



# Annual report **2019**

proximus | group



# Table of content

## Proximus at a glance

- 1** 5 Foreword from our CEO & our Chairman
- 8 Who we are & what we do
- 12 Key financial highlights
- 16 Key achievements

## Creating an inclusive, safe, sustainable and prosperous digital Belgium

- 2** 21 Contributing to society while creating value for our stakeholders
- 23 Enabling a better digital life
- 32 Caring for our stakeholders
- 43 Contributing to society
- 51 Respecting our planet

## Governance and compliance, safeguarding long-term value

- 3** 58 Corporate governance statement
- 75 Regulatory framework
- 79 Risk management report
- 88 Remuneration report
- 97 Proximus share

## Appendix

- 4** 105 Overview of non-financial information
- 109 Transparency
- 121 Social figures
- 125 Environmental figures
- 128 GRI content index
- 145 KPI definition

## Non-financial reporting approach 2019

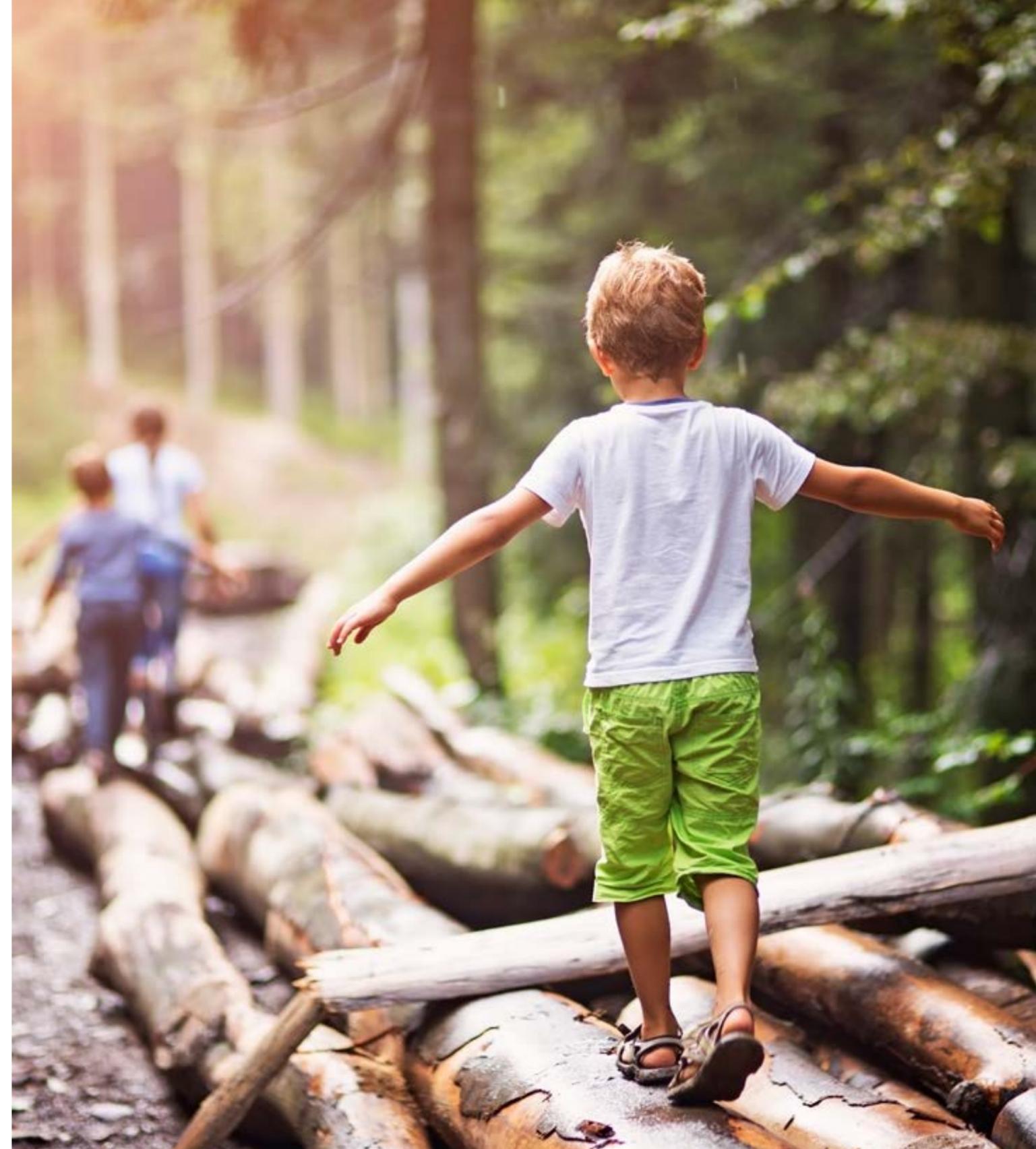
For the Non-Financial information included in this Annual Report, we followed the indications of the Global Reporting Initiative (GRI) guide (core option). We have detailed our reporting approach in the Transparency section.

Proximus answers several questionnaires on Sustainable and Responsible investments such as Sustainalytics, Vigeo Eiris, MSCI, OEKOM ISS and Dow Jones Sustainability Index. Our ambition is to keep improving our performance by comparing it with that of peers.

In 2019, we were listed or scored as follows on the different indices:

- CDP Supplier Engagement leader board
- Constituent company of the FTSE4Good Index Series
- OEKOM ISS: C
- DJSI: 52
- Sustainalytics: 68
- Vigeo Eiris (not included in indices).

In this 2019 report, we show how we create value for our stakeholders and society, structuring the information around four strategic areas: Enabling a better digital life, Caring for our stakeholders, Contributing to society and Respecting our planet. We cover our most material topics, defined through an internal and external process, explained in the Transparency section. In the Governance section, we describe our governance framework, regulatory framework, risk management, remuneration structure and the Proximus share. Throughout the report we provide detailed performance data.



# Proximus at a glance

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## We will make Proximus the reference operator in Europe

Dear reader,

2019 was an important turning point for Proximus. We successfully built further on our ambition to become a truly digital-centric organization. At the same time, the market in which we operate is changing faster than ever before. Customer expectations are on the rise in a world of exponential technological advances while we face growing competition from new players and current market trends that are very challenging.

In the previous years, during the mandate of Dominique Leroy we achieved excellent financial and operational results. Our company has been going through a profound transformation along with the adoption of a new company culture. All these changes were successfully introduced, for which we are truly grateful to Dominique Leroy. We would also like to express our gratitude towards our CFO Sandrine Dufour for her intense and active role as CEO ad interim during the transition period. Now, under the leadership of the new CEO, Guillaume Boutin, the team will be

able to continue working on these foundations in order to prepare our future. To answer the fast-changing customer needs efficiently and remain relevant in the market, we will continue to invest in networks, IT, innovation and content.

The approval of the transformation plan and the last year changes in our executive committee create the momentum to set the bar higher and truly accelerate Proximus' transformation through an ambitious, purpose-driven future strategy. This strategy will set us up for a successful turnaround to make Proximus the reference operator in Europe. We will set a higher level of ambition: by investing in next-generation networks, we will create long-term value and change the market dynamics fundamentally, while managing the short-term and mid-term competitiveness.

More than ever, the future of the company will be worked on with positive energy and ambition. This is a new starting point for our company, customers, stakeholders and employees.





Guillaume Boutin | CEO

With our new brand promise - Think possible - we want to inspire Belgians by showing them all the possibilities that the latest technologies offer. We want to empower everyone to realize their potential with our products and services.



### Full-year results in line with our guidance

We delivered full-year results in line with our guidance through a sustained customer growth and continued strong focus on our costs. We posted nearly stable Domestic revenue when excluding terminal sales (-1.2%), and a stable underlying Group EBITDA (+0.3%). We maintained our high investments pace with EUR 1,027 million (stable vs 2018) invested with a clear focus on digitalization, networks and overall customer experience. We also invested extensively in our IT platforms, the ongoing multi-year modernization of our transport network and attractive content for our TV customers.

### Towards true customer centricity

2019 was the year in which we laid the foundation to achieve our future ambition: to transform into a truly customer-centric digital company and to become the reference operator in Europe. We reached multiple milestones that helped us pave the way towards that ambition. These milestones live up to Proximus' new brand promise: "Think

possible". By embracing the digital revolution, we confidently guide our customers through all changes and possibilities and offer them worry-free experiences.

In the residential market, we fully commit ourselves to address the digital needs of all consumers - and create relevant daily experiences - on content, but also on helping them manage their daily lives. Key to this success is our openness towards innovative partnerships, e.g. with Shadow for cloud gaming and with the newspapers Het Laatste Nieuws and Le Soir for My e-Press. Such innovations keep us relevant and attractive for customers, as our solid results in Mobile, Internet and TV show.

Although we have a strong position in the enterprise market, we need to continue to reinvent ourselves to remain successful. To unlock the digital potential of our enterprise customers, we launched Proximus Accelerators: a partnership which brings together the wide-ranging expertise of Proximus and its subsidiaries in the domain of ICT. They support companies in their digital transformation by creating a fully

integrated ICT experience support. To leverage the value of our network, we continued to develop our wholesale business with already 20 fiber contracts in 2019.

Our goal is to embed digital in everything we do. By adding new servicing features to MyProximus, the customer tool to easily manage products and services, we take customer experience to a higher level for both residential and professional customers. Digital is also key to increase internal efficiency in customer operations: the use of automation, advanced analytics and artificial intelligence enables us to make our operations more efficient and offer better service.

Data consumption continues to grow exponentially, driven by video and gaming. Considerable investments will secure Proximus leading position in technology. We rolled out fiber already in 13 cities while also continuing to improve the speed on copper. The preparation of 5G will secure our mobile leadership on the long term - backed by the mobile access network sharing deal with Orange Belgium.

### Empowering our organization to secure our future

To achieve our future ambitions, we need to empower our employees and our organization. The approval of our transformation plan, at year-end, was an important milestone for two reasons: to remain relevant for customers while securing our future.

In January 2019, we announced the need to reduce the number of employees over 3 years. We are well aware this period has not been easy for many of our employees. We are sincerely thankful for their continued commitment during this period of uncertainty. We are also grateful that the negotiations with the concerned trade union partners have led to finding solutions to reduce the impact of the plan, in everyone's interest. We will continue to guide and support all people impacted by the transformation plan.

The transformation plan also enables us to build the future of Proximus by developing the right skills with specific programs for the reskilling and upskilling of our teams. In 2019 each employee followed an average of 4.7 days of training. In order to make our employees even more resilient and digitally savvy, we aim for an average of 5.5 training days per employee in 2020, which amounts to an investment of more than EUR 40 million. In order to remain competitive, we also improve cost efficiency. Various projects have already been launched — to increase operational efficiency, to manage electricity consumption, to optimize suppliers' contracts, etc.

### Sustainability, a strategic priority

As a company strongly rooted in Belgium, we want to make an impact on society by creating a safe, sustainable, inclusive and prosperous digital Belgium. The new digital economy is creating a lot of new opportunities, but it also brings new



challenges and responsibilities. By integrating sustainability in our strategy, we make it a visible priority in everything we do.

Our new sustainability strategy, acting upon the UN Sustainable Development Goals, has an increased focus on climate action. In our contribution to a circular economy, we want to move from a carbon-neutral company today to a net positive and truly circular company by 2030. We signed the Green Deal Flanders & Wallonia on circular procurement, and — amongst others — introduced green supply initiatives in several cities.

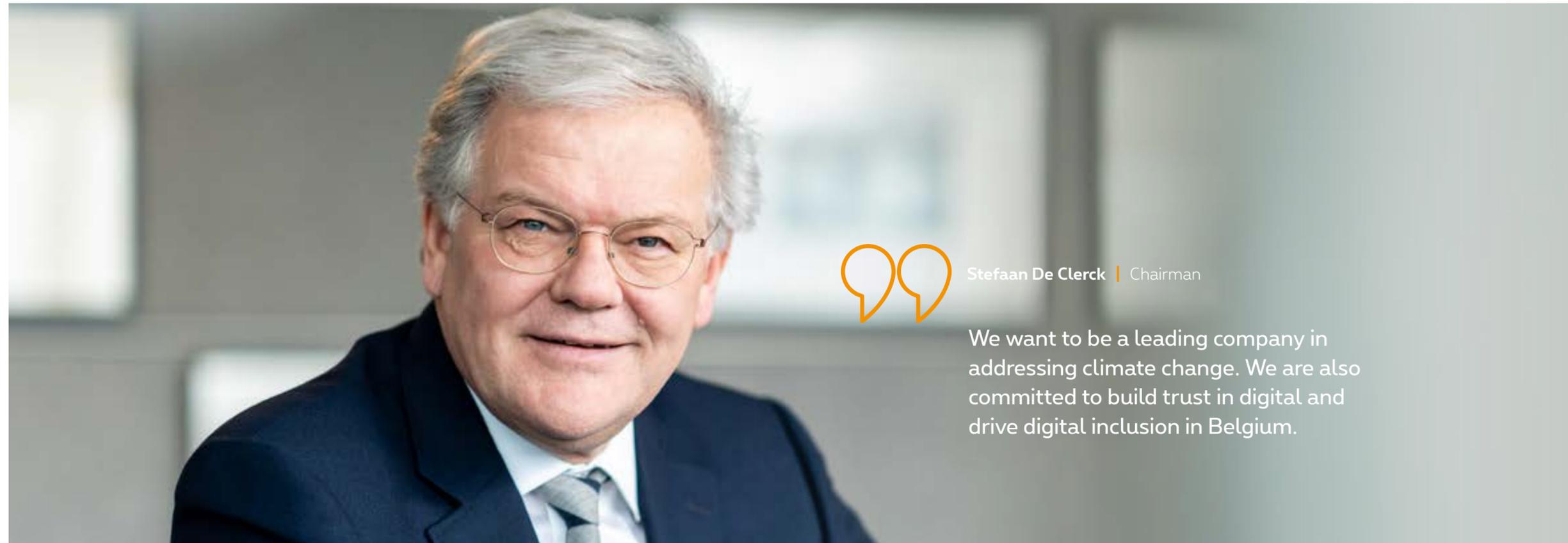
To drive digital inclusion in society, we reviewed our education projects: we partnered with the MolenGeek coding school, developed further our partnership with School 19 and launched 'diggIt', a new educational program for kids helping seniors to go digital.

We strongly believe that embracing diversity is a key to success. Therefore, we still support the European #EmbraceDifference pledge, committing ourselves to welcome a wide range of diverse talent — regardless of their gender, culture, age, ... We do so by being open and non-restrictive in our communication, marketing and recruiting campaigns. In 2019, we hosted major conferences on diversity & inclusion and on unconscious bias, co-organized with Jump and Women on Board.

### Convinced to make the turnaround

Looking at all what we have achieved in 2019, we are convinced that we can be successful in becoming Europe's reference operator.

In the coming years we will increase our efforts to adapt our IT infrastructure and deploy the networks of the future with



Stefaan De Clerck | Chairman

We want to be a leading company in addressing climate change. We are also committed to build trust in digital and drive digital inclusion in Belgium.

Fiber and 5G in order to offer our customers the experience and service they expect from us. Proximus will become the brand of reference and trust in Belgium, offering a visibly superior customer experience and service — especially in digital. Cybersafety for all our customers will of course be a major ambition. Local ecosystems and new partnerships will be key for our success and they will help us to develop new economic models. And finally, even more than today, we ambition to create a positive impact on the world around us and play our part in bridging the digital divide, providing opportunities for all digital talents and encouraging circular economy models.

We firmly believe in the opportunities of digitalization, whether for our company, our customers or the world around us. This is illustrated by the launch of "Think possible", which represents, beyond our new brand promise, a proof of confidence in the future.

