

WITH PLEASURE

**SUSTAINABILITY
REPORT
2016**



IN THE SPOTLIGHTS

4

**Foreword by
the chairman and the CEO**

6

Company profile

8

The changing society

10

Our sustainability policy

16

**Our most important
sustainability programs**

- 17 Commitment to **our customers**
- 24 Commitment to **our employees**
- 31 Commitment to **society and local communities**
- 39 Commitment to **fair, open and transparent business practices**

51

Sustainability reporting

- 52 Methodology
- 53 GRI G4 Core
- 55 Summary of the Performance
- 58 KPI per Materiality
- 61 GRI G4 General Standard Disclosures
- 63 GRI G4 Specific Standard Disclosures
- 66 UN Sustainability Goals
- 67 UN Global Compact COP

IN THE SPOTLIGHTS

Our sustainability performance at a glance

Commitment to our employees

50% women in the Senior Leadership Team and **3 women** in the Board of Directors

74,1390 hours of training followed by **2,400 employees**

Commitment to our customers

Helemaal Mee Tournee already reached **286,050 residential customers** since its launch in 2015

WIGO: first all-in package **150,000** customers in 6 months

Commitment to society and local communities

€ 1.5 million investments per day in our fixed and mobile networks

€ 1.2 million investments in community initiatives and **2,145 hours** of community work by Telenet employees

Commitment to fair, open and transparent business practices

329 tons of waste avoided by recycling and revaluing used decoders and modems

Telenet maintains its **Gold EcoVadis CSR Rating** for its sustainability performance in terms of environmental, social and governance topics



FOREWORD BY THE CHAIRMAN AND CEO

Dear customer,
Dear partner,
Dear shareholder,

No company is an island. We thrive and live by grace of our customers, our employees and the society in which we operate. Keeping our finger on the pulse of what is happening in society is vital as it impacts all of our internal and external stakeholders. One of the key societal forces driving rapid change in our business and in society at large is **digitalization**.

Digital technologies will change our lives, for the better

We see the tremendous potential of digitalization, in both our private and professional lives. Imagine a future of smarter cities, more sustainable mobility solutions and affordable health care services. Think about more flexible working environments and memorable entertainment experiences at home. Digitalization will **power the engine of innovation** and **boost economic growth** in the years to come.

It is our ambition to develop best-in-class and customer-friendly products and services for our customers, bringing them an amazing customer experience in the digital age.

Digitalization comes with its own unique challenges

Making and using digital technologies is essential in today's and tomorrow's society.

As a leading Belgian telecom and entertainment company, we are committed to build a society in which people are

embracing the possibilities of the digital age at the fullest, with pleasure.

However, we are keenly aware of the potential challenges of digitalization.

We want people to find and keep the **right digital balance**: they should have fun with technologies without damaging their social relationships or their health.

We want digital technologies to be **inclusive**: everyone should have access to connectivity and get the opportunity to strengthen his/her digital skills and media literacy.

We want to build innovative technology solutions for our customers, **without compromising the trust of our stakeholders**. New technologies and new business models are stirring up the public debate about the necessity of transparent privacy policies and data security measures. Together with our stakeholders, we work on balanced and future-proof customer guidelines and business practices. Crucial in this is finding the right balance between innovation, business growth and trust.

Telenet's impact on society

We are aware of the important societal role that Telenet plays in the local communities. We remain fully committed to being a responsible and sustainable company in the digital age and we will further strengthen our relationship with our stakeholders through consultation and dialogue.

Telenet stands for pleasure. We are all about taking a positive approach to life.

We are all about making the life and work of our customers easier and more enjoyable, through our fixed & mobile network solutions, through our entertainment services, and through our business offerings.

We are all about creating a society where people enjoy living and working together, embracing the possibilities of digital at the fullest.

Pleasure connects people.

Pleasure is infectious.

It is a simple fact: it's all about pleasure!

Our actual societal contribution is demonstrated by our ranking in the annual **Dow Jones Sustainability Index**. This recognizes leading companies in each industry for their responsible economic, social and environmental performance. In 2016, Telenet reconfirmed its position as **Worldwide Industry Group Leader**. For the fifth consecutive year we were rewarded as 'best in class' in the global media industry. Since 2011 we also support the ten principles of the UN Global Compact and we actively embrace the United Nations Sustainable Development Goals.

Laying the foundations for a promising future

2016 was an important milestone in the history of our company with the acquisition of BASE Company.

We have jointly embarked on a journey of integration and transformation. Our 2020 ambition is clear: to be the leading provider of converged connected entertainment and business solutions in Belgium.

Our first priority in 2016 was to build a fully integrated organization, ensuring a position with clear roles and responsibilities for each of our employees. Together we are now working on an ambitious transformation project which lays the **foundation for sustainable growth in the long run** and confirms our commitment to offering our customers in all regions of the country best-in-class,

innovative products and services, and an amazing customer experience.

At the end of 2016, we also announced our intention to take over SFR, a significant cable operator active in parts of Brussels, Wallonia and the Grand Duchy of Luxembourg.

This acquisition fits in our ambition to become a leading national provider of connected entertainment and business solutions.

Acting in a socially responsible way

At Telenet we strive for sustainable growth, with a good balance between operational excellence and social responsibility, taking into account the social, economic and environmental aspects of our business operations.

As part of our transformation program, we took the opportunity to thoroughly rethink our sustainability strategy. Not to drastically change course, but to ensure that in terms of sustainability, we also maintain our leading position among Belgian companies.

Because, together with our employees and our stakeholders, we want to make a positive contribution to the Belgian digital economy and build a digital society that is accessible to all.

Bert De Graeve

Chairman

John Porter

Chief executive officer

COMPANY PROFILE

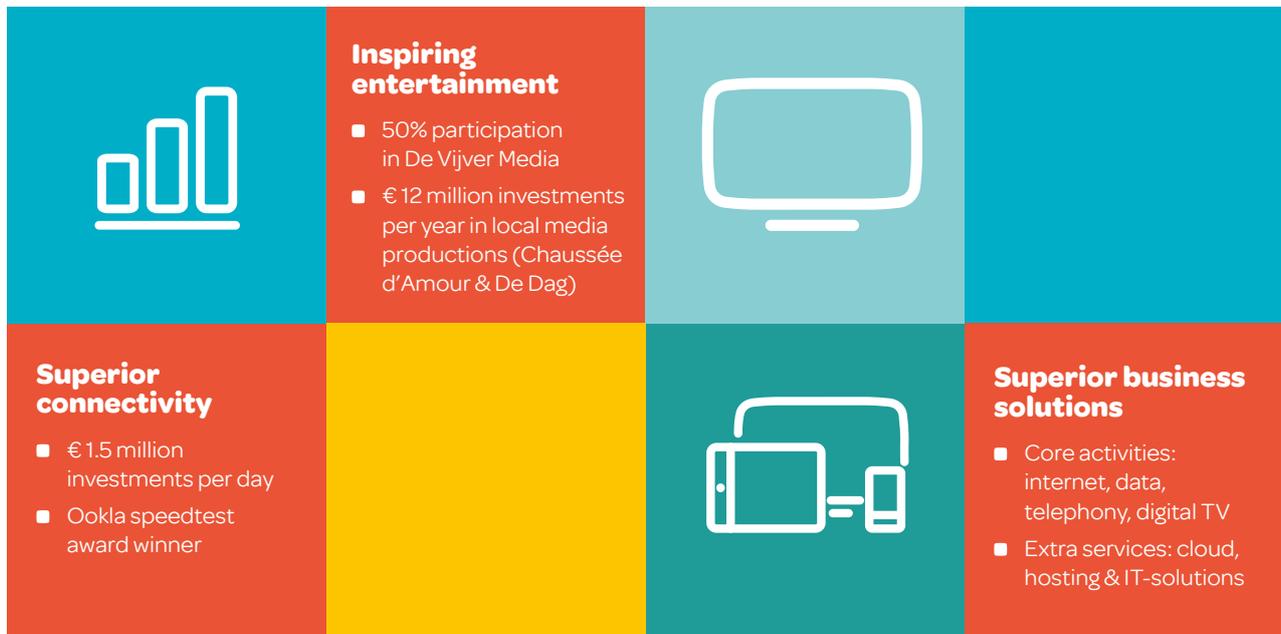
Underpinned by high quality fixed and mobile networks, Telenet is a leading entertainment and business solutions provider in Belgium. Under the brand name Telenet, we focus on offering digital television, high-speed Internet and fixed and mobile telephony services to residential customers in Flanders and Brussels. Under the brand name BASE, we provide mobile

telephony solutions across Belgium. The Telenet Business department serves the business market in Belgium and Luxembourg with connectivity, hosting and security solutions.

To meet the expectations of all its customer segments, Telenet opens its network to partner brands: Branded Resellers and Mobile Virtual Network Operators (MVNO). An overview of

these strategic partnerships can be found on the [Telenet corporate website](#).

Telenet is committed to becoming the leading provider of converged connected entertainment and business solutions in Belgium by 2020.



Status: December 31, 2016

As a growth company, Telenet is conscious of its increasing social responsibility. The company therefore carries out an active sustainability policy with attention to the ecological, social and economic aspects of its business operations.

At end December 2016, Telenet – with headquarters in Woluwe,

Brussels – had 3,300 employees and a total annual revenue of 2.4 billion euros at year end, an increase of 33 percent compared to the previous fiscal year. Telenet reached 2,149,200 unique customers.

Telenet is 57.4 percent owned by Liberty Global - the world's largest international TV and broadband

company, investing, innovating and empowering people in more than 30 countries across Europe, Latin America and the Caribbean to make the most of the digital revolution.

More information about Telenet and its financial results can be found in the [Financial Report 2016](#).

OUR VALUES



Cooperation



Passion



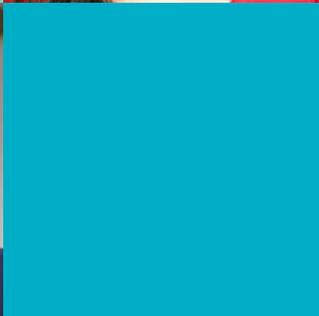
Accountability



Customer centricity



Leadership



THE CHANGING SOCIETY: HOW TODAY IMPACTS TOMORROW

As a responsible company, we keep a close eye on key societal trends that influence how we live and work, today and tomorrow.

Climate change

The **global warming** has serious consequences for humans and the environment. The Paris Agreement (2015) recognizes the **significant impact of corporates on the health of our planet**. There is an urgent plea to limit harmful emissions, reduce our ecological footprint and to take bold steps in developing environmentally sound technologies, in order to reach the COP 21 target of limiting global warming to 2°C above the pre-industrial level by 2030.

Demographic changes: the world versus local communities

The steady progress of transport, telecommunications and international trade leads to a strong **globalization** and to a shift in the global power balance: the economic dominance of the West is being challenged by the East and South, with major implications for the position of Europe where economic growth and job creation are under pressure. Yet Europe continues to attract migrants who for humanitarian, economic and geopolitical reasons are leaving

their home country. The accelerated **migration** flow in 2015 led in several European countries to political tensions and public debates on the cultural and economic integration of the migrant population in the local community.

Despite the globalization, there is a **new-found appreciation for 'being local'**: local communities flourish, grassroot organizations and citizens unite around common causes, close to home. These networks often grow into powerful voices in the public debate due to social media, thus having the power to influence governments and corporations bottom-up. In this world, stakeholder engagement is no longer 'a nice to have'. Localization also leads to new business models like the **sharing economy**, facilitated by technology platforms and digital applications.

Another notable demographic trend is the growing **urbanization**: already over half of the world population resides in cities. In the next decades this is expected to increase to 80 percent, creating new challenges in terms of livability, energy supply and mobility. Digital innovations play a crucial role in creating **smart cities** that offer a better quality of life. In Belgium too, regional and local governments, companies and research institutes are joining forces to give shape to the smart cities of the future. This is based on the continuous connection of people,

devices and objects, which requires high-performing mobile and fixed networks and advances in big data technologies.

Finally, the **aging population** is an important demographic trend. Our society is aging: the life expectancy increases while the proportion of elderly people in the total population is growing. This causes a strain on our health care and social security systems. Digital applications can offer a sustainable solution, both preventive and curative.

Economic growth and jobs

Digitalization fuels **job creation** and **sustainable economic growth**. The European Commission's Digital Economy and Society Index (DESI) annually tracks the digital performance and competitiveness of its member states. In 2017, Belgium ranks 6th in this index, with strong performances on broadband connectivity (3rd) and the integration of digital technologies by businesses (5th). The country's performance on digital skills (11th) and the adoption of digital public services (13th) show room for improvement.

To fully exploit the digital opportunities, Science, Technology, Engineering and Mathematics (STEM) competencies, creativity and entrepreneurship are of vital importance.

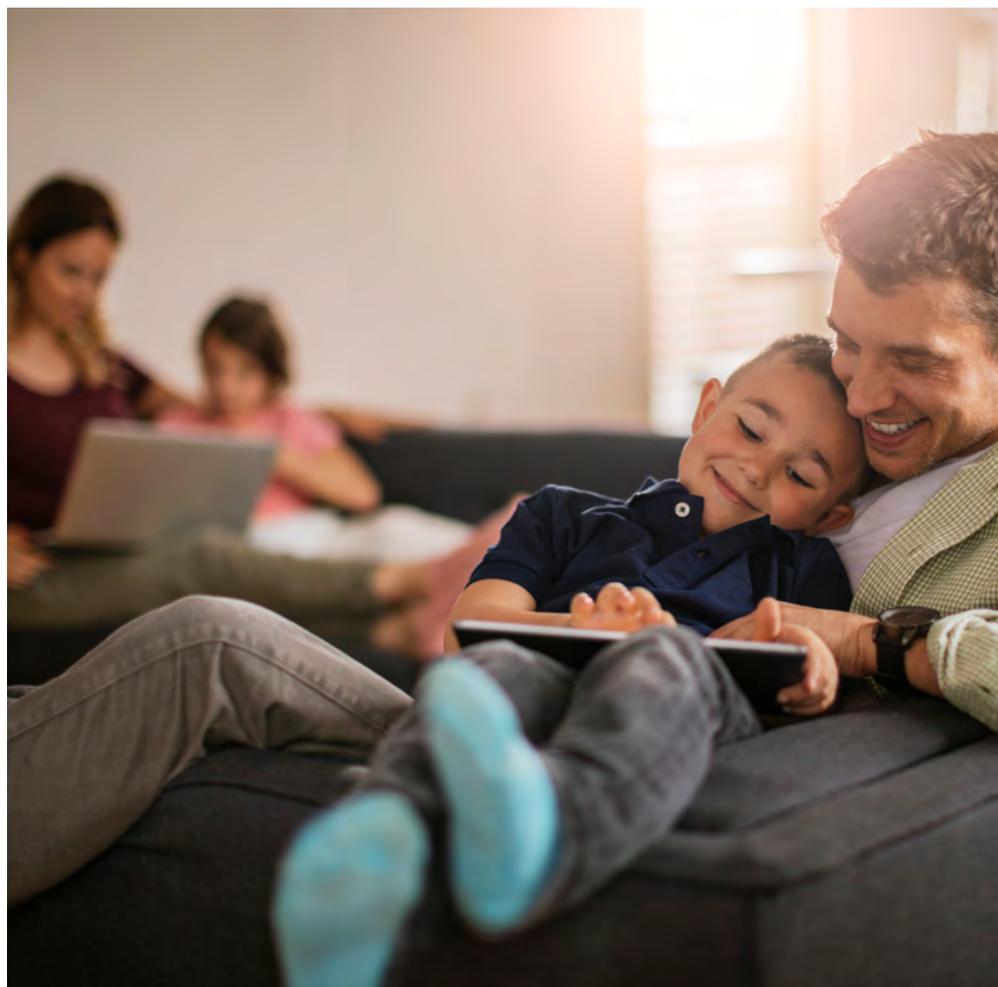
Governments and corporates need to partner up to strengthen these skills through education and lifelong learning initiatives. According to the DESI 2016 report, the lack of STEM graduates and the shortfall of ICT workers are expected to lead to **30,000 open job vacancies by 2020 in Belgium.**

Youth unemployment is a key issue in the digital economy and remains hard to tackle. Low education levels increase the risk of long-term unemployment. The potential to train and activate NEET (Not in Education, Employment or Training) youngsters and to guide them to jobs, particularly in the digital space, is tremendous.

Finally, **how we work is set to change.** As digitalization allows us to work where and when we want, the relationship between employee and employer is changing. Standing out as an employer by creating meaningful jobs with a good work-life balance will be key in attracting talented people.

Digital is the new normal

Digitalization offers a wealth of opportunities to consumers and businesses. One area where this is particularly clear is entertainment: linear TV watching is declining year on year. More personalized platforms offering maximum freedom to consumers such as VRT NU, Yelo Play, Netflix and YouTube are on the rise.



In the market place, eCommerce is no longer a gimmick but a fierce competitor putting pressure on the traditional retail sector. In this type of world, the consumer's demand for speed and data continues to increase. To cater for this demand, **continuous investments in fixed and mobile networks** by operators are the lifeblood of the economy. Looking further ahead, we should prepare for a transition to 4.5G and 5G networks. Today, many **technological applications are leaving the realm of science fiction** and are becoming reality in our day-to-day lives. Think about augmented reality, virtual reality, self-driving cars and autonomous vehicles.

