EUR 54 million compared to 2021.

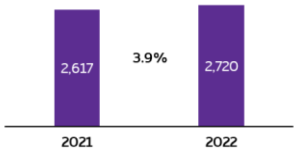
1,736,000
Fixed Internet customers
Up 34,000 in 2022

Through its three complementary brands that address the different needs of the residential market, Proximus continued in 2022 to its grow Internet and Mobile Postpaid base, while the Fixed Voice base further eroded as a consequence of the ongoing change in customer needs. In particular, convergent offers, combining Fixed and Mobile services, continued to do very well, supported by the success of Proximus' Flex offers. Besides a growing base, the residential revenue also benefitted from inflation-based price rises on a broad selection of Proximus services to mitigate the inflationary pressure on the company's' cost base.

When zooming-in on the Residential operational results, 2022 was especially successful for Mobile Postpaid, with the number of Mobile Postpaid cards for the year up by 103,000, in spite of intensified competitor promotions. Proximus' mobile growth was supported by Flex (addressing multi-mobile customers), the Scarlet and Mobile Vikings brand, as well as subscriptions combined with mobile devices. By end-December 2022, Proximus' Residential Mobile Postpaid base reached a total of 2,720,000 cards, up by 3.9% from end-2021.

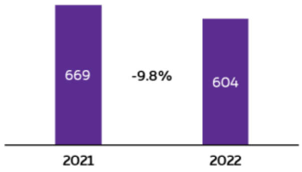
Postpaid cards ('000)

(2021 including Mobile Vikings)

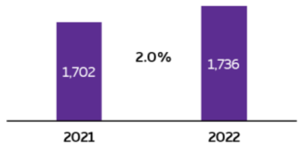


Prepaid cards ('000)

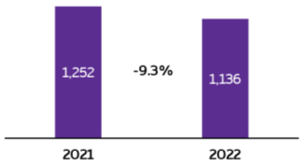
(2021 including Mobile Vikings)



Fixed Internet customers ('000)



Fixed Voice customers ('000)



Whereas the Mobile Prepaid base in 2021 benefitted from the inorganic support following the acquisition of Mobile Vikings, the Prepaid base returned to its inherent declining trend, stimulated by attractive mobile Postpaid offers. Proximus saw the Mobile Prepaid base shrink in 2022 by 65,000 cards, leading to a total number of Prepaid cards of 604,000 by end-December 2022.

Strongly supported by Proximus' expanding Fiber footprint, the Residential segment managed to maintain the growth of its Internet customer base at 34,000 in a competitive market and in spite of a softer post-Covid market growth. By end-2022, the Residential Internet base amounted to a total of 1,736,000, with a mix of customers on the historical copper network and a growing number of customers on the new Fiber technology.

The revenue generated by customers subscribing to Proximus' different product lines is referred to as Customer services revenue or **X-Play revenue**. For 2022, 79% of the total Residential revenue, i.e., **EUR 1,782 million was generated by Customer services (X-play)**, an increase of **2.7% or EUR 48 million compared to 2021**.
The overall ARPC for 2022 was up to EUR 52.5. The 1.0% increase from one year back is the net result of, on the one hand, a mathematical decrease in ARPC following an enlarged customer base with Mobile Vikings included and, on the other hand, an increase in ARPC as a result of the move of customers to convergent offers at higher ARPC, and the two inflation-based price adjustments

In the mix, **revenue from Convergent customers showed strong growth, up by 6.9% year-on-year reaching EUR 1,039 million**. In 2022, Proximus grew its convergent base by 52,000 customers, reaching a total of 1,048,000, up by 5.2% from 12 months back. The main growth driver of the Convergent revenue remained the strong increase in convergent 3-Play customers.

Proximus grew its convergent 3-Play base by 49,000 customers, reaching 422,000 customers by end-2022. This, combined with 3.9% growth in 3-Play ARPC to EUR 83.1 resulted in a 3-Play convergent revenue growth of 27.2% to a total of EUR 402 million.

In the first half of 2022, following the successful launch of new offers combining Mobile with Internet, the dual-play customer base turned to growth, with the addition of 30,000 customers.

The uptake of 2 and 3-Play convergent offers largely explains the steady downward trend in the number of 4-Play customers, down by 28,000 to a total base of 531,000 by end-2022, as well as the decrease in the Fixed -and Mobile postpaid-only customer bases. With the number of customers subscribing to Proximus' convergent offers rising, Proximus' base of Fixed-only customers decreased to 908,000 by end-2022. These customers generated in 2022, an ARPC of EUR 45.0, stable compared to the previous year. Similarly, the number of customers only having a Mobile subscription at Proximus came down further, to the benefit of Convergent packages. By end-2022, the Residential unit counted a Mobile postpaid-only base of 868,000 customers, Proximus, Scarlet and Mobile Viking brands combined, a year-on-year decrease of 1.6%. These Mobile-only customers generated an ARPC of EUR 22.9, nearly stable (down 0.4%) compared to the previous year.

In addition to the above-described revenue from Customer services, the Residential segment revenue also includes revenue from

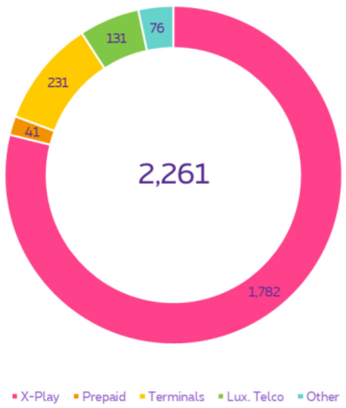
Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

For 2022, the total revenue from Terminals totaled EUR 231 million, up 1.4% or EUR 3 million above 2021.
Driven by the decrease in the Proximus Prepaid base, revenue from Mobile Prepaid continued its eroding trend, with revenues down to EUR 41 million for 2022.

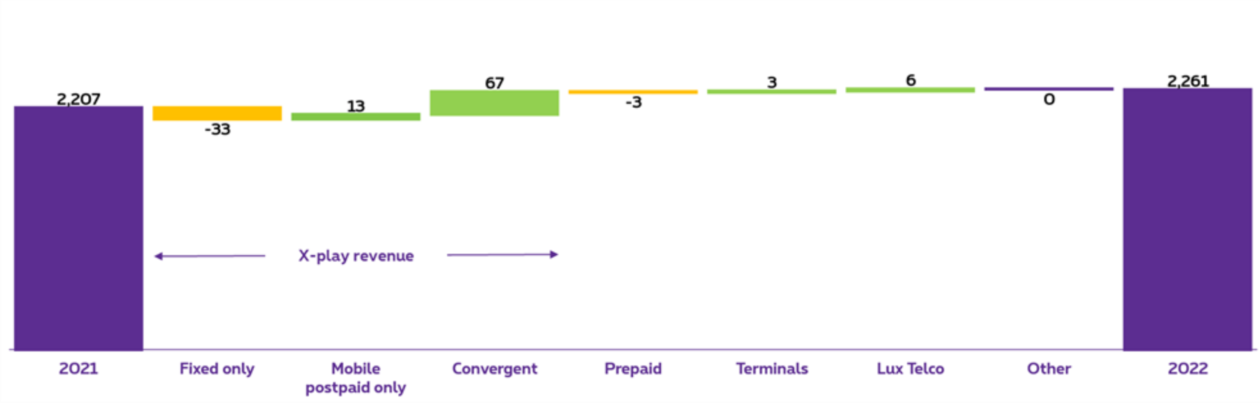
Proximus' Luxembourg telecom revenue came in strong over 2022 for the Residential side, up by 5.0% to EUR 131 million revenue, mainly resulting from a higher number of mobile and fixed subscriptions and an increase in mobile device sales.

Proximus Residential posted EUR 56 million in its Other revenue, a year-on-year stable amount.

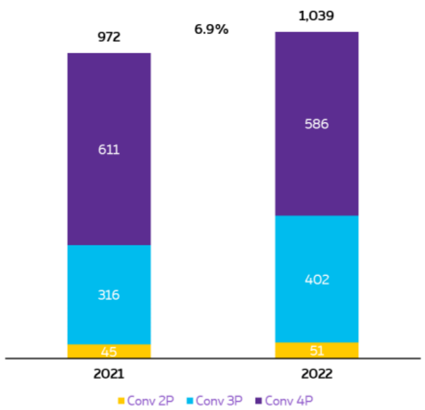
79% Residential revenue generated by X-Play Customers



Residential revenue build up (underlying, €M)



Convergent Revenue ('000)



Up 6.9%
Convergent revenue

Customer trend to move to 3-Play convergent offers drives strong increase in multi-mobile, while reducing Fixed Voice

Average revenue per Customer
€52.5

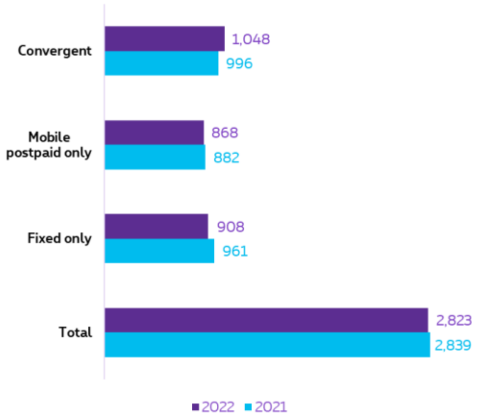
3-Play convergent ARPC
€83.1

Total Convergent customers
Up 5.2%

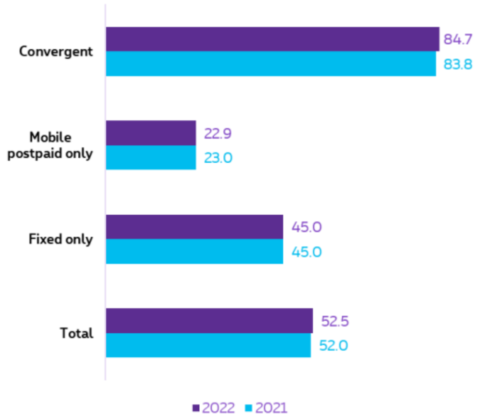
Convergence rate
64.4%

Average RGU
2.51

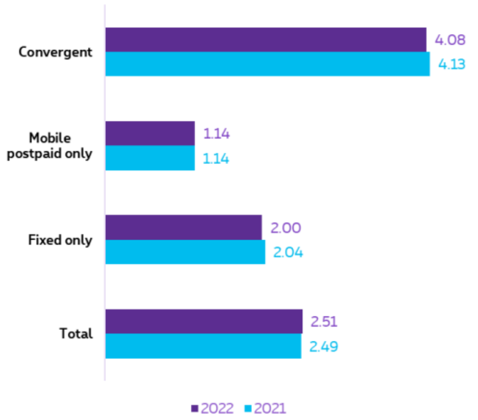
Customers per X-play ('000)



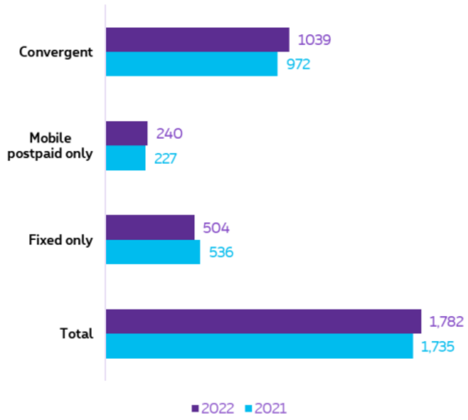
Average Revenue per Customer (€)



Average Revenue Generating Units per Customer



Customer Revenues (€M)



Business revenue

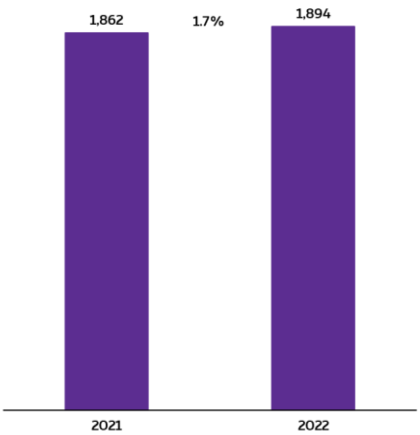
Proximus' Business segment increased its revenue to EUR 1,894 million for 2022, a 1.7% increase in growth compared to 2021. The business market remained a challenging competitive environment, whereby Proximus' Business unit is transforming into a convergent player.

The 2022 revenue from Services was slightly down by 0.6% on the previous year, with the growth in revenue from Fixed Data, IT and Mobile services to a large extent offsetting the ongoing erosion in Fixed Voice revenue.

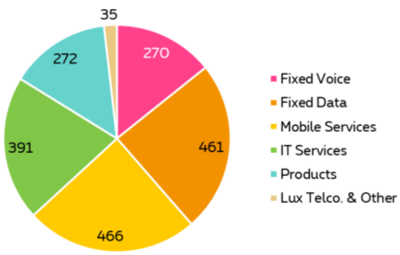
The 2021 non-structural revenue benefits in the context of Covid19, such as Proximus being a partner in Belgium's vaccination campaign, no longer contributed in any meaningful way in 2022.

Revenue from products was up strongly year-on-year, fully driven by IT equipment revenue, which benefited from a catch-up in previously delayed customer installations due to global chipset supply chain issues.

