

# Our societal impact @ Proximus



May 2020

proximus

# Proximus sustainability strategy

Our ambition:



**Contributing to create an inclusive, safe, sustainable and prosperous digital Belgium**

## 4 strategic areas

We believe Proximus can act in 4 strategic areas to serve this ambition, each translated into actionable pillars:

- 1** Driven by our sense of purpose, we want to **enable a better digital life**.
- 2** As a company with many ties to different communities, we **care for our stakeholders**.
- 3** As a major Belgian company, we **contribute to society**, with a focus on making digital accessible to all and driving education about it.
- 4** Finally, we **respect our planet** by evolving from a carbon-neutral company today to a carbon net positive and truly circular company by 2030.

Fully embedded in our new strategy

# #inspire2022

WE RAISE THE BAR AND COMMIT TO



Build the best  
**GIGABIT NETWORK**  
for Belgium



Operate like a  
**“DIGITAL native”**  
company



**GROW PROFITABLY**  
through partners  
& ecosystems



Act for  
**SUSTAINABILITY**  
& digital inclusion

EXECUTION EXCELLENCE WITH **FOCUS ON IMPACT**

OPTIMIZED **CAPITAL ALLOCATION** TO BOOST RETURN ON CAPITAL INVESTED

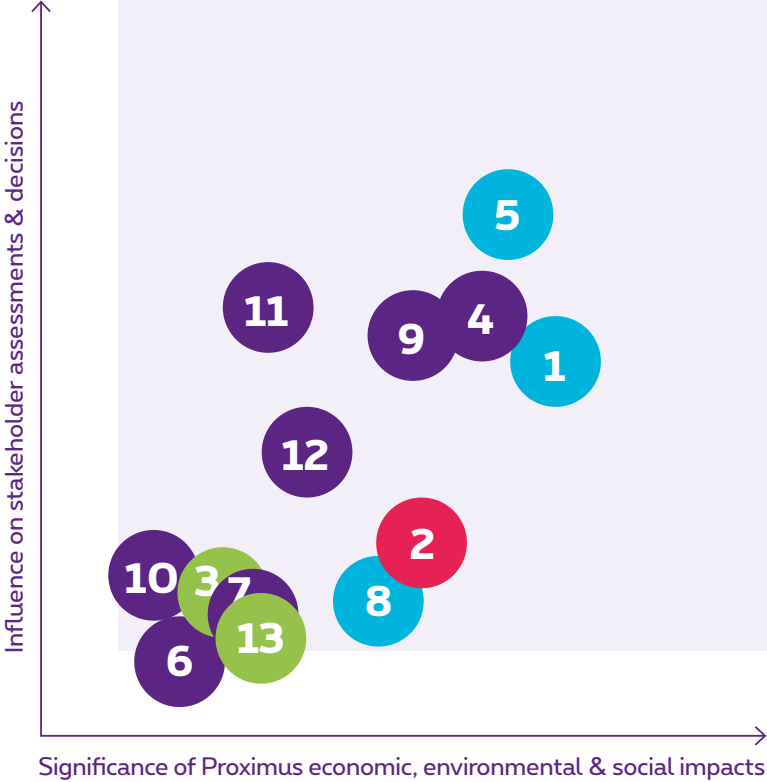
# Making a societal impact

Contributing to the UN Sustainable Development Goals



# Acting upon most material topics

## Materiality Matrix



### Enabling a better digital life

- 1 Innovation and sustainable infrastructure
- 5 Privacy and data security
- 8 Digital competitiveness of institutions and companies

### Caring for our stakeholders

- 4 Business conduct and ethics
- 6 Health and safety
- 7 Human capital and employee development
- 9 Quality products and services
- 10 Responsible marketing
- 11 Pricing and billing transparency
- 12 Customer relationship

### Contributing to society

- 2 Connectivity and digital inclusion

### Respecting our planet

- 3 Sustainability, energy and circular economy
- 13 Sustainable supply chain



# A sustainability strategy centered around 4 strategic areas



**Enabling  
a better  
digital life**

**Caring for our  
stakeholders**



**Contributing  
to society**

**Respecting  
our planet**



## Our company sense of purpose

We open up a world of digital opportunities so people live better and work smarter

## Our societal impact ambition

Creating an inclusive, safe, sustainable and prosperous digital Belgium



### Enabling a better digital life

- Digital infrastructure
- Digital trust
- Digital innovation



### Caring for our stakeholders

- Customers first
- Caring for our employees
- Ethical business conduct



### Contributing to society

- Digital inclusion
- Social engagement
- Fans of Belgian culture



### Respecting our planet

- CO<sub>2</sub> neutral
- Circular economy
- Sustainable supply chain



## **Enabling a better digital life**

- Digital infrastructure
- Digital trust
- Digital innovation



# Digital infrastructure



**Over € 1 billion  
investment/year\***

At home, at work and on the go: people and companies need to have access to high-quality fixed and mobile networks – to seize the opportunities of the digital world. Being connected is part of everyone's daily life, so Proximus is committed to building the best Gigabit network for Belgium, through strong acceleration of Fiber and 5G roll-out.