At the same time consumers are becoming increasingly aware of the **risks related to digital**, in particular

in terms of privacy, the protection of personal data and the prevention of data fraud. It is our responsibility to take appropriate action and to protect in particular those who are vulnerable, such as children, in the digital world. Digital technologies should also be **inclusive: not everybody is a digital native** and knows how to fill out a tax statement online or transfer money through an app.

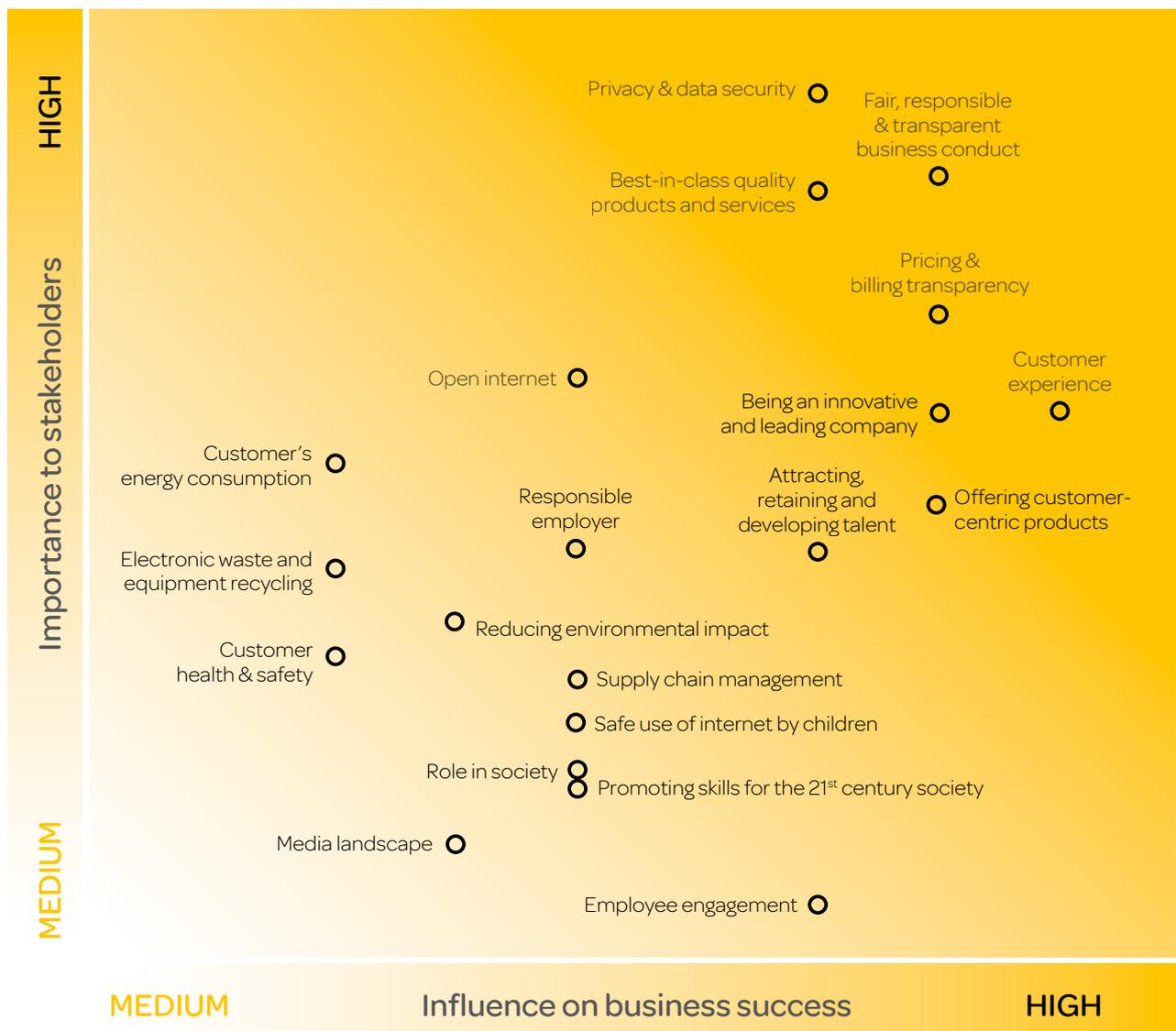
Finally, new business models, such as targeted and personalized advertising, have the potential to provide oxygen to the local broadcasting industry. But these initiatives should not compromise the trust of customers and stakeholders. They should therefore be set up in dialogue with the respective regulators and respect the local privacy and data regulations.

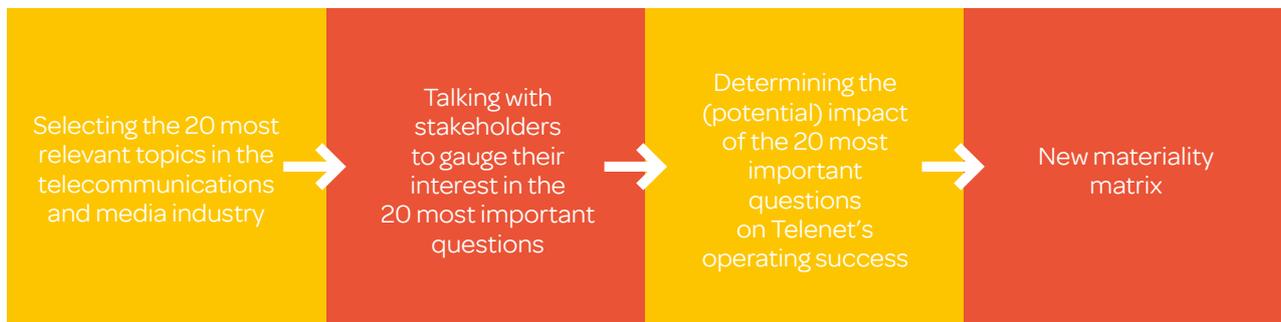
OUR SUSTAINABILITY POLICY

THE MATERIALITY MATRIX

Sustainability is a multi-faceted concept – more than one company can tackle at the same time. Therefore, Telenet has made the conscious decision to focus its efforts on the most relevant issues: **the materialities**. Telenet determines the importance of the various material matters in close consultation and

dialogue with its stakeholders. The result is a schematic representation of the sustainability priorities and their relative importance: **the materiality matrix**. Initially defined in 2012, the materiality matrix was reviewed in April 2015 to reflect the most current interests of our stakeholders.





DESIGNING THE MATERIALITY MATRIX

A structured process is applied. First, a detailed analysis of relevant economic, social and ecological considerations in the telecommunications and media sector results in a list of 100 topics. This long list is further refined and categorized into a short list of 20 topics.

The most important stakeholder groups (residential and business customers, employees, investors and shareholders, suppliers, policy makers/regulators, consumer organizations, media and sector

organizations) are consulted to determine how important they deem each of the 20 issues to Telenet. For the most recent exercise in 2015, a total of 1,405 stakeholders were surveyed.

Senior management determines the (potential) effect of each issue on the commercial success of Telenet. A clear and measurable objective is set for each materiality, as shown in table 'KPI per Materiality' (pages 58-60).

THE DECISION MAKING PROCESS

Board of Directors	Senior Leadership Team (SLT)	Reputation Board	Corporate Affairs Director
<ul style="list-style-type: none"> • 10 members, 3 of which are independent directors • Design, implementation and checking the sustainability program as a permanent item on the agenda • Meets at least once per quarter 	<ul style="list-style-type: none"> • Top 12 managers • Sustainability progress as fixed agenda item • Meets fortnightly 	<ul style="list-style-type: none"> • Board consisting of SLT and board members • Assesses and directs improvements to Telenet's corporate reputation, including sustainability aspects • Meets quarterly 	<ul style="list-style-type: none"> • Manages daily activities and provides reports

THE SUSTAINABILITY STRATEGY

At Telenet we strive for sustainable growth, with a good balance between operational excellence and social responsibility, taking into account the social, economic and environmental aspects of our business operations. As part of our transformation program following the BASE Company acquisition, we have taken the opportunity to thoroughly rethink our sustainability strategy. Not to drastically change course, but to ensure that in terms of sustainability, we also maintain our leading position among Belgian companies.

Our commitment: With pleasure!

At Telenet, we believe that people should feel good about the way digital can play a part in their lives.

We want to build a society in which people enjoy to live and work together, embracing the possibilities of the digital world at the fullest, with pleasure. In this digital era, we want to make a real difference by engaging with our customers and employees in an inclusive and empathic way. We are committed to build an open and transparent relationship with all our stakeholders, looking them straight in the eye and responding to their expectations as it comes to our social, economic and environmental impact.

Our focus domains

The new sustainability program underscores our commitment to the key stakeholders and reflects their interests as defined by the materialities:

- **Amazing Customer Experience:** our commitment to customers
- **Great Workplace:** our commitment to employees
- **Digital Society:** our commitment to society and local communities
- **Responsible Business Practices:** our commitment to a fair, open and transparent dialogue with all stakeholders

Per commitment, we have defined a set of measurable targets, to be reached by 2020.



TELENET SUSTAINABILITY FRAMEWORK 2017-2020

Our 2020 Vision

- To be the leading converged connected entertainment and business solution provider in Belgium.

Guiding principles

- pioneering - digital - nearby - sparkling - friendly - sincere, honest and transparent - inclusive - pleasure

Our business priorities

- Build a leading integrated network
- Lead in inspiring entertainment
- Unlock the potential in business solutions
- Create memorable customer experiences

With pleasure!

We live in exciting times. In the digital era, the way we live together, work together, play together has changed. We have now more tools than ever to make of every moment a meaningful moment, and to love every one of them. At Telenet, we believe people should feel good about the way digital can play a part in their lives. We want to build a society in which people enjoy to live and work together, embracing the possibilities of the digital world at the fullest, with pleasure. In this digital era, we want to make a real difference by engaging with our customers and employees in an inclusive and empathic way. We are committed to build an open and transparent relationship with all our stakeholders, looking them straight in the eye and responding to their expectations as it comes to our social, economic and environmental impact.

Digital Society

Amazing Customer Experience

Great Workplace

Responsible Business Practices

Our commitment

We want to build a society in which people enjoy to live and work together, embracing the possibilities of the digital world at the fullest, with pleasure.

We do everything to give our customers the best experience possible and to build lasting trusted relationships with them.

We want every Telenet employee to be proud to work for our company and to become real Telenet Ambassadors. We want to empower, inspire and enable our employees to flourish.

We do business in an open and transparent way, taking the expectations of all our stakeholders into account, as it comes to our social, economic and environmental impact.

2020 Objective

Unlock the potential of digital for all through at least 3 digital skills programs. Accelerate 25,000 young people in the digital age

Net Promoter Score of -5

Zoom employee score of 61%, with a clear ambition to reach a score in the top quartile

RepTrak scores on Governance & Citizenship +3% percentage points (compared to base RepTrak 2016Q4 Flanders & Brussels)

We'll do this by

- Investing in high-performant fixed & mobile connectivity solutions
- Boosting the digital and creative economy
- Nurturing 21st century skills for children and empowering youth through entrepreneurship and digital literacy training
- Ensuring basic digital literacy skills for all
- Promoting the right digital balance

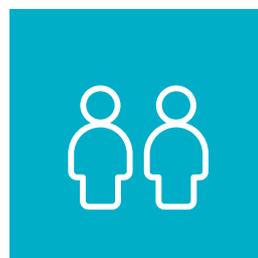
- Bringing the best customer experience
- Delivering top quality products & services that are easy to use
- Ensuring privacy & data security
- Driving transparent pricing & billing

- Attracting & retaining the best talent
- Stimulating learning & development
- Engaging our employees through internal communications and corporate culture
- Cultivating employee wellbeing & diversity

- Limiting our environmental footprint
- Managing our supply chain in a responsible way
- Demonstrating good governance & transparency in our business practices

OUR COMMITMENT TOWARDS OUR STAKEHOLDERS

At Telenet, each department is responsible for developing structured stakeholder relationships. At the corporate level, Telenet maintains dialogues with the following stakeholder groups:



Customers

- Telenet uses the Net Promoter Score (NPS) to assess the satisfaction of its customers.
- Telenet applies four values to every new product: simplicity, transparency, focus on loyal customers, and forward-looking.
- Telenet maintains transparent communication around sensitive issues such as price adjustments.
- Through our social media channels we actively engage in dialogue with our customers..

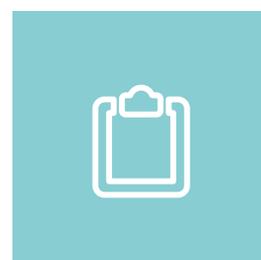
Investors

- As a listed company, Telenet openly, actively and simultaneously communicates with all its investors.
- Telenet issues financial reports in accordance with International standards such as the International Financial Reporting Standards (EU) and the US Sarbanes-Oxley Act.

Employees

- Telenet actively assesses the satisfaction of its employees through the annual Zoom survey.
 - Telenet employees work in an environment that encourages personal development.
 - Telenet gives young employees the opportunity to develop their talent in the Young Grads program.
 - Telenet promotes equal opportunities and works on diversity to ensure our organization is a good reflection of the broader society and our customer base.
-

Important memberships



Suppliers

- Telenet uses a code of conduct on sustainability that has to be signed by every supplier.
- Telenet evaluates and monitors the sustainability risk of each supplier through the EcoVadis platform.
- Telenet develops structural partnerships with suppliers who have a strong social dimension, such as the company IMSIR.

Local community

- Telenet consults local communities and neighborhood committees for major projects, such as the roll-out of 'De Grote Netwerf' project in Flemish cities and municipalities.
- Telenet actively supports social initiatives that boost the digital talents of the future, like CoderDojo Belgium, ToekomstAtelier and YouthStart.

Policy makers

- Telenet has adopted a charter with specific guidelines on stakeholder engagement, with a particular emphasis on our dealings with public authorities.
 - Telenet is a member of professional organizations, such as the ISPA (Belgian Internet Service Providers Association), the GSMA, Cable Europe and the Agoria Federation of Telecom Operators.
 - Telenet seeks transparent interactions with policy makers, but does not support political parties.
-

OUR MOST IMPORTANT SUSTAINABILITY PROGRAMS

Telenet remains committed to being a responsible and sustainable company that takes into account the social, economic and environmental aspects of its business operations.

Sustainability, however, is a multi-faceted concept – more than one company can tackle at the same time. At Telenet, we therefore consciously choose to focus our efforts on the most relevant issues – the materialities – which we define in close consultation with our various stakeholders. These materialities also form the foundation for the sustainability programs that we actively support as a company:



COMMITMENT TO OUR EMPLOYEES



COMMITMENT TO FAIR, OPEN AND TRANSPARENT BUSINESS PRACTICES



COMMITMENT TO OUR CUSTOMERS



COMMITMENT TO SOCIETY AND LOCAL COMMUNITIES



COMMITMENT TO OUR CUSTOMERS

It is our ambition to develop **lasting trusted relationships** with our customers by investing in best-in-class, customer-friendly products and services, by driving a **transparent pricing policy**, by **respecting our customers' privacy**, and by striving for **memorable experiences** that enhance customer satisfaction.



LOOKING BACK AT 2016

At Telenet, we put in all effort to offer innovative products and services to our customers.

The technology as such does not matter to our users. What does matter is how it helps them gain business productivity, relax carelessly or interact freely. These are all experiences to which Telenet actively contributes by investing in state-of-the-art fixed and mobile network connectivity and by delivering high-quality connected entertainment and business solutions.

The acquisition of BASE Company in February 2016 was a key moment for Telenet. **It turned the company into a national telecom services provider with its own mobile network.** This will allow us to better respond to the rising demand from both residential and business customers for the full range of fixed and mobile telecom services.

A first important step in the integration of both companies was our decision to invest in **the upgrade of the BASE mobile network across Belgium by 2018.** At the end of 2016, already 500 macro sites were successfully upgraded and in January 2017 close to 38,000 Telenet MVNO customers were migrated to our own mobile network. The investments in the BASE mobile network across Belgium complement our ongoing efforts to optimize our fixed network infrastructure in Flanders and Brussels through De Grote Netwerf and Nexus projects. These enable residential and business customers to benefit by 2019 from high-speed internet

connections with broadband speeds up to 1 Gbps and large data volumes.

This underscores our commitment to continuously improve the customer experience by **driving innovation** across our various business domains. Besides investments in **network innovation**, we also drive **product and service innovation**:

- In June 2016, Telenet launched **WIGO**, the first genuine all-in package for families and businesses that responds to changing customer behaviors and removes the traditional barriers between fixed and mobile services. This resulted in just over 150,000 WIGO subscribers at end December 2016, boosting the quad-play penetration to 23 percent of cable customers.
- The **Helemaal Mee Tournee**, a full and free check-up of the indoor installation at our Telenet customers' homes, continues to set a new standard for customer-centric servicing. Since its launch in 2015, the program has already reached 286,050 residential customers, out of which 150,258 in 2016. We plan to reach another 120,000 customers in 2017. In June 2016, the initiative received the Golden Effie Award, a prestigious marketing award.
- The **BASE Fix2 Go** solution offers a professional repair service for mobile phones and tablets, including associated services such as mobile phone configurations and data transfers. A repair in the BASE shops takes only approximately 40 minutes.

