CSR Report

2016

proximus

Introduction

At Proximus our ambition is to contribute to a sustainable and safer society, in which everyone can take part. We want to integrate ethics and a responsible approach in each of our activities and those of our suppliers.

We act in fields where we have gained longstanding recognized expertise and credibility thanks to our core business.

We fight against the digital divide by offering training aimed at different target audiences and with initiatives that seek to improve the accessibility of our products and services for the disabled and chronically sick children.

We are committed to climate action by reducing our environmental footprint, becoming carbon neutral and helping our customers reduce their own impact through using our products and services.

Strategy

Our corporate social responsibility (CSR) strategy aims to create shared value for our company and for our stakeholders. Through our activities we want to contribute in a sustainable way to technological, economic and social progress.

In 2016, our CSR activities sought to pursue the achievement of our strategy consisting of three

main pillars: education, communities and the environment. We are also committed to ensuring that our suppliers and subcontractors apply CSR standards in their activities.

Education

Safer Internet & Web Experts

Smart café for everyone

Proximus Foundation & Technobel for young jobseekers

Communities

Bednet & Take off for sick children with a long-term illness

Accessible devices for people with disabilities

Community action

Green

Collect & recycle for schools and customers

Reduction of the carbon footprint of Proximus and its customers

Green products for our business customers

Raise the CSR standards of our suppliers and subcontractors

With regard to education, we intend to ensure that our technologies become familiar to and safe for all. In 2016, our initiatives for young job seekers in the framework of the Proximus Foundation reached cruising speed.

We want to put technologies at the service of communities, in particular sick children and people with a disability.

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At the environmental level, we set ourselves ambitious objectives to reduce our footprint and help our customers reduce their own footprint thanks to the solutions we are able to offer them. We also want to encourage the collection and recycling of obsolete devices and equipment. In 2016, we became carbon neutral for our own operations.

Sustainable Development Goals

In September 2015, Sustainable Development Goals (SDGs) were adopted by the General Assembly of the UNO with the 2030 Sustainable Development Agenda. Over the coming years, 17 SDGs which are linked to 169 objectives are to form an action plan to free humanity from poverty and put the planet on the path to sustainability.

More specifically, Proximus commits to 7 SDGs:

4. Quality education

Proximus organizes, supports and promotes education linked to, or supported by its technology:

- At school:
  - Safer Internet: lessons on safe Internet use for children in the 5th and 6th year of primary school
  - Bednet and Take Off: chronically sick children are connected to their school
  - Close the Gap: provision of recycled computer equipment
- For job seekers:
  - Digitalent: hands-on workshops on 3D design and printing, electronics, programming and web design
  - Technobel: ICT competence center in partnership with FOREM, the regional office of training and employment
- For our employees: Proximus Corporate University

(Reference: "Education" section)

5. Gender equality

- No discrimination on salaries and recruitment
- Women in the Management Committee, on the Board of Directors and in management positions.

- In our Digitalent workshops, we train men and women job seekers in technologies. (Reference: Annual Report & « Education » section

8. Decent work and economic growth

- We give opportunities to job seekers:
  - Courses with Technobel and the Digitalent project of the Proximus Foundation
  - Introductory internships: first work experience
  - Volunteer employees such as in connection with the sponsoring projects of Be.Face and the mentoring projects of Team4Job
- We give opportunities to disadvantaged students thanks to employees volunteering under the Bright Future project of Be.Face.
- Responsibility within our supply chain:
  - CSR clause in every contract
  - Proximus is a member of the Joint Audit Corporation (JAC) with 12 other ICT companies. The JAC organizes on-site

audits to evaluate the CSR performance of suppliers.

In this context, on 5 December 2016, at a lunch organized with The Shift (the Belgian sustainable development network), Proximus hosted around 50 leaders of companies and organizations active in the field of employment who are committed to focusing more on applicants in a precarious situation, such as low-skilled young people, asylum seekers and people with a disability. This is done through the Decent Work for All Charter, which they have submitted to Kris Peeters, the Federal Minister of Employment.

(Reference: Sections « Education », « Communities » and « Supply Chain »)

9. Industry, innovation and infrastructure

- We deploy our fixed and mobile networks throughout Belgium.
- We develop solutions lowering our own and our customers' impact on the environment
  - Data centers
  - "Green" products and services for our business customers

  - Smart mobility
  - Smart cities

(Reference: Annual Report and "Green »section) £

10. Reduced inequalities

- An inclusive human resources policy based on talent
- Opportunities for job seekers: the Digitalent project and introductory internships
- Web Experts: project in which children give ICT training to seniors
- Bednet and Take Off: contact with school is maintained for chronically sick children

- Close the Gap: computer equipment is provided to schools and disadvantaged households

(Reference: Annual Report, sections "Education", "Communities" and "Green")

12. Responsible consumption and production

Proximus makes it a priority to reduce its adverse impact in its supply chain by teaming up with its suppliers to optimize the use of limited resources, by providing end users with relevant information to minimize the potential health effects of exposure to electromagnetic waves when using its products and, with regard to the end of life of its products, by implementing highly efficient recycling processes. We also help our customers to lower their own impact on the environment.

(Reference: sections "Green" and "Supply Chain")

13. Climate action

- Lowering of our CO_2 emissions by 70% between 2007 and 2015
- Objective of reducing our CO_2 emissions by 30% between 2015 and 2025
- Carbon neutral company since 2016

- Raising awareness among schoolchildren with GoodPlanet Belgium: recycling of mobile phones and "Kids for a GoodPlanet" project.

(Reference: « Green » section)

CSR governance

Our mission, our corporate values (Collaboration, Agility and Accountability), our Corporate Governance Charter, our new Code of Conduct, our Compliance Office and our Policies serve as the foundation of our approach to CSR. What's more, we have defined our corporate strategy in such a way as to ensure sustainable growth.

Our internal CSR governance and reporting structure revolves around three entities: the Management Committee, the CSR team, and representatives in each business unit who are responsible for implementing our action plans there.

Given the close links with our residential customers, CSR is integrated in the Marketing & Communication division of the Consumer Business Unit. However, it retains a transversal role within the organization. The CSR Manager regularly reports to the Management Committee through the intermediary of the Chief Corporate Affairs Officer. Every quarter, the CSR achievements and objectives are presented to our CEO.

Dialog with our stakeholders

Our employees

According to our employee satisfaction survey, 69% of our employees consider it important that Proximus sets itself ambitious CSR objectives. Our intranet site and social media inform all our employees of our CSR projects and achievements and give them the possibility of joining the debate by posting comments.

Investors

Through our Investor Relations department, we take part in surveys that evaluate our CSR performance which are conducted by rating agencies assessing socially responsible investment (SRI). Members of the CSR team attend meetings with a number of such agencies.

Our CSR partners

At least twice a year, we meet our CSR partners to take stock of how our joint projects are progressing and to gain a better understanding of the issues at stake so as to be able to maximize our impact.

Our suppliers

A key objective of our purchasing department is to encourage our partners and suppliers to meet or exceed the legal standards in their provision of products and services by incorporating social, environmental, ethical and sustainable principles. Likewise, we encourage our suppliers to promote the same CSR principles among their own partners and suppliers.

Since 2010, we use an external platform that offers our suppliers a standardized tool that enables them to measure their compliance and avoid duplication. On this platform, our main suppliers and our high-risk suppliers fill in a self-evaluation questionnaire to analyze and validate their CSR performance.

Along with 12 other operators, Proximus is a member of JAC ("Joint Audit Cooperation"), which conducts on-site CSR audits through the intermediary of third parties. The results are communicated to the members of the association.

The authorities

In 2016, our Public Affairs department held information sessions presenting our training initiatives to the local authorities. The CSR initiatives are also presented at federal and regional level.

Our peers

We share our CSR best practices with other companies that are members of The Shift, Be.Face, ETNO and GSMA networks.

Survey on CSR at Proximus

In June 2016, we conducted a qualitative survey on CSR at Proximus. This survey was based on the interactions of 36 participants on a blog for about 10 days.

The survey showed that the participants were not that familiar with what CSR represents. Once they received information about CSR, they didn't necessarily view CSR as a priority for the telecommunications sector, in contrast to, say, the food or distribution sectors. Overall, it was the environmental aspects that were predominant for the respondents.

The participants were asked to take a critical look at Proximus' CSR initiatives. All the activities were rated positively and some were even considered a great success:

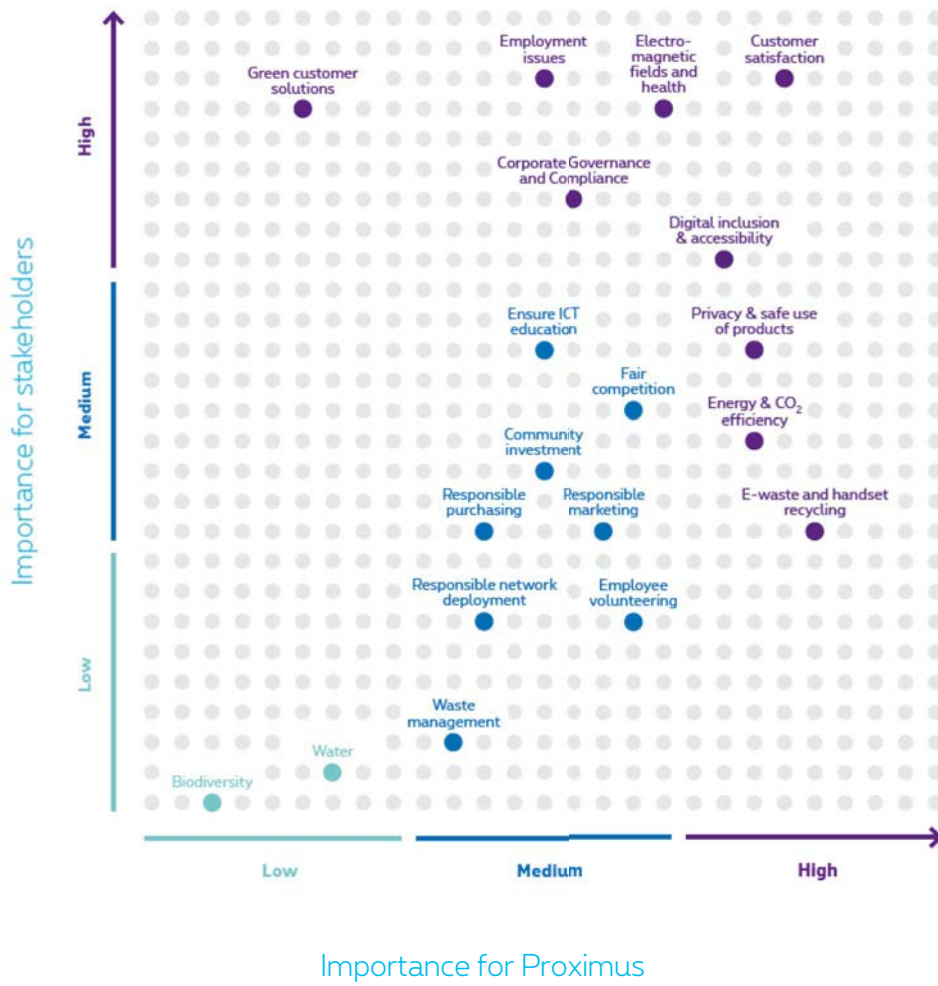- Environment: mobile phone recycling campaign in schools and our points-of-sale, initiatives aiming to reduce our own and our customers' environmental footprint.
- Education: "Internet safe & fun" and Web Experts in schools, Digitalent, introductory internships.
- Communities: Bednet and Take Off for chronically sick children, catalog of devices accessible to people with a disability.

However, the respondents expect a more proactive approach in relation to exposure to electromagnetic waves.

Communication about CSR is viewed both as a challenge and as an opportunity. The respondents would like to be informed more effectively and would be interested in the possibility of taking part in certain projects themselves.

