

Second-Party Opinion

Telenet Sustainable Finance Framework

Second-Party Opinion

Reviewed by:

MORNINGSTAR

SUSTAINALYTICS



Evaluation Summary

Use of Proceeds Instruments

Sustainalytics is of the opinion that the Telenet Sustainable Finance Framework is credible and impactful and aligned with the Sustainability Bond Guidelines 2021, and the four core components of the Green Bond Principles 2021 and Green Loan Principles 2025. The eligible categories for the use of proceeds – Renewable Energy; Energy Efficiency of Networks, Data Centres, and Customer Premise Equipment, Climate Action – GHG Emission Reduction Initiatives, Clean Transportation, Circular Economy and Green Buildings / Energy Efficiency for Buildings – are aligned with the Green Bond Principles 2021 (GBP) and Green Loan Principles 2025 (GLP).

Sustainability-Linked Instruments

Sustainalytics is of the opinion that the Telenet Sustainable Finance Framework aligns with the Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2025.

Overview of KPIs and SPTs:

KPI	Baseline	Strength of the KPI	SPT	Ambitiousness of SPT
KPI 1: Absolute scope 1 and 2 GHG emissions (ktCO ₂ e)	2022	Very Strong	Reduce absolute scope 1 and 2 GHG emissions by: SPT 1.1: 44% by 2027 SPT 1.2: 53% by 2028 SPT 1.3: 70% by 2030	Highly Ambitious
KPI 2: Electricity sourced from renewable energy sources (%)	2022	Strong	SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030	Moderately Ambitious
KPI 3: Absolute scope 3 GHG emissions (ktCO ₂ e)	2022	Very Strong	Reduce absolute scope 3 GHG emissions by: SPT 3.1: 26% by 2027 SPT 3.2: 38% by 2028 SPT 3.3: 55% by 2030	Highly Ambitious

Evaluation Date April 25, 2025

Issuer Location Mechelen, Belgium

The UoPs and SPTs contribute to the following SDGs:



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Scope of Work and Limitations

Telenet Group Holding (“Telenet” or “The Company”) has engaged Sustainalytics to review the Telenet Sustainable Finance Framework dated February 2025 (the “Framework”) and provide an opinion on its alignment with the: Green Bond Principles 2021 (GBP), Green Loan Principles 2025 (GLP), Sustainability-Linked Bond Principles 2024 (SLBP) and Sustainability-Linked Loan Principles 2025 (SLLP).^{1,2}

Sustainalytics’ Second-Party Opinion reflects Sustainalytics’ independent³ opinion on the alignment of the Framework with current market standards. As part of this Second-Party Opinion, Sustainalytics assessed:

- The credibility and anticipated positive impacts of the use of proceeds and SPTs;
- The issuer’s sustainability strategy, performance and sustainability risk management.

As part of this engagement, Sustainalytics held conversations with representatives of Telenet to understand the sustainability impact of its business processes and the reporting and verification aspects of the Framework. Telenet representatives have confirmed that:

- (1) They understand it is the sole responsibility of Telenet to ensure that the information provided is complete, accurate and up to date;
- (2) They have provided Sustainalytics with all relevant information;
- (3) Any material information provided has been duly disclosed in a timely manner.

Sustainalytics also reviewed relevant public documents and non-public information. This document contains Sustainalytics’ opinion of the Framework and should be read in conjunction with that Framework. Any update of the present Second-Party Opinion will be conducted according to the agreed engagement conditions between Sustainalytics and Telenet. Sustainalytics’ Second-Party Opinion assesses alignment of the Framework with current market standards but does not provide any guarantee of alignment nor warrants alignment with any future versions of such standards. This Second-Party Opinion is valid for issuances aligned with the Framework until one of the following occurs: i) a material change to the external benchmarks against which targets were set; ii) a material corporate action (such as a material M&A or change in business activity) that has a bearing on the achievement of the SPTs or the materiality of the KPIs.

For use of proceeds instruments, Sustainalytics relied on its internal taxonomy, version 1.18, which is informed by market practice and Sustainalytics’ expertise as an ESG research provider. This Second-Party Opinion:

- addresses the anticipated impacts of eligible projects but does not measure their actual impact. Reporting and measuring the impact of projects financed under the Framework are responsibilities of the Framework owner.
- opines on the potential allocation of proceeds but does not guarantee their realized allocation towards eligible activities.

For sustainability-linked instruments, this Second-Party Opinion:

- addresses the anticipated SPTs but does not measure progress on the KPIs. Measuring and reporting on KPIs is the responsibility of the Framework owner.

No information Sustainalytics provides under the present Second-Party Opinion shall be considered as being a statement, representation, warrant or argument in favour or against the truthfulness, reliability or completeness of any facts or statements and related circumstances that Telenet may have disclosed to Sustainalytics for the purpose of this Second-Party Opinion.

For inquiries, contact the Sustainable Corporate Solutions project team:

¹ The bond-related principles, guidelines and handbooks are administered by the International Capital Market Association (ICMA) and are available at: <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/>

² The loan-related principles and guidelines are administered by the Loan Market Association, Asia Pacific Loan Market Association and Loan Syndications and Trading Association, and are available at: https://www.lsta.org/content/?_industry_sector=guidelines-memos-primary-market

³ When operating multiple lines of business that serve a variety of client types, objective research is a cornerstone of Sustainalytics and ensuring analyst independence is paramount to producing objective, actionable research. Sustainalytics has therefore put in place a robust conflict management framework that specifically addresses the need for analyst independence, consistency of process, structural separation of commercial and research (and engagement) teams, data protection and systems separation. In addition, analyst compensation is not directly tied to specific commercial outcomes.

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Introduction

Telenet Group Holding (“Telenet” or the “Company”), a wholly owned subsidiary of Liberty Global,⁴ is a fixed-mobile convergence communications company with operations in Belgium and Luxembourg.⁵ Telenet offers services such as broadband internet, video, fixed-line telephony and network for both B2C and B2B. As of 31 December 2024, the Company employed 3,383 people and it reported total revenue of EUR 2.9 billion in FY2024.

Telenet has developed the Telenet Sustainable Finance Framework dated April 2025 (the “Framework”) under which it intends to issue green bonds, including unsecured and secured bonds⁶ and multi-tranche bonds;⁷ sustainability-linked bonds, including unsecured and secured;⁸ green and sustainability-linked loans, including club loans, term loans, bilateral loans, bank guarantees, and revolving credit facilities; sustainability-linked supply chain financing;⁹ and securitized sustainability-linked loans.^{10,11} Telenet engaged with Sustainalytics to review the Framework and provide a Second-Party Opinion on the Framework’s alignment with market expectations, including the Green Bond Principles 2021, Green Loan Principles 2025, Sustainability-Linked Bond Principles 2024, and Sustainability-Linked Loan Principles 2025. The Framework has been published in a separate document.¹²

Under use of proceeds instruments, Telenet intend to finance or refinance projects to support the decarbonization efforts of telecom services in Belgium and Luxembourg. The Framework defines eligibility criteria in the following areas:

1. Renewable Energy
2. Energy efficiency of Networks, Data Centres, and Customer Premise Equipment
3. Climate action – GHG Emission Reduction Initiatives
4. Clean Transportation
5. Circular Economy
6. Green Buildings / Energy Efficiency for Buildings

Under sustainability-linked instruments, their financial characteristics will be tied to the achievement of the following sustainability performance targets (SPTs) and key performance indicators (KPIs) as set out in the Framework.

Table 1: KPI Definitions

KPI	Definition
KPI 1: Absolute scope 1 and 2 GHG emissions (ktCO ₂ e)	<p>KPI measures absolute scope 1 and 2 GHG emissions in kilotonnes of carbon dioxide equivalent, expressed in ktCO₂e. Telenet calculates its scope 1 and 2 GHG emissions in accordance with the GHG Protocol Corporate Standard.¹³ KPI 1 covers direct emissions (scope 1) and indirect emissions (scope 2) defined as follows:</p> <p>Scope 1: Emissions from sources that are company-owned or controlled, including: emissions from static combustion (i.e. fuel used in generators for heating/power), mobile combustion (i.e. vehicle and aviation</p>

⁴ Liberty Global, “About Liberty”, at: <https://www.libertyglobal.com/>

⁵ Telenet, “Annual Report 2023”, (2023), at: <https://www2.telenet.be/corporate/en/investors/financial-results/annual-reports/>

⁶ Telenet has confirmed to Sustainalytics that: i) secured bonds may include secured green standard bonds and secured green collateral bonds, as defined in the June 2022 Appendix of the Green Bond Principles 2021, and they will be clearly distinguished in the respective offering documents; ii) the net proceeds from secured bonds will be directed to eligible green assets under the Framework; iii) in the case of secured green collateral bonds, the underlying collateral will meet the Framework criteria; and iv) there will be no double counting of eligible projects under secured bonds or any other outstanding green financing instrument.