The best experience in a digital world

Positive customer experiences form the foundation of sustainable growth.

Through our different customer engagement channels, we guide our customers to the best and most efficient solution, offering them a seamless, high-quality and personalized service.

Telenet since 2014 has been investing in the Amazing Customer Experience Program (ACE), through which we monitor, analyze and report on the experiences of our customers. As a result we are able to more quickly identify pain points and provide targeted corrections. Over the past years, the number of customer complaints on Telenet that the Ombudsman for Telecommunications feeds back to us has been declining steadily*:

- 1 file per 1,639 services delivered in 2014
- 1 file per 2,081 services delivered in 2015
- 1 file per 2,212 services delivered in 2016 (including BASE)

As a company we have to constantly improve the experience to earn the trust of our customers. The acquisition of BASE Company was the starting point of a **transformation journey** to build by 2020 an **integrated approach to customer engagement**, with aligned business processes, systems and tools.

The following focus domains will be instrumental to further strengthen the customer engagement:

* Note: The given numbers prior to 2016 do not include BASE customer complaints.

- **Better aligning internal processes to the customer journey:** customers expect Telenet to deliver a seamless experience across all touchpoints, from initial inquiry right through post-sales support. As an organization we still have the opportunity to improve internal process efficiencies, to remove barriers between business functions and channels, and to proactively capture the impact of internal developments on the customer journey.
- **Embracing a new digital customer experience:** the growing digitalization leads to changing customer expectations. In the digital economy, customer contacts must be quick, easy and fun with a 24/7 service delivery. As an organization we have to develop a real digital customer interaction approach that is complementary to the non-digital customer engagement channels where a warm, human experience makes the difference.

Ensuring privacy and data security

Earning trust also implies that customer interactions are handled with respect of privacy and data security. We manage a vast amount of information from and about our customers. The **Telenet Customer Data Policy** describes what information we process, why we do so and what our customers' rights are. It is applicable to all commercial activities of Telenet and is publicly available on the Telenet website.



In autumn 2016, we amended the policy, in view of the launch of a targeted advertising test case on the SBS TV channels. The changes to this Customer Data Policy were communicated in an open and transparent way to our customers.

The launch of the targeted advertising test case stirred up the public debate about the necessity of transparent privacy policies and led to an inquiry by the Belgian Privacy Commission on Telenet's Customer Data Policy in general and its compliance with the new EU General Data Protection Regulation in particular. We are currently in consultation with the Belgian Privacy Commission to further refine the Telenet Customer Data Policy.

Next to the update of the Telenet Customer Data Policy, we reviewed the data policy for BASE customers to better align it with the Telenet one, in view of a further integration of the privacy and data security policies in the future.

Driving transparent pricing and billing

Early 2016, Telenet informed all its customers personally about a price adjustment to a number of its products and services. These price changes were led by the growing demand for faster connections, more data, more mobile Internet, and more capacity. To meet these consumer and business expectations, we need to invest more in our network, our products and our services. While on-going investments will be required in the future - potentially leading to price adjustments -, we have the responsibility to reflect on how we can keep ensuring the best value for money to our customers, earning their long-term trust.

As far as billing is concerned, Telenet launched a campaign mid-2016 to invite its residential customers to choose for e-billing. Up to 56 percent of Telenet customers migrated from a traditional paper bill to the e-bill solution.

At BASE, there were no major changes to pricing or to billing in 2016. 70 percent of the BASE customers uses an e-bill solution.



IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2016

- On track/Completed
- Work in progress
- Requires further attention

Focus	2016 Events and achievements	Status	Next steps
Bringing the best customer experience	<p>A new family of customers</p> <p>The acquisition of BASE Company, turns Telenet into a national telecom services provider with its own mobile network. A transformation project is initiated to build an integrated approach to customer engagement by 2020.</p>		<p>A new family of customers : SFR acquisition</p> <p>The take-over of SFR's cable operations in Belgium and Luxembourg, as approved by the Belgian competition authorities on June 13 2017, will further extend our footprint, turning Telenet into the largest telecom provider in Brussels.</p>
	<p>Net Promoter Score (NPS) for Telenet and BASE 2016</p> <p>NPS is our main performance indicator for customer loyalty and is based on a monthly online survey among 12,000 residential and business customers. In 2016, Telenet achieved an end result of -6.9, slightly below target. The NPS score for BASE was -12.10 at year-end.</p>		<p>Net Promoter Score (NPS) for Telenet and BASE 2017</p> <p>As far as Telenet is concerned, we have set a -4 NPS score at year-end.</p> <p>As far as BASE is concerned, we target a -7 NPS score at year-end.</p>
Delivering top quality products & services that are easy to use	<p>Telenet WIGO</p> <p>Launched in June, WIGO is the first genuine all-in package for families and businesses. WIGO registered over 150,000 subscribers at end 2016. 75 percent of our customers, who turned to WIGO, pay less than before.</p>		<p>Continue to offer the WIGO all-in package and extend the offering to even better respond to the expectations and needs of our residential and business customers.</p>
	<p>Inspiring entertainment: Telenet Play More</p> <p>Re-launched in December, Play More provides an enriched linear viewing experience, with a new user interface and improved search and recommend features. With the Mr. More messenger bot, we have set a new standard for guiding viewers in the online entertainment catalogue.</p>		<p>Continue to offer inspiring entertainment solutions</p> <p>Telenet Play Sports: in May 2017, Telenet was granted the non-exclusive live broadcasting rights for the Belgian 'Jupiler Pro League' football competition till season 2019-2020. In addition, we were granted the exclusive rights for the football game summaries and for the live broadcasting rights through Over-The-Top (OTT) distribution.</p>

Focus	2016 Events and achievements	Status	Next steps
Ensuring privacy & data security	Telenet Customer Data Policy		Telenet Data Protection Policy to be further refined in accordance with the relevant legal provisions and in consultation with the Belgian Privacy Commission. We are also working on the implementation of the EU General Data Protection Regulation. Good progress has already been made in the areas of privacy by design, privacy impact assessments and data breach handling.
	BASE Customer Data Policy		Further alignment and integration of the Telenet and BASE customer data and security policies.
	Privacy complaints and breaches		Continue to monitor privacy compliance through the relevant internal councils and consultative bodies.
Driving transparent pricing & billing	Telenet price adjustment		Telenet price adjustment
	In January 2016, Telenet announced a price adjustment to a number of services and products, to cover additional investments in network, services and products, and to meet growing consumer and business expectations.	A new price adjustment was announced in full transparency in January 2017. We are reflecting on how to ensure the best value for money to our customers, earning their long-term trust.	



THE GOLDEN PRINCIPLES FOR BUILDING TRUSTED CUSTOMER RELATIONSHIPS



Delivering top quality products and services that are easy to use

- **Simple and easy product choices:** Telenet Whop and Whoppa, Telenet Play, Play More and Play Sports, BASE 15-25-35-45. Thanks to a clear and limited offering, it is easy for the customer to compare different products and to make a fast and balanced choice.
- **Clear product information:** With every Telenet or BASE product, the customer will find a leaflet with the general conditions, an installation guide and an explicit CE certificate or technical flyer, if needed. We will also state the legally required information about waste treatment and energy use, and the SAR values of mobile phones.
- **Availability:** We remain close to our customers and actively guide them towards the best digital experiences, using different channels:
 - On the television channel 444 and the Telenet YouTube Channel short videos provide extra information on Telenet products
 - On My Telenet, customers can subscribe to various Telenet newsletters
 - On the Telenet and BASE social media, such as Facebook, Twitter and LinkedIn, we enter into a dialogue with our customer
 - On the Telenet story platform SNAP (snap.telenet.be) the customer can read more about the Telenet company and our entertainment offerings
 - On our Online Community Forums – Telenet Netwetters and BASE Go Mobile Forum – customers ask questions, share experiences and make suggestions to improve new or existing products.



Ensuring Privacy and Data Security

- The **Telenet and BASE Customer Data Policies** describe what information we process, why we do so and what our customers' rights are. The policies are applicable to all commercial activities of Telenet and BASE. They are publicly available on the respective websites. We will actively implement the EU General Data Protection Regulation by 2018.
- **The Privacy Council** since 2014 discusses all privacy matters and priorities. It comprises representatives from the various business departments.
- **The Security Council** formulates strategic recommendations around risks and threats arising from malicious or erroneous use of data.
- **The Cyber Security Road Map** outlines the most important security projects and is revised annually based on the recommendations of the Security Council.
- **Internal awareness through training:** In 2016, 222 employees received an introduction to privacy and security while attending the mandatory Business Discovery Day. At end 2016, an online training on privacy and data security was launched, following the changes applied to the Telenet Customer Data Policy. Up to 50 percent of the Telenet employees started the online course in the first weeks after launch.



Driving transparent pricing and billing

- **Pricing:** We strive to transparently show our prices and any other costs both on our websites and in our promotions or advertisements. One-off costs for activation, installation or the exchange of hardware are as clearly as possible shown on our website.
- **Invoicing:** Telenet customers, who choose to receive an electronic invoice, will automatically receive an email notification when a new invoice is available on My Telenet, where invoices can be viewed for up to fourteen months. BASE customers can review their invoices online in the customer section of the BASE website or on the MyBASE application.
- **Proactive communications:** When making important changes to our products and services, we notify customers well in advance via email or through bill insert.
- **No Notice Period:** We do not apply a notice period for product bundles, Internet, fixed or mobile telephony and television, with the exception of the paid channel package Telenet Play Sports where a legal contract term of six months is applied as set by the Telecommunications Act.
- **Tariff Plans:** We proactively contact customers for whom it is cheaper to change to a product formula that better matches their product use.



IN THE SPOTLIGHTS

THE TELENET AND BASE CUSTOMER SERVICE & TECHNICAL HELPDESK IN 2016



Via telephone

78 percent of phone calls are answered within 120 seconds.

We achieved a First-Time Right percentage (customer receives optimal assistance during first contact) of 73 percent.

Via internet, e-mail and mail

The Telenet online customer service was visited 890,000 times per month. This platform offers customers specific step-by-step plans and useful information to initially resolve problems on their own.

The BASE online customer service was visited 225,863 times per month.

My Telenet was visited over 15 million times through the year and reached 1,070,000 unique visitors, an increase with 7 percent compared to 2015. The MyBase app had 247,296 unique users per month, an increase with 53 percent compared to 2015.

78 percent of complaint emails and letters were answered within two days.

Via social media

We can be reached every day from 8AM to 10PM and in the weekend from 8.30AM to 6PM, even on public holidays (with the exception of Christmas and New Year).

We achieved 462,810 registered social media mentions, an increase with 43 percent compared to 2013.

The BASE social media channels achieved 70,034 mentions

The hottest topics in 2016 for Telenet were WIGO and Digibende.

The hottest topics in 2016 for BASE were handset promotions and the free streaming of Red Devils matches.

Telenet SNAP

On [our story platform SNAP](#) the customer can read more about the smart use of Telenet products and our entertainment offerings.

De Netweters/ Les Netnologues

[On this online platform](#), residential customers help each other to be fully up to speed with the digital world. They can ask questions, share experiences and do suggestions to improve existing products.

BASE Go Mobile platform

[The BASE Go Mobile platform](#) shares the latest news on BASE products and services, and provides useful tips and tricks for a truly mobile life.

The [BASE Community](#) is the place to be for BASE customers to help other customers, interact with each other and exchange ideas.



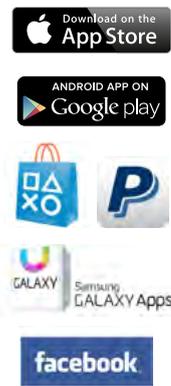
BASE PAYBYMOBILE



Launched in 2015, the PaybyMobile solution offers BASE customers the opportunity to buy e-books and online entertainment products such as movies, music, games and apps in an easy and secure way.

Customers can handle the invoices related to these online purchases through their BASE telecom invoice. The BASE PaybyMobile sets a new standard for safe, online transactions. It is available on the following platforms:

- Apple Stores (AppleMusic, iTunes, iBooks, the AppStore)
- Google Play Store
- Sony PlayStation Store
- Samsung Store, Galaxy Store
- Facebook
- PaypalMobile





COMMITMENT TO OUR EMPLOYEES

As an employer, Telenet wants to **be a passionate partner** that encourages strong work performance and personal growth in a continuously changing working environment. We drive an employment policy that **builds talent and stimulates maximum engagement**. And we ensure that **everyone feels happy at work**.



LOOKING BACK AT 2016

The take-over of BASE Company as approved in February 2016, marked the start of a company-wide transformation journey that touches all parts of our business operations. The Human Resources department is one of the cornerstones of this transformation program: it is in charge of **ensuring the people's wellbeing in times of change**. It also focuses on optimizing the processes and systems that underpin our employment policy.

The first HR priority after the acquisition was the smooth integration of both organizations, making sure all employees quickly got clarity about their job position and their roles and responsibilities within the new organization. This process was initiated in March and closed in July, without any forced dismissals.

As a next step in the transformation journey, we are currently focusing on the alignment of the different HR business processes, and the optimization of the back-office systems and IT tools in order to build **a fully integrated HR practice by 2018**. Important will be the harmonization of the working conditions between former Telenet and former BASE Company employees, in close consultation with the social partners.

A key success factor in this transformation journey is **the active engagement of the employees in the new organization**. Telenet yearly measures the employee

engagement through the Zoom survey. In 2016, Telenet reached a 60 percent engagement score, 9 percentage points above the Belgian average, with top scores on diversity & inclusion, compliance & ethics and values. The most important areas for improvement included career opportunities and rewards & recognition. The Zoom measurement was done in January 2016, prior to the BASE Company acquisition.

In January 2017, the Zoom survey was rolled-out for the first time to all employees of the new integrated organization. The first results are encouraging: with a score of 58 percent, 7 percentage points ahead of the Belgian average, the engagement score remains stable. Telenet employees indicate career opportunities and performance management as key attention points.

According to the Zoom 2017 survey, Telenet's brand and external reputation as an employer - including the pride that people have working for the organization-, could also be further improved.

This underscores the need to continue investing in **internal communications and corporate culture** initiatives. Since spring 2016, we have been intensifying internal communications to ensure all employees are fully informed about our integration and transformation journey. Major initiatives include: regular newsletters, an All Employees

Meeting 'The Telenet Way Day' in June 2016 and a fully revamped Intranet 'Tellit' with an ongoing flow of business, corporate and employee stories from across the organization. In 2017, special emphasis will be put on building a new corporate story that is fully aligned with the employee values and the brand purpose, and that has the power to **engage our employees turning them into real Telenet ambassadors**.

Employee engagement also translates into a corporate culture that is embraced by all employees.

Since the BASE Company acquisition, Telenet has become a national telecom services provider, with business activities in all regions of Belgium and with a diverse, multi-cultural team. In a historically Flanders-oriented company, this still requires a mind-shift for a large part of the employee base.

Finally, in times of transformation, **building a resilient workforce** that can cope with uncertainty, unexpected changes and stress, makes a real difference. In 2015, we therefore initiated a special development program in this respect for people leaders and employees, with training sessions, an employee assistance program, personal coaching and on-the-job support. This resilience program contributes to Telenet's employer branding strategy and boosts our external reputation as 'an employer of choice'.



IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2016

■ On track/Completed
■ Work in progress
■ Requires further attention

Focus	2016 Events and achievements	Status	Next steps
Attracting & retaining the best talent	A new family of colleagues Mid 2016 Telenet and BASE Company employees formed one, fully integrated organization, with confirmed job positions and clear roles and responsibilities for all. All employees were regularly informed about the acquisition and the integration journey.	■	Continue the integration journey by harmonizing business processes and optimizing back-office systems, building one fully integrated human resources practice by 2018, in close consultation with the social partners.
	LinkedIn Recruiter Certification In 2016, the entire Telenet recruitment team was certified as LinkedIn recruiter, after completing an intensive LinkedIn Recruiter Certification Program. Telenet is the first Belgian company to be LinkedIn certified.	■	Continue online recruitment through LinkedIn , complementing the more traditional recruitment channels, such as job fairs and ads in newspapers or on specialized job sites and the own Telenet website
	Young Graduate -Program Selected in January 2015, 15 Young Grads completed the two-year training program for recently graduated master students in November 2016. 13 Young Grads were hired, while 2 left Telenet to pursue other career opportunities.	■	Continue Young Graduate Program Telenet is hiring 20 new Young Grads for the new program cohort, starting September 2017.
	Refer a Friend (RAF) Program In 2016, 18 new employees were hired following a recommendation by Telenet employees.	■	Continue the Refer a Friend Program in order to fill the job vacancies.
Stimulating learning & development	Learn-it In December 2016, Telenet launched a brand-new learning portal, allowing all employees to easily manage their personal development.	■	Continue the Learn-it deployment and strengthen the adoption by all employees
	Learning & Development In 2016, 2400 employees followed training, representing a total of 74,139 hours of training.	■	Continue Learning & Development initiatives
	Leadership Launch Path In 2016, 18 recently promoted people leaders and managers from the new, integrated organization followed this personal development program which aims at boosting (people) leadership in times of change, by finding the right balance between technical expertise and people management skills.	■	Continue the Leadership Launch Path program roll-out

Focus	2016 Events and achievements	Status	Next steps
Engaging our employees through internal communications and corporate culture	Zoom Employee Engagement In March 2016, the yearly Zoom survey showed a 60 percent engagement score, which is 9 percentage points above the Belgian average and 5 percentage points above the Zoom 2015 results. The 2016 Zoom survey did not yet include BASE Company employees.		Continue Zoom Employee Engagement In April 2017, the first Zoom employee engagement survey including both Telenet and BASE Company employees, showed a stable score of 58 percent, 7 percentage points ahead of the Belgium average.
	Internal Communications In 2016 extra emphasis was put on driving internal communications as part of the integration journey. Key initiatives included the All Employees Meeting 'Telenet Way Day' in June and the launch of the renewed Intranet 'Tellit' in autumn.		Continue Internal Communications efforts, As part of the integration journey, we are in the process of refreshing our company values.
Cultivating employee wellbeing & diversity	Resilience Program Initiated in 2015, this program strengthens personal resilience in times of change. It includes several training and coaching initiatives for both people leaders and employees.		Continue Resilience Program implementation as part of the companies' integration and transition journey.
	Gender diversity Telenet has a diverse employee base with a wide range of professional and cultural backgrounds and a healthy mix of male and female, young and old. In 2016, the number of female employees was 35.4 percent. At the end of 2016, Telenet's Senior Leadership Team consisted of 50 percent females. The Board of Directors included 3 women.		Continue ensuring gender diversity



A SUSTAINABLE EMPLOYMENT POLICY

Telenet makes sustainability and the wellbeing of its employees central to its employment policy, which is developed in close consultation with the social partners.

