



# ALWAYS ONE STEP AHEAD

TELENET SUSTAINABILITY REPORT 2017



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# OUR CREDO

Look at how we live today.

We live more individual lives, but we **share more than ever before**.

We are surrounded by devices that divide us, but at the same time **bring us together**.

We are increasingly busy, but we **manage to do more than we ever did**.

Today, life is fluid. Full of anchoring and liberating moments.

Unifying both is what we, as a company, aspire to.

**Connecting people, while setting them free.**

Bringing people together in surprising ways.

With innovative technologies and with exciting entertainment.

To create **shared experiences, accessible to anyone**.

We pass our enthusiasm on to eager learners, bringing them up to speed for the digital age.

We coach small business owners to explore online opportunities for growth and empower people to achieve a better quality of life.

Without exception.

That is what drives us.

That is why we innovate.

That is why we invest in technology and talent.

**To always stay one step ahead in the digital world.**

Because we are pioneers, first-movers.

But with a clear purpose:



**Staying one step ahead  
in the digital world**

**Connecting people  
and creating experiences**

**For a better  
quality of life**



# ALWAYS ONE STEP AHEAD

## FOREWORD BY THE CHAIRMAN AND THE 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**.

### **Our conviction: digital technologies will improve the quality of life**

We see the tremendous potential of digital. We believe it will change our private and professional lives for the better.

Imagine a future with smart cities, more sustainable mobility solutions and affordable health care services. Think about 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.

### **The good flow**

We are devoted to making our customers' lives work better, offering them an amazing experience in the digital age. **We want their home life to be easier and smoother, their family life richer and uplifting, and their work life hassle-free.** We do this by connecting people through smart technologies and seamless networks, by delivering great customer services and by creating inspiring entertainment content. The result of all of this is "the good flow". **When the flow is good, everything comes more naturally.**

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### Digitalization comes with its own unique challenges

As a leading Belgian telecom and entertainment company, we are committed to building a society in which people and businesses can stay one step ahead in the digital world. 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 **to be inclusive**: every individual 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, **without compromising the trust** of our customers and stakeholders. 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 role that Telenet plays in the Belgian community. We remain committed to being a responsible company in the digital age and we will further strengthen our relationship with our stakeholders through consultation and dialogue.

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 2017, we were once again included in the Index, for the 7<sup>th</sup> consecutive year. Since 2011 we also support the ten principles of the **UN Global Compact** and we actively embrace the **United Nations Sustainable Development Goals**.

### Successfully delivering on our 2020 strategy

2017 was once again an important year on the road to become the leading national provider of **converged connected entertainment and business solutions** in Belgium. Mid-2017, we acquired SFR Belgium and Luxembourg, a significant cable operator active in parts of Brussels, Wallonia and the Grand Duchy of Luxembourg.

In May 2018, we received the green light to acquire ICT integrator **NEXTEL** allowing us to offer **end-to-end solutions to our business customers**.

In March 2018, we publicly released our second high-quality tv series 'De Dag' and announced our intention to take the entire ownership of De Vijver Media. This will solidify our position as a media player and we are convinced this investment will help **provide oxygen to the local media ecosystem**.

### 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. Because, together with our employees and our stakeholders, we want to make a positive contribution to the Belgian economy and build a digital society that propels us and helps us stay one step ahead.

Bert De Graeve  
Chairman

John Porter  
Chief Executive Officer

# COMPANY PROFILE

Underpinned by high quality fixed and mobile networks, Telenet is the 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. With SFR, we provide solutions to business and residential customers in parts of Brussels, Wallonia and the Grand Duchy of Luxembourg.

To meet the expectations of all customer segments, Telenet also welcomes Mobile Virtual Network Operators (MVNO) on its network. An overview of these strategic partnerships can be found on the [Telenet corporate website](#).

We are committed to be the leading provider of converged connected entertainment and business solutions in Belgium by 2020.

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.

## SUPERIOR CONNECTIVITY

 **€ 1.8 MILLION**  
INVESTMENTS  
PER DAY

 **UPGRADE AND MODERNIZATION**  
OF THE FIXED  
AND MOBILE NETWORKS

## INSPIRING ENTERTAINMENT

 **50% PARTICIPATION**  
IN DE VIJVERMEDIA, WITH THE INTENTION  
TO TAKE FULL OWNERSHIP

 **€ 8.4 MILLION**  
INVESTMENTS IN 2017  
IN LOCAL MEDIA PRODUCTIONS

## SUPERIOR BUSINESS SOLUTIONS

 **PRODUCTS**  
CONNECTIVITY, CLOUD, HOSTING  
AND IT-SOLUTIONS

 **ACQUISITION**  
TAKE OVER OF ICT  
INTEGRATOR NEXTEL

Status: June 01, 2018

## OUR VALUES

- ✓ WE SET THINGS IN MOTION
- ✓ OUR PASSION IS CONTAGIOUS
- ✓ WE ARE CLOSE
- ✓ WE SAY WHAT'S WHAT
- ✓ WE WORK BETTER TOGETHER

More information about Telenet and its financial results can be found in the [Financial Annual Report 2017](#).

# 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

**Global warming** has serious consequences for humans and the environment. The Paris Climate 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. This leads 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, 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 shape the **smart cities** of the future. This is based on the constant connection of people, devices and objects, requiring high-performing 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





key in attracting talented people. In order to remain competitive in a digital first world, employers should also invest in life-long learning and development initiatives that create a digital-savvy workforce.

### 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 media platforms offering maximum freedom to consumers such as VRT NU, Netflix, Yelo TV 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.

tracks the digital performance and competitiveness of its member states. In 2018, Belgium ranks 8<sup>th</sup> in this index, a slow decline compared to 2017, with strong performances on broadband connectivity (5<sup>th</sup>) and the integration of digital technologies by businesses (5<sup>th</sup>). The country's performance on digital skills (12<sup>th</sup>) and the adoption of digital public services (15<sup>th</sup>) showed room for improvement.

To fully exploit the digital opportunities, Science, Technology, Engineering & 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 2018 report, the number of STEM graduates in Belgium remains persistently low and below the EU average. 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 Not in Education, Employment or Training (NEET) 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

In this type of world, the consumer's demand for speed and data continues to increase. A recent large-scale study (February 2018) commissioned by Telenet and carried out by iVOX among thousand Flemish families, showed that 70 percent of the respondents consider Wi-Fi connectivity as indispensable as water and electricity, with increasingly higher expectations about the quality and speed of the internet connection. 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 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, artificial intelligence 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 in the digital world, such as children. 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 via 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.

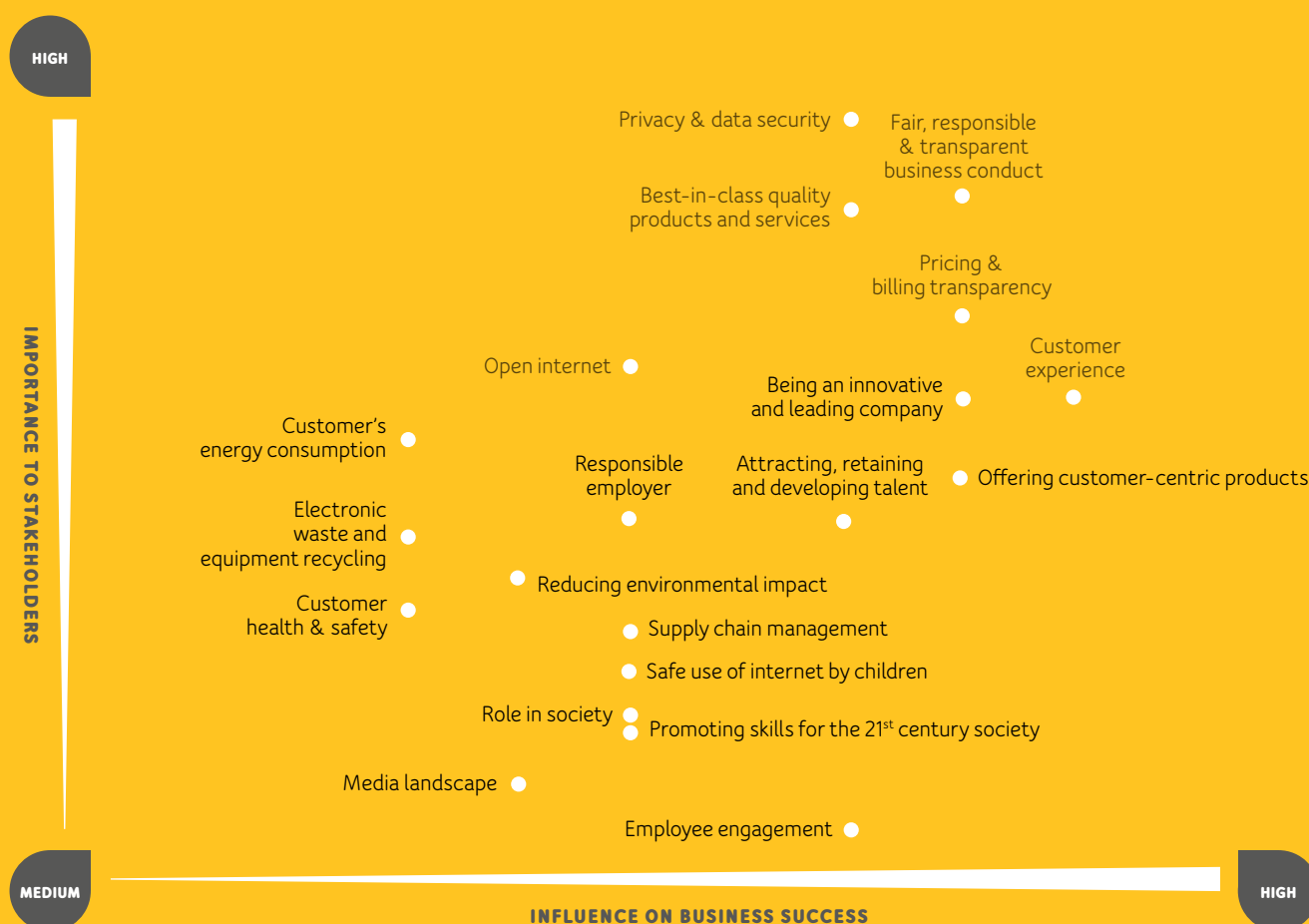


# OUR SUSTAINABILITY POLICY

## THE MATERIALITY MATRIX

Sustainability is a multi-faceted concept – more than one company can tackle at the same time. Therefore, we have made the conscious decision to focus our efforts on the most relevant issues: **the materialities**. We determine the importance of the various material matters in close consultation and dialogue with our 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. We will start a new stakeholder consultation in summer 2018 to update the materiality matrix so it better reflects the extended footprint of Telenet in all regions of Belgium and the Grand Duchy of Luxembourg.



We apply a structured process to design the materiality matrix.

Read more about our methodology on the sustainability section of the [Telenet corporate website](#).

## 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. In 2016, - following the major acquisition of BASE Company - we have taken the decision 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: Always one step ahead!

At Telenet, we believe in the tremendous potential of digital and we are committed to help people and businesses to stay one step ahead in the digital age. We want to build a society in which people enjoy to live and work together, embracing the endless possibilities of the digital world at the fullest and with pleasure. For a better quality of life.

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 Telenet sustainability program underscores our commitment to the key stakeholders and reflects their interests as defined by the materialities. Per commitment, we have defined a set of measurable targets, to be reached by 2020 (and 2025 as far as the environmental objectives are concerned).



#### 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

# TELENET SUSTAINABILITY FRAMEWORK 2017-2020

## OUR 2020 VISION

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

## GUIDING PRINCIPLES

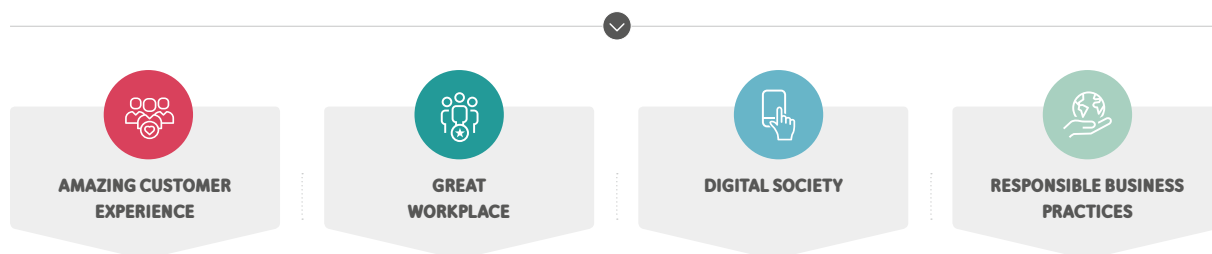
One step ahead – pioneering – close to you – good neighbor – sparkling – passion – enthusiasm – pleasure – sincere, honest and transparent – inclusive

## OUR BUSINESS PRIORITIES

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

## Always one step ahead

At Telenet, we believe in the tremendous potential of digital and we are committed to help people and businesses to stay one step ahead in the digital age. We want to build a society in which people enjoy to live and work together, embracing the endless possibilities of the digital world at the fullest and with pleasure. For a better quality of life. 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 commitment

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, enable and inspire our employees to flourish

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. For a better quality of life

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

Net Promoter Score -5

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

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

- RepTrak scores on Governance & Citizenship + 3 percentage points (compared to base 2016Q4 Flanders & Brussels)
- Become 5 times more carbon efficient by 2025 (compared to 2016), and improve our energy efficiency by 15% every year through 2025

## We'll do this by

- 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

- Investing in high-performant fixed & mobile connectivity solutions
- Boosting the digital and creative economy
- Nurturing 21<sup>st</sup> 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

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

## OUR PERFORMANCE

### PROGRESS MADE IN 2017 ON THE 2020 SUSTAINABILITY OBJECTIVES

### RESULT 2016

### RESULT 2017



#### AMAZING CUSTOMER EXPERIENCE

2020 Objective	Net Promoter Score of -5	Telenet: -8.8 BASE (Mobile NPS): -10.3	Telenet: -14.9 BASE (Mobile NPS): -4.5	
KPIs	Customer churn rate	8.0%	9.3%	
	# Data protection breaches	0	0	
	Customer Effort Score (CES) & Billing NPS	CES 2016: 15.42%	CES 2017: 20.25 %	
		Billing NPS 2016: -13.2	Billing NPS 2017: -12.0	



#### GREAT WORKPLACE

2020 Objective	Zoom employee score of 61%, with a clear ambition to reach a score in the top quartile	60%	58%
KPIs	# Newly hired employees	336	726
	Voluntary employee turnover	5.0%	9.5%
	Training hours per FTE	24.4	12.1
	% female sr. managers (Senior Leadership Team)	50%	50%



#### DIGITAL SOCIETY

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	2 programs in place 21,150 people reached	3 programs in place 41,000 people reached
KPIs	Investments in network growth	€ 250.6 million	€ 295.7 million
	Total number of youngsters empowered through coding & entrepreneurship initiatives	450 (YouthStart)	450 (YouthStart) 50 (BeCode)
	Total number of children reached through digital skills training	20,700 (CoderDojo)	25,500 (Coderdojo) 15,000 (Digitale Duik)
	Total number of start-ups accelerated with Telenet investments	88	86
	Total number of SME's accelerated through Digitale Vernelling	-	1,400



#### RESPONSIBLE BUSINESS

2020 Objective	RepTrak scores on Governance & Citizenship +3% percentage points (compared to base RepTrak 2016Q4 Flanders & Brussels)	Q4 2016: Citizenship: 60.8, Governance: 61.3	Q4 2017: Citizenship: 57.4 (-6%), Governance: 57.5 (-6%)
KPIs	Carbon efficiency ratio: Total scope 1 + 2 CO <sub>2</sub> -emissions including compensation per terabyte of data usage	0.008	0.008
	% renewable energy consumption	91%	80%
	Waste recycling rate	71%	75%
	# Suppliers monitored on ESG issues	46	100



## THE DECISION MAKING PROCESS



## 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 the following core values and guiding principles to its products and services: 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.