Materiality matrix

Importance for stakeholders

High / Medium / Low

- Green customer solutions
- Employment issues
- Electro-magnetic fields and health
- Customer satisfaction
- Corporate Governance and Compliance
- Digital inclusion & accessibility
- Ensure ICT education
- Privacy & safe use of products
- Fair competition
- Energy & CO$_2$ efficiency
- Community investment
- Responsible purchasing
- Responsible marketing
- E-waste and handset recycling
- Responsible network deployment
- Employee volunteering
- Waste management
- Water
- Biodiversity

Low / Medium / High

Importance for Proximus

Education

At Proximus, we want to ensure that our ICT technologies become so familiar that they can be used easily and safely, and above all, by everyone.

To achieve this, we develop, partner and support various training initiatives. Since 2015, we have set up two projects intended for young job seekers, namely Digitalent and introductory internships. We are also partners of Technobel.

Digitalent

Launched in April 2015, this project fills a gap in the training path of young job seekers aged 18 to 25, without special qualifications, who have difficulties finding the right studies or professional project. It forms a link between their traditional schooling, which they often leave without a diploma, and the vocational training offered by the regional employment offices (VDAB, Forem, Actiris and Bruxelles Formation).

Digitalent offers a different dynamic to that found in a normal school environment: it provides workshops which are mainly practical, in which theory is immediately applied in specific mini-projects. Creativity and group work are encouraged. The project runs for eight weeks full-time and is aimed at groups of 12 young job seekers.

Three days a week, the participants, who have no experience of new technologies, will discover 3D printing and design, the basics of programming and electronics, and how to create a website. Assisted by two coaches, they will be able to try out tools which they can then use to develop their own project.

With You^thStart, they will discover their talents and entrepreneurial spirit one day a week.

Also one day a week, with the help of the regional employment office, they will learn presentation techniques, how to write a CV and motivation letter, and gain better self-knowledge.

The project ends with a presentation of the participants' achievements and the awarding of certificates.

At the end of the project, each participant will have a support plan which is drawn up with the VDAB, Forem or Actiris. To create a positive spiral, regular meetings will be held between the youngsters and their referee right from the first week after the workshop. The aim is to support them in their efforts to move on to vocational training or a job. The Proximus Foundation will follow the participants' progress for 18 months.

In 2016, we held eight sessions (in Charleroi, Ghent, Hasselt, Forest, Mechelen, Schaerbeek, Mons and Namur) for a total of 72 participants.

Since the initiative's launch, 12 sessions have taken place. In total, 115 participants have received a certificate. 32% of them have taken up a training course or studies again, 35% have found a job. One of them has even launched his own company. In 2017, there will be six sessions, in Brussels (Forest and Schaerbeek), Wallonia (Liège and La Louvière) and Flanders (Ghent and Ostend)

www.youthstart.be

www.proximusdigitalent.com

Introductory internships

An introductory internship is an option available in the three regions of Belgium which allows young job seekers without qualifications to acquire their first full-time work experience in a company. The

introductory internship lasts for three months in Flanders and a minimum of three months and a maximum of six months in Brussels and Wallonia. In 2016, Proximus received 96 interns.

Technobel

A public-private partnership founded in 2001 with the Forem employment office, Technobel has been recognized as a competence center since 2003. Every year, it gives more than 120,000 hours of ICT training to job seekers, students, teachers and companies.

In 2016, Technobel trained 2,815 people, including 279 job seekers. The success rate is high: after having followed skills training at Technobel, 70% of job seekers find a job.

2016 saw the implementation of four innovative projects: ELIOT (Experience Learning with Internet

of Things), LEIS (Lego Education Innovation Studio), PlayZone and iTeenagers aimed at NEETs (Young People Not in Education, Employment or Training). These new projects are the result of Technobel's diversification and partnership dynamic.

In addition, Technobel has set up the first Huawei academy in Belgium.

www.technobel.be

Number of job seekers supported by our initiatives

■ Digitalent   ■ Transition internships   ■ Technobel
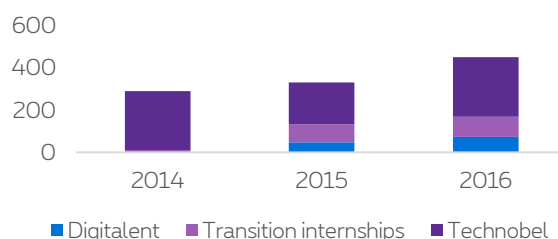
Safer Internet use for children

In collaboration with Child Focus, volunteers from Proximus and Microsoft visit 5th and 6th grade primary school classes across the country with a mission to educate the pupils on using the Internet safely. For although the Internet is a fantastic tool, it also requires users to be cautious and vigilant. However, teachers are not always trained in the subject.

Child Focus is an expert in prevention, and every year gives a course to Proximus volunteers on such subjects as creating a password, protection of personal data, online communication, privacy settings, and cyberbullying. The initiative is intended as a springboard to help schools address these issues. To help participating teachers broach this subject in class, Child Focus provides an information kit containing teaching materials intended to give pupils guidance and make them socially responsible Internet users.

In 2016, in partnership with the RSCA (Royal Sporting Club of Anderlecht) and Child Focus, we developed a project specifically for the club's promising young players aged between 15 and 18.

During their summer training course, after a presentation by Child Focus, 55 young people were invited to produce a two- to three-minute film to illustrate a subject linked to Internet use which was particularly close to their heart. The films were shot using the participants' smartphones and edited on computers provided by Proximus. The films, which were group efforts, were then shown before a jury during the final evening of the training course. Four films were awarded prizes, and are broadcast on the partners' media. The winning groups gave their prize (a laptop computer) to the school of their choice.

Number of kids trained

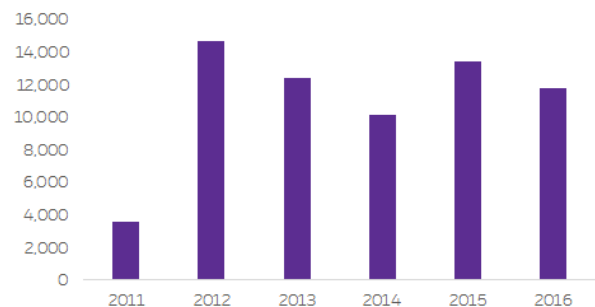| Year	Number
2011	~3,600
2012	~14,600
2013	~12,500
2014	~10,200
2015	~13,400
2016	~11,900

Smart Café

An initiative where we give around a dozen different training modules absolutely free charge, all year round. Where? In our points-of-sale in about 15 cities in Belgium. Some other sessions are initiated either in response to public demand, or at the request of municipal authorities and associations. In 2016, these sessions attracted more than 2,000 people.

www.proximus.be/formation

Web Experts

Launched in 2011, the educational project Web Experts encourages young people to share their knowledge of the Internet with seniors. The children are encouraged to submit their individual and group projects designed to teach their elders about the advantages of the Internet, how to use the Internet safely, the social media platforms, navigation and communication apps, etc. A dedicated website allows the children to download training modules. Every month, a prize rewards the best individual or group projects.

In 2016, 750 people were trained thanks to Web Experts.

www.webexperts.be

Solutions which improve the life of every citizen

We put our technologies at the service of the communities which stand to benefit most from them, in particular sick children, the disabled and people living in precarious circumstances.

Connect long-term sick children so they can remain in contact with their class at school

We offer free connectivity to partner associations Bednet and Take Off, allowing them to provide videoconferencing services to chronically sick children. This enables these children to not only keep up social contacts with their classmates, but also to continue with their schooling despite not being able to attend class. Thanks to these associations, more than 430 children were able to continue with their schooling in 2016. More than 90% of them successfully completed their school year.

Over the past 12 years, Bednet has come to the aid of over 1,850 children. This figure is set to increase in the future as the Flemish government has recognized the right to synchronous education over the Internet (SIO[1]) which has been applicable since 1 September 2015.

FC Bruges vs. Courtrai football match for the benefit of Bednet

For the duration of one football match on 18 December 2016, the Bednet logo replaced that of Proximus on FC Bruges jerseys. The proceeds from auctioning off five jerseys, autographed by the soccer players, among our employees were transferred in their entirety to Bednet. Children equipped with the SIO system were able to interact with the public during the match via the stadium's large screen.

http://www.bednet.be/

http://www.takeoff-asbl.be/

[1] Synchroon Internet Onderwijs

Accessible devices for disabled people

People with a disability represent about 15% of the population. Moreover, 80% of disabilities arise during the course of life. Proximus understands the importance of providing these people with the same access to its ICT solutions. Over the past four years, we have been testing the accessibility of our devices (smartphones, tablets and telephones) with the Passe-Muraille association which has set up an independent panel composed of people suffering from various types of disabilities. Passe-Muraille assures us that the devices meet their specific needs. In all our sales channels, specific pictograms make it possible to identify accessible devices. Our online catalog also contains information about devices adapted to the needs of users with a disability.

Since the start of this project, we have noted that there is a constant improvement in the accessibility of the devices from most manufacturers.

www.proximus.be/handicap

www.passe-muraille.be/

Belgian Paralympic Committee

As a partner of the Belgian Paralympic Committee, Proximus supports the integration of athletes with a disability in the sports world.

The Belgian Paralympic Committee wants to give Paralympic athletes the opportunity to excel and be a source of inspiration for Belgian society through their sporting achievements.

This was undoubtedly the case in 2016!

The Belgian delegation went to Rio with the aim of winning eight medals. They came back with three more. A magnificent reward for the hard work put in by the athletes.

With 11 medals, an historic score, Rio 2016 was an outstanding edition of the games for Belgium. Besides the 10 Belgian medal winners, the excellent performance of the other athletes must also be put in the spotlight.

A few figures:

- Two in three Belgians state that they have a more positive image of people with a disability thanks to the accomplishments of the Paralympic athletes at the Paralympic Games.
- 75% of Belgians feel that sports for the disabled have a positive impact on how disabilities are perceived in general.

- Seven in ten Belgians believe that Paralympic athletes are catalysts for the integration or reintegration into society of people with a disability.

(BPC – Nielsen 2016)

This splendid moment will no doubt strike a chord with the Belgian population. The particularly warm welcome the delegation received on their return to Brussels Airport already gave a foretaste of the positive impact of the Paralympic achievements...

With Rio behind us, it's now time to look forward to the next big goal: the magnificent 2020 Tokyo games!

© BPC Luc Dequick – Belga

Medical research

We provide technical and financial support to Télévie, that indispensable solidarity operation run since 1989 by RTL Belgium to raise funds for cancer research.

Our technical teams take care of all the telecom connections of the Pledge Center, Rallye Télévie and the closing evening on behalf of RTL and Bel RTL.

We also cover the technical costs linked to broadcasting Télévie's play (performed every year by RTL radio hosts) and offer this play in VOD mode for one year on Proximus TV in the RTL à L'Infini environment.

http://www.rtl.be/televie/page/televie-faisons-gagner-la-vie/174.aspx

The disadvantaged

We continued our partnership with Be.Face in accordance with the two priorities developed by this network of socially committed companies: the "employment & training" priority and the "proximity and solidarity" priority.

Employment & training

Bright Future

Set up with our partner Be.Face, Bright Future is a mentoring project for talented and motivated students from disadvantaged environments. Volunteers from the participating companies work to facilitate the first contacts these students have with the corporate environment. They give them a leg up and help them to create a professional network and to get through the crucial first steps in a professional career. 9 Proximus employees provided support to students in 2016.

Team4job

In 2016, Proximus also decided to take part in the "Team4job" mentoring project, an initiative of the employment offices of Uccle and Schaerbeek supported by Actiris. This is a solidarity-based support program that aims to put a job seeker, the mentee, into contact with an actively employed and volunteering person, the mentor. The goal is to use the mentor's experience and knowledge of the employment market for the benefit of the mentee.

16 Proximus employees were mentors in 2016.

Proximity & solidarity

Operation 'solidarity sandwich'

Every day from mid-February to mid-May 2016, our employees could buy "solidarity sandwiches" in the Proximus Towers cafeteria. These sandwiches were made the following day and distributed to various associations in the neighborhood providing aid to the disadvantaged (the homeless, asylum seekers, etc.). Over the three-month period, 2029 sandwiches were donated in this way.

