Press release

Paris, October 25, 2023

The iliad Group continues to make headway in CSR

corporate social responsibility



In France, Italy and Poland the iliad Group is continuing to make headway in corporate social responsibility and is today publishing its CSR Report. This document summarizes all of the Group's CSR actions in the three countries in which it operates. From now on it will be an annual publication, so that our various stakeholders can learn more about what we are doing to meet our CSR commitments.

Over the past few months, the iliad Group has launched a range of innovative initiatives and has carried out several major projects in all the areas that make up CSR.

I - The environment

The iliad Group is investing **large amounts of financial and human resources** in order to carry out its environmental roadmap. In particular, a **budget of one billion euros** has been granted for the period up to 2035 so that we can meet our ten climate pledges we announced in January 2021.

Partnering the transition to a low-carbon economy

In accordance with its climate strategy, the Group is pursuing actions to partner the transition to a low-carbon economy.

In order to reduce our greenhouse gas emissions and optimize our energy consumption, we are continuing our efforts to **enhance the efficiency of our Fixed and Mobile networks**. For example, in France, in 2021 our radio engineering teams put in place an innovative solution to significantly reduce the amount of electricity used by the Mobile network, by switching off certain frequency bands at night. This initiative was **successfully copied in Italy** and will continue to be carried out in 2024. It reduces the base stations' electricity consumption **by more than 10%** during the time the cells concerned are switched off, without impacting either network usage or service quality.

Regarding the Group's Fixed network, we are working hard to **accelerate fiber take-up in our three geographies**, bearing in mind[1] that an FTTH[2] line uses four times less energy than ADSL[3]. In **France**, the Group systematically encourages every eligible subscriber to migrate to a fiber connection at no extra cost. More than 70% of our subscriber base is now fiber-connected, which means that we have the highest fiber take-up rate in the market. At the same time, we're calling for the copper network be shut down more quickly than currently planned in areas where fiber is available, and are working hard on preparing for the copper switch-off. We are also working to optimize the electricity used by the copper equipment remaining in place, by disconnecting and miniaturizing DSLAMs[4]. In **Italy**, when launching our Fixed-line business there in January 2022 we chose to only offer fiber technology. And in **Poland**, following our acquisition of the fixed-line operator UPC Polska, we set up a FiberCo with a view to becoming the country's largest fiber operator and accelerate the migration of subscribers to fiber.

In early 2023 the Group signed off on **its first Power Purchase Agreement (PPA) in France** with its partner, ENGIE. This agreement will enable the Group to purchase, over a period of 15 years, the electricity generated by the Labrit solar farm located in the Landes region in south-west France. With 60,000 solar panels, it's estimated that the Labrit solar farm will produce **more than 20 GWh of electricity per year**, which corresponds to the electricity consumed by more than 1 million of our subscribers in France due to their use of the network. The Group is currently carrying out negotiations **to sign new PPAs** very shortly in the three countries in which it operates.

In addition, our teams design in-house all of our Internet boxes for the French and Italian markets and then oversee their production from A to Z. This enables us to plan each step in our supply chain in such a way as **to reduce our carbon emissions by as much as possible** (watch the video here). We have also made **a committed choice not to use air freight**, except when absolutely necessary.

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[1] Source: ARCEP, second edition of the annual survey "*Pour un numérique soutenable*" ("Achieving digital sustainability") – April 18, 2023
[2] Fiber To The Home
[3] Asymmetric Digital Subscriber Line
[4] Digital Subscriber Line Access Multiplexer. As a result of migrating our subscribers to fiber we can rationalize active ADSL equipment before switching off underused equipment.

Lastly, in the second quarter of 2023, we sent our carbon emissions reduction pathway for **validation to the Science Based Targets Initiative (SBTi)**. The SBTi has become the number one international standard for companies to set credible objectives for combating climate change. Our pathway includes targets for reducing our absolute emissions in the short term (2030) and the long term (2050). Our in-house climate action plans will be updated to incorporate these targets once they have been validated.

Deploying circular economy practices in all of our operations

The Group has a very pro-active policy for deploying circular economy practices in all of its operations. For example, our teams are taking action to **promote refurbished mobile phones and encourage their reuse and recycling**, and in **France** we have expanded our offering of refurbished mobile phones. The launch of our leasing offer with a purchase option – Free Flex – in 2021 has enabled us to promote refurbished models even more widely among our subscribers in France, and in 2022 these made up nearly 10% of our total sales of phones compared with 5.1% in 2020.