### EMPLOYEES

- Telenet actively assesses the satisfaction of its employees through the bi-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 Graduates 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.



### 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.



## 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 Vlotter (IMSIR cvba).



## 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, and the SFR network upgrade initiative in La Botte du Hainaut.
- Telenet actively supports social initiatives that boost the digital talents of the future, like Coderdojo Belgium, ToekomstAtelier, YouthStart and BeCode.



## 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.

## IMPORTANT MEMBERSHIPS



Discover the full list of our corporate memberships on the sustainability section of the [Telenet corporate website](#)



# OUR MOST IMPORTANT SUSTAINABILITY PROGRAMS



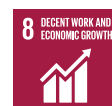




# COMMITMENT TO OUR CUSTOMERS

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.

THE UN SUSTAINABLE  
DEVELOPMENT GOALS WE ADDRESS



## LOOKING BACK AT 2017

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.

In June 2017, Telenet acquired SFR Belgium and Luxembourg, extending its footprint in Brussels and in parts of Wallonia (La Botte du Hainaut) and the Grand Duchy of Luxembourg. Like the BASE Company acquisition in 2016, this was a key momentum in our 2020 growth strategy, turning the company into a national telecom services provider. These recent acquisitions allow us to better respond to the rising demand from both residential and business customers across the country for the full range of fixed and mobile telecom services.

An important step in the onboarding of BASE Company and SFR customers was our decision to invest in the upgrade of the BASE mobile network across Belgium (initiated mid 2016) and the optimization of the SFR coaxial cable infrastructure in La Botte du Hainaut and Brussels (initiated in autumn 2017). These network investments complement our ongoing efforts to optimize our fixed network infrastructure in Flanders and Brussels through De Grote Netwerf and Nexus projects, that will enable residential and business customers to benefit by 2019 from high-speed internet connections with broadband speeds up to 1Gbps and large data volumes.

It is 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 2017, we optimized **WIGO**, the first full-fledged all-in package for families and businesses that responds to changing customer behaviors and removes the traditional barriers between fixed and mobile services. Initially launched in June 2016, the WIGO proposition was complemented by additional customer service offerings like the principle of a shared data bundle for the entire family and the increase of data volumes. At end December 2017, Telenet added approximately 177,500 net post-paid subscribers driven by the continued uptake of the WIGO proposition and its improved services.
- In September 2017, we revamped the mobile line-up under the BASE brand. This **'BASED on You'** proposition offers more flexible bundles adjusted to the customers' needs so they can use the full capacity of their package, regardless of their appetite to either use more data, more calling minutes or more text messages.
- The **Helemaal Mee Tournee**, a full and free check-up of the indoor installation at our Telenet customers' homes, continues to set the standard for customer-centric servicing. Since its launch in 2015, the program has already reached over 440,000 residential customers, out of which 121,206 in 2017. We plan to reach 57,000 customers in 2018.





### 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.

In 2017, the Telenet Business team initiated an **iCare pilot project 'Amazing!'** in order to provide its customers with a more effortless customer care service. The outcomes and learnings of this pilot project will be gradually implemented across the customer services processes and procedures at Telenet Business.

In December 2017, the Residential Customer Services team opened its **first experience flagship store** in the city of Antwerp. In an open and innovative shop environment, customers can be inspired by new products and services; can attend expert workshops on digital solutions and get a fully personalized service. This flagship store will set the new standard for all other Telenet and BASE shops across Belgium.

Telenet has a **long-lasting tradition of investing in qualitative customer services**. Since 2014, we have been investing in the Amazing Customer Experience Program (ACE), through which we monitor, analyze and report on the experiences of our customers. For the first time in several years, the number of residential customer complaints about Telenet reported by the Ombudsman for Telecommunications increased:

- 1 file per 2,081 services delivered in 2015
- 1 file per 2,212 services delivered in 2016
- 1 file per 1,992 services delivered in 2017

2017 was a challenging year for Telenet, with several events that put our **customer experience under pressure**:

- the ongoing efforts to align and integrate business processes and systems after the acquisition of BASE Company;
- the growing number of customers transitioning to the upgraded Telenet networks;
- the introduction of the renewed WIGO proposition and the transition of customers to this reviewed bundle offer, with a certain number of customer inquiries on the increased bill the first month after the transition

We were as such not fully successful in responding to our customer promise: **delivering a smooth and effortless end-to-end customer experience**.

As a company, we have to keep on improving this experience to earn the trust of our customers. The acquisition of BASE Company in 2016 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 for strengthening customer engagement:

- **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 should further improve internal process efficiencies, remove barriers between business functions and channels, and proactively capture the impact of internal developments on the customer journey.
- **Embracing a new digital customer experience:** 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. We communicated the changes to this Customer Data Policy in an open and transparent way to our customers.

In 2017, we started a consultation with the Belgian Privacy Commission on Telenet's Customer Data Policy in general and its compliance with the EU General Data Protection Regulation (GDPR) in particular. Early 2018, we further refined our Customer Data Policy in accordance with the relevant legal provisions and – prior to the implementation of the GDPR in May 2018 – we informed our entire customer base again on the Customer Data Policy and its 4 privacy levels: general, targeted, personalized, unique. Ninety percent of the Telenet customers are currently on the third privacy level, but any customer can change at any time its privacy settings online.

### Driving transparent pricing and billing

In February 2017, 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 actively promotes sustainable and environmental-friendly billing solutions and therefore invites its customers to choose for e-billing. In 2017, 70 percent residential customers and 12 percent Telenet Business customers opted for an e-bill.

### Compliance with government-led programs and regulations

#### Mandatory pre-paid registration

In the first half of 2017, the Telecommunications regulator IBPT and the Belgian mobile telecom providers joined forces to register the more than 6 million pre-paid SIM cards in use in Belgium. The identification of the pre-paid SIM cards was a concrete measure taken by the Belgian federal government after the March 22, 2016 attacks in Brussels. Initiated at the end of 2016, users of pre-paid cards received a six-month deadline to register their identity with a mobile operator.

On December 31, 2017, Telenet counted 515, 200 pre-paid mobile subscribers under the BASE brand and various branded reseller contracts. Compared to the previous reporting year, we recorded a 6 percent decrease in the total number of active mobile subscribers, partly due to the impacts of the June 2017 mandatory pre-paid registration.





#### Roam like at home





Mid-June 2017, the EU ended roaming surcharges for all people travelling periodically within the EU member states, implying that travelers can continue using their mobile devices at domestic charges when visiting other EU member states.

Prior to the 2017 summer holidays, we initiated a broad awareness campaign in order to inform all our Telenet and BASE customers about the implications of the EU 'Roam like at home' initiative.



## IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2017

FOCUS	2017 EVENTS AND ACHIEVEMENTS	STATUS	NEXT STEPS
<b>Bringing the best customer experience</b>	<p><b>A new family of customers: SFR</b></p> <p>The acquisition of SFR Belgium and Luxembourg in June 2017 further extends our footprint in Brussels, Wallonia (La Botte du Hainaut) and the Grand Duchy of Luxembourg, turning Telenet into a national telecom provider.</p> <p>In order to ensure a high-quality experience for the SFR customers, we have made investments in the optimization of the fixed coaxial cable infrastructure and in the improvement of the customer service.</p>	 ON TRACK/ COMPLETED	<p><b>A new family of customers: SFR</b></p> <p>After the upgrade and modernization of the SFR cable network infrastructure, we will proceed to the migration and transition of SFR customers to Telenet, starting with customers in La Botte du Hainaut and the Brussels communes Wemmel and Drogenbos.</p> <p>We will gradually extend the transition program to the other Brussels communes.</p> <p>Through broad promotional campaigns and individual customer communications, we will invite SFR customers to 'opt-in' for Telenet products and solutions, leaving them the freedom to explore and consider alternative market offers.</p>
	<p><b>Net Promoter Score (NPS) for Telenet and BASE</b></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 2017, Telenet achieved an annual average NPS of -14.9, slightly below target. The annual average NPS score for BASE was of -4.9.</p>	 WORK IN PROGRESS	<p><b>Net Promoter Score (NPS) for Telenet and BASE 2018</b></p> <p>As far as Telenet is concerned, we have set a -17.2 annual average NPS target.</p> <p>As far as BASE is concerned, we target a -4.0 annual average NPS score.</p>
<b>Delivering top quality products &amp; services that are easy to use</b>	<p><b>Telenet WIGO</b></p> <p>Initially launched in June 2016, the WIGO proposition was complemented by additional customer service offerings like the principle of a shared data bundle for the entire family and the increase of data volumes.</p> <p>At end December 2017, Telenet added approximately 177, 500 net post-paid subscribers driven by the continued uptake of the WIGO proposition and its improved services.</p>	 ON TRACK/ COMPLETED	<p><b>Continue to offer the WIGO all-in package</b></p>
	<p><b>BASED on You</b></p> <p>The BASED on You proposition offers more flexible bundles adjusted to the customers' needs so they can use the full capacity of their package, regardless of their appetite to either use more data, more calling minutes or more text messages.</p>	 ON TRACK/ COMPLETED	<p><b>Continue to offer BASED on You bundles.</b></p>

FOCUS	2017 EVENTS AND ACHIEVEMENTS	STATUS	NEXT STEPS
	<p><b>Inspiring entertainment</b>                      In Autumn 2017, Telenet announced it would extend and diversify its on demand content offer for children and youngsters, following Studio 100's decision to offer its on demand content exclusively to another telecom operator. From January 2018 onwards, Telenet offers Baby TV to young families and broadcasts new programs and series from Disney, Nickelodeon, and Awesomeness TV.</p>	 ON TRACK/ COMPLETED	<p><b>Continue to offer inspiring entertainment solutions</b>                      2018 will be marked by the launch of new local content (own TV series 'De Dag' in March 2018), by the development of new technology solutions (Yelo Play via 3G/4G and abroad - April 2018) and the introduction of innovative entertainment experiences (Virtual Reality gaming at The Park - May 2018).</p> <p>More innovative entertainment offerings are to be publicly announced in the second half of 2018.</p>
<p><b>Ensuring privacy &amp; data security</b></p>	<p><b>Telenet Customer Data Policy</b>                      In 2017, we started a consultation with the Belgian Privacy Commission on Telenet's Customer Data Policy in general and its compliance with the EU General Data Protection Regulation (GDPR) in particular.</p>	 WORK IN PROGRESS	<p><b>Telenet Data Protection Policy and EU GDPR compliance</b>                      Early 2018, we further refined the Telenet Customer Data Policy in accordance with the relevant legal provisions. In April 2018, we informed our entire customer base on the the reviewed Customer Data Policy and its 4 privacy levels: general, targeted, personalized, unique. Ninety percent of the Telenet customers are currently on the third privacy level, but any customer can change at any time its privacy settings online.</p> <p>Focus in 2018 will be on the further implementation of the EU General Data Protection Regulation.</p>
	<p><b>Privacy complaints and breaches</b>                      In 2017, the Data Protection Authority sent Telenet 3 requests for information with regards to the processing of (personal) customer data. 17 potential incidents were investigated (15 for Telenet and 2 for BASE), of which 11 derived from a customer complaint. One incident was reported to the Data Protection Authority. None of the incidents resulted in a fine.</p>	 WORK IN PROGRESS	<p><b>Continue to monitor</b>                      privacy compliance through the relevant internal councils and consultative bodies.</p>
<p><b>Driving transparent pricing &amp; billing</b></p>	<p><b>Telenet price adjustment</b>                      In January 2017, 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.</p>	 REQUIRES ATTENTION	<p><b>Telenet price adjustment</b>                      We need constantly to reflect on how to ensure the best value for money to our customers, earning their long-term trust.</p>

## 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. WIGO, 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
  - On the SFR website and through personal mailings, the customer can stay fully up to date on the latest SFR products and services.