Various donations

By appealing to the individual generosity of employees and companies, collective operations were conducted: a large-scale collection of warm clothing and blankets for the homeless.

http://www.beface.be

Viva for Life & Bednet

In 2016, we supported Viva for Life and Bednet with our end-of-year campaign organized around Proximus' website www.giveagif.be. Each wish sent via the application contributed towards helping children: Proximus donated EUR 0.50 for every GIF.

http://www.rtbf.be/cap48/viva-for-life/

Green

Towards climate neutrality

Worldwide, 15 of the 16 hottest years have been in this century, with 2016 as the hottest year on record. Due to excessive greenhouse gas emissions, our climate is changing, resulting in extreme weather conditions.

Proximus wants to continue playing an active role in the fight against climate change, and has been a climate neutral company for its own operations since 2016.

Moreover, through its products and services, Proximus will continue helping other sectors reduce their carbon footprint.

Our action areas:

Continuing to reduce our impact on the environment.

Involving our stakeholders by increasing awareness and raising standards with regard to climate change and the environment.

Helping our customers reduce their impact on the environment.

Continuing to reduce our impact on the environment

Two new goals:

Climate neutral for our own operations from 2016.

Aligning our energy-reduction efforts with the scientific target of 2°C.

Carbon footprint calculation

The Group's CO_2 emissions are calculated according to the guidelines of the Greenhouse Gas Protocol, a partnership between the World Resources Institute and the World Business Council for Sustainable Development, a prominent organization that defines the international standards for calculating emissions. Emission data are compiled according to three different scopes, based on the source of the greenhouse gas:

1   Direct emissions resulting from a company's own activities, such as emissions from its vehicle fleet or heating and cooling of its buildings.

2   Emissions released with the generation of electricity purchased by the company. These emissions are released into the energy chain during the conversion of fossil fuels into electricity, and are therefore considered indirect emissions.

3   All other indirect emissions resulting from the company's activities, such as employee commuting, business travel, transportation of subcontractors, capital goods, use of sold products, waste, purchased goods and services, fuel and energy-related activities.

Overview of scopes and emissions across the value chain according to the GHG protocol (source: www.ghgprotocol.org)
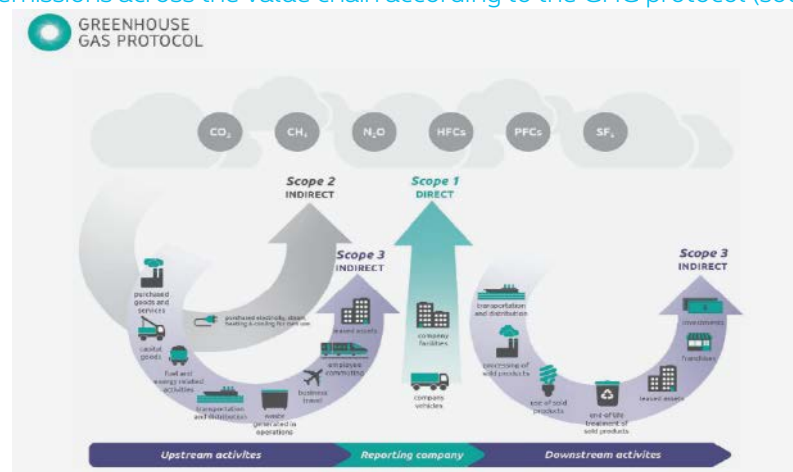
We not only measure emissions in Belgium, but also, since 2010, the CO_2e emissions of Proximus Group subsidiaries outside Belgium. Their consumption represents 5% of the Group's total energy consumption. Our international subsidiaries are: BICS (worldwide), Telindus Luxembourg, Telindus-ISIT Netherlands, and Tango (Luxembourg). CO_2e is a CO_2 equivalent emission figure for all greenhouse gases combined, i.e. CO_2, CH_4, N_2O, HFCs, PFCs and SF_6.

Our goals in figures

After achieving a 70% reduction in CO_2 for our activities in Belgium during the 2007-2015 period, we have set an extra goal for the Proximus Group of 30% reduction in greenhouse gasses for scope 1 and 2 emissions during the 2015-2025 period. What we cannot reduce will be offset as from 2016. A company has the most influence on emissions in scopes 1 and 2, since they are strongly linked to the energy consumption of their own activities.

For scope 3, we are following the different categories more and more closely and have also defined long-term goals. Scope 3 are indirect emissions and are primarily calculated for our activities in Belgium.
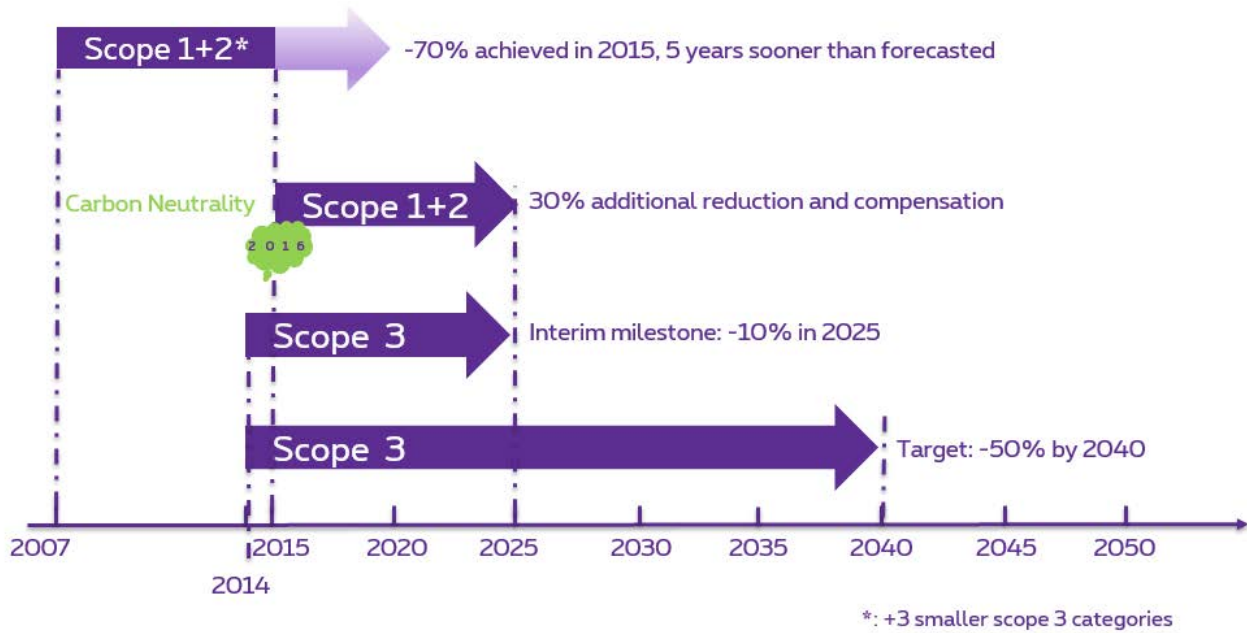
Climate Summits COP21 and COP22: Proximus does its bit

All global leaders met in Paris for the 21st time to define even stricter limits for carbon emissions. The implementation of this agreement was further elaborated during the COP22 in Marrakech.

To strengthen our contribution to this Climate Summit, Proximus, along with hundreds of other companies, joined the "We mean business"

coalition. By doing so, we highlighted the need to arrive at an ambitious global climate agreement in Paris, and, as a company, we signed the pledge to adhere to the 2°C warming limit, buy all our electricity from renewable sources, and report transparently on our climate performance.

www.wemeanbusinesscoalition.org

Aligning our energy-reduction efforts with the scientific target of 2°C

The key to achieving this lies in the approach of the "Science Based Targets Initiative" (SBT), a framework for developing climate goals drawn up by the WWF, the United Nations Global Compact (UNGC), the World Resources Institute, and the CDP. SBT creates a framework in which the efforts of companies can be correctly quantified and aligned with what is needed, according to the

scientific community, to keep global warming under 2°C.

Thanks to its good performance and strict targets, Proximus was included in a select group of 38 companies whose efforts are in line with the scientific approach regarding the 2°C norm.

In 2016, Proximus was one of the first companies to comply with the Science Based Targets, and this ties in perfectly with our goal to become climate neutral from 2016.

http://sciencebasedtargets.org/

100% electricity from renewable sources

Another promise is to use renewable energy.

For our activities in Belgium, since 2009, all our electricity comes from renewable energy sources. For example, electricity from local wind energy is used at the Proximus head office. The 100% target also applies to the activities of our subsidiaries Telindus Luxembourg, Telindus-ISIT Nederland and Tango Luxembourg. In addition, a growing number of BICS sites worldwide are switching to renewable energy.

At Group level, this meant that in 2016 more than 98% of our electricity came from renewable sources.

To help us achieve this target, we joined the international RE100 initiative.

http://there100.org/

Other international recognitions

GeSI

For years, Proximus has taken the lead in the fight against climate change and has received international recognition for its efforts on several occasions.

Recently, after a thorough analysis, we were selected from 1,023 ICT companies by the GeSI

(Global e-Sustainability Initiative), and proclaimed "Top Performer" in the category "Infrastructure & Telecom Services", achieving a remarkable score in the field of sustainable procurement.

CDP

On 25 October, Proximus received the CDP Climate Leadership Award from Minister Ségolène Royal in Paris, in recognition of our initiatives to reduce emissions in order to mitigate climate change.

The only Belgian company to achieve this - and for the fourth year in a row in 2016! CDP is a non-profit organization which every year, on the

instructions of the largest institutional investors, compares the performance of listed companies in the fight against global warming.

More than 2,000 listed companies worldwide were included in the survey and ranked according to CDP's scoring methodology. Companies can obtain a score ranging from E, the lowest, to A, the highest.

CDP's CEO Paul Simpson: "We congratulate the 193 A-List companies that are leading the change towards our low carbon future. Companies are key actors in enabling the global economy to achieve its new climate goals, and the leadership of this group points the way for others to take bold action and capitalize on the many opportunities that await."

FTSE

"FTSE Russell confirms that Proximus has been independently assessed according to the FTSE4Good criteria, and has satisfied the requirements to become a constituent of the FTSE4Good Index Series. Created by the global index provider FTSE Russell, the FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products."

www.ftse.com

Climate neutral for our own operations from 2016

Given that we achieved in 2015 the ambitious goal of 70% reduction in CO_2 emissions compared with the baseline year 2007 for our activities in Belgium, we started again from zero in 2015 and set ourselves the ambitious goal of making the Proximus Group a climate neutral company in 2016 for scopes 1 and 2 (own vehicle fleet, electricity, heating, cooling, etc.) and for business travel (scope 3).

This means that we, above all, continue to work towards increased energy efficiency and a decline in our CO_2 emissions, in order to achieve an additional reduction of 30% for scopes 1 and 2 at Group level during the 2015-2025 period. Initially, we want to continue reducing these emissions, but will offset what is left over by supporting international projects that fight against climate change.

Why projects in Africa or Asia?

With the same budget, you can reduce approx. 100 times more CO_2 in developing countries than here in Belgium with energy-efficient companies. This is because the cost of setting up CO_2 friendly projects in Africa is lower, and current energy efficiency in the region can also be dramatically improved.

3 billion out of the 7 billion people on our planet are still dependent on wood or coal for preparing their daily meals. With the substantial population growth and rising energy needs (wood or coal), this has important consequences for deforestation and the climate. Given that we share the same atmosphere and are already feeling the consequences of climate change, we want to assume our responsibility in this area.

TEG STOVE project in Benin

This project (http://www.tegstove.org/) was largely developed by Proximus and will be implemented over several years.

The TEG STOVE is an efficient oven on which a thermoelectric generator is installed (TEG).

Thanks to this TEG unit, part of the heat is converted into electricity, which can be used for charging smartphones or LED lamps. The LED lamps can be used in the evening to light homes or for reading. They replace dangerous and polluting paraffin lamps.

Why this project?

Prevent deforestation and fight climate change

Cheaper, more reliable and sustainable energy

Innovation and technology for development and employment opportunities

Advantages of these ovens:

A central solar panel installation will be set up in the villages where ovens are built and installed. Thanks to this smart kiosk project, households can set up a connection with the solar panel installation to order and pay for the electricity for their home appliances via their smartphone. The project was also selected because it contributes to several sustainability goals.

Better stoves in Uganda

Another project we support is the stove project in Uganda, in which efficient ovens drastically reduce the use of firewood.

