



2018

STAYING AHEAD

TELENET SUSTAINABILITY REPORT



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STAYING AHEAD

FOREWORD BY THE CHAIRMAN AND THE CEO

Dear customer,
Dear partner,
Dear shareholder,

Research shows that people's quality of life increases when feeling connected to their family and friends. When getting in the flow at work. When engaging with the community around them.

Telenet strives to play a key role in enabling this better quality of life. **It is our purpose to stay one step ahead in the digital world, connecting people and creating experiences for a better quality of life.** That is what we stand for. That is what we keep front and center when making decisions.

Powerful trends drive change

Our business environment is changing at an unprecedented pace. It is clear that the recipes applied in the past will not solve tomorrow's issues in a volatile, uncertain, complex and ambiguous world.



Powerful trends, like climate change, globalization and digitalization are redefining our behaviors, needs and expectations.

Our belief:

Digital technology will improve the quality of life

Every industry, every individual, every society is touched and changed by digitalization. Sometimes we do not even notice these changes; sometimes they are truly disruptive. Our fundamental belief is that technology changes our lives for the better. We are committed to push the boundaries of digital technology



and provide our society with **solutions for the future, addressing the issues of tomorrow.** Just imagine a future with smart cities, more environmentally friendly 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.

A new three-year strategic plan: Poised to win in the Belgian market

2018 marked the end of our previous three-year strategy on which we delivered according to plan. We are now starting a new business cycle and are writing a new chapter, building on the previous ones. We will continue to invest to provide our customers with leading connected entertainment, easy-to-use business solutions, innovative digital services and an amazing customer experience. We believe we are poised to win in the Belgian market by pursuing our **2019-2021 strategy that is built on four cornerstones:**



1 | Continue to lead via superior connectivity and platforms: Having upgraded around 95 percent of nodes in its HFC network and having fully completed the modernization of the acquired mobile network, Telenet will soon be ready to provide download speeds of at least 1Gbps in its fixed network, complemented with a top mobile network across Belgium. Against the backdrop of continued growth in both fixed and mobile data traffic, we are confident we can continue to innovate in the Belgian telecoms landscape.

2 | Accelerate growth in the business segment: Over the past three years, Telenet has further strengthened the foundations to grow in the business market through the acquisition of the local ICT integrator Nextel. This acquisition will drive future growth, expanding to adjacent value-added ICT services and addressing the increasing customer need for one-stop-shop solutions.

3 | Leverage our strong brands and amazing customer experience by creating ecosystems: In the residential market, Telenet aims to leverage its strong brands and amazing customer experience. We aim to create further customer value by building on our unique positioning in converged connected entertainment. By recently gaining full ownership of De Vijver Media, we solidified our position as a media player and we are convinced this investment will help provide oxygen to the local media ecosystem. We also want to boost penetration in the recently acquired SFR footprint, while leveraging data and digital to create highly personalized customer touchpoints.

4 | Transform to digital first, underpinned by simplification: We want to continuously improve the customer experience by simplifying how customers interact with us in an increasingly digital way. A radical simplification of our IT landscape and our operating model will help us transform to digital first.

Our sustainability program ties in with our purpose

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, while continuing to strengthen our relationship with our stakeholders through consultation and dialogue. Our sustainability program reflects the interests of our stakeholders as defined by the material issues. In late 2018, Telenet

started a detailed review of these material issues, based on an analysis of several Environmental, Social and Governance (ESG) benchmarks and an exhaustive research on our stakeholders' expectations. This resulted in a reviewed **materiality matrix** that reflects our stakeholders' interests and that is fully in line with our current corporate and business reality. Our sustainability program closely ties in with our company's purpose and is built on four pillars: (I) Amazing Customer Experience, (II) Great Workplace, (III) Digital Society and (IV) Responsible business practices.

Our efforts are recognized: Golden Award in the RobecoSAM Sustainability Yearbook 2019

Our contribution to society is demonstrated by our ranking in the annual **RobecoSAM Dow Jones Sustainability Index**. This ranks companies that are best equipped to recognize and respond to emerging opportunities and risks resulting from global sustainability trends. In 2018, Telenet topped the ranks for the sixth time as **sustainability leader** in the global media industry, outperforming peers on economic, environmental and social metrics. In February 2019, RobecoSAM rewarded Telenet for its leadership position with a Golden Award in the RobecoSAM Sustainability Yearbook 2019. We also received the Industry Mover 2019 Award for showing the most improvement within our industry.

Telenet also supports the ten **Principles of the UN Global Compact** since 2011 and actively strives towards the **United Nations Sustainable Development Goals**.

Acting in a socially responsible way

We commit to sustainable growth, with a good balance between operational excellence and social responsibility, taking into account the social, economic and environmental aspects of our operations. Because, together with our employees and our stakeholders, we want to contribute to a digital society that propels us and that helps us stay one step ahead.

Bert De Graeve
Chairman

John Porter
Chief Executive Officer



COMPANY PROFILE

Telenet Group is committed to be the leading provider of converged connected entertainment and business solutions in Belgium, underpinned by high-quality fixed and mobile networks. 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, Brussels and parts of Wallonia. Under the brand name BASE, we provide mobile telephony solutions across Belgium. The Telenet Business department serves the business market in Belgium and Luxembourg with connectivity, hosting and security solutions.

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

Telenet Group is part of Telenet Group Holding NV/SA and is listed on the Euronext Brussels.

OUR VALUES

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

Liberty Global, the world's largest international TV and broadband company, investing, innovating and empowering people in countries across Europe, Latin America and the Caribbean to make the most of the digital revolution, directly owns 56.36 percent of Telenet Group Holding NV/SA.

SUPERIOR CONNECTIVITY



UPGRADE

UPGRADE AND MODERNIZATION OF THE FIXED AND MOBILE NETWORKS ALMOST FULLY COMPLETED



NETWORK

FASTEST FIXED AND MOBILE NETWORK IN BELGIUM (MOBILE NETWORK PERFORMANCE: COMMSQUARE BENCHMARK AUGUST 2018 AND BIPT 2018H2 DRIVE TEST)



FUTURE-PROOF

FUTURE-PROOF NETWORK INFRASTRUCTURE, WELL ON THE ROAD TO 5G

INSPIRING ENTERTAINMENT



100% OWNERSHIP

OF DE VIJVERMEDIA AS APPROVED BY THE BELGIAN COMPETITION AUTHORITIES IN MAY 2019



€4.8 MILLION

INVESTMENTS IN 2018 IN LOCAL MEDIA PRODUCTIONS

SUPERIOR BUSINESS SOLUTIONS



PRODUCTS

CONNECTIVITY, CLOUD, HOSTING, SECURITY AND VALUE-ADDED IT SERVICES



NEXTEL

INTEGRATION OF NEXTEL



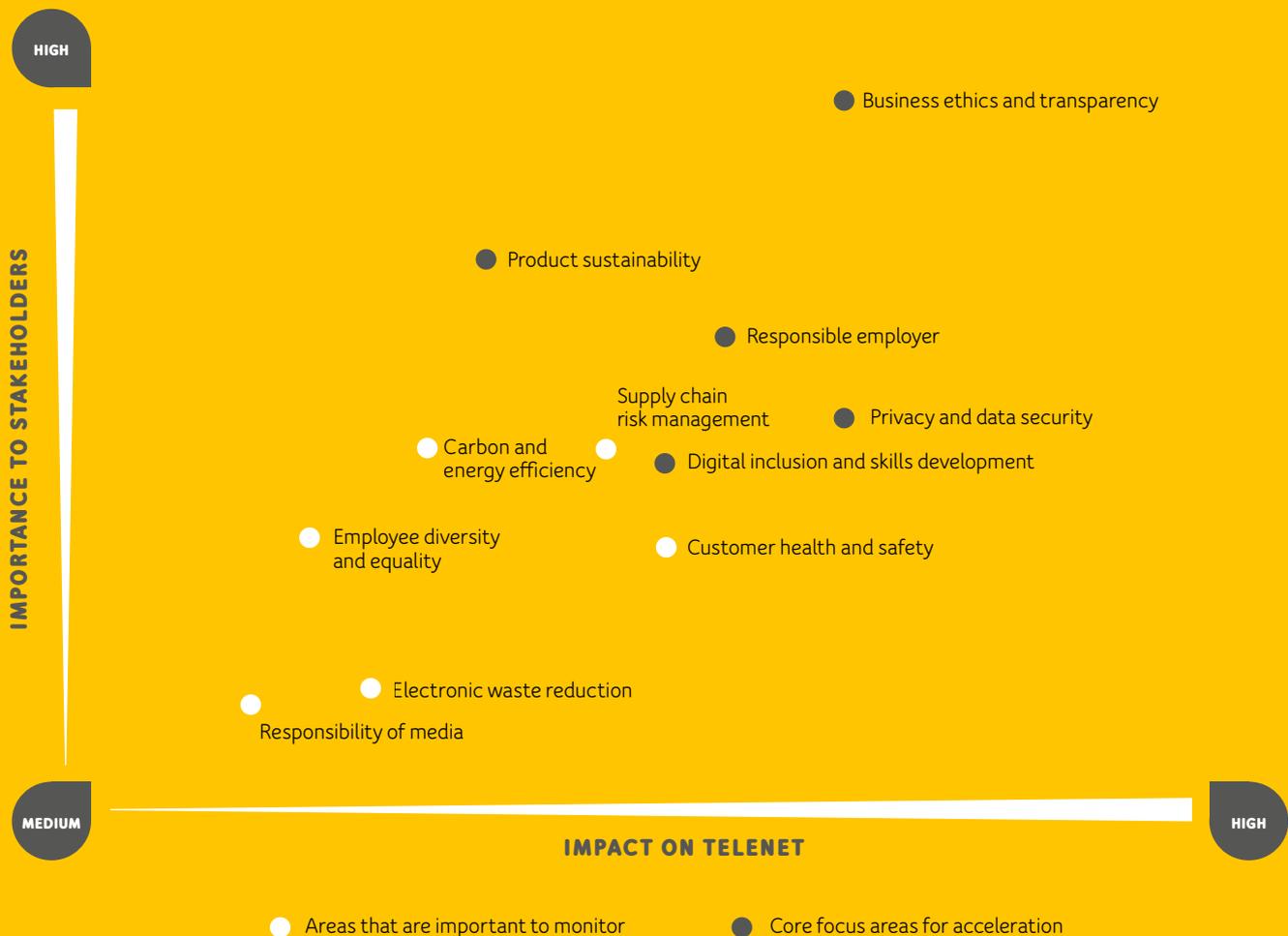
[More information about Telenet Group and its financial results can be found in the Financial Annual Report 2018.](#)

OUR SUSTAINABILITY POLICY

THE TELENET MATERIALITY MATRIX

Sustainability is a multi-faceted concept – more than any company can tackle in one go. 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 to the stakeholders and the company: the **materiality matrix**.