### Ensuring Privacy and Data Security

- **The Telenet Customer Data Policy** describes 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 are seeking full compliance with the EU General Data Protection Regulation.
- **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 2017, 606 employees received an introduction to privacy and security while attending the mandatory Business Discovery Day. In view of the GDPR launch. In addition, 638 employees took a basic Privacy and Security Training in 2017. Telenet started an internal awareness and training program on privacy and personal data protection in April 2018.



### Driving transparent pricing and billing

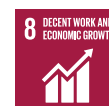
- **Pricing:** We strive to transparently show our prices and any other costs both on our websites and in our promotions or advertisements. One-off costs for activation, installation or the exchange of hardware are as clearly as possible shown on our website.
- **Invoicing:** Telenet customers, who choose 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. SFR customers can review their invoice on the MyAccount platform.
- **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.



# 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**.

THE UN SUSTAINABLE  
DEVELOPMENT GOALS WE ADDRESS





## LOOKING BACK AT 2017

The take-over of BASE Company in 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 right after the acquisition was the smooth integration of both organizations, ensuring all employees quickly got clarity about their job position and their roles and responsibilities within the new organization.

In 2017, we continued our efforts to optimize the team operations by **building fully integrated teams** that are ready to successfully deliver on our business and corporate priorities. One example was the redesign of the network-engineering department in charge of the planning, design, build and operations of both the fixed and mobile network infrastructure. While - at the time of the BASE Company acquisition, the department consisted of separate expert teams for the fixed Telenet network and the mobile BASE network, efforts were made to merge and integrate both practice teams. Today, mobile and fixed experts are joining forces into one integrated 'Technology & Innovation' department that is ready to fulfill our customers' drive towards more convergence.

Besides the core focus on our **people** within the new organization, we kicked-off an extensive program to align the different **HR business processes** and to optimize the **back-office systems and IT tools** in order to build a fully integrated HR practice by 2018. These efforts already materialized in the completion of an integrated performance management process, a unified approach to recruitment, and the assignment of one external Service for Prevention and Protection at Work for all legal entities (Telenet, Telenet Group and Telenet Retail). In addition, we built a unified payroll system, in close cooperation with the IT department. The integrated systems and processes will optimize the internal HR data collection and analytics processes which will allow us to drive a more efficient

and effective HR practice. In 2018, we will continue our efforts in building fully integrated HR processes and systems. Important will be the **harmonization of the working conditions** between former Telenet and former BASE Company employees, in close consultation with the social partners.

In June 2017, Telenet closed the acquisition of SFR Belgium and Luxembourg. Our first priority was to ensure smooth and optimized day-to-day business operations offering the SFR customers in La Botte du Hainaut (Wallonia) and Brussels an improved network and customer service experience. In order to increase the operations efficiency, the SFR employees moved their offices to the Telenet headquarters in Brussels. However, as SFR Belgium and Luxembourg will remain a separate legal entity until 2019, we have not yet started the full integration of the SFR teams within the Telenet organization.

In 2018, Telenet will continue its transformation journey and extend its business portfolio with the acquisition of the Belgian IT systems integrator NEXTEL, an important next step in the development of the Telenet Business department. In March 2018, we also announced our intention to take full ownership of De Vijver Media, reinforcing our position in the Flemish entertainment sector. These acquisitions are another important milestone in our transformation and growth process, requiring us





to invest even more in **building a future-proof and agile organization** with new ways of working, new operating models and an employee community that fully embraces the culture of change.

A key success factor in this transformation journey is the **active engagement of the employees in the new organization**. Telenet measures the employee engagement on a bi-annual basis through the Zoom survey. In 2017, Telenet reached a 58 percent engagement score, 7 percentage points above the Belgian average. Employees indicated career opportunities and performance management as key attention points.

In order to address these concerns, we are actively looking into innovative approaches to performance management. In that perspective, our Retail and Customer Services organization is currently test running a strength-based performance model that focuses on the employee's strengths rather than on his/her weaknesses or attention points.

In January 2018, we launched our first online survey to measure the **Employee Net Promoter Score**: we reached an E-NPS of +13 points, with 32 percent promoters and 20 percent detractors within our employee community. The three main drivers for employee satisfaction are: (1) a challenging working environment with exciting tasks and assignments; (2) a dynamic 'always on the move' company culture; and (3) a pleasant working atmosphere.

In order to strengthen the employee engagement, we strongly focus on **internal communications and corporate culture** initiatives. Since 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, a yearly All Employees Meeting 'The Telenet Way Day' and a dynamic Intranet 'Tellit' with an ongoing flow of business, corporate and employee stories from across the organization.

In 2017, special emphasis was put on building a **new corporate narrative** that has the power to engage our employees turning them into real Telenet ambassadors. Early 2018, we presented our new company purpose, our new corporate behaviors and our reviewed employee value proposition. These will be complemented by a new set of employee values that will be internally communicated and rolled-out across all departments and teams from autumn 2018 onwards.

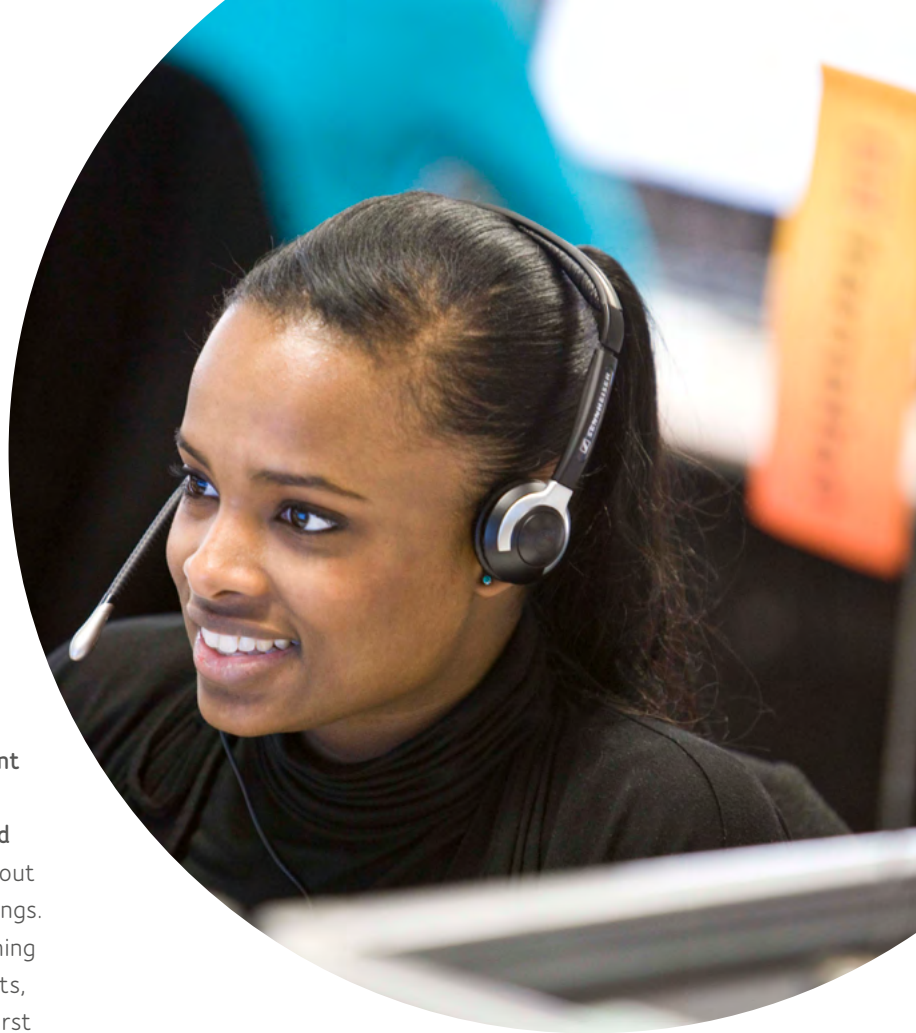
In times of transformation, **building a future-proof, resilient workforce** that can cope with uncertainty, unexpected changes and stress, makes a real difference. Already in 2015, we initiated a special development program in this respect for people leaders and employees, with training sessions, an employee assistance program, personal coaching and on-the-job support.

Special attention is put on addressing and preventing (long-term) absenteeism. In 2017, the employee absentee rate represented 7.17 percent of the total scheduled working days.

An important trend that does not only affect Telenet but the economy at large is the **war on talent**. In a highly competitive market where talent is scarce, we face – like many companies and organizations – a growing challenge in filling open positions, in particular those for technical experts, such as data scientists and information security specialists. In the short term, we ensure access to talented people by investing even more in **employer branding initiatives** and **talent retention programs**. We also have a structural **cooperation with higher education schools and universities**, with particular focus on students out of engineering and technical professional trainings. **The Young Graduate program**, a two-year training program for recently graduated master students, gives new talent the opportunity to develop a first working experience. In order to nurture tomorrow's workforce, Telenet stimulates Science, Technology, Engineering and Mathematics (STEM) education and skills development, as outlined in the chapter on our commitment to society and local communities.

Telenet is committed to be a responsible employer who creates a **diverse and inclusive working environment** that nourishes talent and stimulates engagement. In 2017, Telenet strengthened its focus on **diversity**. Giving opportunities to people with a physical disability or jobseekers who find it difficult to enter the employment market, welcoming workers who are re-entering the market after a long-term illness, being open to people with different origins, age, religions or cultures: diversity is a term that covers many different facets. Driving an inclusive employment policy requires an open mindset, but also a clear signal: it is not the origin or background of a person that counts, but his/her skills, his/her experience and his/her personal and professional attitude.

**Being inclusive calls for a continuous investment in every aspect of talent management:** recruitment, training and education, as well as career planning. In 2017, we took several initiatives to strengthen our commitment to diversity.















As far as our recruitment policy is concerned, we became a preferred partner of WannaWork, a job platform that works on creating better opportunities on the labor market for millennials with a migrant background or coming out of vulnerable social environments. Telenet also continued its commitment to YouthStart, an international organization that unlocks the potential of unemployed youngsters by strengthening their entrepreneurial skills, and to BeCode, a professional training program that aims at cultivating web developer and web designer skills of young underprivileged people in Brussels. Telenet created internship opportunities for both YouthStart and BeCode graduates and hired two alumni of these programs.

Moving forward, we will stay committed to drive an employment policy that invests in learning and development, diversity, health and wellbeing, and that generates an open and transparent company culture through internal communications and social dialogue.



# IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2017

FOCUS	2017 EVENTS AND ACHIEVEMENTS	STATUS	NEXT STEPS	
<b>Attracting &amp; retaining the best talent</b>	<p><b>A new family of colleagues</b></p> <p>After the acquisition of BASE Company in 2016, we started an extensive integration journey. Shortly after the take-over, all employees got confirmed job positions with clear roles and responsibilities. In 2017, emphasis was on building optimized and fully integrated teams.</p> <p>After the acquisition of SFR Belgium and Luxembourg in June 2017, the employees physically moved to the Telenet headquarters in Brussels. As SFR remains a separate legal entity until 2019, full integration of the teams within the Telenet organization has not yet been initiated.</p> <p>All employees are regularly informed about the integration and transformation journey.</p>	 <small>WORK IN PROGRESS</small>	<p><b>Continue the integration journey</b></p> <p>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.</p> <p>In 2018, Telenet will continue its growth and transformation process with the acquisition of the Belgian IT systems NEXTEL (approved in May 2018) and the full ownership of Flemish media &amp; entertainment company De Vijver Media (awaiting approval from the competent competition authorities).</p>	
	<p><b>Young Graduate Program</b></p> <p>Selected in spring 2017, 20 Young Grads kicked-off the two-year training program for recently graduated master students in September.</p>		 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue the Young Graduate Program</b></p> <p>with special focus on STEM graduates, to increase the inflow of technical profiles within the IT and Technology &amp; Innovation departments. The third batch of Young Graduates program will be onboarded in September 2018.</p>
	<p><b>Attracting talent through partnerships with social entrepreneurs</b></p> <p>Signed in September 2017, the partnership with WannaWork, gives Telenet access to employees with a more diverse profile and background. WannaWork is a job platform that works on creating better opportunities on the labor market for millennials with a migrant background or coming out of vulnerable social environments.</p>			 <small>WORK IN PROGRESS</small>
<p><b>Refer a Friend (RAF) Program</b></p> <p>In 2017, we hired 24 new employees following a recommendation by Telenet employees.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue the Refer a Friend Program</b></p> <p>in order to fill the job vacancies.</p>		
<b>Stimulating learning &amp; development</b>		<p><b>Learning &amp; Development</b></p> <p>In 2017, 2,510 Telenet employees followed training, representing a total of 38,245 hours of training. Additionally, SFR employees received 56 hours of training.</p>	 <small>ON TRACK/ COMPLETED</small>	
		<p><b>Leadership Launch Path</b></p> <p>In 2017, 18 recently promoted people leaders and managers 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.</p>		 <small>ON TRACK/ COMPLETED</small>

FOCUS	2017 EVENTS AND ACHIEVEMENTS	STATUS	NEXT STEPS
<b>Engaging our employees through internal communications and corporate culture</b>	<b>Zoom Employee Engagement</b> In April 2017, the Zoom employee engagement survey including both Telenet and BASE Company employees showed a 58 percent engagement score, which is 7 percentage points above the Belgian average. Key attention points were job opportunities and performance management	 <small>ON TRACK/ COMPLETED</small>	<b>Continue Zoom Employee Engagement</b> on a bi-annual basis. The next survey will take place in 2019. In January 2018, we launched the first Employee Net Promoter Score measurement, reaching a score of +13 points, with 32 percent of promoters and 20 percent of detractors.
	<b>Internal Communications</b> Since the kick-off of the integration and transformation journey in 2016, we intensified internal communications. Key initiatives include regular newsletters, the yearly All Employees Meeting 'Telenet Way Day', and an ongoing flow of news articles on the Intranet 'Tellit'.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue Internal Communications efforts</b>
	<b>New Corporate Narrative</b> In 2017, we defined a new company purpose, new corporate behaviors and a new employee value proposition, presented to the Telenet Leadership team early 2018.	 <small>WORK IN PROGRESS</small>	<b>Roll-out the new corporate narrative across the full Telenet organization</b> The new corporate narrative will be complemented by a new set of employee values to be rolled-out and implemented across the organization from autumn 2018 onwards.
<b>Cultivating employee wellbeing &amp; diversity</b>	<b>Gender diversity</b> 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 2017, the number of female employees was 35 percent.  At the end of 2017, Telenet's Senior Leadership Team consisted of 50 percent females. The Board of Directors included 3 women.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue ensuring gender diversity</b>
	<b>Diversity in talent management</b> Telenet is committed to more diversity in every aspect of talent management: recruitment, training and education, as well as career planning. We outlined our commitment to diversity in <a href="#">a blogpost by Christophe Vanden Eede, Talent and Development Director</a> , as published on the Telenet Talks online story platform.	 <small>WORK IN PROGRESS</small>	<b>Continue efforts to strengthen diversity in talent management</b>
	<b>Resilience Program</b> 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.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue Resilience Program implementation as part of the companies' integration and transition journey</b>



## 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 2017, 523 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 2017, 27 employees were offered outplacement.