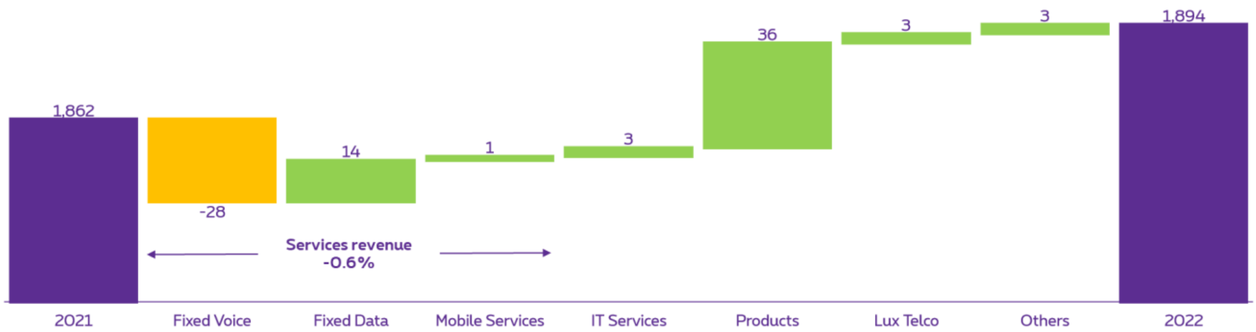
Revenue (€M)



Revenue per product (€M)



Revenue evolution per product group (underlying, €M)



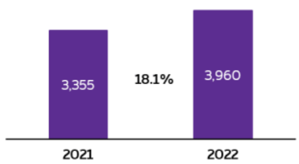
Mobile services

The Business Mobile service revenue for 2022 totaled EUR 466 million, representing a slight increase of 0.3% on 2021. Proximus continued its solid customer growth in Business Mobile, up by 51,000 Postpaid cards over the past twelve months or 2.9%. This brought the total to 1,797,000 cards, excluding M2M. The benefit from a growing base was nearly entirely offset by a lower mobile ARPU, down year on year by 3.0%, compared to 5.4% for the year before, and with the trend over the year 2022 visibly improving further following the returning Roaming revenue post-Covid.

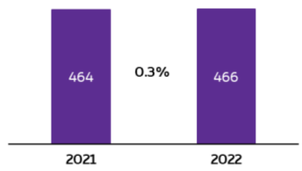
Mobile postpaid cards added (excluding M2M)
Up 51,000

The Business unit continued to grow its M2M park with an additional 606,000 M2M cards activated over the year, including the completion of a major smart metering project. At end-December 2022, Proximus M2M base totaled 3,960,000 M2M cards. This is an increase of 18.1% on the previous year.

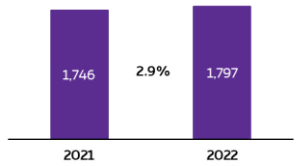
Machine-to-Machine cards ('000)



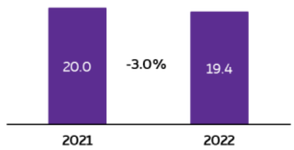
Mobile services revenue (€M)



Mobile postpaid cards ('000)



Mobile postpaid ARPU (€)



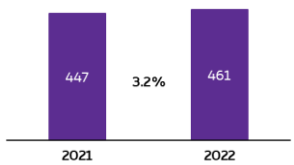
Fixed Data

The revenue from Fixed Data services continued its positive trajectory, up by 3.2% from the previous year, totaling EUR 461 million for 2022.

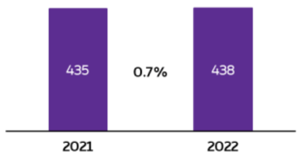
Within the Fixed Data revenue mix, the revenue growth was mainly driven by further improving revenue from Internet services. This was explained by a progressing Broadband ARPU, EUR 42.9 for 2022, up 3.5% on the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. Over 2022, the Business Internet base slightly progressed to 438,000, up by 0.7% compared to one year back.

Besides growing Internet revenue, Data connectivity revenue was up slightly year-on-year, due to a positive balance between eroding legacy and growing new data connectivity services, supported by Proximus' growing point-to-point fiber park.

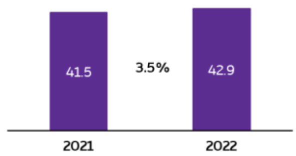
Fixed Data revenue (€M)



Fixed Internet subscriber base ('000)



Fixed Internet ARPU (€)



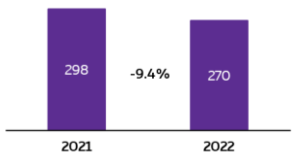
Fixed Voice

The Business segment posted EUR 270 million in Fixed Voice revenue for 2022, a year-on-year decline of 9.4%.

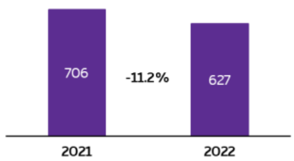
The cause of the Fixed Voice revenue erosion remains the decrease of the Fixed Voice park, down by -11.2% in 2022. Over the year, the Business Fixed Voice base decreased by 79,000 Fixed Voice lines, resulting in a total base of 627,000 by end-2022. This was driven by an ongoing rationalization by customers on Fixed-line connections, lower usage and technology migrations to VoIP.

In addition, the Fixed Voice ARPU returned to its inherent declining trend, facing competitive pressure and with the non-structural increase in Voice traffic related to Covid-19 vaccination centers no longer providing support. Helped by an inflation-based price indexation, the Fixed Voice ARPU decline was mitigated at -1.8% year-on-year.

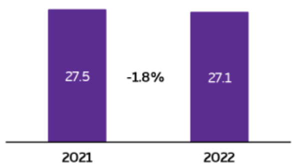
Fixed Voice revenue (€M)



Fixed Voice park ('000)



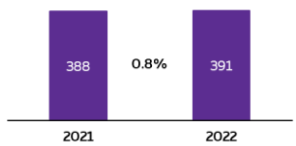
Fixed Voice ARPU (€)



IT Services

Proximus' Business unit posted for its IT Services revenue of EUR 391 million, up 0.8% compared to the previous year. High-value recurring services continued to grow, with especially good performance in Cloud and Security services, which was partially offset by lower one-shot services. The sequential growth in IT recurring services reflects the ongoing transformation of the Business unit into a convergent player, with focus on higher-margin next generation IT services.

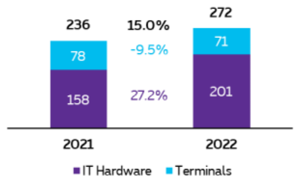
IT Services Revenue (€M)



Products

The revenue from Products for 2022 was up by EUR 36 million from 2021, or +15.0%. Whereas revenue from Mobile Terminals was down year-on-year by -9.5%, IT hardware revenue increased by +27.2%, with especially the second half of 2022 starting to benefit from a catch-up on some previously delayed product contracts following the difficult worldwide chip supply chain situation.

Products Revenue (€M)



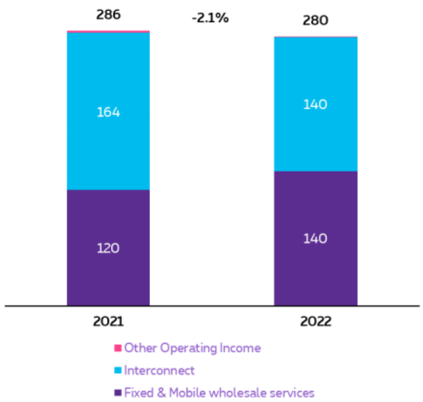
Wholesale revenue

For its Wholesale operations, Proximus posted EUR 280 million revenue in 2022, down 2.1% or EUR 6 million on 2021.

The decline in revenue is entirely due to the EUR 24 million drop in Interconnect revenue, with no material margin impact. Part of this reflects the EU regulation which lowered the Fixed & Mobile Termination rates as of 1 July 2021, and again on 1 January 2022. The largest part, however, is the result of an ongoing decrease in traditional SMS usage, being replaced by over-the-top applications.

Revenue generated by Fixed and Mobile wholesale services was up by 16.5%, totaling EUR 140 million. This includes higher revenue from wholesale Mobile services as result of an increased number of MVNO customers on Proximus' open network, with post-covid travel driving higher roaming revenue and increasing revenue from services towards Mwingz and Proximus' Fiber Joint Ventures.

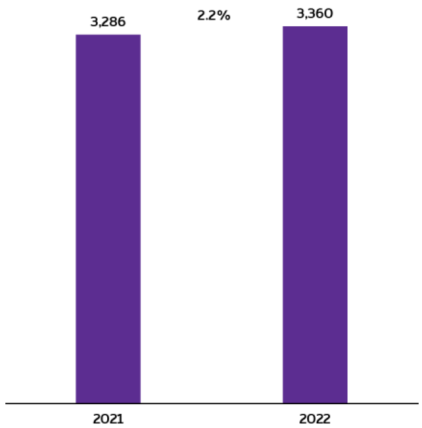
Revenue (€M)



Domestic Direct Margin

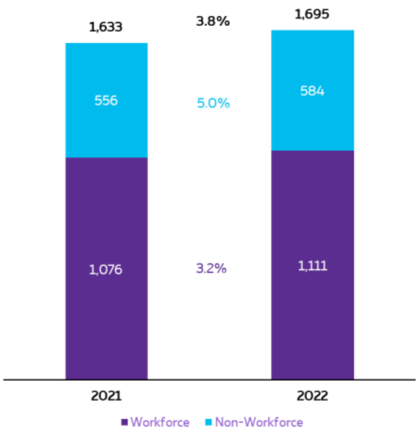
Proximus' Domestic operations posted a direct margin of EUR 3,360 million, up 2.2% or EUR 74 million on the previous year. Among other things, this reflected, the solid customer growth for Proximus' main services, including Internet and Mobile, and was strongly supported by inflation-based price increases. Moreover, year-on-year, the first five months of 2022 benefited from the inorganic contribution from Mobile Vikings. Additionally, in the second quarter of 2022, all of Mobile Vikings mobile customers migrated to the Proximus Mobile network, which activated a material cost synergy.

Domestic direct margin (underlying, €M)



Domestic OPEX

Domestic operating expenses (underlying, €M)



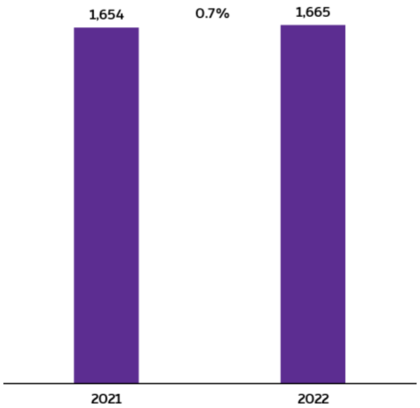
The **Domestic operating costs were up by 3.8% to EUR 1,695 million**. The increase from 2021 includes a significant inflationary impact on the Domestic cost base, as well as higher costs to support the customer growth, especially for Fiber, and an increase in transformational costs. This was in part offset by the company's ongoing cost-efficient program, which delivered a total of EUR 230 million in savings over the 2020-2022 three-year period.

The **Domestic workforce expenses totaled EUR 1,111 million for 2022, an increase of 3.2%** on the year before. This was driven to a high degree by the automatic adjustment of wages to inflation with, for 2022, a total of five inflation-based salary indexations[2] of 2% each. This was partly compensated by a lower headcount. End-2022, Proximus' Domestic headcount came to 10,427 FTEs, a decrease of 151 FTEs compared to 10,577 FTEs end-2021 as a result of natural outflow and retirement offsetting new hiring.

The Domestic **non-workforce expenses were up by 5.0%** for 2022, including inflationary impacts on the company's energy cost. Following a nearly full hedging of electricity at an advantageous average price, the year-on-year rise in 2022 energy costs was well contained.

Domestic EBITDA

Domestic EBITDA (underlying, €M)



The **Domestic segment** of Proximus posted EUR 1,665 million EBITDA, a year-on-year increase of 0.7%.

This resulted from the higher Direct Margin, up by 2.2%, in part offset by the higher cost base. The Domestic EBITDA margin as percentage of revenue was slightly down by 0.6 pp on the previous year, reaching 37.2% for 2022.

2 Public wages in Belgium were automatically adjusted to the higher cost of living on 1 February 2022, 1 April 2022, 1 June 2022, 1 September and 1 December 2022, with a 2% increase in each instance.

4. BICS

Revenue

The BICS revenue for 2022 amounted to EUR 1,132 million, a year-on-year revenue increase of 13.3%. Within the mix, BICS Telecom customers generated a total revenue of EUR 884 million, an increase of 8.2% on the previous year. Revenue from international enterprise customers is the fastest growing part, up year-on-year by 36.2% to a total of EUR 249 million.

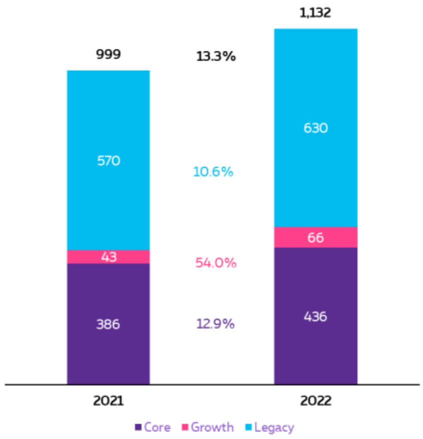
The growth in revenue was driven by all three product groups: Core, Growth and Legacy.

Revenue from BICS Core services (messaging, mobility, and infrastructure), was up on the previous year by 12.9% or EUR 50 million. The year-on-year growth resulted from strong Messaging revenue driven by high A2P volumes combined with a favorable destination mix for 2022. Moreover, Mobile Services were supported by international travel returning to normal.

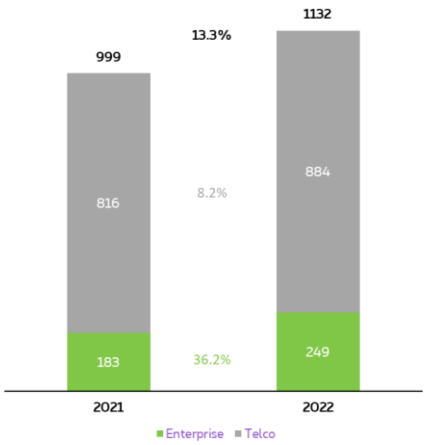
For BICS' Growth services: cloud communication, IoT and fraud prevention services, a total revenue of EUR 66 million was posted. The 54.0% increase on 2021 was the result of strong traction for cloud communication, specifically, in cloud-based voice services for a number of leading digital enterprises.

