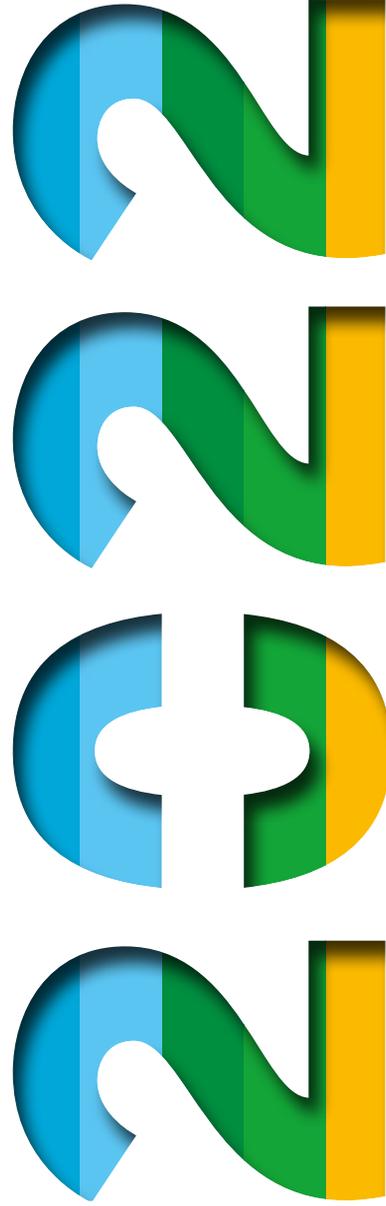


**GROUPE POST
LUXEMBOURG**
**RAPPORT
INTÉGRÉ**
EXECUTIVE
SUMMARY



POST - GETTING INVOLVED AND ACTING TOGETHER

WHEN COMMITMENT
MAKES A DIFFERENCE

Claude Strasser
Managing Director

Claude Strasser, Managing Director of POST Luxembourg, looks back on a complex year 2022, assesses the *Mir sinn d'POST* strategy and discusses current and future challenges.

WHAT DO YOU THINK ABOUT THE YEAR 2022?

After two years of health crisis, we were still operating in a very uncertain environment, forcing us to react to a series of unpredictable events such as supply difficulties or the increase in energy prices, which severely affected our operational costs. This was compounded by inflation, which triggered a new salary band that weighed heavily on our balance sheet. In this economic climate, the major challenge was to manage our finances as tightly as possible while guaranteeing our duty of public service and ensuring the continuity of the transformation projects in each of our three areas of business. Once again, and I am repeating this year after year, our employees' flawless commitment at all levels of the Group is what made the difference, enabling us to maintain a quality service, even if it has proved difficult at times.

WHAT 'HAPPY' EVENT WILL YOU REMEMBER FROM 2022?

Without any doubt, it's the completion of our new headquarters, the HELIX building in the Gare district, with our teams moving in on the date that we had planned from the very start of the project. Budget control was remarkable, despite the health crisis and its collateral damage, even while meeting the highest current standards on sustainability. Historically, POST has always had a presence in this district, which, for me, has enormous development potential in the years to come, and HELIX is contributing to this change and to this general enhancement. Located on the ground floor of the new headquarters, the Espace POST is our busiest sales outlet, receiving almost 1,000 customers a day. Needless to say that we offer the highest level of hospitality and customer experience, which in turn serves as a guideline for our entire sales network.

Our explicit wish is that HELIX should be a centre of attraction and permanently identified as the Group's headquarters, for all employees; this would make me very proud. Because now HELIX is here and it is here to stay. It's a living space that reflects what we are.

HOW DID THE THREE MAIN POST BUSINESS LINES MANAGE IN 2022, AND IN PARTICULAR *POST COURRIER*?

As we have observed for several years, the number of letters has been falling steadily. This trend is neither new nor unique to Luxembourg. While distribution was temporarily sustained during the pandemic, because of the many government letters being sent in connection with the management of the health crisis, 2022 saw the downward trend continue. The volume of parcels delivered increased slightly in 2022, but this only partially compensates the decline in mail. The logistics business for international parcels in Europe particularly suffered from the contraction of industrial activity in China due to health measures. However, our services to local and Greater Luxembourg Region companies, including order picking and shipping, are developing well, and have led us to expand our storage space. This shows that our impact on the economy and the opportunities we can develop are linked to our local network and our unique sorting and distribution expertise, which we must capitalise on.

WHAT ABOUT THE TELECOM & ICT AND FINANCE BUSINESS?

In our Telecom & ICT business line, we have kept up our investments in the network of the future despite the difficult financial context. 5G is now available to 94% of the population and fibre installation continues across the country, supporting the digital transformation of Luxembourg's society and economy. At the same time, our greatest concerns are the rising cost of energy and its increased consumption. This makes us think about how we operate our services: without greater digital sobriety, digital technology will have no future at all. The energy efficiency of our products and services is at the top of our agenda.

POST Finance is another positive note in the 2022 figures: after several difficult years, our financial business has benefited from both the rise in key ECB interest rates and the success of the new commercial offer which, even if it puts an end to the free postal current account, is intended to be accessible to all.

THIS YEAR MARKS THE END OF THE 2017-2022 *MIR SINN D'POST* STRATEGIC PLAN. WHAT CONCLUSION CAN BE DRAWN?

Mir sinn d'POST has enabled us to carry out business transformations that were necessary and fundamental to remaining competitive, while prioritising customer satisfaction, employee engagement and profitability. Regarding the first pillar, the digital transformation project for the telecoms business allows us to get ever closer to our customers and serve them more effectively. Customer proximity is a key challenge. We wanted to respond to this by opening new Espaces POST and extending the opening times of these contact points to better satisfy users' expectations. We're extremely proud of the results we have achieved, but even prouder of the positive feedback from our employees who have confirmed that the last five years' strategy has been proved the right one. The only downside is that we are still struggling with profitability, which will require more effort.

WHAT ABOUT THE CHALLENGES REGARDING EMPLOYEE ENGAGEMENT?

We can congratulate ourselves on the way in which the teams have embraced the strategy, helping to create a real sense of belonging to the Group. We have made a point of strengthening the employability of our teams, to guarantee them job security and to meet the skills needs of tomorrow. One of the mechanisms we use is to seriously encourage internal mobility. That said, while the pandemic fostered an extraordinary positive dynamic within the teams, over the last few months

we have noticed a loss of momentum. It is essential that we regain the agility we showed over the last two years and seek to re-incentivise the teams, to reactivate this commitment to meet the challenges ahead. While it is important to manage our resources, both financial and human, it is also important to offer prospects, a vision, that gives them both the motivation and the desire to move forward.

SO AFTER 2022, PROFITABILITY REMAINS A MAJOR CONCERN?

It is a concern, but more than anything a major constraint. Even as a state-owned company, we need to be profitable in order to secure our future and that of the thousands of people we employ. The rise in costs experienced in 2022 will continue to have an impact on us and require us to accelerate the transformation of our businesses. Profitability issues should not prevent us from launching new projects or seizing new opportunities. The transformation of our businesses must remain our priority. Profitability, on the other hand, is a constraint that has to be managed.

CORPORATE SOCIAL RESPONSIBILITY CAN NO LONGER BE IGNORED. HOW DO YOU VIEW THIS ISSUE?

This report demonstrates our determination to better integrate these issues and sustainability indicators into our strategy. We need to make POST part of tomorrow's economy and meet the expectations of society and our shareholder in terms of climate change and the human and social challenges of sustainable development. We did not wait for the energy crisis before getting involved; for several years now we have been examining our real impact more closely, and we are determined to act where it makes sense for us, but also for society and the environment.

I also feel that our employees and customers are gaining greater awareness. Sustainability is no longer a choice, it is now part of the rules of the business game.

Responding to these challenges requires a more coordinated approach and, above all, governance that shoulders this commitment from above. It's not for nothing that we decided to extend the POST Luxembourg Executive Committee to include directors of key cross-functional departments such as finance, human resources, public relations and... CSR.

FINANCIAL PERFORMANCE



Luca Tagliabue
Chief Financial Officer

"Consolidated net profit for 2022 rose by 7.3% to €30.9 million, despite a number of negative factors, such as inflation driven by soaring energy prices. This resulted in an unprecedented rise in labour costs and the intensification of the structural decline in traditional mail and traditional fixed-line telephony. The growth of the net interest rate margin and the profit made on the fundraising by a start-up created by

POST in 2016 contribute substantially to the EUR 2.2 million increase in consolidated net profit, and confirm the relevance of the Group's diversification into financial services and information and communications technology (ICT) services."