### Consultation with social partners

**The Works Council (WC; OR: Ondernemingsraad; CE: 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. In 2017, Telenet's majority shareholder Liberty Global established a European Works Council, in which Telenet has two representatives.

**The Committees for Prevention and Protection at Work (CPPW; 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 of both employer and employee

representatives, the occupational doctor and the internal service for prevention and protection at work. The CPPW is providing advice on the wellbeing at work policy and actively considers health, safety and environment issues. It focuses on the global prevention plan and the annual action plan and it includes the domains of occupational safety, occupational health surveillance, ergonomics, work hygiene, work post embellishment, the psychosocial risks at work, including bullying, violence and sexual harassment, and all environmental-related aspects. The CPPW has primarily advisory tasks around new and changing technologies, work procedures, the design of the workplace, work means, protection measures, trainings, instructions, periodic check-ups, etc. In 2017, the CPPW was actively involved in the assignment of a common External Service for Prevention and Protection at Work for the legal entities Telenet, Telenet Group and Telenet Retail.

### Health, Safety and Wellbeing

**The Wellbeing Survey:** this survey is generally conducted every three years based on a scientifically proven tool. It identifies psychosocial risks at work related to work organization, work content, inter-professional work relations, work environment and work conditions, and their impact on stress, burnout, conflicts, and unwanted behavior at work 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. We will conduct a new Wellbeing Survey in autumn 2018.

**The Global Prevention Plan:** 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 and goals are reset if needed and translated into specific annual action plans. In 2017, the most important actions concerned the review of the training program regarding technical

risk functions and the closing of the fire risk analysis and its related action plan. In addition, a general analysis on absenteeism due to illness was done, resulting in a policy and process for the re-integration of employees after long absence (more than one month). Special attention was also put on the ergonomics and safety of the new Telenet offices at KV Mechelen and the project 'New Way of Working' in the Mechelen offices. Finally, various environmental activities were carried out, including among others the uploading of environmental permissions to the new electronic platform in Flanders, environmental declarations, infrastructure projects related to emergency power, tanks and cooling, and an energy audit for the Telenet headquarter offices in Brussels.

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 2017, there were 84 work accidents, including occupational work accidents and accidents from and to work, with a total temporary incapacity for work of 688 calendar days. There were no fatal occupational accidents or accidents with confirmed permanent disability. Overall, the work accident frequency and severity continue to remain below the sector levels for all divisions.

**Roles and Responsibilities:** The wellbeing policy, under the responsibility of the CEO, is carefully monitored at both the business and department level. Directors and managers are responsible for translating the wellbeing policy into their specific businesses and into the global prevention plan and yearly action plans. 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. Internal trusted counsellors and external psychosocial prevention advisors can be consulted by employees for specific psychosocial issues at work, with personalized advice, referral, mediation, and further analysis if needed.

**Internal awareness initiatives:** All employees are activated as it comes to wellbeing and environment in general and the psychosocial aspects of work in particular. 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. A special training for preventing and dealing with aggression has been developed and has been rolled out in 2017 to all retail employees. Technicians in various risk functions receive basic safety training according to the 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 hosting, working near electromagnetic fields).



# 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 is why we **empower children and youngsters** by nurturing their 21st century skills.

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

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

THE UN SUSTAINABLE  
DEVELOPMENT GOALS WE ADDRESS



## LOOKING BACK AT 2017

### 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, boost the European GDP by 5 percent by 2020, and create 3.8 million new jobs.

Investments in superfast broadband networks generate an important economic benefit for society. High-quality broadband networks provide consumers with state-of-the-art communications and entertainment services. Reliable broadband solutions boost information sharing and education and increase the productivity of businesses.

In 2017, our investments totaled 729.2 million euros – or 29 percent of the corporate revenue. The majority of these investments were used to upgrade our network infrastructure. **Telenet invests 1.8 million euros per day in its fixed and mobile networks.** It is our ambition to lead with respect to superior converged connectivity.

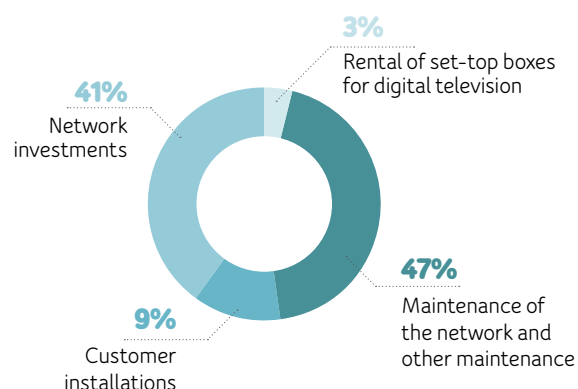
Initiated in 2014, De Grote Netwerf and Nexus projects are turning our fixed network infrastructure in Flanders and Brussels into a high performing network that will enable our residential and business customers

to benefit by 2019 from internet connections with broadband speeds up to 1 Gbps and large data volumes. After the BASE Company acquisition in 2016, we also decided to invest in the upgrade of the BASE mobile network across Belgium, increasing the capacity and the 3G, 4G and 4.5G coverage by 2018. The program foresees the installation of up to thousand new mobile sites. At the end of 2017, we had upgraded 67 percent of the nodes in our Hybrid Fiber-Coaxial (HFC) network and 87 percent of our 2,800 macro-sites in the mobile network. We also completed the rollout of over 210 new mobile sites. The progress made on the mobile network upgrade allowed us to onboard up to 90 percent of the full MVNO customers, with a firm commitment to complete the onboarding by mid-2018.

Following the acquisition of SFR Belgium and Luxembourg in June 2017, Telenet started an additional network upgrade program representing an investment of 12 million euros, in order to offer SFR customers in Brussels and in La Botte du Hainaut (Wallonia) with a more powerful connected experience.

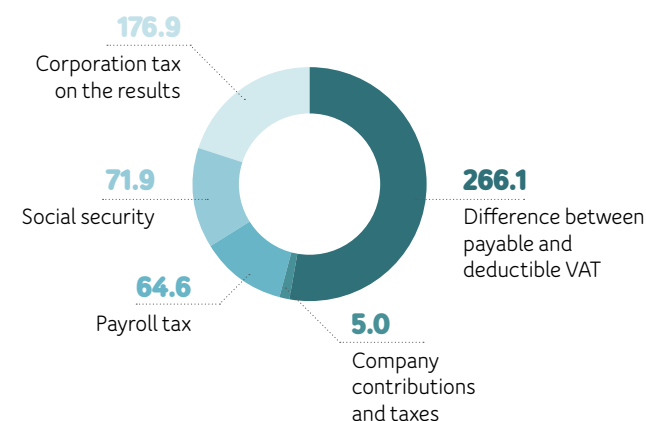
In 2017, our **total contribution to the Belgian treasury** was 584.5 million euros. The total contribution was up 9 percent from 2016.

### Overview investments - 2017



### Contributions to the Belgian treasury - 2017

in millions of euros



### Taking a collaborative approach to digital innovation

A continuous investment in innovation is the lifeline for our company, particularly in a world of rapidly changing technology developments. In order to further stimulate, deepen and streamline our internal and external innovation initiatives, we opened our own Innovation Center in October 2017. Located in our Brussels headquarters, the Telenet Innovation Center is the core environment to test new technologies for connectivity, entertainment, value-added services and customer experiences. The Telenet Innovation Center's primary focus is currently on 5G and the Internet of Things (IoT), serving as a test bed and knowledge center for the entire Liberty Global Group.

At the Telenet Innovation Center we take a **collaborative approach to innovation**. It aims to be a platform where Telenet experts can partner up with external industry partners, academic institutions and startups to test new products, services, applications and prototypes.

We believe that the best innovation emerges from collaborations between different partners. We thus have a long-standing experience in building innovative digital solutions in partnership. We actively participate in industry-led initiatives that market new products and services, such as Doccle, Spencer and the Belgian Mobile ID 'Itsme'. We also contribute to a healthy Belgian startup ecosystem in cooperation with leading incubators and accelerators.

In autumn 2017, Telenet entered into a long-term strategic partnership with imec, the leading research and innovation hub in Flanders in the area of nanoelectronics and digital technology. We will join forces on the Internet of Things (IoT) and smart cities. In this context, Telenet will be actively involved in imec's City of Things programme, supported by the City of Antwerp and the Flemish government.

### Investing in the local media sector to boost creative entrepreneurship

**The Belgian media landscape is rapidly evolving.** The viewing behavior of the consumer is changing and local media channels have to compete with global content providers such as Netflix and Amazon. These players make massive investments in new series and movies and in the technology platforms to make this content globally available. The Over-the-Top (OTT) content providers have set the bar for the production and provision of both international and national content very high. This has an important impact on the business model of traditional local television providers. It is our ambition, as a local entertainment player, to **strengthen the Flemish media ecosystem**, helping local production companies and creative entrepreneurs to flourish and providing local viewers with strong local content and entertainment innovations.

In 2017, we continued to foster local television series and movies by investing in three promising co-productions, respectively with media channels VRT, Medialaan and SBS.

Telenet is also investing in the production of own local drama series. A recent milestone was the release of 'De Dag' in March 2018, a production of FBO and Woestijnvis, with the support of VAF/Mediafonds. This is our second drama series since the release of 'Chaussée d'Amour' in May 2016, made in collaboration with the production company De Mensen. 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 local media channels that can continue to produce and offer top-class fiction in this way.

Telenet holds a 50 percent stake in De Vijver Media and it is working with channels VIER and VIJF on the opportunities the convergence of TV and Internet offers. In March 2018, we announced our intention to take full ownership of De Vijver Media. After the approval by the competent competition authorities, Telenet will become the full owner of the commercial TV channels VIER, VIJF and ZES and the production house Woestijnvis. This will enable us to respond even more and even faster to innovations in the field of entertainment and consumer viewing experiences.





### The power of digital: opportunities and challenges

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 focus our efforts on **four key domains of digitalization**:

#### 1 | **Unlocking 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) 2018, Belgium only ranks 12<sup>th</sup> on human capital and digital skills adoption by the population. An iVox study commissioned by OKRA and Gezinsbond/Ligue des Familles in 2017 showed that 20 percent of the Belgian population feels uncertain and

insecure in the digital age. A similar study commissioned by Gezinsbond/Ligue des Familles in 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 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 use the internet safely, how to get out more of their digital TV and how to use the Telenet Yelo app.

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 those who are vulnerable in the digital age, in particular the children. 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. Telenet manages and secures all systems and services. We are 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 | Empowering the future generations

The European DESI tracker 2018 clearly highlights it: Belgium has a low share of Science, Technology, Engineering and Mathematics (STEM) graduates. Belgium only ranks 23<sup>th</sup> on a European scale. Only 13 out of 1000 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. In November 2015, Telenet signed the **STEM charter** and we became an active member of the STEM academy, which mainly supports extracurricular STEM activities.

In this context, we collaborate with **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. Already well deployed in Flanders and Brussels, the Coderdojo Belgium network further expanded in 2017 to Wallonia, with the support of the Walloon government and the Digital Wallonia program.

In September 2017, Telenet organized its first '**Digitale Duik**', a free festival on digital technologies for 9 to 12 years old children and their parents. Organized in

cooperation with more than twenty content partners, this digital experience event immersed 15,000 visitors in the world of digital. Together, children and their parents learned how to steer a drone or to build a robot, how to develop a computer game or how to create a vlog. Besides discovering the endless possibilities of digital technologies, visitors could also strengthen their media literacy by learning how to secure their personal data and privacy, and how to find the right digital balance. As such, families could close a '**Digideal**', an agreement between parents and children on the use of digital tools at home.

In October 2017 - as part of the EU Code Week-, we further built on the 'Digitale Duik' experience by actively supporting several third-party driven STEM events for children. **We Go STEM**, an initiative by ShegoesICT and Dwengo, visited 90 primary schools across Belgium teaching children how to build and program a drawing robot. The Microsoft Innovation Center Brussels organized **Micro: Bit-coding sessions** for Brussels schoolchildren.

Besides strengthening the digital skills of youth, it is also **key to boost their creativity and entrepreneurial spirit**. By doing so, we create economic benefit and sustainable growth in a competitive global market. The growing startup 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** startup acceleration program, with a special focus on startups active in the telecom, media and entertainment (TME) sector. A survey among 74 Belgian TME startups done by Telenet and Startups.be in spring 2017 showed that - whereas the Belgian ecosystem has become stronger, sustainable growth continues to be a major challenge for a substantial group of Belgian startups. It appears startups too often lack ambition and an international mindset while investors are too conservative. Moreover, the gap between the startups on the one hand and the corporates on the other is still too large. Through the Telenet Kickstart program, we are committed to develop an even closer collaboration with startups, involving them more in our company's innovation processes and offering them the opportunity to develop proof of concepts and test new services in the Telenet Innovation Center.