For its Legacy services, mainly Voice services, BICS focused on growing its volume and preserving margins. While in a declining market, BICS legacy services totaled EUR 630 million, up by 10.6%. This is explained by a favorable destination mix and stronger USD, with the latter compensated in CoGS, hence neutral on direct margin.

Revenue by product group (€M)



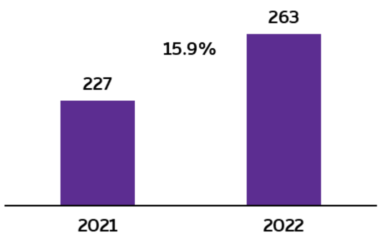
Revenue by customer segment (€M)



Direct margin

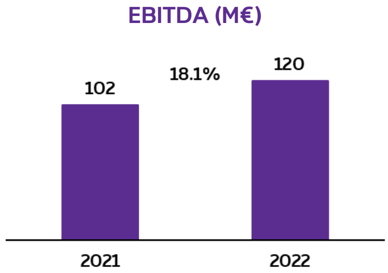
For 2022, BICS posted a direct margin of EUR 263 million, up 15.9% on 2021. BICS' business was strongly supported by the post- Covid-19 related global travel uplift which benefitted Mobility services.

Direct margin (€M)



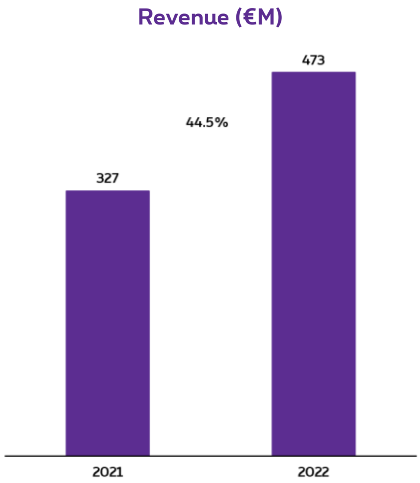
EBITDA

BICS' 2022 EBITDA amounted to EUR 120 million, +18.1% compared to previous year following a strong growth in Direct Margin, partly offset by higher operating expenses. This included some non-structural costs for a total of EUR 4 million, on top of higher energy and wage costs. The inflationary effects were in part compensated by effective cost control. The EBITDA margin as a percentage of revenue was slightly up to 10.6%, +0.4 p.p.



5. Telesign

Revenue

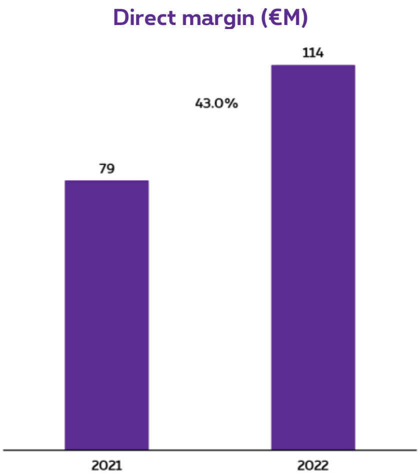


Telesign posted strong revenue growth over 2022, increasing year-on-year by 44.5% to a total of EUR 473 million, reflecting strong performance of the Communications business and an acceleration of new business in Digital Identity. The year-on-year comparison was also favorably impacted by currency movements. On a constant currency basis[3], the Telesign revenue was up by 29.9%. The net revenue retention (NRR) improved to 130%, compared to 123% one year back.

Communications revenue grew by double digits year on year, driven by volume growth in several large multi-vendor customers and price increases in specific markets passed to end customers.

Digital Identity revenue also grew by double digits year on year, reflecting strong volume growth from key customers, new use cases and new customer gains.

Direct Margin

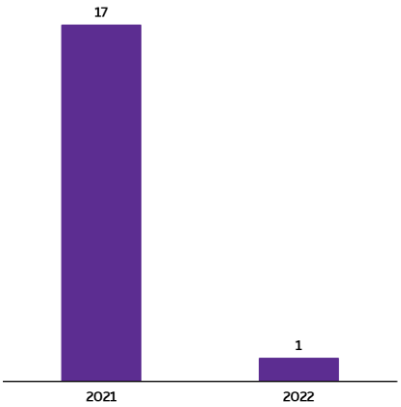


Telesign's 2022 direct margin was up by 43.0% year-on-year to EUR 114 million, reflecting strong performance in both Communications and Digital identity segments, and including a strong tailwind from currency effects. On a constant currency basis, Telesign's direct margin was up year-on-year by 13.5%.

[3] Provides a view of the business performance, filtering out the currency effects by using a constant currency.

EBITDA

EBITDA (€M)



Following the anticipated headcount investments to support Telesign's growth ambitions in Telesign's go-to-market and R&D organization, operating expenses increased by EUR 50 million year-on-year, to a total of EUR 112 million for 2022.

These investments in Telesign's growth strategy were reflected in its EBITDA, totaling EUR 1 million for 2022, a decrease of EUR 16 million compared with a year ago.

6. Definitions

A2P: Application to Person messages

Adjusted Net Financial Position: refers to the total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives and excluding lease liabilities

ARPC: Average underlying revenue per (residential) customer.

Adjusted Free Cash Flow: adjusted for M&A transactions related cash effects.

Annualized full churn rate of X-play: a cancellation of a customer is only taken into account when the customer cancels all their plays.

ARPU: Average Revenue per Unit.

BICS: 100% subsidiary of Proximus. Global voice carrier and leading provider of mobile data services worldwide. Providing global mobile connectivity, seamless roaming experiences, fraud prevention and authentication, global messaging and the Internet of Things.

- BICS legacy: represents mainly voice services.
- BICS core: represents messaging, mobility (roaming, signaling & Mobile IP) and infrastructure services.
- BICS growth: represents cloud communication enablement, SIM for things (travel SIM & IOT services) and fraud services.

Business: unit addressing the professional market including Corporates, Medium and Small Enterprises (including businesses with fewer than 10 employees).

CAPEX: this corresponds to the acquisitions of intangible assets and property, plant and equipment, excluding Right of Use assets (leasing).

Convergence rate: convergent residential customers taking both Fixed and Mobile services of Proximus. The convergence rate refers to the percentage of convergent customers on the total of multi-play customers.

Cost of Sales: the costs of materials and charges related to revenues.

Direct margin: the result of cost of sales subtracted from the revenues, expressed as an absolute value or as a percentage of revenues.

Domestic: segment defined as the Proximus Group excluding BICS, Telesign and Eliminations.

EBITDA: Earnings Before Interest, Taxes, Depreciations and Amortization; corresponds to Revenue minus Cost of sales, workforce and non-workforce expenses.

Adjustments (Revenue/EBITDA):

- The IFRS16-related reclassification of lease depreciation and interest in the Operating Expenses.
- Transformation: costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(*) one-shot projects (such as rebranding costs).
- Acquisitions, mergers and disposals: gains and losses on the disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price.
- Litigation/regulation: Material (*) financial impact of litigation files, fines and penalties, and of law changes (one-off impacts relative to previous years).

(*) The materiality threshold is met when individually exceeding EUR 5 million. No threshold is used for adjustments in a subsequent quarter if the threshold was met in a previous quarter.

EBIT: Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciations and amortizations.

Fixed Data Services (Business): Total revenues from Fixed Data, consisting of Broadband, Data Connectivity (including Explore solutions and SD-WAN) and TV.

Fixed Voice park: PSTN, ISDN and IP lines. For Business specifically, this also contains the number of Business Trunking lines (solution for the integration of Voice and Data traffic on one single Data network).

Fixed Voice Services (Business): Total revenues from Fixed Voice access lines and traffic, as well as fixed telephony systems installed at customer premises or serviced from the cloud.

Free Cash Flow: this is cash flow before financing activities but after lease payments as of 2019.

Internet ARPU (Business): total Internet underlying revenue, excluding activation and installation fees, divided by the average number of Internet lines for the period considered, divided by the number of months in that same period.

Internet park: ADSL, VDSL and Fiber lines. For Residential, this also includes Scarlet and Mobile Vikings.

IT Services revenue (Business): Information Technology (IT) Services, including Managed, Integration and Consultative services, which enable users to access, store, transmit, and manipulate information, with the help of unified communications and computers, as well as necessary enterprise software, middleware, storage and audio-visual systems. Proximus' IT solutions include, but are not limited to, Security, Cloud, Smart Network, Advanced Workplace and Smart Mobility solutions. It also includes recurring equipment sales to support these services.

IT Products revenue (Business): Revenues from one-shot IT products (boxes, hardware) or one-shot licenses, with change of ownership to the customer.

Mobile ARPU (Business): monthly ARPU is equal to total Mobile services revenues (excl. M2M & network services), divided by the average number of active cards for that period, divided by the number of months of that same period.

Mobile cards: refers to active Voice and Data cards, excluding free Data cards. Postpaid customers paying a monthly subscription are active by default. Prepaid customers are considered active when having made or received at least one call and/or sent or received at least one SMS message in the last three months. An M2M card is considered active if at least one Data connection has been made in the last month.

Mobile-only (Residential): Refers to Mobile Postpaid whereby no other recurring subscriptions are bought. Mobile Prepaid is not included in the Customer services revenue but reported separately.

Mobile Services revenue (Business): Total revenues from Mobile Services including traditional mobile services, using the mobile network connectivity, as well as IoT (including M2M) and Next Generation Communication (including network services as well as new innovative solutions).

Multi-play customer: two or more Plays, not necessarily in a Pack.

Net Financial Position: refers to the total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives.

Network Services (Business): focuses on optimizing the interaction between Enterprise customers and their stakeholders, for which revenues are independent from the number of Postpaid cards.

Non-workforce expenses: all operating expenses excluding workforce expenses and excluding depreciation and amortization.

Net Revenue Retention rate (NRR): success indicator of the existing customer base, calculating the percentage of recurring revenue retained from existing customers compared to 12 months previously.

Other Operating Income: this relates to income, for example, from reimbursements from damages, employees, insurances, gain on disposal, etc.

Luxembourg Telco: including fixed & mobile services, terminals etc.

Play: a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards). A 4-Play customer subscribes to all four services.

Reported Revenues: this corresponds to the TOTAL INCOME.

Residential: unit addressing the residential market, including the Customer Operations Unit.

Revenue-Generating Unit (RGU): for example, a customer with Fixed Internet and 2 Mobile Postpaid cards is considered a 2-Play customer with 3 RGUs.

Terminals: this corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

Underlying: refers to Revenue and EBITDA (Total Income and Operating Income before Depreciation and Amortization) corrected for the EBITDA Adjustments in order to properly assess the ongoing business performance.

Wholesale: unit addressing the telecom wholesale market including other telecom operators (incl. MVNOs) and ISPs.

Wholesale fixed & mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect).

Wholesale Interconnect is the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fix voice, mobile voice and mobile SMS/MMS services.

Workforce expenses: expenses related to own employees (personnel expenses and pensions) as well as to external employees.

X-Play: the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

Risk Management Report

The Group has adopted a risk philosophy that is aimed at maximizing value for our stakeholders by effectively balancing risk and reward. Our goal is not only to safeguard the Group's assets and financial strength but also to protect Proximus' reputation by allowing risks to be taken in a controlled manner.
Proximus has implemented a risk management methodology that follows ISO 31000 – Risk Management Guidelines and integrates adapted processes, techniques, and tools to identify, assess and manage in due time, risks and opportunities in various domains.
Financial risk management objectives and policies are reported in Note 32 of the consolidated financial statements, published on the Proximus website. Risks related to important ongoing claims and judicial procedures are reported in Note 34 of these statements.
The enterprise, financial and ESG (including climate) risks are detailed below, together with the related mitigating factors and control measures. However, this is not an exhaustive analysis of all potential risks that Proximus may face.