The POST Group's **revenue** amounted to EUR 891.6 million, a decrease of 1.1% compared with the previous year. This result can be attributed to the **Courier & Logistique** business line, which, due to a sharp contraction in parcel volumes from Asia and the continued organic decline in traditional mail volumes, lost EUR 31.6 million in revenue, which at 31 December 2022 stood at EUR 167.9 million. Driven by higher sales of Mobile services and Business Solutions and Services, the **Telecom & ICT** business more than compensates for the structural decline in traditional activity. Its revenue increased by EUR 7 million to EUR 495.4 million. The **Finance** business line's revenue amounted to EUR 30.4 million, a strong increase of EUR 8.3 million over the previous year, which reflects the relevance of rethinking its commercial and investment strategies. To cushion the structural decline in the historical business lines of postal distribution and fixed telephony, the Group is pursuing a strategy of diversification through its **subsidiaries**,

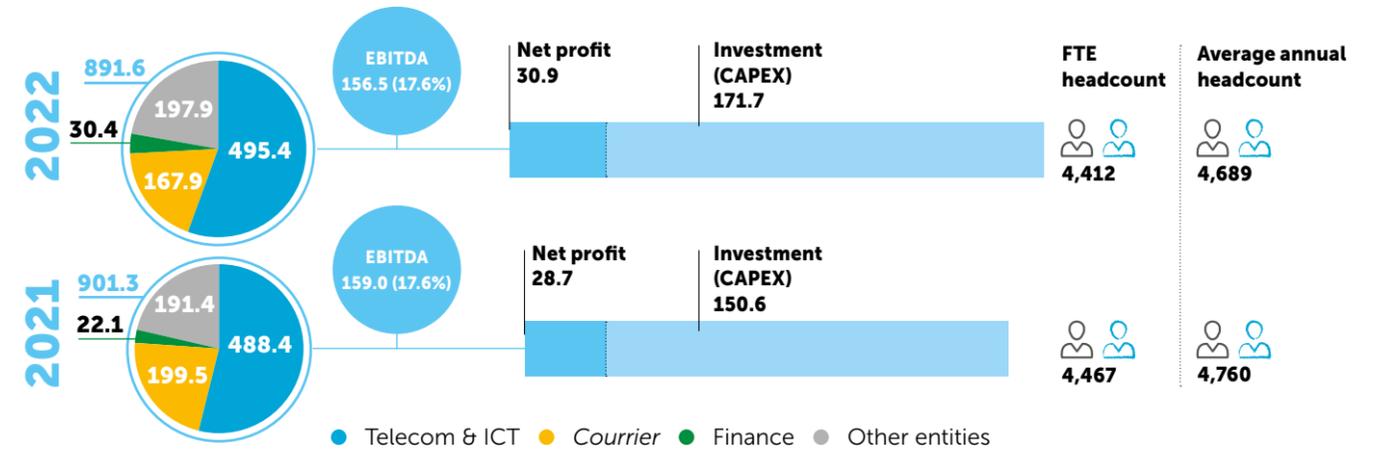
whose revenue, up by EUR 6.5 million, reached EUR 197.9 million at 31 December 2022.

With 4,412 FTEs (full-time equivalents), the Group operates in labour-intensive industries. Inflated by two increments within six months, aimed at preserving the value of salaries in an inflationary context, the Group's payroll was EUR 12 million higher than the previous financial year, and reached EUR 391.4 million at the end of 2022. In addition to this rise in labour costs, the unprecedented rise in energy prices is putting pressure on the margins of the **Telecom & ICT** business line, as the market remains highly competitive.

While the Group is strongly impacted by the economic situation and in particular by the evolution of the cost of labour and the inexorable decline of traditional mail and fixed telephony, 2022 closed with a **consolidated operating result** slightly down by 1.6% at EUR 156.5 million. It is mainly through its diversification strategy in financial services and in ICT, particularly with the profit made on the fundraising by i-Hub, the start-up created by POST in 2016, that, compared with the previous financial year, the Group managed to practically stabilise its operating result. 2022 showed a **consolidated net profit** of EUR 30.9 million, an increase of EUR 2.2 million versus 2021.

At 171.1 million euros, capital expenditure remained at a significant level. EUR 100 million of this amount was allocated to the development of IT solutions and infrastructure to serve the national strategies for ultra-high-speed networks and for the deployment of 5G, and EUR 40 million to the final construction phase of the HELIX building, the new POST Luxembourg headquarters since February 2023.

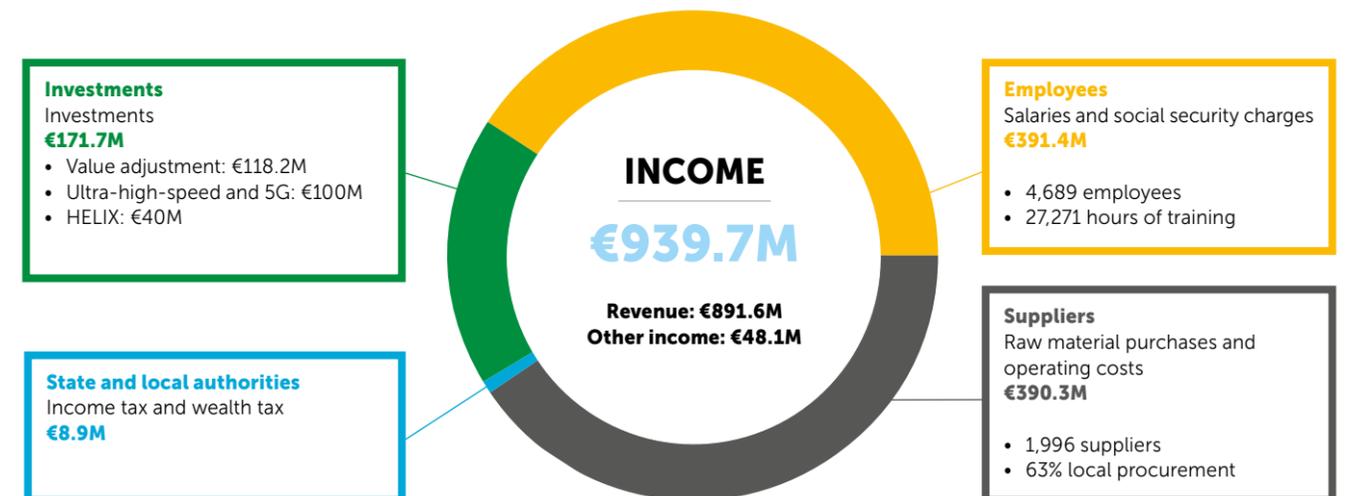
POST GROUP REVENUE (IN €M)



BREAKDOWN OF CONSOLIDATED REVENUE AMONG STAKEHOLDERS

As a state-owned commercial establishment, POST Luxembourg carries out a public service role with the objective of ensuring access for all to services that are considered essential. This rationale, based on a public service role in all its various facets, is reflected in the breakdown of consolidated revenue between stakeholders, which is characterised by the preponderance of payments to suppliers, national as far as possible, of IT solutions and fibre optic access infrastructures (CAPEX) and associated operating costs (OPEX), and payments to labour-intensive universal postal service employees, among others. In an economic situation considered uncertain, the company prefers to accumulate the entire net profit made in 2022 and not to pay a dividend.