Guillaume Boutin, CEO

Stefaan De Clerck, Chairman

To get a more comprehensive overview of Proximus in 2019, we invite you to further browse through this annual report. It shows our organization's financial results and key achievements and our contribution to be an inclusive, safe, sustainable and prosperous digital Belgium.

Enjoy the read.

# Who we are, what we do

Proximus is a provider of digital services and communication solutions operating in the Belgian and international markets.





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

We offer products and services adapted to each customer and we are the partner of citizens, businesses, and Belgian society in their digital evolution.

Our advanced interconnected fixed and mobile networks offer access anywhere and anytime to digital services and data, as well as to a broad offering of multimedia content. We are investing in future-proof networks and innovative solutions, creating the foundations for sustainable growth and becoming a truly customer-centric digital company.

The customer is at the heart of everything we do. Our aim is to deliver the best customer experience and to simplify the customer journey by offering accessible and easy-to-use solutions.

We want to create an inclusive, safe, sustainable and prosperous digital Belgium. We have been climate-neutral for our own operations since 2016 and we are rapidly shifting towards a more circular economy, requiring fewer resources and producing less waste. We have set a new ambition of being a net positive and circular company by 2030.

Our employees work hard each day to make Proximus a truly customer-centric digital company. They are a valuable asset. We want to create a culture where they can develop, make a difference, contribute to our results and be our best ambassadors.

Proximus is a Public Limited Company under Belgian Public Law, listed on Euronext Brussels (BEL20). Proximus' main shareholder is the Belgian state, owning 53.51% of the company's shares.

## Our brands

Our complementary brands meet the demands of a wide range of customers. They all operate to fulfill our sense of purpose: “We open up a world of digital opportunities so people live better and work smarter.”

### Belgium

In Belgium our core business products and services are offered under the **Proximus** and **Scarlet** brands. Our brand promise, “Think possible”, highlights everything we are able to do and experiment thanks to recent technologies. A promise we realize through Proximus, that offers best quality and service with a full choice of features to residential customers and enterprises; and through Scarlet, with its no-frills offering aimed at customers looking for the best prices.



### Luxembourg

In Luxembourg we are present as Proximus Luxembourg SA, under the brand names **Tango** and **Telindus Luxembourg**. Both brands operate jointly to meet all the telecommunications needs of Luxembourg's residential and business customers.



### The Netherlands

In the Netherlands we operate through **Telindus Netherlands**, specialist in smart and secure IT platforms.



### Worldwide

We operate internationally through **BICS**, one of the key global voice carriers and the leading provider of mobile data services worldwide. BICS connects the world by creating reliable and secure mobile experiences anytime, anywhere. Their solutions range from global mobile connectivity, to seamless roaming experiences, fraud prevention and authentication, and to global messaging and the Internet of Things. Thanks to the acquisition of TeleSign in 2017, BICS is the world's first end-to-end Communication Platform as a Service (CPaaS) provider.

## A unique ICT environment

To help our enterprise customers stay ahead of the game, we launched **Proximus Accelerators**, a partnership for cooperation between subsidiaries in our group that are IT experts. They have joined forces to support customers with the transformation of their business, driven by technology.

Each member complements the expertise of the other. That is what makes Proximus Accelerators capable of solving IT challenges end-to-end: from API development to integrated IT solutions, and from data privacy and security to smart mobility.



**Be-Mobile** offers a wide array of smart mobility solutions to help public authorities, road operators, car manufacturers and private companies improve daily mobility for travellers.

**ClearMedia** provides cloud solutions, services and products tailored to the (S)ME market through the indirect channel.

**Codit** is an IT services company and a market leader in business application integration, API Management, Microsoft Azure and Internet of Things.

**Davinsi Labs** offers security intelligence with a focus on vulnerability management, security information, event management and user activity monitoring.

**Proximus Enterprise** operates for the professional market and the public sector. Its ambition is to support each customer on their path towards digital transformation through first-class connectivity and expertise in cloud services, IoT, big data and security.

**Proximus SpearIT** is the ICT integrator for mid-sized companies.

**Telindus Luxembourg and Telindus Netherlands** are specialists in smart and secure IT platforms.

**Umbrio** offers IT & network operations and analytics.

**Unbrace** is a full-service innovative digital transformation web application agency.



Group underlying revenue  
**EUR 5,686 Mio**

Group underlying EBITDA  
**EUR 1,870 Mio**

Capex  
**EUR 1,027 Mio**

Free Cash Flow  
**EUR 504 Mio**



Number of employees  
**12,931**

Customer base



Fix internet  
**2,089,000**



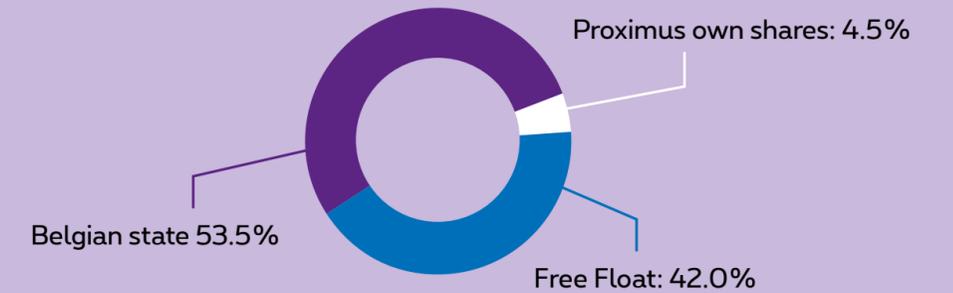
Digital TV  
**1,642,000**



Mobile Postpaid  
**4,111,000**

Shareholder structure

Public-private company



Listed on the Brussels Euronext stock exchange

Ticker:  
**PROX**

ISIN code:  
**BE0003810273**



# Key financial highlights

## Proximus Group closes 2019 with financial results in line with guidance, driven by solid commercial performances and good cost control throughout the year

Supported by our appealing year-end campaign, we maintained a good customer momentum for Internet, TV and Mobile postpaid in the last quarter of 2019. Our segmentation strategy again proved successful in a very competitive market, with a growing number of Households signing up for converged offers, with especially the EPIC and Minimus packs having strong traction. By end-2019, over 60% of our Household customer base was convergent. In spite of an increasing number of “skinny bundles” offered on the market, we kept a strong position in the low-end segment through our Scarlet brand, with its attractive no-frills offering appealing to customers looking for the best prices.

Building on our ambition to become a truly digital-centric organization, addressing the digital needs of our customers and creating content-centric experiences, we launched My e-Press with the newspapers Het Laatste Nieuws and Le Soir on 1 December 2019. At the same time, we are vigilant with regard to preserving competitive Mobile pricing and announced an enrichment of our Mobile bundles as from 1 January 2020.

We maintained a strong position in an increasingly competitive Enterprise market. We achieved a further increase in our mobile base, despite high mobile pricing pressure. To remain successful, we continue to reinvent ourselves. Therefore, to unlock the digital potential of our enterprise customers, we launched Proximus Accelerators, a collaborative ecosystem of Proximus subsidiaries with highly specialized digital IT experts. They help companies in their digital transformation by creating fully integrated ICT support.

Our overall focus on digitalization also translates into a lower cost base for our Domestic operations, with, amongst others, a 20% decrease in calls towards our call centers.

As a result, we delivered over the year 2019 a slightly growing Domestic EBITDA.

For BICS, the solid progress in direct margin thanks to volume growth in A2P messaging and TeleSign’s mobile identity business was offset by higher expenses to fuel the growth of TeleSign, and by the progressive insourcing by MTN, be it in a limited way so far.

As we anticipated, the 2019 Group EBITDA therefore ended stable at + 0.3%.

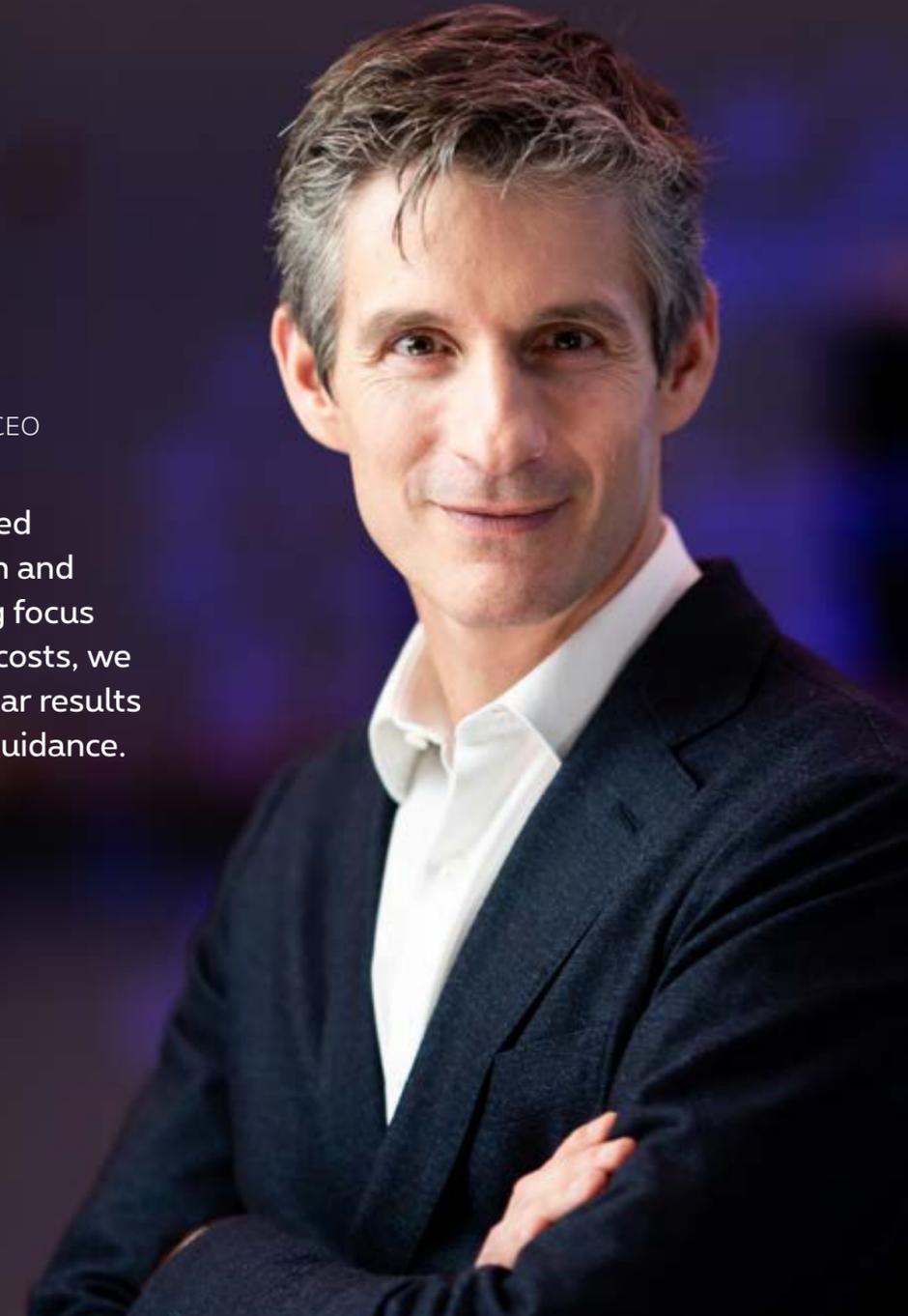
With the agreement concluded with the majority of the Unions on the Fit for Purpose transformation plan, we can continue to build the future of Proximus, developing the right digital skills with specific programs for the reskilling and upskilling of our teams.

We operate in a fast-changing market, with shifting customer expectations, fast technological progress and growing competition. In view of the challenges we face, we are working hard on further defining our strategy going forward. I’m looking forward to sharing the outcome at our Capital Markets Day and Press event scheduled for 31 March 2020 in Brussels.



Guillaume Boutin | CEO

Through sustained customer growth and continued strong focus on reducing our costs, we delivered full-year results in line with our guidance.



## Revenue

The Proximus Group ended the year 2019 with total underlying revenue of EUR 5,686 million, 2.1% below that of the prior year. Within the mix, the underlying Domestic revenue decreased by 1.7%, and revenue from BICS, Proximus' International Carrier business unit, ended 3.4% below that of the prior year.

For its Domestic operations, Proximus posted revenue of EUR 4,386 million in 2019, with the largest part coming from retail Fixed and Mobile Telecom services generated by the Consumer and Enterprise segments.

Despite Proximus' continued customer growth in the Consumer segment, and maintaining a strong position in the Enterprise segment, the revenue from domestic operations was down from the prior year by EUR 75 million or 1.7%. This included a EUR 25 million decrease in devices revenues driven by the declining business of reselling standalone mobile terminals at low margin. Excluding this, the domestic revenue ended -1.2% below that of the prior year. Furthermore, regulatory impact on Fixed Termination and International calling/texting rates, affected the revenue negatively by about EUR -31 million, excluding the unfavorable impact from the legislation on customer reminder fees. The remaining revenue pressure largely resulted from an eroding Prepaid and Fixed Voice base, and lower Mobile inbound revenue, which was not fully compensated for by the growth achieved in Proximus' core products.

Revenue evolution by segment (underlying, EUR Mio)



## Underlying EBITDA

The Proximus Group posted an underlying EBITDA of EUR 1,870 million for 2019, up by 0.3% and meeting its expectation for the year.

The Domestic operations of Proximus grew the EBITDA by 0.4% to a total of EUR 1,718 million. This was driven by the companies' strong cost control, more than offsetting the slightly lower Direct Margin. With a more efficient cost structure, the Domestic EBITDA margin improved to 39.2%, up from 38.4% for 2018.

BICS closed 2019 with its Segment Result totaling EUR 153 million, 0.5% below that of the prior year following its increased cost base to support its growth areas, and a minor impact as a consequence of the gradual insourcing of services by MTN. BICS' segment margin as percent of revenue for 2019 was 11.7%, up 0.3 p.p. from the previous year.

EBITDA (underlying, EUR Mio)

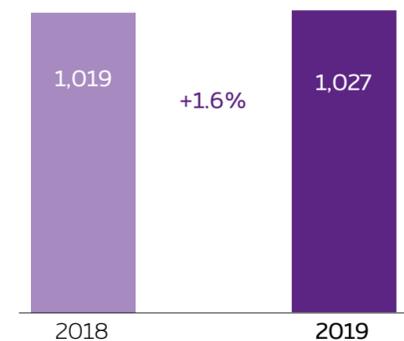


## CAPEX

The level of Capex reflects the Group strategy to invest extensively in enhancing its IT platforms, the ongoing multi-year modernization of its transport network, and attractive content for its TV customers. In line with its expectations, Proximus invested a total amount of EUR 1,027 million in 2019, stable in relation to the EUR 1,019 million invested in 2018. With Proximus' Fiber for Belgium project ramping up, this consumed a larger share of the yearly capex envelope. The deployment of this future-proof network kicked off early 2017, and by end-2019, inhabitants of 13 cities were being connected to Fiber.

Coping with an ongoing steep increase in mobile data traffic, Proximus also invests to ensure a top-quality mobile network for its mobile customers.

Accrued Capex excluding spectrum (EUR Mio)



## Free Cash Flow

Proximus' 2019 FCF totaled EUR 498 million, or EUR 504 million when excluding the 2019 cash-out related to acquisitions. This is rather stable relative to the EUR 501 million for 2018 (adjusted for acquisition cash-out for ION-IP, Umbrio and Codit).

In 2019, the higher amount of cash needed for Business working capital, payments made in the 2016 Early Leave ahead of Retirement restructuring plan, and less proceeds from building sales, was offset by lower cash out for income tax and interests, less cash needed for Capex and a positive evolution in underlying EBITDA.