Key employment initiatives

- **Sabbatical:** a career pause is part of the legal regulation of time credit. The maximum duration is one year of the entire career and can be either a full suspension or a reduction of working hours. Upon return, the employee must take up the same position. At the end of 2016, 467 employees took advantage of this program.
- **Employment plan for older employees:** companies with more than 20 employees must develop such a plan in order to realize an increased participation rate of employees of 45 years and older. Telenet particularly focuses on 45+ employees. The program includes: the promotion

of general physical and mental health, a reviewed approach to candidate selection, assessment and recruitment, additional competencies training efforts, special career development and coaching initiatives, the promotion of internal mobility and the recognition of acquired competencies.

- **Outplacement:** the employer offers the employee a set of guiding services and advice to enable him/her to find employment with a new employer as soon as possible, or to develop a professional activity as a self-employed person. Outplacement is arranged for by law. In 2016, 26 employees were offered outplacement.

Consultation with social partners

- **The Works Council (WC) (Ondernemingsraad – Conseil d'Entreprise)** has an equal representation and comprises the same number of employer and employee representatives. It is involved in the social, economic and financial policies of the company. Reports from the WC are, as required by law, published to all employees.
- **The Committees for Prevention and Protection at Work (CPBW: Comités voor Preventie en Bescherming op het Werk – CPPT: Comités pour la Prévention et la Protection au Travail)** is a consultative body that represents all employees and that is composed equally. It comprises both employer and employee representatives, the occupational doctor and the internal service for prevention and protection at work. The CPBW is actively involved in the health policy for employees in the performance of their work, the global prevention plan and the annual action plan. This includes the domains of labor safety, health supervision, ergonomics, hygiene, workplace decoration, the psychosocial aspects of work, including bullying, violence and unwanted sexual behavior and the (living) environment. The CPBW primarily has advisory tasks around new and changing technologies, work procedures, the design of the workplace, work means, protection measures, trainings, instructions, periodic check-ups, etc.



Health, Safety and Wellbeing

- **The Wellbeing Survey:** this survey is conducted every three years based on the S-ISW list. It identifies psycho-social risks at work related to work organization, job content, interprofessional work relations, work environment and work conditions, and the correlation on wellbeing indicators such as stress, burn-out, motivation, absenteeism, and unwanted behavior such as (sexual) harassment, discrimination and violence, both on an individual and organizational level. In 2014, the Wellbeing survey was completed by 75 percent of all employees. A detailed follow-up action plan was developed and carried out in 2015 and 2016 for the highest risk factors. The next Wellbeing Survey will be conducted in 2018, leaving room in 2017 for the BASE Company integration and transformation initiatives.
- **The Global Prevention Plan:** this outlines the company's wellbeing and environmental goals for five years, as identified through audits, risk analyses, yearly evacuation exercises, periodic and specific inspections, incident and accident analyses, the results of the Wellbeing survey, new legislation or important organizational changes. This is in accordance with the act on wellbeing at work. Every year, progress is measured, goals are reset if needed and translated into specific annual action plans. In 2016, the most important actions included: the resilience program in times of changes, a pilot on

absenteeism in contact centers, a review of the health surveillance following legal changes, a smooth start of the renewed safety committees after the social elections of 2016, and the ongoing project of fire auditing/ risk analyses. In addition, various environmental activities such as the renewal of permissions were carried out. The status and results on wellbeing are reported yearly to the General Direction Supervision on Wellbeing at Work, which is part of the Federal Government Service Employment, Labor and Social Consultation and to the Committees for Prevention and Protection at work. In 2016, there were 74 occupational accidents, including work accidents with a total temporary incapacity for work of 773 calendar days. There were no fatal occupational accidents or accidents with confirmed permanent disability. Overall the work accident frequency and severity remains below the sector levels for all divisions.

- **Roles and Responsibilities:** The wellbeing policy is carefully monitored at both the business and department level. Directors and managers are responsible for translating the wellbeing policy into their specific businesses. Advice and assistance is provided by the Safety, Health and Environment team consisting of the internal prevention advisors, the external environmental consultants, occupational doctors from the external prevention service, and other internal and external

experts on specific subjects. In addition, 'Wellbeing champions' have been appointed in 2015 within the departments, to assist their managers in drawing up and monitoring the wellbeing action plan. Internal persons of confidence and external psycho-social prevention advisors can be consulted by employees for specific psycho-social issues at work, with personalized advice, referral, mediation, and further analysis if needed.

- **Internal awareness initiatives:** All employees are activated with regards to wellbeing and environment in general and the psycho-social aspects of work in particular. Launched in 2015, the Resilience Program is a concrete example of how people leaders and regular employees are prepared to cope with stress and uncertainty in times of change. Other training initiatives include work in flow, assertive communications, and dealing with aggression, mindfulness, problem solving and emotional intelligence. When needed, individual employees are referred to an employee assistance program or other forms of personal coaching. For administrative employees, a training program on PC & ergonomics is offered. Technicians receive basic safety training according to SCC standard (Safety Checklist for Contractors) and specific safety training related to their risk activities (e.g. working at height or very high height, lifting and hoisting).



IN THE SPOTLIGHTS



The Young Graduate-program is a two-year training program for recently graduated master students.

In January 2015, a group of 15 Young Grads – including 8 new employees and 7 existing employees – started

the training program. These young professionals are all younger than 28 years and have been working less than 2 years. They are evenly distributed across all departments of the company and for two years become full members. During that period, they follow a number of targeted trainings around core competencies such as innovation, leadership, and customer focus. Through pitch- and presentation sessions, the participants in the Young Grads –program get the opportunity to present their competencies and skills to the Senior Leadership team.

In 2016, the Young Grads particularly focused on the topic of Innovation:

they had to turn an innovative idea into a business case that could improve the customer experience. One of the ideas – promoting the re-use of nearly new smartphones – will be turned into a real business project.

In November 2016, the first Young Grads selection completed the training. 13 Young Grads were formally hired, while 2 left the company to pursue other professional opportunities. In spring 2017, Telenet selected 20 new Young Grads for the new training program cohort, starting in September 2017.

We empower our employees to take control of their own development and to look beyond traditional education. In doing so, we apply a 70-20-10 model:

- 70% learning on the job
- 20% learning through coaching and feedback
- 10% learning through formal trainings and courses

This third part comprises a wide selection of internal trainings and external trainings by Cevora and other partners. Launched in December 2016, the Learn-it portal provides employees with

a one-stop-shop for learning and development, offering them a large portfolio of training programs:

- sessions to strengthen personal skills such as mindfulness and people management,
- sessions to build professional competencies such as presentation & business writing skills and foreign language skills,
- sessions to strengthen Telenet and BASE product knowledge, such as the Helemaal Mee Atelier.

The Learnit platform also provides a large selection of e-books.



THE RESILIENCE PROGRAM: ENABLING A RESILIENT WORKFORCE

Initiated in 2015, the program strengthens personal resilience in times of change.

It encompasses inspiration and training sessions for both people leaders and employees and aims at preventing health and psychological issues, with a strong focus on self-care, stress and burn-out.

The Resilience Program is available to all employees of the new, integrated organization and consists of an one-day training for employees and a two-day training for managers.

Special attention is paid to emotional intelligence, collaboration, intrapersonal communication and dealing with stress.

The program follows the 70-20-10 approach to development, by combining classroom training, collaboration and on-the-job learning. The Resilience program is well-adopted by the Telenet employee community and has a positive impact on the motivation of individual employees.



COMMITMENT TO SOCIETY AND LOCAL COMMUNITIES

Digitalization offers significant growth opportunities for society. By **investing in our fixed and mobile networks**, we help build the knowledge society of the future. We believe people should feel good about the way digital can play a part in their lives.

That's why we **empower children and youngsters** by nurturing their 21st century skills.

That's why we **encourage digital entrepreneurship** and give the Flemish media landscape a boost.

That's why we want to equip everyone with the **right digital literacy skills**, so they can embrace the possibilities of technology at the fullest, in their own way and at their own pace.

With a smile.



LOOKING BACK AT 2016

Investing in digital innovation and high performing network infrastructures

Digital innovation is of crucial importance to the prosperity of our region: it ensures an increased quality of life, sustainable growth and new jobs. The European Commission therefore intends to stimulate the digital economy and boost the European GDP by 5 percent by 2020 and create 3.8 million new jobs.

According to recent research (2017) commissioned by Liberty Global, investments in superfast broadband networks generate an important economic benefit for society. In the study, the international economic consultancy firm Oxera states that the digital economy is expanding seven times faster than the rest of the economy. High-quality broadband

networks provide consumers with state-of-the-art communications and entertainment services. Reliable broadband boosts information sharing and education and it increases the productivity of businesses. Based on data from 2013 to 2016, the average social return on investment from Telenet network investments in Belgium is estimated at 37 percent.

In 2016, our investments totaled 626.8 million euros – or 25.8 percent of the corporate revenue. The majority of these investments were used to upgrade our network infrastructure.

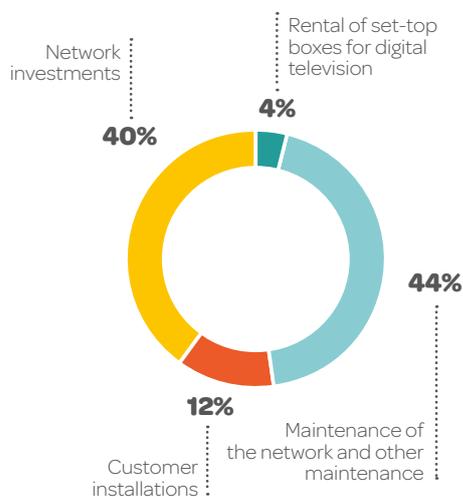
Telenet invests 1.5 million euros per day in its fixed and mobile networks.

Initiated in 2014, De Grote Netwerf and Nexus projects are turning our fixed network infrastructure in Flanders and Brussels into a high performing network that will enable our residential

and business customers to benefit by 2019 from internet connections with broadband speeds up to 1 Gbps and large data volumes. After the BASE Company acquisition, we also decided to invest in the upgrade of the BASE mobile network across Belgium by 2018. At the end of 2016, already 500 macro sites were successfully upgraded and in January 2017 close to 38,000 Telenet MVNO customers were migrated to our own mobile network.

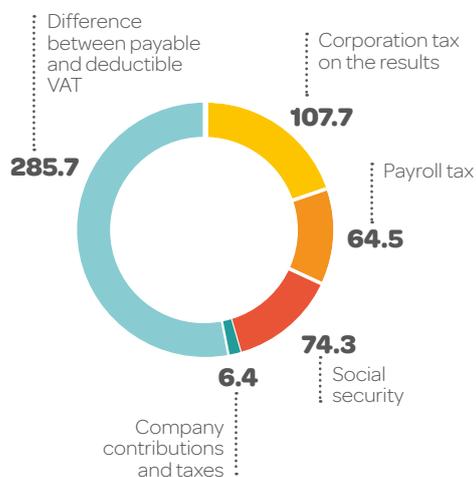
In 2016, our total contribution to the Belgian treasury was 538.6 million euros, or 110.9 percent of the realized operation profit – the difference between turnover on the one hand, and the cost of goods and sales on the other hand. The total contribution was up 22.4 percent from 2015.

Overview investments - 2016



Contributions to the Belgian treasury - 2016

in millions of euros



Investing in the local media sector to boost creative entrepreneurship

As a local player in the Flemish media ecosystem, Telenet has been committed for years to a strong Flemish audio-visual landscape, **helping creative entrepreneurs to flourish**. As such, we foster Flemish television productions and movies through STAP, an investment program of 30 million euros that ran from 2013 till 2016.

We also hold a 50 percent stake in De Vijver Media NV and are working with channels VIER and VIJF on the opportunities the convergence of TV and Internet offers.

A key milestone in 2016 was the release of 'Chaussee d'Amour', our first own drama series made in collaboration with the production company De Mensen. In October 2016, we announced – together with TV channel VIER –, our second drama series 'De Dag', a production of FBO and Woestijnvis, with the support of VAF/Mediafonds. This **new cooperation model for Flemish fiction series** ensures a win-win-win situation for viewers, for Telenet as a Flemish entertainment player, and for the VIER TV channel, which can continue to produce and offer top-class fiction in this way.



The power of digital: opportunities and challenges

We live in exciting times. Digital innovation creates new opportunities, in both our private and professional lives. We see a future of smarter cities, more sustainable mobility solutions and affordable health care services. We experience more flexible working environments and memorable entertainment experiences at home.

Making and using digital technologies has become essential in today's and tomorrow's society.

However, as a leading telecom and entertainment company in Belgium, we are also aware of the potential challenges that come with digitalization.

We see three main challenges:

1. Unlock the potential of digital for all

To succeed in today's knowledge economy, **digital skills** are imperative, for all.

Not everybody is a digital native though and knows how to fill out a tax statement online or transfer money in a secure way using an e-banking application.

In the European Commission's Digital Economy and Society Index (DESI) 2017, Belgium only ranks 11th on human capital and digital skills adoption by the population. A recent study of the Gezinsbond/Ligue des Familles (2016) unveiled that 20 percent of the Belgian population has issues using the Internet, and 50 percent of the population is unable to complete a public administration form online. The **digital literacy gap** is mostly hitting elderly people, women and socially underserved people.

The **Helemaal Mee Tournee**, a full and free check-up of the indoor installation at our Telenet customers' homes, offers our technicians with the opportunity to engage with people on the use of digital technologies. They educate them on basic digital skills such as how to safely use the internet, how to get out more of their digital TV and how to use the Telenet Yelo app. In autumn 2016, Telenet also presented the **Digibende**, a group of 20 enthusiast digital natives who showed families, children and elderly people in a fun way how to get out more of their digital lives.

At the same time we should make consumers more aware of the **risks related to digital**, in particular in terms of privacy, the protection of personal data and the prevention of data fraud. It is our responsibility to take appropriate action and to protect in particular those who are vulnerable, such as children, in the digital age.

In 2016, Telenet joined the **Belgian Better Internet Consortium (B-BICO)** that aims at promoting media literacy and a safer use of the internet by children. Through our main shareholder, Liberty Global, we are also a **Gold Partner of the annual Safer Internet Day**, a European awareness campaign. To increase the online safety of children and youth, we also offer parental control solutions for all our Internet and television services.

In an **inclusive digital society, technological innovations should be available to all**. For this reason, Telenet applies a **social fee to all its telecom products and services** (Internet, television, fixed & mobile telephony) and thus goes beyond what is legally required in Belgium. The Telenet Business department also offers – in cooperation with the Flemish government – **SchoolNet+**, a commercial solution with a social purpose. Under the Schoolnet proposition, we offer elementary and secondary schools and libraries, internet and security packages at a strongly reduced price, approximately 50 percent below standard

market rates. The aim is to provide educational organizations with a fast internet connection and protection against volatile influences. All services are managed and secured by Telenet, thereby taking over the operational responsibilities of ICT-coordinators at schools so they can focus on their key role of enabling teachers in the effective use of ICT-tools in the classroom.

2. Digital as an enabler for future generations

The European DESI trackers 2016-2017 clearly highlights it: Belgium has a low share of Science, Technology, Engineering and Mathematics (STEM) graduates. Only 14 out of 1,000 individuals are graduated from the technical and science branches of education, leading to an ICT workforce shortfall and eventually 30,000 open job vacancies by 2020.

In 2012, the Flemish government therefore decided to encourage careers in math, science and technology through the STEM action plan. Education plays a major role in this. But also social partners, media and companies are supporting the plan. In November 2015, Telenet signed the **STEM charter** and is an active member of the **STEM academy**, which mainly supports extracurricular STEM activities.