⁷ Telenet has communicated to Sustainalytics that multi-tranche bonds are split into different tranches based on tenor and intended use of proceeds (green and non-green use of proceeds). The Company confirmed that only tranches with proceeds allocated to eligible projects under the Framework will be labelled as green.

⁸ Sustainalytics’ opinion is limited to the linked nature of the bonds and thus has assessed only the alignment of these instruments with the SLBP.

⁹ Telenet has confirmed that it will remain the obligor/borrower under the supply chain financing facility where the underlying sustainability-linked loan is aligned with the criteria in the Framework in relation to the KPIs, SPTs (including annual targets), the loan’s financial characteristics, and reporting and verification commitments.

¹⁰ Telenet has confirmed that the securitized sustainability-linked loans will align with the criteria of the sustainability-linked loans outlined in the Framework, specifically regarding KPIs, SPTs, financial characteristics, reporting and verification commitments. Additionally, the Company has confirmed that it will retain responsibility for these provisions under the securitized sustainability-linked loan structure. Sustainalytics’ assessment is limited to the senior tranches of the securitized sustainability-linked loans/notes obtained under the structure.

¹¹ This Second-Party Opinion applies exclusively to the instruments expressly cited in the Framework.

¹² The Telenet Sustainable Finance Framework is available on Telenet Group Holding’s website at: <https://www2.telenet.be/corporate/en/sustainability/reporting.html>

¹³ GHG Protocol, “A Corporate Accounting and Reporting Standard Revised Edition”, at: <https://ghgprotocol.org/corporate-standard>

	fuel from company-owned or leased fleet), and coolants and propellants (i.e. in air conditioning units and fire suppression systems). Scope 2: Emissions from purchased electricity, heat and steam.
KPI 2: Electricity sourced from renewable energy sources (%)	KPI 2 measures the proportion of electricity sourced from renewable energy in the total electricity sourced. The KPI is calculated as renewable electricity consumed (in MWh) divided by the total electricity consumed (in MWh) during a financial year. Telenet's renewable energy sources include on-site solar power installation and bundled renewable energy certificates.
KPI 3: Absolute scope 3 GHG emissions (ktCO ₂ e)	KPI 3 measures absolute scope 3 GHG emissions in kilotonnes of carbon dioxide equivalent, expressed in ktCO ₂ e. Telenet calculates its scope 3 GHG emissions in accordance with the GHG Protocol Corporate Standard. ¹⁴ KPI 3 covers indirect emissions from Telenet's value chain emissions and includes all categories covered under the GHG Protocol Corporate Standard, ¹⁵ except for category 10 (processing of sold products) and category 14 (franchises), which are not applicable to the Company. ¹⁶

Table 2: SPTs and Past Performance

KPI	2019	2020	2021	2022 (Baseline)	2023	SPT 2027	SPT 2028	SPT 2030
KPI 1: Absolute scope 1 and 2 GHG emissions (ktCO ₂ e)	14,427	10,726	9,556	10,350	9,461	SPT 1.1: Reduce absolute scope 1 and 2 GHG emissions by 44% by 2027	SPT 1.2: Reduce absolute scope 1 and 2 GHG emissions by 53% by 2028	SPT 1.3: Reduce absolute scope 1 and 2 GHG emissions by 70% by 2030
KPI 2: Electricity sourced from renewable energy sources (%)				98.17	99.99	N.A.	N.A.	SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030
KPI 3: Absolute scope 3 GHG emissions (ktCO ₂ e)	432 ¹⁷	190	229	368,322	348,283	SPT 3.1: Reduce scope 3 GHG emissions by 26% by 2027	SPT 3.2: Reduce scope 3 GHG emissions by 38% by 2028	SPT 3.3: Reduce scope 3 GHG emissions by 55% by 2030

¹⁴ Ibid.¹⁵ The KPI includes the following: category 1 (purchased goods and services), category 2 (capital goods), category 3 (fuel- and energy-related activities), category 4 (upstream transportation and distribution), category 5 (waste generated in operations), category 6 (business travel), category 7 (employee commuting), category 8 (upstream leased assets), category 9 (downstream transportation and distribution), category 11 (use of sold products), category 12 (end-of-life treatment of sold products), and category 15 (investments).¹⁶ KPI 3 includes all entities under Telenet's operational control with a turnover exceeding EUR 25 million, excluding companies accounting for approximately 2% of Telenet's total scope 3 emissions.¹⁷ Sustainalytics notes a significant variation in the Company's reported scope 3 emissions data between 2019-2021 and 2022, attributed to Company's expansion of its emissions inventory to include all Scope 3 categories for entities under its operational control and with annual revenue exceeding EUR 25 million.

Sustainalytics' Opinion

Section 1: Alignment of the Framework with Relevant Market Standards

Alignment with Use of Proceeds Principles

Sustainalytics is of the opinion that the Telenet Sustainable Finance Framework is credible, impactful and aligns with the Green Bond Principles 2021 and Green Loan Principles 2025.



Use of Proceeds

Overall Assessment of Use of Proceeds

- Telenet has communicated to Sustainalytics that all eligible projects and assets will be located in Belgium and Luxembourg.
- Telenet has defined a look-back period of three years for the refinancing, which Sustainalytics considers to be in line with market practice.
- Telenet has confirmed to Sustainalytics that the Company has measures in place to avoid double counting of eligible projects and assets between categories.
- Telenet has confirmed that allocation for R&D projects under the Framework will be limited to 5% of the net proceeds per sub-category.
- Sustainalytics notes that financing will consist of loans in eligible assets or projects, as well as general corporate purpose financing of pure play entities that derive 90% or more of their revenue from activities meet the eligibility criteria in the Framework. Sustainalytics acknowledges that allocating proceeds to pure play companies through green financing transactions is a commonly accepted approach that is likely to generate positive impacts; however, project and activity-based lending generally results in more direct environmental benefits and enhanced compliance with eligibility criteria.

Use of Proceeds	Activity	Sustainalytics' Assessment
Renewable Energy	Construction, acquisition, maintenance, purchase, and operation of renewable energy projects	<ul style="list-style-type: none"> - Generation of electricity from solar panels in Telenet's offices, shops, technical buildings and data centres. - Battery storage systems connected to the grid and Telenet's mobile network, which is supplied with 100% renewable energy. Sustainalytics notes that the investments will be limited to Belgium, which is part of the interconnected European system. <ul style="list-style-type: none"> ▪ Sustainalytics recognizes the critical need to expand utility-scale storage systems to enable the expansion of renewable energy, while also noting that the environmental benefit of storage systems depends on the carbon intensity of the grid to which they are connected, and that deploying such assets to carbon-intensive grids or associated systems may result in increased emissions intensity. - Purchase of renewable energy through renewable energy contracts. Telenet confirmed it commits to renew the RECs until the instrument matures. - Telenet has confirmed that the procurement of renewable energy excludes power generated from natural gas facilities. - Sustainalytics views these investments as aligned with market practice.
Energy Efficiency of Networks, Data Centres and Customer Premises Equipment (CPE)	Improvements, construction, maintenance, of projects that reduce the energy consumption and intensity of products to	<ul style="list-style-type: none"> - Projects aimed at reducing the energy consumption and intensity of products, services and facilities: <ul style="list-style-type: none"> ▪ Upgrade and modernization of the fixed network and upgrade of the mobile network to 5G and 6G technology, consisting of replacement of older mobile networks such as 3G.

	operations, processes and energy performance	<ul style="list-style-type: none"> While deployment of 5G and 6G technologies from previous generation networks could lead to increased energy demand on the network, Sustainalytics believes that the energy efficiency gains achieved through such investments will result in a net energy reduction per unit of data transmitted. This will be achieved specifically by enabling more energy efficient data transmission as well as operational efficiency across a range of industries and activities downstream of the network. Energy efficiency initiatives for the radio access network (RAN). Construction and maintenance of data centres with a PUE of less than 1.5 as well as installation of related equipment at these data centres. Installation or upgrade of technologies, products, technical equipment or hardware systems aimed at increasing the energy efficiency of data centres to an annualized PUE of 1.5 or below; or intended for use in data centres meeting this threshold; or in data centres or technical sites where the energy efficiency of the equipment is improved by 30%, compared to pre-investment performance. Intended expenditures include: <ul style="list-style-type: none"> Modern equipment to raise operating temperatures and maximize free cooling. Adoption of LED lighting and signage, alternating pulsing for climate cabinet and turbo compressors. Sustainalytics notes that data centres are inherently energy intensive, and that Telenet intends to finance the installation of energy-efficient systems, hardware and technologies in data centres with the purpose of reducing overall GHG emissions and improving energy performance. Sustainalytics recommends that Telenet monitor and report on improvements in energy or carbon performance resulting from such installations. Investments in CPE, including: i) research and development to improve energy efficiency of CPE; ii) purchase of software updates for existing CPE, such as updates that enable support for additional energy models in modems.; iii) premium mark-up for new CPE that are more energy efficient.¹⁸ Telenet has confirmed that CPE are limited to modems and set-top boxes. Telenet has confirmed that the above investments exclude equipment powered by fossil fuels. Projects aimed at reducing customers' energy consumption, including implementing digital solutions that enhance monitoring and management of energy usage in households. Sustainalytics views these investments as aligned with market practice.
Climate Action – GHG Emission Reduction Initiatives	Research and development (R&D), and investments in projects aimed at reducing GHG emissions.	<ul style="list-style-type: none"> Electrification of equipment and machinery used for the construction or maintenance of network sites. Sustainalytics views these investments as aligned with market practice.
Clean Transportation	Acquisition, service, expansion, upgrade, maintenance, operation and R&D	<ul style="list-style-type: none"> Electric charging stations and smart charging solutions that allow users to tailor charging sessions based on available solar power and maximize peak usage. Expenditures may also include R&D costs. Telenet has confirmed that parking facilities will be excluded from financing.