Free Cash Flow (EUR Mio)



## Transformation plan

In January 2019, Proximus announced the need to accelerate its transformation and further reduce its cost structure in order to continue to stay relevant in the market and continue the needed investments in networks, innovation and content.

This transformation will be realized through different types of measures:

- Proximus will continue to grasp cost-saving opportunities through rationalisation of its networks, product portfolio, platforms, buildings and IT systems and through further simplification, automation and digitalisation.
- Together with its suppliers, Proximus started discussions to investigate the different possibilities to reduce costs and increase efficiencies.
- Aiming to lower its costs with its external partners, Proximus asked, amongst others, to its external call center partners to shift to more cost-efficient work-models via near-shoring and off-shoring.

- In January 2019, Proximus announced the need to reduce the number of employees in line with the workload reduction mainly linked to digitalization. The transformation plan was approved by the majority of the Trade Unions on 9 December 2019 while the implementation had started by informing the employees individually. The agreed upon workforce reduction is managed through a specific process, starting with a voluntary leave plan with a majority of employees leaving by the 1st of March 2020. All other departures will happen before year-end 2020. In total, 1,347 FTEs signed up to the voluntary leave plan. A very limited number of involuntary leaves is expected at the end of the internal mobility and requalification process, which started early February.
- Proximus continues investing in employee reskilling and upskilling. In 2019 we invested EUR 34 million for an average of 4.7 training days per employee. In 2020 we aim for an average of 5.5 training days per employee, which amounts to an investment of more than EUR 40 million.

# Key achievements



# Networks

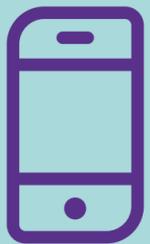


**First showcases**

- Virtual reality & cloud gaming
- Live video streaming
- Industrial robots & drones

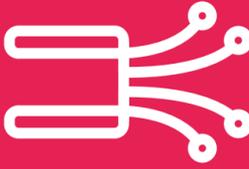


Mobile access network agreement with Orange Belgium



**Superior mobile experience**

- 3 mobile experience awards (OpenSignal)
- #2 worldwide mobile quality (Tutela)
- best 4G coverage (BIPT)



**Fiber**



- Roll-out in 13 cities
- 64% of companies in industrial zonings
- 20 wholesale deals

# Digital innovations



**My e-Press**

The digital press offer of Le Soir+ and HLN Digitaal





**Smart buildings & venues**



# Commercial achievements

	<b>New segmented offers</b>	  <b>1.1 Mio unique visitors</b>	<b>Proximus Accelerators</b>          
<b>New brand promise</b>	<b>Bizz Mobile</b>		
<b>Think possible</b>			

# Digital customer experience

<b>1.6 Mio active users (+ 8% YoY)</b>	<b>ServiceNow</b>  <b>E-ticketing for technical assistance</b>  <b>Accessible to 16,000 enterprise customers</b>

# Our people

Developing the skills of the future

- **EUR 34 million** invested in reskilling and upskilling
- Average of **4.7** training days/employee



# Contributing to society



New partnership with



**Can you diggit? Yes, you can!**  
Kids helpen senioren op het digitale pad.



**diggit**

Educational projects for kids helping seniors to go digital

# Respecting our planet

**Green Deal Sustainable Urban Logistics**

Making deliveries in cities efficient and emission-free




**Green Deal Circular Purchasing in Flanders and Wallonia**

Applying & facilitating circular purchasing



**4% less energy consumed (vs 2018)**



# Creating an inclusive, safe, sustainable and prosperous digital Belgium

- 21 Contributing to society while creating value for our stakeholders
- 23 Enabling a better digital life
- 32 Caring for our stakeholders
- 43 Contributing to society
- 51 Respecting our planet



**Contributing  
to society  
while creating  
value for our  
stakeholders**

In 2019, we launched a new holistic sustainability strategy with one overriding goal: “Contributing to create an inclusive, safe, sustainable and prosperous digital Belgium”. We believe Proximus can act in four strategic areas to serve this goal, each translated into actionable pillars.

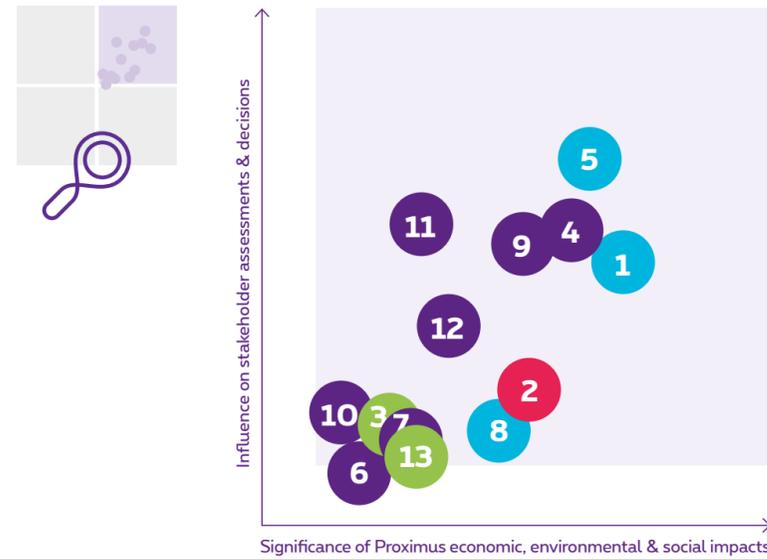
- Driven by our sense of purpose, we want to **enable a better digital life**.
- As a company with many ties to different communities, we **care for our stakeholders**.
- As a major Belgian company, we **contribute to society**, with a focus on making digital accessible to all and driving education about it.
- Finally, we **respect our planet** by being CO<sub>2</sub> neutral, becoming a truly circular company and through a sustainable supply chain.

We want to make an impact on society by contributing to the United Nations Sustainable Development Goals (SDGs) and by acting on topics that truly matter to our stakeholders.

## Highly material topics and SDGs

The most material topics link with the four strategic areas of our sustainability strategy:

<p><b>Enabling a better digital life</b></p> <ul style="list-style-type: none"> <li>1 Innovation and sustainable infrastructure</li> <li>5 Privacy and data security</li> <li>8 Digital competitiveness of institutions and companies</li> </ul> 	<p><b>Caring for our stakeholders</b></p> <ul style="list-style-type: none"> <li>4 Business conduct and ethics</li> <li>6 Health and safety</li> <li>7 Human capital and employee development</li> <li>9 Quality products and services</li> <li>10 Responsible marketing</li> <li>11 Pricing and billing transparency</li> <li>12 Customer relationship</li> </ul> 	<p><b>Contributing to society</b></p> <ul style="list-style-type: none"> <li>2 Connectivity and digital inclusion</li> </ul> 	<p><b>Respecting our planet</b></p> <ul style="list-style-type: none"> <li>3 Sustainability, energy and circular economy</li> <li>13 Sustainable supply chain</li> </ul> 
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## Our materiality matrix

The areas in which we contribute to society are broad. To bring focus we consulted our stakeholders to define and act upon the most material topics, represented in our materiality matrix.

In this chapter, we focus on the topics in the upper right quadrant of the matrix. These are the most important for Proximus and its stakeholders. More information about the

integration of the UN's Sustainable Development Goals and about our methodology and the design of the materiality matrix can be found in the Transparency section in the Appendix.

For the information included in this Annual Report we followed the indications of the Global Reporting Initiative (GRI) guide. The audited KPIs are highlighted in the GRI content index in the Appendix.



# Enabling a better digital life

We believe in a connected digital society. We encourage digital adoption by building high-quality future-proof infrastructure and by providing and co-creating innovative solutions and services. With our cyber security solutions and through data protection, privacy and awareness initiatives, we also build trust in digital.





## Future-proof digital infrastructure

### 1 Innovation and sustainable infrastructure

Being connected is part of everyone's and every company's daily life. At home, at work and on the go. Our aim is to ensure that people and companies have access to high-quality fixed and mobile networks, so they can seize the opportunities of the digital world. With around EUR 1 billion investment per year, Proximus is Belgium's biggest investor in a future-proof digital infrastructure.

KPIs	Result 2019	Result 2018
4G indoor coverage <sup>1</sup>	99.6 % <sup>2</sup>	99.6 % <sup>2</sup>
4G outdoor coverage <sup>3</sup>	100% <sup>2</sup>	100% <sup>2</sup>
Fixed Internet speed 70Mbps and above	76%	73%
Average VDSL2 speed	79.2 Mbps	75.8 Mbps
Vectoring coverage	90.1%	88.6%

### Fiber for Belgium

Data traffic and digital services are growing exponentially, mainly due to the increased volume used by videos, cloud apps and the Internet of Things. With Fiber for Belgium, a multi-billion EUR investment plan, Proximus prepares its infrastructure for the customers' future needs by rolling out fiber to most businesses and city centers in Belgium.

<sup>1</sup> The indoor coverage refers to the coverage of 4G inside of buildings.

<sup>2</sup> Results are based on BIPT/IPBT public figures in Q4 and represent the coverage percentage based on a simulation provided by the operators calibrated on basis of BIPT-drive-tests.

<sup>3</sup> The outdoor coverage refers to the coverage of 4G outside of buildings.

Fiber enables low-latency and stable high-speed connectivity, today reaching up to 1Gbps upload and download speeds, and soon up to 10Gbps. Our Fiber for Belgium roll-out is one of our key investments towards a digital economy and society. Our commercial offer provides a download speed of up to 220Mbps to our customers, which can be boosted to 400Mbps.

### Fiber for cities

Fiber offers cities access to the most advanced digital services to enable their transformation into Smart Cities. Smart solutions can be developed by equipping fiber with thousands of sensors and devices thus improving mobility, public safety and air quality, and can drive growth and employment in the city. In the future, fiber will become an essential part of every city's infrastructure just like the water supply and electricity network.

In 2019 we increased our fiber roll-out rhythm, thanks to boosted industrialization efforts. The rollout of this new technology is ongoing in 13 Belgian cities: Aalst, Antwerp, Brussels, Charleroi, Ghent, Hasselt, Knokke-Heist, Kortrijk, Leuven, Liège, Namur, Roeselare and Vilvoorde. (4 new cities in 2019).

### Fiber for businesses

Fiber allows companies to exploit all the possibilities of the digital economy. It offers the most future-proof, reliable and scalable technology to stay competitive, agile and innovative. Its high speed facilitates the adoption of new ways of working and technologies such as artificial intelligence, data analytics, connected objects or virtual reality.

For business customers, we proactively roll out fiber in areas with high business densities - such as industrial zones and business parks - and we offer on-demand fiber connectivity to any business customer who requests it. As a result, our coverage within the business and corporate market segments saw a strong increase. At the end of 2019, fiber was available for 64% of companies located in industrial zones (compared to 48% in 2018).

### Fiber for residential customers

With fiber, all members of a household can surf, stream high-quality videos, play and work online at the same time, with very low latency or loss of quality. And they benefit from the sharpest images on all screens.

In 2020, we will continue to grow our fiber footprint to reach our 50% coverage ambition in the years to come and adopt an ambitious fiber-centric marketing strategy, unlocking the commercial value in the residential, professional and wholesale markets. We make operational savings through the decommissioning of our copper network and by managing our networks remotely. At the same time we take efficiency measures to reduce our roll-out cost.



**In 2020, we will continue to grow our fiber footprint.**

## Mobile network: on the road to 5G

While the use of mobile data is constantly increasing, Proximus wants to continue offering its customers the best mobile network experience.

Over the past two years, on top of extending the coverage of our 4G network (population coverage: 100% outdoor and 99.6% indoor), we have also invested in the faster 4.5G, adding more capacity to the network.

At the end of 2019, Proximus and Orange Belgium signed an agreement with the intention to set up a shared mobile access network. This will allow us to aim for a faster and broader 5G roll-out and to improve the mobile network capacity and coverage to the benefit of our customers.

In 2019, the first showcases of the precommercial 5G launch took place to show our professional and residential customers that we are 5G-ready. 5G use cases were demonstrated for enterprises during our ThinkThings event and for the gaming public at the ESL Proximus Gaming Championship.

In 2019, our affiliates Tango and Telindus were the first Luxembourg operators to have connected 5G live on their mobile network.

Also in 2019, the SAFIR consortium (of which Proximus is a member), successfully conducted a pilot project with drones above the city and the port of Antwerp. 5G connectivity will be of great added value for drone applications.

In 2020, Proximus will focus on the implementation of the shared mobile access network and invest in the end-to-end preparation for the 5G network roll-out. We will launch commercially as soon as the spectrum is available.



## Optimizing our fixed network

To simplify our network we launched the Mantra+ project to replace technical buildings by an innovative new concept of compact and less energy-consuming Optimus-containers. Our Titan project to increase the capacity of our backbone from 10 to 100 Gbps, was successfully completed in 2019.

New tools and technologies enable us to continue the optimization of our Wi-Fi performance. We activated a smart Wi-Fi solution in our gateways: it provides our customers with the best Wi-Fi connection by choosing the optimal Wi-Fi

channel and the best Wi-Fi band (2,4 GHz or 5 GHz) for all their devices.

We also launched the Wi-Fi Booster, which extends coverage at home. With the Proximus Home Optimizer app our customers can find the right spot to install the Booster. The smart Wi-Fi solution also runs on the Booster, making sure that customers wherever in the house know which access point best to connect to.

## White zones: boosting coverage

White and rural zones are less economically attractive. However, we want to make the opportunities of the digital world accessible to everyone, everywhere. We are doing this by using new technologies and co-investing with public authorities.

We invested an additional EUR 18.5 million in 2017-2019 to offer high-speed fixed broadband services and high-definition digital TV and to increase outdoor 4G mobile coverage in Wallonia.

In 2019, we have installed and upgraded 43 mobile sites to boost 4G mobile coverage in Wallonia. We have also worked with Tessares on innovative solutions to connect remote areas. We are implementing microwave ROP technology, connecting VDSL2 street cabinets through wireless microwave technology, and we have installed 97 remote optical VDSL2 platforms in white zones to increase VDSL coverage significantly. Thanks to the investments we made, 35 municipalities out of the 39, reach at least 60% high bandwidth coverage (> 30 Mbps), including 10 municipalities with a coverage above 80%.

In 2020, we will further increase the fixed broadband coverage and explore the possibilities of increasing the mobile coverage in white zones.



## Digital trust

### 5 Privacy & data security

Today's digital world offers many opportunities, but also new threats. Trust is a prerequisite for people and companies to embrace the many opportunities of digital and to enable a digital future. As a leading digital company, Proximus is actively involved in developing a safer digital society through data protection, privacy and awareness initiatives.

KPIs	Result 2019	Result 2018
International recognized certifications related to cyber security (ISO 27001 and Trusted Introducer certifications)	5 <sup>1</sup>	6
Phishing exercises - employee awareness result: employees who informed CSIRT	2,480	1,113

### Cyber security: safety first

In developing infrastructure and digital services, safety is our top priority. That is why we offer our customers solutions to protect themselves and keep our employees up to date with the latest security practices. Threats in digital surpass national borders. To this end, we work closely with national and international cyber authorities.

<sup>1</sup> Our ISO certificate 'Workplace-as-a-Service' has become redundant in 2019 due to the implementation of the Microsoft certification.

### Within our company

In 2019, Proximus invested EUR 10 million in its Corporate Cyber Security Program. With this investment, we want to make our company more cyber-resilient and we want to offer best-in-class secured services and networks to our customers to protect company data, networks, servers and the end user.

Our corporate Cyber Security Incident Response Team (CSIRT<sup>1</sup>) continuously monitors security alerts and coordinates the response to cyber threats. In 2019, our CSIRT analysts handled 1,261 incidents (versus 2,087 in 2018) and 23,111 alarms (vs 15,348 in 2018). No single incident had a major business impact.