Breakdown of revenue and other income among stakeholders



FINANCIAL DATA

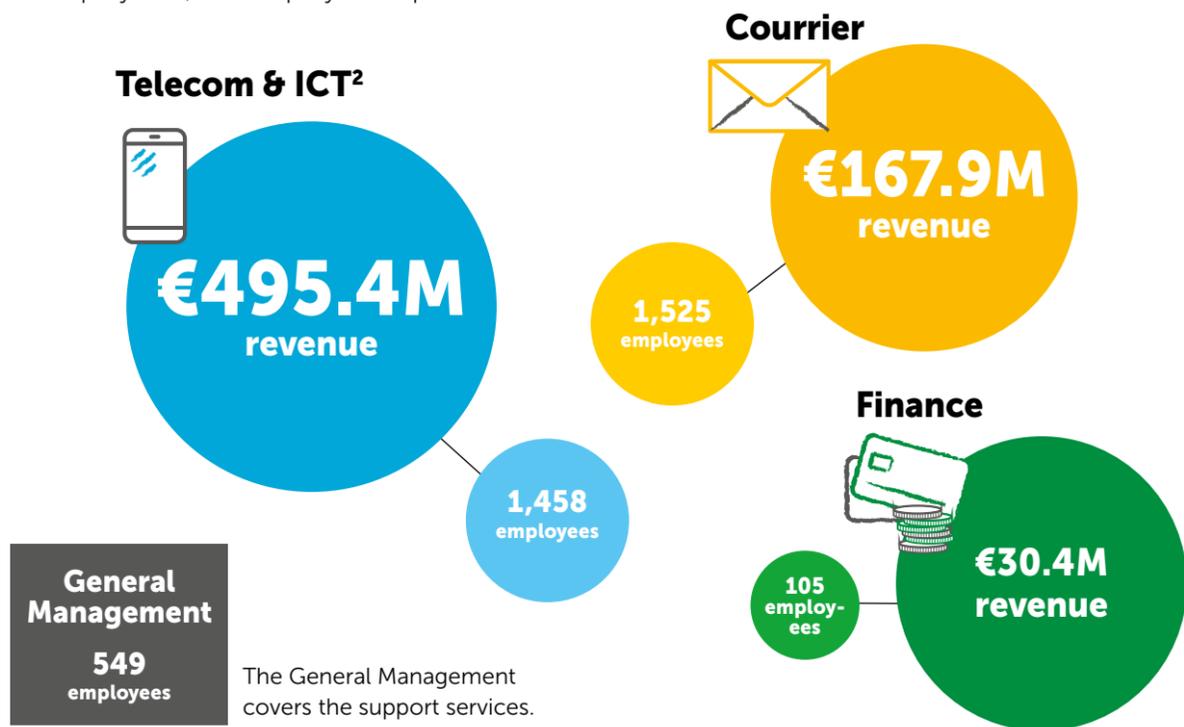


NON FINANCIAL DATA



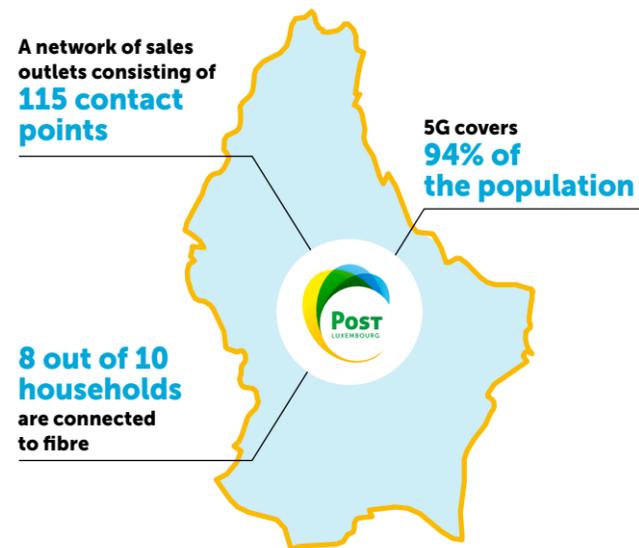
POST LUXEMBOURG IS A MULTI-ACTIVITY COMPANY

At parent company level, the company is composed of:

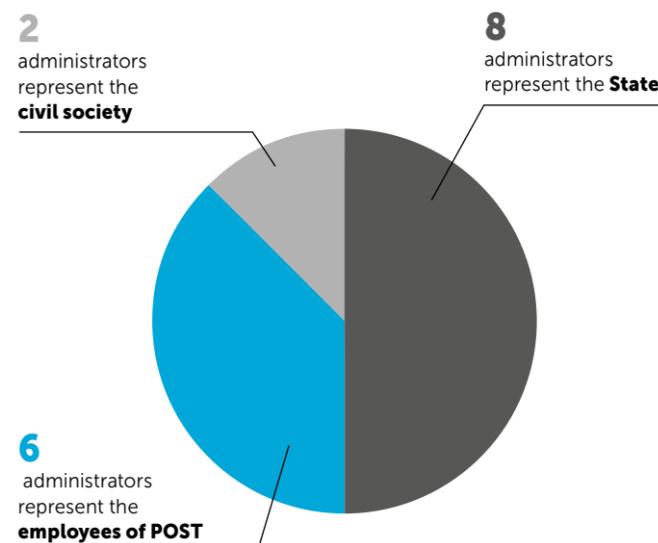


¹ average annual headcount. ² The Telecom & ICT business comprises the entities POST Telecom S.A. and POST Technologies.

AN EVOLVING PHYSICAL AND DIGITAL PRESENCE



STRUCTURE OF THE BOARD OF DIRECTORS



³ POST is the only company to install fibre in Luxembourg.
⁴ The CSSF for the financial sector and the Telecom & ITC sector as FSP support / The ILR for the postal and telecom sector / The CNPD for personal data protection / The ALIA for the regulation of the audiovisual media sector (PostTV) / The Luxembourg Competition Council for the sectors where POST is considered to be a dominant market player.

180 YEARS OF HISTORY

POST Luxembourg was founded as a public service in 1842. A company wholly owned by the Luxembourg State since 1992, it has since been operating in competitive markets. The POST Luxembourg Group is comprised of the parent company, POST Luxembourg + POST Telecom, and many subsidiaries, each specialising in their own complementary field. With 4,689 employees at the Group, POST Luxembourg is one of the top employers in Luxembourg.

A COMPANY WORKING FOR EVERYONE

POST's commitment to the public interest is part of its universal service and public utility role. The essential services provided are the collection, sorting and delivery of postal items and parcels five days a week, access to a bank account and the provision of a basic telephone and Internet service at reasonable prices. Guaranteeing access to critical services for all, taking specific care to include at-risk communities, POST is a company with a positive societal impact.

BUSINESS LINES BEING REINVENTED

POST is constantly seeking to balance economic profitability with its public interest role, while offering its customers safe, useful, high quality and accessible products and services. Over the last ten years, the company has been transformed. The Courier business line has evolved towards logistics and parcels, the Telecom & ICT business line has become the key player in the digital transformation of society³, and the Finance business line has redesigned its offer around inclusion and the need for every citizen to have access to modern, secure and easy-to-use payment methods.

A HIGHLY REGULATED ENVIRONMENT

One of the company's particular characteristics is that POST operates in a highly regulated environment in each of its businesses. Nationally, POST Luxembourg is subject to no less than five supervisory bodies⁴.

GROWTH AND SELF-FINANCING

All investments are fully covered by the company's own funds. For example, POST does not receive any subsidies or compensation from the State to carry out fibre optic installation throughout the country. The company covers all its investments and expenses from its own resources.

OUR KEY TRENDS
 BUSINESS DIVERSIFICATION AND PROFITABILITY / ENERGY EFFICIENCY AND CIRCULARITY /
 EMPLOYABILITY OF PERSONNEL IN CONNECTION WITH DIGITAL AND TECHNOLOGICAL TRANSFORMATION

OUR ROLE

To offer useful and value-added services and products, of high quality and accessible to all



A trusted partner for as many people as possible



Public institution, 100% state-owned

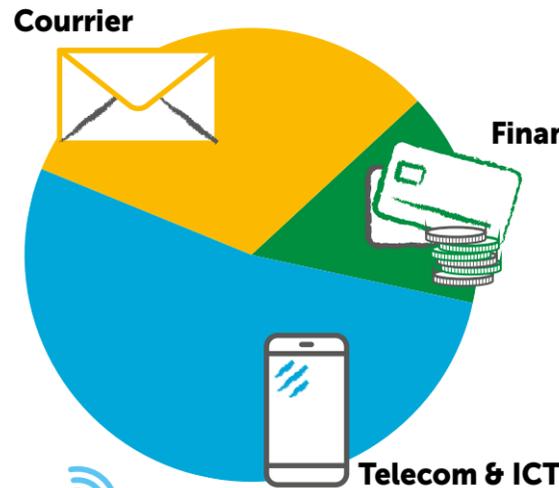


Highly regulated multi-activity model, essential for the country



MAJOR PLAYER IN MAIL AND LOGISTICS IN LUXEMBOURG

€167.9M revenue
 1,525 employees



PILLAR OF THE DIGITALISATION OF SOCIETY

€495.4M revenue
 1 458 collaborateurs

Finance



LOCAL AND INCLUSIVE FINANCIAL SERVICE

€30.4M revenue
 105 employees

STRATEGIC PRIORITIES

Three strategic pillars



Engagement



Profitability



Customer experience

A values-based corporate culture



Modernity Openness Simplicity Engagement Luxembourg



A strategy for sustainable development formalised in 2009: RESPECT (see p.29).