The benefits are mainly forest conservation and improved air quality, health, employment and quality of life.

Water filters in Kenya

The "LifeStraw" filters purify contaminated water in an efficient way, replacing the use of wood to boil water and make it safe to drink. Indeed, drinking contaminated water is the third cause of death in Kenya.

Families, mostly women and children, no longer have to walk great distances to fetch wood.

The project therefore also has a positive impact on forest conservation, air quality, health and quality of life.

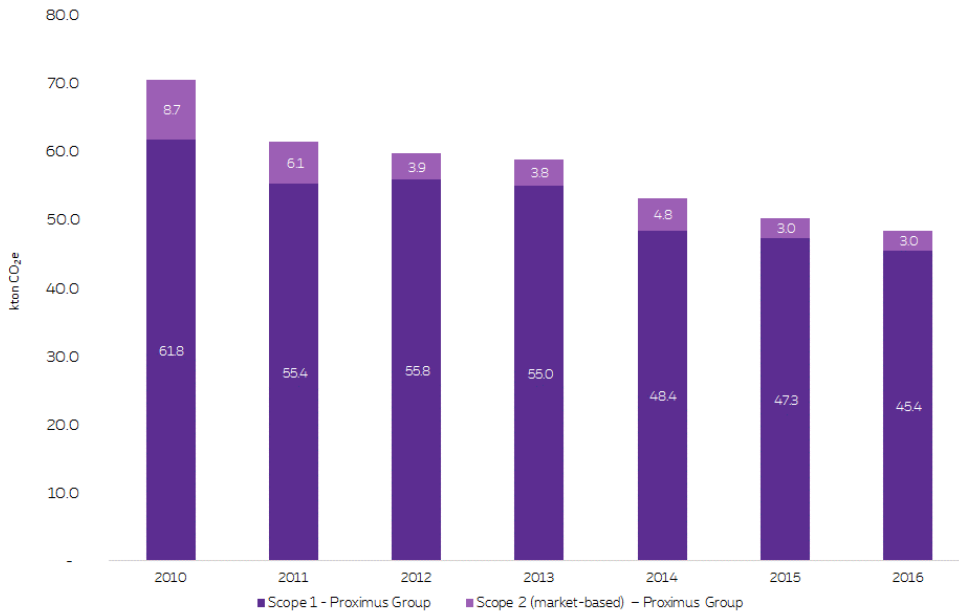Both projects contribute to the sustainable development goals

Carbon emissions of the Proximus Group

In 2016, the Proximus Group managed to reduce its carbon emissions (scope 1 and 2) by 4% compared to 2015. Over the past six years, carbon emissions decreased by 32%.

Carbon emissions continued to fall by 4% vs 2015

	2010	2011	2012	2013	2014	2015	2016
Scope 2 (market-based) – Proximus Group	8.7	6.1	3.9	3.8	4.8	3.0	3.0
Scope 1 - Proximus Group	61.8	55.4	55.8	55.0	48.4	47.3	45.4

y-axis: kton CO$_2$e

Energy consumption also continues to fall each year. In the past six years, it fell by 22%.

Energy consumption of the Group fell by 3% vs 2015

	2010	2011	2012	2013	2014	2015	2016
Vehicle fuel	556	514	524	509	462	441	431
Heating	295	235	235	225	175	182	164
Electricity	1692	1651	1532	1471	1423	1442	1401

y-axis: Terajoule
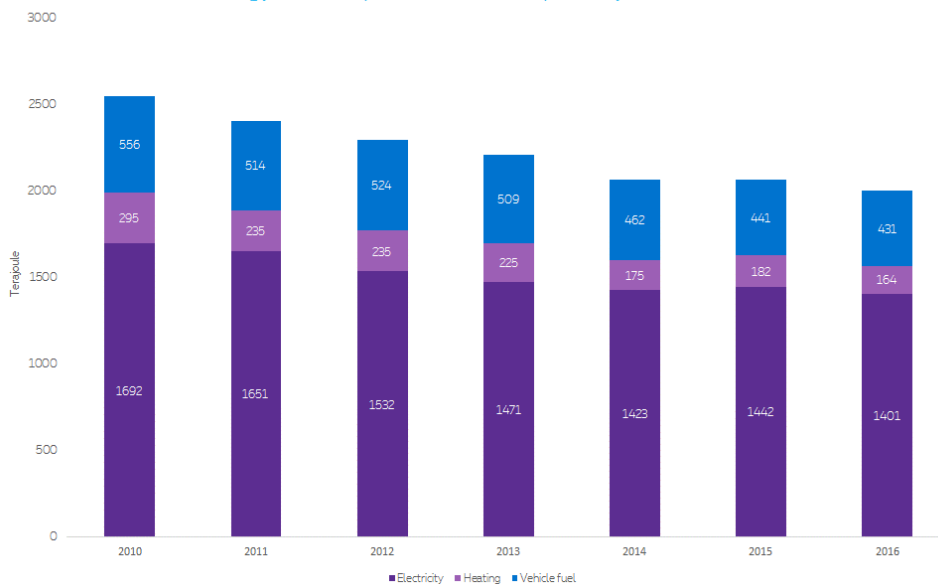
Improvement in energy efficiency index

The energy efficiency index (energy consumption vs turnover) improved by 12% in the past six years.

Without energy-efficiency measures, energy consumption would in theory have been 12% higher.

Over the past six years, the energy efficiency index (energy consumption vs number of FTEs) improved by 6%. The number of FTEs fell by 16% during this period.

Energy efficiency index (energy consumption in TJ vs FTE)
Energy efficiency index (energy consumption in TJ vs total revenue in mio €)
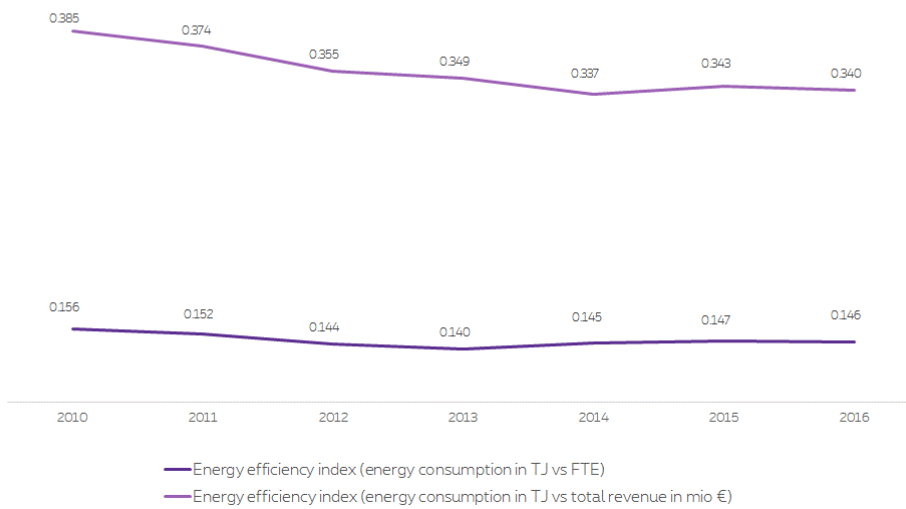
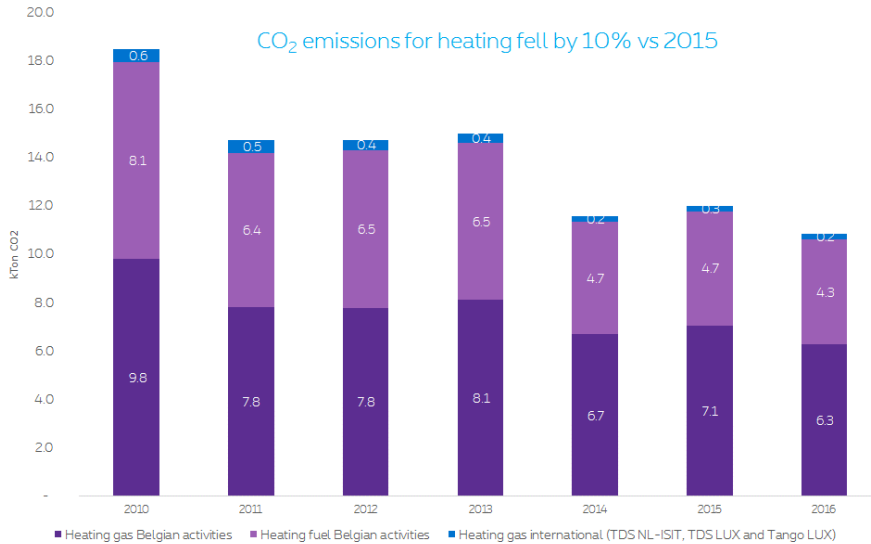## Heating

According to the RMI, the average annual temperature in Belgium returned to normal values in 2016 after two very warm years. The degree days, which are a measure of temperature over a peri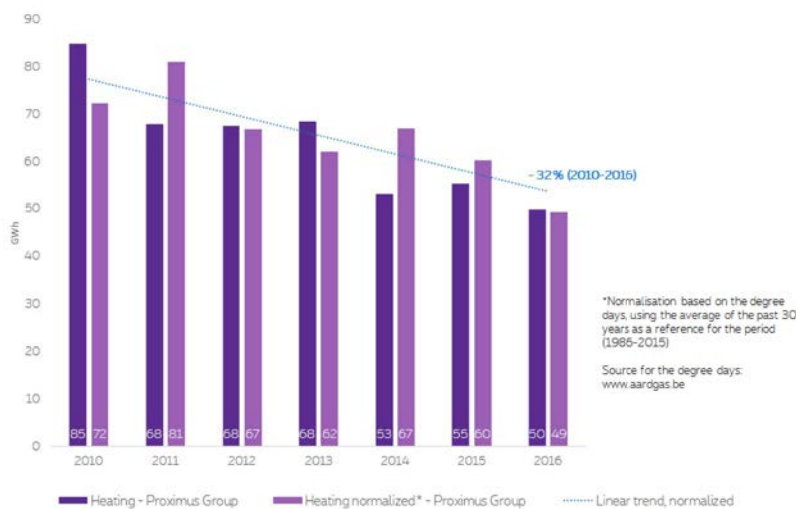od of time and are used to calculate how much energy is needed to heat a building, showed that 2016 was 10% colder than 2015. This made 2016, in theory, a longer heating season than 2015.

CO_2 emissions for heating fell by 10% vs 2015

Legend: Heating gas Belgian activities | Heating fuel Belgian activities | Heating gas international (TDS NL-ISIT, TDS LUX and Tango LUX)

However, our gas and fuel consumption and carbon emissions as a result of heating our technical buildings and offices fell in absolute values by 10%, which clearly shows that energy-saving measures had an effect. Normalized heating requirements, i.e. gas and fuel oil consumption at a constant climate, were even 22% lower than the previous year.

This sustained decline was mainly driven by the renewal of fuel installations and consolidation of buildings.

- 32% (2010-2016)

*Normalisation based on the degree days, using the average of the past 30 years as a reference for the period (1986-2015)

Source for the degree days: www.aardgas.be

Legend: Heating – Proximus Group | Heating normalized* – Proximus Group | Linear trend, normalized

Transport

Our vehicle fleet consists of two categories: company cars for management/sales staff and utility vehicles.