We are the proud holder of 5 ISO certifications covering our data centers (including both certifications for housing and hosting), Security Operations Center, the enterprise Explore Connectivity and Managed Services which was recertified in 2019.

Raising cyber security to a higher level remains a top priority for 2020. We continuously invest in our Corporate Cyber Security Program, further strengthening our capabilities and sustaining our ISO 27001 and Trusted Introducer certifications.

### For our customers

In 2019 we launched our state-of-the-art “Managed Security & Threat Intelligence” service, currently used by some of Belgium’s largest organizations like the Federal Public Services Finance and Justice.

<sup>1</sup> The Proximus CSIRT is the central incident response team of the Proximus Group. Its mission is to provide information and assistance to reduce the risks of cyber security incidents as well as respond effectively to such incidents when they occur.

## EUR 10 million invested in our Corporate Cyber Security Program in 2019.

Thanks to our acquisitions Umbrio and ION-IP we successfully continued to expand our cyber security solutions in the Netherlands, supporting Dutch cities to protect their citizens’ data.

Proximus’ Security Operations Center monitors more than 3,000 million events daily, alerting enterprise customers in case of incidents and remediating them.

In 2020 we will continue to invest in continuous improvement tracks for our Managed Security Services.

### For the general public and institutions

We are a committed partner of BE-Alert, a 24/7 public warning system by the Belgian authorities. BE-Alert can broadcast news and information in the event of a crisis via SMS, fixed voice, email and social media.

We continued our engagement with NATO’s Cyber Defense teams in 2019 and also participated in working groups with international law enforcement agencies to get first-hand

information on the modus operandi of cyber criminals. Additionally, we are actively exchanging information about observed threats and attacks on a national and European level via the ETIS platform.

In 2020, we will continue to expand our collaboration network through active participation in the Cyber Security Coalition, through close collaboration with the Center for Cyber security Belgium, with other European telecom operators via the ETIS platform, with global companies through the World Economic Forum’s Center for Cyber Security and with the European Cybercrime Center of Europol and through new and existing strong partnerships, such as with NATO.

### Cyber security education: raising awareness

We have an important role to play in raising society’s digital awareness. Not everyone is a ‘digital native’ and those who are, do not always see the digital dangers.

### Educating our employees

In 2019, we organized a Security Week for our employees with a vast awareness program. We also hosted dedicated training, awareness sessions, and multiple ‘real life’ phishing exercises to increase the detection skills of our employees. We fully supported the national awareness campaign on phishing during the European Cyber Security Month: a strong downwards trend of employees being phished shows that awareness initiatives have a positive impact.

We also want to offer employees the opportunity to develop careers in cyber security. In 2019, 10 employees followed an extensive one-year training on cyber security.



### Educating business and public sector customers

Professional customers and their cyber experts are always looking for in-depth advice and the latest trends. Therefore, we organized the biannual Proximus Cyber Security Convention. Our Proximus Corporate University (PCU) also provided security education programs for enterprise and public sector customers in 2019.

Five one-day information and networking events were organized by the Cyber Security Coalition, in which we are actively involved as co-founder and member. Each event addressed a dedicated topic such as secure applications, cyber threat intelligence, trust services, assessing & insuring cyber risks and security of drones. Currently 9 focus groups, gathering top experts from Coalition member organizations, are active: Awareness, Cyber Security Act, NIS, Privacy, Cloud Security, Cryptography, CSIRT-SOC, Enterprise Security Architecture and Governance and Risk & Compliance.

### Educating society

Twice a year our employees - trained by partner organization Child Focus - visit primary schools to make children aware of safe and responsible Internet usage. They reached 10,300 children in 185 schools in 2019 (vs 10,259 children in 212 schools in 2018).

To reach undergraduates, in 2019 Proximus CSIRT organized for the third consecutive year a full-day 'Capture the Flag' contest for 50 students following the new cross-university master's in cyber security (regrouping the ULB, UCLouvain, U-Namur and the Royal Military School) and 25 students from HOWEST, following the Professional Bachelor of Applied Computer Science - Computer & Cybercrime Professional.

In 2019, Proximus handled 94 requests from law enforcement authorities to block access to websites. We cooperate closely with the judicial authorities and help them in their investigation

in the context of criminal offences such as the possession and distribution of images related to child pornography. In order to protect our customers from fraud, like phishing via fake Proximus websites, the Proximus CSIRT is closely monitoring any attempts to attack our customers and is usually able to take down phishing websites in a matter of hours after the attacks were launched. In 2019, we were faced with 210 phishing attacks against our customers.

We believe in lifelong learning. We collaborate with CyberWayFinder, offering women who want to change career paths the opportunity to join the cyber security world (through on-the-job experience). In 2019, we welcomed two women trainees in our cyber security teams.

In 2020, we want to extend the reach of our training programs and learning partnerships to new schools and universities. Via our Safer Internet Day, we want to reach 12,000 students in the coming year. We will also continue to optimize internal processes to allow an efficient "privacy by design" approach.



**We collaborate with CyberWayFinder, offering women who want to change career paths the opportunity to join the cyber security world.**

### Safe and private data: trusted gatekeeper

As a telecommunications company and supplier of digital services, we process enormous amounts of personal data. It goes without saying that these data must remain confidential and secure. To this end, we apply strict rules and policies within our company that respect GDPR legislation.

Proximus further extended the privacy settings within the MyProximus app and website to allow our customers to efficiently choose how we process their personal data.

Throughout 2019, several internal awareness initiatives via internal blogs and videos stressed the importance of privacy, e.g. during the Security Week 2019 or via the digital learning tool "Data and analytics at Proximus".

To show our commitment to protecting personal data and privacy, we took a series of actions:

- appointing a Data Protection Officer (DPO);
- developing a consent management system;
- implementing data subject rights processes, a "privacy by design" process, security screening and corrective measures for our IT applications.

A dedicated internal audit assignment concerning data usage and data acquisition within the consumer business unit has been conducted in 2019.

## Digital innovation

- 1 Innovation and sustainable infrastructure
- 8 Digital competitiveness of institutions and companies

Digital innovations will shape the future of our economy and society. Not only do we want to increase the digital possibilities of our customers; we also want to have an impact on social and ecological challenges. That is why we are opting for open innovation: we work together with academia, support start-ups and co-create solutions with innovation partners.

KPIs	Result 2019	Result 2018
IoT connections	1.82 Mio	1.36 Mio
Number of projects with universities/education institutes	20	39

### Supporting young companies, start-ups and scale-ups

As a catalyst for young companies, start-ups and scale-ups, we share our know-how, experience and infrastructure, and we collaborate on concrete projects. This way we stimulate innovation and boost our digital economy.

### Co.Station

Since 2017, Proximus has been a partner of Co.Station. This innovation eco-system, with offices in Ghent, Brussels and Charleroi, has the ambition to lift the Belgian technology sector to a higher level by bringing established companies, startups, scale-ups and experts together so that they can stimulate one another.



### imec.istart

We collaborate with imec, the world-leading Belgian R&D and innovation hub in nanoelectronics and digital technologies. We work together on programs & technologies such as Smart cities and artificial intelligence.



### ThinkChallenges

ThinkChallenges is a portal where start-ups and academics can compete for selection to further co-create with Proximus. Business, operational and sustainability challenges for which Proximus is seeking a solution are shared with the community. In 2019, we partnered with iReachm to develop our Voice Assist solution for enterprise customers.

### FinTech

We support the ecosystem of FinTech start-ups and companies offering innovative solutions for the financial world. FinTech represents the digitalization of next-generation financial services with cheaper, faster and highly customer-centric services. As an active member of the FinTech ecosystem, Proximus enables the digitalization of financial sector clients through cutting-edge solutions like DigitalKYC, blockchain, artificial intelligence and cloud services.

As an active member of the Luxembourg House of Financial Technology, Proximus Luxembourg enables the development of services which meet specific industry needs for the benefit of the entire Proximus Group and its customers.

### Microsoft Innovation Center

Proximus is structural partner of the Microsoft Innovation Center (MIC) Belgium. This public-private partnership with the Walloon Region and Microsoft inspires, educates and fosters digital entrepreneurship. In 2019, we jointly participated in "Hack in the Woods", a coding festival bringing together developers around societal goals.



### Proximus API Solutions

Proximus API Solutions addresses the new, digital economy challenges of B2B business market with innovative API based solutions to help businesses in their digital transformation. Any business can enjoy this digital environment linked to a whole ecosystem of affiliates and partners to easily build today's and tomorrow's new solutions.



### Academic collaboration: shaping the digital future together

Proximus collaborates intensively with universities and university colleges. We gain access to innovative solutions and academic insights. In exchange, they can use our data, infrastructure and resources to put their ideas into practice.

To work more efficiently, we installed a central governance body in 2019, the Academics Board. This serves to align internal stakeholders and to evaluate the proposed projects and the availability of resources and budget to execute them.

We have collaboration projects at ULB/VUB, UCLouvain, KULeuven and UGent in the domains of Security, AI, mobile and fixed networking, and IoT.

With UGent, we jointly create collaboration projects in telecom and ICT and cooperate on doctoral research and theses. We are currently working together on several projects, such as studying exposure to air pollution or making a predictive analysis of criminal offences, both by using data from our mobile network.

Demand is rising for employees with strong digital skills. That is why we want to cooperate even more closely with the academic world in specific domains such as artificial intelligence or cyber security and on aligning training courses with the fast-evolving labor market.

In 2019, 149 young people did an internship at Proximus. It gives them the opportunity to acquire new digital knowledge and consider to start a career within Proximus.

### Innovative solutions addressing societal challenges

We are convinced that we have an important role to play in creating a strong digital Belgium. We want to help companies in their digital transformation, to build a robust digital economy in Belgium as well as tackle societal problems together in terms of mobility, safety, energy and climate.

To deliver on this, we invest massively in our current and future networks and infrastructure with the deployment of fiber and the continuous improvement of our mobile network in anticipation of 5G. On the other hand, we continue to invest heavily in the right skills and services that push the digital economy forward: IoT, data analytics & artificial intelligence, cyber security, cloud transformation, application integration and application development.

This is largely supported by Proximus Accelerators, our ecosystem of IT affiliates, augmented with in-house developments and industry-specific partnerships. This ecosystem provides us with a unique combination of assets to create solutions and applications that create an added value for companies, industries and the end user.

Each year, we organize the ThinkThings event for our enterprise customers and partners to give an overview of the countless possibilities of IoT and data analytics.

### IoT, driving many smart solutions

Proximus is Belgium's leading IoT connectivity provider - with more than 1.8 million connections, using different wireless technologies (LTE, LoRa, NB-IoT) and offering strong platforms. It is a critical component in many of the smart solutions we develop.

BEMOBILE

ClearMedia

codit|

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proximus enterprise

proximus spearit

telindus

UMBRIO

NBRACE



### Smart energy and climate

Within the framework of the IO.Energy open innovation initiative, initiated by the Belgian ecosystem of energy providers, Proximus is co-creating an advanced solution. Its purpose: to radically improve energy efficiency in and across large buildings. With our IoT platform we also enable the country-wide roll-out of smart meters in Belgium.



### Smart buildings and venues

Together with leading Belgian construction company Besix we develop a variety of smart building solutions in various domains: energy efficiency, hospitality, advanced workspace management and physical security services. Proximus also delivers unique experiences to visitors and owners of large venues such as exhibition spaces, sports facilities or hospitals. We do so by providing mobile applications and digital platforms for parking guidance and optimization, visitor hospitality and on-site guidance, as well as advanced visitor analytics services. As such, in 2019 we collaborated to the digital transformation of the Tour & Taxis site in Brussels.

### Smart mobility and logistics

Our affiliate Be-Mobile is one of the leading Smart Mobility companies. It helps to solve complex mobility problems through parking, tolling and multi-modal mobility solutions. A well-known example is 4411, a parking solution used by 58 cities in Belgium. In 2019, Be-Mobile launched a pilot to predict the weather on a small-scale level using floating car data - in co-operation with imec, Verhaert, Inuits, bpost and the Royal Meteorological Institute (RMI) of Belgium. It is our common ambition to improve road safety by warning drivers in time for dangerous weather conditions.



### Smart cities and safety

In Flanders we are a part of the City of Things project, where we work together with the research center imec, academics and many cities to test new network communication enablers and solutions. We co-create innovative Smart City services with citizens and an ecosystem of commercial partners.





# Caring for our stakeholders

At Proximus we believe in a positive and respectful relationship with our internal and external stakeholders. We put the customer at the centre of everything we do, and we want to provide an inclusive, safe and inspiring environment for our employees alongside with solid governance principles for our suppliers and other stakeholders.



## Customer first

- 9 Quality products and services
- 10 Responsible marketing
- 11 Pricing and billing transparency
- 12 Customer relationship

The customer is key to Proximus. We aim to offer our customers a superior experience along their journeys with us. We invest time and effort in listening to them, getting to know their needs and closing the loop with them when needed. Being a Proximus customer means having peace of mind, accessing a larger catalogue of content, products and solutions while being helped when having support needs.

KPIs	Result 2019	Result 2018
Blended usage satisfaction for residential customers	93.5%	94.6%
MyProximus active users	1.6 Mio	1.48 Mio
Customer complaints	-18% vs '18	-6% vs '17
Field repairs	-14% vs '18	-6% vs '17
# complaints from JEP (# of which justified)	2 (1)	7 (2)

### Offering a future-proof customer experience

To deliver on our ambition and become a truly customer-centric digital company, we are committed to offer our residential customers digital experiences that are relevant, personalized and effortless. Our enterprise customers expect us to be a partner that offers relevant solutions, is reliable and convenient to work with. Our customers want us to be digital where it brings value to them (easier, faster, first-time-right guaranteed) and human on other occasions, in critical situations or when specific expertise is needed.

By putting the customers at the heart of our strategy, we are further improving our ability to listen to them and to understand their needs. In 2019, we have further rolled out our customer feedback platform “Voice of the customer”, providing near real-time information on the customer experience. With this initiative we want to further improve the way we collect and share feedback from our customers and act upon it directly by contacting proactively customers signaling open questions. In collaboration with customers, our multidisciplinary teams defined new and future-proof experiences based on their real needs and expectations.

Listening to our customers taught us we had to look at their experience end to end. For that purpose, we identified journeys based on key moments for our customers and we improved and digitalized them through design thinking exercises together with our customers. Each journey is defined as a series of interactions initiated by a customer’s need and aimed at providing a solution with minimal effort for them.

An example of a journey is when a customer moves to a new home and wants to get his telecom services up and running as from the day he moves in. Customers need a quick and simple way of informing Proximus about their move and of ensuring the follow-up. This is why we launched a new feature in MyProximus, allowing customers to quickly organize and follow up their move online.

Putting the customer at the heart of our strategy also means improving customer experience. That’s why we have launched several initiatives in a digital-first approach.

### Residential customers

In order to improve our relevance towards our specific market segments we developed specific offers for families, millennials and Generation Z, price seekers and small enterprises. In 2019 we enriched our segmented offerings with:

- the cheapest internet offer for budget seekers Scarlet Poco and Scarlet Loco;
- a new Epic combo full offer to reconnect with Generation Z through the integration of cloud gaming;
- My e-Press subscription on Le Soir+ and HLN Digitaal in our residential packs;
- the launch of new innovative solutions like Bizz Online for small enterprises and self-employed customers, to support them in their digital presence.

We want to be the ultimate digital companion in the daily life of our customers, thanks to unique content, a personal editorial DNA, tone of voice and local anchorage. Last year, our TV platform went through a total make-over and became



Pickx, inspiring the customer with a personalized content experience across all screens. At the end of 2019, Pickx had 1.1 Mio unique visitors.