In late 2018, we started a stakeholder consultation 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. The materiality analysis resulted in eleven material topics of which five were identified as core focus areas: (I) Business ethics and transparency; (II) Responsible employer; (III) Product sustainability; (IV) Privacy and data security; (V) Digital inclusion and skills development.



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 TELENET 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 acquisition of BASE Company – we thoroughly rethought our sustainability strategy. Not to drastically change course, but to ensure that in terms of sustainability, we maintain our leading position among Belgian companies. In the course of 2019, we will further integrate the updated material issues into the Telenet sustainability strategy and set new priorities and corresponding targets.

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 living and working together, embracing the endless possibilities of the digital world at the fullest. 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 when 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:



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

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

Visit the sustainability section on the Telenet corporate website to learn more about the [Telenet Sustainability Strategy, the focus domains and the decision making processes](#)



THE TELETET SUSTAINABILITY FRAMEWORK 2017-2020

<p>OUR 2020 VISION</p> <p>To be the leading converged connected entertainment and business solutions provider in Belgium.</p>	<p>GUIDING PRINCIPLES</p> <p>One step ahead – pioneering – close to you – good neighbor – sparkling – passion – enthusiasm – pleasure – sincere, honest and transparent – inclusive</p>	<p>OUR BUSINESS PRIORITIES</p> <ul style="list-style-type: none"> · Build a leading integrated network · Lead in inspiring entertainment · Unlock the potential in business solutions · Create memorable customer experiences
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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.

			
AMAZING CUSTOMER EXPERIENCE	GREAT WORKPLACE	DIGITAL SOCIETY	RESPONSIBLE BUSINESS PRACTICES

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 (NPS) -5
- NPS rating of +15 on the reputation item 'Sufficient attention to product quality'
- NPS rating of +10 on the reputation item 'Sufficient attention to product innovation'

- Zoom employee engagement score of 61% with a clear ambition to reach a score in the top quartile
- Bi-annual E-NPS survey with a clear ambition to reach a +13 score

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

- NPS rating of -5 on the reputation item 'Enough efforts towards good causes'
- NPS rating of -10 on the reputation item 'Honest and fair business practices'
- 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 21st century skills for children and empowering youth through entrepreneurship and digital literacy training
- Ensuring basic digital literacy skills for all
- Promoting the right digital balance

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

TELENET'S MANAGEMENT APPROACH TO ITS FIVE CORE MATERIAL ISSUES

In the present report, we provide a deeper insight in our management approach to the five core material issues, which have the largest impact on our company and which are of the highest importance to our main stakeholders. A description of our management approach to all eleven material issues can be found on the



[Telenet corporate website.](#)

1 Business ethics and transparency

Material issue

Promoting responsible business practices through strict commitments to anti-corruption, good corporate governance, open stakeholder communications and transparent pricing and billing.

Business risks and opportunities

The material issue of business ethics and transparency is a key driver for Telenet's corporate reputation. It touches on all parts of our business operations, thus requiring the attention of all business units and teams.

Promoting responsible business practices allows us to maintain and strengthen our license to operate. When properly managed, the business ethics and transparency issue has the potential to become a key differentiator from industry peers and competitors.

Management approach

- Monitoring all aspects of our business with several internal Codes of Conduct.
- Applying a dedicated anti-corruption and bribery policy that is in line with international regulations and Belgian legislation.
- Striving for transparent pricing communications on our commercial websites and in our press communications, commercial promotions and advertisements.
- Engaging in an open and constructive dialogue with all our stakeholders.

2 Responsible employer

Material issue

Continuously improving employee well-being and engagement, stimulating diversity and equal opportunities* as well as attracting and developing talent.

Business risks and opportunities

Being a responsible employer is both an important risk given the talent scarcity on the Belgian market and a growth opportunity for Telenet. If successfully managed, this material issue can be a key differentiator from other market players, especially in the current context of the war for talent.

Management approach

- Continuously investing in learning and development, diversity and equality, health and well-being
- Generating an open and transparent company culture through internal communications and social dialogue. Due diligence is guaranteed through continuous dialogue and consultation with platforms such as the Works Council.
- Attracting and retaining the best talent (1) by investing in employer branding initiatives and talent recruitment and retention programs and (2) by establishing a structural cooperation with higher education institutions, schools and universities, and NGOs that train untapped talent.
- Stimulating diversity and inclusion by building a working environment that nourishes talent and stimulates employee engagement.

*Remark: employee diversity and equality is also a separate material issue, showing its importance for Telenet

3 Digital inclusion and skills development

Material issue

Offering training and educational programs to promote the development of Science, Technology, Engineering and Mathematics (STEM) competencies and 21st-century skills.

Business risks and opportunities

The material issue of digital inclusion and skills development is crucial to the successful execution of Telenet's corporate strategy. In a market that is becoming increasingly digitalized, we need access to a digital-savvy

workforce so it is in our best interest to help develop the talent pool and to invest in employment initiatives.

Management approach

- Investing in life-long learning and development initiatives that create a digital-savvy workforce.
- Supporting and sponsoring third-party driven digital skills training programs for children, youngsters and young adults alike by establishing structural partnerships with content partners and educational experts.

4 Privacy and data security

Material issue

Putting in place strict privacy and security measures to prevent unauthorized access to computers, databases and websites as well as to protect personal information and data from our customers

Business risks and opportunities

The material issue of privacy and data security is key to Telenet's business activities. Major financial and reputational implications may arise for Telenet should we not appropriately manage the issue or violate applicable legislation.

Management approach

- Establishing a clear customer data policy: the Telenet Customer Data Policy describes what information we process, why we do this and what our customers' rights are. The policy is fully compliant with the EU General Data Protection Regulation (GDPR).
- Discussing all privacy matters and priorities through the Privacy Council, which includes representatives from the different business departments.
- Ensuring data security: Through the Security Council, Telenet formulates strategic recommendations around risks and threats arising from malicious or erroneous use of data.
- Duly informing and activating employees about privacy and security through training and regular information sharing.

5 Product sustainability

Material issue

Creating products that are innovative, that have a low environmental, health and safety impact, and that have a long lifespan.

Business risks and opportunities

This material issue reflects our stakeholders' expectations to have access to products that are innovative, have a low environmental, health and safety impact, and a long lifespan. Product sustainability clearly offers opportunities to Telenet to stand out from its peers.

Management approach

- Developing innovative products, services and customer propositions: The Telenet Innovation Center offers our technology experts a platform to collaborate with external industry partners, academic institutions and startups to develop and test new products, services, applications and prototypes.
- Participating in industry-led initiatives that market and develop new products and services.
- Investing in the upgrade and optimization of our customer equipment and networks, ultimately resulting in more energy efficiency and reduced greenhouse gas emissions.

OUR COMMITMENT TOWARDS OUR STAKEHOLDERS

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

STAKEHOLDER GROUPS



Visit the sustainability section on the Telenet corporate website to learn more about [the six stakeholder groups](#).

IMPORTANT MEMBERSHIPS

AGORIA



BELTUG
Be Connected

Cable Europe

ISPA

THE SHIFT

uwe

Vlaams netwerk van ondernemingen



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



OUR MOST IMPORTANT SUSTAINABILITY PROGRAMS LOOKING BACK AT 2018

The Telenet sustainability program underscores our commitment to help people and businesses stay one step ahead in the digital world, embracing the endless possibilities of digital at the fullest. For a better quality of life. The program reflects the key interests and expectations of our main stakeholders and is built on four pillars: **(I) Amazing Customer Experience, (II) Great workplace, (III) Digital society and (IV) Responsible business practices**. We take a structural approach to sustainability by making investments and taking initiatives in each of these focus domains.



OUR COMMITMENT TO CUSTOMERS

AMAZING CUSTOMER EXPERIENCE

At Telenet, we put in every effort to offer innovative products and services to our customers. What matters to our customers is not the technology as such, but how it helps them unwind, interact freely or boost their business. These are all experiences to which Telenet actively contributes by investing in state-of-the-art fixed and mobile network connectivity and by delivering high-quality connected entertainment and business solutions.

The acquisitions of BASE Company (June 2016) and SFR Belgium and Luxembourg (June 2017) turned Telenet into a national telecom services provider, allowing us to better respond to the rising demand for fixed and mobile telecom services from both residential and business customers across the country.

An important first step in the onboarding of BASE Company and SFR customers was our investment in the upgrade of the BASE mobile network across Belgium (initiated in 2016) and the optimization of the SFR coaxial cable infrastructure in La Botte du Hainaut and Brussels (initiated in 2017). These investments complemented our efforts to optimize our fixed network infrastructure in Flanders and Brussels through De Grote Netwerf and Nexus projects (initiated in 2014).

Thanks to these investments, Telenet now has the fastest fixed, gigaspeed network in Belgium, which covers more than 95 percent of our footprint, including in rural areas.



Telenet is also the leading mobile network provider in Belgium, as shown by the [Drive Test Campaign 2018 report of BIPT, the Belgian telecom regulator](#).

Telenet's investments enable residential and business customers to benefit by mid-2019 from high-speed Internet connections with broadband speeds of up to

1Gbps and large data volumes. We are also boosting the customer experience by offering seamless wireless indoor connectivity through the roll-out of Powerlines, Access Points and Mobile Coverage Extenders (femtocells) in the network.