OUR STRENGTHS

Human capital

- 4,689 employees, 97% of whom have permanent contracts.
- 54 nationalities.
- Six staff representatives are members of the Board of Directors.

Financial capital

- Revenue: €891.6M
- A sole shareholder: the State.

Industrial capital

- 21 entities within the scope of financial consolidation.
- Three Tier IV certified data centres.
- 11 centres dedicated to the Courier and logistics business.
- Mobile network and fibre optic infrastructure throughout the country.
- Fleet of 1,278 vehicles.

Societal capital

- 115 sales outlets in Luxembourg.
- Contact centres hosted in Luxembourg, accessible in five languages.
- Public and universal services provided throughout the country (right to bank account, mail delivery, telephone and Internet).
- 100% of suppliers subject to a Code of Conduct imposing social and environmental obligations up the supply chain.

Innovation capital

- Technological expertise in communication networks, digitalisation, data management and cyber security.
- Internal innovation programmes (KickBox and NEXT) and talent development programmes (POSTalents) available to all employees.

Heritage capital

- Real estate heritage: Hôtel des Postes, Ettelbruck telephone exchange.
- Preservation of collective memory through POST Philately (stamps, postmarks, exhibitions, etc.).
- Conservation of works of art and cultural assets.

VALUE CREATION AND IMPACT

For customers

- More than 1.5 million visits to Espaces POST in one year.
- More than 700,000 calls to contact centres.
- Significantly enhanced customer experience (NPS) over four years.
- 8 out of 10 households are connected to fibre.
- 94% of the population is covered by 5G.
- 7.1 million parcels (+1%) and 107 million letters (-7%) were sorted and delivered.
- More than 30,000 customers in precarious situations benefiting from an eboo current account.

For POST Group employees

- €391M of payroll (+3.1% in 2022).
- 231 new recruits (-15%) and 152 internal transfers (+8%) within the parent company.
- An average of eight hours of training for non-managerial and 11 hours for managerial staff.
- Preserving social dialogue: new collective bargaining agreement for POST Telecom S.A. and integration of teleworking.
- Definition of a minimum wage 8% higher than the social minimum in force in Luxembourg.

For the planet

- Reduction in telecom network energy consumption by 15% by 2025.
- Green certificates for 100% of the electricity consumed.
- 13% of the fleet switched to electric (objective: 90% by 2026)
- Recovery of telecom equipment for re-use.
- Paperless efforts commenced.

For society

- 63% of POST procurement done locally.
- Numerous agreements drawn up: among others, with the ADEM and actors in the social and solidarity economy (Ligue HMC, Fondation Autisme Luxembourg, etc.).

VALUE EROSION

- The Group generated 2,805.9 tonnes of waste.
- 43.3 GWh of energy consumed from non-renewable sources (-5%) out of a total of 173 GWh.
- Emission of 12,931 tonnes (-10%) of greenhouse gases (scope 1 and 2).

CULTIVATING INNOVATION WITH RESPONSIBILITY



Pierre Zimmer
Deputy Managing Director
and Chief Strategy Officer

POST is making sure we can adapt to this quickly changing economic environment. Innovation is one of the keys to achieving this. It is an essential component through which POST's work is being transformed and the Group's businesses are being diversified, we were told by Pierre Zimmer, Deputy Managing Director, in charge of strategy and innovation.

AT THE POST GROUP, HOW IS THE CONCEPT OF INNOVATION PERCEIVED?

Innovation means being open to new ideas, whether they come from our employees, our customers or our partners. It also takes shape at the core of partnerships established with research players, such as the University of Luxembourg, in particular its Interdisciplinary Centre for Security, Reliability & Trust – SnT, or other institutions in the Greater Region of Luxembourg. It is a process of development, the aim of which is to respond to new problems or opportunities identified in the market based on our creative and technical skills and know-how.

HOW WOULD YOU DESCRIBE THE ROLE AND IMPORTANCE OF INNOVATION AT POST?

Nowadays, it is an essential lever for the Group's diversification, which must go hand-in-hand with the growth of our business lines. Innovation must enable us to find new outlets, through the design and implementation of products and services, to support our development locally and internationally. For example, POST, which has long been active in the management of fixed and mobile networks, has recently demonstrated that its expertise can be put to good use in the space sector. Innovating also contributes to strengthening our attractiveness, making it easier today to recruit the skills we will need tomorrow.

HOW IS INNOVATION IMPLEMENTED OR STEERED WITHIN THE POST GROUP?

It is not just about coming up with original ideas or new concepts. Innovation is revealed above all when these are put into effect, in order to create added value for our stakeholders. Innovation cannot be bought. Nor can it be programmed. It has to be cultivated.

HOW IS INNOVATION CULTIVATED?

Several approaches are being employed to contribute to this. For example, employees are given the opportunity to submit new ideas or concepts. If we are convinced of the relevance of an idea, then we commit the resources to explore and implement it. Innovation also comes from interaction between employees, with customers, and by anticipating market needs. At all levels, it's a question of adopting an open attitude. I think it's also important to raise awareness about the major trends, such as corporate social responsibility, which is a very important issue, to see how we can better engage in this direction.

WHAT ARE POST'S AMBITIONS FOR THE FUTURE IN TERMS OF INNOVATION?

In recent years, we have worked to develop a culture of innovation throughout the Group, structuring an approach that contributes to the emergence and implementation of new ideas. In the years to come, our wish is to accelerate this process by becoming even more open to the outside world. The aim is to invite discussions between POST and the wide diversity of economic actors, with a view to putting our skills and expertise to use in innovative projects that could benefit them.

IN YOUR OPINION, WHAT WILL BE THE MAIN DRIVERS OF INNOVATION IN THE YEARS TO COME?

Data will certainly remain the most important asset in the future. Our role as a telecom operator and ICT service provider is to invest in this area, not only to meet our own challenges, but also to help our customers take advantage of better data exploitation.

HOW DOES THE POST GROUP ENSURE RESPONSIBLE USE OF DATA?

In addition to the obligation to meet established and future regulatory requirements in this area, the use of data raises ethical issues (see p. 84) that are taken very seriously throughout the Group. Through services such as CyberForce or LuxTrust, POST acts as a trusted third party for many actors who manage or process data. In view of technological developments, and in particular the development of artificial intelligence, it is important that we adopt a responsible attitude. In this respect, we offer our expertise to other actors to reach a better understanding of these issues with the various stakeholders in society.

SOME OF POST'S INNOVATION PROJECTS

AI AND AR FOR FACILITIES MANAGEMENT

POST employs artificial intelligence (AI) and augmented reality (AR) to map all its technical facilities across the country. The use of technology at this level allows for more effective intervention in the network.

HEAT RECOVERY FOR GROWING... TOMATOES

Recovery of heat from our data centres to grow vegetables in greenhouses. This is one of the ideas that has recently emerged from the POST teams and is currently being studied.

2022 INTEGRATED REPORT IMPROVING ROAD SAFETY THROUGH DATA

POST is taking part in an international project with partners that include major car manufacturers. We are making our data exchange platform available to explore the possibilities of 5G to improve road safety.

ANTI-FRAUD MODELS USED BY OTHER OPERATORS

In the telecommunications field, CyberForce has developed anti-fraud models to detect cyberattacks across networks. Our solutions are now being used by other operators worldwide.

FACILITATING THE DISTRIBUTION OF QUANTUM KEYS

Recently, POST has started a project with partners in the space sector to distribute quantum encryption keys. The aim is to meet future security challenges in communications exchanges.

REDUCING OUR ENVIRONMENTAL IMPACT

Environmental issues are central to POST Luxembourg’s concerns. Our responses to societal challenges, intended to reduce the impact of our activities on the environment, are at the core of our CSR roadmap. As a state-owned company, POST Luxembourg is committed to contributing to the objectives set by its shareholder, the Government, in its Third National Plan for Sustainable Development.