Furthermore, our innovative partnership with Shadow enabled us to enrich our entertainment offer with cloud gaming.

In June 2019, we launched Enjoy!, our new loyalty program, available via MyProximus. Enjoy! offers each customer the possibility to play and win tickets or benefit from exclusive reductions as well as priority access to a whole range of cultural, sports and music events.

For our residential customers, we have 2 chatbots, Alix for our Epic customers and Sam on Facebook Messenger. In 2020, we will further roll out our chatbot Sam for our website and MyProximus to answer to up 40% of sales and servicing questions.

MyProximus, the customer tool to easily manage products and services, empowers our customers with new services and becomes more user-friendly all the time. Since mid-2019, Google Assistant is available on MyProximus. Customers can use voice commands on their smartphone to access billing data, check data usage, etc. This new tool minimizes the effort for the customer to get access to his services.

MyProximus had 1.6 Mio active users in December 2019. In the coming years, we will add different services that will simplify and support customers' day-to-day life: parental control, Internet access management or the purchase of parking or public transport tickets.

We have digitized our payment and billing flow and improved the billing and collection IVR, leading to a significant drop in billing and collection calls. (-24% in 2019 vs 2018).

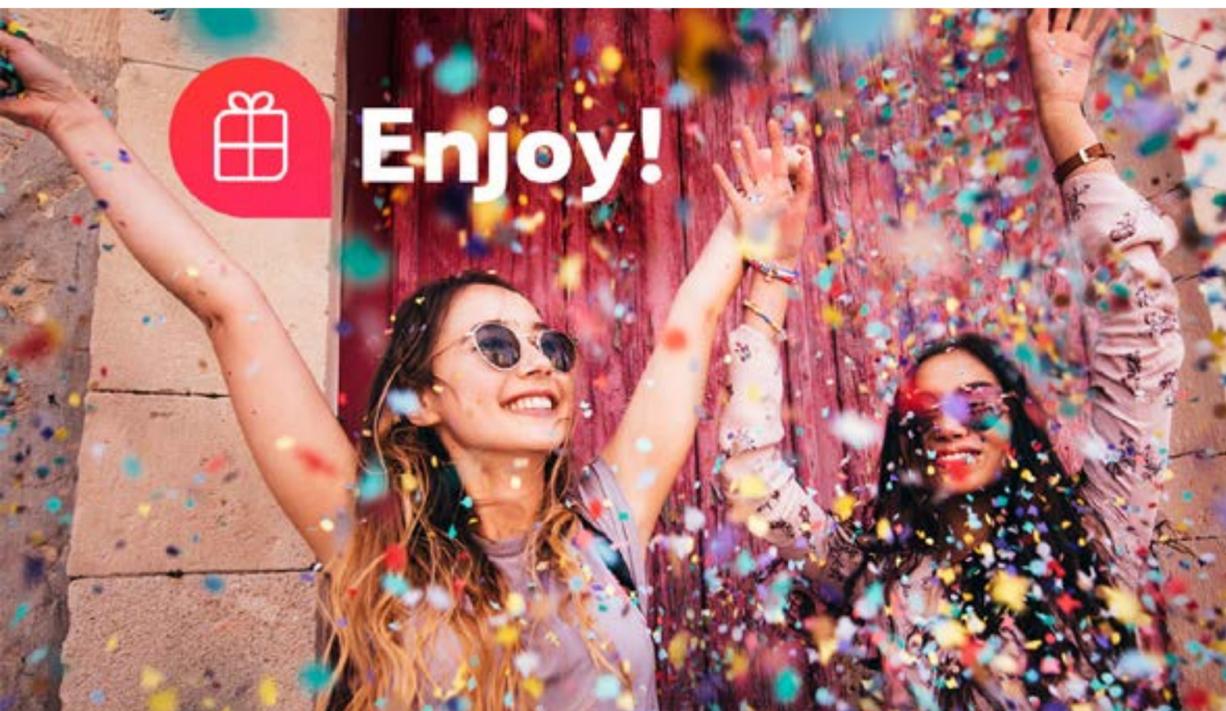
We also fully deployed our field agents dashboards that help our agents, technicians and splicers to give a better customer experience. Our call center agents can find all technical, commercial and administrative customer information and our splicers and technicians have a good overview of their tasks and the tools they can use.

In our efforts to further simplify our IT landscape, we have migrated all our residential and Small Enterprise customers, 3 Mio customers, to a single mass market IT stack. As a consequence, we deliver a better customer experience and strongly reduce the number of complaints.

In order to build more intelligent operations, we have initiated 13 new projects intending to leverage artificial intelligence capabilities. Projects vary from email classification for our contact centers to the detection of various technical root causes in our field operations to take faster and better actions. In 2019, these projects contributed to a decline of repair interventions with 14%.



**MyProximus  
active users:  
+8% vs 2018.**





# 21,000 enterprise customers on MyProximus.

### Enterprise customers

To enable companies to fully exploit the potential of technology, we invest massively in our current and future networks and infrastructure. We developed a broad range of expertise in ICT and innovation, cloud services, security, workplace applications, IoT and data analytics.

The creation of Proximus Accelerators in 2019, brings together the complementary knowledge of Proximus and its various affiliates. Customers can now experience a fully integrated ICT experience with only one point of contact.

In 2019, we invested substantially in MyProximus for our enterprise customers. For example, we have made new digital tools available via MyProximus that boost the convenience for those who require assistance. We also focused on the onboarding of customers through digital marketing combined with our customer-facing staff, people who are trained to become digital guides for our customers.

Since June 2019, enterprise customers who order fiber-based internet solutions (about 3,000/year) can check the different steps and trace the progress of their installation in MyProximus.

At the end of 2019, we onboarded 21,000 of our enterprise customers on the new digital tools behind MyProximus — enabling them to digitally report technical telco tickets and to manage their mobile invoices and fleet.

To allow enterprise customers easier access and a better understanding of their mobile invoices, Invoice Insights was launched in 2018. At the end of 2019, over 11,000 mobile enterprise customers had subscribed to this tool.

To provide faster assistance and improve communication and follow-up in case of technical incidents on connectivity and PABX solutions, ServiceNow was launched early 2019. At the end of 2019, over 16,000 enterprise customers had access to the tool.

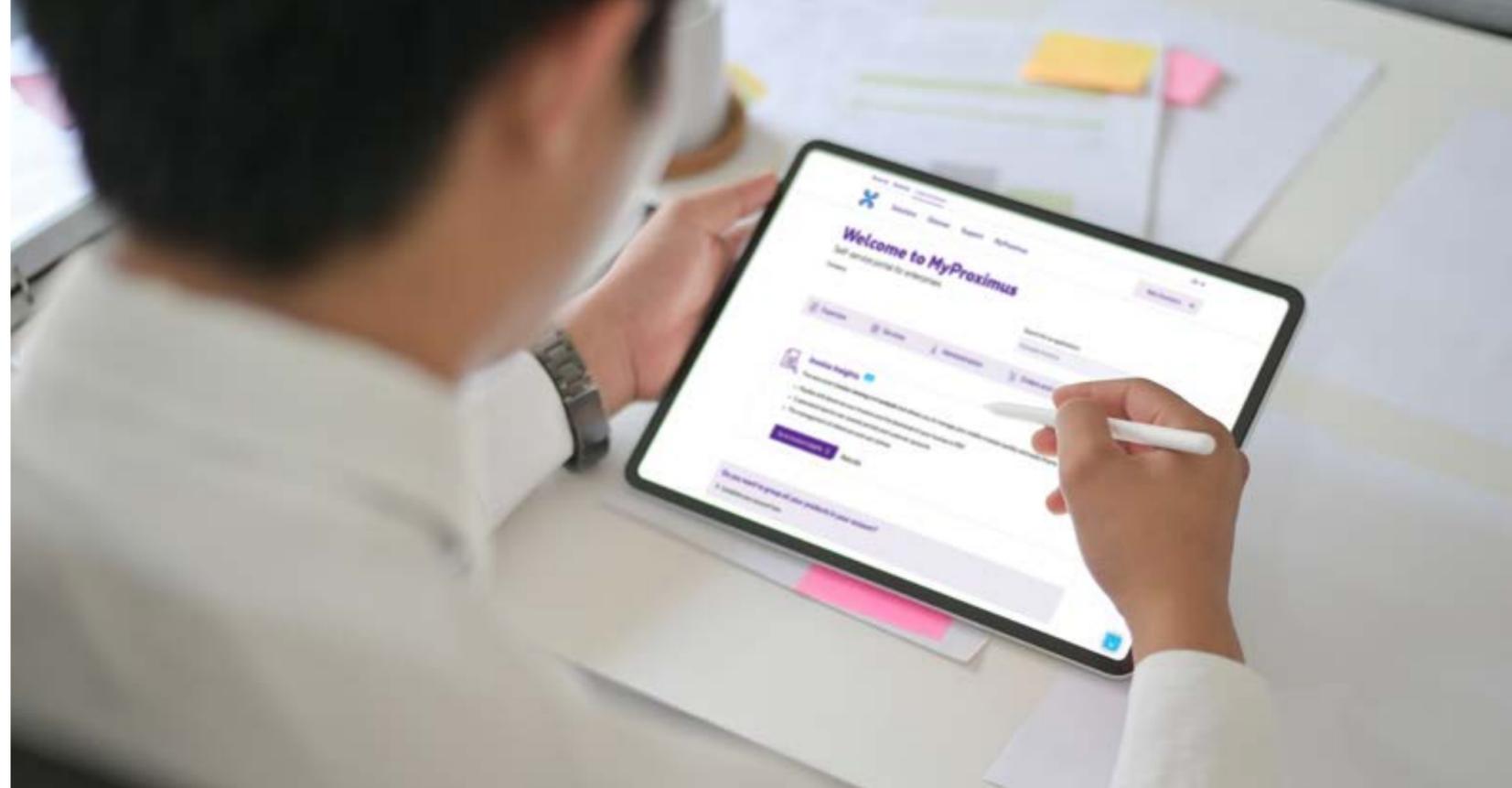
In case enterprise customers require administrative support, want to log a complaint or need to initiate a change on their mobile park, they can use our new digital case management service since November 2019.

In addition to investing in convenience, we keep updating our solutions and services to remain relevant for our enterprise customers. In 2020, the first industrialized software-defined connectivity solution will be launched, and several existing solutions will become available through open API's to allow digital integration in the business applications of our customers. Our offering will also be extended with migration and integration services to help customers in their digital transformation.

### Providing peace of mind to our customers

#### Responsible marketing

We pay particular attention to responsible marketing practices and comply with the rules prohibiting advertising the use of mobile phones to children under 7.



We received two complaints from the Jury of Ethical Practices, of which one was justified and corrective measures taken.

We provide parents with tools to help protect their children, such as parental control on TV and smartphones, and advice on our website for parents on how to protect their children online. In 2020, we will offer new parental control services on MyProximus.

We want to actively protect our mobile post-paid customers from bill shocks. That's why we offer Mobilus Full Control, which ensures customers can control their budgets. On the MyProximus app, mobile post-paid customers can keep track of their spending on calls, text messages and data. We also send them alerts about their current in-bundle and out-of-bundle usage, and we inform them of the possibility to buy additional one-shot data bundles. In addition, we proactively contact customers with regular out-of-bundle usage to suggest better tailored plans and prevent bill shocks.

### Safety of our products & services

The health and safety of our customers and our environment is a priority for Proximus. We comply with all relevant legislation, both for networks and for devices, monitor developments in scientific research and provide information, e.g. displaying the SAR (Specific Absorption Rate) of each device in all sales channels.

On our website, we provide useful information to our customers on how they can mitigate the potential risks of electromagnetic fields in their own environment. The website as well as our stores also provide tips on reducing exposure from mobile phones (using an earpiece, calling with a good reception, etc.). We follow up closely international research and recommendations and standards such as the World Health Organization (WHO).





## Caring for our employees

- 6 Health and safety
- 7 Human capital & employee development

To make the digital future happen, we need the contribution and engagement of all our employees. That is why we commit to creating a challenging, inspiring, inclusive and safe working environment. Increasing and supporting everyone's future employability is crucial.

KPIs	Result 2019	Result 2018
Employees using latest digital tool Office 365 OneDrive	85%	79%
Employees actively looking for knowledge or people by using our enterprise social network (#WAP)	98%	96%
Employees who feel that they have the technology tools and infrastructure to enable them to work across different locations outside the building	92.5%	90.5%
Employees who feel that they have the technology tools and infrastructure to enable them to work across different locations within the building	91.8%	89.7%
Internal mobility	519	983
Frequency rate of occupational accidents <sup>1</sup>	6.51	6.8
Severity rate of occupational accidents <sup>2</sup>	0.11	0.28

## An inspiring digital workplace

We firmly believe that our employees are a valuable asset and, therefore, we work hard to promote the development of their skills and a new way of working, since we are convinced these are prerequisites to become a truly digital customer centric company.

### Digital upskilling and reskilling

We are accelerating the company's digital transformation in order to stay relevant for our customers. This means that we have to change our way of working and become more flexible and lean. It also means that new digital skills are needed. This implies that some jobs will disappear, others will change and entirely new, digital roles are emerging.

We give our employees the opportunity to continuously upskill and develop, particularly in the digital field. Because we want to have the right skills in-house to shape the digital economy and society of the future, and to guarantee the employability of our employees.

We set up a tailored approach with programs and campaigns for all employees to create awareness and understanding on the impact of digital transformation, and to raise digital savviness.

<sup>1</sup> Frequency rate (Fg) = # (accidents that people suffer at work) x 1,000,000 / total number of hours worked by company employees

<sup>2</sup> Severity rate (Eg) = # (accidents that people suffer at work) x 1,000 / total number of hours worked by company employees

We also offer them challenging and ambitious learning tracks to upskill in fields that are critical to stay relevant in their job. We organize corporate programs focusing on strategic skills, giving our employees the possibility to prepare a next step or switch in their career.

In 2019 we invested EUR 34 million in employee reskilling and upskilling. Each employee followed an average of 4.7 days of training. 2,252 employees followed a training specifically to increase their digital skills. In 2020 we aim for an average of 5.5 training days per employee, which amounts to an investment of more than EUR 40 million.

### Empowered organization

The workplace is changing faster than ever: job content, work environment, composition of teams, etc. To get employees on board, we provide training in hard skills and we ensure that our teamleaders have strong change-management skills. In 2019, resilience initiatives also enabled employees to better cope with the changes.

New ways of working, such as Agile and Design Thinking, promote employee autonomy and a more responsible way of working. This allows us to create added value for our customers more quickly. We also support a more agile culture by encouraging internal mobility, as we want to ensure that all employees keep on learning and doing a job they like. In 2019, 519 employees changed jobs internally.

### Digital workplace

We want to create a culture where autonomous and effective collaboration take center stage and sharing information is a natural behavior. Enabling this new way of working requires the right digital tools. We therefore offer our employees a coherent set of user-friendly and secure digital tools that can be used on any device. The adoption of O365 OneDrive



**900** team leaders completed a 1-day training in change management.

amongst our employees grew from 79% in 2018 to 85% in 2019.

Investments will continue in 2020, to fully leverage the potential of autonomous and effective collaboration, notably through Microsoft Teams. Co-creation with external parties (partners, customers, suppliers) will keep on expanding too. Equally, we will continue to promote our enterprise social network as a tool allowing our employees to connect and understand what is happening at Proximus.

In 2019, we organized over 90 reverse mentoring sessions where younger colleagues trained leadership teams on digital tools, which they can then advocate to their employees.