Future-proof products and services

The mobile and fixed network investments form the foundation of Telenet's converged connected entertainment and business solutions strategy. Our leading position in future-proof, high-quality, converged networks enables us to **drive innovation** across our various business domains with new, innovative customer propositions that respond to market expectations:

- **WIGO** is the first all-in-one converged bundle in Belgium (introduced in 2016), with mobile data allowances that can be shared across multiple SIMs within the same household or company. In December 2018, Telenet doubled and in some cases even tripled the mobile data limits of all its WIGO subscriptions.
- Launched in early 2019, **YUGO** reinvents the TV ecosystem, moving our entertainment platform away from the set-top box to a wireless, mobile solution that allows customers to stream content directly to their TV screen via solutions like Google Chromecast or Apple Airplay. By leveraging our integrated video back end, Telenet now has one platform for all video products, from the classical set-top boxes to mobile device applications (Yelo Play) and a fully mobile solution YUGO.
- Approved by the Belgian Competition Authority in May 2018, the takeover of the **Belgian ICT integrator Nextel** allows the Telenet Business team to expand its B2B services and solutions.



- We also introduced **Telenet TINX**, a comprehensive solution for the Internet of Things: from idea to implementation via a secure, high-capacity network that uses Telenet's own narrowband IoT network. Telenet TINX offers corporate customers the opportunity to develop IoT solutions together with Telenet and to access our partner ecosystem.

Extending our footprint to the French-speaking parts of the country – with a key focus on Brussels – remains a key ambition for Telenet. With the 'On va vous booster la ville' campaign launched in November 2018, we want to boost our penetration in the Brussels SFR footprint with a competitive connectivity and content offer. In early 2019, we wrapped up the migration of the SFR customers to the Telenet network: no less than 75 percent of the customer base opted for Telenet. There are two key challenges when convincing customers to opt for Telenet: (1) Telenet is seen as a Flanders-focused operator, while (2) SFR has a negative reputation.

The best experience in a digital world

Positive customer experiences form the foundation of sustainable growth. Through our different customer engagement channels and a seamless, high-quality and personalized service, we guide our customers to the best solution for them.

In 2017, the Telenet Business team initiated the **iCare project 'Amazing'** to provide customers with more effortless and frictionless customer care. Thanks to the implementation of a more performant IT system and simplified customer service processes, Telenet Business can now deliver on its promise to be a real 'caring one-stop-shop' for its customers and respond better and faster to the customer expectation for simplicity and end-to-end digital solutions.

Telenet has a **long 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.

In 2018, the number of residential customer complaints received by the Ombudsman for Telecommunications about Telenet increased:

- 1 file per 2,212 services delivered in 2016 (consolidated number for Telenet + BASE Company)
- 1 file per 1,992 services delivered in 2017
- 1 file per 1,577 services delivered in 2018

We have the responsibility to reduce the number of customer complaints and to meet our promise, which is to deliver a smooth and effortless end-to-end customer experience. To earn the trust of our customers, we have to continually improve this experience by making it easier for them to digitally interact with Telenet, by radically simplifying our IT systems and by adopting leaner and more agile operating models.

The 2016 acquisition of BASE Company was the starting point for a company-wide **transformation journey** with an **integrated customer engagement approach, a digital-first attitude and more agile work practices** as the final, 2020 destination. The following focus domains will be instrumental to 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. We should further improve internal process efficiencies, become more agile and tear down barriers between business functions and channels. We should also proactively capture the impact of internal developments on the customer journey.





- **Embracing a new digital customer experience:** digitalization is changing customer expectations. In the digital economy, customer contacts should be quick, easy, fun and available 24/7. It is why we have to develop a truly digital interaction approach that complements the non-digital customer engagement channels where warm, human exchanges make the difference.

Ensuring privacy and data security

Earning trust also implies that the vast amount of customer information we manage is handled with respect for privacy and data security. 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 2017, we started a consultation with the Belgian Data Protection Authority on Telenet's Customer Data Policy in general and its compliance with the EU General Data Protection Regulation (GDPR) in particular. Early in 2018, we made further changes to our Customer Data Policy in accordance with the relevant legal provisions and – prior to the implementation of the GDPR in May 2018 – we again alerted our entire customer base to the Customer Data Policy and its four privacy levels: general, targeted, personalized and unique. 90 percent of Telenet customers are currently on the third privacy level, and they can change their privacy settings online at any moment.

While the customer communications covered by the Telenet Customer Data Policy are fully GDPR compliant, we are continuing our investments to ensure full compliance across the customer value chain.

We work with the Belgian Data Protection Authority to implement our privacy policy and to sharpen clauses where necessary. In 2018, the Data Protection Authority sent Telenet 3 requests for information with regards to the processing of (personal) customer data. In addition, 8 incidents were reported to the Data Protection Authority. None of the incidents resulted in a fine.

Driving transparent pricing and billing

In June 2018, Telenet informed all its customers of a price adjustment to a number of products and services. These price changes followed from the growing thirst for faster connections, more data, more mobile Internet, and more capacity. To meet these expectations, we need to invest more in our network, products and services. While more investments will be needed in the future – potentially leading to price adjustments –, we have the responsibility to reflect on how we can continually provide the best value for money and in this way earn our customers' long-term trust.

Telenet actively promotes sustainable and environmentally friendly billing solutions and invites customers to embrace e-billing. In 2018, 71.6 percent of the residential customers and 52.3 percent of the Telenet Business customers opted for electronic bills.

Regulatory compliance

Telenet has not identified incidents of non-compliance with regulations or voluntary codes related to the health and safety impacts of its products and services.

The business impact of regulation

(Over) regulation by the federal and regional governments harms investment, slows down innovation and hampers the creation of customer value. For instance, unduly stringent radiation norms in Brussels for example are jeopardizing the roll-out of 5G in the capital. The telecom sector is one of the main drivers of the Belgian economy. We strongly believe that regulatory stability in our sector will boost further investments and stimulate economic growth.



OUR COMMITMENT TO EMPLOYEES

GREAT WORKPLACE

Telenet is committed to being a responsible employer who creates a diverse and inclusive working environment that nourishes talent and stimulates engagement. Our employment policy continually emphasizes learning and development, diversity, health and well-being and it fosters an open and transparent company culture that is upheld through internal communications and social dialogue.

The acquisitions of BASE Company, SFR Belgium and Luxembourg and Nextel have made us a company in full transformation. As a cornerstone in this transformation program, the HR department ensures employee well-being in times of change by building a unified work environment with optimized HR business processes and IT systems.

Key in this transformation was the **harmonization of the working conditions, compensation and benefits for all employees** in close consultation with the social partners. The harmonization of the applicable terms and conditions, resulted in a collective labor agreement for all employees of Telenet Group BVBA signed in late 2018.

In April 2018, we announced the creation of a joint venture with Solutions 30, Europe's leading provider of solutions for new technologies. We decided to join forces and to merge our technical services and field operations to better respond to digital growth opportunities. Three-hundred Telenet employees working in the customer and network install and repair services, moved to the new Unit-T organization. In November 2018, Coditel/SFR announced its intention to proceed to a collective redundancy, affecting 40 employees.

We are committed to drive our company's transformation process in a transparent way,

by engaging in a **continuous dialogue with the social partners**. The **Works Council** is instrumental to this process. Having equal representation and an equal number of employer and employee representatives, the Council helps shape the company's social, economic and financial policies. Telenet's majority shareholder, Liberty Global plc, has also established a European Works Council, which has two Telenet representatives.

We also established a comprehensive program to align our **HR business processes** and to optimize our **back-office systems and IT tools**. These efforts to build a fully integrated HR practice have resulted in an integrated performance management process, a unified recruitment approach and payroll system, and the designation of one external Service for Prevention and Protection at Work for all legal entities (Telenet, Telenet Group and Telenet Retail).

One of the cornerstones of this transformation cycle is the adoption of a new, more efficient way of working across the organization, built on a **'digital first' attitude**. We want to enable our employees to work smarter through digital communication and collaboration tools, and new, more collaborative working environments. Telenet is also currently testing two pilot projects that explore the benefits of agile working and its potential to foster a more responsive and efficient organization, and more empowered, productive and expert-driven teams and individuals.

In 2018, Telenet further extended 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. After the approval of the Belgian Competition Authorities in May 2018, both organizations worked slowly towards a business and organizational integration, completed in February 2019.



In March 2018, we also announced our intention to take full ownership of De Vijver Media. Approved by the Belgian Competition Authorities in May 2019, the 100 percent control over De Vijver Media will reinforce 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.

Engaging our employees

The **active engagement of employees** in the new organization is crucial to the ongoing transformation journey. Telenet measures employee engagement with its Zoom survey every two years. Conducted for the last time in 2017, the Zoom survey will again be held in 2019. Our bi-annual online survey, the **Employee Net Promoter Score (E-NPS)**, helps us keep the pulse on employee engagement in the interim. The first E-NPS score of +13 (January 2018) was followed by a -10 E-NPS score in June 2018, attributable to the Solutions 30 announcement in April. A third E-NPS measurement in January 2019 showed a company-wide increase to a +12 E-NPS score. The three main drivers of employee satisfaction are: (1) a challenging working environment with compelling assignments; (2) a dynamic 'always on the move' company culture; and (3) a pleasant working environment.

To strengthen 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 transformation journey. Major initiatives include regular newsletters, a yearly all-employees meeting and our dynamic 'Tellit' intranet that shares business, corporate and employee stories from across the organization.

In 2018, we premiered **our new 'Staying Ahead' corporate narrative**. Fully aligned with both employee values and our brand purpose, this powerful narrative turns our employees into true Telenet ambassadors. We presented our new company purpose in mid-2018

and introduced our new core values during an inspiring Values Campaign. In December 2018, we completed our corporate narrative with a new, three-year strategic plan, publicly unveiled at a Capital Markets Day in London. In 2019, we will continue our 'Staying Ahead' journey by instilling the company's core values at the individual and team level through an organization-wide Values Dialogue.