ENVIRONMENTAL CHALLENGES IN LUXEMBOURG

To contribute to the greenhouse gas and energy reduction targets set by Luxembourg¹

- To reduce greenhouse gas emissions by 55% of their 2005 levels by 2030 and achieve “net zero emissions” by 2050.
- To consume 25% of energy from renewable sources by 2030 (11.7% in 2021).
- To reduce final energy demand by 40-44% by 2030.

To provide guidance for our customers in their own ecological transition and respond to their expectations

An average of 14.5 tonnes of CO2 equivalent of carbon footprint per Luxembourg citizen compared with 2 tonnes of CO2 equivalent per person recommended to meet the Paris Agreement target²

(source: LIST)

OUR OBJECTIVES

Energy transition

- Reduce our energy consumption and CO2 emissions.
- Prioritise the use of renewable energies.
- Ensure sustainable mobility.

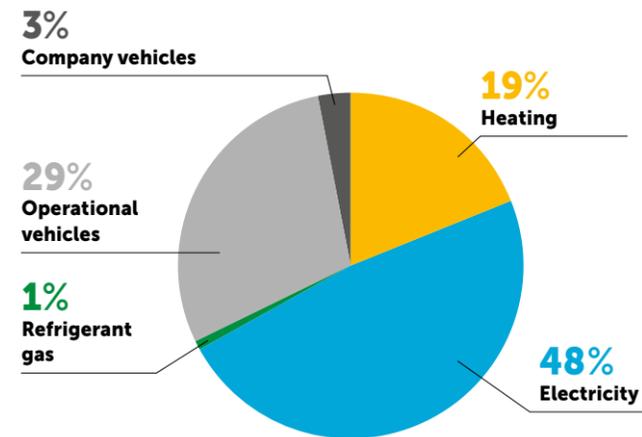
Conserve resources (responsible consumption and circularity)

- Promote circularity (re-use, reconditioning, repair, etc.) to extend the life of our equipment.
- Integrate sustainability criteria systematically in all our procurement and thus engage our suppliers.
- Raise our customers’ awareness of the need to make more frugal and environmentally friendly consumption choices.

OUR INITIAL ACTIONS

- Creation of the role of Mobility Manager.
- Involving the Finance Department in the collection of non-financial data.
- Partnerships with local associations for the recycling/reconditioning of our telecom equipment (Digital Inclusion, SOLINA Aarbechtshëllef ASBL and Ligue HMC).
- Integration of Fairtrade criteria in our work clothes.
- Investment in electromobility with the target of 90% of our POST vehicles switched to electric by 2026.
- Measuring our CO2 impact for scopes 1 and 2, which represent the CO2 emissions related to the energy we use.

OVERVIEW OF EMISSION SOURCES



CARBON FOOTPRINT AND ENERGY EFFICIENCY

Increasing our energy efficiency and reducing our CO2 emissions is both an environmental and an economic challenge. In 2022, POST measured its carbon footprint for the second time for the main emission sources related to its activity.

For scopes 1 and 2 and their indirect emissions (included in scope 3)³, POST Luxembourg⁴ emitted some 13,000 tonnes of CO2eq⁵. These emissions are slightly down year-on-year, due to the electrification of our operational fleet and the reduction of our heating consumption.



³ Scopes 1 and 2 relate to emissions under the company’s control (the energy we use) and, for scope 3, indirect emissions from its value chain. ⁴ The scope of measurement covers – as in 2021 – POST Luxembourg, POST Telecom, EBRC and Michel Greco S.A. ⁵ CO2eq means CO2 equivalent, i.e. the main greenhouse gases, including CO2, have been taken into account and the value is expressed as the equivalent of the amount of CO2 that would have the same warming potential.

¹ Integrated National Energy and Climate Plan ² Paris Climate Agreement: adopted in December 2015, the central objective of this international agreement to combat climate change is to keep global warming below 2°C compared with pre-industrial levels and to continue efforts to limit it to 1.5°C.

MINIMISING OUR ENERGY CONSUMPTION



Kyoto wheel: air cooling system that operates with virtually no energy input 85% of the year.

In order to reduce the environmental footprint of our activity, several measures have been introduced.

OPTIMISING DATA CENTRES

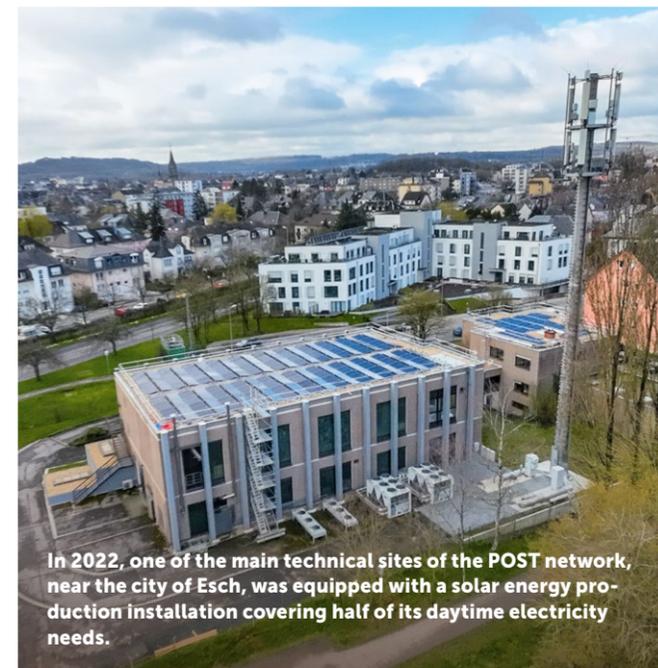
Via its subsidiary EBRC, the POST Group manages three data centres located in Windhof, Kayl and Betzdorf, representing a surface area of 15,000 m² dedicated to the hosting and management of IT resources. These three infrastructures are responsible for 60% of the electricity consumed by the entire POST Group in 2022, i.e. over 80 GWh.

OUR COMMITMENTS

- To make our data centres CO2 neutral by 2030.
- To regularly optimise the energy performance of the three data centres to achieve a PUE of 1.4 or less by 2030.
- To reduce the consumption of drinking water used in the cooling system of the Windhof data centre.
- To implement a system for individual analysis of energy consumption for each customer.

REDUCING NETWORK CONSUMPTION

In 2022, POST's mobile network access antennas consumed about 9 GWh of electricity and the fixed network access equipment (PoPs, fibre cabinets, etc.) about 5.5 GWh. Since 2022, POST has improved its monitoring of the energy consumption of its networks with a view to optimising each of its elements. This will reduce the energy costs of operating the network and help minimise the environmental impact of POST's activities.



In 2022, one of the main technical sites of the POST network, near the city of Esch, was equipped with a solar energy production installation covering half of its daytime electricity needs.



Gaston Bohnenberger
Head of POST Technologies

"The energy optimisation of our mobile and fixed networks is a key issue for the future. For a long time, energy management was not a priority. Now, over and beyond the environmental issue, it is an economic and financial challenge. It is a question of taking concrete action to limit the consumption of our equipment. Our new mobile network allows, with 5G for example, access to efficiencies compared with previous generations of mobile networks. The network includes energy-saving features such as putting base stations on standby when they are idle, at night and at weekends. However, it must be admitted that this does not necessarily mean a decrease in intrinsic consumption, since the volume of transfers is increasing. This is why we need to go further, for example by using artificial intelligence, to dynamically and appropriately manage the capacity deployed."

OUR COMMITMENTS

Our aim is a 15% reduction in the network's energy consumption by 2025. To achieve this, we are considering several mechanisms:

- a faster decommissioning of older technologies (non-IP and copper) and optimisation of the latest generation networks.
- putting in place a more detailed monitoring of the energy consumption of each site to identify the most relevant points of action.
- the deployment of an energy renovation programme for telecom exchanges: insulation of the building envelope, renovation of air-conditioning installations and optimisation of the layout of the telecommunication rooms.
- a consistent commitment to re-use: resale of decommissioned network equipment and partial procurement of second-hand equipment for non-critical projects.