### Collaborative workplace

In 2019, we finalized the implementation of our new working environment, integrating quiet and co-creation zones. Creating a variety of workspaces was based on employee feedback. To support our employees in adopting new technology in the workplace, like videoconferencing we also launched an awareness campaign.

## As diverse as our society

Our employees reflect the diversity in society. Everyone is given an equal opportunity, regardless of gender, religion, ethnicity or background. Over the past years, we have made positive changes around us and we have continued to build a more diverse and inclusive company.

We still support the #EmbraceDifference pledge, a commitment shared by top European companies to create the right environment and conditions to welcome a wide range of diverse talent from all sectors of society.

We are also engaged in building a more inclusive culture through leadership role modelling and employee engagement, as well as by embedding inclusion in relevant communications, practices and training programs that in the end will involve everybody in our company.



**1,300** team leaders followed the ADKAR change management e-learning.

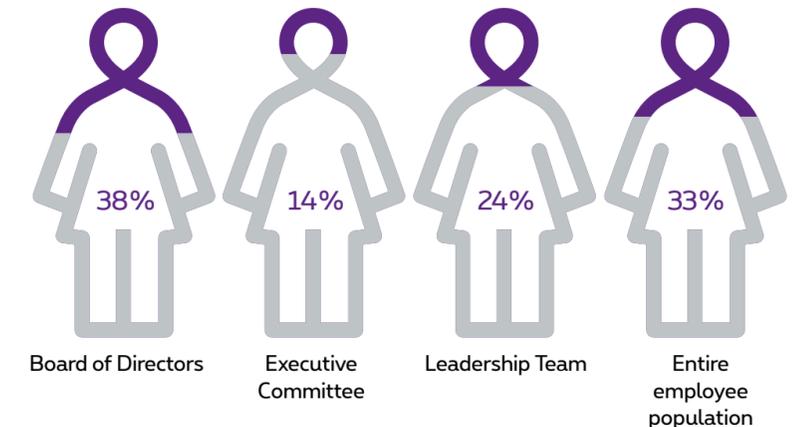
To achieve all this, we set up a strategy and translated it to an action plan which is now an integral part of Proximus' sustainability strategy. The plan defines ambitions in terms of gender inclusion, ethnicities, multigenerational inclusion and communication.

### Gender inclusion

We are committed to gender equity and equal opportunities in the workplace. We believe that achieving gender equality strengthens our company, as it gives us a better understanding of the needs of our customers. This is why we focus on improving the female representation at all levels of the organization.

Proximus supports external organizations and networking activities in this domain. In 2019, two major conferences, one on diversity and inclusion and one on unconscious bias, were hosted on our premises, co-organized with Jump and Women on Board.

### Female representation - end 2019



### Women in Digital

As a major ICT employer in Belgium, we understand the importance of gender diversity in IT. Last year, 17.6% of the staff in our Technology Department were women, which represents a positive increase of more than 3% compared to 2018. In ICT specifically, 19% of our employees is female, representing about 173 FTEs.

Proximus ensures ad hoc presence to external events such as “Yes she can” that aims to tackle low representation of girls in STEM education. We also endorsed the initiative “She loves to code” by coding school “19”. Proximus also signed the Digital4Her declaration, a European Commission initiative to achieve gender balance in tech companies and participated in different workshops and publications.

We want to be the most active company promoting women in digital in diverse organizations via our leadership team-ambassadors. We want to ensure that in 2020, 25% of all university hires in technical domains are women.

### Multiculturalism

We welcome employees from around the world and promote a culture of ethnic and cultural diversity. The Proximus Group has a very diverse workforce with 48 nationalities.



## Our workforce consists of **48** nationalities.

We want to create an ethnic identity and culture where everyone feels valued as an individual, and that reflects the diversity of our customers in order to better meet their expectations. We will focus on creating supportive networking groups so that everyone can reinforce their feeling of belonging to our community.

We have started a partnership with KliQ in 2019, an organization with expertise in the fields of sexual diversity and gender diversity, to conduct a scan of our activities in this domain. This allowed us to analyse how we deal with diversity and inclusion within Proximus and to identify our strengths and the areas where there is room for improvement. We will align our action plan with these results in order to be as relevant as possible to the actions we will implement as from 2020.

### Multigenerational inclusion

We believe that each generation brings valuable insights and perspectives to the company, and we encourage collaboration of ideas. We take action aimed at millennials, end-of-career management for those aged 55+ and the multigenerational workplace.



With people having to work longer, we put in place specific initiatives for workers aged 55+ employed in physically strenuous jobs. For example, we allow them to be retrained so they can move to another job, or offer reduced work schedules.

In collaboration with KBC, AXA and HazelHeartwood we created the initiative Experience@Work. It allows employees from the age of 55 to share their experience with other organizations, while keeping in touch with their current employer and without any changes to their contract or salary package.

### Raising awareness on diversity

We want to make sure that all employees can draw from the benefits of a diverse workplace through various initiatives within our offices. To ensure an inclusive mindset, we added information on our inclusion program in all training tracks for team leaders, experts and trainees. During the welcome days for new hires, we share information on our inclusion program.

We will also focus on unconscious bias in our different initiatives, as it can lead to unintentional discrimination and be a setback in creating a truly diverse and inclusive workplace. We want to increase self-awareness around this



# 900 employees registered to the Start2Move Challenge.

topic and learn how to put bias aside in order to promote a neutral decision-making process. We will organize workshops in 2020 to finetune our strategy and define which concrete actions we will undertake in this matter.

In 2020 we will increase the diversity of our teams by recruiting diverse talent and being more open and non-restrictive in our communication, marketing and recruitment campaigns.

## Being our best selves at work

We strive to create a positive work environment. Where people feel good and feel valued. Where working conditions are adapted to personal needs. And where employees are resilient, engaged and actively contributing to our company growth.

### Work-life balance

At Proximus, social consultants and prevention advisors support employees in different domains of psychosocial wellbeing at work.

We offer our employees services such as childcare during summer and spring holidays. In 2019, 388 employees benefited from this service. We also organize a Fun Day and a Kids Party for all our employees and their families each year. 18,162 employees participated in 2019.



### FeelGreat@Proximus

Since 2017, our FeelGreat@Proximus program aims to foster a culture of wellbeing. It also supports employees to improve their resilience to better deal with constant changes in the work environment. This program includes workshops, events, brochures and communication campaigns.

To further promote physical resilience, we organized nutrition workshops, in which 996 employees participated last year and 900 employees registered to the Start2Move Challenge aimed at increasing physical activity.

To enhance relational resilience in the teams, we developed FeelGreat toolboxes and provided them to 230 team leaders. In 2019, a community of 95 FeelGreat & Talent Inspirators volunteered to promote the FeelGreat program across all business units and to facilitate initiatives.

We continued our Talent Into Practice-campaign, encouraging more than 2,000 employees to fill in the talent self-test. Because employees knowing their talents and putting them into practice have more energy and it boosts their mental resilience.

Four well-being surveys were conducted in 2019 amongst 2,486 employees, to ensure that potential issues at work were detected and acted upon, and to improve work conditions.

In 2020 we will continue our focus on increasing resilience amongst our employees. We will pay particular attention to the support and motivation of our new community of FeelGreat & Talent Inspirators.



## A safe and healthy work environment

We are committed to ensure that every employee is able to work in a safe and healthy way. Our “wellbeing at work”-policy provides an overview of the applicable legislation and sets out the different areas of the Wellbeing Act, in terms of safety and health prevention & protection.

Our department for Prevention and Protection (CPP) is the driving force behind Proximus’ wellbeing activities. It defines a common wellbeing policy and gives advice on all problems surrounding this topic.

All products, goods and services at Proximus need to meet the “wellbeing at work” standards. Our Wellbeing Committee is a permanent working group with representatives from management, the unions, the CPP department and occupational physicians. It takes care of topics such as personal protective equipment given to technicians, fire safety measures to protect workers, or health in the workplace. It deals with the elaboration and follow-up of the prevention and protection plans and handles aspects such as risk analysis of work places, medical surveillance personal protective equipment, fire safety measures to protect workers and the evaluation and resolution of psychological risks and issues. Additionally, local wellbeing committees discuss topics such as accidents at work, local prevention matters or respect of safety instructions. In 2019, Proximus had 66 of those committee meetings.

Each year, some themes linked to wellbeing at work are highlighted in order to reduce work-related accidents. In 2019, we communicated strongly on the topic of road safety through different initiatives like the organization of our road safety day & road safety awareness via an e-quiz in collaboration with Vias, the Belgian road safety institute.

We observed a slight decrease in the frequency rate (6.51) of work-related accidents compared to last year.

We have a medical surveillance program for our workers exposed to risks.

In 2019, we started screening new affiliates (Be-Mobile, Codit, Unbrace, ClearMedia and Davinsi Labs) with regards to safety, health, environmental and physical security compliancy. In 2020, we will take the necessary actions to improve where necessary.

In 2019, we were implementing our Global Prevention Plan by conducting a risk analysis, taking the necessary prevention and protection measures reducing work-related accidents, communicating safety instructions to employees and the safety, health and environment rules for operational departments. We also conducted a risk analysis of the new digital workplace at Proximus, a risk analysis of our new telecom equipment, a psychosocial analysis of different departments, and a fire safety analysis of different buildings and installations. In addition, we organized training sessions about fire-fighting, emergency evacuations, first aid, handling of loads and sessions on how to work on electrical installations.

Over the next 3 years, we intend to continue to implement the safety, health and environment policies. We will also review our policy on ergonomics and analyze the risks of different equipment such as our new (digital) working equipment and telecom installations and determine appropriate prevention and protection measures. In addition, we will continue to organize safety trainings using digital technology.

## Ethical business conduct

### 4 Business conduct & Ethics

In a world of hyperconnectivity and digital interactions, making sure our actions are ethical is a point of honor to us. Compliance and business ethics are our license to operate. We will not compromise on them because they define the vital role we play in society. We constantly review our principles, policies and procedures and even go beyond what is required or expected. We expect all our employees and affiliates to share and live by our values and standards.

KPIs	Result 2019	Result 2018
Number of cases investigated by the Investigations Department for violation of policies/code of conduct	38	29
Number of whistleblowing cases	7	7

At Proximus, we put the right measures in place to avoid ethical dilemmas. First, this means having a clear governance model, described in our governance section and in accordance with the Law of 21 March 1991 on the reform of certain autonomous economic public companies (“the 1991 Law”).

Because we take business personally, we don’t just comply with the law, but we want to ensure every one of our employees is aware of the behaviors to follow and to avoid. Therefore, Proximus adopted its new Code of Conduct in 2016, applicable to all employees. So far, 93% of Proximus employees have followed mandatory training on the application of the principles of the Code of Conduct. On top of this, various internal policies guarantee responsible conduct.

Proximus revised its business expenses policy in 2019 and developed an e-learning to inform the concerned employees. 68% of the target group participated to the course.

We have anti-corruption/bribery, conflict of interest and competition policies. Corruption is a threat to business and to society in general. Our anti-corruption procedures are more than a legal obligation and an ethical duty: as a responsible company we take a firm stand against corruption and apply a practice of zero-tolerance.

Fair and open competition between companies and doing business on a level playing field is important to society and contributes to increased welfare for all. Therefore, we support fair and open competition in all our markets, with a competitiveness approach that is based on good products and services at the right price. These policies are all described, along with the responsibilities they engage for our employees, in our Code of Conduct. Firm sanctions and procedures (e.g. whistleblowing procedures) are in place to deal with any issues that might occur. In 2019, we handled 7 whistleblowing cases.

Finally, respecting human rights is a fundamental value for us. Proximus business practices can only be sustainable if we respect basic human rights and value diversity, cultural and other differences. Our Code of Conduct, values and behaviors are inspired by fundamental principles such as those of the Universal Declaration of Human Rights, the European Convention on Human Rights and the United Nations Convention on the Rights of the Child.

Proximus is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and



the International Labor Organization’s (ILO) fundamental conventions. Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations.

In terms of our supply chain, we apply high social and environmental standards, which are described in the section Sustainable supply chain.



## Stakeholder dialogue

### 4 Business conduct & ethics

Our stakeholder base is broad and includes - in addition to our employees, customers and suppliers - the media, shareholders and investors, government and regulatory authorities, opinion leaders and communities.

In the past, we reached out to some of our stakeholder groups very organically, based on project or business needs. However, in 2019, we acknowledged the need to engage with them on a more structured and regular basis in order to stay relevant and to maintain our good reputation amongst our stakeholders.

Going forward, we will organize our stakeholder outreach in a more structured way:

- We will involve stakeholders on a day-to-day basis, to respond to specific demands.
- Every two years, we will invite a panel of stakeholders to discuss topics that are mutually important to address. The panel discussion will be overseen by an impartial third party and it will define points of action for Proximus.
- Every three years, we aim to conduct an in-depth survey about our reputation and develop a Materiality Matrix with all stakeholder groups, to further improve strategies. We did this in 2018, as a starting point for our new 3-year sustainability strategy.

We also set up a stakeholder policy in 2019 to engage with them through consistent assessment and proactive management based on transparency and dialogue.

Proximus is an autonomous public enterprise with the Belgian state as a majority shareholder, resulting in regular interactions with policymakers. We actively engage with decision makers on every political level and support activities which foster public debate about the consequences of a rapidly changing (digital) world. Through our membership of various (business) associations, we also engage with politicians at the Belgian and European level.

Proximus refrains from any funding of political parties, political individuals or government institutions. Management upholds strict standards on ethical and transparent behavior. In the past years, Proximus has always had the policy to approach policymakers directly.

All stakeholder group context can be found in the Transparency section.

# Contributing to society

As a company, we want to contribute to society more widely than just through economic value and the employment we create. Our commitment is to contribute towards making Belgian digital society accessible to all.

We invest in education to help people gain the digital skills they need to thrive in the digital world. Therefore, we partner with schools and associations to help tackle the reskilling and upskilling challenges Belgian economy is facing. With our own initiative 'diggIt', we help senior citizens to stay connected to the digital society and we promote intergenerational links.

In addition, we contribute to social initiatives in Belgium and strongly invest in the local media, sports and movie industries as well as cultural events.





## Education of both young and old

### 2 Connectivity and digital inclusion

Our education initiatives focus on job seekers, school pupils and seniors.

KPI	Result 2019	Result 2018
Number of job seekers supported by our initiatives	862	404

### MolenGeek

After having run our Digitalent program for 4 years, we decided to adopt an ecosystem approach in our educational efforts, working in partnership rather than alone. By leveraging initiatives that have the same ambition, we create more impact.

In the autumn of 2019, we signed a partnership with MolenGeek. This association allows less-privileged job seekers with an entrepreneurial mindset to discover the opportunities of the new digital world. The youngsters follow an intensive six-month training course at the Coding School, allowing them to start as web developers.

At the end of 2019, we took part in the MolenGeek Makers Weekend. Close to 100 youngsters gathered during this hackathon, to develop everyday objects that simplify our lives based on new technologies like the Internet of Things.

MolenGeek is very complementary to School 19, the other education project that we support.



## Technobel

We are a founder and long-term partner of Technobel, a competence center in Wallonia. Technobel offers ICT training courses to job seekers as well as information and sensibilization initiatives for citizens, schools and professionals. Students can validate their skills through an official certification: (Apple, Microsoft, Cisco, Huawei, Juniper, etc.). In their Lego Education Innovation Studio, Technobel trains children to attend the First Lego League.

In 2019, Proximus SpearIT started a collaboration with Technobel to guide people with a passion for technology to a career switch and become an IT security specialist.

Technobel finished second in the Innovative VET provider Award, a recognition from the European Commission for Vocational Education and Training excellence through innovative practices.

For 2020, Technobel wants to maintain its place as a benchmark training center in Europe, develop its entrepreneurial ecosystem and its organizational structure to be an active and responsible player in the light of today's ecological challenges.