**Youth unemployment** is a key issue in the digital economy and remains hard to tackle. In January 2018, the youth unemployment rate reached 19.1 percent in Flanders, 20 percent in Wallonia and 24.3 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. Telenet is also one of the founding partners of **BeCode**. Launched in February 2017 in Brussels, this program offers youngsters out of underserved communities the opportunity to develop their digital and entrepreneurial skills through a 6-months professional web development and web design training. The initiative strengthens the competencies and shapes the professional attitude of unemployed and low-skilled youngsters improving their chances on the job market. Successfully kicked-off in Brussels in 2017, the project is currently expanding its operations to Wallonia and Flanders.

### 3 | Finding the right digital balance

Digital technologies enable people to be connected anytime, anywhere 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.

### 4 | Accelerating digital entrepreneurship of SME

Early 2017, the Telenet Business department launched an ambitious program to accelerate the adoption of digital technologies by SME entrepreneurs. A GfK study (February 2017) unveiled that 25 percent of Flemish SMEs are not leveraging the power of digital to grow their business and strengthen their competitive position: 43 percent have no website, 56 percent have no Facebook page, and more than 80 percent are not active in the ecommerce space. **De Digitale Versnelling** program brings those entrepreneurs up to speed providing them with free expert consultancy on email marketing, social media, ecommerce and online security. Since the launch of the program, fifteen digital experts have digitally accelerated more than 1,400 SME across Flanders.



### A committed member of the local community

Telenet invests in various social projects. In 2017, our financial **contribution to charities and community initiatives was over 1.9 million euros**. However, 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.

Mid December 2017, eight Telenet employees left for a 3-month **emergency relief assignment** in Puerto Rico. The passage of Hurricane Maria over Puerto Rico on September 20 caused tremendous havoc on the island, demolishing almost the entire electricity supply system and about 95 percent of the telephone masts.

In order to get the telecom and network infrastructure back up and running, Liberty Global Puerto Rico developed an emergency recovery plan to repair the network within three months. More than 200 technical teams were deployed, supervised by network experts coming from the different Liberty Global branches, including eight Telenet employees.

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 2017, Telenet employees thus invested 2,232 hours of community work. In 2018, we aim to extend this employee-volunteering program to the former BASE Company employees who joined our organization in 2016.





Community Investments	2016	2017
	Total Amount in €	Total Amount in €
Cash contributions	1,156,112	1,771,486
Time: Employee volunteering during paid working hours	51,480	53,567
In kind-giving: Product and services donations, projects, partnerships or similar	18,026	62,029
Management overheads	0	0
<b>Employee Volunteering Work</b>	<b>in hours</b>	<b>in hours</b>
	2,145	2,232

**+53%**  
Cash contributions compared to 2016





**+4%**  
Employee volunteering during paid working hours compared to 2016






## IN A NUTSHELL: MAJOR EVENTS AND ACHIEVEMENTS IN 2017

FOCUS	2017 KEY ACHIEVEMENTS	STATUS	NEXT STEPS
Investing in high-performant fixed & mobile connectivity solutions	<b>De Grote Netwerf and Nexus</b> Initiated in 2014, De Grote Netwerf fixed network optimization represents an investment of 500 million euros over 5 year. We invest an additional 9.5 million euros in Nexus to connect SME business parks to the network. Per end 2017, 67 percent of the fixed network nodes had been successfully upgraded.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue De Grote Netwerf and Nexus</b> At the end of March 2018, we had modernized approximately 95 percent of our macro sites and had upgraded around 75 percent of our HFC nodes within our footprint. This puts us in a good position to finalize these projects as expected towards mid-2018 and mid-2019, respectively.  We will continue to invest in the SFR network upgrade providing SFR customers in Brussels and Wallonia with an improved connectivity experience.
	<b>BASE Mobile Network Upgrade</b> Announced after the BASE Company acquisition in spring 2016, we invest 250 million euros in the mobile network upgrade across Belgium by 2018. In 2017, 87 percent of the 2,800 macro sites had been upgraded and 210 new sites rolled out.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue BASE Mobile Network Upgrade</b> We target an upgrade of 2,800 macro sites and the rollout of 800 to 1,000 new mobile sites. These upgrades are to be substantially completed by mid-2018.
	<b>Telenet Innovation Center</b> Opened in October 2017, the Telenet Innovation Center offers a platform for collaborative innovation on digital technologies. Its primary focus is on 5G and the Internet of Things (IoT), serving as a test bed and knowledge center for the entire Liberty Global Group.	 <small>WORK IN PROGRESS</small>	<b>Continue the development of the Telenet Innovation Center</b> We will continue research and testing of 5G connectivity.  We target additional partnerships with industry partners, academic institutions and startups as part of our Internet of Things business strategy as publicly presented in June 2018.
Boosting the digital and creative economy in Belgium	<b>Telenet Kickstart</b> In summer 2016, Telenet refocused its start-up program on 3 activity domains: Community, Acceleration and Sustainable Growth. <ul style="list-style-type: none"> <li>- <b>Community:</b> partnership with Start it@kbc, the largest Belgian start-up community.</li> <li>- <b>Acceleration:</b> partnership with imec IStart, with a key focus on startups in the Telecom, Media and Entertainment sector.</li> <li>- <b>Sustainable Growth:</b> investments in promising startups, scaleups and spinoffs offering a value-add for the Telenet business units. In 2017, Telenet invested in the mobile workplace assistant Spencer, a spinoff of Antwerp-based November Five.</li> </ul>	 <small>WORK IN PROGRESS</small>	<b>Establish Telenet Kickstart 2.0 Program</b> We will continue to boost the Belgian startup landscape. In order to create a higher material impact, we need to further diversify our approach and better align our initiatives to the lifecycle of startups. In addition, we need to build sustainable partnerships and cooperation models in all regions of Belgium, with special focus on Wallonia.



FOCUS	2017 KEY ACHIEVEMENTS	STATUS	NEXT STEPS
	<p><b>Digitale Versnelling</b></p> <p>Launched by the Telenet Business department in February 2017, the program aims at accelerating the adoption of digital technologies by SME entrepreneurs. De Digitale Versnelling provides them with free expert consultancy on the use of digital. Since the start of the program, 15 digital experts have accelerated more than 1,400 SME across Flanders.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue the rollout of Digitale Versnelling</b></p> <p>We will continue the rollout of the Digitale Versnelling program among SME entrepreneurs looking into smart ways to make the program more scalable in order to reach a larger number of entrepreneurs while still guaranteeing a high quality of service.</p>
	<p><b>Investments in the Flemish Media Landscape</b></p> <p>In February 2017, Telenet announced an investment in three promising co-productions, respectively with media channels VRT, Medialaan and SBS.</p> <p>In March 2018, Telenet released its second drama series 'De Dag', a production of FBO and Woestijnvis, with the support of VAF/Mediafonds.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue investments in the Flemish Media Landscape</b></p> <p>We will continue our investments in promising local content in 2018 and beyond. We will review our investment plans in close consultation with the relevant stakeholders in the Flemish media and entertainment sector.</p> <p>In March 2018, we announced our intention to take full ownership of De Vijver Media. After the approval by the competent competition authorities, Telenet will become the full owner of the commercial TV channels VIER, VIJF and ZES and the production house Woestijnvis.</p>
<p><b>Nurturing 21st century skills for children and empowering youth through entrepreneurship and digital literacy training</b></p>	<p><b>CoderDojo Belgium</b></p> <p>In 2017, Coderdojo Belgium organized 85 dojo sessions on a monthly basis thanks to a community of 425 enthusiast volunteer coaches. They reached 25,500 children in Flanders and Brussels.</p> <p>Coderdojo Belgium extended its operations to Wallonia, with the support of the Walloon government and the Digital Wallonia program. In Wallonia, Coderdojo Belgium currently runs 6 dojos reaching up to 180 children per month.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue Coderdojo Belgium</b></p> <p>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. There is a special emphasis on reaching children out of underserved communities.</p>
	<p><b>Digitale Duik</b></p> <p>Organized in September 2017 in cooperation with more than twenty content partners, this free festival on digital technologies immersed 15,000 visitors in the world of digital. Besides discovering the endless possibilities of digital technologies, visitors could also strengthen their media literacy and learn how right digital balance.</p>	 <small>WORK IN PROGRESS</small>	<p><b>Continue Digitale Duik experiences</b></p> <p>We will continue to inspire children, their parents and their teachers on the great opportunities offered by digital.</p> <p>We will continue to support and sponsor third-party driven digital skills training programs for 9-12 years children, both in primary schools and through extra-scholar initiatives, by working in close partnership with relevant content partners and educational experts.</p>

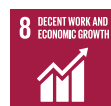
FOCUS	2017 KEY ACHIEVEMENTS	STATUS	NEXT STEPS
	<p><b>Youth empowerment</b></p> <p>Telenet is Platinum Partner of YouthStart, a global organization that stimulates entrepreneurial spirit among opportunity-seeking young people across Belgium through coaching and training. We structurally help the organization in setting-up up to 50 training sessions for about 450 youngsters in Brussels and Wallonia.</p> <p>Telenet is a founding partner of BeCode, a professional training program that aims at cultivating web developer/designer skills of young underprivileged people in Brussels. In its first year of operations, BeCode trained 50 youngsters.</p> <p>Early 2018, 29 students graduated. Following the training, 20 students found a job, started their own business or decided to continue their professional training.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue youth empowerment</b></p> <p>We will continue our commitment to YouthStart and BeCode, supporting the organizations further development and deployment in all regions of Belgium.</p> <p>In January 2018, BeCode welcomed 108 new students in Brussels. It also extended its operations to Charleroi reaching 27 students.</p>
<p><b>Ensuring basic digital literacy skills for all</b></p>	<p><b>Online safety</b></p> <p>In 2016, Telenet signed the Belgian Better Internet Consortium (B-BICO) charter.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue focus on online safety</b></p> <p>In 2018, the B-BICO partners renewed their commitment, by adopting an updated charter. A joint action plan will be deployed in order to increase the Internet safety for all and in particular for children.</p>
<p><b>Promoting the right digital balance</b></p>	<p><b>No activities in 2017</b></p>	 <small>REQUIRES ATTENTION</small>	



# 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.

THE UN SUSTAINABLE  
DEVELOPMENT GOALS WE ADDRESS



# LOOKING BACK AT 2017

## 1 | Limiting our environmental impact

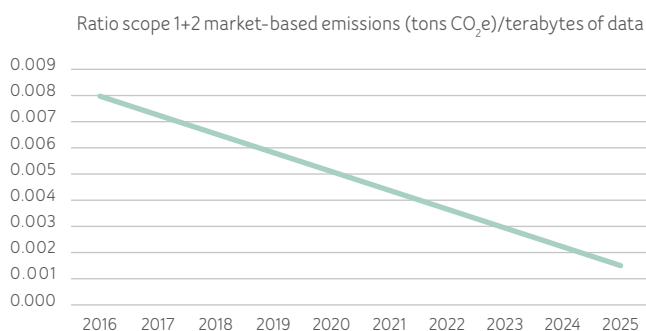
It is our ambition to grow Telenet as a company while reducing our impact on the environment.

Our top environmental priorities are threefold:

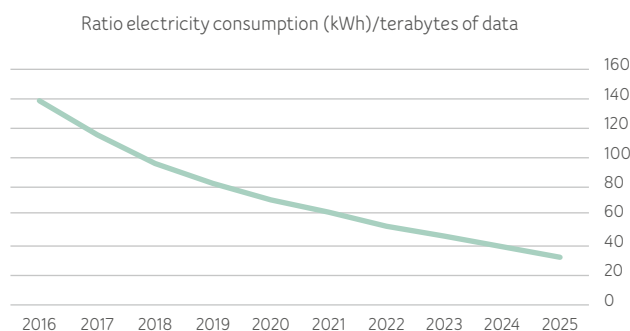
- 1. Improving energy efficiency:** Telenet is committed to reduce the energy consumption of its own operations and at customers' homes.
- 2. Reducing greenhouse gas emissions:** Telenet perceives climate change as a potential threat and therefore manages it as a business risk. The company is switching as much as possible to renewable energy sources and offsets emissions by investing in carbon compensation programs.
- 3. Reducing the use of resources and generation of waste:** Telenet's approach to waste focuses on reducing the use of resources, recycling and refurbishment of customer premise equipment, and accurate waste disposal and processing. The company contributes to the circular economy by developing circular supply chains, recovering and recycling materials, extending the product lifecycle through refurbishment of customer premise equipment (CPE), and by offering products as a service.

In March 2018, we formalized our commitment in an **Environmental Management Policy Statement**, which outlines our approach to environmental management, with focus on the three above-mentioned strategic environmental priorities we identified as material to our business. The statement underscores our commitment to environmental-friendly business operations that are aligned with the Sustainable Development Goals of the United Nations and the principles as set forward in the Paris Agreement on Climate Action. Moving forward, the Environmental Policy statement will guide the actions of Telenet's senior leadership, employees, and suppliers in achieving our environmental objectives. The acquisitions of BASE Company (2016) and SFR Belgium and Luxembourg (2017) – with their own network infrastructures and their own operational activities along the supply chain, have put our overall energy and carbon efficiency under pressure. Considering the important impact of these acquisitions, we have decided to define **a new baseline for our environmental impact**, based on the consolidated 2016 results for Telenet and BASE Company, as published in the Telenet Sustainability Report 2016. In spring 2018, we have also set **new energy efficiency targets for 2025**, taking into account the consolidated environmental impact results for Telenet, Telenet Group and SFR Belgium and Luxembourg:

**Carbon Efficiency Target: 5X more carbon efficient in 2025**



**Electricity Efficiency Target: 15% electricity efficiency improvement year on year through 2025**



Our goal is to improve the efficiency of our electricity consumption by 15% every year through 2025. We also aim to be five times more carbon efficient by 2025, using 2016 as our base year for both targets. In order to provide meaningful targets, we measure our energy consumption and GHG emissions per terabyte (TB) of data transported through our networks.