## fiber

- **2019:**  
**13 cities, 64%** of companies in industrial zonings, **20** wholesale deals
- **Ambition by 2026:**  
connect **2.4 Mio** houses to fiber, with speeds up to **1 GIGA per second**

## 4G to 5G

- **4G** coverage: **100%** outdoor, **99.6 %** indoor
- **4.5G:** increased network **capacity**
- **5G:** first to have **launched** 5G in Belgium in **April 2020**



**Rural and white zones:** boosting fixed and mobile coverage

\* Proximus Group Capex

# Digital trust



Today's digital world offers many opportunities, but also new threats. To enable a digital future, trust is a prerequisite for people and companies. That is why we are actively involved in developing a safer digital society.



## Cyber security

- **€ 10 Mio** investment in our Corporate Cyber Security Program
- **Proximus' Security Operations Center**: monitoring +3,000 Mio events/day, alerting customers in case of incidents
- Partner of **BE-Alert**, founding partner of the **Cyber Security Coalition**



## Cyber security education

- **Employees**: corporate awareness program through trainings and phishing exercises
- **Enterprise and public sector customers**: education programs provided by our Proximus Corporate University
- **Children**: safe and responsible Internet usage training for 10,300 children



## Data privacy

- **Applying** strict **GDPR** rules and policies
- **Extended privacy** settings on **MyProximus app** and website
- Improved '**privacy by design**' process

# Digital innovation

We want to increase the digital possibilities of our customers and have an impact on social and ecological challenges. How? Through open innovation: working together with academia, supporting start-ups and co-creating solutions with innovation partners.

## Supporting start-up and scale-up communities



## Academic collaboration

- Security
- AI
- Networks



## Innovative solutions addressing societal challenges

- Smart energy and climate
- Smart buildings and venues
- Smart mobility and logistics
- Smart cities and safety



## Caring for our stakeholders

- Customers first
- Caring for our employees
- Ethical business conduct

# Customer first



Customers are key. Obviously. Offering them a personalized, effortless and proactive experience starts with investing time and effort in listening to them, getting to know their needs and closing the loop with them when needed.

## Customer experience

- **Customer journey's** redesign in co-creation with customers
- Further roll-out of our customer feedback platform, '**Voice of the customer**'
- **-18%** customer **complaints** vs. 2018

## Digital platforms

- **1.6 Mio** active users on **MyProximus** (residential & business customers)
- **1.1 Mio** unique visitors on **Pickx**
- Strategic **partnership** with **Microsoft** for Azure cloud solutions

## Responsible marketing

- **Parental control** on TV and smartphones
- **Protecting mobile customers** from bill shocks
- **Providing information to customers** on potential risks of electromagnetic fields and tips to reduce exposure



# Caring for our employees



We create a challenging, inspiring, inclusive and safe working environment for our employees. Their contribution and engagement are crucial to make the digital future happen.

## Upskilling and reskilling

- Avg. **4.7** training days/employee
- **€ 34 Mio** invested in employee reskilling and upskilling
- **2,252** employees trained specifically to increase their digital skills

## Diversity & inclusion

- **48** nationalities
- Continued effort for **equal gender** representation
- Experience@Work for **aged 55+**

## Safe and inspiring work environment

- Digital & collaborative **workplace**
- FeelGreat@Proximus, our corporate **resilience** program
- Implementation of our Global **Prevention** Plan

# Ethical business conduct



Compliance and business ethics are our license to operate. We expect all our employees and affiliates to share and live by our values and standards.

## Business ethics

- Mandatory training on our Code of Conduct for employees & affiliates
- Committed to regular employee communication around policies and procedures (e.g. anti-corruption/bribery, conflict of interest)
- Striving to improve social & environmental standards throughout the supply chain

## Stakeholder dialogue

- Since 2019, increased structure in our stakeholder outreach
- Stakeholder policy based on transparency and dialogue



## **Contributing to society**

- Digital inclusion
- Social engagement
- Fans of Belgian culture

# Digital inclusion



We are committed to making technologies accessible to everyone, regardless of their physical abilities, economic background, cultural origin, education or age. We develop and support education initiatives for job seekers, school pupils and seniors.