## School 19

Proximus is one of the founding partners of 19, the first free Belgian coding school. 19 is an innovative way of learning: there is no tuition fee and education takes place without a teacher. In 2019, 331 students took part in this innovative learning system.

19 also launched the 'She loves to code' initiative to attract more women to follow its coding courses. In 2019, we welcomed four interns from 19 at Proximus. They worked on data analytics and web development projects.

In 2020, 19 will join the Digital Campus of BeCentral and will be able to accommodate up to 750 students, compared to 450 in 2019.

Our objective is to encourage even more applicants and to make sure job seekers, especially women, benefit from this new way of learning. Last year, 19 won the Internet users' prize in the category "Schools of tomorrow" at the Victor Awards.

# Sharing is Caring



## diggit: seniors going digital

Web Experts was launched in 2011 to familiarize older people with the Internet. Thanks to this project, we trained a total of 5,000 senior citizens in collaboration with 3,000 children.

To keep up with today's digital reality we have greatly revamped our Web Experts program, resulting in a new approach and a new name: diggit.

Diggit is the Proximus educational project for children to help the elderly go digital. Through this initiative, we bring generations closer to each other and allow digital natives to share their experience with older people in a playful way. Proximus encourages all teachers and their pupils in Belgium to take an active part in diggit. Our ambition for 2020 is to train 1,000 senior citizens.



## Digital accessible to everyone

### 2 Connectivity and digital inclusion

Proximus is committed to making technologies accessible to everyone, regardless of physical abilities, economic background, cultural origin, education or age.

KPI	Result 2019	Result 2018
Percentage of accessible tested devices (at least for 1 disability category)	100%	91%

### Devices

We test the accessibility of new smartphones and tablets with the Passe Muraille association. Through their independent panel of disabled people, they guarantee that our devices meet everyone's needs. Our online catalog contains information about devices adapted to users with a disability; we use specific icons to make it easy to identify accessible devices.

In 2019, 9 new devices were tested (vs 11 in 2018) before proposing them as part of our offer.

### Digital platforms

We offer subtitles and audio description on a number of channels on Proximus TV for people with a hearing or visual impairment. We will extend this functionality to other channels and to programs in our video-on-demand catalog. By 2024, 25% of programs in this catalog will have an audio description and 25% will have subtitles.

We will improve the accessibility of our websites and apps for disabled people respectively by September 2020 and June 2021 at the latest.

### Everyone connected

Proximus makes important investments in improving connectivity in rural and white zones (see section "Enabling a better digital life"). We also accelerated the roll-out of fiber, bringing faster Internet to industrial areas and the centers of cities and municipalities. In this way, we offer all citizens and companies access to the networks of the future.

For people in difficult economic situations, we offer social tariffs. In 2019, 184,291 people benefited from one or more social tariffs granted on social or humanitarian grounds.

Then, there is the Scarlet brand for customers on a budget. Scarlet wants to make telecom services accessible to everyone in Belgium. Its ambition is to always give the best offer at the lowest price. In 2019, Scarlet simplified its portfolio, increased the data allowance in its mobile subscription "Scarlet Hot" and decreased the price of "Scarlet Loco".

## Social engagement

### 2 Connectivity and digital inclusion

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

KPI	Result 2019	Result 2018
Number of children with a long-term illness connected to their school by Bednet and Take Off	1,164	> 1,000

### Bednet and Take Off

We are a proud partner of Bednet in Dutch-speaking schools and Take Off in French-speaking schools. These associations allow children suffering from a long-term illness to be schooled at home or at the hospital thanks to videoconferencing solutions. We support them by providing Internet connection and financial aid. In 2019, Bednet and Take Off helped 1,164 children.

We are committed to further help these organizations develop their projects. In 2020, Bednet plans to assist 1,000 children and Take Off 100 children.

### Further initiatives

In 2019, we participated in solidarity campaigns of our partner Be.Face, including a large-scale collection of warm clothing and food for the homeless. In collaboration with NGOs and humanitarian organizations, we installed free Wi-Fi in places where refugees and migrants can stay.

Then, we continued our support to Télévie, CAP48 and the Belgian Paralympic Committee. As a proud partner of the Paralympic Team Belgium, we actively support the athletes preparing for the 2020 Tokyo Paralympic Games.

We supported 15 social initiatives by employees in 2019, by giving them visibility in our offices. We also collaborated with the Red Cross and 545 Proximus employees donated blood in 2019 (compared to 244 in 2018).





## Fans of Belgian culture

### 2 Connectivity and digital inclusion

Proximus provides strong support to Belgian local culture, sports and the media landscape.

KPIs	Result 2019	Result 2018
Unique reach of music and sports content on Proximus platforms	5.8 Mio	approx. 5 Mio
Unique reach of sponsoring events	approx. 3 Mio	approx. 2.5 Mio



**We are a loyal partner of the largest Belgian summer festivals.**

## Music

Proximus has been a loyal partner of the largest Belgian summer festivals for many years. We sponsor a wide range of local events: Rock Werchter, Les Ardentes, Dour, Pukkelpop, Tomorrowland and the Francofolies. They are a perfect opportunity to engage with our audience.

This year, the collaboration was further strengthened with live broadcasting of most of the concerts at three summer festivals. During Rock Werchter for example, Proximus was able to offer its TV customers high-quality programming, available on their TV screen at home, on a laptop or on mobile.

In 2019, we have partnered with Tomorrowland, the world-renowned Belgian electronic dance music festival, and with the public broadcaster VRT for the MIA's, the Music Industry Awards.

In 2019, we reached 3.1 million unique visitors via our Proximus music platforms. Music lovers could watch live streaming of festivals, on-demand concerts and special reports (60% more than in 2018); 53,000 customers and prospects participated in our contest to win tickets, and 164,000 people visited our booth at the festivals.

Last year, we successfully continued our partnerships with the opera house La Monnaie and with Bozar, the Centre for Fine Arts in Brussels. Proximus is also the partner of the Queen Elisabeth Music Chapel, supporting talented young musicians from all over the world, and the renowned Queen Elisabeth Competition. By sponsoring the Klara festival (VRT) and Musiq'3 Festival (RTBF), Proximus aids in making classical music accessible to a wider audience.

## Sport

### Football

Since many years Proximus sponsors three Pro League clubs: Club Brugge, RSC Anderlecht and Sporting de Charleroi, reaching about 1 million active football fans. Proximus is also the main sponsor of the First Division B football competition. We are also a proud sponsor of the Red Devils.

Through our partnership with the Royal Belgian Football Association we support the "Nobody Offside" initiative to promote football for disabled people since 2017.

Proximus promotes both amateur and professional esports in Belgium through three official leagues with strategic partners such as ESL (Electronic Sports League) and the Pro League, incorporating esports content on its platforms and by sponsoring existing local competitions.

### Cycling

We are still the main sponsor of Flanders Classics, the six most important cycling races in Flanders. We reinforced the Proximus Cycling Challenge by offering sixteen high-quality cycling races in Belgium, reaching about 34,000 amateur cyclists. Proximus remains a partner of the DVV Trophy cyclocross races.

### Supporting women and youth

As an active sponsor of sports in Belgium, we pay special attention to supporting promising young sportsmen and sportswomen. We are convinced that, through our commitment, we can increase professionalism in women's sports and help young sportsmen develop into top athletes.





Funding projects for the new Proximus Alphamotorhomes Cycling Team, the Red Flames and the "World At Our Feet Plan", a Royal Belgian Football Association-program to boost and further professionalize women's football, all fit into this ambition. We also pay extra attention to the women's cycling races on our Proximus platforms.

In the coming years, we will continue to actively sponsor sports. We will do this amongst others by ensuring that content can easily be shared and watched in Belgium on our platforms and we will fund more local events as well. The focus will remain on football and cycling, with particular attention to women's and youth sports.



**With Smart Ads we offer our customers personalized ads on TV.**

## Media

Our focus on media continues to intensify. While the presence of international players is increasing, we continue to invest in experience and in the content we distribute on our platforms.

As a major distributor in Belgium, we offer customers access to local and international TV channels and radio stations. We distribute over 85 TV channels and 25 radio channels as part of our basic offer in Belgium.

In June 2019, Proximus launched Proximus Pickx a new TV interface and an innovative content platform. Proximus Pickx is accessible to all Proximus TV customers on all screens, as well as to prospects on the web. Proximus Pickx enhances free and paid content consumption thanks to best-in-class user experience and user interface, personalized recommendation and strong editorial highlights of local content in French and Dutch.

The Proximus Pickx platform also supports Smart Ads, offering customers personalized advertisements on TV. With this initiative we empower the Belgian media industry as it will contribute to maintain advertising investments in the Belgian economy and divert foreign investments.

We support the local Belgian audio-visual industry through co-productions and tax shelter. In 2019, this was an investment of close to EUR 3 million (e.g. Undercover 2, Le Domestique, De Slag om de Schelde). In 2020, several of these productions will be released in both the Dutch and French-speaking parts of the country.

## Proximus Art Collection

With our Proximus Art Collection, we want to integrate contemporary art into the work environment. The collection of this non-profit organization counts 123 artists and 600 contemporary works of art.

Since Proximus is a Belgian company, special attention is paid to Belgian artists who, through the quality of their work, can be integrated in the collection.

The collection, started in 1996, is exhibited in the meeting rooms, offices and entrances of our buildings. To share this collection with visitors and our employees, we organized 48 guided tours and conferences in 2019 (compared to 27 in 2018).

In 2019, we also published the book "Architecture du téléphone", that gives an overview of the evolution of telecommunications and its influence on buildings and architecture through historical photos and archive documents.





# Respecting our planet

Climate change is one of the most pressing issues of our time and a major societal concern. Our ambition is to be a leading company in addressing climate change and we are committed to further reduce our negative environmental impact. We do this by extending our CO<sub>2</sub> neutral ambition to a net positive and by becoming a truly circular company.

To contribute to the global efforts in tackling climate change, we developed a new 'green' strategy. This strategy that was presented to the Board of Directors of Proximus, relies on a clear vision and goals based on three pillars: carbon neutrality, a circular economy and a sustainable supply chain. An update of the strategy and the results are reported annually to the Board.



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

### 3 Sustainability, energy and circular economy

Our journey to become a more sustainable, green company, has so far been focused on becoming CO<sub>2</sub> neutral. With success, because we have reached a world-leading position. We will increase our efforts to further reduce CO<sub>2</sub> emissions and maintain our pole position while raising our ambition towards a net positive contribution in the years to come.

KPIs	Result 2019	Result 2018
Carbon emissions 1+2 <sup>1</sup> compared to previous year	-5%	-16%
Carbon neutrality level for own operations and business travel	100%	100%
Energy consumption compared to 2008	-30%	-27%
Electricity consumed from renewable energy sources	100%	99%

### Strong carbon achievements

We have already made impressive progress to reduce our CO<sub>2</sub> footprint. Between 2007-2015, we have reduced CO<sub>2</sub> emissions by 70%. Since 2016, we are a CO<sub>2</sub> neutral company for the activities we control directly. The most important contributors are transport (thanks to greener cars and mobility plans) and heating (thanks to the replacement of fossil fuel heating and the outphasing and optimization of buildings).

<sup>1</sup> The methodology and detailed figures can be found in the chapters "Transparency" and "Environmental figures".

A major achievement is the reduction of our energy consumption by 30% over the past ten years, making Proximus one of the very few telecom companies worldwide who have made this effort. Today, we also purchase 100% of the electricity we use from renewable sources.

The CO<sub>2</sub> emissions related to our own activities and business travel that we cannot reduce yet, 38,784 tons in 2019, are compensated with Gold Standard projects that fight global warming.

In 2019 we reached the leadership level in the CDP Climate Change 2019 ranking with an A- score.

### Aiming to further reduce CO<sub>2</sub> emissions

We are looking further ahead and have raised our ambitions to significantly reduce CO<sub>2</sub> emissions. Proximus is amongst the 312 companies worldwide with an approved science-based target (SBT) for CO<sub>2</sub> emissions, aimed at thoroughly reducing their carbon footprint. These are our CO<sub>2</sub> emissions reduction goals:

- own emissions: -30% between 2015-2025;
- indirect emissions: -10% between 2014-2025, and -50% between 2014-2040.

Multiple initiatives will help us to achieve these very ambitious targets:

- further renewal of our network towards a much greener fiber fixed network and optimization of our mobile network;
- making our fleet green and improving logistics processes with lower-carbon options;
- office-building optimization, energy efficiency improvement of end-user devices and carbon footprint reductions of procured products and services.



# 100%

## of the electricity we use comes from renewable energy sources.

We are well on track to reach -30% of own emissions four years earlier than planned, by 2021. Our carbon emissions fell by 5% in 2019 compared to 2018. We are, for example, drastically reducing the journeys made by technicians through virtualization and remote installation, maintenance and repair technologies.

In 2019, Proximus signed the “Green Deal Sustainable Urban Logistics”. This initiative from the Flemish government aims to make deliveries in cities efficient and emission-free. In the city centres of Antwerp and Ghent, we have replaced classic city distribution to our shops with a delivery by bicycle couriers. We also started a pilot project in Brussels to jointly deliver both our own goods and those for L’Oréal to the respective shops in the city centre. This project will show to what extent such a partnership for urban distribution is feasible with the ambition to copy good practices to other cities in 2020.

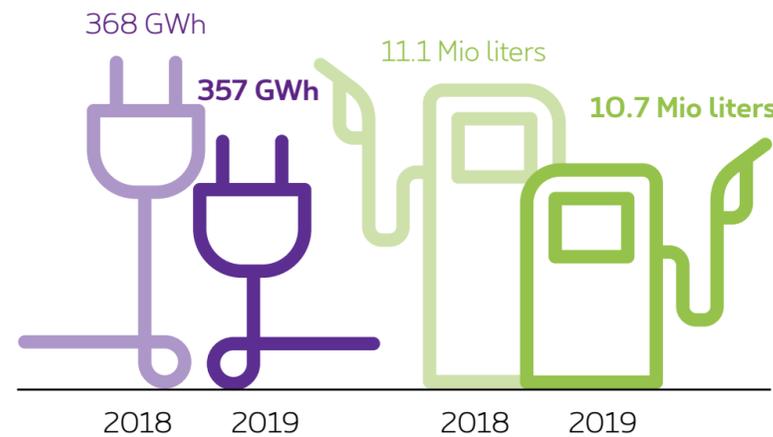
Reaching our targets for indirect emissions is more challenging as their volume represents 20 times our own operations’ emissions. It will require an extra effort for our vendors, subcontractors and affiliates to reduce energy consumption and to improve the energy efficiency of our products and solutions towards residential and enterprise customers.

### Strong energy reduction performance

Managing energy consumption will be of major importance to meet our carbon targets in the next decade. We have been effectively managing power consumption, and we reduced our fossil fuel consumption drastically.

We reached a 30% energy reduction over the last ten years thanks to many efficiency programmes:

- we consumed 357 GWh electricity in 2019, saving 11 GWh compared to previous year;
- we consumed 10,700,346 liters of fossil fuel in 2019, saving 418,543 liters compared to 2018.



We will further reduce our total energy consumption by 8% in 2019-2021 through, among other things: closing technical buildings, developing a power-fit network, free air cooling and green fleet transition.

Our network and building simplification programs combined with the legacy hardware phase out continues to drive a saving of 3.99 GWh electricity. A special taskforce was set to

further continue with our energy efficiency ongoing actions and to lead specific studies with experts about alternative renewable energy sources.

For the years to come, also considering the 5G roll-out, keeping energy consumption under control is what we aim for. We will take initiatives to further decrease our consumption, evaluate our electricity purchase strategy and increase the visibility and predictability of the electricity consumption of our power plants and buildings. To achieve this we will take advantage of the most effective industry evolutions and use technologies like artificial intelligence.