¹⁸ Telenet confirmed that modems consume an average of 12.3 W, with newer models averaging 7 W, representing a 40% improvement in energy efficiency. Set-top boxes consume 9.75 W on average, while the latest models consume 1.4 W on average, representing a 70% gain in energy efficiency.

		<ul style="list-style-type: none"> - Home energy management solutions, including smart grid balancing solutions. Expenditures may also include R&D costs. <ul style="list-style-type: none"> ▪ The Framework allows for allocation to smart grid investments. Despite the variety of definitions and applications of smart grid technology, Sustainalytics views investments that are designed to improve grid efficiency positively and encourages Telenet to select projects that are clearly anticipated to deliver tangible efficiency improvements. - R&D expenditures for transport solutions in Telenet's value chain, including: <ul style="list-style-type: none"> ▪ Optimization of vehicles for last-mile goods delivery in cities and service vehicles for network construction and maintenance sites, based on the following criteria: i) zero emissions passenger vehicles and electric bikes; ii) hybrid light commercial vehicles with an emissions threshold of or below 75 gCO₂/km, in accordance with the Worldwide Harmonized Light Vehicles Test Procedure (WLTP); and iii) heavy trucks with an emissions threshold of or below < 25 gCO₂/tkm. ▪ Improvement of third-party logistics by modifying routes based on drop-off points to reduce kilometres travelled and maximize truckloads. ▪ Transition to long distance transportation solutions powered by electricity and green hydrogen. ▪ Modifications to ICE vehicles to support the use of biofuels. ▪ Sustainalytics notes that there are other technologies in the market that are commercially available for passenger and light duty vehicles (such as EVs and hybrid cars) that have been more effective in reducing tailpipe emissions in transportation. Sustainalytics also notes that biofuel use is expected to decline due to increasing EV deployment strategies from the implementation of regulations in most developed countries. Nevertheless, Sustainalytics considers biofuel to play an important role in this transition phase towards a complete conversion to electric vehicles, given the average 50% lower emissions intensity potential of most biofuels (without land use change) in comparison with diesel and gasoline. - Sustainalytics views these investments as aligned with market practice.
Circular Economy	Projects aimed at the preservation of natural resources, the extension of product life, and the reduction of waste	<ul style="list-style-type: none"> - Reverse logistics programme for repairing and reusing CPE, consisting of the following: <ul style="list-style-type: none"> ▪ Collection of used CPE ▪ Software upgrades for used CPE ▪ Hardware repair services for CPE and third-party hardware, such as smartphones, including screen repair and battery exchange. ▪ Reuse, refurbishment and buy-back of third-party hardware, including mobile phones and tablets. - Procurement of reusable packaging produced using fully recycled or certified biobased materials certified by the Roundtable on Sustainable Biomaterials Association,¹⁹ Forest Stewardship Council,²⁰ Programme for the Endorsement of Forest Certification,²¹ Bonsucro,²² International Sustainability and Carbon Certification or Roundtable on Responsible Soy.²³ Sustainalytics views these certification schemes as robust and credible. Telenet has confirmed that the Company will use a pro-rata approach if packaging contains less than 100% of recycled or certified materials.

¹⁹ RSB: <https://rsb.org/certification/>

²⁰ FSC: <https://fsc.org/en>

²¹ PEFC: <https://www.pefc.org/>

²² Bonsucro: <https://bonsucro.com/>

²³ RTRS: <https://responsiblesoy.org/?lang=en>

		<ul style="list-style-type: none"> ▪ In addition, Telenet considers the following thresholds for the minimum post-consumer recycled content to be in alignment with guidance from the Environmental Protection Agency (EPA) when allocating proceeds to reusable packaging solutions or certified biobased materials: i) fibre, cardboard/paper packaging: 50%; ii) plastic packaging: 15%; iii) glass packaging: 25%; and iv) metal packaging: 30%. - Recycling of equipment, including its electronic components. - Telenet has confirmed that activities under this category: i) exclude activities that support refurbishment, reconditioning and repair of products specifically for use in the extraction of fossil fuels or that inherently rely on fossil fuels; ii) exclude chemical recycling of plastics; iii) result in products being put back to their original use with minimal preprocessing; and iv) the eligible projects related to e-waste recycling will have a robust waste management plan to ensure mitigation of any risks associated with such activities. For additional detail, see Section 2. - Sustainalytics views these investments as aligned with market practice.
Green Buildings / Energy Efficiency for Buildings	Construction, acquisition, operation and renovation of office buildings in Belgium and Luxembourg, as well as installation of energy efficiency improvements in office buildings, retail shops and technical locations, including data centres	<ul style="list-style-type: none"> - Development, acquisition, refinance or operation of new office buildings that are in the top 15% of the national building stock in terms of emissions intensity performance or operational primary energy demand (PED), or certified – or expected to be certified – to the following minimum certification levels: i) BREEAM Very Good;²⁴ or ii) LEED Gold.²⁵ <ul style="list-style-type: none"> ▪ Sustainalytics considers BREEAM Excellent to be aligned with best practice and encourages Telenet to select BREEAM-certified buildings that score high enough in the Energy category (which Sustainalytics regards as the most important one) to fulfil the requirements for BREEAM Excellent in that category to the extent possible. ▪ Sustainalytics views the LEED Gold certification scheme level as credible and impactful. ▪ Sustainalytics notes that Telenet may also finance buildings certified under other national or international standards deemed by the Company to have an equivalent scope and performance to the certifications listed above. Sustainalytics further notes that it is market expectation to specify all eligible schemes and certifications and encourages Telenet to report on any specific schemes and certifications it intends to use. - Building renovations leading to emissions or PED savings of at least 20-30% compared to the pre-retrofit state. <ul style="list-style-type: none"> ▪ Sustainalytics considers it market practice to ensure that retrofits will achieve emissions or energy performance improvements of at least 30% but acknowledges that an energy performance improvement of 20% will result in some environmental benefit. ▪ Installation and maintenance of energy efficiency improvements in office buildings, retail shops and technical locations, including data centres, such as: i) insulation; ii) energy-efficient windows with low u-value and external doors; iii) heating, ventilation and air-conditioning; iv) water source heat pumps; v) energy efficient lighting; vi) electricity smart metres; and vii) energy management systems. ▪ Telenet has confirmed that data centres will have achieved a PUE of less than 1.5 or the financing will be limited to technologies dedicated to improving energy efficiency in the data centres. ▪ Sustainalytics notes that heat pumps will not use refrigerants with high global warming potential (GWP) and

²⁴ BREEAM: <https://bregroup.com/products/breem/>

²⁵ LEED: <https://www.usgbc.org/leed>

		<p>will be equipped with a refrigerant management system, which includes instruments to measure, monitor and minimize leakages, such as the installation of leak detection alarm systems, conducting regular leak detection inspections, and equipment maintenance and cleaning.</p> <ul style="list-style-type: none"> ▪ Telenet has confirmed that investments under this category excludes technologies, products and systems that are primarily powered by fossil fuels or intended for or provide energy efficiency improvements to processes that are inherently carbon intensive. ▪ Sustainalytics views these investments as aligned with market practice.
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Project Evaluation and Selection

- Telenet has established a Sustainable Finance Committee, which is responsible for evaluating, selecting and overseeing projects in line with the Framework's eligibility criteria. The committee convenes at least annually and includes representatives from the Finance, Strategy, Product and Technology, Residential and Small Office, Home Office (SOHO) Commercial, People and Facilities, and Legal departments.
- The Risk and Compliance team is responsible for identifying and managing environmental and social risks associated with eligible projects through the Company's enterprise risk management system, with support from the Sustainability Program Office. Sustainalytics considers these environmental and social risk management systems to be adequate. For additional details see Section 2.2.
- Based on the established process for project evaluation and selection and the presence of a risk management system, Sustainalytics considers this process to be in line with market practice.