In June 2022, we went further when Free signed a partnership agreement with CertiDeal, a leader in France's refurbished smartphone market, in order to provide our subscribers with a broad offer of refurbished phones at the best prices in the market. And on March 1, 2023, Free announced the launch of a program for trading in mobile phones, in partnership with Recommerce, whereby in just a few simple steps anyone can get an estimate for their old phone and then trade it in. The used phones are then refurbished to be either re-sold or recycled.

In **Poland**, our teams have recently launched a trade-in program for smartphones with a view to refurbishing them and they've also launched a second-hand mobile phone offering. The refurbished mobile phone market is still nascent in Poland, but the Group is driving changes in consumer habits and we expect to see the emergence of new demand for these products.

In parallel, to raise awareness among our prospects and subscribers, we've installed **drop-off boxes** for used mobile phones and accessories **in all of our stores in France and Poland**. The boxes are placed where people can see and access them easily.

Regarding **our Mobile network**, in March 2023 Free announced the launch of the *Vérification Bon Fonctionnement* (VBF) program in France for reconditioning mobile mast antennas. With this program, when a Free Mobile antenna is dismantled it is sent to our partner, Amphenol Antenna Solutions, to be checked, upgraded and, if necessary, repaired, before being reconditioned and mounted on a new mobile mast. Thanks to the program's success in delaying obsolescence, the antennas **remain in service for two to three times longer** (watch the video here).

Lastly, the Group is pursuing its optimization drive across the entire production chain for its boxes. For several years now, we have placed circular economy principles at the center of all of our manufacturing processes and have developed **standard-setting practices for recycling the plastic** we use (watch the video here). We have also adopted **a structural principle of zero waste to landfill**. Certain materials such as foam and polymers cannot be recycled to create raw materials, and so for this type of waste our teams seek bespoke solutions for recycling each material.

We have also set up a **strict policy for product packaging**. Our people have taken measures to radically reduce the amount of single-use plastic packaging deployed in the supply chain, and to reduce the size and quantity of the packaging used for the Freebox Pop in **France** and the iliadbox in **Italy**. Likewise, in **Poland**, over the past several months Play's teams have completely rethought the company's product packaging. Outer cardboard packaging has been adapted to the size of the products in order to use fewer raw materials and optimize transportation. And plastic has been completely eliminated, including adhesive tape which has been replaced by kraft paper.

II - Human resources

The iliad Group takes great care to make sure that every one of its more than 16,700 employees in Europe feels happy at work. Over the past few months, we've continued to take steps in this direction, in line with the three main objectives that have underpinned our HR policy since our very beginnings: giving our people the tools they need **to take charge of their career**, offering them **an ever more equal and inclusive work environment**, and **ensuring their daily wellbeing**.

A recent example of our actions in this area is the ramp-up of our **three in-house Universities** – the F233 University in France, iliad college in Italy, and the Academy of Technology in Poland. In our three geographies we focus heavily on learning, training and internal mobility to help our people build their skill sets and levels of responsibility.

We have also taken major steps **to maximize our employees' awareness about global warming and the imperatives of sustainability**, particularly during the European Sustainable Development Week. In both 2022 and 2023, some 1,000 of the Group's people took part in a Climate Fresk, Digital Collage, or 2Tonnes workshop, attended our in-house conference on reviewing the progress we've made in meeting our climate pledges, and participated in various challenges to adopt eco-friendly habits on a daily basis.

In France, for several years now the Group has recorded **excellent results in its annual employee survey**. In 2023, we achieved an overall satisfaction rate of 82%, which is deemed "excellent". 93% of our French employees said they are proud to be part of the iliad Group, and 90% said they like their job and the work assigned to them. These scores clearly show our healthy working environment and reflect the hard work carried out by the Group in terms of its HR policy.

III - Society

From our very beginnings we've always acted for consumers, whether it's setting fair prices for telecom bills or protecting personal data. This approach naturally led us to take up **pro-active social outreach programs**, which we're continuing today in France, Italy and Poland.