In this context, we support **CoderDojo Belgium**, a non-profit organization that teaches boys and girls between the ages of 7 and 18 in a group setting to code, build websites, and develop apps and games.

Besides strengthening the digital skills of youth, it is also **key to boost their creativity and entrepreneurial spirit**. By doing so, we create economy added value and sustainable growth in a competitive global market.

The growing start-up community has already proven that it pays off to bet on innovation and creativity – with a good dose of courage and entrepreneurship. Since 2014, Telenet stimulates young digital

entrepreneurship via the **Telenet Kickstart** start-up acceleration program.

Youth unemployment is a key issue in the digital economy and remains hard to tackle. In January 2017, the youth unemployment rate reached 19.6 percent in Flanders, 20 percent in Wallonia and 26.5 percent in Brussels. Low education levels increase the risk of long-term unemployment. The potential to train and activate Not in Education, Employment or Training (NEET) youngsters and to guide them to jobs, particularly in the digital space, is tremendous. Telenet therefore partners up with **YouthStart**, an international organization active in all Belgian regions, to unlock the potential of unemployed youngsters by strengthening their entrepreneurial skills.

3. Finding the right digital balance

Digital technologies enable people to be connected anytime, anyplace and on any device. Digital is changing our personal and professional lives, mostly for the better. As a telecom and entertainment provider we are enabling and promoting a digital lifestyle through the high performing (mobile) connectivity solutions we offer.

We should however remain conscious about the downsides of this 'always on' lifestyle.

It is our responsibility to help people find the right balance: digital technologies should not harm personal interactions, nor present a serious risk for people's life or health.

In that perspective we run the **'Smart phones, smart drivers'** campaign in the summer of 2016, in cooperation with the Belgian Road Safety Institute. The media campaign aimed to sensitize young drivers on the risks of using a smart phone while driving. A survey showed that a fifth of young drivers regularly use their smart phone in traffic, increasing the risk of a road accident with 23 percent.

A committed member of the local community

Telenet invests in various social projects. In 2016, our financial contribution to charities and community initiatives was over 1.2 million euros. But, we go beyond mere financial support: we encourage and support our employees' active engagement. Our employees are strongly anchored in the local

community. Together they bike and run for the good cause, they raise money for charities and they invest time themselves as mentor or coach in social projects that Telenet supports. From 2015 onwards, every Telenet employee can take one day paid leave per calendar year to volunteer on one of the projects supported by Telenet. In 2016, Telenet employees thus invested 2,145 hours of community work. In 2017, we aim

to extend this employee volunteering program to the former BASE Company employees who joined our organization in 2016.

The 'Give a smile' program enables Telenet employees to dedicate their annual teambuilding activity to a charity and we work with the non-profit Time4Society, which offers customized socially-oriented events.



Total financial contribution to charities and community initiatives
(rounded up)

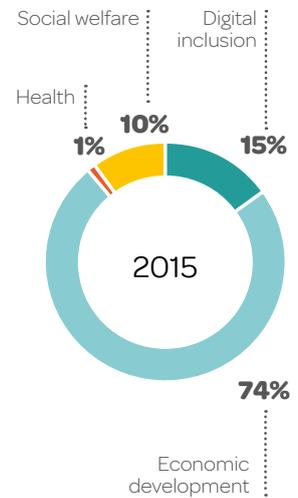
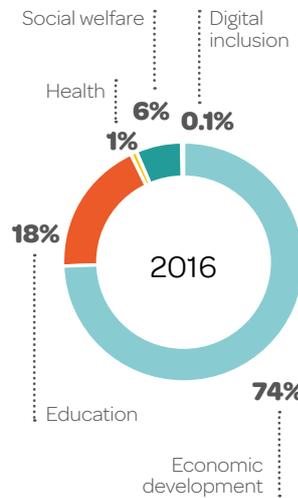
2016

2015

€ 1,226 m

€ 1,351 m

Community investments per type (%)



2016

2015



Employee volunteering work (hours)

2,145

1,915



IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2016

- On track/Completed
- Work in progress
- Requires further attention

Focus	2016 Events and achievements	Status	Next steps
Investing in high-performant fixed & mobile connectivity solutions	<p>De Grote Netwerf and Nexus</p> <p>Initiated in 2014, De Grote Netwerf fixed network optimization represents an investment of 500 million euros over 5 year. An additional 9.5 million euros is invested in Nexus, to connect SME business parks to the network.</p> <p>Per end 2016, 36 percent of the fixed network nodes had been successfully upgraded.</p>		<p>Continue De Grote Netwerf and Nexus</p> <p>We target 60 percent of the fixed network nodes to be upgraded by end 2017.</p>
	<p>BASE Mobile Network Upgrade</p> <p>Announced after the BASE Company acquisition in spring 2016, we invest 250 million euros in the mobile network upgrade across Belgium by 2018. In 2016, just over 500 macro sites had been upgraded, with 100 new sites already rolled out.</p>		<p>Continue BASE Mobile Network Upgrade</p> <p>We target an upgrade of 2,800 macro sites and the roll-out of 800 to 1,000 new mobile sites. These upgrades are to be substantially completed by mid-2018.</p>
	<p>Superior Connectivity</p> <p>In December 2016, Telenet received the Speedtest by Ookla Award and was rewarded fastest Internet Service Provider in Belgium.</p>		
Boosting the digital and creative economy in Belgium	<p>Telenet Kickstart</p> <p>In June 2016, 4 Growth start-ups graduated from the Telenet Kickstart powered by Idealabs start-up acceleration program.</p> <p>In summer 2016, we ended the cooperation with the Antwerp-based incubator Idealabs, to refocus our start-up program on 3 activity domains: Community, Acceleration and Sustainable Growth. Our investment in the Community was materialized in the partnership with Start it@kbc, the largest Belgian start-up community.</p>		<p>Establish Telenet Kickstart 2.0 Program</p> <p>We will continue to boost the Belgian start-up landscape. In order to create more material impact, we need to diversify our approach and better align our initiatives to the lifecycle of start-ups. In addition, we need to build sustainable partnerships and cooperation models in all regions of Belgium:</p> <p>Community: continued partnership with Start it@kbc and scouting partnership opportunities in Wallonia and Brussels,</p> <p>Acceleration: partnership with IMEC IStart. Key focus on start-ups in the Telecom, Media and Entertainment sector,</p> <p>Sustainable growth: investments in promising start-ups, scale-ups and spin-offs offering a value-add for the Telenet business units.</p>
	<p>Investments in the Flemish Media Landscape</p> <p>In May 2016, Telenet released 'Chaussee d'Amour', its first own drama series, financed through STAP. In October 2016, Telenet's second drama series 'De Dag', was announced, a production of FBO and Woestijnvis, with the support of VAF/Mediafonds.</p>		<p>Continue investments in the Flemish Media Landscape</p> <p>Investments in promising local content will continue in 2017 and beyond. A review of the STAP investment plan is foreseen, in close consultation with the relevant stakeholders in the Flemish media and entertainment sector.</p>

Focus	2016 Events and achievements	Status	Next steps
Nurturing 21st century skills for children and empowering youth through entrepreneurship and digital literacy training	CoderDojo Belgium In 2016, 69 dojos were organized on a monthly basis by a community of 370 enthusiast volunteer coaches. They reached 20,700 children, mostly in Flanders and Brussels. The first dojo communities were initiated in Wallonia.		Continue Coderdojo Belgium In order to maximize the reach in all regions of Belgium, we need to build structural partnerships and invest in complementary training and communications initiatives that strengthen the Coderdojo community in a material way. Special emphasis is to be put on reaching children out of underserved communities.
	Youth empowerment As of September 2016, Telenet is Platinum Sponsor of YouthStart, a global organization that stimulates entrepreneurial spirit among opportunity-seeking young people across Belgium through coaching and training. We structurally help the organization in setting-up up to 50 training sessions for about 450 youngsters in Brussels and Wallonia.		
Ensuring basic digital literacy skills for all	Digibende In October 2016, Telenet presented the Digibende – 20 digital savvy millennials – who showed families, children and elderly people in a fun way how to get out more of their digital life. One of the key campaign initiatives was ‘Campus Senior’ that connected students who were looking for a quiet place to study with seniors. In return for a study room and a cup of coffee, the students helped the seniors getting up to speed with digital.		
	Online safety In 2016, Telenet signed the Belgian Better Internet Consortium (B-BICO) charter.		
Promoting the right digital balance	‘Smart phones, Smart drivers’ Run in summer 2016 in cooperation with the Belgian Road Safety Institution, this awareness campaign sensitized youngsters on the risks of using a smartphone while driving. Communications included radiosspots, social media postings, distribution of 20,000 leaflets youth organizations and promotion at 9 summer festivals across Belgium. Up to 20,000 people visited the campaign website with useful information and tips & tricks on the safe use of smart phones in traffic.		



IN THE SPOTLIGHTS



TELENET KICKSTART

Telenet is no newbie when it comes to supporting young, digital entrepreneurs.

Through our start-up acceleration program Telenet Kickstart we help promising start-ups to turn their innovative idea into a viable sustainable business.

We started our journey in September 2014, when we launched our first early stage incubator program, together with the Antwerp-based accelerator Idealabs. Together we helped 18 start-up teams on their entrepreneurial journey. The program consisted of two consecutive phases of 4 months each. During the Acceleration phase, 8 to 10 start-up teams focused on converting their innovative idea into a workable prototype or Minimum Viable Product (MVP). After a pitch session in front of a professional jury, 4 teams were given the chance to further refine their MVP into a market-ready product during the Growth-phase of the program. During the whole process, Telenet Kickstart provided the following support to the start-ups:

- **Expertise** – A network of experienced mentors and coached the teams in fiscal, legal, psychological, technical and marketing matters
- **Work space** – The Idealabs hub in the heart of Antwerp offered an inspiring second home for the entrepreneurs.

- **Financing** – The teams received 25,000 euros in seed funding during the acceleration phase and a convertible loan of 50,000 euros during the growth phase.

A key milestone in the 2016 program was the start-up discovery trip to New-York to discover the local start-up community and explore potential business growth opportunities. The so-called **BeBoldNY-trip** was jointly organized by IMEC iStart, Start it@kbc and Telenet Kickstart in partnership with Startups.be, BELCHAM and the Flanders Investment & Trade organization.

The second edition of Telenet Kickstart, powered by Idealabs, concluded at the end of June 2016.

Several start-up teams continue their growth journey by acquiring first customers and by convincing new investors, with investments up to 1 million euros.

In summer 2016, we ended our cooperation with Idealabs and reoriented our start-up acceleration program. In order to generate more material impact in the different regions of Belgium and to support start-ups along their lifecycle - from early stage to sustainable growth - we restructured the Telenet Kickstart program around three main pillars:

- **Boosting the start-up community:** through structural partnerships with leading

incubators and accelerators in Belgium, we want to provide mentoring and coaching to early stage (digital) entrepreneurs, teaching them how to turn their innovative idea into a scalable, market-ready solution. We also organize inspirational events and international start-up trips. In 2016, this commitment resulted in a structural partnership with Start it@kbc, the largest start-up community in Belgium.

- **Driving start-up acceleration:** we want start-ups, scale-ups and digital entrepreneurs to accelerate their business. The recently announced partnership with IMEC iStart and the establishment of the IMEC iStart vertical on Telecom, Media and Communications, materializes this commitment
- **Promoting sustainable growth:** we want to invest in start-ups and scale-ups that provide added value to our own business activities as a leading telecom, media and entertainment company. We establish strategic win-win partnerships by investing financially or by buying services from innovative digital entrepreneurs. First examples include: the cooperation between Telenet Play Sports and Fan Arena, a Telenet Kickstart alumnus that focuses on fantasy sports, and the implementation of the Cumul.io data visualization solution into the Telenet Business organization.

Telenet invests up to 1 million euros per calendar year in start-up acceleration.





COMMITMENT TO FAIR, OPEN AND TRANSPARENT BUSINESS PRACTICES

As an important Belgian player in telecommunications, media and entertainment, we want to **maintain and strengthen the trust of our stakeholders. We pledge to conduct our business in a fair, responsible and transparent manner.**

To do so, we apply the highest corporate governance standards and actively engage with our stakeholders to respond to their expectations as it comes to our social, economic and environmental impact.



LOOKING BACK AT 2016

1.

LIMITING OUR ENVIRONMENTAL FOOTPRINT

It is our ambition to grow Telenet as a company while reducing our impact on the environment.

Our top environmental priorities are threefold:

- Reducing carbon emissions;
- Improving energy efficiency;
- Increasing (e-)waste recycling and recuperation.

2016 was a challenging year.

The acquisition of BASE Company – with its own mobile network infrastructure and its own operational activities along the supply chain, has put Telenet’s overall energy and carbon efficiency under pressure.

Given the important impact of the BASE Company acquisition on our environmental footprint, we have decided to set a **new baseline for our environmental impact**, based on the consolidated 2016 results for Telenet and BASE Company :

GHG emissions in metric tons (2016)	Total consolidated Telenet Group Holding NV/SA	Telenet*	Former BASE Company*
Scope 1 emissions	8,928	6,816	2,112
Scope 2 market-based emissions	4,766	3,271	1,495
Scope 2 location-based emissions	35,273	18,584	16,689
Scope 3 emissions	3,912	3,613	299
Total location-based GHG emissions	48,114	29,013	19,101
Total market-based GHG emissions	17,606	13,699	3,907
Carbon credits (Bos+)	0	8,627	0
Remaining market-based GHG emissions	17,606	5,072	3,907

* The given split numbers for Telenet and former BASE Company are estimates

The recent acquisition of SFR as approved by the Belgian Competition Authorities on June 13, 2017 will further extend our network infrastructure and business operations in parts of Brussels, Wallonia and the Grand Duchy of Luxembourg. This will also have an impact on our environmental footprint.

This is the reason why at this stage we have not yet set new 2020 targets for energy efficiency and carbon emission reduction. In the months to come our teams will make an assessment of the SFR network infrastructure and operation processes and collect all data that should allow us to further refine the baseline for our environmental impact and set new energy efficiency targets.

In order to reduce our environmental footprint, we are also investing in **a carbon compensation initiative**. Since 2011, Telenet has a structural partnership with the nature organization Bos+, dedicated to better and more forests in Flanders and the world. Together with local NGOs, Bos+ is working on a sustainable



reforestation project in Ecuador. Since the start of the project in 2011, 383,095 native trees were planted, representing a reforestation of 517 hectares with estimated accumulated carbon sequestration storage of 8,627 in 2016. These carbon compensation results are only applicable to the Telenet carbon emissions, not to emissions generated by the former BASE Company operations. The benefits of this nature-friendly forest management initiative stretch far beyond carbon sequestration. The forest is reviving the local fauna and flora, providing shadow, clean air and food. Growing trees and the planting and management of forests also creates local jobs resulting in the professional activation of dozens of local residents.

In 2016 Telenet's climate action plan was reviewed by the Carbon Disclosure Project (CDP).

With a B- score 'Management', Telenet is recognized for taking a coordinated action on climate change issues. Telenet scores above the Industry Activity Group Average and the CDP Program Average (C – Awareness). In its review report, CDP refers to our strong performance on governance and on emissions management. Key areas for improvement include a more proactive approach to risk and opportunity management as well as a third-party verification of the Scope 1-2-3 emissions data.



OUR MAIN ENERGY EFFICIENCY INITIATIVES

In order to increase our energy efficiency, we will continue to take appropriate actions in the following domains:

- **Electricity consumption within our own buildings and leased premises.** Telenet uses 100 percent green energy within its own buildings, including the facilities of Hostbasket, Belcompany and Interkabel. We opt for renewable energy sources such as solar panels. Our leased buildings – including the former BASE Company offices in Woluwe, do not all use green electricity. In 2016, the share of grey electricity was 8 percent. In the years to come, we will look into ways to convert the grey electricity into green energy as much as possible, in consultation with the owners of the leased properties.

- **Energy efficiency of our network infrastructure.** We ensure important savings by upgrading our networks and by replacing old equipment with more efficient equipment. The energy efficiency – Power Usage Efficiency (PUE) – of the 51 technical stations of the Telenet fixed network and the Telenet and BASE data centers is continuously measured to enable fast adjustment and optimization of the systems and processes.

- **Energy efficiency of the data centers.** Telenet supports the EU Code of Conduct on Data Center Energy Efficiency. Besides the electricity consumed by the fixed and mobile networks, the data centers are responsible for a major share of the total electricity usage. To improve the Power Usage Efficiency values, we invest in LED technology, alternating pulsion for climate cabinets and turbo

compressors for cooling units. We are also replacing old cooling equipment and are increasing the use of the server farm.

- **Mobility and transportation.** We encourage responsible mobility solutions among our employees:

- **Clean vehicles** – The average CO₂ emissions of all passenger vehicles in 2016 was 110g/km, while the average CO₂ emission of newly deployed passenger vehicles was 106g/km.

- **Mobility alternatives for company cars** – Telenet employees can combine their company car with a rail subscription or opt for

a smaller lease car with lower CO₂ emissions and a compensation for unused budget. They can even opt out of the company car in exchange for compensation. As far as former BASE Company employees are concerned, they can choose for a public transportation subscription instead of a company car. Employees working out of the Telenet offices in Mechelen can use rental bikes from the social workshop 't Atelier to commute to the train station.