Management of Proceeds

- Telenet's Treasury team will be responsible for management of the proceeds and will track their allocation in a green finance register using a portfolio approach.
- The Company intends to allocate proceeds within 36 months of each issuance. Pending full allocation, unallocated proceeds will be temporarily held in cash, cash equivalents, and other liquid instruments, including money market funds and separately managed accounts.
- Telenet has communicated to Sustainalytics that instruments issued under the Framework may include multi-tranche bonds and multi-tranche loan facilities. The Company intends to label only those tranches of such facilities whose proceeds will be allocated according to the eligibility criteria in the Framework.
- Based on the use of an internal tracking system and the disclosure of the temporary use of proceeds, Sustainalytics considers this process to be in line with market practice.



Reporting

- The Company will report on the allocation of proceeds and the corresponding impacts in an impact report, which will be published on its website or at least made directly available to the lenders in case of loans on an annual basis until the proceeds have been fully allocated.

- Allocation reporting will include a summary of outstanding instruments, the total amount allocated to eligible projects by category; net proceeds allocated to each project; the balance of unallocated proceeds; the share of new financing versus refinancing, and a list of eligible green projects with descriptions linked to each issued instrument.
- The Company has communicated to Sustainalytics that if it obtains revolving credit facilities, it will report on allocation until the loans reach maturity.
- Impact reporting may include performance indicators, such as the share of renewable energy sourced and produced on total consumption (in percentage); reduced or avoided GHG emissions (in CO₂e); annual estimated energy reduction (MWh); the number of EV charging stations installed, increase in materials, components and products that are reusable, recyclable, and certified compostable (in percentage or in tonnes), and the number of buildings retrofitted.
- Based on the commitments to allocation and impact reporting, Sustainalytics considers this process to be in line with market practice.

Alignment with Sustainability-Linked Principles

Sustainalytics is of the opinion that the Telenet Sustainable Finance Framework aligns with the Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2025.



Selection of Key Performance Indicators

Relevance and Materiality of KPIs

In assessing the materiality and relevance of a KPI, Sustainalytics considers: i) whether the indicator addresses a material impact of the issuer's activities on environmental or social issues; and ii) to what extent the KPI is applicable.

KPI 1: Absolute scope 1 and 2 GHG emissions

KPI 2: Electricity sourced from renewable energy sources

KPI 3: Absolute scope 3 GHG emissions

Sustainalytics notes that KPIs 1, 2 and 3 collectively address the issue of Telenet's GHG emissions and has, therefore, taken a combined approach to assess these KPIs. Sustainalytics considers the KPIs to be highly material and relevant given that:

- Mobile and fixed network consumption accounts for 75% of the telecommunication industry's total energy consumption.²⁶ Sustainalytics' ESG Risk Rating identifies Carbon – Own Operations²⁷ as a Material ESG Issue for the telecommunication services industry, primarily due to the pressures relating to energy optimization for its networks from rising energy costs, growing energy consumption and the need to meet decarbonization goals.²⁸
- The Sustainability Accounting Standards Board (SASB) identifies energy management as a relevant topic to track and disclose for the telecommunication services sector. How telecommunication services entities manage their overall energy efficiency or intensity, their reliance on different types of energy, and how they access alternative sources of energy may become increasingly material as the global regulatory focus on climate change widens.²⁹

²⁶ McKinsey & Company, "The growing imperative of energy optimization for telco networks", (2024), at: <https://www.mckinsey.com/industries/technology-media-and-telecommunications/our-insights/the-growing-imperative-of-energy-optimization-for-telco-networks?stcr=1A99D403B4244E3C91AD3533E4E91473&cid=other-eml-alt-mip-mck&hlkid=02af558649294767b1c52706ec40ae6a&hctky=14731690&hdpid=74c2d512-3ec8-485e-9607-3c29eb037281>

²⁷ Sustainalytics' Carbon – Own Operations MEI refers to a company's management of risks related to its own operational energy use and scope 1 and 2 GHG emissions. It also includes parts of scope 3 GHG emissions.

²⁸ Sustainalytics' Industry Report Telecommunication Services (2024)

²⁹ SASB, "Materiality Finder, Telecommunication Services", at: <https://sasb.ifrs.org/standards/materiality-finder/find/?industry%5b%5d=TC-TL>

- Scope 3 emissions make up approximately 75% of all GHG emissions from the mobile telecom sector, with categories 1 (purchased goods and service), 2 (capital goods), 3 (fuel- and energy-related activities), 11 (use of sold products) and 15 (investments) accounting for approximately 90% of these scope 3 emissions.³⁰
- In terms of applicability,
 - KPI 1 (scope 1 and 2 emissions) covers the Company's operating emissions, which accounted for approximately 3% of Telenet's total scope 1, 2 and 3 emissions in 2023.
 - KPI 3 (scope 3 emissions) covers the Company's indirect emissions and accounted approximately 98% of the Company's scope 3 emissions in 2023, or 95% of total scope 1, 2 and 3 emissions in that year.³¹
 - Altogether, KPIs 1, 2 and 3, address approximately 98% of Telenet's total GHG emissions in 2023, indicating a high scope of applicability.

Based on the above, Sustainalytics considers KPIs 1, 2 and 3 to be material and to have a high scope of applicability.

KPI Characteristics

In assessing KPI characteristics, Sustainalytics considers: i) whether it uses a clear and consistent methodology; ii) whether it follows an externally recognized definition; iii) whether the KPI is a direct measure of the issuer's performance on a material environmental or social issue;³² and iv) whether the methodology can be compared to an external contextual benchmark.³³

KPI 1: Absolute scope 1 and 2 GHG emissions (ktCO₂e)

KPI 3: Absolute scope 3 GHG emissions (ktCO₂e)

Sustainalytics considers Telenet's definition and methodology to calculate the performance of KPI 1 and 3 to be clear, based on the ease of calculation. Telenet follows an externally recognized methodology to calculate its absolute scope 1, 2 and 3 emissions, namely the GHG Protocol Corporate Standard.³⁴ Sustainalytics considers KPI 1 and 3 to be directly linked to the Company's environmental performance on GHG emissions. Sustainalytics also notes that both KPIs support comparison against external science-based decarbonization pathways, such as the Science Based Targets initiative's (SBTi) absolute reduction method.³⁵

KPI 2: Electricity sourced from renewable energy sources (%)

Sustainalytics considers Telenet's definition and methodology to calculate KPI 2 to be clear, given the ease of calculation and replicability, and its consistency with the Company's historical reporting on this KPI since 2020. The KPI is indirectly linked to Telenet's environmental performance because it measures the percentage of renewable energy sourced over total energy procured, which is an indirect indicator of the underlying environmental issue of GHG emissions. Considering that the KPI measures the share of renewable energy consumption, Sustainalytics notes that the KPI supports comparison against external science-based decarbonization pathways, such as the SBTi's renewable electricity criteria and RE100 recommendations.^{36,37}

Overall Assessment

Sustainalytics considers KPIs 1 and 3 to be very strong given that: i) they are a direct measure of the Company's sustainability performance on a relevant and material environmental issue; ii) they together have a high scope of

³⁰ GSMA, "Mobile Net Zero 2024 State of the Industry on Climate Action" (2024), at: <https://www.gsma.com/solutions-and-impact/connectivity-for-good/external-affairs/wp-content/uploads/2024/02/Mobile-Net-Zero-2024-State-of-the-Industry-on-Climate-Action-1.pdf>

³¹ KPI 3 does not cover indirect emissions from companies under Telenet's control with a turnover less than EUR 25 million (representing approximately 2% of Telenet's total scope 3 emission).

³² A direct measure refers to a metric selected for the KPI that shows a specific indicator of performance or an outcome on the material ESG issue.

³³ External contextual benchmarks are standards or points of reference established by recognized third-party organizations to facilitate comparability.

³⁴ Greenhouse Gas Protocol, "A Corporate Accounting and Reporting Standard", at: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>

³⁵ Science Based Targets initiative, "SBTi Corporate Manual", (2023) at: <https://sciencebasedtargets.org/resources/files/SBTi-Corporate-Manual.pdf>

³⁶ Science Based Targets initiative, "SBTi Criteria and Recommendations for Near-Term Targets", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-criteria-v5.1.pdf>

³⁷ RE100, "Technical Guidance & FAQs": <https://www.there100.org/technical-guidance>

applicability; iii) they follow clear and consistent methodologies that are externally defined; and iv) they lend themselves to be compared against recognized external GHG emission reduction trajectories.