## Support alternative digital education

- Founding partner of **19**, 1st free Belgian coding school
- Founding partner of **Technobel** Competence Center with Le Forem
- Partner of **MolenGeek**, coding school and start-up incubator
- **diggit**: program where 3,000 children already trained 5,000 seniors to go digital

## Make digital accessible to all

- **Bednet & Take Off**: connecting >1,000 children with long-term illness to their school per year
- **Passe Muraille**: 100% of tested devices are accessible
- Accessibility of our websites and apps for **disabled people**
- **Social tariffs** for +184,000 people
- Making technologies available for the **less fortunate** and **emergency services**

# Social engagement



As a company strongly rooted in Belgium, we want to give back to society. We do this by supporting national projects as well as local initiatives close to our offices.

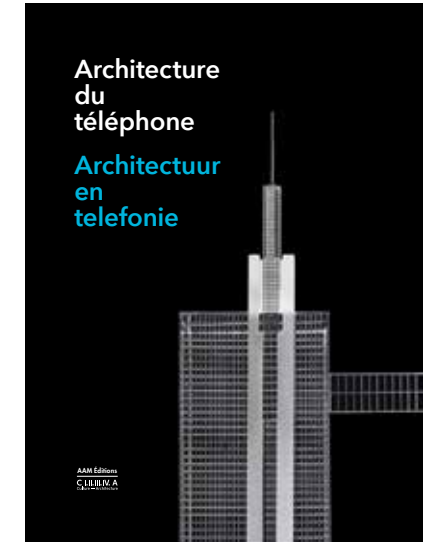
- **Clothing and food** for the homeless
- **Free Wi-Fi** for refugees and migrants
- Employee **volunteering** in local NGOs
- Employee **blood donation**





# Fans of Belgian culture

Music | Sports | Media | Art





## Respecting our planet

- Proud to be CO<sub>2</sub> neutral
- Circular economy
- Sustainable supply chain

## Proud to be CO<sub>2</sub> neutral



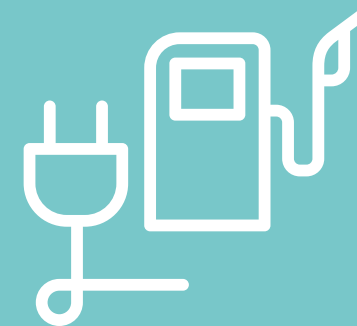
We have reached a world-leading position in becoming CO<sub>2</sub> neutral. We will increase our efforts to further reduce CO<sub>2</sub> emissions while raising our ambition towards a net positive contribution in 2030.

**100%**  
carbon neutral  
for own operations

**-5%**  
carbon emissions  
in 2019 (vs 2018)



**100%**  
electricity consumed  
from renewable  
energy sources



**-30%**  
energy consumption  
over the past 10 years

## Circular economy



We are contributing to shifting towards a more circular economy, requiring fewer resources and producing less waste.

**87%** of our waste is recycled, reused or composted

**+31,000** mobile phones recycled

**+336,000** refurbished modems and TV decoders

Become a **truly circular** company by 2030



## Sustainable supply chain



We work closely with our +4,000 suppliers and set strict sustainability standards and clauses to further reduce our impact and contribute to a better world.

100%

of our vendor contracts contain a **CSR clause** on social, ethical and environmental standards

85%

of suppliers screened using social criteria and

75%

of suppliers screened using environmental criteria were awarded a Silver or Gold **EcoVadis** recognition level

84

on-site audits performed in collaboration with **JAC** (Joint Audit Cooperation)



# Committed to making a societal impact



- Improving fixed and mobile connectivity in **white zones**
- Supporting local innovation **ecosystems**
- Building trust in digital as founding partner of the **Coalition**
- Easy to find and understand **privacy settings** on App, TV and websites



- **Parental control** on TV and smartphones
- **1.6 Mio active users** on MyProximus end 2019
- **4.7 training days**/employee on average in 2019
- **100% CSR** clause in all contracts



- Partnership with coding school and incubator **MolenGeek**
- **10,300 kids** trained on safer internet use in 2019
- **diggit** project to familiarize 1,000 seniors with digital in 2020
- Sponsor of the **Paralympic** athletes