As part of our commitment to environmental sustainability, we are constantly reviewing and optimizing our environmental management processes and programs:

- **Environmental data collection processes** are being further consolidated to integrate all systems and procedures of all our legal entities. We report our environmental data to our main shareholder Liberty Global, using its Credit360 system. Liberty Global annually reviews Telenet's environmental data. At group level, Liberty Global engages KPMG to provide limited assurance, reporting to Liberty Global plc, using the assurance standards ISAE 3000 and ISAE 3410, of the energy consumption and greenhouse gas emissions data, as presented in Liberty Global's Annual Report and Accounts.
- We continue our **investments in the upgrade and optimization of our fixed and mobile networks**, ultimately resulting in more energy efficiency and reduced greenhouse gas emissions.
- We invest in the **development of innovative products** and solutions. As such, we currently develop and test a new generation of set-top boxes with significant lower energy demand, to be deployed in the market in the course of 2018 and 2019.

- We continue investing in a **carbon compensation initiative** to reduce our environmental footprint. 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, 389,273 native trees have been planted, representing a reforestation of 408 hectares with estimated accumulated carbon sequestration storage of 8,473 in 2017. 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.

An important challenge for Telenet when addressing its environmental priorities are the local **regulatory developments** requiring more elaborate environmental reporting. In addition, the regional differences on radiation norms are creating both operational and innovation challenges for improving and expanding our network infrastructure service coverage.

Telenet's climate action plan is regularly benchmarked by independent sustainability rating agencies for analysts and investors like the Dow Jones Sustainability Indices, ISS Corporate Solutions and Sustanalytics. Telenet is generally recognized for taking a coordinated action on climate change issues and for its strong performances on governance and emissions management. Key areas for improvement include a more proactive approach to risk management as well as a third-party verification of the Scope 1-2-3 emissions data. In 2017, Telenet's climate action plan was not individually reviewed by the Carbon Disclosure Project (CDP), since we submitted a consolidated climate change report together with Liberty Global. Our main shareholder received an A- climate change management score for 2017.



## Our main energy efficiency initiatives

In order to increase our energy efficiency, we 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 2017, the share of grey electricity was 20 percent, an important increase compared to 2016. 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 94 technical stations of the fixed network and 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 increasing the use of the server farm. The implementation of a free cooling solution in the technical locations in 2017 allows for an increase of the maximum temperatures, reducing the need for cooling and therefore improving energy efficiency.
- **Mobility and transportation.** We encourage responsible mobility solutions among our employees:
  - **Clean vehicles** – The average CO<sub>2</sub> emissions of all passenger vehicles in 2017 was 109 g/km while the average CO<sub>2</sub> emission of newly deployed passenger vehicles was 109 g/km. In 2017, we introduced compressed natural gas vehicles to the fleet of technical and personal vehicles, with lower NOx emissions compared to traditional fuels.

- **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 CO<sub>2</sub> emissions and a compensation for unused budget. They can even opt out of the company car in exchange for compensation or a public transport subscription. 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:
  - **Recycling and reusing set-top boxes and modems** – Every year, Telenet recycles more than 220,000 set-top boxes and modems that its end-customers return to the Telenet Centers or that are replaced by Telenet technicians. Since 2007, Telenet works with the social profit organization Vlotter (IMSIR cbva) in Boom (Flanders) on a reverse logistics solution. Through this collaboration, Telenet avoided 330 tons of waste in 2017. On top of the environmental benefit, there is an important social advantage to this reverse logistics cooperation as it creates job opportunities for 60 individuals with limited access to the labor market.
  - **Recycling and reusing computers, mobile phones and IT equipment** – Telenet's old PCs and other office IT equipment are given a second life thanks to a cooperation with the non-for-profit organizations Close the Gap and Pro Used Computers (PUC). In 2017, 2.25 percent of the Telenet customers and 2.19 percent of the BASE 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 CO<sub>2</sub> every year. In addition, we opt for digital administration solutions. Since 2013, Telenet uses electronic meal vouchers and in 2017, 2,712 employees opted for an electronic pay slip. In 2017, 12 percent of the Telenet customers, 70 percent of the BASE customers and more than 30 percent of the SFR customers had opted for an electronic invoice.

When waste is inevitable, we put in every effort to ensure it is correctly disposed. Normally, the waste that we produce is recycled or permanently removed with energy recuperation (e.g. incineration). For its waste disposal, Telenet works mainly with SUEZ and Brussel Energie for processing everyday waste (e.g. from offices and shops). Electronic waste is treated separately. SIMS Recycling Solutions processes discarded electric and electronic network 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 the companies Timeline and CDPI. Mobile phones are treated by AmTrust and Ecowave (recycling and reuse).

In 2017, no new environmental incidents such as spills occurred, but one past incident at the Telenet offices in Mechelen was resolved: ongoing ground watering in follow-up of a fuel leakage in 2012 was closed in 2017.

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 BASE or SFR 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.

## 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 also 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 **Supplier 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 **Responsible procurement and Supply Chain Principles** from our parent company Liberty Global. These principles contain international labour standards, including the International Labour Organization Core Conventions, the UN Treaty on Human Rights, Bribery and Corruption, Health, Safety and the Environment.

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.



### TELENET SUPPLIER POLICY

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

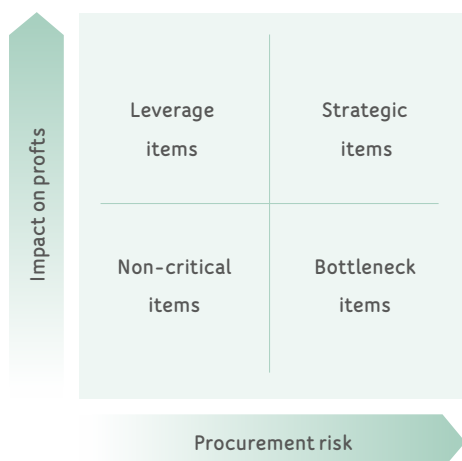


### TELENET ENFORCES ITS SUPPLIER POLICY BY

- Communicating the Supplier Policy to all its suppliers worldwide. All supplier contracts do include clauses regarding labour 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.



### Kraljic matrix



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.

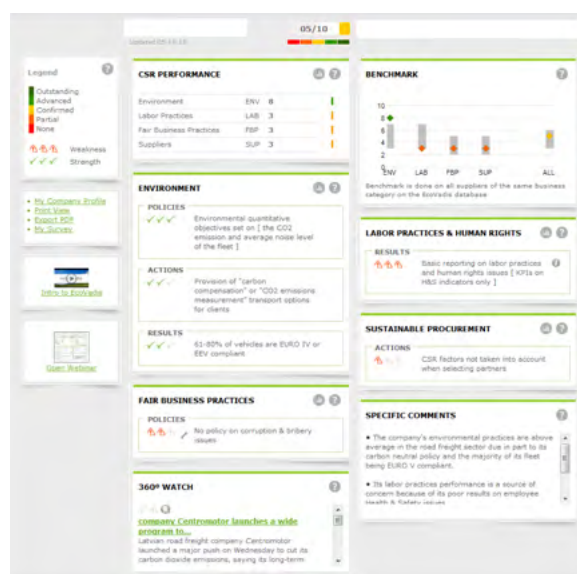
We regularly monitor our suppliers and, in case of a suspected breach, we will start a formal audit. In case of non-compliance with CSR principles, we will initially help the supplier to take corrective action. If no agreement is reached on an acceptable recovery plan, the business relationship may be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

In 2017, a risk analysis was carried out on 234 suppliers, out of which 100 supply directly to Telenet. Ten of the screened Telenet suppliers were listed for corrective actions.

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 2016 evaluation. We scored fairly good grades in the areas of labour and fair business practices and sustainable procurement, but we lagged behind on environment. The main environmental risks identified by EcoVadis were a lack of certification and formal policy, which is similar to other third-party sustainability reviews and benchmark exercises.

At the end of June 2018, Telenet’s sustainability performance was once again assessed by EcoVadis, following a request from SPIE. Results are expected in summer 2018.

### Example EcoVadis Scorecard



### 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 for 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 p. 68 of this report. Telenet is an active member of the UN Global Compact Children Rights and Business Practices Commission as managed by the Belgian sustainability network The Shift.

In 2015, we also embraced the **UN Sustainable Development Goals**, 17 internationally agreed targets for the development of a more sustainable society and economy. Page 67 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 integrates principles of the OECD Guidelines for Multinationals and includes a number of business policy principles. It 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 2017, 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 2017 – for the tenth 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.

In compliance with all applicable legislation, Telenet has a dedicated **Customer Data Policy** in place that stipulates the collection, use, storage and protection of customer data, which settings the customer can control for the use of his/her personal data, how Telenet is authorized to contact the customer, and guidelines for passing on personal data to third parties. Internal guidelines about how to practically follow the policy and a specific training for employees have been developed in order to implement the policy. Telenet engages with the Belgian Privacy Commission for its practical implementation and potential sharpening of clauses where necessary.

In 2017 a lot of attention was put on getting clearance for the **Telenet Customer Data Policy** by the Belgian Privacy Commission. The Telenet Customer Data Policy was initially amended in autumn 2016 in view of the launch of a targeted advertising test case on the SBS TV channels. The launch of this 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 the Telenet Customer Data Policy in general, and its compliance with the EU General Data Protection Regulation (GDPR) in particular.

The GDPR, a regulation intended to strengthen and unify data protection for all individuals within the European Union, came into effect in May 2018. Telenet took several actions to ensure compliance with the GDPR:

- the appointment of a dedicated Data Protection Officer;
- the set-up of several internal workgroups to drive the GDPR implementation across the different business units;
- the update of the internal procedures and IT systems.

While we are currently fully compliant with the GDPR rules as it comes to customer communications on the Telenet Customer Data Policy, we are continuing our investments in 2018 to assure full compliance. Further actions are particularly required in the B2B area.

Telenet's **anti-corruption policy** is in line with international regulations, the Belgian legislation and the policy of Liberty Global. It has been approved by the Board of Directors and the Audit Committee. The anti-corruption policy identifies corruption and bribery risks in three categories:

- **Active public corruption:** Presenting a public official (or a person introducing himself as such), either directly or through an intermediary, with an offer, promise or benefit of whatever kind in favor of that same official or any other person, to adopt a particular course of action that could yield some kind of commercial advantage.
- **Active private corruption:** Presenting any other person (business partner, supplier...), either directly or through an intermediary, with an offer, promise or benefit of whatever kind in favor of that person or any other person, to perform or refrain from a particular action as part of his position within his company, without the knowledge and authorization of that person's company.
- **Passive private corruption:** Requesting or accepting, either directly or through an intermediary, an offer, promise or benefit of whatever kind from another person, without the knowledge and authorization of the company, to perform or refrain from a particular action as part of his position at the company.

Telenet has identified a number of high-risk departments - Finance, Corporate Public & Regulatory Affairs, Procurement, and Telenet Business - which are presenting a higher risk of any of these types of corruption compared to the rest of the organization.

To ensure internal adoption, the policy is extensively communicated to all employees and agents, contractors and suppliers. It is further clarified with the help of specific examples and practical guidelines.

The anti-corruption policy 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 2017. The company invested 76,000 euros in lobby activities including salaries, administrative fees and sponsoring contributions. It also spent 658,652 euros on memberships with trade associations. The highest trade association fees were paid to Agoria, VOKA and RISS.



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. The Advisory Board members received a fixed remuneration of 12,000 euros per annum, and 2,000 euros per session they attended, with a maximum of 4 sessions per year. 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 have therefore decided to formally dissolve the Advisory Board in summer 2017.

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 will allow us to 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 2017, three alleged breaches of ethical advertising practices were reported for Telenet, however they were not acknowledged by the JEP. No breaches were reported for BASE. As far as SFR advertising practices are concerned, one breach was received and acknowledged by the JEP. SFR adjusted a poster advertisement to provide more clarity on pricing.

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 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 2017

FOCUS	2017 KEY ACHIEVEMENTS	STATUS	NEXT STEPS
<b>Limiting our environmental footprint</b>	<p><b>Energy &amp; carbon emission results 2017</b></p> <p>In 2017, Telenet’s energy consumption and market-based carbon emissions further increased due to a growing demand for data and digital services. Our consolidated market-based carbon emission impact was 20,527 tons CO<sub>2</sub> equivalents, an increase of 22 percent compared to the restated 2016 baseline.</p> <p>A new set of energy and carbon efficiency targets have been set for 2025.</p>	 <small>REQUIRES ATTENTION</small>	<p><b>Energy &amp; carbon emissions</b></p> <p>Continue to invest in measures, programs and initiatives to reduce energy and carbon emissions</p>
	<p><b>(E-)waste recycling and recuperation results 2017</b></p> <p>Telenet’s consolidated (e-)waste recycling and recuperation result was 45 percent refurbishment of collected customer premise equipment, and 100 percent recycling of hazardous waste, a slight increase compared to the 2016 restated baseline.</p>	 <small>REQUIRES ATTENTION</small>	<p><b>(E-)waste recycling and recuperation</b></p> <p>Continue to invest in measures, programs and initiatives to increase (E-) waste recycling and recuperation</p>
	<p><b>Vlotter (IMSIR cvba) Reverse Logistics</b></p> <p>In 2017, Telenet avoided more than 330 tons of waste through the recycling and revaluation of used set-top boxes and modems through the social entrepreneur Vlotter. This reverse logistics solution created 60 jobs for people with limited access to the labor market</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue Vlotter (IMSIR cvba) Reverse Logistics cooperation</b></p> <p>The cooperation will be further consolidated and extended</p>
<b>Managing our supply chain in a responsible way</b>	<p><b>Managing our supply chain in a responsible way</b></p> <p>In 2017, an EcoVadis risk analysis was carried out by Liberty Global on 234 suppliers, out of which 100 supply directly to Telenet.</p> <p>10 Out of the screened Telenet suppliers were listed for corrective actions. Another 9 suppliers received an EcoVadis score below 30 and are recommended to improve their operations.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>Continue EcoVadis Risk Analysis</b></p> <p>In 2018, Liberty Global plans to assess a total of 100 suppliers, including Telenet suppliers, using the dynamic scorecard of EcoVadis.</p> <p>SFR suppliers will not be included in the EcoVadis risk assessment process.</p>
	<p><b>EcoVadis Supplier Assessment Telenet</b></p> <p>In 2016, Telenet maintained its Gold EcoVadis CSR Rating for Nestlé, with a score of 64 points. Telenet scores good grades in the areas of labour and fair business practices and sustainable procurement, but lags behind on environment.</p>	 <small>ON TRACK/ COMPLETED</small>	<p><b>New EcoVadis CSR Assessment</b></p> <p>In June 2018, Telenet responded to a new EcoVadis CSR assessment as requested by SPIE. The EcoVadis score was not yet known at the date of the publication of the Telenet Sustainability Report 2017. We are aiming a confirmation or even an improvement of the 2016 rating.</p>