Transport-related CO_2 emissions fell by 2% vs 2015

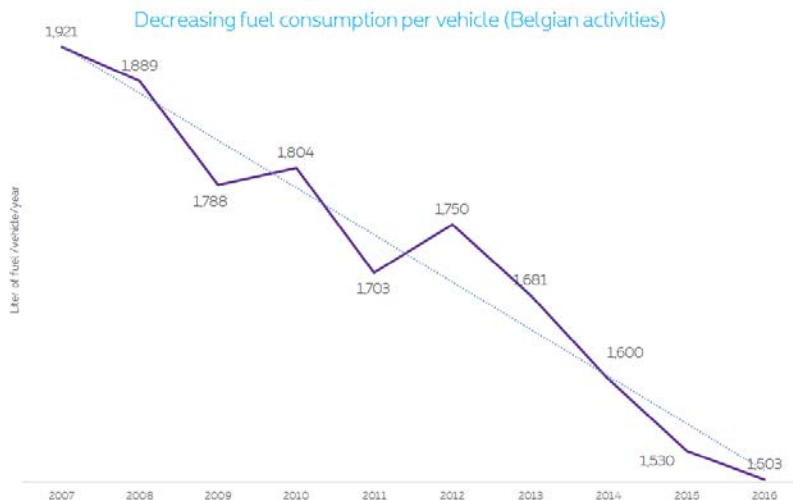|	2010	2011	2012	2013	2014	2015	2016
Transport international (TDS NL-ISIT, TDS LUX and Tango LUX)	2.5	2.3	2.4	2.4	2.4	2.5	2.7
Utility vehicles	14.4	13.9	14.2	14.1	13.1	12.6	11.7
Company cars	19.5	18.4	18.4	17.3	16.4	15.3	15
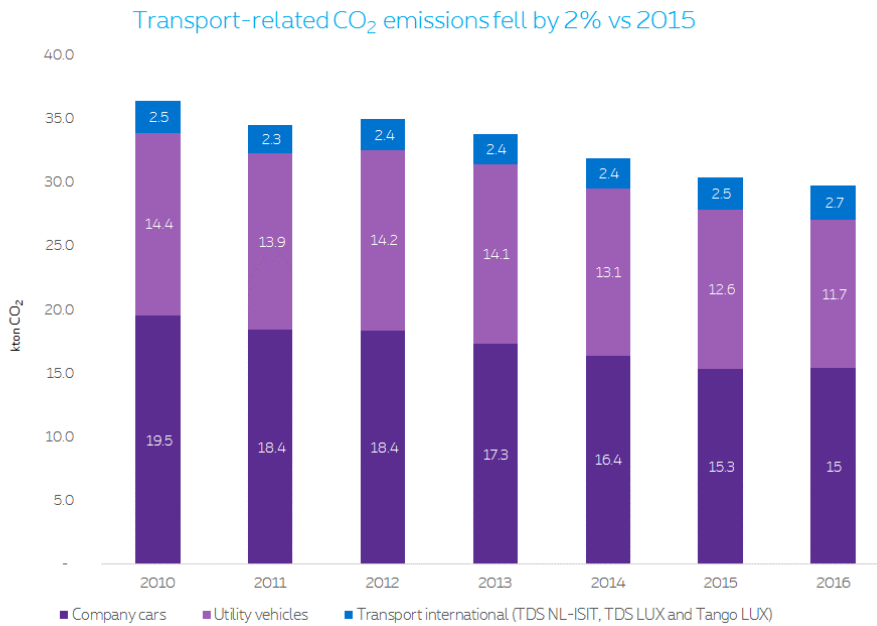
Thanks to the policy of making our fleet more ecological and other initiatives to reduce the number of kilometers driven (such as the mobility budget for commuters, homeworking, and optimization of routes for technicians), the clear downward trend in CO_2 emissions continued. In addition, Villo! bicycles were used for 1,500 work-related journeys in Brussels.

These sustained efforts have resulted in a noticeable reduction in fuel consumption per vehicle of 22% over the past nine years.

Decreasing fuel consumption per vehicle (Belgian activities)

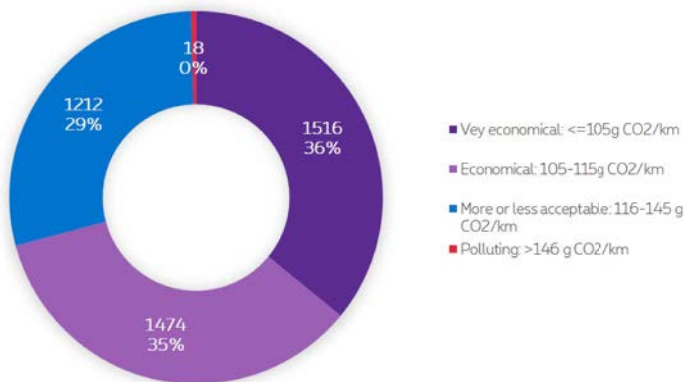|	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Liter of fuel /vehicle/year	1,921	1,889	1,788	1,804	1,703	1,750	1,681	1,600	1,530	1,503

Company cars

Thanks to our efforts over the past four years, 99.6% of our company cars now have CO_2 emissions of less than 145 g CO_2/km, compared with 56% in 2010. 71% of our company cars now emit less than 116 g CO_2/km. The fleet consists of diesel cars, 36 hybrid cars and 1 electric car.
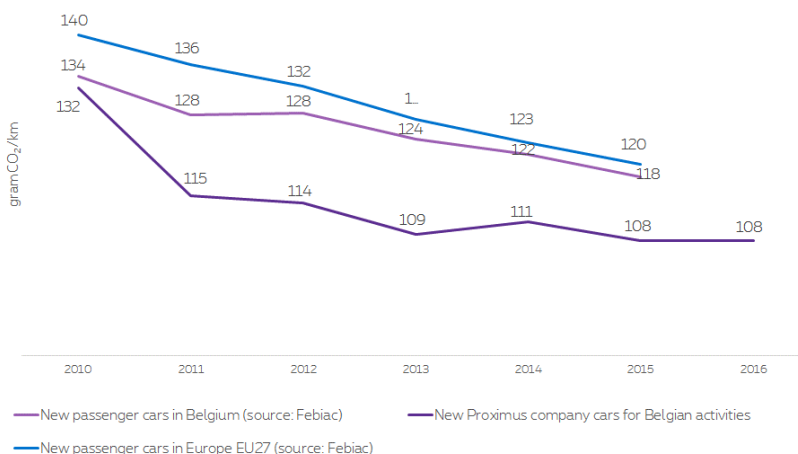
Number of company cars per CO2-emissions category

- Vey economical: <=105g CO2/km
- Economical: 105-115g CO2/km
- More or less acceptable: 116-145 g CO2/km
- Polluting: >146 g CO2/km

47% of employees with a company car opted for the green mobility plan and used public transport instead of their cars for the home-work commute. In 2017, 48% opted in.

In 2017, the fuel card will be limited for all employees, and 1,760 employees have decided to exchange their parking place for alternative transport.

The emissions average for the entire company fleet amounts to 109 g CO_2/km. In 2016, the emissions average of new company cars was 108 g CO_2/km, which is still far below the European and Belgian average, thanks to our green mobility policy.

gram CO2/km

— New passenger cars in Belgium (source: Febiac)   — New Proximus company cars for Belgian activities
— New passenger cars in Europe EU27 (source: Febiac)

Our fleet: greener than the EU average

The maximum CO_2 emissions for new cars amount to 130 g CO_2/km, except for large families and people with disabilities, and up to 155 g CO_2/km for a limited number of management cars.
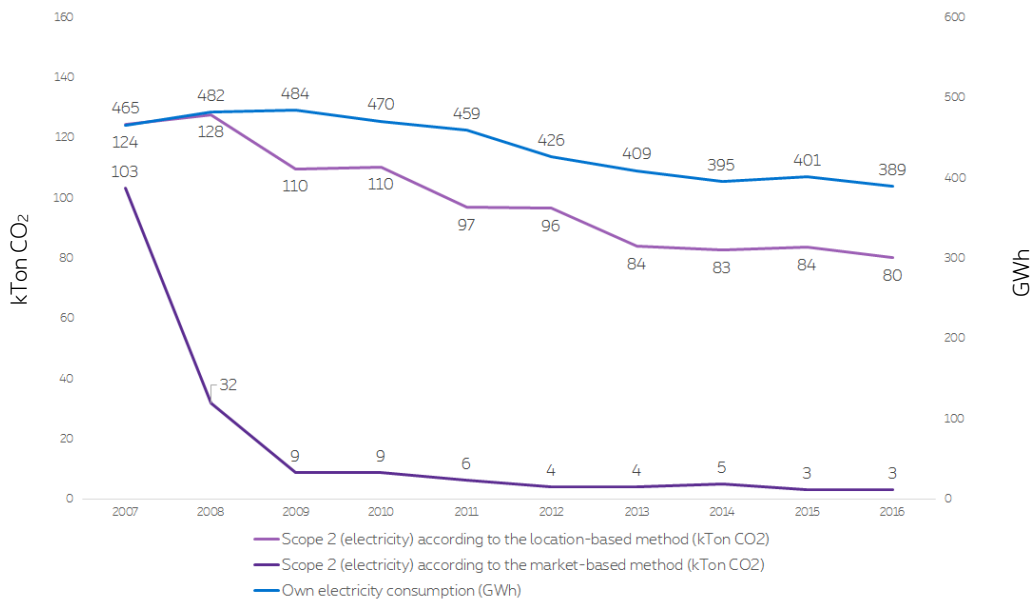
Utility vehicles

270 older cars were replaced by more energy-efficient versions, which brought the related CO_2 emissions average down from 119 to 93g CO_2/km.

Technicians can pick up supplies at local Kiala points or their vans can be supplied overnight, resulting in mileage and time savings.

Electricity

Electricity consumption and related carbon emissions continued to fall. Carbon emissions from electricity can be calculated in two ways.

Scope 2 (electricity) according to the location-based method (kTon CO2)
Scope 2 (electricity) according to the market-based method (kTon CO2)
Own electricity consumption (GWh)

Emissions according to the market-based method

For the measurement of carbon emissions from electricity consumption, the new 'GHG scope 2' standard now requires double reporting, so that the CO_2 calculation is both market-based and location-based.

The market-based method reflects the choices a company makes concerning its electricity supply,

such as purchasing electricity from renewable energy sources. This is set out in detail in the contracts between the company and its energy suppliers. In the Proximus Group, carbon-emission and climate-neutrality objectives and reporting follow the market-based method.
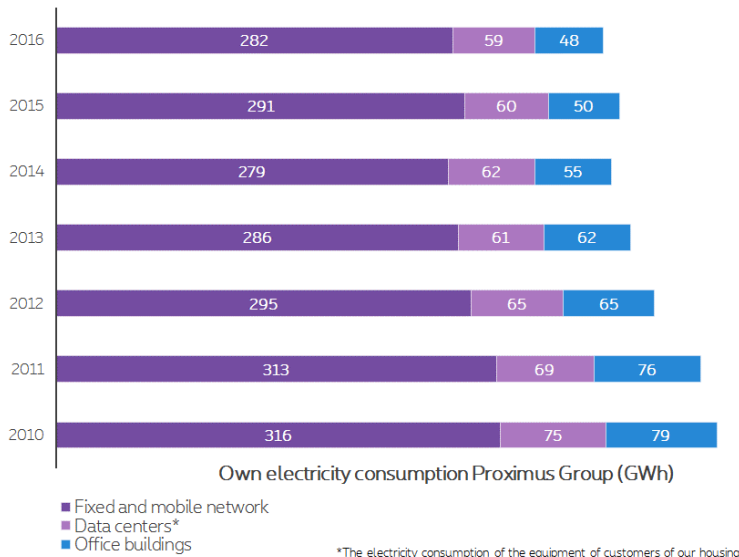
Emissions according to the location-based method

The location-based method reflects the energy mix available at the location where consumption takes place. In this case, the type of electricity purchased has no influence.

New program for reducing electricity consumption

Year	Fixed and mobile network	Data centers*	Office buildings
2016	282	59	48
2015	291	60	50
2014	279	62	55
2013	286	61	62
2012	295	65	65
2011	313	69	76
2010	316	75	79

Own electricity consumption Proximus Group (GWh)

- Fixed and mobile network
- Data centers*
- Office buildings

*The electricity consumption of the equipment of customers of our housing service is not included in this figure.

In 2016, Proximus launched a vast new structural program to reduce the energy consumption of its network. In this context, a partnership was formed with Opinum to better analyze and manage energy consumption via 14,000 energy meters.

Proximus selects Opinum as a strategic partner to manage the consumption data of its 14,000 energy meters.

Opinum offers solutions for analyzing energy consumption and Proximus provides the connectivity, security and industry-related expertise.

With their partnership, the companies will bundle their knowledge and experience in order to develop solutions. Initially, the focus will be on analyzing the customer's energy consumption: based on the data provided, customers will gain a better insight into their energy consumption. This will allow them to take measures to reduce their energy bill and continuously optimize their energy consumption. At a later stage, this will be done

with connected sensors, yet another application of the Internet of Things (IoT).