Enterprise-wide risks

Proximus Group's Enterprise Risk Management (ERM) is a structured and consistent framework for assessing, responding to and reporting on risks that could affect the achievement of Proximus' strategic objectives. The ERM covers the range of business risks (potential adverse events) and uncertainties that Proximus could encounter. It seeks to maximize value for shareholders by assessing emerging risks and developing mitigating strategies in line with the Proximus Group's risk tolerance. This risk assessment and evaluation is an integral part of Proximus' annual strategic planning cycle. All relevant risks and opportunities are prioritized in terms of impact and likelihood, considering quantitative and/or qualitative aspects. The bottom-up identification and prioritization process is supported by desk research, surveys among management and experts, as well as validation workshops. The resulting report on major risks and uncertainties is then reviewed by the Leadership Squad, the CEO and the Audit and Compliance Committee. The main findings are communicated to the Board of Directors. Among the risks identified by the latest ERM exercise, the following risk categories were prioritized (in the following order):

- Monetization of fiber investments
- Inflation
- Competitive market dynamics
- Talent attraction and retention, new ways of working and engagement
- Business model and servicing evolution

Monetization of fiber investments

During the past years, Proximus has launched the deployment of an open, non-discriminatory, and performant fiber network for residential and enterprise customers. This is of major importance for Proximus and while we are confident that this strategy provides the right answer to the increasing need for reliable, fast, and low-latency connectivity in Belgium, it can't be excluded that part of our initiatives do not achieve the expected benefits or lead to lower revenues or profitability than anticipated.
In light of the superiority of the fiber technology and its lower cost to operate, the larger the footprint, the better the business perspectives for Proximus. In collaboration with partners, Proximus aims to deploy fiber in 95% of Belgium by 2032, to:

- Support current and future customer connectivity needs
- Retain and grow current retail market shares across residential and enterprise customers and enable ARPU uplift
- Attract new wholesale market opportunities
- Simplify our operating model and reduce operational costs, by stopping to sell copper as soon as fiber is available and ultimately phasing out copper at the latest five years after fiber deployment

This fiber strategy is endorsed by our stakeholders and by the market and is in line with the network strategies observed in most countries.
However, we face risks to monetize our investments in the short term.
Firstly, there is an operational risk related to a smooth migration of Proximus customers and other licensed operators' customers to fiber, while ensuring best-in-class customer experience to avoid migration churn. Proximus management is monitoring the fiber migration customer effort and fiber customer experience closely and taking corrective actions, among others through dedicated Fiber Migration and In-Home Experience agile teams.
Secondly, pressure on market prices, might make price tiering and upselling more difficult. (see below "competitive market dynamics")

Thirdly, although Proximus is the only player rolling out FTTH at large scale in Belgium today, plans from competitors and utility companies (e.g., Fluvius) to roll-out competing FTTH networks could reduce the profitability of Proximus investments, reduce wholesale prices in the market and impact Proximus retail prices for fiber products.
Beyond city centers, construction costs rapidly increase making the duplication of fiber networks economically challenging. Proximus has joined forces with two experienced industrial and financial Partners (EQT Infrastructure and Eurofiber) to accelerate and expand the fiber rollout in less dense areas to be the first to provide fiber technology. Let's also re-iterate that Proximus fiber network will be fully open and non-discriminatory with the ability to co-use fiber assets with competition and maximize the network utilization.
Fourthly, scaling the number of fiber activations & roll-out can be challenging in a tight labor market. Not finding the right talent to scale up our deployment capacity could lead to delays in roll-out and activations, which could have an impact of the timing of the benefits and the cost of roll-out. Proximus and its partners are taking several measures to mitigate this risk: transfer resources from copper to fiber, increase capacity via outsourcing partners and by upskilling our existing employees, structurally reducing the workload via self-install and flattening out seasonality via pro-active migrations.
Inflation impact has also an impact on the fiber business case, but this risk is addressed in the next challenge.

Inflation

With an unprecedented socio-economic context and inflation levels rates unseen in decades, Proximus rising costs need to be balanced with strong commercial results, price increases and additional efficiencies.

The unique Belgian system of automatic salary indexation to protect employees' purchasing power, and Proximus obligation to index as soon as the pivotal index is reached, led to five salary indexations of 2% in 2022.
Proximus is countering the impact of inflation via price indexations and cost reduction programs.

Long-term relationships with suppliers, contract protections, advanced ordering and multi-sourcing allow to limit the inflationary pressure. The exposure to rising energy cost for 2022 was quite limited. And for 2023, the price for more than 90% of energy needs is already locked.

Proximus committed to an ambitious +€400 Mio gross cost saving program and is looking at ways to increase and accelerate the savings realization without negative impact or even positive impact on customer experience, e.g., through digital adoption. Inability to deliver additional cost efficiencies would reduce profitability.
Should Proximus' brand power not be strong enough, the inability to compensate part of the cost increase through targeted price increases would weigh on margins. Strong commercial results in 2022 and increasing NPS, expected to be further boosted by fiber take-up, are reassuring signs for our future pricing power.

The economic climate could further deteriorate leading to declining spending of customers in both the Consumer and Business market and higher bad debt. Churn and bad debt evolutions are followed up very closely by management, with no worrying evolutions noted so far. Meanwhile payment facilities are offered to struggling customers.

Competitive market dynamics

The Belgian market is an evolving market with changing competitive dynamics that might impact market value going forward. Proximus has demonstrated its ability to adapt to changing market conditions in the past. Failure to continue to adapt and mitigate the impact of a changing market structure and pricing dynamics could significantly impact Proximus domestic EBITDA. It is critical for Proximus to maintain its brand strength and the resulting ability to index prices to compensate for cost increases and to monetize investments.

Proximus' Belgian connectivity revenues are at risk from increased competition particularly in Wallonia & Brussels where Proximus has a large market share. Orange Belgium has signed an agreement to acquire a majority stake in VOO, as part of its convergence strategy and growth ambition. Synergies are expected among others from the transfer of VOO's MVNO business to Orange Belgium's network. The pooling of the companies' skills and the backing of the Orange Group are expected to impact market dynamics.

After a preliminary investigation, the European Commission has opened an in-depth investigation in July of 2022 to assess the proposed acquisition. Telenet and Orange signed two commercial wholesale agreements, providing access to each other's HFC and FTTH networks for a 15-year period, leading to increased convergent competition across the country.

Following the spectrum auction with the conditions favoring a new entrant, Citymesh and DIGI joined forces to acquire spectrum and set up a joint venture for the network company that will allow them to address business and private individuals respectively. DIGI announced a likely commercial start in 2024. Should Telenet sign a wholesale deal with DIGI/Citymesh, it would speed up market access for DIGI/Citymesh and this to the detriment of Proximus and Orange's shared network. DIGI could potentially push prices down and put pressure on Proximus' mobile pricing model.

To reinforce its fixed network position, Proximus is deploying fiber massively, both in standalone and through partners. This superior technology versus cable will help to mitigate the churn risk, reduce exposure to price disruption and maintain pricing power. Proximus has also been consistently improving its multi-play value propositions, and structurally improving customer experience and customer service, translating in significant NPS gains and reduced churn.

By sharing parts of the mobile network infrastructure with Orange, Proximus benefits from efficiencies in network operations and ensures sustainable investments in new network technologies. Proximus aims for 100% 5G coverage by 2025. Keen on providing the best mobile experience to its customers, Proximus has kept full control of its core network and spectrum assets. Proximus managed to secure more spectrum, in all bands, than other mobile players during the spectrum auctions of 2022. This strength mitigates the churn and pricing risk for Proximus as it allows Proximus to differentiate and guarantee a superior mobile experience for the next 20 years.

On top of leading both in fixed and mobile, the multi-brand strategy of Proximus contributes to the risk mitigation. Scarlet and Mobile Vikings have respectively a very strong NPS on the fixed and mobile markets and a convergent offer complementary to the Proximus brand offer. Scarlet addresses the price-sensitive segment and Mobile Vikings offers attractively priced mobile and Internet to young-at-heart digital-savvy customers.

To meet the objective of 100% population 5G coverage by 2025, Proximus must ramp up the replacement of 4500 Radio Access Network (RAN) with respect of the quality standards. Next to unexpected extra costs of maintaining the legacy network and upgrading it to meet capacity demands, significant delays could weaken Proximus' mobile leadership position. Proximus closely monitors and follows up on the progress with its partners and suppliers.

On the domestic B2B market, Citymesh, as part of European IT company Cegeka, is looking to monetize its network assets. In 2021 Citymesh acquired Engie's IoT network and in 2022 they acquired mobile spectrum through the above-mentioned joint venture with DIGI. NRB also acquired mobile spectrum during the 2022 auctions. This adds to an already cluttered ICT competitive landscape and could impact Proximus strong telecom position and growth prospects in ICT. Proximus' mitigation plan is built around convergent ICT solutions/value proposals, mobile leadership and a differentiated offering around Mobile Private Network.

The drivers of the above risks are mainly beyond Proximus' control, mitigating measures are mainly targeted at limiting the impact. While we are confident about our ability to compete against a possible increase of competition, the risk remains high overall for Proximus, with a potential impact on both Proximus' top line and bottom line.

Talent attraction and retention, new ways of working and engagement

Several organizational areas could impact Proximus's group ability to execute its strategic objectives and deliver services & products to its customers: 1) Talent 2) Organizational agility 3) Employee engagement.

Failure to recruit, sustainably employ and engage a talented workforce could impact Proximus competitiveness and make it more difficult to reach its strategic goals. The Belgian labor market is currently under pressure, with an historically low unemployment rate especially in the north of the country in which the war for talent is more intense than ever with difficulties to recruit a broad range of profiles.

To mitigate the risk on talent shortage, Proximus is focusing on training programs and internal mobility. We invest extensively to give our employees the opportunity to continuously upskill and develop, particularly in the digital field, in fiber and in new ways of working (agile). We do this to ensure that we have the right skills in- house to shape the digital economy and society of the future, to support the transformation of the organization, and to guarantee the employability of our employees. For example, we set up a tailored approach with programs and campaigns for all employees to create awareness and understanding of the impact of digital transformation, to raise digital savviness and to stimulate the adoption of the agile way of working. We also offer challenging and ambitious learning tracks to upskill in fields that are critical for employees to stay relevant in their job.

Thanks to our focus on internal mobility, 1324 employees changed jobs internally in 2022. With the growing importance of our international activities, we are now also able to offer international opportunities.

On top of training programs & internal mobility, we invest in our image as a top employer as illustrated with our "Think Possible with us" campaign in 2022 and targeted campaigns, notably for fiber jobs. An employee referral program has also been initiated in 2022. Our newly created Proximus Ada subsidiary helps us grow our talent pool in Data Science/AI and cybersecurity. We also leverage our strong ties with external partners to source the skills we need and develop new sourcing pools, for example with direct sourcing of freelancers.

On organizational agility, if our should not be successful, it could lead to a reduction of Proximus' competitiveness. Next to our continuous focus on change management, we support the agile transformation and the adoption of the agile way of working through dedicated trainings, thorough internal communication and the daily support of agile coaches and scrum masters.

To boost employee engagement, our Think Possible company culture stimulates empowerment and customer-centricity, whilst striving for a positive work-life balance. We also offer our employees a coherent set of user-friendly and secure digital tools that can be used on any device, along with appropriate change management, allowing more flexibility and hybrid ways of working. Diversity, equity and inclusion policies and initiatives further contribute to the employees' well-being and sense of belonging (see "Social statement" p. 160).

Business model and servicing evolution

Proximus domestic financial performance could be impacted by disruptive technologies and new business models. Should Proximus not be able to adapt fast and well enough, it would impact market shares and profitability.

Proximus' business model has been and continues to be impacted by disruptive technologies, such as over-the-top (OTT) services, software-defined networks, artificial intelligence, quantum computing, etc. Through our investments in the best fiber+5G gigabit network, our innovations with local and world-leading partners, our IT transformation to become legacy-free, our digital transformation and our agile operating model, we can respond in an adequate and timely way.

Proximus also continues to develop the capacity to support business customers in their digital transformation, including through proactive migrations to next-gen solutions. (=>refer to strategy chapter for more info).

Additionally, we develop new revenue streams in domestic digital services and ICT and in other geographies in the software space through BICS and Telesign, seizing opportunities brought by technology disruptions.

Next to our own customer dialogue, research and surveys, we actively participate in sector initiatives nationally and internationally to keep up to date with the latest innovations.

On the service side, complementary to in-depth IT transformation to address structural issues, our agile operating model, design-thinking methodologies and digital transformation allows us to react quickly, test and learn and scale-up compelling features improving the customer experience.

BICS

Covid-19 – While travel restrictions have been levied in many regions, the consequences of the Coronavirus (COVID-19) pandemic are continuing to be felt in some markets, such as Asia, with no indication of imminent changes. Covid-19 has accelerated the disruption of traditional communications, through the adoption of new voice communications and collaboration technologies. This is impacting the volume of business from our traditional Mobile Network Operators customer segment. BICS manages to hedge the negative impacts of the pandemic, thanks to the progressive digitalization of its offering and its growing sales efforts towards new cloud communication service providers and enterprises (+22% revenue in 2022) complemented by its strong recovery in other markets, regions.

Macro-economic - The Company's financial performance can be impacted by current and future economic conditions outside its control, such as energy cost increase, inflation and its impacts on wage indexation, foreign currency fluctuations. To limit effects of inflation, BICS implements a strict cost control discipline and cost reduction programs. Inflation may even have positive effect on our business, to the extend it stimulates Mobile Network Operators to reduce their expenses by outsourcing some of their legacy activities such as Voice and or Roaming operations to BICS (e.g. the Ooredoo Group, who outsourced in 2022 the management of its whole international voice business to BICS). The foreign currency risk is under control through the natural hedge between currencies used in our trading (buying/selling) activities. The recession may also increase the number of bad debts; we mitigate this risk through in and out-payment balancing (we buy and sell from the same company) and strict credit risk management.

Geopolitical - Russia's invasion of Ukraine has a very limited impact on our revenue. We are fully compliant to the international sanctions on Russia, which resulted in a very limited number of customers disconnections. In case further sanctions are applied, we only expect minimal impact. It may have a bigger impact on our operations, considering that some support activities are being performed by local companies. BICS priority is to remain very close to and supportive of our Ukrainian colleagues, while preparing a possible hand-over to a safer place, should the situation deteriorate drastically.

Competition, technology - BICS operates in a fast-changing technology (5G, over-the-top omnichannel messaging, etc …) and very competitive environment, putting its business model under constant challenge. BICS adapts to this environment by upgrading its offer to latest technology (e.g., BICS run the first world 5G stand-alone roaming call), by addressing new customer segments (enterprises) and by investing in new growth domains (such as IoT, Security, Data Intelligence, etc …). Those investments are made possible by cost reduction initiatives in the legacy and core business (automation, customer tiering, etc…) and will be supported through inorganic market consolidation / diversification projects.

Regulatory compliance – BICS business is subjects to laws and regulation in many aspects of its business (telecommunication law, GDPR, competition rules). The Company consistently monitor rules changes which may affect its business and maintains strict compliance rules and control.

Telesign

Telesign is one of the leading players at the intersection of complementary markets where it prevents and protects business from fraudulent and malicious activity, authenticates users and provides controlled access across applications based on the user's account and delivers reliable, secure messaging and voice via an API. Today, Telesign supports 8 of the 10 world's largest digital enterprises and, as it consistently grows its customer base, it continues to successfully expand its existing customers' adoption of its platform.