Cultivating employee well-being

A **future-proof, resilient workforce** that is able to handle uncertainty, unexpected changes and stress can make the difference during times of change. Already in 2015, we initiated a special development program for people leaders and employees with training sessions, an employee assistance program, personal coaching and on-the-job support. Addressing and preventing (long-term) absenteeism through training and personal coaching is also a key area of attention.

Telenet conducted its sixth **employee well-being survey** in the fall of 2018, the first to be held across the fully integrated company. The survey was successful, with a response rate of 81 percent and strong scores well above industry benchmarks for 'employee engagement' (80 percent) and 'pleasure in work' (82 percent). One attention point is that 40 percent of respondents indicated needing time for recovery. In 2019, we will follow up on these results with a comprehensive action plan and a centralized, digital information point about health and safety on our internal communications portal. Key well-being initiatives include a dedicated Employee Assistance Program (EAP), a special Care for You program for employees with long-term illnesses and the establishment of a well-being portal and information sessions with useful tips & tricks for employees on how to strengthen their personal well-being at work.

The **Committee for Prevention and Protection at Work (CPPW)** is a consultative body composed of both employer and employee representatives that represents all employees. It provides advice on well-being policies and considers health, safety and environmental issues. The CPPW focuses on the global prevention plan and the annual action plan in the domains of occupational safety and health surveillance, ergonomics, work



hygiene, work post embellishment and psychosocial risks at work, including bullying, violence and sexual harassment as well as all environment-related aspects.

The company's performance in the area of well-being is reported annually to the CPPWs and the General Direction Supervision on Well-being at Work, a unit of the Federal Government Service Employment, Labor and Consultation.

In 2018, there were 74 work accidents, including occupational work accidents and accidents to and from work, with a total temporary incapacity for work of 303 calendar days. There were no fatal occupational accidents or accidents with confirmed permanent disability. Overall, the frequency and severity of work accidents continues to remain below industry levels for all divisions.



Attracting and retaining the best talent

Like many other companies, Telenet feels the effects of the **growing digitalization trend and its impact on new work practices and the war on talent**. It is becoming increasingly hard to find technical experts like 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 structural **cooperation programs with higher education institutions**, with a particular focus on engineering students and those with technical and professional degrees. Our two-year Young Graduate training program offers recent graduated master students the opportunity to gain their first work experience. In 2018, 27 young graduates kicked-off their two-year professional assignment.

Telenet also stimulates Science, Technology, Engineering and Mathematics (STEM) education and skills development to develop tomorrow's workforce, as described in greater detail in the chapter on our commitment to society and local communities.



Stimulating diversity and inclusion

Telenet is committed to being a responsible employer who offers a **diverse and inclusive working environment** that nourishes talent and stimulates engagement.

Diversity is a term with multiple facets at Telenet: from hiring people with disabilities and those re-entering the labor market after a long-term illness, to welcoming applicants of all origins, ages, cultures and religions. Practicing an inclusive employment policy calls for an open mindset but also a clear signal: what matters is not a person's origins or background but his/her skills, experience and personal and professional attitude.

Telenet has a **diverse employee base** composed of a healthy mix of male and female, and young and old workers who come from a wide range of professional and cultural backgrounds. At the end of 2018, 36 percent of the employees and 37 percent of the Telenet leaders were women. The Telenet management team included 42 percent of women, while there were three women on the Board of Directors.

Out of principle and in accordance with Belgian law, Telenet provides **gender equal remuneration**.

The most recent OECD figures show that Belgium ranks fourth worldwide in gender wage equality.

However, small differences can be found between men and women's salaries. This is explained by the fact that women in each employee category are on average a couple of years younger than their male counterparts.

This age difference is reflected in their years of experience and thus has an impact on compensation.

The ratio data of the **average female salary and average male salary** at Telenet are as follows:

- Employees, Non-management level: 0.84
- Leadership: 0.86
- Senior Management: 0.84

Being diverse and inclusive calls for continuous investments in talent management – from recruitment, training and education, to career planning. The Human Resources department is investing in (1) building a more diverse recruitment team, (2) diversifying recruitment channels, and (3) establishing structural partnerships with recruitment agencies that offer employment opportunities to millennials with a multi-cultural background or coming out of vulnerable social environments. Telenet also continues its commitment to **YouthStart**, an international organization that strengthens the entrepreneurial skills of unemployed youngsters, and **BeCode**, a web developer-training program for underprivileged youngsters and young adults. As part of its diversity policy, Telenet created internship and job opportunities for YouthStart and BeCode graduates and it has hired three alumni of these programs.

We 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.





OUR COMMITMENT TO SOCIETY AND LOCAL COMMUNITIES

DIGITAL SOCIETY

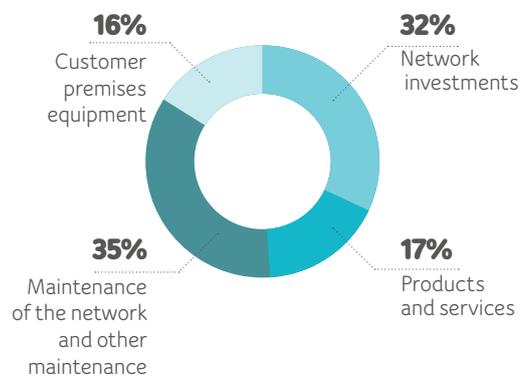
Investing in digital innovation and high-performing network infrastructures

Digital innovation is crucial to the prosperity of our region: it ensures increased quality of life, sustainable growth and new jobs. Investments in superfast broadband networks generate an important economic benefit for society. Gigaspeed networks provide consumers with state-of-the-art communications and entertainment services, while reliable broadband solutions boost education, information sharing and business productivity.

In 2018, our investments totaled 687.7 million euros – or 27 percent of our corporate revenue. The majority of these investments went toward upgrading our network infrastructure. It is our ambition to lead with superior converged connectivity. Our network infrastructure is fully bi-directional and EuroDocsis 3.0 enabled with a spectrum bandwidth capacity of 600 MHz. In August 2014, we launched a five-year 500 million euros investment program to increase our fixed network capacity to 1 GHz and to enable future download speeds of at least 1 Gbps. At the end of 2018, approximately 95 percent of the fixed network nodes had been upgraded. We also invested in the modernization of our mobile network: at the end of 2018, we had upgraded all 2,800 macro sites and deployed 413 new sites.

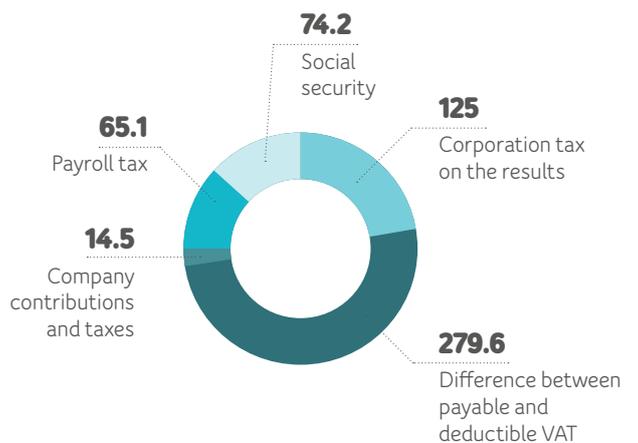
In 2018, our total contribution to the Belgian treasury was 559.5 million euros. The total contribution was down by 4 percent from 2017.

Overview investments - 2018



Contributions to the Belgian treasury - 2018

in millions of euros





Taking a collaborative approach to digital innovation

In a world of rapid technology developments, continuous investments in innovation are the lifeline of our company. Since 2017, the Telenet Innovation Center steers the development of new technologies for connectivity, entertainment, value-added services and customer experiences. It aims at being a **platform for collaborative innovation** where Telenet teams can partner up with industry partners, academic institutions and startups to test new products, services and applications.

The Telenet Innovation Center's current primary focus is on **5G and the Internet of Things (IoT)**, serving as a knowledge center for the entire Liberty Global Group. In 2018, the Telenet Innovation Center invested in the development of several smart technology prototypes: a Smart Traffic solution for self-driving cars and smart traffic lights; a Smart Building solution for centralized building monitoring; and a Smart Network integrated network maintenance solution with access control, fire alarm and power usage monitoring.

One key milestone was the announcement of a five-year strategic partnership with Brussels-South Charleroi Airport to turn the airport in a digital hub using IoT solutions.

The Telenet Innovation Center also wants to spur innovation and entrepreneurship in the Telenet employee community. Together with Liberty Global, the Innovation team launched **Matchbox**, a company-wide program that encourages employees to turn their innovative ideas into prototypes through training, mentoring and personal coaching.

Investing in the local media sector to boost creative entrepreneurship

The Belgian media landscape is rapidly evolving. Consumer viewing behavior is changing and local media channels have to compete with global content providers (FAANG) who invest heavily in new series and movies, and technology platforms to make this content globally available. The bar for the production and provision of international and national content has been set very high by the Over-the-Top (OTT) content providers. This has a significant impact on the business model of traditional local television providers. It is our ambition to strengthen the Flemish media ecosystem by supporting local production companies and creative entrepreneurs, and by offering viewers premium local content and entertainment innovations.

In 2018, we continued to foster local television series and movies by investing 4.8 million euros in co-productions with local production houses and media channels like Medialaan, SBS and VRT.

Telenet has also invested in the production of its own local drama series. In March 2018, we released *De Dag*, a production of FBO and Woestijnvis, with the support of VAF/Mediafonds. This is our second drama series after *Chaussée d'Amour* in 2016, made in collaboration with the production company De Mensen. This **new cooperation model for Flemish drama series** ensures a win-win-win for viewers, for Telenet as a Flemish entertainment player and for local media channels, which can continue to produce and show top-class series in this way.

In May 2019, Telenet received the green light from the Belgian Competition Authorities to take full ownership of De Vijver Media that covers the commercial TV channels VIER, VIJF and ZES and the production house Woestijnvis. This will allow us to further explore the opportunities the convergence of TV and Internet offers and to respond even faster to innovations in entertainment and consumer viewing.