- CO<sub>2</sub> neutral for **own activities**
- CO<sub>2</sub> reduction:  
-**79%** vs 2007  
-**27%** vs 2015
- **-50%** energy consumption of decoders in past 5 years
- **Don't Miss the Call** campaign with Umicore to recycle 100k phones in 2020

# And create value for society

Resources we use	What we deliver	The way we deliver	To whom we deliver	Value we create
 <p><b>Human capital</b></p> <ul style="list-style-type: none"> <li>• 12,931 employees</li> <li>• 15,000 indirect employees</li> <li>• 48 nationalities</li> <li>• 31% women</li> </ul>  <p><b>Financial capital</b></p> <ul style="list-style-type: none"> <li>• € 1,027M investments</li> <li>• € 2,856M shareholders' equity</li> <li>• € 2,185M adjusted net debt</li> </ul>  <p><b>Natural resources</b></p> <ul style="list-style-type: none"> <li>• 10.7M liters fossil fuel</li> <li>• 357 GWh electricity</li> <li>• 1,197,000 m² building footprint</li> </ul>	   <p><b>Future-proof &amp; open Gigabit infrastructure</b> (e.g. fixed and mobile networks, SDN, datacenters, modems &amp; decoders).</p> <p>Tuttimus   Bizz   epic   scorlet</p> <p><b>Segmented offers</b> answering the specific needs of families, millennials &amp; Generation Z, price seekers, small and large enterprises.</p>  <p><b>Proximus Accelerators</b></p>  <p><b>Expertise</b> in ICT, cloud services, edge computing, security, workplace applications, IoT, data analytics and innovative digital services.</p> <p>MyProximus   pickx   My e-Press</p> <p><b>Digital platforms</b> offering personalized experiences and innovative services.</p>	<p><b>Superior customer experience</b> We put the customer at the center of everything we do. This is about creating a personalized, effortless, proactive experience for each customer.</p> <p><b>Digital-first</b> in all that we do</p> <p><b>Innovative partnerships</b> with global players and local service providers creating new ecosystems for our customers.</p> <p>Using <b>data, artificial intelligence and automation</b> to drive operational excellence, improve customer experience and develop new business models.</p> <p><b>Good to Gold culture</b> We expect our employees to have a growth mindset, be eager to learn and improve continuously. Our 4 core values - Accountability, Collaboration, Agility and Customer centricity - guide us in how we act. So that each of us can make a difference.</p>	<p><b>Residential customers</b></p> <p><b>Small enterprises and independent</b></p> <p><b>Medium and large enterprises</b></p> <p><b>Public sector</b></p> <p><b>Wholesale customers</b></p>	<p><b>Enabling a better digital life</b> by building future-proof infrastructure, by developing innovative solutions addressing societal challenges and by building trust in digital.</p>   <ul style="list-style-type: none"> <li>• 99.6% 4G indoor coverage</li> <li>• 100% 4G outdoor coverage</li> <li>• 79.2 Mbps Average VDSL2 speed</li> <li>• 1.82M IoT connections</li> <li>• 10,300 pupils trained on safe Internet use</li> </ul> <p><b>Caring for our stakeholders</b> by addressing the needs of our customers, by empowering our employees, by building strong relationships with our partners and suppliers, and by committing to an attractive return for our shareholders.</p>    <ul style="list-style-type: none"> <li>• 1.6M active users on MyProximus (residential &amp; business customers)</li> <li>• € 34M in employee re/upskilling</li> <li>• 4.7 training days/employee on average</li> <li>• 100% contracts with a CSR clause</li> </ul> <p><b>Contributing to society</b> by investing in education to foster digital inclusion, by making the digital society accessible to everyone and by dynamizing the local media ecosystem.</p>   <ul style="list-style-type: none"> <li>• 862 job seekers supported by our initiatives</li> <li>• 1,164 children with a long-term illness connected to their school by Bednet and Take Off</li> <li>• € 3M invested in the local Belgian audio-visual industry</li> </ul> <p><b>Respecting our planet</b> by becoming a net positive and truly circular company by 2030.</p>   <ul style="list-style-type: none"> <li>• Carbon neutral for own operations</li> <li>• 4% energy reduction (vs 2018)</li> <li>• 87% waste recycled, reused or composted</li> <li>• 31,475 mobile phones collected</li> <li>• 336,000 refurbished modems and TV decoders</li> </ul>

Based on Proximus Group key figures 2019