Telesign operates in a highly dynamic industry and its operating results and rates of growth could vary significantly in the future based upon a number of factors, including some over which Telesign has little or no control. The digital identity and secure programmable communications markets are intensely competitive, and Telesign expects competition to increase in the future from established competitors and new market entrants.

If Telesign or its third-party service providers experience a data security breach or network incident that allows, or is perceived to allow, unauthorized access to Telesign's solutions or Telesign's customers' personal data, it could lead to negative publicity and Telesign's reputation, business, financial condition, and results of operations could be adversely affected. Additionally, it could lead to enforcement actions, litigation, regulatory or governmental audits, investigations, inquiries and possible significant liability, and increased requests by individuals regarding their personal data.

Telesign relies on data acquired from third parties, such as carriers and data providers, to build its models, and design and improve its products. If there's a substantial increase in the cost of data acquisition, Telesign may not be able to pass that cost increase on to its customers. That would result in reduced profit margin for Telesign. Additionally, Telesign has no direct control over the data quality it acquires from its suppliers which are needed to provide its digital identity services. If the data quality it acquires deteriorates over time, Telesign's coverage may decrease and become irrelevant for the customer.

Environmental risk and climate change

Climate change has become an important topic for companies due to the growing awareness of global warming.

The Group Corporate Affairs division, responsible for legal, regulatory, public affairs, internal audit and risk management, compliance, group communications, reputation and sustainability, and security governance & investigations, closely follows the evolution of regional, national, EU and worldwide climate related guidelines, directives, standards, and laws.

In 2022, Proximus started integrating climate risk structurally into the Enterprise Risk Management (ERM) processes and conducting a separate climate risk process in the years when the ERM exercise is not taking place.

Proximus has a clear strategy to reduce CO_2 emissions and has put in place a scientifically validated action plan developed based on the new 'Net Zero' standard of Science Based Targets to achieve net zero greenhouse gas emissions by 2040.

Though implementing actions to mitigate climate change is essential, Proximus also needs to take steps to adapt to ongoing and future environmental climate changes. Understanding and (financially) assessing our climate change risks and potential vulnerabilities is key to avoiding disruption to our network and our customers. At the same time, it provides a momentum to reflect on how we can offer more value to society and our customers. Both aspects are important in informing our overall business strategy.

We have explored both types of climate change risks and opportunities for our business: the physical ones and those arising from transitioning to a low carbon economy. They were analyzed across a range of three future climate scenarios that project three different temperature paths increase: divergent net zero (+1.5 degrees), delayed transition (+1.8°c) and current policies (+3°C). They were additionally analyzed over three time-horizons: short-term (0-3 years), medium-term (3-10 years) and long-term (10-25 years) in accordance with the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures). The magnitude of impact scales used for the risk assessment was from "low" for impacts with a value less than € 100,000 to "very high" for impacts that exceed € 12.5 M.

In the context of climate change risks, the standard Proximus risk management methodology is applied with the involvement of relevant stakeholders from the Technical, Tax, Legal, Regulatory, HR, Procurement, Strategy, Business operations, and Facilities domains.

The risk assessment process is in line with those set forth in international standards:

- After setting the context and risk criteria, we identify risks via a combination of independent research and collaborative workshops. This results in a short list with applicable, prioritized risks.
- In the second phase, the causes of each risk (likelihood) and the potential consequences (impact) are analysed and documented. The consequences with direct financial, reputational, or strategic impact are mapped to a scale based on the Business Impact Reference Table. This is a matrix designed to evaluate the impact of an event on the company. It defines categories in monetary value and assesses monetary value of operational and reputational impacts. All risks are quantified and receive a qualitative rating. Next, they are documented in the risk register.
- Finally, all prioritized risks are assigned to a risk owner who is responsible for the implementation of action plans, control and regular review. High probability risks and opportunities can potentially be included in our financial plan and/or financial risks and opportunities overview.

An overview of the climate change risks that could have a material financial impact

Risk Causes	Climate change related risk	Policy ambition	Short - term 2022-2025	Medium -term 2025-2035	Long - term 2035-2050
Policy changes	**1.. Introduction of climate change related policies by governments** These policies could result in a price increase, for example by putting a price on CO2 emitted. Extra flat taxes are also a possibility.	1,5°C	Low	High	High
		1,8°C	Low	High	High
		3 °C	Low	Low	Low
Market	**2. Competition for scarce green energy supply** Energy prices have seen a massive price increase due to geopolitical reasons. The move away from fossil fuels also has an influence on pricing of energy as green energy is in high demand.	1,5°C	Medium	High	High
		1,8°C	Medium	High	High
		3 °C	Low	Low	Low
Market	**3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact** Climate change is one of the driving factors influencing the economy. Climate change could trigger pandemics, political uncertainty, raw materials shortage, ... with influence on our partners.	1,5°C	Medium	Medium	High
		1,8°C	Low	Medium	High
		3 °C	Low	Medium	Medium
Reputation	**4. External stakeholder perception may not be in line with Proximus efforts** Perceived inactivity/inconsistency of a company with regards to climate change can lead to customer churn, missed sales opportunities, lower demand for products & services, regulatory fines, ... Example: debate around roll-out 5G and climate impact.	1,5°C	Medium	High	High
		1,8°C	Low	Medium	High
		3 °C	Low	Low	Medium
Extreme weather events	**5. Infrastructure damage** Extreme weather events will become more frequent and widespread, even in unexpected areas. These events will cause major disruption and damage to IT systems and assets.	1,5°C	Low	Low	Low
		1,8°C	Low	Medium	Medium
		3 °C	Low	Medium	High

An overview of the short-term climate change opportunities that could have a material financial impact

Eco smart products & services	**Development of low emission goods & services** There's a growing market interest in products-as-a-service and products with a lower footprint in terms of carbon emissions and material usage.
Eco smart products & services	**Development of new products & services through innovation that can enable customers to reduce their CO_2 emissions** Solutions to decarbonize other sectors create existing and new business opportunities. Use of fiber & 5G as enablers for IoT, Big data & Cloud solutions with a potential to reduce carbon emissions such as smart agriculture, smart building, energy reduction, ...
Markets	**Green financing** New opportunities can also be captured through underwriting or financing green bonds and infrastructure (e.g., low-emission energy production, energy efficiency, grid connectivity, or transport networks)
Reputation	**Talent attraction** Talent is moving to sustainable companies: the majority of younger generations want to work for a company with strong sustainability/ESG action.

Approach of Proximus regarding the identified risks:

1. Introduction of climate change related policies by governments

We track regulatory development to be able to comply with existing laws, such as the relevant aspects of the EU green deal. We assess the impact of these emerging regulations, across operations, supply chains and jurisdictions. In 2022, we made progress towards assessing EU taxonomy alignment and started implementing the recommendations of the Task Force on Climate-Related Financial Disclosures. This information can be found respectively at page 183 and 186.

The most important action for mitigating this impact is ensuring our net-zero action plan is fully implemented. Proximus is proud that its near-term and long-term greenhouse gas emissions reduction targets have been validated by the Science Based Targets initiative (SBTi). Proximus commits to reduce its absolute scope 1 and 2 greenhouse gas emissions by 95% by 2030 and to maintain a minimum of 95% reduction through 2040 (from a 2020 base year). To this end, Proximus will eliminate fossil fuels from its fleet and buildings and continue sourcing 100% renewable electricity. At the same time, Proximus is working on energy-efficiencies throughout its technical buildings, mobile & fixed network, and data centers. Proximus also commits to further reduce absolute scope 3 greenhouse gas emissions by 60% by 2030 and by 90% by 2040 (from a 2020 base year). These are very ambitious targets knowing that scope 3 greenhouse gas emissions, which include all of its indirect activities throughout the value chain, represented 94% of the company's CO_2 emissions last year. To reach this ambitious objective, Proximus is reaching out to its suppliers to encourage them to set SBTi validated targets, source renewable energy and implement a decarbonization pathway. Proximus's circular ambition and implementation of circular principles, like eco-design, repair, refurbishment and lifecycle extension will further open the pathway to achieving its net-zero ambition.

2. Competition for scarce green energy supply:

The electricity prices worldwide have skyrocketed in recent months due to geopolitical factors. Climate change is also undoubtedly one of the factors influencing the price. The forced move away from fossil fuels additionally implies a lower guarantee of continuously delivered electricity. Proximus has committed to use only green electricity is already using 100% green electricity today. To mitigate the supply risk, by 2026, we will work with more local electricity sources through investments in a Power Purchase Agreement, long-term partnerships with Belgian wind and solar plants that match our consumption patterns. We will continue to invest in energy efficiency measures. For example, in the next five years, data traffic is expected to increase by 400%, a growth of 35% per year, resulting in increased energy consumption. To keep the electrical energy consumption flat despite the growing demand, we will implement network energy-saving initiatives.

3. Increased outsourcing & supply chain risk as they are also exposed to climate change impact:

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain. Thus, working with suppliers that could fail to meet Proximus needs, or depending too much on few specific suppliers, may lead to delayed or failed deliveries, loss of revenue, regulatory fines or damage to our reputation. Therefore, we analyze trends in supply and demand for products and services and adapt our offers accordingly. We scan the market for products and services that could help Proximus reach its climate targets. In this regard, we evaluate future acquisitions. We also engage with suppliers and customers. With the biggest remainder of our carbon footprint residing across our value chain, to achieve our net zero ambition by 2040, we will continue to work closely with our suppliers. We will encourage them to reduce their carbon footprints and secure more sustainable supply chains themselves. We already screen the sustainability performance of our suppliers through the Joint Audit Corporation (JAC) and Ecovadis. We have a strict follow-up of critical supplier contractual liability through a holistic Supplier Code of Conduct (SCoC) and rigid Service Level Agreement (SLA) clauses. We are sourcing sustainably: the sustainability component counts for 20% of the tenders we issue. And lastly, we collect declarations of intent: we are signing Circular Manifestos with key suppliers to ensure the alignment of our suppliers with our Science Based Target of 1.5°. However, the Manifesto is only a first step. Through our Supplier Engagement Program, we will set detailed expectations and KPIs for our suppliers and implement clear, binding commitments.

4. External stakeholder perception may not be in line with Proximus efforts:

We regularly monitor the evolution of our reputation through market research. We put our circularity and CO2 reduction efforts forward in our corporate communication, in our commercial advertising, in our shops, on our packaging, etc. Sustainability is also a cornerstone of our employer brand. Through internal communication, we turn our employees into ambassadors. And finally, we also communicate our progress on Environmental KPI's on a quarterly basis to investors and analysts

The above-mentioned validation of our targets by the Science Based Targets initiative (SBTi), our internal sustainability governance and Board oversight add to our credibility (see Corporate governance statement, page 88). Regular stakeholder dialogue allows us to focus our actions and communication efforts on the most material topics for our stakeholders.

Through MyFootprint available on our MyProximus app, we invite our residential customers to track and reduce their own carbon footprint. We engage with peers, public authorities, Belgian enterprise federations (e.g. Agoria) and international sector associations (e.g. ETNO) to encourage collective action and to put forward the positive role of our sector in helping companies and public authorities reduce their environmental footprint. Striking examples are our Smart energy, Smart buildings or Smart mobility solutions. In order to preserve our reputation, all our carbon abatement claims must be supported by credible and verified calculation procedures.

5. Infrastructure damage

Climate change is one of the driving factors influencing extreme weather events. In the coming years, extreme weather events will become more frequent and widespread, devastating areas that typically don't experience them and amplifying the destruction in areas that do.

These events could cause major disruption and damage to IT systems and assets. Data centers could be significantly impacted, and critical infrastructure could be put at risk. In order to anticipate and implement measures to protect Proximus infrastructure against these extreme weather events, we use expert input from scientists, such as the OFDA/CRED International Disaster Database (http:// www.emdat.be) and Université Catholique de Louvain, as well as performing our own annual climate change scenarios risk assessment analysis.

Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that affect the operation of Proximus's businesses. It includes product life cycle and execution; product safety and performance; information management, data protection and cyber security; business continuity; supply chain; and other risks, including human resources and reputation risks. Depending on the nature of the risk involved and the business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up/business- continuity plans, business process reviews, and insurance.

Proximus's operational risk measurement and management relies on the Advanced Measurement Approach (AMA) methodology. A dedicated "as-if" adverse scenario risk register has been developed to make the stress tests relevant.

Proximus is covered by extended general and professional liability, property damage and business interruption insurance, as well as by a dedicated cyber security insurance program.

Nevertheless, these insurance programs may not provide indemnification should the traditional insurance exclusions (non-accidental event) apply.

The most prominent examples of operational risk factors are explained below:

- Resilience and business continuity
- Security (confidentiality, integrity, availability)
- Data protection and privacy
- Sourcing and supply chain reliability
- Legacy network infrastructure

Resilience and business continuity

Business Continuity Management is developing its ability to detect, prevent, minimize and deal with the impact of disruptive events so that business critical services and functions can be operated at an acceptable level. The approach is in line with the good practice standards and Belgian regulations on telecom and critical infrastructure. This is achieved via the development of business continuity plans at corporate level for threats like power interruptions, ransomware attack or natural disasters linked to climate change. Building and ensuring the resilience of our network, platforms and IT systems remains a top priority to minimize the customer impact in case of incidents. These priorities are managed by the corresponding business units. The business continuity board is the steering committee which defines the priorities, the scope and validates the outcome. The level of preparedness is submitted annually to the Audit and Compliance Committee.

Security

Increased global cyber security vulnerabilities, threats and more sophisticated and targeted cyber-related attacks pose a risk to the security of Proximus as well as its customers, partners, suppliers, and third-party service providers in terms of products, systems and networks.