The power of digital: opportunities and challenges

Digital innovation creates new opportunities in our private and professional lives, and building and using digital technologies has become essential in today and tomorrow's society. However, as a leading telecom and entertainment company in Belgium, we are also aware of the challenges that digitalization brings.

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. Yet 39 percent of Belgians lack basic digital skills, and this **digital literacy gap** hits elderly and socially underserved people the hardest. In the European Commission's Digital Economy and Society Index (DESI) 2018, Belgium only ranks 12th for human capital and digital skills adoption.

In September 2018, Telenet started a structural partnership with the NGO Deelbaar Mechelen to provide 30 families from underserved communities with laptops, Internet connection, technical support and personal coaching. The program helps the children in these families to stay connected with their school, teachers and friends.

In an **inclusive digital society, technological innovations should be available to all**. It is why Telenet goes beyond what is legally required in Belgium and applies a **social fee to all its telecom products and services**. With **SchoolNet+**, the Telenet Business department also offers – in cooperation with the Flemish government – Internet and security packages to schools and libraries at strongly reduced prices. The aim is to offer educational organizations a fast Internet connection as well as protection against volatile influences. Telenet manages and secures all systems and services. We also relieve the ICT school coordinators from their operational responsibilities so they can focus on their most important task – to help teachers use ICT tools in the classroom.

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

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

2 | Empowering future generations

The European DESI tracker 2018 shows that Belgium ranks 23rd in Europe for its low share of STEM graduates. The DESI Country Report 2018 for Belgium moreover warns that these STEM shortages may hamper future growth and innovation, and emphasizes that a persistent shortage of ICT specialists exists in all regions of the country. The low number of graduates with technical and science degrees is expected to result in 30,000 unfilled ICT vacancies by 2020.

It is why the Flemish government has decided to encourage mathematics, science and technology careers through its STEM action plan. Telenet signed the STEM charter in 2015 and we have become an active member of the STEM academy, which mainly supports extracurricular STEM activities.

As part of this commitment, we collaborate with **CoderDojo Belgium** that teaches children aged 7-18 to code, build websites, and develop apps and games. CoderDojo Belgium is today active in more than 100 locations across Belgium. Already well established in Flanders and Brussels, CoderDojo Belgium recently expanded to Wallonia with the support of the Walloon government and the Digital Wallonia program.



We partnered up with **We Go STEM** for the second time in October 2018 as part of the EU Code Week. Organized by ShegoesICT and Dwengo, this initiative teaches children aged 10-12 how to build and program a drawing robot. Supported by 3,000 volunteers, We Go STEM reached 88 primary schools and more than 5,000 pupils in Brussels, Flanders and Wallonia.

Youth unemployment remains a key and stubborn challenge in the digital economy. In March 2019, the youth unemployment rate was 18.4 percent in Flanders, 27.5 percent in Wallonia and 24.3 percent in Brussels. The training and activation of Not in Education, Employment or Training (NEET) youngsters, particularly in the digital space, represents a tremendous opportunity. Telenet therefore collaborates with **YouthStart** to unlock the potential of unemployed youngsters across Belgium. Our partnership particularly focuses on the roll-out of YouthStart in Brussels and Wallonia, with 50 training courses organized and 450 NEET youngsters reached in those regions in the 2017-2018 school year.

Telenet is moreover one of the founding partners of **BeCode**, a web development training program for unemployed and low-skilled young people from

underserved communities. Since its 2017 launch, the project has expanded to six cities in Flanders, Wallonia and Brussels.

In 2018, 182 students graduated from the BeCode program. Up to 80 percent of the graduates found permanent jobs or registered for additional training after their BeCode internship. In January 2019, BeCode reached up to 270 students and the program is expected to grow to 500 students per year in the years to come.

3 | Accelerating digital entrepreneurship

Early in 2017, the Telenet Business department launched an ambitious program to speed up the adoption of digital technologies by SMEs. Recent studies have shown that that 25 percent of Flemish SMEs are not leveraging the power of digital to grow their business and to strengthen their competitive position: 43 percent of them for instance do not have a website while more than 80 percent are not active in the e-commerce space. The **Digitale Versnelling** program brings such entrepreneurs up to speed by providing free consultancy about email marketing, social media and online security. Since the program launch, 19 digital experts have digitally accelerated more than 2,500 SMEs across Flanders and Brussels.

4 | Finding the right digital balance

Digital technologies allow people to be connected anytime, anywhere and on any device. As a telecom and entertainment provider, we enable and promote a digital lifestyle through our high-performing (mobile) connectivity solutions. We should however remain alert to the downsides of this 'always on' lifestyle. It is our responsibility to help people find the right balance: digital technologies should not jeopardize personal relations nor present a serious risk to people's well-being or health.





A committed member of the local community

Telenet invests in various social projects. In 2018, our financial contribution to charities and community initiatives totaled 728,045 euros. Our local community engagement applies to 100 percent of the organization.

But we do more than provide mere financial support: we encourage and support the active engagement of our employees, who are strongly anchored in the local community. They raise money for good causes and they act as mentors and coaches in the social projects supported by Telenet.

Since 2015, every Telenet employee can take one paid leave day per calendar year to volunteer in one of the projects supported by Telenet. Telenet employees contributed 2,014 hours to volunteering in 2018.

Early in 2019, the employee volunteering program was extended to former BASE Company employees as part of the organization-wide harmonization of working conditions, compensation and benefit plans.

Community Investments		2017	2018
Type of contribution	Total Amount in €	Total Amount in €	Total Amount in €
Cash contributions	1,771,486	614,890	
Time: Employee volunteering during paid working hours	53,567	48,336	
In kind-giving: Product and services donations, projects, partnerships or similar	62,029	64,819	
Management overheads	0	0	
Employee Volunteering Work		in hours	in hours
		2,232	2,014

-65%
Cash contributions compared to 2017

-9.8%
Employee volunteering during paid working hours compared to 2017



OUR COMMITMENT TO FAIR, OPEN AND TRANSPARENT BUSINESS PRACTICES

RESPONSIBLE 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. We do this by upholding the

highest corporate governance standards and by actively engaging with our stakeholders to respond to their expectations with regard to our social, economic and environmental impact.

1 | Limiting our environmental impact

It is our ambition to grow Telenet as a company while reducing our impact on the environment. Telenet has identified the most material environmental risks in its materiality assessment, and our environmental priorities are threefold:

1. **Improving energy efficiency:** Telenet is committed to reduce energy consumption in its own operations and in customers' homes.
2. **Reducing greenhouse gas emissions:** Telenet perceives climate change as a potential threat and therefore manages it as a business risk. Telenet switches to renewable energy sources wherever possible and offsets emissions by investing in carbon compensation programs.
3. **Reducing the use of resources and generation of waste:** Telenet's approach to waste is to reduce the use of resources, to recycle and refurbish customer premise equipment (CPE), and to properly dispose of and process waste. We contribute to the circular economy by developing circular supply chains, by recycling materials, by extending product lifecycles through CPE refurbishment and by offering products as a service.

 First released in March 2018, our [Environmental Management Policy Statement](#) outlines our approach and pays special attention to the three above-mentioned strategic environmental priorities. The statement underscores our commitment to environmentally friendly business operations that are aligned with the UN Sustainable Development Goals and the principles of the Paris Agreement on Climate Action. The Environmental Management Policy Statement guides the actions of Telenet's senior leadership, employees and suppliers in achieving our environmental objectives.

The acquisitions that made Telenet a convergent player with operations across Belgium and the Grand Duchy of Luxembourg impacted its environmental management processes and outcomes. Environmental data collection processes were consolidated so that all systems and procedures could be integrated. We redefined our targets and commitments for energy efficiency and carbon emissions reduction in 2018 to take into account the extended mobile and fixed network infrastructure, the expanded customer base and the growing complexity of our operations, systems and supply chain processes.



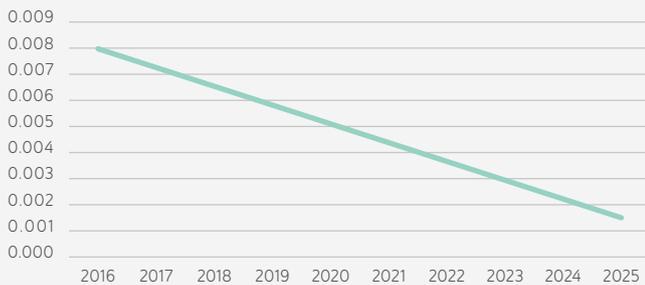
Our goal is to improve our electricity consumption efficiency with 15 percent every year through 2025. We also aim to be five times more carbon efficient by 2025, with 2016 as the base year for both targets. To set meaningful targets, we measure our energy consumption and GHG emissions per terabyte (TB)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

Following a detailed management review of our environmental performance 2018, we have recently decided to increase our ambition level as it comes to carbon efficiency, by setting an additional, absolute

target on mobile combustion, which currently represents 49 percent of our total emissions. This target will be defined as part of a new strategic plan on employee mobility to be developed by a dedicated working group before the end of 2019, in close alignment with all internal stakeholders. We will include the absolute target on mobile combustion in the Telenet Non-Financial Statement 2019, to be published in April 2020. Apart from setting more ambitious targets, the new strategic plan on employee mobility will focus on strengthening the internal awareness and on implementing change management processes.

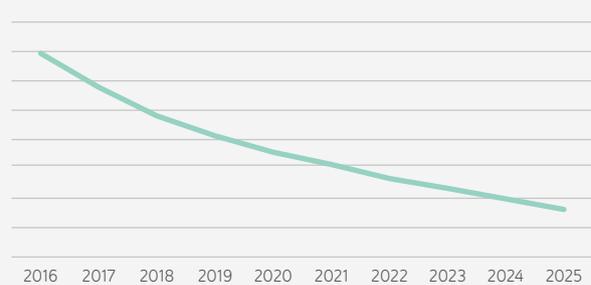
Carbon Efficiency Target: 5X more carbon efficient in 2025

Ratio scope 1+2 market-based emissions (tons CO₂e)/terabytes of data



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

Ratio electricity consumption (kWh)/terabytes of data



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.