FOCUS	2017 KEY ACHIEVEMENTS	STATUS	NEXT STEPS
<b>Demonstrating good governance &amp; transparency in our business practices</b>	<b>UN Sustainable Development Goals</b> 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.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue our commitment to the UN Sustainability Goals</b> (an overview can be found on page 67 of this report) Telenet's aims at further aligning its social, economic and environmental priorities and targets to the UN Sustainable Development Goals
	<b>Telenet Customer Data Policy</b> Initially updated in autumn 2016, the Telenet Customer Data Policy was submitted for review to the Belgian Privacy Commission. Requested changes and amendments were incorporated in the policy.	 <small>WORK IN PROGRESS</small>	<b>Telenet Customer Data Policy: GDPR compliance</b> 2018 Focus will be on the further GDPR implementation (effective on May 25, 2018). Telenet strives for full compliance across the business. Internal implementation plans are defined; internal communications and training initiatives are rolled-out to ensure company-wide awareness and adoption.  In April 2018, the full customer base has been informed about the reviewed and updated Telenet Customer Data Policy, which is compliant with the GDPR requirements.
	<b>Stakeholder Engagement in 2017</b> 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 stakeholder engagement platforms include 1:1 stakeholder meetings, expert round tables, networking events, publications and speaking engagements at third-party events.  Mid 2017 Telenet's approach to stakeholder engagement has been formalized in a <b><u>Stakeholder Engagement Charter</u></b> .  In 2017, Telenet organized two expert round tables (Telenet Talks), one stakeholder panel session (Executive Circle) and one large networking event (Mix & Mingle). The participation in these stakeholder engagement events was not remunerated and no expense fees were paid to the attendees.	 <small>ON TRACK/ COMPLETED</small>	<b>Continue Stakeholder Engagement, in line with the guiding principles and charter</b> In 2018, Telenet plans three expert round tables (Telenet Talks), two to three stakeholder panel sessions and at least one large networking event.  An overview of the stakeholder engagement events will be included in the 2018 Sustainability report, to be issued in June 2019.

# LEARN MORE ABOUT OUR SUSTAINABILITY PROGRAMS ON THE TELENET CORPORATE WEBSITE



## TO OUR EMPLOYEES



*"A workplace with a diversity of profiles leads to new insights, promotes innovation and has a positive impact on the company."*

Christophe Vanden Eede  
Talent & Development Director

[Discover how >](#)



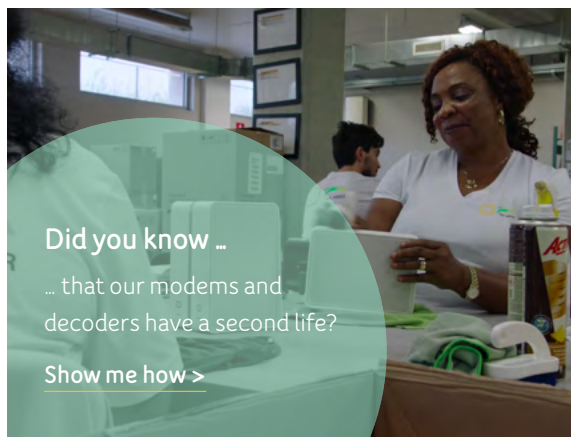
## Equal opportunities to everyone

Meet Adrian Zochowski, our first employee to come through the ranks of the BeCode coding school.

[Watch the video >](#)



## TO FAIR, OPEN AND TRANSPARENT BUSINESS PRACTICES



Did you know ...

... that our modems and decoders have a second life?

[Show me how >](#)



## TO OUR CUSTOMERS

### Installing a Digicorder? Child's play!

Telenet developed an Augmented reality demo together with the Belgian digital agency In the Pocket. The application guides customers through the whole installation process of the Digicorder, making it child's play. Although just a pilot project, The solution shows the many possibilities of the digital (r)evolution.



[More about our digital innovations >](#)



## TO SOCIETY AND LOCAL COMMUNITIES



Every Telenet employee is given the opportunity one day a year to do paid voluntary work. Discover how stimulating community engagement gives our corporate culture a real boost.

[Read the blog post >](#)



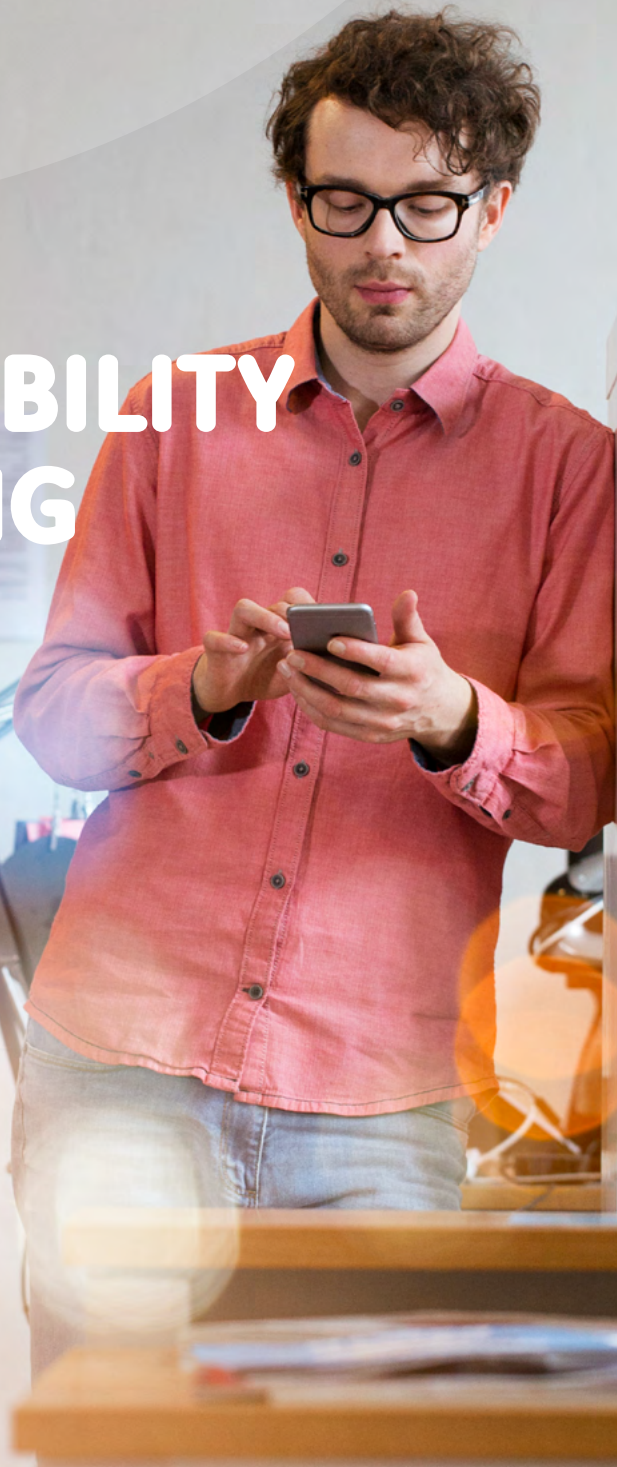
Telenet supports community initiatives in Brussels that boost the talent of youngsters out of underserved communities.

[Read the blog post >](#)





# 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 2017 (01/01/2017 to 31/12/2017). This report follows Telenet's Financial Annual Report 2017, published in March 2018.

Every year, Telenet publishes a detailed insight in its CSR activities in a sustainability report. It complements the non-financial information as included in the Telenet Financial Annual Report 2017. 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. Unless stated otherwise, this includes SFR Belgium and Luxembourg. Data and information about the extra-financial practices and performance of Telenet Group from the year 2017 are reported through two additional documents:

- Telenet Financial Annual Report 2017
- Telenet Sustainability Report 2017

### 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 2017. 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. Telenet's policy is to include any new subsidiaries that have been acquired in the first six months of the reporting period. Therefore, we include the recent acquisition of SFR Belgium and Luxembourg, completed in June 2017, for the full year.

## GRI STANDARDS CORE

RELEVANT TOPICS	CATEGORY	ASPECT	GRI STANDARDS DISCLOSURE	BOUNDARY WITHIN ORGANIZATION	BOUNDARY OUTSIDE ORGANIZATION
Privacy & data security	Economic	Customer privacy	418	Telenet Group Holding NV/SA	customers
Fair, responsible and transparent business conduct	Economic	Society	206 & 419	Telenet Group Holding NV/SA	only relevant within organization
Best-in-class quality products and services	Economic	Compliance	419	Telenet Group Holding NV/SA	customers
Pricing and billing transparency	Economic	Marketing Communications	417	Telenet Group Holding NV/SA	customers
Customer experience	Economic	Product and Service Labeling	102	Telenet Group Holding NV/SA	customers
Being an innovative and leading company	Economic	Indirect Economic Impacts	203	Telenet Group Holding NV/SA	customers, society
Offering customer-centric products	Economic	Compliance	419	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	401 & 404	Telenet Group Holding NV/SA	employees
Responsible employer	Social	Labor	403	Telenet Group Holding NV/SA	employees



### 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 environmental reporting for Telenet is fully aligned with that of its main shareholder, Liberty Global. Environmental figures in the report were restated for the past three years (2014, 2015 and 2016).

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## SUMMARY OF THE PERFORMANCE

Scope: Telenet Group Holding NV/SA, including historic consumption by SFR Belgium and Luxembourg

ENVIRONMENTAL PERFORMANCE	METRIC	2014	2015	2016	2017
<b>Energy consumption</b>					
<b>Non-renewable fuel</b>					
Burning oil	kWh	0	0	0	0
CNG	kWh	0	0	38	11,849
Diesel	kWh	25,445,053	26,205,014	27,587,034	24,706,510
Fuel oil	kWh	0	0	0	0
Gas oil	kWh	1,831,853	1,853,431	1,765,965	1,506,804
Jet fuel	kWh	0	0	0	0
LPG	kWh	0	0	0	0
Natural gas	kWh	4,297,331	4,428,953	4,099,468	4,679,344
Petrol	kWh	103,220	86,496	120,043	477,064
Total	kWh	31,677,457	32,573,895	33,572,548	31,381,570
<b>Electricity, heating and cooling</b>					
Electricity	kWh	182,820,447	190,693,438	188,276,412	189,441,397
Heating and cooling	kWh	0	0	0	0
Total	kWh	182,820,447	190,693,438	188,276,412	189,441,397
<b>Electricity sold</b>	<b>kWh</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total energy consumption <sup>(1)</sup>	kWh	214,497,904	223,267,332	221,848,961	220,822,968
<b>Energy intensity</b>					
Energy intensity	kWh of electricity / terabyte of data usage	273.9	185.9	135.0	97.0
Electricity generated from onsite renewables	Kwh	28,882	32,662	31,474	30,613
<b>GHG Emissions<sup>(2)</sup></b>					
Scope 1 emissions	Metric tons CO <sub>2</sub> e	7,393	7,701	7,933	7,607
Scope 2 market-based emissions	Metric tons CO <sub>2</sub> e	31,278	42,309	3,243	7,709
Scope 2 location-based emissions	Metric tons CO <sub>2</sub> e	38,191	43,364	42,814	43,079
Scope 3 emissions	Metric tons CO <sub>2</sub> e	5,234	5,379	5,681	5,212
<b>Total location-based GHG emissions</b>	<b>Metric tons CO<sub>2</sub>e</b>	<b>50,818</b>	<b>56,443</b>	<b>56,428</b>	<b>55,897</b>
<b>Total market-based GHG emissions</b>	<b>Metric tons CO<sub>2</sub>e</b>	<b>43,905</b>	<b>55,389</b>	<b>16,857</b>	<b>20,527</b>
Carbon credits	Metric tons CO <sub>2</sub> e	n/a	(12,306)	(8,627)	(8,473)
Emissions intensity (scope 1 and 2 market-based)	Metric tons CO <sub>2</sub> e / terabyte of data usage	0.058	0.049	0.008	0.008
Emissions from business travel	Metric tons CO <sub>2</sub> e	696	702	543	534
<b>Waste by type and disposal method</b>					
Reuse	Metric tons	127	190	127	167
Recycling	Metric tons	2,118	1,919	1,961	2,662
Incineration	Metric tons	635	655	649	708
Landfill	Metric tons	0	0	0	0
Composting	Metric tons	13	16	9	14
<b>Total waste generated</b>	<b>Metric tons</b>	<b>2,893</b>	<b>2,779</b>	<b>2,746</b>	<b>3,551</b>
Recycling rate	%	73	69	71	75
<b>Water withdrawal by source</b>					
Municipal water supplies	m <sup>3</sup>	21,323	24,254	21,976	21,785
Other	m <sup>3</sup>	1,045	1,076	1,453	1,062
<b>Total</b>	<b>m<sup>3</sup></b>	<b>22,368</b>	<b>25,330</b>	<b>23,429</b>	<b>22,847</b>
<b>Initiatives</b>					
Emissions reductions	Metric tons CO <sub>2</sub> e	116	126	227	455
Energy saved through efficiencies	kWh	555,000	555,000	1,000,000	2,000,002
Costs savings from environmental initiatives	€	161,150	81,552	107,771	197,947
Revenue generated from environmental initiatives	€	0	0	0	0