THE MOBILITY CHALLENGE

POST is currently implementing an extensive programme to electrify its vehicle fleet. In 2022, the Group appointed a Mobility Manager, whose first task is to roll out a charging infrastructure to guarantee the autonomy of the 220 electric vehicles expected in the first half of 2023.

By 2026, 90% of POST's vehicle fleet should run on electricity.

This measure should reduce our dependence on fossil fuels (1.5 million litres of fuel in 2022 for 13 million km covered) and reduce the environmental footprint of travel. Once electrified, the fleet is expected to consume about 3 GWh of electricity per year, 100% from renewable sources.

This transformation also leads us to deeper re-examination, particularly of the organisation of postal rounds and distribution circuits nationwide.



By 2026, 90% of the vehicle fleet should be electric.



Mario Treinen
Head of POST Courier

"POST's historical business of collecting and delivering mail and parcels has changed considerably in recent years. One of the challenges we have been facing for several months now is the electrification of our vehicle fleet, which should enable us to limit our CO2 emissions, but also lead to energy savings. This transformation also leads us to deeper re-examination,

particularly of the organisation of postal rounds and distribution circuits nationwide.

The challenge is to better assess the number of kilometres covered by our employees and to identify the mechanisms that can be used to reduce this distance. We manage about 10 different flows, from mail delivery to newspaper delivery and parcel pick-up and drop-off... This means that several POST vehicles, or those of one of its subsidiaries, may end up in the same place on the same day, for various reasons. We should be able to rely on our various networks, of mail carriers, delivery people, our subsidiary Michel Greco S.A. or others, with a transversal approach, in order to seek gains in efficiency. In this way, we can minimise our impact on the environment while improving our profitability.

Mechanisms for optimising the "last kilometre" in the city, particularly in Luxembourg and Esch-sur-Alzette, must also be studied. Faced with the current challenges, we need to evolve our models, working with our employees, looking for the right balance, to reorganise ourselves in the best possible way."

OUR COMMITMENTS

- 90% electric vehicles in our fleet by 2026 and deployment of a suitable charging infrastructure at our sites.
- the introduction of a new car policy favouring low-emission vehicles and the optimisation of the pool of shared internal vehicles.
- analysis of our daily travel and the implementation of a plan to reduce the number of kilometres covered.



The Kayl data centre uses heat pumps to heat up to 90% of the neighbouring building, which houses several POST Group subsidiaries.

VALUE CREATION FOR EMPLOYEES AND CIVIL SOCIETY

Social issues are at the heart of POST Luxembourg’s concerns. Our CSR roadmap includes responses to societal challenges, especially support for professional and social inclusion, strengthening the employability of our workers and their well-being, and promoting diversity within the company. As a state-owned company, POST Luxembourg is committed to contributing to the objectives set by its shareholder, the Government, in its Third National Plan for Sustainable Development.

SOCIETAL ISSUES IN LUXEMBOURG

- Constant demographic growth (+1 million inhabitants in 2050)¹.
- Aging population
- Inclusion of young people in the labour market (high unemployment and at-risk-of-poverty rates).
- Respect for basic human rights in the workplace (including gender equality).
- Inclusion of people with disabilities.

In Luxembourg, more than 25% of the population will be over 65 in 2050²

OUR OBJECTIVES

- To guarantee the same rights and quality work environment to all of our staff.
- To promote the inclusion of young adults by offering employment with or without a diploma.
- To make intra-group mobility an asset in the search for talent.
- To ensure access to essential services such as connectivity, parcel and mail delivery, and banking accessibility for all, especially the most vulnerable.
- To equip employees with digital skills to improve learning, employability and safety online.
- To establish a responsible supply chain (respect for human rights at our suppliers).
- To establish a responsible and inclusive sponsorship and patronage strategy

OUR INITIAL ACTIONS

- 98% of employees of the parent company are covered by two collective bargaining agreements (one for POST Luxembourg, the state-owned parent company, and the other for POST Telecom S.A.) which set working conditions and salaries within a grid.
- An HR strategy has been formalised with three objectives: developing employees’ skills, attracting and retaining talent and adapting the company to the transformation of our businesses.
- POST works with a number of associations to promote inclusion: Ligue HMC, Fondation Autisme Luxembourg, etc.
- Corporate gifts made by recycling materials such as old advertising banners or old POST uniforms by an association that supports people with autism.

DIVERSITY, A KEY ISSUE

POST relies on a huge number of professions, skills and jobs, both qualified and unqualified. All generations are represented within the company and its subsidiaries. This diversity is now seen as a driver for cohesion and openness. It contributes to the group’s competitiveness and attractiveness. Enriching our DNA as a multicultural company, it underpins our capacity for innovation.

Scope POST Luxembourg

In 2022:



On diversity and equity, POST must address certain issues. These include the need to be attentive to changes in the age structure within our different business lines. It is also essential to ensure a better representation of women, especially in qualified and responsible positions.

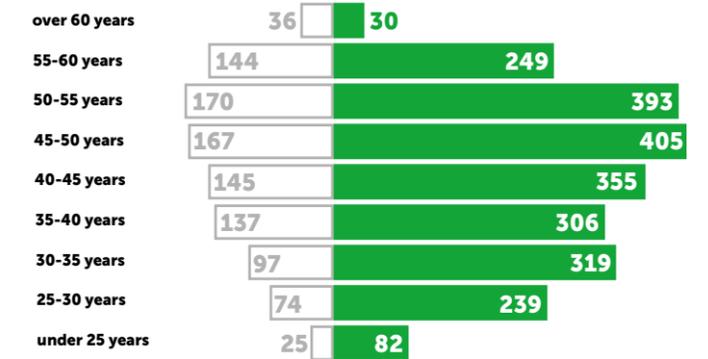
Evolution of the female workforce

In 2022, the share of women in the company was 30%. By comparison, the national average for female employment was 41% in the first quarter of 2022. At POST Luxembourg, in 2022, out of 231 recruits, only 26% of the employees hired were women.



Age distribution

The age structure of POST Luxembourg employees reveals an average age of 43 years.



□ Women ■ Men
Headcount of 31/12

Considering the evolution of the current age structure, POST will have to deal with a significant wave of retirements in the next decade. With these retirements, there is a risk of a whole range of expertise developed within the company disappearing, particularly in the POST Courier and POST Technologies businesses. It is therefore essential to respond to the need to pass on skills within the teams and to institute a succession plan to ensure continuity in the business lines and maintain a quality service.

Senior Management



Management



□ Women ■ Men

¹ On 1 January 2022, 645,397 people lived in Luxembourg (2022 census). ² LISER (Luxembourg Institute of Socio-Economic Research).

QUALITY OF WORK LIFE AND SOCIAL INCLUSION

With a view to creating value for our employees and society, we are working on several strategic approaches, aimed at improving our teams' quality of life and the employability of our staff, supporting professional inclusion, and guaranteeing access to the essential services we offer to all. Below are some of the key initiatives we have put into effect.

IMPROVING THE QUALITY OF WORK LIFE

Our efforts in the area of well-being at work are aimed at preserving the mental and physical health of our employees, their fulfilment within their jobs, the strengthening of team motivation and, ultimately, the sustainability of the company by improving productivity and attractiveness.

Addressing these issues is essential in preventing absenteeism and increasing the attractiveness and retention of teams. At POST, the commitment to improving well-being at work is based on several approaches, including:

- job security: 97.2% of our employees have a permanent contract. 231 employees were recruited in 2022, 55% of whom were hired on permanent contracts.
- establishing an open and transparent corporate culture supported by internal communication.
- maintaining a regular and constructive social dialogue.



ment, among others – so as to offer jobs in which everyone can find fulfilment. These risks inherent in a changing world should not be downplayed, especially by HR. Rather, they should be fully understood, at all levels, in order to respond more effectively. It is through our teams that we will succeed in transforming our businesses, in particular by means of better forward-looking management of staff and skills. It is a crucial aspect in guaranteeing the development of skills, the employability of each individual over time and the sustainability of the company. It is also a potential risk factor to be taken into account in the company's strategy and profitability targets. This is already reflected in the new HR strategy implemented in September 2022, aimed at creating value for the company and its teams, which will be rolled out across all HR departments over the next three years in accordance with a precise roadmap. The role of managers is another key factor. Their involvement is indispensable and must evolve so they can get closer to their teams, arm them to face challenges, anticipate obstacles and solve problems with the ultimate goal of enabling everyone to develop and find their place in the organisation, regardless of what stage they are at in their career."