Sustainalytics considers KPI 2 to be strong given that it: i) is an indirect measure of the Company's performance on a relevant and material environmental issue; ii) has a high scope of applicability together with KPI 1 and 3; iii) follows a clear and consistent methodology that is externally defined; and iv) it supports benchmarking against external science-based trajectories.

KPI	Strength of KPI			
KPI 1: Absolute scope 1 and 2 GHG emissions	Not Aligned	Adequate	Strong	Very strong
KPI 2: Electricity sourced from renewable energy sources (%)	Not Aligned	Adequate	Strong	Very strong
KPI 3: Absolute scope 3 GHG emissions	Not Aligned	Adequate	Strong	Very strong



Calibration of Sustainability Performance Targets

Alignment with Telenet's Sustainability Strategy

Telenet has set the following SPTs for its KPIs:

- SPTs 1.1 – 1.3: Reduce absolute scope 1 and 2 GHG emissions by 44% by 2027, 53% by 2028 and 70% by 2030, all from a 2022 baseline.
- SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030, from a 2022 baseline.
- SPTs 3.1 – 3.3: Reduce absolute scope 3 GHG emissions by 26% by 2027, 38% by 2028 and 55% by 2030, all from a 2022 baseline.

Sustainalytics considers the SPTs to be aligned with Telenet's sustainability strategy.

As part of its sustainability strategy, Telenet focuses on reducing the energy consumption and intensity of its assets, products and services, promoting the adoption of low-emission mobility solutions, and purchasing electricity from renewable sources to support the transition to a low-carbon and resource-efficient economy. The SPTs align with Telenet's long-term decarbonization target of achieving net zero emissions across its value chain by 2040.

Please refer to Section 2 for an analysis of the credibility of Telenet's sustainability strategy.

Strategy to Achieve the SPTs

Telenet intends to achieve SPTs 1 and 2 through the following strategy:

- Electrification of the Company's own vehicle fleet and the promotion of sustainable mobility solutions among its workforce, such as public transportation and bicycles for short-distance travel. The Company will also offer employees a mobility budget covering subscriptions for public transportation, such as bus and rail passes, and bicycle leases.
- Enhancement of energy efficiency across its assets by improving the power usage efficiency of technical stations and data centres, adopting energy-efficient software, coding, and servers, and installing LED lighting systems.
- Optimization of the use and management of its buildings and sites while improving their energy performance. Measures include rationalizing building usage, enhancing insulation, replacing windows and external doors, and upgrading heating, ventilation and air-conditioning systems. Additional initiatives involve installing water heating systems, energy-efficient lighting, electricity smart metres, and implementing and maintaining efficient energy management systems.

- Procurement of electricity, through 100% renewable energy bundled contracts and investment in onsite renewable electricity generation through solar plants.

Telenet intends to achieve SPT 3 through the following strategy:

- Transition to electric bike and zero-emission or low-emission vehicles for last-mile delivery of goods delivery in cities and service vehicles used for network construction and maintenance sites and optimize third-party logistics by modifying routes based on drop-off points to reduce kilometres travelled.
- Invest in electric charging stations and smart charging solutions.
- Implement reverse logistics solutions for CPE, as well as invest in more energy-efficient CPE, including set-top boxes and modems.
- Improve the recyclability of equipment, components and materials used in all hardware products.
- Commit to phase out 3G networks in 2025 and focus on enhancing 4G and 5G mobile network infrastructure, alongside improving the energy efficiency of its services.
- Collaborate with hardware suppliers to enhance production processes and establish minimum thresholds for plastics usage and recyclability.
- Invest in energy-efficient production for movies, TV programmes and advertisements, including energy-saving capture equipment, recording studios and video editing.
- Offer smart and connected home services, including energy management solutions to optimize solar-powered charging, maximize peak usage and leverage dynamic pricing.
- Encourage suppliers to electrify all machinery and equipment used for network construction and maintenance.

Ambitiousness, Baseline and Benchmarks

To determine the ambitiousness of an SPT, Sustainalytics considers: i) whether the SPT goes beyond a business-as-usual trajectory; ii) how the SPT compares to targets set by peers; and iii) how the SPT compares with science-based references.³⁸

Telenet has set a baseline year of 2022 for all SPTs, which is aligned with its SBTi-validated targets.³⁹ The Company has also confirmed that, in line with the recommendation of the SLLP on annual target setting for SPTs, it will include annual SPTs in its sustainability-linked loan facilities under the Framework. The specific annual targets will be detailed in the documentation for each loan transaction. Sustainalytics' assessment is limited to the SPTs outlined in the Framework and does not cover annual targets that will be included as part of the Company's loan transactions.

Sustainalytics notes that inconsistencies in the reported data do not lend themselves to historical comparison. Therefore, past performance has not been used to assess the ambitiousness of the SPTs.⁴⁰

SPTs 1.1 – 1.3: Reduce absolute scope 1 and 2 GHG emissions by 44% by 2027, 53% by 2028 and 70% by 2030, all from a 2022 baseline

Sustainalytics was able to use the following criteria to assess ambitiousness: peer performance and science-based trajectories.

Sustainalytics analyzed the performance of eight peers in the telecommunications industry and found that the Company's targets align with similar targets set by its peers. Therefore, Sustainalytics considers SPT 1 to be aligned with the targets set by Telenet's peers.

³⁸ We refer here to contextual benchmarks that indicate the alignment of targets with ecosystem boundaries.

³⁹ Telenet has shared its SBTi validation reports with Sustainalytics confidentially.

⁴⁰ For SPT 1, Sustainalytics notes that the data have not been reported consistently for the historical years. For SPT 2, the Company has communicated to Sustainalytics that data for 2022 lacked renewable energy data in relation to a company under its control. For SPT 3, Sustainalytics notes that coverage of emissions data for the period 2019-2021 differed with that of 2022, due to the Company's expanded emissions inventory, which included all scope 3 categories for entities under Telenet's operational control and with annual revenue exceeding EUR 25 million.

Regarding a comparison with science-based trajectories, the trajectory leading to the final SPT 1 in 2030 is consistent with SBTi's cross-sector absolute reduction method in line with the 1.5°C decarbonization pathway to reduce emissions by 42% by 2030. To meet this target, an average annual linear reduction of 5.25% is required from 2022 to 2030, based on the SBTi's cross-sector absolute reduction method. Each of the annual SPTs for 2027, 2028 and 2030 meets the minimum 5.25% annual reduction rate required for alignment with the SBTi's 1.5°C decarbonization pathway, reflecting an average annual linear reduction of 8.8% across these SPTs from the 2022 baseline.^{41,42}

SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030, from a 2022 baseline

Sustainalytics was able to use the following criteria to assess ambitiousness: peer performance, science-based trajectories.

Sustainalytics analyzed the performance of eight of Telenet's industry peers and found that the Company's targets are below similar targets set by its peers. Therefore, Sustainalytics considers SPT 2 to be below peer performance. In terms of science alignment, the SPT meets the SBTi's threshold of 100% renewable electricity procurement by 2030 under a 1.5°C temperature scenario.⁴³ While it is aligned with a 1.5C temperature scenario, this SPT represents limited performance improvement of just 0.01% between 2023 and 2030. Telenet has clarified that the potential acquisition of companies reliant on non-renewable energy sources could pose challenges in achieving 100% renewable energy sourcing by 2030. Telenet has further communicated that it will assess the renewable energy sourcing and energy efficiency of new acquisitions as part of the due diligence process, to accurately reflect their impact. Sustainalytics considers SPT 2 to be moderately ambitious.

SPTs 3.1 – 3.3: Reduce absolute scope 3 GHG emissions by 26% by 2027, 38% by 2028 and 55% by 2030, all from a 2022 baseline

Sustainalytics was able to use the following criteria to assess ambitiousness: peer performance and science-based trajectories.

Sustainalytics analyzed the performance of eight peers in the telecommunications industry and found that the Company's targets exceed targets with the same metrics set by its peers. Therefore, Sustainalytics considers SPT 1 to be more ambitious than the targets set by Telenet's peers.

Regarding a comparison with science-based references, the trajectory leading to final SPT 3 in 2030 is consistent with the SBTi's 1.5°C decarbonization pathway to reduce emissions by 42% by 2030 compared to a 2022 baseline. To meet this target, an average linear annual reduction of 5.25% is required from 2022 to 2030, following the SBTi's cross-sector absolute reduction method. Each of the annual SPTs for 2027, 2028 and 2030 meets the minimum 5.25% annual reduction rate required for alignment with the SBTi's 1.5°C decarbonization pathway, with an average annual reduction of 5.2%, 6.3% and 6.8% from the 2022 baseline, respectively.^{44,45}

Overall Assessment

Sustainalytics considers the SPTs to align with Telenet' sustainability strategy.