Initiatives to optimize the environmental performance

As part of our commitment to environmental sustainability, we constantly review and optimize our environmental management processes and programs:

- **Environmental data collection processes:**
We report our environmental data to our majority shareholder Liberty Global plc, using its Credit360 system. As such, Liberty Global annually reviews Telenet’s environmental data. At Group level, Liberty Global engages KPMG to provide limited assurance of the energy consumption and greenhouse gas emissions data presented in Liberty Global’s Annual

Report and Accounts. Reporting to Liberty Global plc, KPMG uses the assurance standards ISAE 3000 and ISAE 3410.

- **We purchase electricity from renewable resources** that meet the relevant regional and federal Belgian and European standards. Telenet uses 100 percent green energy for its 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 2018, the share of grey electricity was 8 percent. We will look into ways to convert grey into



green energy as much as possible in consultation with the owners of the leased properties in the coming years.

- We continue our **investments in the upgrade of our fixed and mobile network operations**, which will ultimately result in improved energy efficiency and reduced greenhouse gas emissions. As such, we replace old equipment with more efficient equipment. The energy efficiency – Power Usage Efficiency (PUE) – of the 94 technical stations of the Telenet fixed network and the Telenet and BASE data centers is continuously measured to enable a fast adjustment and optimization of the systems and processed.

Telenet also supports the European Code of Conduct on Data Center Energy Efficiency and we invest in LED technology, alternating pulsing for climate cabinets and turbo compressors for cooling units to improve the PUE of our data centers.

We are also increasing the use of the server farm. The introduction of a free cooling solution in the technical locations in 2018 allowed for an increase of the maximum temperatures, reducing the need for cooling and therefore improving energy efficiency.

- We continue to invest in **innovative, more eco-friendly products and solutions**. We for instance developed a new generation of more energy-efficient set-top boxes. These models are released to the market from May 2019 onwards.
- **We encourage the use of responsible mobility solutions to reduce greenhouse gas emissions.**
 - **Clean vehicles** – The average CO₂ emissions of all passenger vehicles was 115 g/km and that of newly deployed passenger vehicles was also 115 g/km. The increase of the CO₂ emissions in 2018 was due to (1) the shift from diesel cars to gasoline-driven vehicles in the Telenet fleet and (2) the extension of the fleet following the acquisition of Nextel. In 2017, we added compressed natural gas vehicles to our company fleet, which produce lower NOx emissions than traditional fuels. As part of the new Employee Mobility strategy to be developed by the end of 2019, Telenet will shift its fleet to more electrical vehicles.

- **Mobility alternatives for company cars** – Telenet employees can combine their company car with a rail pass or opt for a smaller lease car with lower CO₂ emissions and a compensation for the unused budget. They can even forego a company car entirely in exchange for compensation. A **recently introduced company-wide mobility program for employees** also offers more flexibility with personalized mobility solutions. As mentioned above, we will develop an even more ambitious strategic plan on employee mobility towards the end of 2019, in close alignment with all internal stakeholders.

- We take a variety of measures to **reduce the use of resources and generation of waste:**

- **Recycling and reusing set-top boxes and modems** Every year, Telenet recycles more than 220,000 set-top boxes and modems returned to Telenet Centers by end customers or replaced by Telenet technicians. Through a reverse logistics solution developed in collaboration with the Flemish social profit organization Vlotter (IMSIR cbva), Telenet avoided 375 tons of waste in 2018. This reverse logistics cooperation has also resulted in the creation of 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 IT equipment are given a second life thanks to a cooperation with the non-for-profit organization Pro Used Computers (PUC). In 2018, 2.0 percent of the Telenet customers and 3.5 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 and sold as second-hand devices.
- **Proper waste disposal** – We promote rational paper use and have adopted smart and environmentally friendly packaging solutions. We also embrace digital administration solutions. As such, 71.6 percent of the Telenet customers and 52.3 percent of the BASE customers opted for electronic invoices in 2018.



When waste is inevitable, we put in every effort to ensure it is properly disposed of. Normally, the waste that we produce is recycled or permanently disposed of through energy recuperation (e.g. incineration). In 2018, no incidents involving significant spills occurred.

Telenet actively invests in e-waste recycling and recuperation. In 2018, Telenet's consolidated recycling and recuperation result was 55 percent refurbishment of collected customer premise equipment, and 100 percent recycling of hazardous waste, a slight increase compared to the 2017 restated baseline. Telenet works with several government-certified organizations to ensure proper disposal of waste created by customers.

For every purchase of a Telenet or BASE product, a contribution is made to Recupel and Bebat. For waste streams like packaging and print ads, we pay an annual contribution to Fost Plus, Val-i-Pac and the non-profit Interventiefonds Oud Papier.

- We continue investing in a **carbon offset initiative** to reduce our environmental footprint. Telenet has had a structural partnership with the nature organization Bos+ since 2011. Together with local NGOs, Bos+ runs a sustainable reforestation project

in Ecuador. 403,923 native trees have been planted since the 2011 project launch, representing a reforestation of 408 hectares and an estimated accumulated carbon sequestration storage of 8,627 tons in 2018. This initiative has also revived local forest fauna and flora, and created dozens of local jobs.

Telenet's efforts to meet its environmental priorities are complicated by the extensive environmental reporting requirements imposed by local regulations. In addition, the regional variation in radiation norms makes it difficult to improve and expand our network infrastructure service coverage.

Telenet's climate action plan is regularly benchmarked by independent sustainability review agencies for analysts and investors like the Dow Jones Sustainability Indices, ISS Corporate Solutions and ESG Sustanalytics. Telenet is generally recognized for its coordinated action on climate change issues and for its strong record in governance and emissions management.

Key areas for improvement include more proactive risk management as well as third-party verification of the Scope 1-2-3 emissions data. Telenet's climate action plan was also reviewed by the Carbon Disclosure Project (CDP) and given a C score in 2018.

2 | Managing our supply chain in a responsible way

The products and services that we purchase from suppliers have as much of an ethical, environmental and social impact as our own products and services. We reward suppliers who strive for sustainable operations and encourage the others to improve their performance.

We require suppliers to comply with the **Telenet Supplier Code of Conduct**, which covers:

- 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 as working hours and termination procedures);
- health and safety at work;
- business ethics (such as anti-corruption).

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



TELENET SUPPLIER POLICY

- Suppliers and subcontractors should comply to the conventions of the International 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.

Suppliers can review the Telenet Supplier Code of Conduct and the Liberty Global Responsible Purchasing Principles on the [Telenet Supplier Policy webpage](#).

Suppliers are required to provide information about the following with their quotation:

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

These criteria are given relatively high weight in addition to the price and quality of the goods or services to be supplied.

Supplier contracts very precisely stipulate security and environmental specifications as well as guidelines on equipment and raw materials, energy consumption and packaging, and waste and recycling. All suppliers also agree to comply with our Code of Conduct and Anti-Corruption Policy. This Code also confirms no conflict of interest exists between the suppliers and their representatives on the one hand, and Telenet and persons affiliated with Telenet on the other.

We continuously encourage our suppliers to improve their sustainability performance through information and training.

Together with its main shareholder Liberty Global, Telenet uses a dynamic scorecard to compare and benchmark the performance of its suppliers since 2013. The **EcoVadis Dynamic Scorecard** assesses the Environmental, Social and Governance (ESG) performance of companies on twenty-one indicators, covering environmental, social, ethical and supplier risks. We regularly monitor our suppliers and launch a formal audit in the event of suspected breaches. In case of non-compliance with Corporate Social Responsibility (CSR) principles, we help suppliers take corrective actions. If no agreement is reached on an acceptable recovery plan however, the business relationship may be terminated.

In 2018, a risk analysis was performed on 127 suppliers, of which 68 supply directly to Telenet. Corrective action plans are implemented for suppliers identified as 'high risk'. In 2018, 9 of the reviewed Telenet suppliers were asked to take corrective actions. In 2019, it is Liberty Global's ambition to assess 100 suppliers.



Telenet is also as a major supplier to large corporations. EcoVadis assessed Telenet's sustainability performance in June 2018, following a request from SPIE. Telenet maintained its Gold EcoVadis CSR Rating and slightly improved its overall score - from 64 points in 2016, to 65 points in 2018. Telenet achieved a 80/100 score for Fair Business Practices, putting it in the top two percentile of suppliers assessed by EcoVadis in the Telecommunications Sector. The company furthermore obtained good grades in the areas of Labor Practices and Sustainable Procurement (both 70/100), but

lagged behind on Environment (50/100). The main risks identified were a lack of certification (ISO 14001 & OHSAS 18001), supporting documentation and (alleged) low coverage of certain policies and measures across the organization.

More information on Telenet's approach to Supply Chain Management can be found on the  [Telenet corporate website](#).

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.

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

The **United Nations Global Compact** guides our strategy and corporate culture, and ensures the sustainability of our daily operations. In 2011, we formalized our commitment to these ten principles with regard to human rights, the environment and anti-corruption. We report on the progress achieved in these areas on an annual basis, as shown in the table found on page 48 of this report.

We also embraced the **UN Sustainable Development Goals** in 2015. Page 47 of this report outlines how Telenet commits to these goals.

Meeting the highest standards of corporate governance is essential to guaranteeing the integrity of our business practices. We therefore monitor all aspects of our business with several **internal codes of conduct**.

Reviewed and updated by the Risk and Compliance Team in the fall of 2018, the **Telenet Code of Conduct** is signed by the management board, the Senior Leadership and all employees with confidential roles. The reviewed Code of Conduct was formally launched early 2019. It integrates principles of the OECD Guidelines for Multinationals, setting out the basic rules and behaviors needed to conduct business with honesty and integrity in accordance with high ethical and legal standards. Extending to all aspects of employment from recruitment to termination, the Code of Conduct applies to all employees and covers human rights such as equal opportunity, privacy and health and safety. It prohibits discrimination and harassment of any kind.

In addition, **there are special, company-wide codes of conduct related to anti-corruption and bribery, and competition and privacy issues. No violations were found of fair competition and monopoly practices in 2018.**

Through training and information sessions, Telenet employees are regularly informed about these codes of conduct.