■ **Waste reduction.** We are taking a variety of measures:

- **Reusing material** - A large proportion of the Telenet decoders and modems is recycled. Telenet works with the company IMSIR in Boom on a reverse logistics solution. Used BASE equipment is recycled through Amtrust. Telenet's old PCs and IT equipment are given a second life thanks to a cooperation with the non-for-profit organization Close the Gap, while old BASE equipment is refurbished through Pro-Used Computers (PUC). In 2016, 1.1 percent of the customers who bought a new mobile handset at a Telenet or BASE point of sales traded in their old device. Some of these mobile devices are reprocessed as second-hand devices.
- **Correct disposal of waste**
First and foremost, we try to avoid waste as much as possible by promoting rational paper use in our offices and by adopting smart and environmentally friendly packaging solutions leading to a saving of no less than 285 tons of paper and 600 tons of CO₂ every year. In addition, we opt for digital administration solutions. As such, the Telenet supplier accounting department processed 67,500 invoices in 2016 (87 percent of the total) digitally – a huge paper saving.

As far as BASE is concerned, 22,000 invoices were processed digitally (70 percent of the total) in 2016. Since 2013, Telenet uses electronic meal vouchers and in 2016, 1,950 employees opted for an electronic pay slip. As far as former BASE employees are concerned, 509 people opted for an electronic pay slip. Finally, in 2016, 56 percent of the Telenet customers and 70 percent of the BASE customers had opted for an electronic invoice.

When waste is inevitable, we put in every effort to ensure it is disposed of correctly. Normally, the waste that we produce is recycled or permanently removed through energy recuperation (e.g. incineration). For its waste disposal, Telenet mainly works with SUEZ and Brussel Energie for processing everyday waste (eg. from offices and shops). Electronic waste is treated separately. SIMS Recycling processes discarded electric and electronic products and ensures 95 percent of the material from these devices is recycled into reusable raw materials or energy. BASE network waste is treated by Timeline and CDPI.

Telenet is also improving the registration of its waste streams.

In 2016, no new incidents involving significant spills occurred, but two past incidents at the Telenet offices in Mechelen were resolved or underwent ongoing treatment. Ongoing ground watering in follow-up of a fuel leakage in 2012 continued and will be closed in 2017. In December 2015, historic spilling was discovered when two underground fuel tanks were found on the parking lot during construction works. These tanks date back to the former military activities on the property before it was acquired by Telenet. The tanks were removed and results of the soil and ground water investigation were finalized. The case was closed in 2016 with the approval by the authorities.

For a proper disposal of the waste created by our customers, Telenet is affiliated with several government recognized organizations. For every purchase of a Telenet or BASE product, a contribution is made to Recupel and Bebat. For other waste streams, such as packaging and ad prints, we pay an annual contribution to Fost Plus, Val-i-Pac, and the non-profit Interventiefonds Oud Papier.



IN THE SPOTLIGHTS

TELENET & IMSIR: TAILOR-MADE REVERSE LOGISTICS



Every year, Telenet recycles more than 220,000 decoders and modems that its end-customers return to the Telenet Centers or that are replaced by Telenet technicians. We were looking for a sustainable and cost-efficient reverse logistics solution that could substantially reduce waste and would have a social dimension.

Since 2007, we collaborate with the company IMSIR in Boom that offers job opportunities to individuals with limited access to the labor market. The 60 IMSIR employees have a structured approach to work: the received goods are unpacked, counted and sorted. They are then tested on modern test benches. The decoders and modems that still function well are refurbished by the IMSIR team and put in a new package. They are then completely ready for use. Devices that no longer function properly are recycled. This reverse logistics process follows

strict procedures and complies with stringent quality standards. At the end of 2011, IMSIR obtained the ISO9001 quality certificate for this process.

The sustainable partnership between Telenet and IMSIR every year results in an important contribution to the environment. In 2016 we avoided more than 329 tons of waste through the recycling and revaluation of used decoders and modems. The cooperation with IMSIR also creates jobs for more than 60

individuals with limited access to the labor market. Finally, the project offers opportunities to dozens of interns from special education and internships for job seekers looking to re-enter the labor market.

The reverse logistics cooperation between Telenet and IMSIR is still growing. We are in the process of purchasing special test equipment for modems to be installed at the IMSIR workshop in the course of 2017.



2.

MANAGING OUR SUPPLY CHAIN IN A RESPONSIBLE WAY

The products and services that we purchase from our suppliers have as much of an ethical, environmental and social impact as our own products and services.

We reward those suppliers who strive for sustainable operations and we encourage the others to improve in that area. This goal is firmly embedded in our procurement process.

We require our suppliers to provide the following information with every quotation:

- social policies in the workplace;
- respect for legislation and regulations on child labor;
- commitment to efficient transportation;
- environmental efforts in business operations.

When we select a supplier, these criteria are given a relatively high

weight, in addition to the price and quality of the goods or services to be supplied.

Once the contract is agreed on, we very precisely include the security and environmental specifications guidelines on equipment and raw materials, specifications on energy consumption and packaging, waste and recycling. In addition, all suppliers confirm to acknowledge our Code of Conduct and Anti-Corruption Policy. It officially confirms that there is no conflict of interest between the suppliers and their representatives on the one hand, and between Telenet and persons affiliated with Telenet on the other hand.

The **Code of Conduct** covers the following themes:

- environmental standards for the supplier's activities, products and services;

- fundamental human rights (such as the prohibition on forced and child labor);
- working conditions (such a working hours and termination procedures);
- health and safety at work;
- business ethics (such as anti-corruption).

Suppliers also guarantee to comply with the **Principles around Responsible Purchasing and Supply Chain** from our parent company Liberty Global. These principles contain international labor standards, including the International Labour Organization Core Conventions, the UN Treaty on Human Rights, Bribery and Corruption, Health, Safety and the Environment.

TELENET SUPPLIER POLICY

- Suppliers and subcontractors should comply to the conventions of the International Labor Organization (ILO) in relation to prohibition on child and forced labor, discrimination and freedom of association.
- Covers all labor policies and standards, including health and safety, working conditions and remuneration.
- Is publicly available.
- Is firmly embedded in the procurement process.

TELENET ENFORCES ITS SUPPLIER POLICY BY:

- Communicating the Supplier Policy to all its suppliers worldwide. All supplier contracts do include clauses regarding labor standards and policies.
- Regularly assessing its suppliers on policy compliance.
- Driving audits to check policy compliance. When suppliers are suspected to breach the policy, a formal audit is done.
- Providing support and guidance to non-compliant suppliers through the implementation of corrective actions and recovery plans.

We continuously encourage our suppliers to raise their sustainability through the following initiatives:

- developing a supplier manual that is given to every new supplier;
- developing a quality handbook with the warehouse partner;
- organizing an annual 'day of the contractors' gathering, with a prize for the best contractor;
- training new employees at installation companies on customer service and technical aspects; including bonus/malus clauses in the contract with critical suppliers.

In order to effectively manage our supply chain, we have formalized a process to identify critical suppliers using the **Kraljic matrix** to classify the 4 main categories: leverage items (15 percent of suppliers), strategic items (5 percent of suppliers), bottleneck items (5 percent of suppliers) and non-critical items (75 percent of suppliers).

Since 2013, Telenet – together with its main shareholder Liberty Global – also applies the dynamic scorecard of **EcoVadis** to measure the ethical, environmental and social risks of our suppliers. This assesses the CSR performance of companies on twenty-one indicators, grouped into four themes: environmental risk, social risks (working conditions and human rights), ethical risk and supplier risk. On this basis, every company is given a score between 1 and 100. We use this system to compare and benchmark the performance of our suppliers.

We regularly monitor our suppliers and, in case of a suspected breach, we will start a formal audit. In case of non-compliance with CSR principles, we will initially help the supplier to take corrective action. If no agreement is reached on an acceptable recovery plan, the business relationship may be terminated.

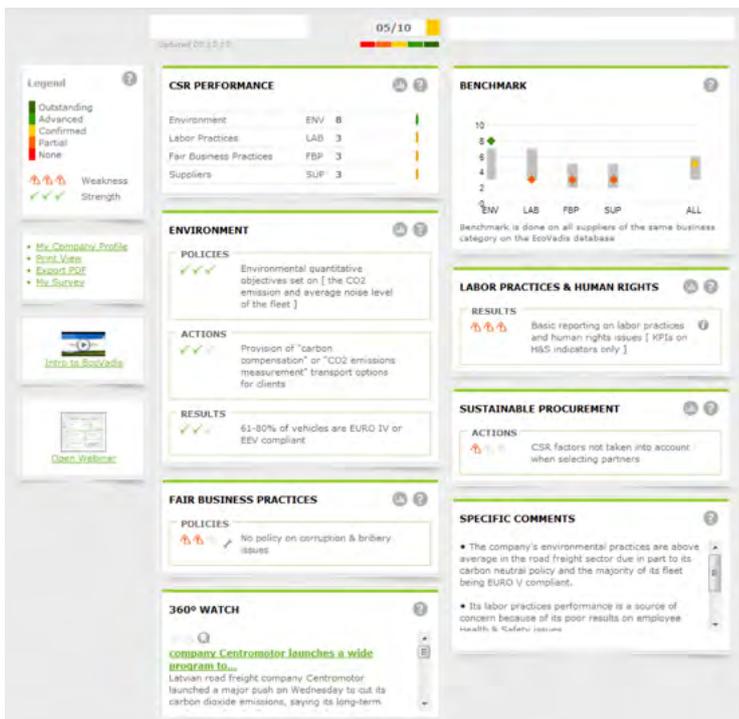
In 2016, a risk analysis was carried out on 94 suppliers. Out of which 46

supply directly to Telenet. All screened Telenet suppliers achieved an average to good CSR engagement score. No Telenet suppliers were placed in the high-risk category.

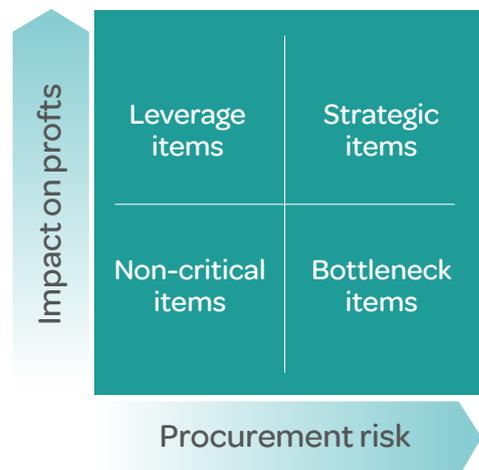
Telenet itself is also acting as a major supplier to large corporations.

In August 2016, we were solicited by Nestlé to respond to their EcoVadis supplier assessment to measure our sustainability performance in terms of environmental, social and governance topics.

Telenet maintained its **Gold EcoVadis CSR Rating** and slightly improved its overall score: from 63 points achieved in the EcoVadis assessment in 2014, to 64 points in the current evaluation. We score fairly good grades in the areas of labor and fair business practices and sustainable procurement, but we lag behind on environment. The main environmental risks identified by EcoVadis are a lack of certification and formal policy, which is pretty similar to the 2016 CDP environmental performance review. With these scores, Telenet's assessment results are confirmed for Nestlé for a period of three years. The 2016 EcoVadis score was also shared with the major Belgian bank KBC that also solicited Telenet for a supplier assessment in autumn 2016.



Example EcoVadis Scorecard



Kraljic matrix

3.

DEMONSTRATING GOOD GOVERNANCE & TRANSPARENCY IN OUR BUSINESS PRACTICES

At Telenet, we are committed to conduct our business in a fair, honest and respectful manner.

In that perspective, we are subscribing to a series of internal codes of conduct and external economic, environmental and social charters, principles and initiatives. We ensure that the **human rights** are respected across our value chain by setting the highest standards to our employees, our customers and our suppliers.

As such, we apply the **United Nations Global Compact** to guide our strategy and our corporate culture, and to drive our daily operations in a sustainable manner. In 2011, we formalized our commitment to these ten principles with regard to human rights, environment and anti-corruption. On an annual basis, we report on the progress achieved on these principles, as shown in the table on page 67 of this report. Telenet is an active member of the UN Global Compact Children Rights and Business Practices Commission. In 2015 we also embraced the UN Sustainable Developments Goals of the UN, 17 internationally agreed targets for the development of a more sustainable society and economy. Page 66 of this report outlines how Telenet commits to these goals.

To guarantee the integrity of our business practices, we are convinced that we must meet the highest standards of corporate governance. We therefore monitor all aspects of our business with several **internal codes of conduct**, as outlined below:

Our **Code of Conduct** is signed by the management board, senior management, and all employees with

confidential roles. The code includes a number of business policy principles and covers themes such as equal opportunities, fair competition and anti-corruptions, confidentiality of information and protection of privacy, proper accounting, conflicts of interest, insider trading and business integrity, protection of safety, health and environment, and rules on whistleblowers. In 2016, no violations were found on fair competition and monopoly practices.

In addition, there are **special codes of conduct for anti-corruption and bribery, competition and privacy issues** that apply to the entire workforce. Through training and information sessions, Telenet employees are regularly informed about these codes of conduct. Violations can be reported anonymously. In 2016- for the ninth consecutive year - no violations were reported.

All complaints are handled by the Company Compliance Officer and the chairman of the Audit Committee. Compliance with the codes of conduct is periodically monitored through Entity Level Controls (ELC) and IT General Controls (ITGC). On an annual basis, these monitors are tested by the main shareholder Liberty Global and the auditor (KPMG).

The **Corporate Governance Charter** contains a summary of the rules and principles around which the Corporate Governance of the company is organized. The charter can be found on the [Investor Relations website of Telenet](#).

Telenet's **anti-corruption policy** is in line with international regulations, the Belgian legislation and the policy

of Liberty Global. The anti-corruption policy has been approved by the Board of Directors and the Audit Committee. It is extensively communicated to all employees and agents, contractors and suppliers. The policy is further clarified with the help of specific examples and practical guidelines. It contains a prohibition on the giving and taking of bribes, a limitation on the giving and receiving of gifts, and a reminder to observe laws and regulations, restrictions on the giving and taking of gifts, and an obligation of transparency around political donations. Telenet did not spend any money on political contributions in 2016. The company invested 1.9 million euros in lobby activities including salaries, administrative fees and sponsoring contributions.

Early 2017, Telenet was caught in a public debate on the nature and role of its Advisory Board.

Initially created in 2007, the Advisory Board aimed at guaranteeing involvement of the mixed intermunicipalities after these entities sold the majority of their shares in Telenet.

In 2011, the role of the Advisory Board was redefined to advise the Telenet management on socio-economic, political and media challenges the company faces. The members of the Advisory Board – most of them were also active in the Belgian political scene - committed to refrain from providing advice in relation to issues they were actively involved in as part of their political mandate. Since 2015, the Advisory Board had de facto evolved towards bilateral contacts between its members and the Telenet management.

We are fully committed to being a responsible company that takes into account the broader impact of its business activities and corporate decision making on the community we are operating in. We will continue to engage with corporate stakeholders - including public authorities - through consultation and dialogue. In that perspective, we have established a [stakeholder engagement charter](#) with a number of principles that ensure we develop lasting, trusted relationships with our corporate stakeholders in an open and transparent way.

Furthermore, Telenet uses **specific codes of conduct on energy**

efficiency. For example, it endorses the European Code of Conduct on Energy Efficiency of Data Centers.

The high **ethical standards** that Telenet imposes on itself, also apply to its **advertising and publicity campaigns.** Telenet acts in accordance with the rules of the JEP – the Jury for Ethical Practices in Advertising. The JEP is a self-disciplinary body of the advertising sector in Belgium and guards the correct and fair nature of advertising messages. The JEP’s decisions are considered opinions. These opinions are published on the JEP’s website. Telenet follows these recommendations as far as possible.

In 2016, two alleged breaches of ethical advertising practices were reported for Telenet, but not acknowledged by the JEP. As far as BASE advertisement practices are concerned, one breach was received and acknowledged by the JEP. It was decided to suspend the concerned TV commercial and to adjust the related Instagram ad.

Finally, through its main shareholder Liberty Global, Telenet is a member of **AAPA – the Audiovisual Anti-Piracy Alliance.** The AAPA represents major European players in the digital television and telecommunications.

FREEDOM OF EXPRESSION: MAXIMUM BUT NOT ABSOLUTE

As a leading provider of Internet services, we have a special social responsibility with regard to the freedom of expression. Our general principle: we do not limit it in any way except when requested to do so by an authorized authority.

Together with other Belgian Internet providers, we signed a Protocol with the Belgian Gaming Commission in which we, in cooperation with the Federal and Regional Computer Crime Unit, take action against websites offering illegal gambling. The judicial powers can also require us to block websites that violate copyrights or that distribute illegal pornographic material.

Finally, we are a leading member of the Association of Internet Service Providers in Belgium (ISPA) and adhere to their code of conduct to – in cooperation with Child Focus – prevent and combat child abuse via chat applications and websites.

TELENET’S CODE OF ETHICS FOR ADVERTISING AND PROMOTIONAL ACTIVITIES

Telenet’s commercials and advertisements must represent the products and services in a fair and accurate manner, with respect for the relevant laws and marketing guidelines. With its four core values – ‘catching, attentive, agreeable and entrepreneurial’ – Telenet goes beyond the fair and accurate advertising practices required by law. These values are essential to our good reputation with our stakeholders. All claims in advertisements and other statements to customers and potential customers must be done on a sincere and reasonable basis. Moreover, they must be tested before they are published or distributed. This applies to all advertising statements across all types of media, as well as to oral presentations and even casual conversations wherein objective, factual or quantifiable remarks are made about our products or services.