Sustainalytics considers Telenet's SPTs 1.1, 1.2 and 1.3 to be highly ambitious given that: i) they are aligned with peer performance; and ii) they are aligned with the SBTi's 1.5°C scenario.

Sustainalytics considers Telenet's SPT 2 to be moderately ambitious given that: i) it is below peer performance; ii) it is aligned with the SBTi's 1.5°C scenario; and iii) it is close to being achieved.

Sustainalytics considers Telenet' SPTs 3.1, 3.2 and 3.3 to be highly ambitious given that: i) they are above peer performance; and ii) they are aligned with the SBTi's 1.5°C scenario.

SPT	Ambitiousness of SPT			
SPTs 1.1, 1.2, 1.3: Reduce absolute scope 1 and 2 GHG emissions by 44% by 2027, 53%	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious

⁴¹ Telenet shared its SBTi Near-Term Target Validation Report with Sustainalytics confidentially. The Company's targets are available at: <https://sciencebasedtargets.org/companies-taking-action#dashboard>.

⁴² Science-Based Targets Initiative, "Net Zero Standard", at: <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

⁴³ Science Based Targets initiative, "SBTi Criteria and Recommendations for Near-Term Targets", (2023), at: <https://sciencebasedtargets.org/resources/files/SBTi-criteria.pdf>

⁴⁴ Telenet shared its SBTi Near-Term Target Validation Report with Sustainalytics confidentially. The Company's targets are available at: <https://sciencebasedtargets.org/companies-taking-action#dashboard>.

⁴⁵ Science-Based Targets Initiative, "Net Zero Standard", at: <https://sciencebasedtargets.org/resources/files/Net-Zero-Standard.pdf>

by 2028 and 70% by 2030, all from a 2022 baseline				
SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030, from a 2022 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious
SPTs 3.1, 3.2, 3.3: Reduce absolute scope 3 GHG emissions by 26% by 2027, 38% by 2028 and 55% by 2030, all from a 2022 baseline	Not Aligned	Moderately Ambitious	Ambitious	Highly Ambitious



Financial Characteristics

The financial characteristics of the sustainability-linked instruments issued under the Framework will be linked to the following trigger events on an annual basis for loans and before maturity for bonds: i) achievement or failure to achieve one or more SPTs in the form of a coupon step-up and/or a higher or lower redemption price payable in the optional redemption price for bonds⁴⁶ and notes, and in the form of a margin step-up or margin step-down for loans; ii) the performance level for each SPT cannot be clearly measured or verified (e.g., the SPT verification has not been provided); and iii) the relevant SPTs were not published within the timeframe specified. Additionally, the relevant documentation of each instrument issued under the Framework will define the applicable financial characteristics, as well as potential recalculations of the KPI baseline or relevant SPTs.

Telenet will include a combination of multiple KPIs and SPTs for sustainability-linked issuances under this Framework. The Company has confirmed that in all instruments issued under the Framework: i) KPI 3 will be included either as a standalone KPI or with KPI 1 or KPI 2; and ii) KPI 1 and KPI 2 will only be included with KPI 3.

Sustainalytics considers the financial characteristics of the sustainability-linked instruments to be aligned with the SLBP and SLLP, but does not opine on the adequacy of the magnitude and structure of the financial penalty.



Reporting

Telenet commits to report on its progress on the SPTs in relation to the respective KPIs on an annual basis in an impact report published on its website. In addition, Telenet may also publish on its website any relevant information enabling investors to monitor the SPTs, such as updates to the Company's sustainability strategy and governance, and any more general information with an impact on the KPIs and SPTs. The reporting commitments are aligned with the SLBP and SLLP.



Verification

Telenet commits to have an external verifier provide limited assurance against each SPT for each KPI at least once a year, which is aligned with the SLBP on verification. The verification will be publicly available on the Company's website in the case of bonds or made at least directly available to the lenders in the case of loans, after each target observation date. This is aligned with the SLBP and SLLP on verification.

Section 2: Assessment of Telenet's Sustainability Strategy

Credibility of Telenet's Sustainability Strategy

Telenet's sustainability strategy focuses on two key environmental areas: i) investing in carbon emissions reduction and energy-efficiency initiatives; and ii) adopting circular economy business practices.⁴⁷

⁴⁶ Telenet has confirmed to Sustainalytics that for callable bonds the observation date for the SPTs will be set before the first call date.

⁴⁷ Telenet, "In motion, Telenet Sustainability Report 2023", at: <https://www2.telenet.be/content/dam/www-telenet-corp/en/duurzaamheid/rapportage/sustainability-report/telenet-sustainability-report-2023.pdf>

Regarding the decarbonization of its operations and value chain, Telenet has established the following SBTi-validated decarbonization targets: i) net zero value chain by 2040; ii) reduce of scope 1 and 2 emissions by 70% by 2030 and 90% by 2040 from a 2022 baseline; iii) reduce of scope 3 emissions by 55% by 2030 and by 90% by 2040 from the 2022 base year; and iv) increase annual sourcing of renewable electricity from 98.17% in 2022 to 100% by 2030.⁴⁸

To achieve its scope 1 emissions reduction targets, Telenet promotes green mobility alternatives for commuting and business travel. Telenet is committed to adopting a fully electric company car fleet by 2026. Regarding scope 2 emissions, Telenet aims to limit its electricity contracts to 100% renewable energy and installing onsite renewable energy generation, such as solar panels.⁴⁹ To address scope 3 emissions, which represented approximately 97% of Telenet's emissions portfolio in 2023,⁵⁰ the Company aims to optimize third-party logistics and the last-mile delivery of goods. In this context, Telenet became a signatory to the Green Deal on Sustainable City Logistics in 2019 for more sustainable delivery practices.^{51,52} Furthermore, Telenet invests in upgrades and modernization of its mobile and fixed network operations. The Company has also installed energy-efficiency measures in its technical locations, including LED lighting and signage, and turbo compressors for cooling units and free cooling systems. These measures led to a 6% decrease in energy intensity between 2022 and 2023. Telenet has also saved 2.1 GWh on an annual basis since 2017 through its energy efficiency initiatives in the RAN.⁵³

Regarding circularity, Telenet intends to increase the recovery and recycling of production materials, extend the product lifecycle through the refurbishment of CPE and offer products as a service. In this context, Telenet has implemented a reverse logistics programme in collaboration with Vlotter, a Belgium social enterprise since 2011. Through this programme, the Company has recycled more than 200,000 set-top boxes and modems annually. In 2023, Telenet also reduced the use of plastic covers for recycled modems, set-top boxes and access points, leading it to avoid 10.67 tons of plastic and 2.13 tons of metal waste. In the same year, the Company also reused 31.74 tons of cardboard shipping boxes and sourced cardboard packages closer to the reverse logistics plant, which has resulted in it avoiding 27.28 tons of CO₂ emissions.

Sustainalytics considers Telenet to have a strong environmental sustainability strategy and considers that instruments issued under the Framework will further support its sustainability strategy.

Telenet's Environmental and Social Risk Management

Sustainalytics recognizes that the use of proceeds from the Framework will be directed towards eligible projects that are anticipated to have positive environmental or social impacts and that the SPTs are impactful. However, Sustainalytics is aware that such eligible projects and achieving the SPTs could also lead to negative environmental and social outcomes. Some key environmental and social risks potentially associated with the eligible projects and achievement of the SPTs include: i) data privacy and security;⁵⁴ ii) product governance;⁵⁵ iii) human capital;⁵⁶ and iv) business ethics.⁵⁷ Additionally, Sustainalytics has identified the processing of electronic waste as an environmental issue related to Telenet's investments on the circularity of electronic equipment and its components.

Sustainalytics comments below on Telenet's ability to mitigate such potential risks.

- Telenet addresses risks related to data privacy and security through its Customer Data Policy, which establishes a framework for the collection, use, storage and protection of customer data in compliance with the European General Data Protection Regulation (GDPR)⁵⁸ and other applicable legislation, such as the Belgian Electronic Communications

⁴⁸ SBTi, "Telenet Group NV", at: <https://sciencebasedtargets.org/companies-taking-action#dashboard>

⁴⁹ Telenet, "In motion, Telenet Sustainability Report 2023", at: <https://www2.telenet.be/content/dam/www-telenet-corp/en/duurzaamheid/rapportage/sustainability-report/telenet-sustainability-report-2023.pdf>

⁵⁰ Ibid.

⁵¹ Vlaanderen "Sustainable logistics", at: <https://www.vlaanderen.be/en/mobility/flanders-together-in-motion/sustainable-logistics>

⁵² Telenet, "In motion, Telenet Sustainability Report 2023", at: <https://www2.telenet.be/content/dam/www-telenet-corp/en/duurzaamheid/rapportage/sustainability-report/telenet-sustainability-report-2023.pdf>

⁵³ Ibid.