Isabelle Faber
Head of Human Resources,
Public Relations and CSR

"In an ecosystem marked by a succession of crises, uncertainty is becoming part of everyone's daily life; this can, in some cases, generate fear among the population and, in turn, among our employees. These concerns are therefore not directly related to POST. But as an employer, we cannot ignore this malaise, as it has repercussions in the workplace. This may result, for example, in increased absenteeism or low engagement.

Confronted with these new challenges, we must ensure that we offer our employees motivating prospects, and a reassuring working environment in which they can develop safely. Many aspects need to be worked on – employability, inclusion and diversity, fair pay, ethics, anti-discrimination and anti-harass-

STRENGTHEN THE EMPLOYABILITY OF OUR EMPLOYEES

In order to support the development of its three activities – Courier, Telecom & ICT, and Finance – and to maintain the company's competitiveness, POST must ensure that the employability of its staff is maintained and increased.

In the digital transformation of the business lines, we must give everyone the opportunity to evolve in their jobs and to acquire the new skills required in the future. POST will have to mobilise substantial resources for this purpose, particularly for continued professional training and personal development, but also to provide more support for internal mobility.

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The number of assignments to new positions through internal mobility increased by 7% in 2022.

57%

of our employees received training in 2022. This is less than in 2021 (68%) and 2020 (70%).

Number of hours of training

2020 23,828 hrs

2021 33,771 hrs

2022 27,271 hrs

Number of training hours per employee

2020 10 hrs

2021 15 hrs

2022 14 hrs



Cliff Konsbruck
Head of POST Telecom and
Deputy Managing Director

"One of the challenges we face in our Telecom & ICT business line is strengthening the employability of our staff. Indeed, the IT transformation that we have undertaken in the Telecom & ICT business line must now give rise to positive repercussions in terms of quality, efficiency and customer experience. This will give many of our employees the opportunity to move into new roles, through the acquisition of new skills, in order

to make an even greater contribution to our value creation. Furthermore, the digital transformation of our customers' businesses is driving us to develop the services we offer them. The area of customer consultancy is one in particular where we must make progress. This entails setting up training programmes for this line. I have no doubt that we already have the staff motivated to meet these challenges."



SUPPORTING PROFESSIONAL INCLUSION

POST is taking even greater measures to prevent discrimination and aims to create an inclusive working environment, including the integration of young people into its teams.

In 2022, POST took on 97 trainees, 273 students, 17 apprentices, and one employment initiation contract (CIE) in collaboration with ADEM. Of the 231 new recruits, 48% were under 30 years of age. For more than a decade, POST has also been recruiting its future telecom technicians directly from high schools, through the Léierbud programme. The 2022 intake consisted of six students, who alternated between practical and theoretical courses in a special training programme with the prospect of landing a job.

POST also ensures that the 171 disabled people in its teams are successfully integrated.

FACILITATING ACCESS TO OUR SERVICES AND HELPING TO MAKE A MORE INCLUSIVE SOCIETY

POST Finance ensures that everyone, especially the most vulnerable, has access to a bank account and means of payment. If it were not for POST Finance, between 30,000 and 40,000 people in Luxembourg would not have access to essential financial services.

In March 2022, POST Luxembourg supported the implementation of the one-stop shop deployed by the Ministry of Foreign Affairs to help people fleeing the war in Ukraine. Each family hosted in Luxembourg has been able to open a bank account, in order to receive the benefits to which they were entitled, access a means of payment and receive a SIM card. POST Finance has opened more than 3,000 accounts for these families.

In order to respond to the diversity of profiles represented within our customer base, the physical presence of POST Luxembourg has evolved and been strengthened in recent years. Moreover, the post.lu website, intended for private individuals, has been redesigned to make it more accessible to people with disabilities. In addition, there is a contact centre based in Luxembourg, accessible in five languages.



Gabriel de La Bourdonnaye
Head of POST Finance

POST Finance ensures that everyone, especially the most vulnerable, has access to a bank account and means of payment. "Without POST Finance, between 30,000 and 40,000 people in Luxembourg would not have access to essential financial services," says Gabriel de La Bourdonnaye, Director of POST Finance. Created in 1911 from the establishment of a postal cheque account²

in Luxembourg, the activity of POST Finance contributes to the financial inclusion of all. "Our business is part of a process of social and financial inclusion for these people. It's our raison d'être." This commitment is also reflected in the proximity that POST Finance maintains with its users. "Many people, especially senior citizens, are not always comfortable with the digital solutions associated with financial services," explains Gabriel de La Bourdonnaye, "Our role is also to enable all these people to use their account via online solutions, by calling our contact centre, or by going to one of the Espaces POST to be found throughout the country, so that they be served at the counter by one of our staff. Withdrawals and deposits to POST accounts can also be made directly at home via the mail carrier."

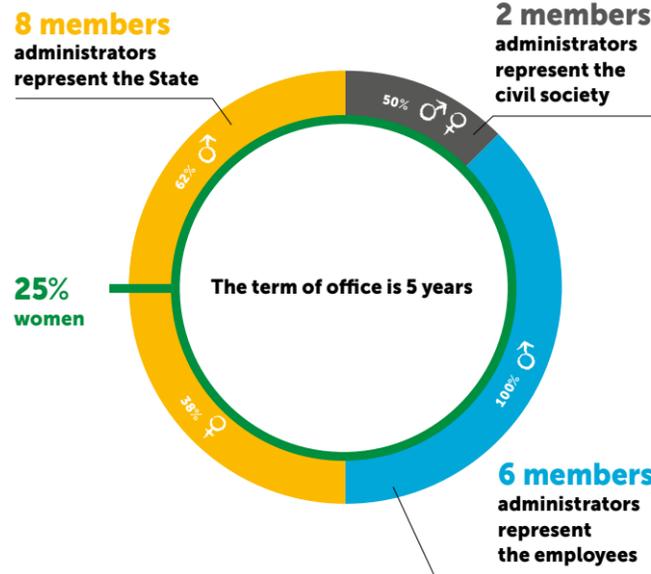
¹ Survey conducted by the consulting firm McKinsey in 2021. ² Postal cheque accounts are current accounts with a postal institution.



THE BOARD OF DIRECTORS

The Board of Directors consists of 16 members, eight of whom represent the sole shareholder (including at least three from the Ministry of the Economy), six of whom are staff representatives elected from among the company's employees and two of whom are independent directors from civil society.

AN EXPERIENCED AND DIVERSIFIED BOARD



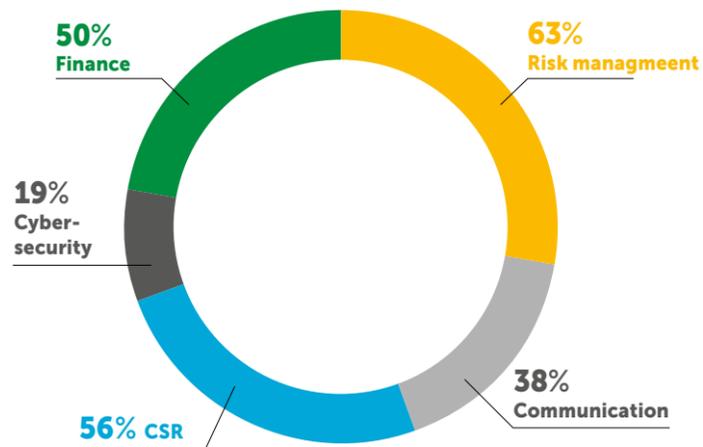
Average tenure
6 years



Average age
55,5 years



MAPPING OF THE BOARD'S COMPETENCIES



AN INVOLVED BOARD

7 Board meetings

95,5% attendance rate

100% of Board meetings were reported on to employees

The Board of Directors is supported by three specialist committees dedicated to specific subjects.



THE BOARD'S PRIORITIES IN 2022

Monitoring and review of the implementation of the *Mir sinn d'POST* strategy

During 2022, the Board of Directors reviewed the action and follow-up plan for the *Mir sinn d'POST* strategy, including the strategic themes and their deployment over time. It evaluated this strategy, which was due to be completed at the end of 2022.

Roll-out of the FTTH network

In 2022, the Board of Directors approved the strategy for the roll-out of the Fibre to the Home (FTTH) network and the updating of the fibre business plan. The aim was to decommission the energy-intensive copper network by 2035.