Finally, suppliers such as research bureaus or (digital) marketing agencies take care of the protection of privacy and information when they collect, use and retain information about customers.



IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2016

■ On track/Completed
■ Work in progress
■ Requires further attention

Focus	2016 Events and achievements	Status	Next steps
Limiting our environmental footprint	Energy & carbon emission results 2016 In 2016, Telenet's energy consumption and carbon emissions increased due to a growing demand for data and digital services and to the acquisition of BASE Company. Our consolidated market-based carbon emission impact was 17,606 tons CO ₂ equivalents, a new baseline.	■	Energy & carbon efficiency baseline and 2020 targets The acquisition of SFR as approved in June 2017, further extends our network infrastructure and business operations, potentially resulting in an increased environmental impact. In 2017, we will make a detailed assessment of the SFR infrastructure and operations and refine our consolidated baseline. This should allow us to set new environmental targets for 2020.
	(E-)waste recycling and recuperation results 2016 Telenet's consolidated (e-)waste recycling and recuperation result was 44 percent refurbishment of collected customer equipment and 100 percent recycling of hazardous waste, a new baseline.	■	(E-)waste baseline and 2020 targets (E-)waste recycling and recuperation baseline a In 2017 we will further refine our consolidated baseline, taking into account the recent SFR acquisition. This should allow us to set new environmental targets for 2020.
	Telenet's response to CDP Climate Change 2016 information request Telenet reached a B- score 'Management', which is above the Industry Activity Group Average and the CDP Program Average. We have a strong performance on governance and emissions management. Key areas for improvement include a more proactive approach to risk and opportunity management as well as a third-party verification of the Scope 1-2-3 emissions data.	■	Continue Climate Change review by CDP From 2017 onwards Telenet will report on its Climate Action Plan, in a consolidated CDP submission with Liberty Global.
	IMSIR Reverse Logistics In 2016 Telenet avoided more than 329 tons of waste through the recycling and revaluation of used decoders and modems through the social entrepreneur IMSIR. This reverse logistics solution created 60 jobs for people with limited access to the labor market	■	Continue IMSIR Reverse Logistics Cooperation The cooperation will be extended thanks to the installation of additional test equipment for modems at the IMSIR workshop.

Focus	2016 Events and achievements	Status Next steps
Managing our supply chain in a responsible way	EcoVadis Risk Analysis of Telenet Suppliers In 2016, an EcoVadis risk analysis was carried out on 46 Telenet suppliers. All screened suppliers achieved an average to good CSR engagement score. No Telenet suppliers were placed in the high-risk category.	 Continue EcoVadis Risk Analysis In 2017, Liberty Global plans to assess 100 suppliers including Telenet suppliers using the dynamic scorecard of EcoVadis. As part of the integration journey, this assessment will also be extended to former BASE Company suppliers.
	Ecovadis Supplier Assessment Telenet Telenet maintained its Gold EcoVadis CSR Rating, with a score of 64 points. Telenet scores fairly good grades in the areas of labor and fair business practices and sustainable procurement, but lags behind on environment.	 The Gold Ecovadis CSR Rating as obtained by Telenet in 2016 is confirmed for a period of three years.
Demonstrating good governance & transparency in our business practices	UN Sustainable Development Goals At end 2015, Telenet formalized its commitment to the UN Sustainable Development Goals. In October 2016 Telenet also signed the Belgian SDG Charter as issued by the Belgian Sustainability Platform The Shift.	 Continue our commitment to the UN Sustainability Goals (an overview can be found on page 66 of this report) In February 2017 signed the Commitment Charter 'Decent Work for all' as issued by the Belgian Sustainability Platform The Shift.
	Stakeholder Engagement Policy Telenet actively engages in an open dialogue with its main stakeholders to collect their viewpoints and insights, to address their perspectives, to strengthen our license to operate and to earn their trust. The most important engagement platforms include: 1:1 stakeholder meetings, expert round tables, networking events, publications and speaking engagements at third-party events. In 2016, Telenet organized one expert round table (Telenet Talks) and one large networking event (Mix & Mingle).	 Stakeholder Engagement Charter Mid 2017 Telenet's approach to stakeholder engagement has been formalized in a Stakeholder Engagement Charter that provides a set of golden principles to ensure contacts with stakeholders are built in an open and transparent way.

SUSTAINABILITY REPORTING



OUR APPROACH TO REPORTING: GENERAL PRINCIPLES

Scope

This sustainability report is an explanation of extra-financial parameters and indicators from all sectors of the company Telenet over the calendar year 2016 (01/01/2016 to 31/12/2016). This report follows Telenet's Financial Annual Report 2016, published in April 2016. Every year, Telenet publishes an update on its CSR activities in a sustainability report. When the report mentions Telenet, we, us, the company, the corporation, the group or the business, it refers to Telenet Group Holding NV/SA, including its subsidiaries and within the context of the Belgian market engagement. When data only apply to Telenet or BASE Company as separate entities, this is explicitly stated. Data and information about the extra-financial practices and performance of Telenet Group Holding NV/SA from the year 2016 are reported through two additional documents:

- Telenet Financial Annual Report 2016
- Telenet Sustainability Report 2016

Commitment

With this document, Telenet wants to report truthfully on the economic, social and ethical activities and environmental achievements that are most relevant to the company and its stakeholders. In this annual report, Telenet provides an overview of the goals it strives to achieve, of the latest achievements and of the new initiatives that are being developed to realize the sustainability goals of the company.

In its sustainability management, Telenet strives to adhere to the general applicable principles of inclusion, materiality and responsiveness. This report emphasizes the strengths and weaknesses of each of the defined physical aspects and provides us with the opportunity to continuously improve processes and performance.

Because all concerned departments respect the results of this analysis, we can make an important contribution

to the further progress of the ratings in 2016. To us, extra-financial information is as important as financial information. Telenet is working to have more environmental aspects and social data externally verified. This report is read and approved by Birgit Conix, Telenet's Chief Financial Officer.

Explanation of key numbers

The reported results and key social numbers relate to all Telenet Group Holding NV/SA offices and locations, unless stated otherwise.

GRI G4 Core

The extra-financial parameters and indicators reported in this document are organized in accordance with the Global Report Initiative (GRI) guidelines. This report complies with GRI G4 guidelines on a core level, which means that the report on the one hand is focused on the general standard disclosures, and on the other

hand provides relevant information by plotting the ten most important material issues on the G4 Material Aspects and by reporting on at least one of the indicators per aspect. Where information was available, multiple indicators were included in the report.

Relevant topics	Category	Aspect	G4 Indicator	Boundary within organization	Boundary outside organization
Privacy & data security	Economic	Customer privacy	PR8	Telenet Group Holding NV/SA	customers
Fair, responsible and transparent business conduct	Economic	Society	SO8	Telenet Group Holding NV/SA	only relevant within organization
Best-in-class quality products and services	Economic	Compliance	PR9	Telenet Group Holding NV/SA	customers
Pricing and billing transparency	Economic	Marketing Communications	PR7	Telenet Group Holding NV/SA	customers
Customer experience	Economic	Product and Service Labeling	PR5	Telenet Group Holding NV/SA	customers
Being an innovative and leading company	Economic	Indirect Economic Impacts	EC7	Telenet Group Holding NV/SA	customers, society
Offering customer-centric products	Economic	Compliance	PR9	Telenet Group Holding NV/SA	customers, suppliers
Open internet	Social	Access to content	PA7 (Telecommunication Sector Supplement)	Telenet Group Holding NV/SA	customers
Attracting, retaining and developing talent	Social	Labor	LA1, LA9 & LA10	Telenet Group Holding NV/SA	employees
Responsible employer	Social	Labor	LA5	Telenet Group Holding NV/SA	employees

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM



Principles to determine the content of the sustainability report

Telenet takes various elements into account when deciding on the content for this report. Telenet has identified its main stakeholders, identified the key expectations from these shareholders and describes how Telenet meets these expectations. In addition, the company looks at its own performance in the broader sustainability context by determining, among others, the most important trends faced by telecommunications companies today.

With this report, Telenet wants to show how the company will encourage economic, social and environmental developments both locally, regionally and globally. Telenet does this with a focus on the material aspects, provided to it by its stakeholders.

Significant changes and restatements

Telenet is part of Liberty Global plc and in order to align group reporting, as of 2014 the reporting for Telenet is fully aligned with that of its main shareholder, Liberty Global. As a result, various definitions and measure points were adjusted. The figures with regard to environmental results in the report were restated for the past 3 years (2013, 2014 and 2015).

CONTACT

Financial information

Rob Goyens

+32 15 333 054
rob.goyens@telenetgroup.be

CSR information

Ineke Rampart

+32 15 366 262
ineke.rampart@telenetgroup.be

SUMMARY OF THE PERFORMANCE

Note: In alignment with the Financial Reporting, we follow the US notation style in the figures

Environmental performance	Metric	2013	2014	2015	2016
Energy consumption					
Non-renewable fuel					
LPG	kWh	0	1,978	0	0
Diesel	kWh	26,231,734	24,941,734	25,758,017	27,160,148
Petrol	kWh	96,413	353,368	131,741	116,399
Natural gas	kWh	4,683,458	4,152,495	4,314,575	3,973,053
Burning oil	kWh	0	0	0	0
Gas oil	kWh	2,033,574	1,657,817	1,799,497	1,730,685
Fuel oil	kWh	0	0	0	22,199
Jet fuel	kWh	0	0	0	0
Total	kWh	33,045,179	31,107,392	32,003,830	33,002,485
Electricity, heating and cooling					
Electricity	kWh	178,118,491	180,771,747	188,644,737	186,227,712
Heating and cooling	kWh	0	0	0	0
Total	kWh	178,118,491	180,771,747	188,644,737	186,227,712
Electricity sold					
Total energy consumption(1)	kWh	211,163,669	211,879,139	220,648,567	219,230,197
Energy intensity					
Energy intensity	kWh of electricity per terabyte of data usage	266.5	264.5	179.5	137.4
Electricity generated from onsite renewables	Kwh	31,227	28,882	32,662	31,474
GHG Emissions					
Scope 1 emissions	Metric tons CO ₂ e	8,984	8,289	8,571	8,928
Scope 2 market-based emissions	Metric tons CO ₂ e	10,794	30,593	31,893	4,766
Scope 2 location-based emissions	Metric tons CO ₂ e	39,108	35,431	35,731	35,273
Scope 3 emissions	Metric tons CO ₂ e	673	3,470	3,610	3,912
Total location-based GHG emissions	Metric tons CO₂e	48,765	47,190	47,912	48,114
Total market-based GHG emissions	Metric tons CO₂e	20,451	42,352	44,074	17,606
Emissions intensity (scope 1 and 2 market-based)	metric tons CO ₂ e / terabyte of data usage	0.030	0.057	0.038	0.010
Emissions from business travel	Tons CO ₂ e	614	677	682	524
Waste by type and disposal method					
Reuse	Metric tons	127	127	190	127
Recycling	Metric tons	1,879	2,094	1,895	1,937
Incineration	Metric tons	621	626	646	640
Landfill	Metric tons	0	0	0	0
Composting	Metric tons	18	13	16	9
Total waste generated	Metric tons	2,644	2,860	2,747	2,713
Recycling rate	%	71	73	69	71
Water withdrawal by source					
Municipal water supplies	m ³	19,360	21,053	23,984	21,706
Other	m ³	929	1,045	1,076	1,453
Total	m³	20,289	22,098	25,060	23,160
Initiatives					
Emissions reductions	Metric tons CO ₂ e			105	189
Energy saved through efficiencies	kWh			555,000	1,000,000
Costs savings from environmental initiatives	€			83,238	110,000
Revenue generated from environmental initiatives	€			0	0

(1) Sum of total energy consumption from non-renewable fuel and electricity, heating and cooling, minus electricity sold

(2) Refer to page 60 for definitions of our GHG emissions

Social performance		Metric	2013	2014	2015	2016		
Total community investment		€	1,740,148	2,112,129	1,351,559	1,225,618		
Total workforce and breakdown by employee category								
Employees	Headcount, year end		2,189	2,247	2,415	3,290		
Outsourced employees	Headcount, year end		1,815	1,766	1,938	2,444		
Employees by contract type								
Permanent contracts	Headcount, year end		2,187	2,245	2,415	3,261		
Temporary contracts	Headcount, year end		2	2	0	29		
Employees by contract type								
Full time	Headcount, year end		1,821	1,868	2,014	2,714		
Part time	Headcount, year end		368	379	401	576		
Average age								
General	In years		38	38	38	38		
Men	In years		39.5	39	40	39		
Women	In years		35.5	35	36	36		
Employees by age group								
Under 30 years old	Headcount, year end		499	483	537	619		
30-50 years old	Headcount, year end		1,449	1,516	1,613	2,239		
over 50 years old	Headcount, year end		241	248	265	360		
Division of employees by department								
Engineering/technical profiles	% of total staff		27	26	27	27		
Sales & Customer Care	% of total staff		37	36	33	31		
Marketing & Product Management	% of total staff		5	5	5	4		
Telenet Business	% of total staff		14	15	16	20		
IT	% of total staff		8	8	9	9		
Staff & administration	% of total staff		9	10	10	10		
Women in management								
Women in management positions	% of total management workforce		30	25	25	29		
New employee hires and employee turnover								
New employee hires by age group and gender								
Under 30 years old	Headcount		177	155	126	233		
30-50 years old	Headcount		100	122	120	91		
over 50 years old	Headcount		6	4	4	12		
Total	Headcount		283	281	250	336		
New hires - male	Headcount		162	153	141	192		
New hires - female	Headcount		121	128	109	144		
Rate of new hires	Rate (%)		13	13	10	10		
Employee turnover by age group								
Under 30 years old	Number of leavers		94	104	93	97		
30-50 years old	Number of leavers		96	89	95	131		
over 50 years old	Number of leavers		11	30	27	37		
Total	Headcount		201	223	215	265		
Employee training								
Average training hours	Hours per FTE		39.9	31.6	35.5	24.4		
Average training investment	€ per FTE		554	522	530	384		
Occupational health and safety								
Work-related fatalities			0	0	0	0		
Employee performance reviews								
Employees reviewed	%		93	93	95	93		
Social performance								
Employee performance reviews - by gender and employee category								
			Male	Female	Male	Female	Male	Female
Senior Management	%	NA	100	100	100	100	100	100
Managers/ Supervisors	%	NA	94	100	99	100	82	84
Non-management	%	NA	92	91	91	95	98	92

V - Key figures and percentages shown only relate to (employees of) Telenet NV

Telenet's reporting methodology

All environmental and social data relate to the period from 1 January to 31 December – unless noted otherwise. The environmental data that Telenet reports is in accordance with the GHG Protocol Corporate Standard of 31 December 2014, the World Resources Institute and the World Business Council on Sustainable Development. We use the operational control approach for this.

Our 'scope 1' and 'scope 3' emissions are calculated using the emission factors (2014) of the UK Department for Environment Food & Rural Affairs (DEFRA). Our 'scope 2' emissions are calculated using the DEFRA emission factors (2014).

- **Scope 1 (direct):** emissions from sources that the companies own and control, including emissions from static combustion (e.g. fuel in generators for heating or power supply), mobile combustion (e.g. fuel for own or leased fleet) and refrigerants and propellants (e.g. in air-conditioners units and fire extinguishing system). Relevant gases: CO₂, N₂O, CH₄, hydrofluorocarbons (HFCs) and perfluorocarbons (PFCs).

- **Scope 2 (indirect):** emissions from purchased electricity, heating and steam. Relevant gases: CO₂
- **Scope 3 (indirect):** emissions from business air and land travel (e.g. flights taken by employees and car travel by private cars), water and waste (e.g. emissions from water usage and from waste that results from that activity), emissions from the recycling of customer devices, and movements through installation and service cars of third parties. In 2014, we added for the first time emissions from movements through installation and service cars of third parties to our 'scope 3' emissions. Relevant gases: CO₂, N₂O, CH₄ (if applicable). Our 'scope 3' data does not take into account any emissions that result from the use of set-top boxes by our customers.

Location-based and market-based emissions

As prescribed by good practices, we publish both the location-based and market-based emissions, which provide a good illustration of the impact of our purchase and production of alternative energy. Location-based emissions are calculated using the average conversion factors of the national grid for the entire electricity consumption. This does not take into account activities that reduce emissions, such as the purchase of CO₂ compensation or the use of electricity from renewable energy sources. Market-based emissions are calculated using a conversion factor of zero for all the used electricity that comes from locally generated renewable energy and from certified green energy contracts.

For more information, go to <http://www.libertyglobal.com/cr/cr-report-2016> and view our full criteria for environmental reporting.