⁵⁴ Sustainalytics' Data Privacy and Security MEI focuses on data governance practices, including how companies collect, use, manage and protect data.

⁵⁵ Sustainalytics' Product Governance MEI focuses on how companies manage responsibilities to their clients. Emphasis is put on quality management systems, marketing practices, fair billing and post-sales responsibility

⁵⁶ Sustainalytics' Human Capital MEI focuses on the management of risks related to scarcity of skilled labour as well as labour relations, such as non-discrimination, working hours and minimum wages.

⁵⁷ Sustainalytics' Business Ethics MEI focuses on the management of ethical considerations applicable to most or all sectors, such as taxation and accounting, anti-competitive practices and intellectual property issues.

⁵⁸ GDPR, "General Data Protection Regulation- GDPR", at: <https://gdpr-info.eu/>

Act.^{59,60} The policy outlines: i) how customers can limit the use of their personal data and manage their privacy; ii) the methods by which the Company is permitted to contact customers; iii) how Telenet transfers personal data to third parties; and iv) how to report a privacy breach.⁶¹ To ensure proper policy implementation, Telenet conducts yearly company-wide training on internal data protection and privacy.⁶² Additionally, a Data Protection Officer oversees the implementation of GDPR guidelines across business operations, promoting the timely assessment of privacy risks throughout the organization.⁶³ The Telenet Code of Conduct also requires employees to adhere to the policy and complete mandatory training.⁶⁴ Furthermore, the Telenet Supplier Code of Conduct, which is applicable to all procurement and supply chain activities involving the Company's suppliers, mandates the protection of personal data in compliance with GDPR and any other applicable privacy and information security laws and regulatory requirements.⁶⁵

- Regarding product governance, Telenet's Supplier Code of Conduct mandates that all products comply with safety standards and consumer protection laws, including labelling, packaging and quality criteria.⁶⁶ The Company has communicated to Sustainalytics that, to ensure quality management systems, including network reliability and service quality, it incorporates specific requirements into supplier contractual agreements and terms. Additionally, the Product, Technology and Customer Operations teams oversee that they are implemented effectively.
- To mitigate human capital risks, Telenet follows internationally recognized human rights frameworks, including the UN Guiding Principles on Business and Human Rights,⁶⁷ the ILO's Declaration on Fundamental Principles and Rights at Work,⁶⁸ and the International Bill of Rights.^{69,70} The Telenet Human Rights Statement, which applies to all the Company's employees, customers, suppliers, partners, and local communities, outlines the Company's commitment to: i) promote diversity in the workforce and provide equal treatment opportunities to employees; ii) prohibit any form of harassment of employees, management, suppliers and business partners; iii) prevent forced labour, child labour, slavery, or human trafficking; iv) adhere to applicable laws related to minimum wages, working hours, overtime and benefits, such as the Belgian Wage Protection Act⁷¹ and the Labour Act⁷²; v) uphold freedom of association and collective bargaining; and vi) provide a safe and healthy workplace.⁷³ The Company's Code of Conduct and Supplier Code of Conduct also emphasize the importance of respecting fundamental human rights, health and safety measures, and ethical behaviour across the value chain.^{74,75} The Company encourages employees, suppliers, business partners and external stakeholders to report any concerns regarding human rights violations or breaches of the Code of Conduct or Supplier Code of Conduct to the Telenet Compliance team⁷⁶ or anonymously through its whistleblower channels.^{77,78} Furthermore, Telenet has developed a Charter for Inclusive Communication, outlining guidelines for engaging with colleagues and creating inclusive marketing and communications campaigns that acknowledge diversity.⁷⁹

⁵⁹ Belgian Federal Public Service, "Loi relative aux communications électroniques", (2005), at: <https://www.ejustice.just.fgov.be/eli/loi/2005/06/13/2005011238/>

⁶⁰ Telenet, "Telenet Privacy Policy", (2023), at: <https://www2.telenet.be/residential/en/legal-information/everything-on-your-privacy.html#:~:text=At%20Telenet%2C%20we%20have%20no%20secrets.%20Your%20data,data%20we%20always%20abide%20by%20the%20privacy%20laws.>

⁶¹ Ibid.

⁶² Telenet, "Sustainability Report 2023", (2023), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁶³ Ibid.

⁶⁴ Telenet, "Telenet Code of Conduct", at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁶⁵ Telenet shared the document with Sustainalytics confidentially.

⁶⁶ Telenet shared the document with Sustainalytics confidentially.

⁶⁷ United Nations, "Guiding Principles on Business and Human Rights: Implementing the United Nations "Protect, Respect and Remedy" Framework", (2012), at: <https://www.ohchr.org/en/publications/reference-publications/guiding-principles-business-and-human-rights>

⁶⁸ International Labour Organization (ILO), "Fundamental Principles and Rights at Work", at: <https://www.ilo.org/topics-and-sectors/fundamental-principles-and-rights-work#:~:text=The%20ILO%20Declaration%20on%20Fundamental%20Principles%20and%20Rights,are%20vital%20to%20our%20social%20and%20economic%20lives.>

⁶⁹ United Nations, "The International Bill of Human Rights", (1996), at: <https://digitallibrary.un.org/record/236856?v=pdf>

⁷⁰ Telenet, "Telenet Human Rights Statement", (2020), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁷¹ Belgian Federal Public Service, "Loi concernant la protection de la rémunération des travailleurs", (1965), at:

<https://www.ejustice.just.fgov.be/eli/loi/1965/04/12/1965041207/justel>

⁷² Belgian Federal Public Service, "Loi sur le travail", (1971), at: <https://www.ejustice.just.fgov.be/eli/loi/1971/03/16/1971031602/justel>

⁷³ Telenet, "Telenet Human Rights Statement", (2020), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁷⁴ Telenet, "Telenet Code of Conduct", at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁷⁵ Telenet shared the document with Sustainalytics confidentially.

⁷⁶ Telenet, "Telenet Human Rights Statement", (2020), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁷⁷ Telenet, "Telenet Whistleblower Policy", (2024), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁷⁸ Telenet shared the employee's whistleblower policy with Sustainalytics confidentially.

⁷⁹ Telenet, "Charter for Inclusive Communication", at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

- Regarding business ethics, Telenet's Anti-corruption Policy includes core principles that employees must adhere to, in line with relevant anti-corruption and bribery laws, such as the U.S. Foreign Corrupt Practices Act⁸⁰ and the UK Bribery Act.⁸¹⁻⁸² This policy also provides guidelines for avoiding conflicts of interest and is supported by a Gifts and Hospitality Policy, which prohibits bribery, sets limits on giving and receiving gifts, and imposes transparency requirements for political donations.^{83,84} Additionally, the Company's Code of Conduct sets standards for anti-corruption practices, bribery, conflicts of interest, insider trading and competition.⁸⁵ The code also encourages them to consult the Company's compliance team, when needed.⁸⁶ Additionally, employees can report anonymously any illegal or unethical behaviour through the Company's whistleblower channels.⁸⁷ The Telenet Supplier Code of Conduct prohibits suppliers from engaging in corruption, bribery, fraud, conflict of interests, insider trading, and requires them to conduct business in compliance with relevant regulations and legislation.⁸⁸
- To address risks related to the processing of electronic waste, Telenet and its suppliers adhere to the Waste Electrical and Electronic Equipment Directive, and the directive 2011/65/EU on the restriction of the use of certain hazardous substances in electrical and electronic equipment (RoHS2).⁸⁹ This directive encourages the reuse, recycling and recovery of electrical and electronic waste, and ensures the safe disposal and treatment of hazardous substances. Telenet has communicated to Sustainalytics that it partners with local suppliers to recycle electronic waste in accordance with Belgian federal and regional laws, such as the Flemish Regulation on the sustainable management of material cycles and waste (VLAREMA),⁹⁰ and the Decree of 1 December 2016 of the Government of the Brussels-Capital Region regarding the management of waste (Brudalex).⁹¹ Additionally, Telenet includes waste recycling guidelines in suppliers' contracts and requires suppliers to obtain all necessary permits, approvals and registrations for waste collection and management.⁹² The Company also mandates compliance with European regulation 1907/2006 (REACH)⁹³ on the registration, evaluation, authorization and restriction of hazardous chemicals and materials.⁹⁴

In addition to the above, Sustainalytics notes that it has found no evidence of any major environmental or social controversies related to Telenet. Overall, Sustainalytics considers the Company to have adequate management programmes and policies to mitigate the above risks.