The past months, marked by high inflation, have been a time for our Group to reaffirm its commitment **to defending purchasing power and consumer freedom**. In **France**, in early 2022 Free renewed its

promise not to touch the price of its €2 and €19.99[5] mobile plans until 2027. In **Italy**, iliad is continuing to stand apart from the market's other operators by keeping to its promises of offering generous deals with no hidden strings and not putting up its prices. And in **Poland**, thanks to its new Fiber offerings, Play is setting a new standard in the Polish market, combining high quality of service with freedom of choice.

Our social outreach programs have been relayed in France since 2006 by **the Free Foundation**. In 2022, the Foundation was given more importance and more resources, with a higher budget and new actions and initiatives. In 2023, this led to the signature of a partnership agreement with the non-profit organization Konexio, which seeks to create social inclusion via digital training and puts in place support measures in certain regions using digital technology as a vehicle for social inclusion and sustainability. In Poland, in January 2022 Play announced the creation of **its corporate foundation called "Freedom of Choice"** ("Wolność Wyboru"), whose role is to support digital educational projects.

The Group is also committed to **promoting education** across the regions in which it operates. For example, in June 2023 iliad Italia unveiled "**iliadship**", an innovative program designed to support students each year in the field of humanities as well as sciences. June 2023 also saw the opening of a **42 school in Warsaw**, with Play partnering the project via its corporate foundation. Like all of the other 42 school campuses, the Warsaw site will offer an excellence IT training pathway that will be free of charge and open to everyone.

Lastly, in September 2023 the iliad Group announced it had initiated **the creation of an excellence lab in Paris dedicated to AI research, in which over €100 million** has already been invested. The lab's main role will be to help build artificial general intelligence and bring it within everyone's reach, by making the findings of its research publicly available.

IV - Governance

All of the actions presented in our CSR Report show how HR, the society and the environment form the central pillars of the iliad Group's overall corporate strategy.

The Group's CSR policy is overseen at the highest level of the company, via the Board of Directors. Since the end of 2022, **a CSR committee comprising three members**, two of whom are independent, has been in charge of supervising the Group's CSR objectives, action plans and achievements. The fact that we maintained an exacting governance structure following the Group's delisting likewise clearly demonstrates our constant focus on acting in line with best CSR practices and strictly adhering to the highest code of conduct in terms of business ethics and compliance.

The Group also takes great care over the quality of **its various CSR ratings** (such as MSCI, Sustainalytics, CDP, Moody's Vigeo, S&P CSA). Our teams dialog regularly with these platforms

[5] Prices of the Free Mobile €19.99/month plan and the €2/month plan: excluding (i) communications in excess of/not included in the plan and (ii) services and add-on options. Offers subject to certain terms and conditions, valid in Metropolitan France. See mobile.free.fr for full terms and conditions.

in order to identify avenues of progress and improve how all of our initiatives are taken into account, as these are sometimes little known by the rating agencies. Examples include **data protection** and addressing **cybersecurity risks**, which are two major action areas for the Group and are domains in which we increased employee training during 2022 in all three of our geographies.

To find out more:

- See the **iliad Group CSR Report**
- Watch a **few video examples** of the actions we've carried out in France for the Environment:
  - Circular economy principles at the center of our manufacturing processes for our Freeboxes
  - Freight and logistics: how do the Freeboxes get to you?
  - reconditioning mobile mast antennas at Free
- See the synopsis of the results of our **2023 employee survey for France**

About the iliad Group

Created in the early 1990s, the iliad Group is the inventor of the world's first triple-play box and has grown into a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, iliad in Italy and Play in Poland, has over 16,700 employees serving 47 million subscribers, and generated €8.6 billion in revenues in the last 12 months. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 21.8 million retail subscribers at June 30, 2023 (14.5 million Mobile subscribers and 7.3 million Fixed-line subscribers). In Italy – where it launched its business in 2018 under the iliad brand, making it the country's fourth Mobile operator – the Group had almost 13% market share and more than 10.1 million Mobile subscribers at June 30, 2023. In Poland, the Group became an integrated convergent operator following the acquisition of UPC Polska in 2022, and at June 30, 2023 had over 12.9 million Mobile subscribers and some 2.1 million Fixed-line subscribers. The iliad Group is Europe's sixth-largest operator by number of retail Mobile subscribers (excluding M2M) and Fixed-line Internet subscribers.

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Investor relations: ir@iliad.fr
Press relations: presse@iliad.fr