KPI PER MATERIALITY

Materiality	KPI	Result (2016)	Comments	Target
Best-in-class quality products and services	Net Promoter Score (NPS)	Telenet: -6.9; BASE (Mobile NPS): -12.1	NPS scores are on a range between -100 to +100, resulting from subtracting the percentage of detractors from the percentage of promoters.	Telenet: -4; BASE: -7
Privacy and data security	Number of breaches of data protection		0 More information on pages 19 and 21.	Continue measures to avoid breaches of data protection
	RepTrak score - protecting data and privacy of customers		64.6 This score relates only to the reputation of Telenet in Flanders and Brussels. It excludes BASE Company.	65.5
Fair, responsible and transparent business conduct	BrandTracker score on 'Considerate'		62 This reflects our customers' experience of the extend to which Telenet does its best to be attentive and respectful. This score relates only to the Telenet brand, not to the BASE brand.	To be defined
	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	Telenet did not incur any fines or settlements related to anti-competitive behavior, anti-trust, and monopoly practices in 2016.		Not applicable
Pricing & billing transparency	Customer Effort Score	15.42%	Measures how much effort customer has to take in order to get an answer or a solution: the lower, the better.	As of 2017, we will report Billing NPS instead of Customer Effort Score.
	# phone calls received per 1,000 invoices		28.5 Score and target refer to the services of both Telenet and BASE.	26.5
Being an innovative and leading company	RepTrak score for innovation		67.8 This score relates only to the reputation of Telenet in Flanders and Brussels. It excludes BASE Company.	68.8
Customer experience	Customer churn rate		8.1% This is the average weighted customer churn for video, internet and fixed telephony.	To be defined
	# visits 'Telenet Helemaal Mee Tournee/Tip Top Tour'	150,258 customer visits in 2016		120,000 extra customer visits in 2017
Offering customer-centric products	BrandTracker score "Products are simple and easy to use" (customer experience)		64 This score relates only relates to the Telenet brand, not to the BASE brand.	To be defined
Attracting, retaining and developing talent	Employee turnover		5% The voluntary employee turnover stood at 5% in 2016.	To be defined
	Training hours per FTE		24.4	To be defined
Employee engagement	Employee engagement score (Zoom)		60% The Zoom measurement in January 2016 did not yet include BASE Company employees. More information Zoom employee engagement measurement on page 25.	To be defined

Materiality	KPI	Result (2016)	Comments	Target	
Open Internet	Policy on net neutrality and adhering to related rules		Refer to page 47.	Not applicable	
Responsible employer	% women in management positions (Board of Directors and SLT)	3 female directors on the Board since early 2016, 50% of Senior Leadership Team consists of women.		To be defined	
	Number of lost days (on which it was not possible to work due to work-related illnesses or accidents)	26.81 lost days per 200,000 hours worked		To be defined	
	% of employees covered by collective bargaining agreements		100%	Continue 100% coverage in 2017 and beyond	
Supply chain management	# suppliers monitored with EcoVadis	94 suppliers were assessed by Liberty Global in 2016, out of which 46 Telenet suppliers.		LG will continue expanding the assessment program to 100 suppliers in 2017, including Telenet and BASE Company suppliers.	
Safe use of internet by children	Investments in the local community, category 'digital inclusion'		€1,080	To be defined	
Role in society	Number of start-ups accelerated through Telenet Kickstart		88	8 startups teams completed the Telenet Kickstart powered by Idealabs program in 2016. As of June 2016, we support Start it@kbc - which was joined by 80 new startups in the second semester of the year.	In 2017, we continue accelerating start-ups in partnership with IMEC Istart and Start it@kbc. In addition, we will continue to invest in individual start-ups with a commercial value-add to the Telenet business.
	Total community investments (€)		€1,225,618		To be defined
	RepTrak score for citizenship		60.8	This score relates only to the reputation of Telenet in Flanders and Brussels. It excludes BASE Company.	61.6
Promote skills for the 21st century society	# children and teens trained in the CoderDojo-workshops	20,700, mainly in Flanders and Brussels		23,000 children and teens in Flanders, Brussels and Wallonia.	
Reducing environmental impact	CO ₂ -emissions (in tons) including compensation	Telenet's total group-wide market-based emissions stood at 17,606 metric tons in 2016. Telenet's emissions were compensated by 8,627 metric tons.	Refer to page 41 for more information on our carbon compensation.	To be defined	
	Energy efficiency (KWh/€ revenues in million - intensity)	0.09 kWh per € of revenues		To be defined	

Materiality	KPI	Result (2016)	Comments	Target
Customer's energy consumption	Customer Premise Equipment (CPE) energy use (MWh)	271,991	This figure is related to the annual energy consumption of set-top boxes and modems in our customer's homes. Mobile handsets are not included.	To be defined
Electronic waste and equipment recycling	Recycling rate of hazardous waste (%)	100% of Telenet's hazardous waste was recycled in 2016.		Maintain recycling rate of hazardous waste at 100%.
	CPE refurbishment (%)	26% of newly deployed set-top boxes and modems were from refurbished stock.		To be defined
	Capital expenditures saved (€) & waste (kg) avoided through reverse logistics	In 2016, refurbishment (reuse and recycling) of set-top boxes and cable modems realized a € 17.3 million reduction of capital expenditures and avoided 329 tons of waste.		To be defined
Health and safety of customers	Policies and practices with respect to Specific Absorption Rate (SAR) of handsets	Refer to page 22.		Not applicable
Media landscape	Investments in the STAP fund and local media productions (€)	€ 8.1 million		To be defined

GRI G4

GENERAL STANDARD DISCLOSURES

Indicator	General Standard Disclosure	Telenet Sustainability Report 2016	Telenet Financial Report 2016	External Assurance
G4-1	CEO statement.	Foreword by the chairman and CEO, page 4-5		-
G4-3	Name of the organization.	Company profile, page 6		-
G4-4	Primary brands, products, and services.	Company profile, page 6		-
G4-5	Location of the organization's headquarters.	Company profile, page 6		-
G4-6	Number of countries where the organization operates.	Company profile, page 6		-
G4-7	Nature of ownership and legal form.	Company profile, page 6	Shareholder structure, page 28	-
G4-8	Markets served.	Company profile, page 6		-
G4-9	Scale of the organization, including employees, operations, revenues and quantity of products and services.	Company profile, page 6	Information on the Company, pages 8-12	-
G4-10	Total number of employees broken down by contract and gender and employment type, and supervised workers.	Social performance, page 56		-
G4-11	Percentage of total employees covered by collective bargaining agreements.	KPI per Materiality, page 59		-
G4-12	Description of the supply chain.	Managing our supply chain in a responsible way, page 45-46		-
G4-13	Significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain.	Our approach to reporting: general principles, page 54		-
G4-14	How the precautionary approach or principle is addressed by the organization.	Demonstrating good governance & transparency in our business practices, page 47-48		-
G4-15	External economic, environmental and social charters, principles, or other initiatives to which the organization subscribes.	Demonstrating good governance & transparency in our business practices, page 47-48		-
G4-16	Memberships of associations maintained at the organizational level.	Important memberships, page 15 + Demonstrating good governance & transparency in our business practices, page 47-48		-
G4-17	Entities included the report.	Our approach to reporting: general principles, page 52-54		-
G4-18	Process for defining the report content and the Aspect Boundaries.	Our approach to reporting: general principles, page 52-54		-

Indicator	General Standard Disclosure	Telenet Sustainability Report 2016	Telenet Financial Report 2016	External Assurance
G4-19	Material Aspects identified in the process for defining report content.	Our sustainability policy: the materiality matrix, page 10-11 + Our approach to reporting: general principles, page 52-54		
G4-20	Aspect Boundary within the organization.	GRI G4 Core, page 53		-
G4-21	Aspect Boundary outside the organization.	GRI G4 Core, page 53		-
G4-22	Effect of any restatements of information provided in previous reports.	Significant changes and restatements, page 54		-
G4-23	Significant changes from previous reporting periods.	Our approach to reporting: general principles, page 52-54		
G4-24	List of stakeholder groups engaged by the organization.	Our commitment towards our stakeholders, page 14-15		-
G4-25	Basis for identification and selection of stakeholders with whom to engage.	Our commitment towards our stakeholders, page 14-15		-
G4-26	Approach to stakeholder engagement.	Our commitment towards our stakeholders, page 14-15		-
G4-27	Key topics and concerns that have been raised through stakeholder engagement.	Our sustainability policy: the materiality matrix, page 10-11 + Our approach to reporting: general principles, page 52-54		-
G4-28	Reporting period.	Our approach to reporting: general principles, page 52		-
G4-29	Date of most recent previous report.	Our approach to reporting: general principles, page 52		-
G4-30	Reporting cycle.	Our approach to reporting: general principles, page 52		-
G4-31	Contact point for questions.	Contact, page 54		-
G4-32	The 'in accordance' option the organization has chosen.	GRI G4 Core, page 53		-
G4-33	Policy and current practice with regard to seeking external assurance for the report.	Our approach to reporting: general principles, page 52-54		-
G4-34	Governance structure of the organization.	Decision-making process, page 11	Corporate governance statement, page 25-50	-
G4-56	The organization's values, principles, standards and norms of behavior.	Our values, page 7 + Demonstrating good governance & transparency in our business practices, page 47-48		-

*GRI Sector Guidance Telecommunication Services – Pilot Version, May 2013.

GRI G4

SPECIFIC STANDARD DISCLOSURES

Material Aspects (G4-19)	Disclosure on Management Approach (DMA) and Performance Indicators	Telenet Sustainability Report 2016	Omissions	External Assurance
Privacy & data security	G4-DMA	Ensuring privacy and data security, page 19		-
	G4-PR8 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Privacy complaints and breaches, page 21		-
	PR3 (Telecommunication Sector Supplement) - Description of reporting organization's policy, procedures/management systems, and compliance mechanisms for consumer privacy. Identify geographic areas covered by policy.	Ensuring privacy and data security, page 19. Geographic scope of our policy is Belgium.		-
Fair, responsible and transparent business conduct	G4-DMA	Demonstrating good governance & transparency in our business practices, page 47-48		-
	G4-SO7 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.	Telenet did not incur any fines or settlements related to anti-competitive behavior, anti-trust, and monopoly practices in 2016.		-
	G4-SO8 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.	Demonstrating good governance & transparency in our business practices, page 47-48		-
Best-in-class quality products and services	G4-DMA	Delivering top quality products and services that are easy to use, page 22		-
	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Demonstrating good governance & transparency in our business practices, page 47-48		-
Pricing and billing transparency	G4-DMA	Driving transparent pricing and billing, page 22		-
	G4-PR7 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.	Demonstrating good governance & transparency in our business practices, page 48		-
Customer experience	G4-DMA	The best experience in a digital world, page 18-19		-
	G4-PR5 - Results of surveys measuring customer satisfaction.	Net Promoter Score (NPS) for Telenet and BASE 2016, page 20		-
Being an innovative and leading company	G4-DMA	Commitment to society and local communities, page 31-34		-
	G4-EC7 - Development and impact of infrastructure investments and services supported.	Investing in digital innovation and high performing network infrastructures, page 32 + Investing in the local media sector to boost creative entrepreneurship, page 33		-

Material Aspects (G4-19)	Disclosure on Management Approach (DMA) and Performance Indicators	Telenet Sustainability Report 2016	Omissions	External Assurance
Offering customer-centric products	G4-DMA	Delivering top quality products and services that are easy to use, page 22		-
	G4-PR9 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	Demonstrating good governance & transparency in our business practices, page 47-48		-
Open internet	G4-DMA	"Freedom of expression: maximum but not absolute, page 48"		-
	PA7 (Telecommunication Sector Supplement*) - Policies and practices to manage human rights issues relating to access and use of telecommunications products and services.	Freedom of expression: maximum but not absolute, page 48		-
Attracting, retaining and developing talent	G4-DMA	Attracting & retaining the best talent, page 26		-
	G4-LA1 Total number and rates of new employee hires and employee turnover by age group, gender and region.	Social performance, page 56	Due to our limited geographic scope, Telenet does not differentiate between regions, therefore employee data is not reported per region, but at company level.	
	G4-LA9 - Average hours of training per year per employee by gender, and by employee category.	Social performance, page 56		-
	G4-LA10 - Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Employment plan for older employees, page 28		-
	G4-LA11 - Percentage of employees receiving regular performance and career development reviews, by gender and by employee category.	Social performance, page 56		-
Responsible employer	G4-DMA	A sustainable employment policy, page 28-29		
	G4-LA5 - Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	The Committees for Prevention and Protection at Work, page 28. Coverage is Telenet BVBA, Telenet BVBA ICS, Telenet Group BVBA and Telenet Retail BVBA - covering 99.9% of all employees.		

*GRI Sector Guidance Telecommunication Services – Pilot Version, May 2013.

GRI G4

SPECIFIC STANDARD DISCLOSURES

Additional performance indicators*	Disclosure on Management Approach (DMA) and Performance Indicators	Telenet Sustainability Report 2016	Omissions	External assurance
G4-EN3	Energy consumption within the organization.	Environmental performance, page 55		-
G4-EN4	Energy consumption outside the organization.	Environmental performance, page 55		-
G4-EN5	Energy intensity ratio.	Environmental performance, page 55		-
G4-EN6	Reduction of energy consumption.	Environmental performance, page 55		-
G4-EN7	Reductions in energy requirements of products and services.	KPI per Materiality, page 60. The average energy use per set-top box used by our customers decreased by 9.1% in 2016 compared to 2015.	Resulting emissions of products is not reported. To be reported as soon as possible.	-
G4-EN15	Direct Greenhouse Gas Emissions Scope 1.	Environmental performance, page 55		-
G4-EN16	Energy Indirect Greenhouse Gas Emissions Scope 2.	Environmental performance, page 55		-
G4-EN17	Other Indirect Greenhouse Gas Emissions Scope 3.	Environmental performance, page 55		-
G4-EN18	Greenhouse Gas Emissions Intensity.	Environmental performance, page 55		-
G4-EN19	Reduction of Greenhouse Gas Emissions.	Environmental performance, page 55		-
G4-EN23	Total weight of waste by type and disposal method.	Environmental performance, page 55		-
G4-EN24	Total number and volume of significant spills.	Correct disposal of waste, page 43		-
G4-EN32	Percentage of new suppliers that were screened using environmental criteria.	Managing our supply chain in a responsible way, page 45-46		-
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain.	Managing our supply chain in a responsible way, page 45-46		-
G4-HR10	Percentage of new suppliers that were screened using human rights criteria.	Managing our supply chain in a responsible way, page 45-46		-
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Managing our supply chain in a responsible way, page 45-46		-

* These additional performance indicators are not considered the most important materialities for the purpose of this report: which is to comply with the GRI G4 standard 'in accordance' at 'core' level. We nevertheless add them for stakeholders that are looking for additional information.

UN SUSTAINABILITY GOALS



THE GLOBAL GOALS
For Sustainable Development



How Telenet commits:

4 Telenet helps children and youth in developing digital skills that prepare them for employment and entrepreneurship.

5 Telenet promotes a culture of inclusion and diversity, offering equal opportunities irrespective of race, religion, sexual orientation, gender, disability or age.

8 Telenet is an important player in the Belgian economy. We stimulate growth by providing competitive and innovative products and services for our customers and by investing in a leading integrated network. We create good jobs in our own company and help entrepreneurs thrive. Of course, we also ensure decent working conditions in our supply chain.

11 Telenet and its partners contribute to making cities and communities more sustainable with smart and innovative IT-solutions.

12 Telenet promotes sustainable management and efficient use of natural resources. We actively reduce the amount of waste generated in our business processes through prevention, reduction, recycling and reuse.

13 Telenet limits its environmental footprint with a strong focus on improving our carbon efficiency. Our services also help others to cut back carbon emissions.

17 Telenet limits its environmental footprint with a strong focus on improving our carbon efficiency. Our services also help others to cut back carbon emissions.

UN GLOBAL COMPACT COP

Area	Indicator	Description	Page
Human rights	G4 - HR10	Percentage of new suppliers that were screened using human rights criteria	46
	G4 - HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	45
Labour	G4 - 10	Total number of employees etc.	56
	G4 - 11	Report the percentage of total employees covered by collective bargaining agreements	59
	G4 - LA9	Average hours of training per year per employee by gender, and by employee category	56
	G4 - LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	56
Environment	G4 - EN3	Energy consumption within the organization	55
	G4 - EN4	Energy consumption outside the organization	55
	G4 - EN5	Energy intensity ratio	55
	G4 - EN6	Reduction of energy consumption	55
	G4 - EN7	Reductions in energy requirements of products and services	55 + 60
	G4 - EN15	Direct Greenhouse Gas Emissions Scope 1	55
	G4 - EN16	Energy Indirect Greenhouse Gas Emissions Scope 2	55
	G4 - EN17	Other Indirect Greenhouse Gas Emissions Scope 3	55
	G4 - EN18	Greenhouse Gas Emissions Intensity	55
	G4 - EN19	Reduction of Greenhouse Gas Emissions	55
	G4 - EN23	Total weight of waste by type and disposal method	55
	G4 - EN24	Total number and volume of significant spills	43
	G4 - EN32	Percentage of new suppliers that were screened using environmental criteria	46
	G4 - EN33	Significant actual and potential negative environmental impacts in the supply chain	45
Anti corruption	G4 - 56	Describe the organization's values, principles, standards and norms of behavior	7 + 47-48

Corporate Communications

T. 015 33 30 00 - www.telenet.be

Responsible editor

Telenet, Rob Goyens
Rue de Neerveld 105, 1200 Brussels