The confidentiality, availability, and integrity of the data of Proximus and its customers are also at risk. We're taking the necessary actions and making investments to mitigate those risks by employing several measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures and maintenance of contingency plans.

Proximus cyber security program sets important emphasis on Identity & Access Management, for privileged users, business users, partners, and vendors, on securing Proximus critical infrastructure, API and private and public clouds, on protecting against advanced disruptive malware (such as ransomware) and extending the monitoring and detection capabilities.

Besides that, Proximus invests in threat intelligence and security incident response. Moreover, Proximus operates several Malware Information Sharing Platforms (MISP) that enable the collection and sharing of structured information on cybersecurity threats on a national level with the CERT.be and on an international level with other European telecom operators and the GSMA (an association of 750 operators worldwide).

Proximus actively participates in various cross-industry and international expert groups to stay updated on the latest threats. Collaboration is established in the expert groups of GSMA, Europol, Interpol, Belgian Cyber Security Coalition, European Telecom Operators platform (ETIS), Center for Cyber Security Belgium (CCB), NATO NCIA and FIRST.

Data protection and privacy

Data protection laws exist to strike a balance between the rights of individuals to privacy and the ability of organizations to use personal data for business purposes. Keeping personal data confidential and secure remains a top priority for Proximus.

Proximus began its GDPR compliance journey with a GDPR readiness assessment conducted by an external company back in 2016. Since this exercise, Proximus has continued improving its GDPR compliance.

Proximus has been using the functionalities and capabilities of the Collibra data governance tool to meet certain compliance requirements under GDPR, e.g. implementing a register of processing activities.

To ensure that privacy considerations are embedded within its business activities, Proximus has appointed Privacy Ambassadors within the different business units to provide support to the legal department and DPO office in screening privacy sensitive initiatives. In view of the privacy by design principle, Proximus is constantly improving its Privacy Review Process to ensure privacy risks are identified early on and swiftly acted upon.

As part of rendering the management of data subject requests more efficient, Proximus has implemented the use of semi-automated solutions. Our customers can continue to indicate their privacy preferences within the privacy settings of the MyProximus app and website.

Proximus carefully handles and documents the complaints it receives regarding the protection of its customers' data, which come from the following sources:

- Concerned customers themselves
- Consumer organizations such as Test Aankoop/Test Achats
- Regulators such as the Belgian Data Protection Authority or the Belgian Telecom Mediation Service

Sourcing & Supply chain

Proximus depends on the partnership with its suppliers to provide the equipment needed to ensure business continuity and a sustainable supply chain.

Global instability, logistics disruptions, energy crisis, climate induced natural disasters, etc. increases the risk on our supply chain resilience.

Any breach of relevant legislation or non-compliance with international standards for human rights could by our suppliers could lead to legal action and negatively impact Proximus' reputation.

We are currently focusing specifically on business continuity related to home and enterprise devices equipment, network infrastructure and construction (chips components shortage). Energy supply and external workforce are also top of our agenda.

Risk mitigation is done via multi-sourcing, tier 2 management, improved inventory management (advanced ordering, better forecasts, etc.), demand reduction and product and process reengineering. Thanks to enhanced Supplier Relationship Management (SRM) we continuously assess risks together with the partnering supplier, hence reducing vulnerability and ensuring continuity.

The relationship with key suppliers is assessed and documented by means meetings, which lay down the common strategies.

Critical suppliers and their sub-suppliers are monitored through a third party-recognized tool, enabling us to quickly react to any kind of disturbance in the supply chain.

Sustainability performance, risk assessments and audits are performed by EcoVadis for national direct suppliers and in the frame of the Joint Audit Corporation (JAC) for major international suppliers.

We strictly follow-up on critical suppliers' contractual liability through a our Supplier Code of Conduct and Service Level Agreement clauses.

Thanks to our active monitoring and risk mitigation actions, Proximus' supply chain has proved resilient in previous crises and financial impact was limited.

Legacy Network Infrastructure

In 2004, Proximus was the first operator in Europe to launch an ambitious fiber-to-the-curb program, paving the way for the subsequent national Fiber-to-the-Home network roll-out. And today, we are among the world's top five operators for the proportion of fiber in its VDSL network, with tens of thousands of kilometers of optical fiber connecting its street cabinets and a massive increase in the number of kilometers in the access part of the network.

With the rise in customer needs, we see for the coming year a continuous increase of data consumption on our networks, and this is at far higher speeds than in the past. This is why Proximus is pursuing an aggressive multi-gigabit strategy, with the ambition to leverage more and more fiber and 5G to deliver relevant services to our customers. In this context, the relevance of copper will gradually decrease.

The fast pace of fiber deployment and adoption allows us to consider decommissioning our copper in the future and, as such, be in a position to realize substantial savings in terms of power consumption and maintenance and avoid having to replace this ageing technology.

Risk Management & Compliance Committee

In 2022, the Risk Management and Compliance Committee (RMC) held four sessions. The related decisions were reported to the Leadership Squad and the Audit & Compliance Committee. RMC meetings provide an opportunity to review files in which decisions have to be taken by finding a balance between risk taking and cost, in line with the Group's risk appetite.

Proximus has general response strategies for managing risks, which categorize them according to whether the company will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable risk and compliance guidelines.

The RMC's objectives are:

- To oversee the company's most critical enterprise and operational risks and how management is monitoring and mitigating those risks.
- To enhance pending/open internal audit action points which remain open for more than six months.

A disciplined approach to risk is key in a fast-moving technological and competitive environment in order to ensure that Proximus only accepts risk which it is adequately compensated for (risk/return optimization).

As of 2022, sustainability topics including climate change risks have been included on the agenda of the Risk Management Committee.

Internal Audit

In line with international best practices requirements, Proximus's internal audit function forms an integral part of the Internal Risk Management and Control System and provides assurance to the Audit and Compliance Committee concerning the "in- control status" of the Proximus Group segments/units/entities and processes. Internal Audit provides independent analyses, appraisals, recommendations, counsel, and information to both the Audit and Compliance Committee and Proximus Management. Therefore, the objectives of the Internal Audit, using COSO, The Institute of Internal Auditors standards and other professional frameworks, are to ensure:

- Effectiveness and adequacy of internal controls
- Operational effectiveness (doing it right) and/or efficiency (doing it well)
- Compliance with laws, regulations, and policies
- The reliability and the accuracy of the information provided

Internal Audit helps Proximus Group to accomplish these objectives through its systematic, disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes.

Internal Audit's activities are based on a continuous evaluation of perceived business risks, and it has full and unrestricted access to all activities, documents/records, properties and staff. The Internal Audit Lead has a reporting line to the Chairman of the Audit Committee.

Quarterly Audit activity reports are submitted and discussed with the Audit and Compliance Committee.

As of 2020, Proximus Internal Audit department, in accordance with IIA Standard 1312 - External Quality Assessment, has been certified by IFACI/IIA.

Financial reporting risks

In the area of financial reporting, besides the general enterprise risks impacting the financial reporting (e.g. staff), the main risks identified include new transactions and evolving accounting standards, changes in tax law and regulations, and the financial statement closing process.

New transactions and evolving accounting standards

New transactions can have a significant impact on the financial statements, either directly in the income statement or in the notes. An inappropriate accounting treatment can result in financial statements which fail to provide a true and fair view. Changes in legislation (e.g. pension age, customer protection) can also significantly impact the reported financials. New accounting standards may require the gathering of new information and the adaptation of complex (billing) systems. If not adequately foreseen, the timeliness and reliability of the financial reporting could be jeopardized.

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards (both local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)).

Changes are identified and the impact on Proximus's financial reporting is proactively analyzed.

For each new type of transaction (e.g. new product, new employee benefit, business combination), an in-depth analysis is conducted from the point of view of financial-reporting, risk-management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and, in compliance with internal and external standards, are systematically analyzed. Emphasis is on the development of preventive controls and setting up reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Leadership Squad are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus's financials.

Changes in tax law and regulations

Changes in tax laws and regulations (corporate income tax, VAT, etc.) and their application by the tax authorities can significantly impact the financial statements. To ensure compliance, it is often necessary to set up additional administrative processes within a short timeframe, to collect relevant information or run updates on existing IT systems (e.g. billing systems).

The tax department continuously monitors potential changes in tax law and regulations, as well as interpretations of existing tax laws by the tax authorities. Based on laws, doctrine, case law and political statements as well as available draft laws, etc., a financial and operational impact analysis is performed. The outcome of the analysis is reflected in the corresponding financial statements, in accordance with the applicable framework.

The complexity of the legal and regulatory environment in which we operate and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations, changes in laws and regulations or the manner in which they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impact our financial statements.

Financial statement closing process

The delivery of timely and reliable financial statements remains dependent on an adequate financial statement closing process.

Clear roles and responsibilities in the closing process of the financial statements have been defined. During the monthly, quarterly, half-yearly and annual financial statement closing processes, there is continuous monitoring of the various steps. In addition, different controls are performed to ensure quality and compliance with internal and external requirements and guidelines.

For Proximus and its major subsidiaries, a highly detailed closing calendar is drawn up, which includes a detailed overview of cross-divisional preparatory meetings, deadlines for ending specific processes, exact dates and hours when IT sub-systems are locked, validation meetings and reporting deliverables.

For every process and sub-process, different controls are performed, including preventive controls, where information is tested before being processed, and detective controls, where the outcome of the processing is analyzed and confirmed.

Special attention is paid to reasonableness tests, where financial information is analyzed against underlying operational drivers, and coherence tests, where financial information from different areas is brought together to confirm results or trends, etc. Tests on individual accounting entries are performed for material or non-recurrent transactions. The combination of all these tests provides sufficient assurance on the reliability of the financials.

Internal control system

The Proximus Board of Directors is responsible for the assessment of the effectiveness of the systems for internal control and risk management.

Proximus has set up an internal control system based on the COSO model, i.e. the integrated internal control and enterprise risk management framework published by the Committee of Sponsoring Organisation of the Treadway Commission ("COSO") for the first time in 1992 and updated in May 2013. This COSO methodology is based on five areas: the control environment, risk analysis, control activities, information & communication and monitoring.

Proximus' internal control system is characterized by an organization with a clear definition of responsibilities, next to sufficient resources and expertise, and also appropriate information systems, procedures and practices. Proximus cannot guarantee that this internal control will be sufficient in all circumstances as risks of misuse of assets or misstatements can never be totally eliminated. However, Proximus organizes a continuous review and follow-up of all the components of its internal controls and risk management systems to ensure they remain adequate.

Proximus considers the timely delivery to all its internal and external stakeholders of complete, reliable and relevant financial information in conformity with International Financial Reporting Standards (IFRS) and Belgian Generally Accepted Accounting Principles (BGAAP). Therefore, Proximus has organized its internal control and risk management systems over its financial reporting in order to ensure this objective is met.

Control environment

Organization of internal control

In accordance with the bylaws, Proximus has an Audit & Compliance Committee (A&CC) (see caption Independence and expertise in the accounting and audit domain of at least one member of the Audit and Compliance Committee'). Its role is to assist and advise the Board of Directors in its oversight on (i) the financial reporting process, (ii) the efficiency of the systems for internal control and risk management of Proximus, (iii) the Proximus' internal audit function and its efficiency, (iv) the quality, integrity and legal control of the Proximus statutory and the consolidated financial statements, including the follow up of questions and recommendations made by the auditors, (v) the relationship with the Group's auditors and the assessment and monitoring of the independence of the auditors, (vi) Proximus compliance with legal and regulatory requirements, (vii) the compliance within the organization with the Proximus' Code of Conduct and the Dealing Code.

The A&CC meets at least once every quarter.

Ethics

The Board of Directors has approved a Corporate Governance Charter and a Code of Conduct "A Socially Responsible Company".

All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles, using the Group values (Collaboration, Agility and Accountability) as guiding principle.

The Code "A Socially Responsible Company", which is available on www.proximus.com, sets out the above-mentioned principles, and aims to inspire each employee in his or her daily behaviour and attitudes. The ethical behaviour is not limited to the text of the Code. The Code is a summary of the main principles and is thus not exhaustive.

In addition, Proximus in general, and the Finance department in particular, has a tradition of a high importance to compliance and a strict adherence to a timely and qualitative reporting.

Policies and procedures

The principles and the rules in the Code "A Socially Responsible Company" are further elaborated in the different internal policies and procedures. These Group policies and procedures are available on the Proximus intranet-sites. Every policy has an owner, who regularly reviews and updates if necessary. Periodically, and at moment of an update, an appropriate communication is organized.

In the financial reporting domain, general and more detailed accounting principles, guidelines and instructions are summarized in reference material available on the Proximus intranet-sites. In addition, the Corporate Accounting department regularly organizes internal accounting seminars to update finance and non-finance staff on accounting policies and procedures.

Roles & responsibilities

Proximus' internal control system benefits from the fact that throughout the whole organization, roles and responsibilities are clearly defined. Every business unit, division and department has its vision, mission and responsibilities, while on individual level everybody has a clear job description and objectives.

The main role of the Finance Division is to support the divisions and affiliates by providing accurate, reliable and timely financial information for decision making, to monitor the business profitability and to manage effectively corporate financial services.

The team of the Corporate Accounting department assumes this accounting responsibility for the mother company Proximus and the major Belgian companies. They also provide the support to the other affiliates. For this centralized support, the organization is structured according to the major (financial) processes. These major processes include capital expenditures and assets, inventories, contracts in progress & revenue recognition, financial accounting, operational expenditures, provisions & litigations, payroll, post-employment benefits and taxes. This centralized support, organized around specific processes and IFRS standards, allows for in depth accounting expertise and ensures compliance with group guidelines.