They can anonymously report compliance issues and breaches through the whistleblower procedure or compliance mailbox. Complaints are handled by the



Company Compliance Officer and the chairman of the Audit Committee. For the eleventh consecutive year, no violations were reported in 2018.

The **Corporate Governance Charter** outlines the rules and principles that underlie the Corporate Governance of the company. The charter can be found on the



[Telenet Investor Relations website](#).

In compliance with all applicable legislation, Telenet's **Customer Data Policy** stipulates how customer data is collected, used, stored and protected. It also describes how customers can control use of their personal data, how Telenet is authorized to contact customers, and details the rules around the passing of personal data to third parties.

Internal guidelines related to practical compliance with the policy and an online training for employees have also been developed. By the end of 2018, 32 percent of employees had completed the mandatory training.



Telenet engages with the Belgian Data Protection Authority for its practical implementation and sharpening of clauses where necessary.

In May 2018, the EU General Data Protection Regulation 2016/679 (GDPR) came into effect. Telenet took several actions to ensure compliance with the GDPR and:

- appointed a Data Protection Officer;
- created several internal workgroups to implement the GDPR across the different business units;
- updated internal procedures and IT systems.

While Telenet is fully compliant with the GDPR rules with respect to the customer communications on the Telenet Customer Data Policy, we are continuing our investments to ensure full compliance across the customer value chain.

Telenet's anti-corruption policy is in line with international regulations, Belgian legislation and the policies of Liberty Global. It distinguishes between three categories of corruption and bribery risks:

- **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, 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 Corporate, Public & Regulatory Affairs, Procurement, and Telenet Business as the business departments presenting an increased risk of these types of corruption.



To ensure internal adoption, the anti-corruption policy is communicated to all employees, agents, contractors and suppliers. It is also clarified with the help of concrete examples and practical guidelines.

The anti-corruption policy prohibits the giving or taking of bribes and places limits on the giving and receiving of gifts. It also reminds to observe laws and regulations, and mandates transparency around political donations.

Telenet did not spend any money on political contributions in 2018. The company invested 93,337 euros in lobby activities, including consultant salaries, administrative fees and sponsoring contributions. It also spent 682,686 euros on memberships with trade associations. The highest trade association fees were paid to Agoria, VOKA and RISS.

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.

Telenet actively engages with corporate stakeholders – including public authorities – through consultation and dialogue. We have established a **stakeholder engagement charter** with a number of principles that ensure that Telenet develops lasting, trusted relationships with its corporate stakeholders in an open and transparent way.



In 2018, Telenet organized two expert round tables (Telenet Talks), two stakeholder panel sessions (CEO Executive Circle) and one large networking event (Mix & Mingle). The participation in these events was not remunerated and no expense fees were paid to the attendees.

The high **ethical standards** observed by Telenet also apply to its **advertising and publicity campaigns**. Telenet acts in accordance with the rules set by the Jury for Ethical Practices in Advertising (JEP), the self-disciplinary body of the Belgian advertising sector, whose task it is to monitor the accuracy and fairness of advertisements. JEP's considered opinions are published on its website. Telenet follows these recommendations in as far as possible. In 2018, one alleged breach of ethical advertising practices was reported for SFR, but this was not acknowledged by JEP. No breaches were reported to the JEP with regard to the advertising practices of Telenet and BASE.

As a leading provider of Internet services, Telenet carries a social responsibility with regard to **freedom of expression**. Our general principle is not to limit it in any way, except when requested to do so by a legal authority.

Together with other Belgian Internet providers, Telenet signed a Protocol with the Belgian Gaming Commission, requiring it to take action against illegal gambling websites in cooperation with the Federal and Regional Computer Crime Unit.

Legal authorities can also require Telenet to block websites that violate copyrights or distribute illegal pornographic material. Finally, Telenet adheres to the Code of Conduct of the Association of Internet Service Providers in Belgium (ISPA) – of which it is also a member – to prevent and combat child abuse via chat applications and websites.

IN A NUTSHELL

TELENET'S PROGRESS ON ITS MAIN SUSTAINABILITY FOCUS DOMAINS

TARGET	RESULT 2016	RESULT 2017	RESULT 2018
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AMAZING CUSTOMER EXPERIENCE

2020 Objective	Customer loyalty for Telenet &BASE: Net Promoter Score (NPS) of -5	Telenet: -8.8 BASE: -10.3	Telenet: -14.9 BASE: -4.5	Telenet: -13.8 BASE: 1
	NPS rating of +15 for reputation item 'Sufficient attention to product quality' (new target 2018, baseline measurement 2017Q1)	-	+4.0	+9.3
	NPS rating of +10 for reputation item 'Sufficient attention to product innovation' (new target 2018, baseline measurement 2017Q1)	-	0.0	+9.3
KPIs	Customer churn rate	8.0%	9.3%	12.1%
	Privacy complaints and breaches	5 incidents reported to the Data Protection Authority. No fines	1 incident reported to the Data Protection Authority. No fines	8 incidents reported to the Data Protection Authority. No fines
	# Data protection breaches	0	0	0
	Billing NPS	-13.2	-12.0	-12.2



GREAT WORKPLACE

2020 Objective	Employee engagement: Zoom employee score of 61%, with a clear ambition to reach a score in the top quartile	60%	58%	No Zoom survey
	Bi-annual E-NPS survey with a clear ambition to reach a +13 score (baseline measurement January 2018)	-	-	+13
KPIs	# newly hired employees	336	354	409
	Refer a friend program: # new hires based on employee recommendation	18	24	32
	Telenet Young Graduate Program (two-year training program for recently graduated master students)	15	20	27
	Voluntary employee turnover	5.0%	9.5%	8.0%
	# employees who followed training	2,400	2,510	3,015
	Training hours per FTE	24.4	12.1	17.3
	% female employees	35.4%	35%	36%
	% female senior managers (Senior Leadership Team)	50%	50%	42%
	# women in the Board of Directors	3	3	3
Absentee rate (% of total days scheduled)	7.00%	7.17%	7.15%	

TARGET	RESULT 2016	RESULT 2017	RESULT 2018
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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	3 programs in place 28,290 people reached
KPIs	Investments in network growth	€250.6 million	€ 295.7 million	€220.2 million
	Investments in media & entertainment	€12 million	€8.4 million	€4.8 million
	Total number of youngsters empowered through coding & entrepreneurship initiatives	450 (YouthStart)	450 (YouthStart) 50 (BeCode)	750 (Youthstart) 270 (BeCode)
	Total number of children reached through digital skills training	20,700 (CoderDojo)	25,500 (CoderDojo) 15,000 (Digitale Duik)	22,700 (Coderdojo Belgium) 5,470 (other community initiatives)
	Total number of start-ups accelerated with Telenet investments	88	86	791
	Total number of SME's accelerated through Digitale Versnelling	-	1,400	1,100



RESPONSIBLE BUSINESS

2020 Objective	NPS rating of -5 for reputation item 'Enough efforts towards good causes' (new target 2018, baseline measurement 2017Q1)	-	-20.0	-7.1
	NPS rating of -10 for reputation item 'Honest & fair business practices' (new target 2018, baseline measurement 2017Q1)	-	-35.0	-14.1
KPIs	Carbon efficiency ratio: Total scope 1 + 2 CO ₂ -emissions including compensation per terabyte of data usage	0.008	0.007	0.005
	% renewable energy consumption	91%	80%	92%
	% refurbishment of collected customer premise equipment	44%	45%	55%
	%recycling of hazardous waste	100%	100%	100%
	Reverse Logistics: % avoided waste through the recycling and revaluation of used set-top boxes and modems	329 tons	330 tons	375 tons
	Waste recycling rate	71%	75%	72%
	# Telenet suppliers monitored on ESG issues (EcoVadis)	46	100	68
	Telenet EcoVadis CSR rating in points (Gold EcoVadis CSR Rating)	64	64	65



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 2018 (01/01/2018 to 31/12/2018). This report follows Telenet's Financial Annual Report 2018, published in March 2019.

Every year, Telenet offers detailed insight into its Corporate Social Responsibility (CSR) activities by publishing a sustainability report. This report complements the non-financial information included in the Telenet Financial Annual Report 2018. 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.

Data and information about the extra-financial practices and performance of Telenet Group NV/SA from the year 2018 are reported through two additional documents:

- Telenet Financial Annual Report 2018
- Telenet Sustainability Report 2018

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 generally applicable principles of inclusion, materiality and responsiveness. This report emphasizes the strengths and weaknesses of each of the defined material 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 2018. 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 has been read and approved by Erik Van den Enden, Telenet's Chief Financial Officer.

Explanation of key numbers

The reported results and key social figures 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 Nextel, as completed in June 2018.

GLOBAL REPORTING INITIATIVE STANDARDS – CORE

RELEVANT TOPICS	CATEGORY	ASPECT	GRI STANDARDS DISCLOSURE	BOUNDARY WITHIN ORGANIZATION	BOUNDARY OUTSIDE ORGANIZATION
Business ethics and transparency	Economic	Anti-corruption Anti-competitive behavior Public policy Marketing and labeling	205, 206, 415 & 417	Telenet Group Holding NV/SA	Customers
Responsible employer	Economic	Employment Occupational health and safety Training and education	401, 403 & 404	Telenet Group Holding NV/SA	-
Privacy & data security	Economic	Customer privacy	418	Telenet Group Holding NV/SA	Customers
Product sustainability	Economic	Materials Energy	301 & 302	Telenet Group Holding NV/SA	Customers
Digital inclusion and skills development	Economic	Local communities	413	Telenet Group Holding NV/SA	Customers, Society
Supply chain risk management	Economic, Social	Supplier social assessment Supplier environmental assessment	308 & 414	Telenet Group Holding NV/SA	Suppliers
Customer health and safety	Social	Customer health and safety	416	Telenet Group Holding NV/SA	Customers
Carbon and energy efficiency	Environmental	Energy Emissions	302 & 305	Telenet Group Holding NV/SA	Society
Employee diversity and equality	Social	Diversity and equal opportunity	405	Telenet Group Holding NV/SA	-
Electronic waste reduction	Environmental	Materials	301	Telenet Group Holding NV/SA	Society
Responsibility of media	Social	Socio-economic compliance	419	Telenet Group Holding NV/SA	Customers, Society



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 described how Telenet meets these expectations. In addition, the company looks at its own performance in the broader sustainability context by determining, among others, the most important trends faced by telecommunications companies today. With this report, Telenet wants to show how the company will encourage economic, social and environmental developments both locally, regionally and globally. Telenet does this with a focus on the material aspects, provided to it by its stakeholders.