Jan Joos, Proximus: "At Proximus, we have years of experience in the energy-efficient management of our many buildings. Opinum integrates this expertise into its unique software, Opisense. We will now fully deploy this solution for the analysis and management of over 14,000 energy meters (in our buildings, exchanges, street cabinets, etc.)."

Alex Lorette, Proximus: "Thanks to this partnership, we will be able to offer our customers solutions that allow them to reduce their energy consumption (and their energy bill)."

Proximus, like all the other operators, has noticed a strong increase in customer data traffic. Thanks to improved technologies, this strong increase will be absorbed.

Proximus works closely with its suppliers to identify opportunities for improving the energy efficiency of its network and data centers.

Fixed network

Mantra project - Proximus migrates to the network of the future

Phasing out obsolete technology is one of the biggest challenges facing network operators, given the extensive new technologies and new network layers that have been added to the existing networks over the last two decades.

Proximus is working hard on the migration to a high-tech broadband network that can meet the needs of customers better and faster. The new technologies applied are not only much more compact and cheaper, but they also consume much less energy.

The first phase is the removal or consolidation of the older data networks and traditional telephone exchanges.

This will allow us to dispose of 24 large technical buildings, resulting in a 25% reduction of our total technical space. This first phase should be completed within eight years, of which four have already passed.

The migration of the fixed telephony of the existing traditional technology with exchanges on over 1,000 locations to new high-performance technologies and systems, is running according to schedule and has already delivered significant energy savings. End-2016, the majority of switches had been put out of service and more than 80% of traditional PSTN telephone lines had been migrated.

Mobile network

The new technologies have been successfully tested so that the energy efficiency of the 4G network can improve further. They will be put into service during the course of 2016 and 2017. Proximus also invested further in energy efficiency such as the installation of free air-cooling, the migration to more efficient rectifiers, and the optimization of power consumption in base stations.

Data centers

Most of the changes were carried out in recent years, boosting the Power Usage Effectiveness (PUE), or efficiency grade, from 1.68 to 1.66 over the past year.

Scope 3 – indirect carbon emissions

Proximus reports on all relevant scope 3 figures according to the scope 3 corporate value chain standard of the GHG protocol (http://www.ghgprotocol.org/) and according to Bilan Carbone.

Overview of GHG Protocol scopes and emissions across the value chain
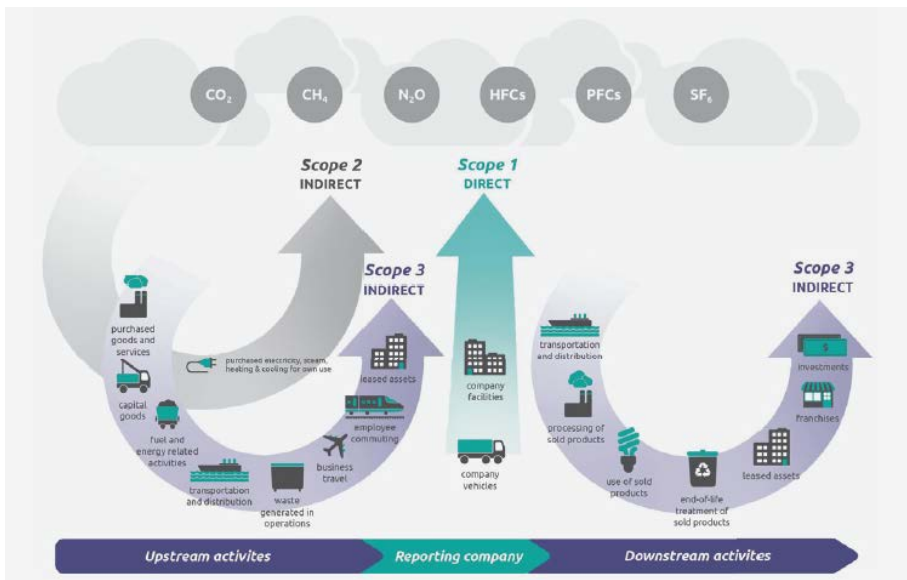
Scope 3 refers to the upstream and downstream GHG emissions which are indirectly generated by Proximus. Upstream emissions are, for example, emissions released during the production of purchased goods, including emissions released during the transportation to Proximus. Downstream emissions are, for example, emissions related to the customer's use of Proximus devices (modems, decoders).

The calculation and reporting of all scope 3 emissions gives a good picture of the indirect impact of the value chain and delivered products and services. The scope 3 calculation is important because indirect emissions can make up a large portion of a company's total carbon footprint.

Carbon footprint and share per scope
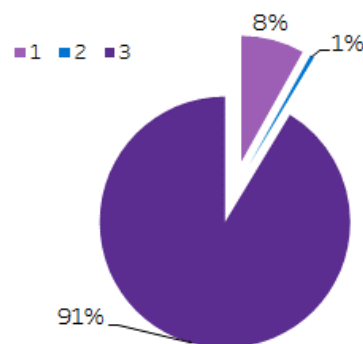
Which scope 3 emissions are we dealing with?

Each of the 15 categories was studied and calculated, mainly for activities in Belgium. Some do not apply to Proximus.

Given that we are dealing with indirect emissions, the possible impact from Proximus in reducing the emissions varies from low to high, and the choice of suppliers and solutions plays a key role.

Upstream scope 3 emissions

| Scope 3 category according to GHG terminology	Explanation	Possible impact from Proximus	For the year 2016 (Tons CO_2/year)	Evolution vs 2015	Explanation of the evolution vs 2015
1. Purchased goods and services	Emissions related to the extraction, transportation and production of purchased goods and services	Low	316,522	+5%	Structural migration of the company to the network of the future
2. Capital goods	Emissions related to acquired investments	Low	96,878	+8%	Structural migration of the company to the network of the future
3. Fuel- and energy-related activities	Emissions related to the extraction, production, and transportation of direct fuel and electricity purchased by the Proximus Group, reported in scope 1 and 2. Network losses, among others, are accounted for here.	High	9,834	-10%	In line with the evolution of consumption in scope 1 and 2
4. Transportation and distribution (upstream)	Transportation of subcontractors for network activities	Low	6,622	-5%	Fewer operations
5. Waste generated	Treatment of waste flows	Medium	962	-2%	Increase in the portion of recycled waste and decrease in water waste
6. Business travel	Emissions from aircraft and trains for business travel	Low	1,664	+9%	Increase in the number of flights to and from international POPs of BICS
7. Employee commuting	Emissions related to the home-work commute of employees (train, bus, tram, metro, private car). Company cars are accounted for in scope 1	High	4,372	-11%	Decrease in staff numbers, increase in number of homeworking days, increase in the portion of public transport. Start of bike leasing, effective in 2017.
8. Leased assets (upstream)	Not applicable		0		

Downstream scope 3 emissions

Scope 3 category according to GHG terminology	Explanation	Possible impact from Proximus	For the year 2016 (Tons CO$_2$/year)	Evolution vs 2015	Explanation of the evolution vs 2015
9. Transportation and distribution (downstream)	Not applicable		0		
10. Processing of sold products	Not applicable		0		
11. Use of sold products	Energy consumption of customers' Proximus devices (modems, set-top boxes and mobile phones)	High	73,407	-4%	Replacement of old products with more energy-efficient devices
12. Treatment of products (end of life)	Included in waste generated (category 5)		0		
13. Leased goods (downstream)	Not applicable		0		
14. Franchises	Not applicable		0		
15. Investments	Included in capital goods (category 2)		0		

Proximus results

Compared with 2014, scope 3 emissions fell by 1%, but when compared with 2015, we see a rise of 4%. This is due to the high investment costs and purchased goods and services needed for the migration to the network of the future.

Three categories represent more than 90% of the scope 3 footprint:

- Consumption of customers' Proximus devices
- Purchased goods and services
- Capital goods acquired in 2016

Scope 3 detailed overview
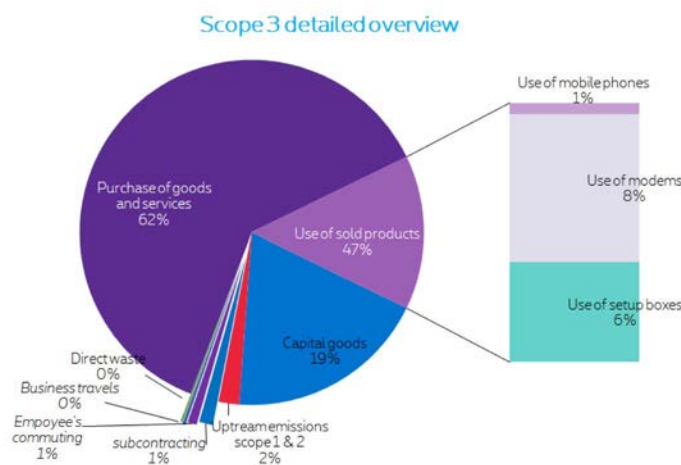
For category 7 (home-work commute), executives without a company car were given the option of leasing a bicycle in 2016. 23% of them opted in and from 2017 we will have 145 bicycles in our fleet.

Methodology

Proximus uses three methodologies to calculate its scope 3 emissions:

- Bilan Carbone® to calculate the footprint of suppliers with the help of specific Bilan Carbone® emission factors.
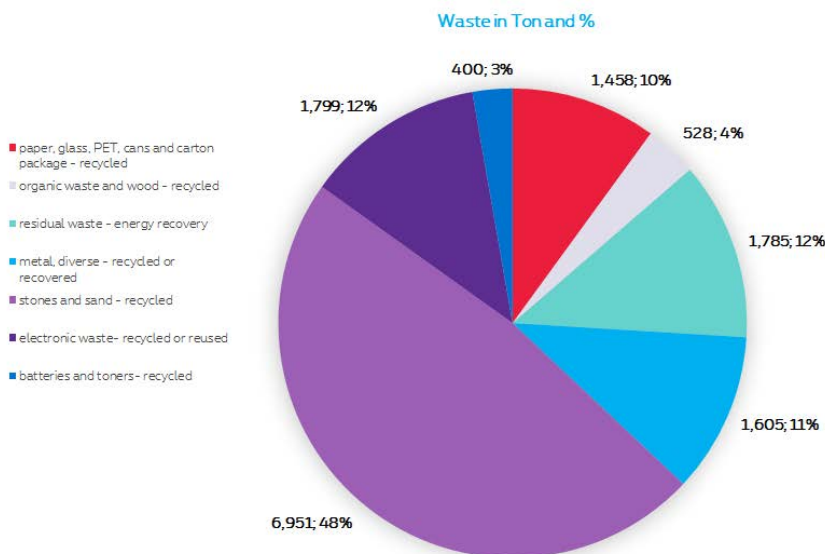- Life Cycle Analysis (LCA) for the footprint of specific Proximus products such as modems and decoders, for which a partnership with the suppliers was formed.
- If no direct data is available, the Environmentally Extended Economic Input-Output (EEIO) model is used to calculate emissions for goods and services based on financial data.

Waste

100% of Proximus waste can be recycled in some way, of which 12% consists of residual waste which is used for energy recovery. The largest portion of the total, 48%, consists of stones and sand from our network activities.

28% consists of recyclable material, glass, plastic, metal, paper, wood, batteries, toners, etc. The remaining 12% is electronic waste which is reused or recycled.

Waste in Ton and %

Legend:
- paper, glass, PET, cans and carton package - recycled
- organic waste and wood - recycled
- residual waste - energy recovery
- metal, diverse - recycled or recovered
- stones and sand - recycled
- electronic waste - recycled or reused
- batteries and toners - recycled

Values: 1,458; 10% — 528; 4% — 1,785; 12% — 1,605; 11% — 6,951; 48% — 1,799; 12% — 400; 3%

The portion of residual waste fell further in 2016 to 12% of the total. This residual waste is converted in waste treatment installations into 716 MWh of electricity and 1.08 TJ of heat energy.