Review of POST Luxembourg's investment policy

POST's investment policy was reviewed and adapted to recent developments in the financial markets, in particular the considerable rise in interest rates. In light of this, the Board of Directors has validated a policy of acquiring securities that comply with good CSR practices.

Monitoring of progress in the transformation programme for the Telecom & ICT business line

The Board of Directors has been regularly informed about the progress of the Telecom & ICT business transformation programme, the aim of which is the complete replacement of the information systems and related procedures.

POST Group investments

The Board of Directors approved the following changes at Group level:

- Sale of the majority of the shares held by POST Luxembourg in i-Hub.
- Increase in POST's shareholding in Eurosender.

THE ROLE OF THE EXECUTIVE COMMITTEE

The Executive Committee is responsible for assisting the Managing Director in the exercise of his or her mandate. The Managing Director delegates to the members of the Executive Committee the responsibility for exercising some of his or her powers, including the management of the various business lines. Operational committees, which include the directors responsible, ensure the day-to-day management of each business line and meet on a weekly basis, as does the Executive Committee.

CHANGES IN 2022

- **Mario Treinen** has taken over from Hjoerdis Stahl as Head of POST Courier and member of the Executive Committee of POST Luxembourg.
- **Cliff Konsbruck**, Head of POST Telecom and member of the Executive Committee, has taken over from Hjoerdis Stahl as Deputy Managing Director of POST Luxembourg.

The Executive Committee of POST Luxembourg has been enlarged by two additional members:

- **Isabelle Faber**, Head of Communications & PR and CSR since 2020, has also taken over as Head of Human Resources in 2022.
- **Luca Tagliabue**, Financial Head of POST Luxembourg since 2015, has taken on the title of Chief Financial Officer (CFO).

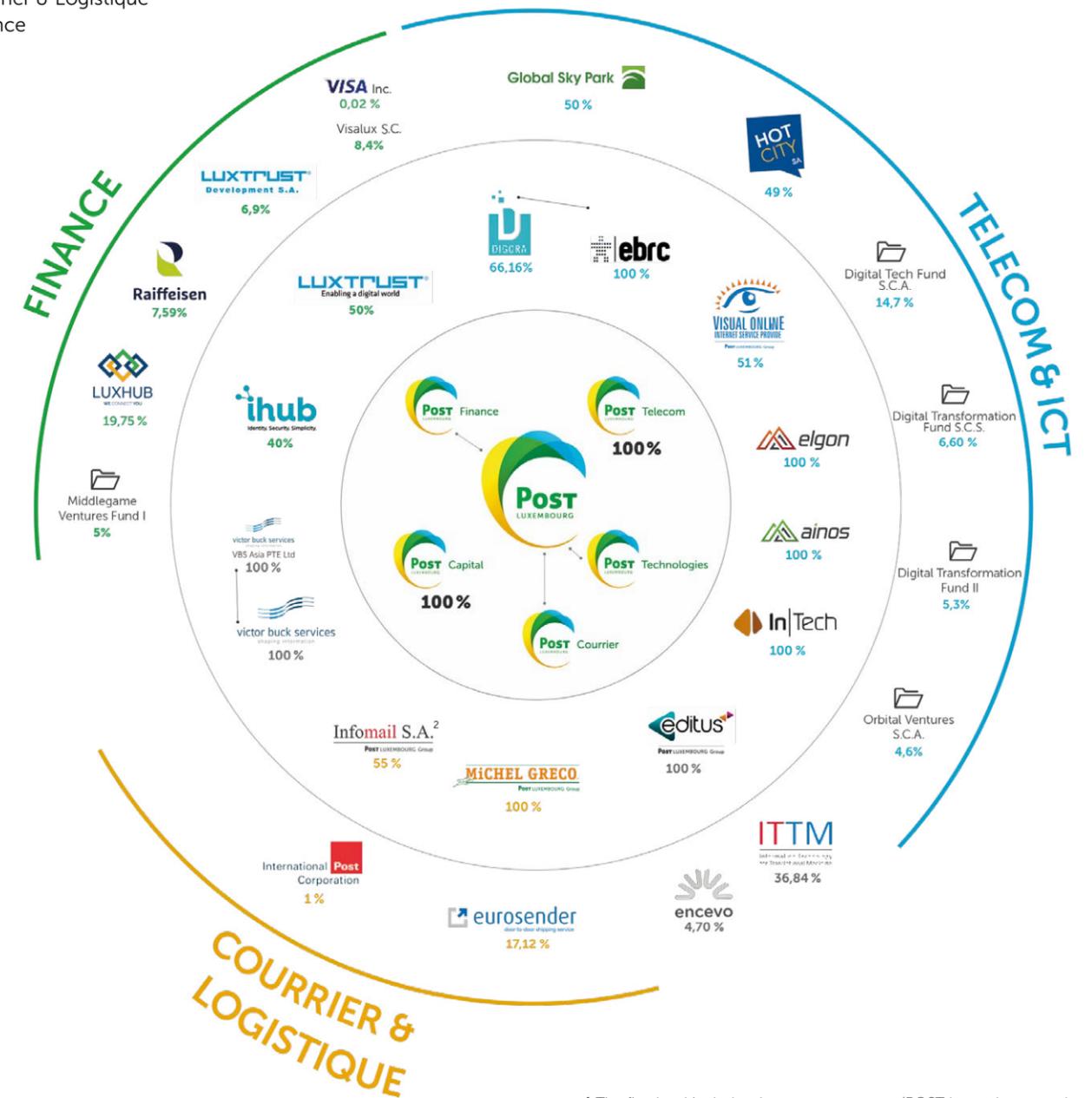


From left to right:
 First row: Claude Strasser, Managing Director / Second row: Pierre Zimmer, Deputy Managing Director & Chief Strategy Officer and Cliff Konsbruck, Deputy Managing Director & Head of POST Telecom / Third row: Isabelle Faber, Head of Human Resources, Public Relations & CSR; Luca Tagliabue, Chief Financial Officer; Gabriel de La Bourdonnaye, Head of POST Finance & Legal; Mario Treinen, Head of POST Courier and Gaston Bohnenberger, Head of POST Technologies.

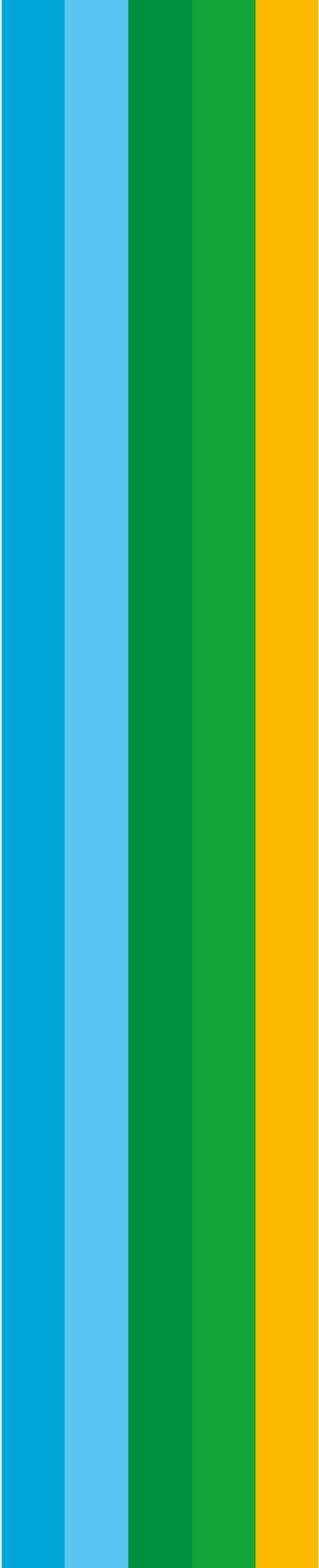
POST LUXEMBOURG GROUP¹

The POST Luxembourg Group is mainly active in three areas:

- Telecom & ICT
- Courier & Logistique
- Finance



¹ The first level includes the parent company (POST Luxembourg and POST Telecom) and POST Capital. The second level includes subsidiaries whose activities are directly related to one of our three business lines. The third level includes minority shareholdings and investments in investment funds. ² Including a 10% stake in Infomail held by Editus.



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