Significant changes and restatements

Telenet is part of Liberty Global plc and in order to align group reporting, as of 2014 the reporting for Telenet is fully aligned with that of its main shareholder, Liberty Global. Various environmental and social figures for 2015, 2016 and 2017 have been restated in order to guarantee consistency and comparability.

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SUMMARY OF THE PERFORMANCE

Scope: Telenet Group Holding NV/SA

ENVIRONMENTAL PERFORMANCE	METRIC	2015	2016	2017	2018
Energy consumption					
Non-renewable fuel					
Burning oil	kWh	0	0	0	0
CNG	kWh	0	38	11,849	11,849
Diesel	kWh	26,205,014	27,587,034	24,706,510	28,913,500
Fuel oil	kWh	0	0	0	0
Gas oil	kWh	1,853,431	1,765,965	1,506,804	1,506,804
Jet fuel	kWh	0	0	0	0
LPG	kWh	0	0	0	0
Natural gas	kWh	4,428,953	4,099,468	4,679,344	1,789,249
Petrol	kWh	86,496	120,043	477,064	1,582,024
Total	kWh	32,573,895	33,572,548	31,381,570	33,803,426
Electricity, heating and cooling					
Electricity	kWh	190,693,438	188,276,412	189,441,397	184,342,545
Heating and cooling	kWh	0	0	0	0
Total	kWh	190,693,438	188,276,412	189,441,397	184,342,545
Electricity sold	kWh	0	0	0	1,326
Total energy consumption ⁽¹⁾	kWh	223,267,332	221,848,961	220,822,968	218,144,645
Energy intensity					
Energy intensity	kWh of electricity / terabyte of data usage	185.9	135.0	98.4	81.4
Electricity generated from onsite renewables	kWh	32,662	31,474	30,613	136,674
GHG Emissions⁽²⁾					
Scope 1 emissions	Metric tons CO ₂ e	7,701	7,933	7,607	8,155
Scope 2 market-based emissions	Metric tons CO ₂ e	42,309	3,243	5,235	2,069
Scope 2 location-based emissions	Metric tons CO ₂ e	43,364	32,591	32,792	31,910
Scope 3 emissions	Metric tons CO ₂ e	5,941	6,098	5,598	3,666
Total location-based GHG emissions	Metric tons CO₂e	57,005	46,613	45,997	43,731
Total market-based GHG emissions	Metric tons CO₂e	55,950	17,265	18,440	13,890
Carbon credits	Metric tons CO ₂ e	(12,306)	(8,627)	(8,473)	(8,627)
Emissions intensity (scope 1 and 2 market-based)	metric tons CO ₂ e / terabyte of data usage	0.049	0.008	0.007	0.005
Emissions from business travel	Metric tons CO ₂ e	1,263	951	920	634
Waste by type and disposal method					
Reuse	Metric tons	190	127	167	0
Recycling	Metric tons	1,919	1,961	2,662	1,648
Incineration	Metric tons	655	649	708	622
Landfill	Metric tons	0	0	0	0
Composting	Metric tons	16	9	14	21
Total waste generated	Metric tons	2,779	2,746	3,551	2,290
Recycling rate	%	69	71	75	72
Water withdrawal by source					
Municipal water supplies	m ³	24,254	21,976	21,785	25,483
Other	m ³	1,076	1,453	1,062	278
Total	m³	25,330	23,429	22,847	25,761
Initiatives					
Emissions reductions	Metric tons CO ₂ e	126	173	346	58
Energy saved through efficiencies	kWh	555,000	1,000,000	2,000,002	64,000
Costs savings from environmental initiatives	€	81,552	107,771	197,947	41,020
Revenue generated from environmental initiatives	€	0	0	0	27,801

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

(2) Refer to page 42 for definitions of our greenhouse gas emissions

SUMMARY OF THE PERFORMANCE

Scope: Telenet Group Holding NV/SA

SOCIAL PERFORMANCE	METRIC	2015	2016	2017	2018				
Total community investment	€	1,351,559	1,225,618	1,887,085	728,045				
Total workforce and breakdown by employee category									
Employees	Headcount, year end	2,415	3,290	3,364	3,310				
Outsourced employees	Headcount, year end	1,938	2,444	3,151	3,226				
Employees by contract type									
Permanent contracts	Headcount, year end	2,415	3,261	3,313	3,245				
Temporary contracts	Headcount, year end	0	29	51	65				
Employees by contract type									
Full time	Headcount, year end	2,014	2,714	2,775	3,084				
Part time	Headcount, year end	401	576	589	226				
Average age*									
Total	In years	38	38	39	38				
Men	In years	40	39	41	39				
Women	In years	36	36	36	36				
Employees by age group									
Under 30 years old	Headcount, year end	537	619	696	682				
30-50 years old	Headcount, year end	1,613	2,239	2,220	2,189				
over 50 years old	Headcount, year end	265	360	448	439				
Women in management									
Women in management positions	% of total management workforce	25	29	30	32				
New employee hires and employee turnover									
New employee hires by age group and gender									
Under 30 years old	Headcount	126	233	205	227				
30-50 years old	Headcount	120	91	141	166				
over 50 years old	Headcount	4	12	8	16				
Total	Headcount	250	336	354	409				
New hires - male	Headcount	141	192	129	262				
New hires - female	Headcount	109	144	225	147				
Rate of new hires	Rate (%)	10	10	11	12				
Employee turnover by age group									
Under 30 years old	Number of leavers	93	97	173	115				
30-50 years old	Number of leavers	95	131	187	232				
over 50 years old	Number of leavers	27	37	28	28				
Total	Headcount	215	265	388	375				
Employee training									
Average training hours	Hours per FTE	35.5	24.4	12.08	17,27				
Average training investment	€ per FTE	530	384	334	305				
Freedom of Association									
Employees represented by an independent trade union or covered by collective bargaining agreements	% of employees	100	100	100	96				
Occupational health and safety									
Absentee rate	% of total days scheduled	7,12	7,00	7,17	7,15				
Recordable workplace injuries	#	74	74	84	74				
Occupational accidents with temporary incapacity	#	19	15	16	20				
Occupational accidents without absence from work	#	32	21	25	17				
Accidents to and from work	#	23	37	43	37				
Lost days due to occupational work accidents	#	149	488	434	303				
Work-related fatalities	#	0	0	0	0				
Employee performance reviews									
Employees reviewed	%	95	93	98	100				
Employee performance reviews - Breakdown by gender and employee category									
		Male	Female	Male	Female	Male	Female	Male	Female
Senior Management	%	100	100	100	100	100	100	100	100
Managers/ Supervisors	%	97	106	82	84	99	100	100	100
Non-management	%	91	95	98	92	98	99	100	100

*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 social and environmental results for 2015 to 2017 to include representative pre-acquisition values for BASE in Belgium, which we acquired in February 2016; SFR Belgium and SFR 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 in 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. 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 CO₂e 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 via electricity consumption invoices, co-location service invoices (i.e. where electricity is estimated by market operations), and 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 CO₂ compensation or the use of electricity from renewable energy sources. **Market-based emissions** are calculated using a conversion factor of zero for all the used electricity that comes from locally generated renewable energy and from certified green energy contracts.



For more information, go to www.libertyglobal.com/responsibility/reporting-and-performance/ to review our full criteria for environmental reporting.

TELENET'S GRI CONTENT INDEX 2018

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 on the one hand means that the

report is focused on the general disclosures, and on the other hand that it plots the eleven 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 NUMBER(S) AND/OR URL(S)	OMISSION
GRI 101: FOUNDATION 2018 GENERAL DISCLOSURES			
GRI 102: General Disclosures 2018	102-1 Name of the organization	Page 6	
	102-2 Activities, brands, products, and services	Page 6	
	102-3 Location of headquarters	Page 156 of Telenet Financial Report 2018	
	102-4 Location of operations	Page 6	
	102-5 Ownership and legal form	Page 6	
	102-6 Markets served	Page 6	
	102-7 Scale of the organization	Pages 32, 63 and 159 of Telenet Financial Report 2018	
	102-8 Information on employees and other workers	Page 41	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 29-31 and Telenet Supplier Policy	
	102-10 Significant changes to the organization and its supply chain	Page 39	
	102-11 Precautionary Principle or approach	Pages 31-33	
	102-12 External initiatives	Pages 31-33	
	102-13 Membership of associations	Page 12 and Corporate Memberships overview	
	102-14 Statement from senior decision-maker	Pages 4-5	
	102-16 Values, principles, standards, and norms of behavior	Pages 6 and 31-33	
	102-18 Governance structure	Pages 43-46 of Telenet Financial Report 2018 and Governance approach	
	102-40 List of stakeholder groups	Page 12 and Stakeholder overview	
	102-41 Collective bargaining agreements	Pages 17 and 41	
	102-42 Identifying and selecting stakeholders	Page 12 and Stakeholder overview	

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	OMISSION
	102-43 Approach to stakeholder engagement	Page 12 and Stakeholder overview	
	102-44 Key topics and concerns raised	Page 7	
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UN SUSTAINABLE DEVELOPMENT GOALS



4 **SDG 4** – Telenet helps children, youth and adults develop digital skills that prepare them for employment and entrepreneurship.

8 **SDG 8** – Telenet is an important player in the Belgian economy. We stimulate growth by providing competitive and innovative products and services to our customers and by investing in a leading converged 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.

9 **SDG 9** – Telenet contributes to making connected and innovative IT solutions for its customers and consequently is also responsible for the privacy and data security of its clients.

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

UN GLOBAL COMPACT COP

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	GRI 414-2	Negative social impacts in the supply chain and actions taken	30
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