88% of all waste was recycled

Recycled waste   Residual waste – energy recover   —— % Recycled
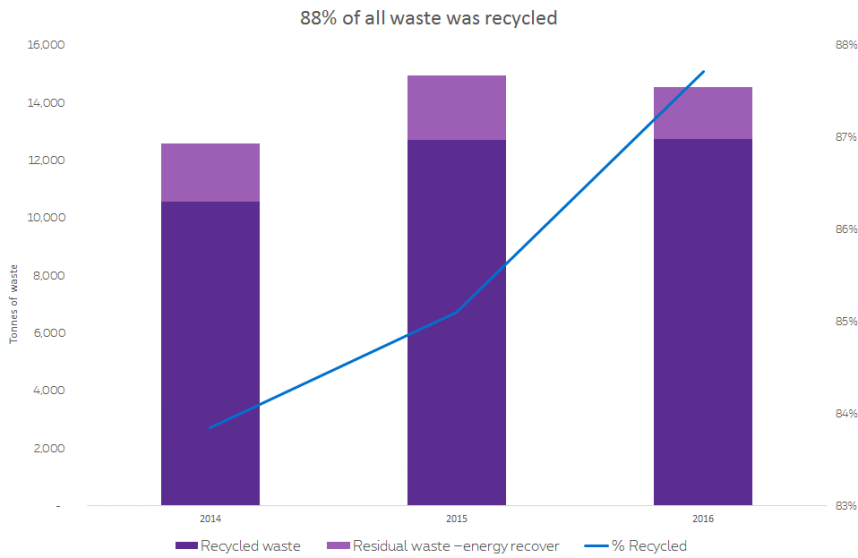
Paper consumption

Thanks to a strong focus on responsible paper use, the volume continued to fall.

This concerns all types of paper, such as bills, advertising brochures, office prints, communication magazines, etc.

Paper consumption - Number of A4 sheets
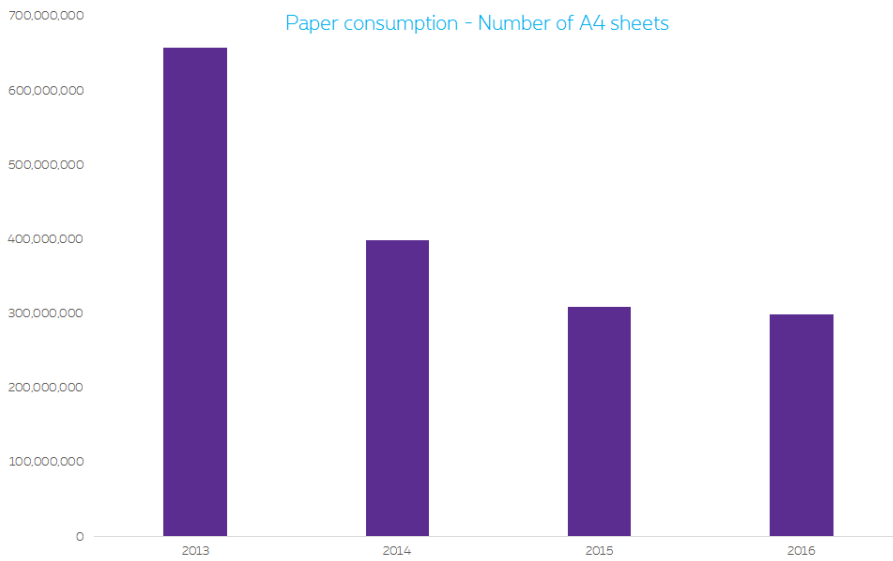
Environmental management system

Proximus' environmental management system is made up of different components. There are different parties involved and the system has a variety of tools and resources.

Parties:

- The Corporate Social Responsibility (CSR) department, with a strong focus on environmental issues and CO_2 reduction
- The Corporate Prevention & Protection department, including the Environmental department
- The Internal Audit department, which reports to the Board of Directors and carries out audits on all kinds of environmental aspects at the request of the Environment or CSR departments, the Board of Directors, or the Executive Committee
- Government-accredited independent external organizations, which audit our waste policy and procedures (packaging, WEEE, batteries).

Resources and activities:

- Procedures, guidelines and plans on environmental issues
  - Mobility campaigns and info sessions for employees to further promote the use of public transport and bicycles
  - Drafting of a new packaging waste prevention plan for 2016-2019 for IVCIE
- Environmental policy
- Field visits concerning environmental issues such as hazardous products, waste and control of permits
- CSR annual report
- Communication channels: intranet news, toolboxes, internal reporting to the Executive Committee
- Integrated Management System, ISO9001 certificate
- New environmental clauses in purchasing procedures concerning waste reduction, such as recycling, ecodesign and life cycle
- Noise studies and control measurements to ensure compliance with noise standards and limit disturbance for neighbors
- Soil survey for high-risk installations
- E-learning module on the impact of mobile and wireless telephony on the health for our employees.

Help our customers reduce their impact on the environment

Energy consumption of our customers' devices

Proximus has undertaken to uphold the European Code of Conduct on Energy Efficiency of broadband and digital TV equipment as well as the voluntary European Sector Understanding on reducing consumption of TV decoders.

The V5 and V5 Compact decoders amply meet all the recommended criteria.

The V5 Compact has no hard drive, is lighter and more energy-efficient and has a more sustainable design. Both devices are more than 50% more energy-efficient than their predecessors.

Over a period of five years, our sustained efforts to increase energy efficiency and the roll-out of energy-efficient devices for our customers, should reduce by half the average consumption of the entire TV decoder fleet.

In 2016, this helped to reduce average consumption by 16% compared to the previous year, with a decline of 33% over the past three years.

In addition, all devices have a long life and can be repaired and recycled.

The further roll-out of the new, greener b-box 3 modem for our customers in the past year contributed to a 3% fall in the average consumption of the whole modem fleet compared to the previous year.

Electronic billing

Proximus is committed to responsible paper use and has been offering its customers, for over 10 years now, the option of an electronic bill. Bill management is very simple and reliable via the MyProximus website.

Proximus also encourages its customers not to print their electronic bills unless it is really necessary.

A portion of the savings is donated to the project "Kids for a GoodPlanet". Through this project, Proximus helps schools take part in educational workshops on nature and biodiversity, which are organized by GoodPlanet Belgium.

www.goodplanet.be/kidsforagoodplanet/nl

GoodPlanet Belgium and Proximus continue successful mobile phone collection

campaign in schools

Mobile phones and smartphones have become an essential part of everyday life.

In 2016, around 1.5 billion smartphones were sold worldwide. However, under 2% of all devices are recycled. This prompted a partnership between Proximus, GoodPlanet Belgium and Recupel to set up a vast collection campaign in all Flemish schools, alongside an awareness-raising campaign on the life cycle of a mobile phone.

In Europe, 95% of young people have a mobile phone or smartphone. Given that the average

lifespan of a phone is just one year, we wanted to encourage young schoolgoers not to leave unused phones lying in a drawer, or even worse, throw them in the bin. Like other electronic devices, mobiles can be reused.

As a reward, participating schools receive high-quality recycled laptops, tablets and desktops.

www.goodplanet.be/gsm

To date: more than 120,000 mobile phones have been collected!

	2016	Campaign total 2013-2016
Collected devices	25,000	120,000
Participating schools	130	930
Reached pupils	46,000	239,000
Donated laptops, desktops, tablets	320	2030

Innovative, sustainable products and services for businesses

Proximus offers dozens of solutions, such as videoconferencing and cloud computing, which contribute to the reduction of greenhouse gas emissions.

An overview is provided for our customers on the Proximus website. Over the past year, we noticed an increase in demand for our cloud services and products that make homeworking possible.

In 2016, initiatives and partnerships were also set up to contribute towards an innovative and more sustainable society in terms of energy and mobility.

- Partnership with Opinum for measuring and managing energy consumption, starting with Proximus' 14,000 energy meters.

- Proximus teamed up with Be-Mobile and a few other partners to develop a unique "Smart Mobility" company.
- Start of Flemish Energy Cluster: an initiative of 70 companies and research institutes. The aim is to facilitate the energy transition in Flanders and at the same time generate economic activity. Proximus will help to build an Energy Cloud that will centralize and offer all the relevant energy data. Proximus ENCO will play a key role in this (https://www.enco.io/).

Involving employees

The environment and climate receive special attention in the new Code of Conduct for employees.

Our environment faces threats to climate, resources and quality of life. As a socially responsible company, Proximus undertakes to conduct its operations with due regard for the environmental impact. We are committed to fighting climate change by: reducing our carbon emissions; promoting an ever-wider range of environmentally-sustainable solutions for our customers; continuously recycling; and consistently encouraging our employees, suppliers and stakeholders to adhere to sustainable business practices. We respect, and will continue to respect, the applicable local and internationally recognized standards, and support the development and diffusion of environmentally-friendly technologies.

Your responsibilities

You contribute to minimizing the use of finite resources, including energy, water and raw materials, as well as to minimizing harmful emissions to the environment, such as waste, CO_2 and other emissions affecting air and water.

Exposure to electromagnetic waves

We recognize our responsibility relating to exposure to electromagnetic waves. We are aware that certain people are worried about this subject. Consequently, we undertake to:

- comply with the legislation in force, both for networks and for devices

- monitor developments in scientific research
- inform about the subject without taking any position from a scientific point of view

Standards

Where networks are concerned, since 2001, Belgium has applied exposure standards that are stricter than the international recommendations.

Currently, the applicable regional standards are as follows:

- In the Brussels Region: a cumulative standard of 6 V/m, for a reference frequency of 900 MHz. This standard is 50 times stricter than the international recommendations.
- In the Flemish Region: a cumulative standard of 20.6 V/m for a reference frequency of 900 MHz. This standard is 4 times stricter than the international recommendations. An additional standard of 3 V/m per antenna, for a reference frequency of 900 MHz in living places is applicable for mobile telephony networks.
- In the Walloon Region: a standard of 3 V/m per antenna in living places.

With regard to devices (smartphones, tablets, etc.), they must comply with a European standard that imposes a SAR (Specific Absorption Rate) of under 2 W/kg. Since 2014, the federal authorities have required that the SAR of each device be displayed in all sales channels. Proximus anticipated this requirement as early as 2008.

Scientific research

We follow the publications of the World Health Organization (WHO). So far, the WHO states the following:

"All scientific reviews conducted up to now have shown that exposure to levels under the limits recommended by the International Commission for Non Ionizing Radiation Protection (ICNIRP) set in 1998 and covering the entire range of frequencies between 0 and 300 GHz, does not cause any harmful effects on health. However, there are still knowledge gaps which must be filled before a better health risk assessment can be made".

A new assessment by the WHO is expected sometime in 2017.

Communication

In 2016, we focused on the information we provide to our employees. A survey was conducted among our employees working in the technical and customer contact departments to evaluate their level of knowledge of the subject, to identify the types of questions they face and their frequency.

We developed an e-learning course, entitled "Wireless solutions: a few smart tips", which all our employees are required to follow. The key message being: "smart use = smart distance". This message has a dual meaning and aims to help users to reduce their exposure to radio waves:

- Keep some distance between your mobile phone and your body by using an earpiece or the loudspeaker. In fact, all mobile phones we sell come supplied with an earpiece.
- Use your mobile phone in conditions where the signal strength is good. The closer you are to a relay antenna or an access point, the less your mobile needs to emit signals to stay connected to the network.

This information is also available on our Internet site.

Developing a responsible supply chain

Proximus works with about 5,000 product and service suppliers annually and together we strive to improve social and environmental standards throughout our entire supply chain. This can be achieved by raising their CSR performance and improving their own supply chain management while increasing our own efficiency.

Key priorities

- Increase the CSR standards of our suppliers
- Include CSR as sourcing and selection criteria

Where our suppliers are concerned, we incorporate the CSR standards on labor, ethics, safety and environment into our purchasing processes. In doing so, we not only improve our brand image, but above all bring about positive change in the communities in which our suppliers operate. These CSR standards are included in the contracts with suppliers through the CSR Clause. RFx documents with relevant sustainability criteria are available as standard for certain purchase categories.

Suppliers with a specific risk profile or with a high contract value are evaluated on their CSR performance via the Ecovadis platform. In 2016, CSR supplier scorecards were drawn up for 43% of the total purchase amount.

In the vendor performance report, we have a regular "sustainability" section, in addition to the items about delivery reliability, quality and engagement vis-à-vis Proximus.

The CSR selection and qualification process is described in more detail on the Suppliers portal.