Section 3: Impact of an energy efficient telecom sector in Belgium

Telecommunication networks accounted for 1% to 1.2% and data centres 1.8% to 2.6% of the EU's total electricity use and GHG emissions, respectively, in 2022.⁹⁵ Between 2019 and 2022, the telecom sector's electricity use per connection also fell by 15% despite the increase in demand for data and connectivity.⁹⁶ The Belgian telecom sector is already carbon neutral due to the use of

⁸⁰ U.S. Department of Justice – Criminal Division, "Foreign Corrupt Practices Act", at: <https://www.justice.gov/criminal/criminal-fraud/foreign-corrupt-practices-act#:~:text=The%20Foreign%20Corrupt%20Practices%20Act,in%20obtaining%20or%20retaining%20business.>

⁸¹ The Law Society, "Bribery Act 2010", (2022), at: <https://www.lawsociety.org.uk/topics/regulation/bribery-act-2010#:~:text=The%20Bribery%20Act%202010%2C%20which,the%20public%20or%20private%20sectors.>

⁸² Telenet, "Telenet Anti-Corruption Policy", (2020), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁸³ Ibid.

⁸⁴ Telenet, "Sustainability Report 2023", (2023), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁸⁵ Telenet, "Telenet Code of Conduct", at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁸⁶ Ibid.

⁸⁷ Telenet shared the employee's whistleblower policy with Sustainalytics confidentially.

⁸⁸ Telenet shared the document with Sustainalytics confidentially.

⁸⁹ European Parliament, "Directive 2012/19/EU of the European Parliament and of the Council", (2012), at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32012L0019>

⁹⁰ Government of Flanders, "Vlarema – Order of the Government of Flanders adopting the Flemish regulation on the sustainable management of material cycles and waste", (2012), at: <https://navigators.emis.vito.be/light?wold=43991&woLang=en&woVersion=2023-12-25&utm>

⁹¹ Brussels-Capital Region, "Legislation", at: <https://brudaweb.enviroennement.brussels/en/legislation>

⁹² Telenet, "Telenet Environmental Management Policy Statement", (2023), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁹³ European Commission, "Regulation (EC) No 1907/2006 of the European Parliament and of the Council", (2006), at: <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32006R1907>

⁹⁴ Telenet, "Telenet Environmental Management Policy Statement", (2023), at: <https://www2.telenet.be/corporate/en/sustainability/reporting>

⁹⁵ Kamiya, G. et al. (2024), "Energy Consumption in Data Centres and Broadband Communication Networks in the EU", Publications Office of the European Union, at: <https://publications.jrc.ec.europa.eu/repository/handle/JRC135926#:~:text=Data%20centres%20in%20the%20EU,of%20total%20EU%20electricity%20use>

⁹⁶ GSMA, "Mobile Net Zero 2024 State of the Industry on Climate Action", at: <https://www.gsma.com/solutions-and-impact/connectivity-for-good/external-affairs/wp-content/uploads/2024/02/Mobile-Net-Zero-2024-State-of-the-Industry-on-Climate-Action-1.pdf>

carbon credits.⁹⁷ The sector's energy consumption and CO₂ emissions decreased by 9% and by 19%, respectively, between 2018 and 2022. Additionally, 77% of Belgian telecom operators sourced their electricity from renewable sources in 2022.⁹⁸ The sector aims to achieve net zero emissions following the Science-Based Targets initiative (SBTi) by 2040 at the earliest.⁹⁹

In 2021, the EU established the Digital Decade Framework, targeting connectivity, digital skills, digital business and digital public services of its member states, which are expected to develop their own national trajectories around these targets.¹⁰⁰ The framework highlights the importance of digital devices enabling sustainability transition as well as the transparency of the environmental impact of these devices. As a part of its Digital Decade Roadmap for 2030, Belgium has established targets to increase the use of efficient network infrastructure, including 5G, Fibre to the Premises (FTTP) coverage, Very High Capacity Networks (VHCN) and edge nodes.¹⁰¹ In this context, the country aims to achieve 95% of FTTP rollout by 2032 and 100% of 5G coverage by 2030. Belgium's 2024 Digital Decade Country Report notes that the country's performance in environmental innovation and in addressing sustainability objectives could be improved.¹⁰² The report recommends that Belgium: i) improve the energy and material efficiency of digital infrastructures, particularly data centres; ii) support the development and deployment of digital solutions that enable emissions reduction in other sectors; iii) improve emissions reductions monitoring of the digital solutions deployed, in line with the relevant EU guidance. Belgium has budgeted EUR 892 million, approximately 0.2% of GDP, to achieve its targets.¹⁰³

Sustainalytics is of the opinion that Telenet's investments in network technologies are expected to improve energy efficiency and contribute to the decarbonization efforts of the telecom sector in Belgium.

Contribution to SDGs

The Sustainable Development Goals were adopted in September 2015 by the United Nations General Assembly and form part of an agenda for achieving sustainable development by 2030. The instruments issued under the Framework are expected to help advance the following SDGs and targets:

Use of Proceeds Category	SDG	SDG Target
Renewable Energy	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix
Energy Efficiency of Networks, Data Centres, and Customer Premise Equipment	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
Climate action – GHG Emission Reduction Initiatives	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
Clean Transportation	11. Sustainable Cities and Communities	11.2 By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons
Circular Economy	12. Responsible Consumption and Production	12.5 By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse
Green Buildings / Energy Efficiency for Buildings	9. Industry, Innovation and Infrastructure	9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use

⁹⁷ European Commission, "Digital Decade 2030 Roadmap Belgium", at: <https://digital-skills-jobs.europa.eu/en/actions/national-initiatives/national-strategies/belgium-digital-decade-strategic-roadmap-2030>

⁹⁸ IBPT, "Institut Belge des Services Postaux et des Télécommunications", at: https://www.bipt.be/file/cc73d96153bbd5448a56f19d925d05b1379c7f21/b8c4e02ec40a044f6c8cd277ac3306375d686cb6/cp_durabilite_reseaux_telecommunications_2024-12-29.pdf

⁹⁹ European Commission, "Digital Decade 2030 Roadmap Belgium", at: <https://digital-skills-jobs.europa.eu/en/actions/national-initiatives/national-strategies/belgium-digital-decade-strategic-roadmap-2030>

¹⁰⁰ European Commission, "Europe's Digital Decade", (2021), at: https://digital-strategy.ec.europa.eu/en/policies/europes-digital-decade#tab_2

¹⁰¹ European Commission, "Digital Decade 2030 Roadmap Belgium", at: <https://digital-skills-jobs.europa.eu/en/actions/national-initiatives/national-strategies/belgium-digital-decade-strategic-roadmap-2030>

¹⁰² European Commission, "Digital Decade Country Report 2024: Belgium", at: <https://ec.europa.eu/newsroom/dae/redirection/document/106716>

¹⁰³ Ibid.

		efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
KPI 1: Reduce absolute scope 1 and 2 GHG emissions by 70% by 2030; KPI 3: Reduce Scope 3 GHG emissions by 55% by 2030	7. Affordable and Clean Energy	7.3 By 2030, double the global rate of improvement in energy efficiency
		9.4 By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
KPI 2: Increase electricity sourced from renewable energy sources to 100% by 2030	7. Affordable and Clean Energy	7.2 By 2030, increase substantially the share of renewable energy in the global energy mix

Conclusion

Telenet has developed the Telenet Sustainable Finance Framework under which it may issue use of proceeds and sustainability-linked instruments.

Telenet intends to use the proceeds from the green bonds and loans to finance or refinance projects related to renewable energy, energy efficiency, climate action, clean transportation, circular economy and green buildings. The Framework outlines a process for the tracking, allocation and management of proceeds and makes commitments for reporting on allocation and impact.

Under the sustainability-linked instruments, Telenet will tie the financial characteristics of the instruments to the achievement of the following SPTs:

- SPTs 1.1 – 1.3: Reduce absolute scope 1 and 2 GHG emissions by 44% by 2027, 53% by 2028 and 70% by 2030, all from a 2022 baseline.
- SPT 2: Increase electricity sourced from renewable energy sources to 100% by 2030, from a 2022 baseline.
- SPTs 3.1 – 3.3: Reduce absolute scope 3 GHG emissions by 26% by 2027, 38% by 2028 and 55% by 2030, all from a 2022 baseline.

Sustainalytics considers KPIs 1 and 3 to be very strong and KPI 2 to be strong based on their materiality, relevance, scope of applicability and comparability to external benchmarks, and SPTs 1.1, 1.2 and 1.3 to be highly ambitious, SPT 2 to be moderately ambitious and SPTs 3.1, 3.2 and 3.3 to be ambitious, based on peer performance and science. Sustainalytics considers the reporting and verification commitments to be aligned with market expectations.

Furthermore, Sustainalytics considers the Framework to be aligned with the overall sustainability strategy of the Company.

Based on the above, Sustainalytics is confident that Telenet is well positioned to issue green bonds and loans, and sustainability-linked bonds and loans, and that the Telenet Sustainable Finance Framework aligns with the Green Bond Principles 2021, Green Loan Principles 2025, Sustainability-Linked Bond Principles 2024 and Sustainability-Linked Loan Principles 2025.

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