The consolidation of all different legal entities into the Consolidated Financial Statements of the Proximus Group is done centrally. The Consolidation department defines and distributes information relating to the implementation of accounting standards, procedures, principles and rules. It also monitors changes in regulations to ensure that the financial statements continue to be prepared in accordance with IFRS, as adopted by the European Union. The monthly instructions for consolidation set forth not only the schedules for preparing accounting information for reporting purposes, but also includes detailed deadlines and items requiring particular attention, such as complex issues or new internal guidelines.

Skills & expertise

Adequate staffing is a matter to which Proximus pays careful attention. This requires not only sufficient headcount, but also the adequate skills and expertise. These requirements are taken into account in the hiring process, and subsequently in the coaching and formation activities, facilitated and organized by the Proximus Corporate University.

For financial reporting purposes, a specific training cycle was put in place, whereby junior as well as senior staff have to participate mandatory. These internally and externally organized accounting seminars cover not only IFRS but local accounting rules & regulations, Tax and Company law & regulations as well. In addition, the knowledge and expertise is also kept up to date and extended for more specific domains for which staff is responsible (revenue assurance, pension administration, financial products, etc.) through attendance to seminars and self-study. Furthermore, employees also attend general training session on Proximus new business products & services.

Risk analysis

Major risks and uncertainties are reported in the caption 'Risk Management'.

Risk mitigating factors and control measures

Mitigating factors and control measures are reported in the caption 'Risk management.

Information and communication

Financial reporting IT systems

The accounting records of Proximus and most of its affiliates are kept on large integrated IT systems. Operational processes are often integrated in the same system (e.g. supply chain management, payroll). For the billing systems, which are not integrated, adequate interfaces and a monitoring system have been developed. For the consolidation purposes, a specific consolidation tool is used.

The organizational set-up and access management are designed to support an adequate segregation of duties, prevent unauthorized access to the sensitive information and prevent unauthorized changes. The set-up of the system is regularly subject to the review by the internal audit department or external auditors.

Effective Internal communication

Most of the accounting records are kept under IFRS as well as local GAAP. In general, financial information delivered to management and used for budgeting, forecasting and controlling activities is established under IFRS. A common financial language used throughout the organization positively contributes to an effective and efficient communication.

Reporting and validation of the financial results

The financial results are internally reported and validated on different levels. On the level of processes, there are validation meetings with the business process owners. On the level of the major affiliates, a validation meeting is organized with the accounting and controlling responsible. On Proximus group level, the consolidated results are split per segment. For every segment, the analysis and validation usually include comparison with historical figures, as well as budget-actual and forecast-actual analysis. Validation requires (absences of) variances to be analyzed and satisfactorily explained.

Afterwards, the financial information is reported and explained to the Executive Committee (monthly) and presented to the A&CC (quarterly).

Supervision and assessment of internal control

The effectiveness and efficiency of the internal control are regularly assessed in different ways and by different parties:

- Each owner is responsible for reviewing and improving its business activities on a regular basis: this includes a.o. the process documentation, reporting on indicators and monitoring of those.
- In order to have an objective review and evaluation of the activities of each organization department, Proximus' Internal Audit department conducts regular audits across the Group's operations. The independence of Internal Audit is ensured via its direct reporting line to the Chairman of the A&CC. Audit assignments performed may have a specific financial processes scope but will also assess the effectiveness and efficiency of the operations and the compliance towards the applicable laws or rules.
- The A&CC reviews the quarterly interim reporting and the specific accounting methods. The main disputes and risks facing the Group are considered; the recommendations of internal audit are followed-up; the compliance within the Group with the Code of Conduct and Dealing Code is regularly discussed.
- Except for some very small foreign affiliates, all legal entities of the Proximus Group are subject to an external audit. In general, this audit includes an assessment of the internal control, and leads to an opinion on the statutory financials and on the (half-yearly and annual) financials reported to Proximus for consolidation. In case the external audit reveals a weakness or identifies opportunities to further improve the internal control, recommendations are made to management. These recommendations, the related action plan and implementation status are at least annually reported to the A&CC.

Expertise of the Audit & Compliance Committee members

Proximus has an Audit & Compliance Committee which consists of five non-executive directors, the majority of whom must be independent. In line with its charter, it is chaired by an independent director.

A majority of the members of the Audit & Compliance Committee has extensive expertise in accounting and audit. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandenborre, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. The Chairwoman and the majority of the members exercised several board or executive mandates in large Belgian or international companies.

Evolution in research and development activities

The world around us is evolving rapidly. As innovation and research on new technologies are in the DNA of Proximus, we are ready to face these changes.

Network

Fiber, enabling innovation

Since the launch of the Fiber for Belgium program, we continuously invested in deploying a high-speed fiber network using the newest state of the art fiber technologies.

Over the last years, massive technical progress has been achieved in the field of quantum communication and in particular, in Quantum Computing. These new computers will be extremely powerful but will also create a “high vulnerability” for private data. To investigate how to mitigate these threats, Proximus has decided to set up a quantum communications lab.

In 2022, the first proof-of-concepts with a technology called “Quantum key distribution” were performed to test the usability and limits of this cutting-edge technology in our fiber network. To support the Belgian ecosystem, we are member of the industry advisory board of the Belgium Quantum Network (BeQuNet), a joint Quantum communication research project by IMEC, UGent, UHasselt and ULB, where we also provide the fiber infrastructure.

Mobile Leadership

We have a strong track record in pioneering mobile communications, delivering the best possible mobile experience for our customers and we will continue to do so. In 2022, we continued the consolidation of our Radio Access Network (RAN), confirming positive results in terms of coverage gain, throughput and customer experience.

Our 5G ambition is to be recognized as the go-to partner for 5G products and services by offering the broadest 5G coverage and highest performing network in Belgium. The best way to stimulate the development of 5G use cases is to give the opportunity to our customers and partners to test their projects live. On our dedicated 5G innovation platform, a variety of 5G use cases have been successfully developed and demonstrated in multiple domains, such as industrial applications, construction, entertainment, healthcare, agriculture.

After the opening of a first 5G Lab with A6K in Wallonia end 2021, Proximus signed a Memorandum of Understanding (MoU) with Howest in 2022 for the creation of a 5G lab on Howest’s campus of Kortrijk. Companies from various sectors will be able to discover the possibilities of 5G for their business and develop new applications, in collaboration with Howest students and under the guidance of Proximus experts.

The capabilities to innovate within the 5G domain have been expanded with additional 5G innovation incubators and the successful implementation of technological enablers such as network slicing and radio resources reservation for critical applications.

Electric vehicle charging

The EV charging project is all about transforming our street cabinets into a hybrid "Telco/ EV charging point" infrastructure, helping the Belgians in their move to electric vehicles, by providing more public charging points in densely populated areas.

With fiber deployment we bring the connectivity straight to the home, making a large part of our street cabinets obsolete. These are typically located in dense areas where access to private EV charging points is limited. The first charging points are operational in Mechelen and Oudenaarde.

Proximus ADA

The use of automation, advanced analytics and artificial intelligence enables us to offer highly qualified services.

In 2022, Proximus launched Proximus Ada, the first Belgian center of excellence combining artificial intelligence (AI) and cybersecurity. These are two key areas if Belgian society is to meet the challenges of today and tomorrow. The aim is to develop a genuine local ecosystem, thanks to strong collaborations and partnerships with universities, higher institutes of applied sciences, research institutes, associations and the public authorities.

In the meantime, we have delivered a first internal project intending to improve the productivity of cybersecurity analysts in the context of smishing. This use cases analyses SMS reported by the BIPT leveraging various AI capabilities, including computer vision, to then automatically report the smishing cases.

On the pure AI side for internal Proximus needs, we also delivered significant business value through a wide range of use cases. One example is a tool to detect in near real time the quality of fiber installations on customer premise using computer vision. We are now busy extending the analysis to new control points.

Smart solutions

Proximus is Belgium's leading Internet of Things (IoT) connectivity provider using different wireless technologies (LTE, LoRa, NB-IoT, LTE-M). However, Proximus does not limit its use of IoT to connectivity.

With our data-driven solutions, we help our customers to innovate by connecting applications and devices, aggregating different data streams, providing insights into their data, or automating processes.

Data analytics and IoT are also proving their value within our society in numerous ways such as solutions to optimize energy consumption, or for a more efficient healthcare.

Smart health

Proximus has strengthened its strategic focus on the healthcare market. Through connectivity, ICT and security solutions and services, Proximus aims to become a major partner in the digital transformation and innovation of the medical industry.

On top of that, with a renewed focus on innovation in healthcare Proximus is participating in the world of extended reality by doing POC's in Virtual Reality (training) and Augmented Reality (remote assist) with some nice customer testimonials as a result.

Smart building and smart energy

Responding to the issue of climate change, Proximus offers IoT solutions and data analytics to help customers make smarter use of energy and reduce their carbon footprints. The energy transition, particularly the contribution of buildings to a more sustainable world, is at the heart of our initiatives. That is why we onboarded new partners, such as Digital HQ, Izix and Aug.e, that enable us to offer our customers a large range of smart building solutions.

E-education

To respond to the growing need for better connectivity in education, Proximus and Signpost, the Belgian market leader for ICT solutions in education, signed a strategic cooperation agreement in April 2021. End 2022, we provided 220 schools with a fiber connection, 16 other schools signed a DSL contract. In order for schools to be ready for the future, the portfolio of 'Academic Connect' will grow with Multigig profiles where additional services will be added. Next to that, we'll roll out 'connected teachers' where teachers and other employees of an 'Academic Connect' school will receive a discount on their residential pack.

Open innovation

Proximus believes in open innovation where, together with partners, we combine our assets to create new ecosystems and products which achieve a higher value for all parties involved. Thanks to exclusive partnerships, we continuously extend and trigger our own research & development carried out in the various Proximus labs and mastered by our innovation teams.

Drones

In the field of drones, we are implementing the drone as a service concept in the Port of Antwerp, in the partnership with SkeyDrone and DroneMatrix. We are continuing to develop our partnership with Helicus for the implementation of BVLOS medical drone flights. We will further focus on the implementation of real use cases in the area of image and video processing, analytics and edge computing (with the support & collaboration of Proximus ADA or other potential partners).

Proximus+

Proximus aims to roll out a portfolio of digital services with help of third-party partnerships in five compelling domains within a customer-facing mobile application called Proximus+. Proximus+ will become the gateway to all Proximus digital platforms like Pickx, Doktr, Banx, 4411 and Flitsmeister as well as our e-press services. With help of additional partners, we will fuel new services in domains like My Home, My Circle, My Neighborhood, My Mobility and My Wallet, on top of the existing telco features of My Proximus.

Hence, we will launch a premium mobile app experience that will foster daily relevant interactions. A Beta version of this app is currently available to a limited testing audience of 3000 users and will gradually be opened up to public over the course of 2023. The application will help us to reinforce our premium brand positioning and satisfaction (NPS score), reduce digital advertising and development budgets as well as grow new revenue streams.

Banx

We have continued to improve Banx, the digital app for sustainable banking launched with Belfius in 2021. In 2022, we improved the CO2 dashboard and enriched Banx with new functionalities like Apple Fitbit and Garmin Pay solutions. We have onboarded new reward partners like Bio Planet.

Doktr

In the field of medicine, we further developed the teleconsultation app Doktr, for example by adding the function that enables a patient to also consult his/her regular general practitioner. We continued to develop the ecosystem and signed agreements with Domus Medica, Christelijke Mutualiteit/ Mutualité chrétienne (CM/MC) and Solidaris/SocMut to roll out the Doktr app as widely as possible to patients and care providers. We have also signed a partnership with Cohezio for a pilot in occupational medicine.

International operations

We operate internationally through BICS and TeleSign.

BICS

BICS continuously invests in advancing its global communication solutions portfolio addressing both telco, enterprise and cloud segments. Today, BICS is focusing its R&D on delivering 5G services,
(e-)SIM and IoT technology, digital communication services and strong fraud, security and analytics offering. BICS continues to monitor market evolution and customer needs to enhance its services, features and overall product portfolios.

Telesign

Telesign has invested considerable time and resources into building a world-class research and development organization that continually enhances its market-leading services.

Today, its research and development efforts are focused primarily on building industry-leading digital identity solutions, addressing all primary use cases, enhancing deployment flexibility, and providing seamless integration across cloud and on-premises applications. Telesign regularly releases updates to its services which incorporate new features and enhance existing ones.

Other information

Rights, commitments and contingencies as of 31 December 2022

Disclosures related to rights, commitments and contingencies are reported in note 34 of the consolidated financial statements.

Diversity & Inclusion Statement

Diversity & Inclusion Statement is reported in chapter CH3.1 Governance & Compliance of the Annual report.

Use of financial instruments

Disclosures related to the use of financial instruments are reported in note 32 of the consolidated financial statements.

Circumstances which may considerably impact the development of the Group

Circumstances which may considerably impact the development of the Group are reported in the sections "Risk Management" and "Internal Control" of this management report.

Treasury shares

Disclosures related to treasury shares are reported in note 18 of the consolidated financial statements.

Capital management

The purpose of the Group's capital management is to maintain net financial debt and equity ratios that allow for security of liquidity at all times via flexible access to capital markets, in order to be able to finance strategic projects and to offer an attractive remuneration to shareholders.

Over the two years presented, the Group did not issue new shares or any other dilutive instruments.

Post-balance sheet events

Disclosures related to post-balance sheet events are reported in note 39 of the consolidated financial statements.

On behalf of the Board of Directors,

Brussels, 16 February 2023

Guillaume Boutin

Chief Executive Officer

Stefaan De Clerck

Chairman of the Board of Directors

Auditor’s reports

Statutory report of the joint auditors to the shareholders' meeting of Proximus NV van publiek recht/Proximus SA de droit public for the year ended 31 December 2022 - Consolidated financial statements

In the context of the statutory audit of the consolidated financial statements of Proximus NV van publiek recht/Proximus SA de droit public ("the company") and its subsidiaries (jointly "the group"), we hereby submit our statutory audit report. This report includes our report on the consolidated financial statements and the other legal and regulatory requirements. These parts should be considered as integral to the report.