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

(2) Refer to page 62 for definitions of our greenhouse gas emissions

## SUMMARY OF THE PERFORMANCE

Scope: Telenet Group Holding NV/SA, including SFR Belgium and Luxembourg as of 2017

SOCIAL PERFORMANCE	METRIC	2014	2015	2016	2017				
Total community investment	€	2,112,129	1,351,559	1,225,618	1,887,085				
<b>Total workforce and breakdown by employee category</b>									
Employees	Headcount, year end	2,247	2,415	3,290	3,364				
Outsourced employees	Headcount, year end	1,766	1,938	2,444	3,156				
<b>Employees by contract type</b>									
Permanent contracts	Headcount, year end	2,245	2,415	3,261	3,313				
Temporary contracts	Headcount, year end	2	0	29	51				
<b>Employees by contract type</b>									
Full time	Headcount, year end	1,868	2,014	2,714	2,775				
Part time	Headcount, year end	379	401	576	589				
<b>Average age*</b>									
Total	In years	38	38	38	39				
Men	In years	39	40	39	41				
Women	In years	35	36	36	36				
<b>Employees by age group</b>									
Under 30 years old	Headcount, year end	483	537	619	696				
30-50 years old	Headcount, year end	1,516	1,613	2,239	2,220				
over 50 years old	Headcount, year end	248	265	360	448				
<b>Division of employees by department*</b>									
Engineering/technical profiles	% of total staff	26	27	27	27				
Sales & Customer Care	% of total staff	36	33	31	28				
Marketing & Product Management	% of total staff	5	5	4	5				
Telenet Business	% of total staff	15	16	20	21				
IT	% of total staff	8	9	9	9				
Staff & administration	% of total staff	10	10	10	9				
<b>Women in management</b>									
Women in management positions	% of total management workforce	25	25	29	30				
<b>New employee hires and employee turnover</b>									
<b>New employee hires by age group and gender</b>									
Under 30 years old	Headcount	155	126	233	337				
30-50 years old	Headcount	122	120	91	367				
over 50 years old	Headcount	4	4	12	22				
Total	Headcount	281	250	336	726				
New hires - male	Headcount	153	141	192	501				
New hires - female	Headcount	128	109	144	225				
Rate of new hires	Rate (%)	13	10	10	21				
<b>Employee turnover by age group</b>									
Under 30 years old	Number of leavers	104	93	97	173				
30-50 years old	Number of leavers	89	95	131	187				
over 50 years old	Number of leavers	30	27	37	28				
<b>Total</b>	Headcount	223	215	265	388				
<b>Employee training</b>									
Average training hours	Hours per FTE	31.6	35.5	24.4	12.08				
Average training investment	€ per FTE	522	530	384	334				
<b>Freedom of Association</b>									
Employees represented by an independent trade union or covered by collective bargaining agreements	% of employees	100	100	100	100				
<b>Occupational health and safety</b>									
Absentee rate	% of total days scheduled	6,97	7,12	7,00	7,17				
Work-related fatalities	#	0	0	0	0				
<b>Employee performance reviews</b>									
Employees reviewed	%	93	95	93	94				
<b>Breakdown by gender and employee category</b>									
		Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	%	100	100	100	100	100	100	100	100
Managers/ Supervisors	%	95	97	97	106	82	84	99	100
Non-management	%	92	91	91	95	98	92	98	99

\* 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 otherwise stated. For comparative purposes and to create new base-year values, we have made adjustments to our environmental results for 2014 to 2016 including representative preacquisition values for BASE Company in Belgium, which we acquired in February 2016, and SFR Belgium and Luxembourg, which we acquired in June 2017.

Telenet's reported environmental data follows the World Resources Institute and World Business Council on Sustainable Development's GHG Protocol Corporate Standard, using the operational control approach. Emissions from businesses in which we have non-controlling equity stakes are not included within our reported figures.

Our Scope 1 and 3 emissions are calculated by using the UK Department for Environment, Food and Rural Affairs (DEFRA) emission factors (2017). We calculated our Scope 2 location-based emissions by using IEA emissions factors (2017).

Our market-based emissions are calculated by using supplier-specific emissions information wherever it is available and then applying the relevant "residual mix" emissions factor to any electricity that does not have supplier-specific emissions information. Reliable Disclosure (RE-DISS) European Residual Mixes (2016) emission factors are available for all operations.

Carbon offsets and their related CO<sub>2</sub> savings have been reported separately and they do not form part of our total GHG emissions, as per the GHG Protocol Corporate Standard.

- **Scope 1 (Direct):** emissions come from sources that are company owned or controlled, including: emissions from static combustion (i.e. fuel used in generators for heating/power); mobile combustion (i.e. vehicle and aviation fuel from company owned or leased fleet); and coolants and propellants used (i.e. in air conditioning units and fire suppression

systems). This information is collected via company fuel cards, business travel expenses, third party invoices and third party site visits.

- **Scope 2 (Indirect):** emissions from purchased electricity, heat and steam. This information is collected in electricity consumption invoices, co-location service invoices (i.e. where electricity is estimated by market operations), on-site meters or inverters.
- **Scope 3 (Indirect):** emissions from business air and land travel (includes the use of employee-owned vehicles for business purposes, flights taken by employees and travel in rental cars, taxis and public transportation); emissions arising from water, waste (which includes the impact of recycling customer premises equipment) and travel by our third-party service and installation vehicles. As of 2014, emissions from travel by our third-party service and installation vehicles are included as part of our Scope 3 emissions. This information is collected via third party service invoices and reporting (e.g. corporate travel agency), business travel expenses and estimations by the market operations.

### 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 CO<sub>2</sub> 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 [www.libertyglobal.com/responsibility/reporting-and-performance/](http://www.libertyglobal.com/responsibility/reporting-and-performance/) and view our full criteria for environmental reporting.

## TELENET'S GRI CONTENT INDEX 2017

The extra-financial parameters and indicators reported in this document are organized in accordance with the Global Report Initiative (GRI) guidelines. This report has been prepared in accordance with the GRI Standards Core option, which means that the report on the one

hand is focused on the general disclosures, and on the other hand plots the ten most important material issues to Telenet and reports on at least one of the indicators per aspect. Where information was available, multiple indicators were included in the report.

GRI STANDARD	DISCLOSURE	PAGE NR AND/OR URL(S)	OMISSION
<b>GRI 101: FOUNDATION 2017 GENERAL DISCLOSURES</b>			
GRI 102: General Disclosures 2017	102-1 Name of the organization	Page 6	
	102-2 Activities, brands, products, and services	Page 6	
	102-3 Location of headquarters	Pages 6 and 25	
	102-4 Location of operations	Page 6	
	102-5 Ownership and legal form	Page 6 and Page 37 of Telenet Financial Report 2017	
	102-6 Markets served	Page 6	
	102-7 Scale of the organization	Page 6 and Pages 9 and 31 of Telenet Financial Report 2017	
	102-8 Information on employees and other workers	Page 61	Due to our limited geographic scope, Telenet does not differentiate between regions, therefore employee data is not reported per region, but at company level.
	102-9 Supply chain	Pages 47-48	
	102-10 Significant changes to the organization and its supply chain	Pages 47-48, 57 and 59	
	102-11 Precautionary Principle or approach	Pages 23 and Pages 49-52	
	102-12 External initiatives	Pages 49-52	
	102-13 Membership of associations	Page 15	
	102-14 Statement from senior decision-maker	Pages 4-5	
	102-16 Values, principles, standards, and norms of behavior	Pages 6 and Pages 49-52	
	102-18 Governance structure	Page 13 and Pages 40-46 of Telenet Financial Report 2017	
	102-40 List of stakeholder groups	Pages 14-15	
	102-41 Collective bargaining agreements	Page 61	
	102-42 Identifying and selecting stakeholders	Pages 14-15	
	102-43 Approach to stakeholder engagement	Pages 14-15	
	102-44 Key topics and concerns raised	Pages 9 and Pages 14-15	



GRI STANDARD	DISCLOSURE	PAGE NR AND/OR URL(S)	OMISSION
	102-45 Entities included in the consolidated financial statements	Pages 150-151 of Telenet Financial Report 2017	
	102-46 Defining report content and topic Boundaries	Pages 57-58	
	102-47 List of material topics	Page 9	
	102-48 Restatements of information	Page 59	
	102-49 Changes in reporting	Page 57	
	102-50 Reporting period	Page 57	
	102-51 Date of most recent report	Page 57	
	102-52 Reporting cycle	Page 57	
	102-53 Contact point for questions regarding the report	Page 59	
	102-54 Claims of reporting in accordance with the GRI Standards	Page 63	
	102-55 GRI content index	Pages 63-66	
	102-56 External assurance	Page 57	
<b>MATERIAL TOPICS</b>			
<b>Privacy &amp; data security</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 20, 22 and 58	
	103-2 The management approach and its components	Page 20	
	103-3 Evaluation of the management approach	Page 22	
GRI 418: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pages 12 and 22	
<b>Fair, responsible and transparent business conduct</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 42, 49-52, 54 and 58	
	103-2 The management approach and its components	Pages 42 and 49-52	
	103-3 Evaluation of the management approach	Page 54	
GRI 206: Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Pages 49-52	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Pages 49-52	

GRI STANDARD	DISCLOSURE	PAGE NR AND/OR URL(S)	OMISSION
<b>Best-in-class quality products and services</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 19, 21-22 and 58	
	103-2 The management approach and its components	Page 19	
	103-3 Evaluation of the management approach	Pages 21-22	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Pages 17-20	
<b>Pricing and billing transparency</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 20, 22, 23 and 58	
	103-2 The management approach and its components	Page 20	
	103-3 Evaluation of the management approach	Page 22	
GRI 417: Marketing and Labeling	417-3 Incidents of non-compliance concerning marketing communication	Pages 20 and 22	
<b>Customer experience</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 17-21 and 58	
	103-2 The management approach and its components	Pages 17-20	
	103-3 Evaluation of the management approach	Page 21	
GRI 102: General Disclosures 2017	102-44 Key topics and concerns raised	Page 12	
<b>Being an innovative and leading company</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 33-34, 39 and 58	
	103-2 The management approach and its components	Pages 33-34	
	103-3 Evaluation of the management approach	Page 39	
GRI 203: Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Page 33, overview of investments 2017	
<b>Offering customer-centric products</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 17-21 and 58	
	103-2 The management approach and its components	Pages 17-20	
	103-3 Evaluation of the management approach	Page 21	
GRI 419: Socioeconomic Compliance	419-1 Non-compliance with laws and regulations in the social and economic area	Page 21	

GRI STANDARD	DISCLOSURE	PAGE NR AND/OR URL(S)	OMISSION
<b>Open internet</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 52, 54 and 58	
	103-2 The management approach and its components	Page 52	
	103-3 Evaluation of the management approach	Page 54	
Telecommunication Sector Supplement – Management of Access to Content	PA7: Policies and practices to manage human rights issues relating to access and use of telecommunications products and services	Page 52	
<b>Attracting, retaining and developing talent</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 24-29 and 58	
	103-2 The management approach and its components	Pages 24-27	
	103-3 Evaluation of the management approach	Pages 28-29	
GRI 401: Employment	401-1 New employee hires and employee turnover	Pages 12 and 61	Due to our limited geographic scope, Telenet does not differentiate between regions, therefore employee data is not reported per region, but at company level.
GRI 404: Training and Education	404-1 Average hours of training per year per employee	Pages 12, 28 and 61	
GRI 404: Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	Pages 28-30	
GRI 404: Training and Education	404-3 Percentage of employees receiving regular performance and career development reviews	Page 61	
<b>Responsible employer</b>			
GRI 103: Management Approach 2017	103-1 Explanation of the material topic and its Boundaries	Pages 9, 24-29 and 58	
	103-2 The management approach and its components	Pages 24-27	
	103-3 Evaluation of the management approach	Pages 28-29	
GRI 403: Occupational Health and Safety	403-1 Workers representation in formal joint management-worker health and safety committees	Pages 30 and 61	

## UN SUSTAINABLE DEVELOPMENT GOALS




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**1** Telenet applies a social fee to all its telecom products and services ensuring an inclusive digital society accessible to all

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

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**5 10** Telenet promotes a culture of inclusion and diversity, offering equal opportunities irrespective of race, religion, sexual orientation, gender, disability or age.

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**7 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. We actively invest in renewable energy solutions

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**8 9** 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.

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

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**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.

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**17** We can't do all of this by ourselves. Telenet collaborates with many different partners across the value chain to create positive change.

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## UN GLOBAL COMPACT COP

Area	Indicator	Description	Page
<b>Human rights</b>	GRI 414-1	New suppliers that were screened using social criteria	48
	GRI 414-2	Negative social impacts in the supply chain and actions taken	48
<b>Labour</b>	GRI 102-8	Information on employees and other workers	61
	GRI 108-41	Collective bargaining agreements	61
	GRI 404-1	Average hours of training per year per employee	61
	GRI 404-3	Percentage of employees receiving regular performance and career development reviews	61
<b>Environment</b>	GRI 302-1	Energy consumption within the organization	60
	GRI 302-2	Energy consumption outside of the organization	60
	GRI 302-3	Energy intensity	60
	GRI 302-4	Reduction of energy consumption	60
	GRI 302-5	Reductions in energy requirements of products and services	44, 60
	GRI 305-1	Direct (Scope 1) GHG emissions	60
	GRI 305-2	Energy indirect (Scope 2) GHG emissions	60
	GRI 305-3	Other indirect (Scope 3) GHG emissions	60
	GRI 305-4	GHG emissions intensity	60
	GRI 305-5	Reduction of GHG emissions	60
	GRI 306-2	Waste by type and disposal method	60
	GRI 306-3	Significant spills	46
	GRI 308-1	New suppliers that were screened using environmental criteria	48
	GRI 308-2	Negative environmental impacts in the supply chain and actions taken	48
<b>Anti-Corruption</b>	GRI 102-16	Values, principles, standards, and norms of behaviors	6, 49-52



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