Proximus, together with 12 other telecom operators, is member of the Joint Audit Cooperation (JAC). Since 2010, hundreds of on-site company audits have been conducted worldwide, and the results of these audits are shared by JAC members. The audits aim to monitor, evaluate, and develop the CSR standards of the production sites of large ICT multinationals.

http://jac-initiative.com/

Highlights of 2016

Proximus renews its Gold Rating on the Ecovadis suppliers platform

Proximus obtained the Ecovadis Gold Rating for its CSR performance in 2014 and renewed it in 2016. This demonstrates our determination to improve the CSR standards in the communities we live in. Ecovadis is a collaborative platform that assesses the social and environmental performance of companies worldwide. The Ecovadis rating and the collaborative platform offer companies the possibility to improve their risk management and embed environmentally-friendly innovations in their global supply chains. We increased our score to 71%, which corresponds to a Gold rating and a leading position in the ICT leadership index of GeSI (http://gesi.org/news?news_id=105)

Key Figures – Proximus Group

		Note	2014	2015	2016	
General Information	Total revenue (Mio EUR)		6,112	6,012	5,873	
	Net income (Mio EUR)		654	482	523	
	Total number of employees - Full Time Equivalent		14,187	14,090	13,633	
	Total number of employees - average headcount		14,770	14,040	13,462	
Education	% of Belgian population (16-74 years old) who has never used the Internet		12.9%	12.6%	11.2%	
	% of Belgian disadvantaged population using Internet on a regular basis		71.6%	72.0%		
	Number of job seekers supported by our initiatives in Belgium		288	329	447	∫
	Kids trained by our employees on 'safe use of Internet' in Belgium	4	10,195	13,449	11,816	∫
Communities	Community Investment amount: financial, in kind, time (Mio. EUR)		1.5	1.6	1.6	
	Community investment amount in % of net income		0.2%	0.3%	0.3%	
Green	Energy efficiency index (energy consumption vs total revenue)	3	0.337	0.343	0.340	∫
	Energy efficiency index (energy consumption vs FTE)	3	0.145	0.147	0.146	
	Electricity (Terajoules)	3	1,423	1,442	1,401	∫
	% renewable energy with GO - Belgium/Group		100%/97%	100%/98%	100%/98%	
	Heating (Terajoules)	3	175	182	164	∫
	Vehicle fleet fuel (Terajoules)		462	441	431	∫
	Reduction of CO_2 emissions scope 1 and 2 (vs 2015 baseline)		/	/	-4%	
	CO_2e emissions scope 1 and 2 (kTons)	2	53	50	48	∫
	CO_2e emissions scope 1 - heating, refrigerants and fleet fuel (kTons)	2	48	47	45	∫
	CO_2e emissions scope 2 - electricity (kTons)		5	3	3	∫
	CO_2e-emissions compensated by carbon credits (scope 1 en 2 en scope 3 business travel) (kTons)		0	0	50	
	CO_2e emissions scope 3 (kTons) - 15 categories		517	492	510	∫
	Scope 3 - category 1 - purchased goods and services (kTons) - Belgium		331	301	317	∫
	Scope 3 - category 2 - capital goods (kTons) - Belgium		84	90	97	∫
	Scope 3 - category 3 - fuel and energy related activities (not in scope 1 en 2) (kTons) - Group		11	10	10	∫
	Scope 3 - category 4 - transportation and distribution (kTons) - Belgium		7	7	7	∫
	Scope 3 - category 5 - waste disposal (kTons) - Belgium		1	1	1	∫
	Scope 3 - category 6 - business travel (kTons) - Belgium		2	2	2	∫
	Scope 3 - category 7 - employee commuting (kTons) - Belgium		5	5	4	∫
	Scope 3 - category 11 - use of sold products (kTons) - Belgium		76	76	73	∫
	Waste (kTons) - Belgium		12.6	14.9	14.5	∫
	% of hazardous waste - Belgium		3.5%	2.8%	2.8%	∫
	% waste reused/recycled - Belgium		84%	85%	88%	∫
	Non-hazardous waste - recycled or reused (kTons) - Belgium		10.1	12.3	12.3	∫
	Non-hazardous waste - with energy recovery (kTons) - Belgium		2.0	2.2	1.8	∫
	Hazardous waste - recycled or recovered (kTons) - Belgium		0.4	0.4	0.4	∫
	Mobile phones collected for reuse and recycling - Belgium	1	51,812	100,097	25,677	
	Water ('000L) - Belgium		162,356	144,828	109,677	

Developing a responsible supply Chain	% of the total spend covered by supplier CSR scorecards - Proximus PLC		28%	39%	43%	
	Number of onsite audits in collaboration with JAC		36	61	69	
Promoting a positive working culture	Employee engagement with Proximus as employer		76%	77%	76%	
	% of employees having followed at least 1 training		73%	93%	92%	
	Average number of training hours per employee		26	22	21	
	% of women in total workforce		31%	30%	31%	
	% of women in top management		19%	22%	22%	
	% of employees > 50 years old		38%	39%	38%	
	Occupational accidents rate (index)	5	7.6	7.5	7.1	
	Ilness rate (including long-term illness)		6.4%	6.8%	7.1%	
	Voluntary turnover rate (employee-based)		1.27%	0.61%	1.62%	
	Involuntary turnover rate (employer-based)		0.54%	1.36%	0.60%	
	Internal career moves		1,099	170	842	
	External recruitments		317	254	561	

√ Deloitte provided a limited external assurance on these indicators for the year 2016

1. Figures of Proximus, The Phone House, Tango and the mobile phone recycling action in schools in cooperation with Goodplanet E
2. Refrigerants added for the period 2014-2016
3. Restatement of 2014/2015 figures due to better data quality and/or update of emission factors
4. Based on figures of schools subscriptions - effective attendence of kids has not been checked
5. All figures relate to Proximus (representing over 90% of our workforce).

Deloitte.
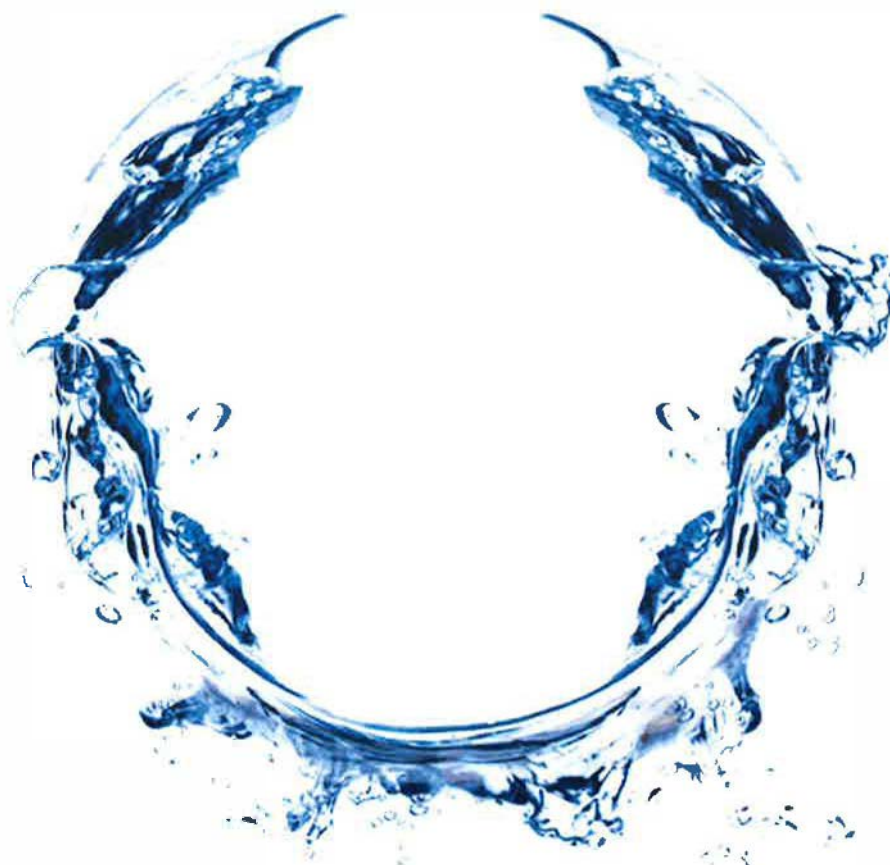
Proximus SA de droit public / NV van publiek recht

Statutory auditor's report on the limited review performed on a selection of CSR performance indicators published in the document "CSR report Proximus Group 2016" of Proximus SA de droit public / NV van publiek recht (hereafter "Proximus") for the year ended 31 December 2016

Deloitte.

Statutory auditor's report on the limited review performed on a selection of CSR performance indicators published in the document "CSR report Proximus Group 2016" of Proximus SA de droit public / NV van publiek recht (hereafter "Proximus") for the year ended 31 December 2016

To the board of directors

In our capacity as statutory auditors, we have been engaged to perform limited review procedures aimed at expressing a limited assurance conclusion on a selection of CSR performance indicators (the "CSR Data") published in the document "CSR report Proximus Group 2016" of Proximus for the year ended 31 December 2016 (the "Document"). The CSR Data have been defined following Proximus' internal CSR reporting guidelines. The CSR Data have been selected by Proximus management and are as follows:

- Number of job seekers supported by Proximus initiatives in Belgium

- Number of kids trained by Proximus employees on 'safe use of Internet' in Belgium

- Energy efficiency index (energy consumption vs total revenue) - Group

- CO2 emissions scope 1 and 2 (KTons) - Group

- CO2 emissions scope 1 – heating, fleet fuel and fugitive emissions (KTons) - Group

- CO2 emissions scope 2 - electricity (KTons) - Group

- CO2 emissions scope 3 (KTons) - 8 categories - Belgium

- Waste (KTons) – Belgium

- % of hazardous waste - Belgium

- % waste reused/recycled - Belgium

- Non-hazardous waste - recycled or reused (Tons) - Belgium

- Non-hazardous waste - with energy recovery (Tons) - Belgium

- Hazardous waste - recycled or recovered (Tons) - Belgium

The scope of our work has been limited to the CSR Data covering the year 2016 and including only the values retained within the scope of reporting defined by Proximus. The reporting scope covers Proximus SA/NV and its subsidiaries Telindus-ISIT B.V., Telindus Luxembourg SA, Tango Luxembourg SA and BICS SA (the "Group"). The limited review was performed on the data gathered and retained in the reporting scope by Proximus. Our conclusion as formulated below covers therefore only these CSR Data and not all information included in the Document.

Responsibility of the board of directors

The board of directors of Proximus is responsible for the CSR Data and the references made to it presented in the Document as well as for the declaration that its reporting meets the requirements of Proximus' internal CSR reporting guidelines.

This responsibility includes the selection and application of appropriate methods for the preparation of the CSR Data, for ensuring the reliability of the underlying information and for the use of assumptions and reasonable estimations. Furthermore, the board of directors is also responsible for the design, implementation and maintenance of systems and procedures relevant for the preparation of the CSR Data.

Nature and scope of our engagement

Our responsibility is to express an independent conclusion on the CSR Data based on our limited review. Our report has been made in accordance with the terms of our engagement letter dd. 17 October 2016.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000 "Assurance Engagements other than Audits or Reviews of Historical Information".

Our procedures are aimed at obtaining limited assurance on the fact that the CSR Data do not contain material misstatements. These procedures are less profound than the procedures of a reasonable assurance engagement.

The scope of our work included, amongst others, the following procedures:

- Assessing and testing the design and operating effectiveness of the systems and procedures used for data-gathering, processing, classification, consolidation as well as validation of the methods used for calculating and estimating the CSR Data published in the Document;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence to validate the reliability of the CSR Data and performing consistency checks on the consolidation of the CSR Data.

Conclusion

Based on our limited review, as described in this report, nothing has come to our attention that causes us to believe that the CSR Data related to Proximus published in the Document, have not been prepared, in all material respects, in accordance with Proximus' internal CSR reporting guidelines.

Zaventem, 29 March 2017

The statutory auditor

DELOITTE Bedrijfsrevisoren / Reviseurs d'Entreprises
BV o.v.v.e. CVBA / SC s.f.d. SCRL
Represented by Nico Houthaeve