We, members of the joint auditors, were appointed in our capacity as statutory auditor by the shareholders' meeting of 20 April 2022, in accordance with the proposal of the board of directors issued upon recommendation of the audit and compliance committee. Our mandate will expire on the date of the shareholders' meeting deliberating on the financial statements for the year ending 31 December 2024. Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises has performed the statutory audit of the consolidated financial statements of Proximus NV van publiek recht/Proximus SA de droit public for 13 consecutive years. This statutory audit of the consolidated financial statements of Proximus NV van publiek recht / Proximus SA de droit public is the first year Luc Callaert has performed.

Report on the consolidated financial statements

Unqualified opinion

We have audited the consolidated financial statements of the group, which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The consolidated balance sheet shows total assets of 10 541 million EUR and the consolidated income statement shows a profit for the year then ended of 450 million EUR.

In our opinion, the consolidated financial statements give a true and fair view of the group's net equity and financial position as of 31 December 2022 and of its consolidated results and its consolidated cash flow for the year then ended, in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium.

Basis for the unqualified opinion

We conducted our audit in accordance with International Standards on Auditing (ISA), as applicable in Belgium. In addition, we have applied the International Standards on Auditing approved by the IAASB applicable to the current financial year, but not yet approved at national level. Our responsibilities under those standards are further described in the "Responsibilities of the joint auditors for the audit of the consolidated financial statements" section of our report. We have complied with all ethical requirements relevant to the statutory audit of consolidated financial statements in Belgium, including those regarding independence.

We have obtained from the board of directors and the company's officials the explanations and information necessary for performing our audit.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
Revenue recognition on telecommunication activities The accuracy of revenue is an inherent risk in the telecommunications industry. This is driven by the complexity of billing systems, the magnitude of volumes of data in combination with different products on the market and price changes during the year. The correct application of revenue recognition accounting standards to the separate elements of a customer's contract is complex and requires judgement by management. The details on revenue recognition are included in notes 2 'Significant accounting policies', 14.2 'Contract Assets', 22 'Other current payables and contract liabilities' and 23 'Revenue'.	We addressed this key audit matter by applying the following controls and substantive test procedures to the material revenue streams: • We tested the design and operating effectiveness of the relevant key controls in place in the revenue cycle, as well as in the IT environment in which billing, rating and other relevant support systems reside, including the change control procedures in place around systems that support material revenue streams; • We performed tests of details on a sample of individual revenue transactions, tracing these back to order documentation and cash receipts; and • We performed a substantive analytical review. Additionally we assessed the appropriateness of the group's accounting policies with respect to revenue recognition and assessed compliance with the applicable accounting standards.
Goodwill impairment test Per 31 December 2022, goodwill amounts to 2 595 million EUR and relates to the Group's three Cash Generating Units ('CGU'), respectively Domestic CGU (2 188 million EUR), International Carrier Services ('ICS') CGU (298 million EUR) and Telesign CGU (109 million EUR) . The annual impairment testing of goodwill was important for our audit because it relies on a number of critical judgements, such as the determination of the CGU as well as estimates and	We obtained an understanding, evaluated the design of controls over the Group's goodwill impairment review process. We performed audit procedures that included evaluating the appropriateness of the determination of the CGU's identified and tested the allocation of assets and liabilities to the carrying value of each CGU. We assessed the available information with

especially with respect to the ongoing fiber roll-out project which impacts free cash flows over a longer period than the typical forecast period of five years. The group uses a business plan reflecting its strategy and using internal and external sources for macro-economic assumptions such as inflation and long-term industry growth rate, as well as group specific assumptions on tax rates, capital spending and discount rates. The details on the accounting for goodwill and the disclosure requirements under IAS 36 - *Impairment of assets* are included in note 2 'Significant accounting policies' and 3 'Goodwill' of the consolidated financial statements.	related to Fair Value Less Costs to Sell and through Value In Use: • We challenged the key assumptions, methodologies and data used by the group in its determination of the recoverable value, for example by analysing sensitivities in the group's discounted cash flow models and benchmarking with external macro-economic data to determine if they were reasonable and consistent with the current economic climate. • We involved our valuation specialists to challenge management's methodology to determine the recoverable value, including the way how the fiber roll-out strategy was incorporated in the free cash flows, the mechanical accuracy of the model and the appropriateness of other assumptions applied. Particular attention was paid to the determination of the discount rate given the increasing trend in discount rates. • We assessed the historical accuracy of management's estimates. • In considering the existence of contradictory evidence for management's assessment of recoverable value, we, together with valuation specialisits, considered the business plan assumptions to those of market peers and the company's analysts. • We also assessed the adequacy of the company's disclosures in the consolidated financial statements, in particular the sensitivity disclosures in relation to a reasonable possible change in assumptions that could cause the carrying amounts to exceed its recoverable value.

Responsibilities of the board of directors for the preparation of the consolidated financial statements

The board of directors is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and with the legal and regulatory requirements applicable in Belgium and for such internal control as the board of directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the board of directors is responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters to be considered for going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the group or to cease operations, or has no other realistic alternative but to do so.

Responsibilities of the joint auditors for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a statutory auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

During the performance of our audit, we comply with the legal, regulatory and normative framework as applicable to the audit of consolidated financial statements in Belgium. The scope of the audit does not comprise any assurance regarding the future viability of the company nor regarding the efficiency or effectiveness demonstrated by the board of directors in the way that the company's business has been conducted or will be conducted.

As part of an audit in accordance with ISA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from an error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors;
- conclude on the appropriateness of the use of the going concern basis of accounting by the board of directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our statutory auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our statutory auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated financial statements, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit and compliance committee regarding, amongst other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those the audit and compliance committee with a statement that we have complied with relevant ethical requirements regarding independence, and we communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to the audit and compliance committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes any public disclosure about the matter.

Other legal and regulatory requirements

Responsibilities of the board of directors

The board of directors is responsible for the preparation and the content of the directors' report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements.

Responsibilities of the joint auditors

As part of our mandate and in accordance with the Belgian standard complementary to the International Standards on Auditing (ISA) as applicable in Belgium, our responsibility is to verify, in all material respects, the director's report on the consolidated financial statements, the statement of non-financial information attached to the directors' report on the consolidated financial statements and other matters disclosed in the annual report on the consolidated financial statements, as well as to report on these matters.

Aspects regarding the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements

In our opinion, after performing the specific procedures on the directors' report on the consolidated financial statements, this report is consistent with the consolidated financial statements for that same year and has been established in accordance with the requirements of article 3:32 of the Code of companies and associations.

In the context of our statutory audit of the consolidated financial statements we are also responsible to consider, in particular based on information that we became aware of during the audit, if the directors' report on the consolidated financial statements and other information disclosed in the annual report on the consolidated financial statements are free of material misstatement, either by information that is incorrectly stated or otherwise misleading. In the context of the procedures performed, we are not aware of such material misstatement.

The non-financial information as required by article 3:32, § 2 of the Code of companies and associations, has been disclosed in a separate report, attached to the directors' report on the consolidated financial statements. This statement on non-financial information includes all the information required by article 3:32, § 2 of the Code of companies and associations and is in accordance with the consolidated financial statements for the financial year then ended. This non-financial information has been established by the company in accordance with the GRI Standards reporting principles. In accordance with article 3:80 § 1, 5° of the Code of companies and associations we do not express any opinion on the question whether this non-financial information has been established in accordance with GRI standards – Core Option reporting principles mentioned in this non-financial information.

Statements regarding independence

- No services, incompatible with the statutory audit of consolidated financial statements as referred to by the law, have been performed and our audit firms and, if applicable, our networks remained independent from the company during the performance of our mandate.
- The fees for the additional non-audit services compatible with the statutory audit, as defined in article 3:65 of the Code of companies and associations, have been properly disclosed and disaggregated in the notes to the consolidated financial statements.

Single European Electronic Format (ESEF)

In accordance with the draft standard on the audit of the compliance of the financial statements with the Single European Electronic Format ("ESEF"), we have also performed the audit of the compliance of the ESEF format and the tagging with the technical regulatory standards set out in the European Delegated Regulation No. 2019/815 of 17 December 2018 ("Delegated Regulation").

The board of directors is responsible for the preparation, in accordance with the ESEF requirements, of the digital consolidated financial statements as an electronic file in ESEF format ("digital consolidated financial statements") included in the annual financial report.

Our responsibility is to obtain sufficient and appropriate evidence to conclude that the format and XBRL tagging of the digital consolidated financial statements comply, in all material respects, with the ESEF requirements as stipulated by the Delegated Regulation.

Based on our work, in our opinion, the format and the tagging of information in the digital consolidated financial statements included in the annual financial report of Proximus SA as of 31 December 2022 are, in all material respects, prepared in accordance with the ESEF requirements as stipulated by the Delegated Regulation.

Other statements

- This report is consistent with our additional report to the audit and compliance committee referred to in article 11 of Regulation (EU) No 537/2014.

Signed at Brussels.

The joint auditors

Deloitte Bedrijfsrevisoren/Réviseurs d'Entreprises BV/SRL	Luc Callaert BV/SRL
Represented by Koen Neijens	Represented by Luc Callaert

Independent assurance report on a selection of environmental, social and governance performance indicators published in the "Integrated Annual Report 2022" of Proximus SA de droit public / NV van publiek recht for the year ended 31 December 2022

To the board of directors

We have been engaged to conduct a limited assurance engagement on a selection of environmental, social and governance performance indicators ("the ESG KPI's") published in the "Integrated Annual Report 2022" of Proximus SA de droit public / NV van publiek recht ("Proximus") for the year ended 31 December 2022. In preparing the ESG KPI's as included in the Integrated Annual Report 2022, Proximus applied the standards of the Global Reporting Initiative (GRI) and a set of own reporting criteria as disclosed in the Integrated Annual Report 2022 (Criteria). The ESG KPI's included in scope of the limited assurance are mentioned below and are identified with "v" in the Integrated Annual Report 2022:

- Energy efficiency indices (energy consumption vs total revenue and vs FTE) - Group
- Electricity (Terajoules) - Group
- Heating (Terajoules) - Group
- Vehicle fleet fuel (Terajoules) - Group
- CO_2 emissions scope 1 and 2 (KTons) - Group
- CO_2 emissions scope 1 - heating, refrigerants and fleet fuel (KTons) - Group
- CO_2 emissions scope 2 - electricity - market based method (KTons) - Group
- CO_2 emissions scope 3 - all reported categories - i.e. category 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, 12, 13 and 15 (KTons)
- Carbon intensity (vs FTE and vs Revenues) - Group
- Waste (KTons) - Belgium
- % of hazardous waste - Belgium
- % waste reused/recycled - Belgium
- Non-hazardous waste - recycled or reused (KTons) - Belgium
- Non-hazardous waste - with energy recovery (KTons) - Belgium
- Hazardous waste - recycled or recovered (KTons) - Belgium
- Total collected/refurbished devices (including DTMC) - Group
- Number of cases investigated by the investigations department for violation of policies/code of conduct
- Number of whistleblowing cases
- Cyber Security Resilience Index - Group
- Number of job seekers supported by Proximus initiatives in Belgium
- Percentage of accessible tested devices (at least for 5 disability categories)

Based on our work done as described in this report, nothing has come to our attention that causes us to believe that the abovementioned selected ESG KPI's as published in Proximus's Integrated Annual Report 2022, have not been prepared, in all material respects, in accordance with the applied criteria.

Responsibility of the board of directors

The board of directors of Proximus is responsible for the preparation of the ESG KPI's and the references made to it presented in the Integrated Annual Report 2022 as well as for the declaration that its reporting meets the requirements of the criteria.

procedures relevant for the preparation of the ESG KPI's that is free from material misstatement, whether due to fraud or error.

Nature and scope of our engagement

Our responsibility is to express a conclusion on the ESG KPI's based on our procedures. We conducted our engagement in accordance with the International Standard on Assurance Engagements ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board (IAASB), in order to state whether anything had come to our attention that causes us to believe that the ESG KPI's have not been prepared, in all material respects, in accordance with the applicable criteria.

We apply International Standard on Quality Control 1 and, accordingly, maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Applying these standards, our procedures are aimed at obtaining limited assurance on the fact that the ESG KPI's do not contain material misstatements. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our work was performed on the data gathered and retained in the reporting scope by Proximus as mentioned above. Our conclusion covers therefore only the abovementioned ESG KPI's and not all information included in the Integrated Annual Report 2022. The limited assurance on the selected KPI's was only performed on the ESG KPI's covering the period from 1 January 2022 till 31 December 2022.

The scope of our work included, amongst others, the following procedures:

- obtaining an understanding of the company's business, including internal controls relevant to collection of the information used to prepare the ESG KPI's. This included discussions with the Company's management responsible for operational performance in the areas responsible for the data underlying the ESG KPI's;
- considering the risk of material misstatement of the ESG KPI's;
- performing analytical procedures; and
- examining, on a limited sample basis, internal and external supporting evidence and performing consistency checks on the consolidation of these ESG KPI's.

Our report is made solely to the Company's directors, as a body, in accordance with ISAE 3000. Our work has been undertaken so that we might state to the Company those matters we are required to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's directors as a body for our work, this report, or for the conclusions we have formed.

Independence

In conducting our engagement, we have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior, and with the Belgian legal and regulatory framework.

Signed at Zaventem.

DELOITTE Bedrijfsrevisoren BV / Réviseurs d'Entreprises SRL
Represented by Koen Neijens