### More renewable energy sources

100% of the electricity we procure comes from renewable energy sources but we are also aiming to make our energy genuinely greener by, among other things, producing our own green energy.

Climate change is a global challenge that needs a concerted effort. As a member of the RE100, we are collaborating with other companies committed to 100% renewable power.

### Green mobility for our employees

Transportation represents more than 60% of our direct carbon footprint and 21% of our energy consumption. We want to reduce this impact by offering our employees a mobility budget to encourage them to shift to public transport.

In 2019, 2,025 employees opted for commuting solutions instead of a parking spot. Our employees can also make use of telecom solutions to facilitate teleworking and work from home. We gradually shift to carbon-friendly or carbon-

neutral offices (close to public transport stations) and to more carbon-friendly vehicles.

### Reducing Proximus CO<sub>2</sub> footprint

Technologies and insights with regards to powering and cooling telecom equipment are evolving: more efficient rectifiers, full Free Air cooling or pumps with variable speed and power, etc. We install this newer equipment when the old one needs replacing and constantly realign bad performers.

We are successfully rolling out our Mantra+ project to simplify our network by replacing old technical buildings with an innovative new concept of less energy-consuming containers.

### Helping our customers to reduce their CO<sub>2</sub> footprint

We are not only working hard to reduce our own CO<sub>2</sub> emissions; we want to help our customers to reduce theirs too. We help them reduce their impact on the environment by maintaining a sound balance between ensuring a long life for our TV decoders and modems (we refurbished 336,000 modems and decoders in 2019) and by rolling out more energy-efficient devices. The target was to reduce our average consumption by 50% and we achieved this in 2019. Our decoder model V6 is 45% more efficient than the previous one.

We provide many products and services that can help companies and public authorities reduce their environmental footprint. Striking examples are our cloud services and Internet of Things solutions such as Smart energy, Smart buildings or Smart mobility.



## Committed to the circular economy

### 3 Sustainability, energy and circular economy

The current economic system of “take, make, waste” has reached its limits. We want to contribute to shifting towards a more circular economy, requiring fewer resources and producing less waste.

KPIs	Result 2019	Result 2018
Percentage of waste recycled, reused or composted	87%	87%
Collected mobile phones	31,475	18,279
Refurbished modems and TV decoders	336,000	405,544

### Wide range of ongoing circular projects

Many initiatives towards becoming a circular company are already in place. However, with our new strategy and action plan we will be able to fully incorporate the principals behind the circular economy as part of our business processes.

Different initiatives on waste separation & prevention, recycling of used material (e.g. copper), Green Last Mile Delivery and creating circular criteria for procurement are being explored or implemented.

Our activities in Belgium in 2019 generated 13,629 tons of waste, including 13% residual waste that was converted into electricity and heat energy in waste treatment facilities. The remaining 87% was recycled, reused or reprocessed. We have set clear goals on our future waste management and we intend to recycle as much as 90% by 2025.

The MIDAS project, which has been running for several years, is aimed at recycling as many valuable resources as possible from network installations. Last year, more than 680 tons of copper cable were recovered and thousands of tons of electronic equipment were recycled. Through these activities, we bring valuable metals back into business.

We also run an initiative in our shops and in schools to recycle mobile phones. In schools, we work with GoodPlanet Belgium to collect old devices to be recycled and we reward the schools with refurbished computers. In 2019, we recycled 31,475 mobile phones in schools and shops and rewarded schools with 189 refurbished laptops, desktops or tablets. In total, we want to collect 100,000 old phones in 2020.

We offer the GoodSchool DigiTool to schools. This innovative survey system collects data on waste, mobility, food and/or energy. The tool was designed by GoodPlanet and Proximus, using our Internet of Things technology. Teachers and pupils can collect data together, analyze them and set up sustainable initiatives tailored to the school.



More than  
**336,000**  
refurbished modems  
and TV decoders.

To apply or facilitate circular purchasing, we endorse the Green Deal Circular Purchasing of Flanders since 2017 and the Green Deal Circular Purchasing of Wallonia since 2019.

We are also exploring new initiatives, such as:

- creating awareness on circular economy among our customers (in-store and online);
- integrating circular criteria in business and cost-related decisions;
- showing how our Smart Solutions, Internet of Things, cloud and As-a-Service offering can help our enterprise customers in their ambitions to accelerate towards circularity.

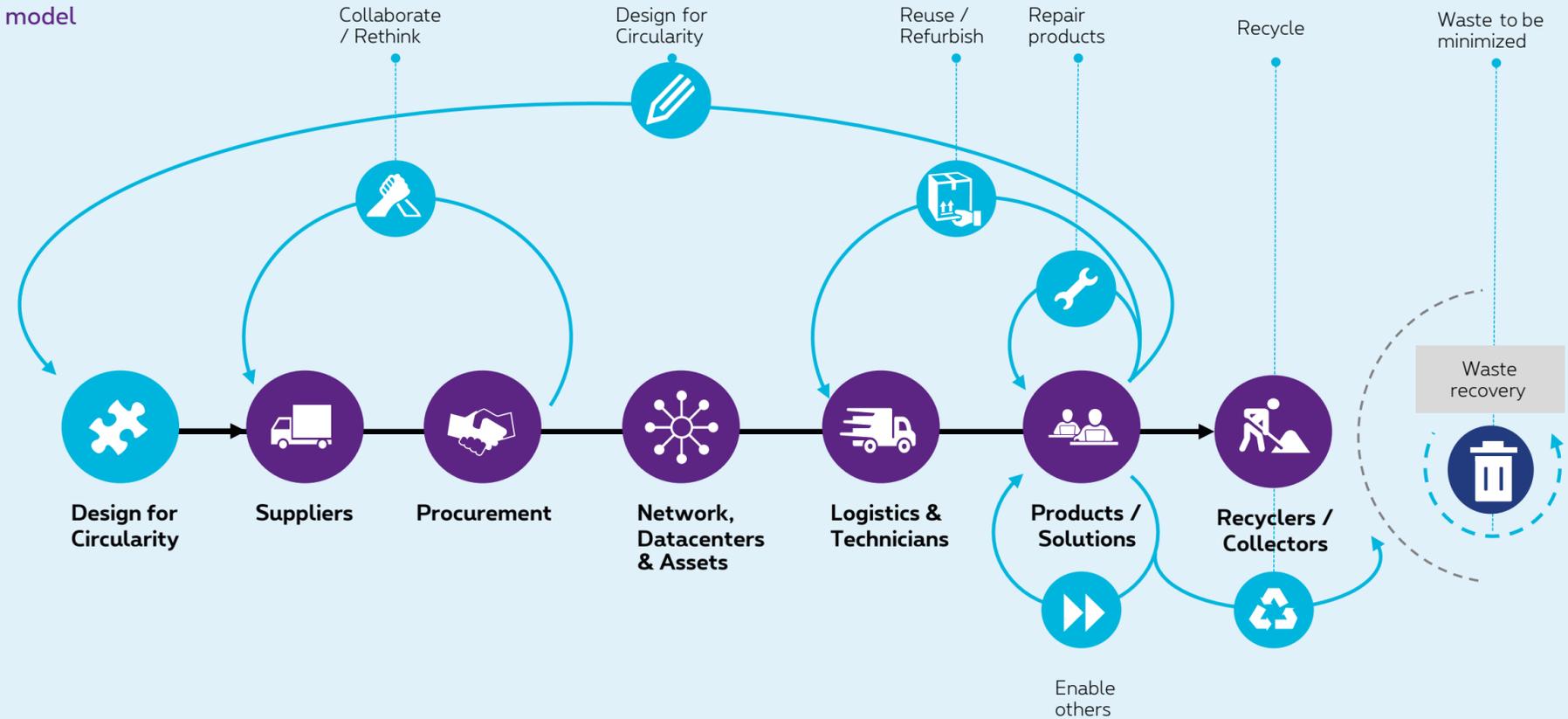
## Truly circular by 2030

We are committed to play an active role in the transition to a circular economy, both in-house and together with our customers. Even though Proximus is in essence a service company, the services we offer are resource and carbon-intensive. In addition, we have many touchpoints with customers that can be used to inform a broad public and to positively change behavior.

As a responsible telecom player, we make efforts to reduce waste and recycle resources, and we will continue to do whatever it takes to accelerate the transition from a linear to a truly circular company by 2030. We want to integrate circularity in our business processes and enable our stakeholders to accelerate towards circularity.

To meet this ambition, in 2019 a circular economy strategy and a circular economy model, visualizing our efforts, were developed.

### Proximus circular economy model



Our main circular strategy initiatives will be centred around ten customer and employee touchpoints:

- 1** Mobile devices: improve return, refurbishment and recycling.
- 2** Webshop: nudging our customers to make more circular decisions.
- 3** Decoder/modem: circular design of the new models and refurbishment of current models.
- 4** Fleet: gradually change company and utility cars to green mobility.
- 5** Packaging: moving towards circular packaging and reduction of materials.
- 6** Digitization: striving for a paperless customer interaction.
- 7** Technical visits: use home visits to inform our customers on how to use our products in a more circular way.
- 8** Office waste: moving towards separate collection and zero waste.
- 9** Proximus stores: showcasing circular products.
- 10** Enterprise customers: raise awareness and develop services to help companies accelerate towards a circular economy.

We will also focus on four key programs that have an important environmental impact:

- move to circular datacentres in the future;
- green network: aim for 100% recycling rates and reducing the amount of waste;
- CO<sub>2</sub> neutral supply chain: become the first CO<sub>2</sub> neutral supply chain in Belgium by 2030;
- ensure the transition to circular procurement.

In 2020, we will kick off our new circular strategy and set up an ambitious circularity program, further develop our roadmap with a detailed action plan, follow up the deliveries and define absolute targets to measure our progress.

## Committed to a sustainable supply chain

### 13 Sustainable supply chain

If we want to tackle climate change, we need everyone to do their part. As a company with over 4,000 suppliers, we are taking our responsibility in building a sustainable supply chain. By working closely with our suppliers and setting strict sustainability standards and clauses, we can further reduce our impact and contribute to a better world.

KPIs	Result 2019	Result 2018
Percentage of suppliers screened using social criteria (incl. working conditions, human rights, etc.) who received a Silver or Gold recognition level <sup>1</sup>	85%	87%
Percentage of suppliers screened using environmental criteria who received a Silver or Gold recognition level <sup>1</sup>	75%	83%



**100%**  
contracts with  
CSR clause.

<sup>1</sup> Based on the EcoVadis assessment.

## Teaming up with our suppliers

Proximus is seen as a best practice company in managing the Corporate social responsibility (CSR) risks of our vendors. In 2019, the international non-profit organization CDP has included Proximus in its "Supplier Engagement Leader Board".

Today 100% of our contracts have a CSR clause on social, ethical and environmental standards for our vendors. We have a leading position in EcoVadis (supplier sustainability ratings) and JAC (Joint Audit Cooperation, CSR assessment of suppliers in IT) with risk audits, assessments and scorecards of vendors.

Together with our suppliers, we strive to improve social and environmental (SE) standards throughout the supply chain. This can be achieved by raising the suppliers' SE performance and improving their supply chain management, while also increasing our own efficiency.

We integrate SE standards on child labor, forced labor, health and safety legislation and protection of the environment into our purchasing processes. By so doing, we improve our brand image and improve the communities in which our suppliers operate.

Those standards serve as a supplier selection criteria and are included in all contracts through our CSR clause. On a recurrent basis, our suppliers are asked to participate in an EcoVadis assessment. In 2019, scorecards were compiled for suppliers representing 32% of the total purchase amount. In 2019, a Silver or Gold EcoVadis recognition level was awarded to 85% (87% in 2018) of 143 suppliers assessed against various social criteria, and 75% (83% in 2018) against environmental criteria. Since 2018, Proximus itself has been awarded the EcoVadis Gold label.



In our sourcing methodology for products and services, we introduced new standards for circular sourcing, focusing on standardization, reuse, refurbishing, recycling and avoiding virgin materials.

Proximus is a member of the Joint Audit Cooperation (JAC), together with 16 other telecom operators representing over 50% of worldwide telecom turnover. In 2019, 84 on-site worldwide company audits were conducted in collaboration with JAC each of them resulting in an effective improvement or an action plan. Proximus conducted 5 audits out of 84 in 2019. We will audit 5 other suppliers in 2020. In 2020,

every new supplier will have to complete a survey and reach a predefined level of compliance.

We will further raise the importance of sustainability. With that goal in mind, we will continue the implementation of EcoVadis and JAC standards, by focusing on the circular economy in our use of products and by reducing the carbon footprint of procured goods.

By 2021, we want to evolve from a company committed to CSR and Sustainability to a company that is truly using CSR and Sustainability as key differentiators in its choices of suppliers and in its activities.



## Governance and compliance, safeguarding long-term value

- 58 Corporate governance statement
- 75 Regulatory framework
- 79 Risk management report
- 88 Remuneration report
- 97 Proximus share



# Corporate governance statement

Corporate governance aims to define a set of rules and behaviors according to which companies are properly managed and controlled, with the objective of increasing transparency. It is a system of checks and balances between the shareholders, the Board of Directors, the Chief Executive Officer and the Executive Committee. Proximus is committed to comply with the legal and regulatory obligations and best practices.

## Proximus governance model

At Proximus, we know that doing business the right way is our license to operate. We never want to be put at the center of ethical dilemmas and we put the right measures in place to ensure our business is conducted ethically. This first means having a clear governance model, which for us, as a limited liability company under public law, is imposed by the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 29 March 2019 ("the Belgian Code of Companies and Associations") and the Belgian Corporate Governance Code of 2020 ("the 2020 Corporate Governance Code")

The key features of Proximus' governance model are:

- a Board of Directors, which defines Proximus' general policy & strategy and supervises operational management
- an Audit & Compliance Committee, a Nomination & Remuneration Committee, and a Transformation & Innovation Committee (formerly Strategic & Business Development Committee) created by the Board within its structure
- a Chief Executive Officer (CEO) who takes primary responsibility for operational management including, but not limited to, day-to-day management
- an Executive Committee which assists the CEO in the exercise of his duties.

Proximus designates the 2020 Corporate Governance Code as the applicable Code ([www.corporategovernancecommittee.be](http://www.corporategovernancecommittee.be)).

We not only follow the law but want to ensure every one of our collaborators is aware of the behaviors to follow and to avoid. Therefore, Proximus adopted its new Code of Conduct in 2016, applicable to all employees. Proximus employees must follow a mandatory training on the application of the principles of the Code of Conduct. On top of this, we have various internal policies to make sure our employees conduct their business ethically.

## Board of Directors

The Board of Directors is composed of no more than fourteen members, including the person appointed as Chief Executive Officer. The CEO is the only executive member at the Board. All other members are non-executive Directors.

Directors are appointed for a renewable term of up to four years. According to the limits for independent Directors, defined in article 7:87 of the Belgian Code of Companies and Associations, the maximum term for independent Directors is limited to twelve years.

The Directors are appointed at the general meeting by the shareholders. The Board of Directors exclusively recommends candidates who have been proposed by the Nomination and Remuneration Committee. The Nomination and Remuneration Committee will take the principle of reasonable representation of significant stable shareholders into account and any shareholder who holds at least 25% of the shares has the right to nominate directors for



appointment pro rata to his shareholding. Based on this rule the Belgian State has the right to nominate 7 Directors. All other Directors must be independent within the meaning of article 7:87 of the Belgian Code of Companies and Associations and of the 2020 Corporate Governance Code and at any time the Board needs to have at least 3 independent Directors. Proximus is proud of a substantial female representation on its Board of Directors. This composition and the complementary expertise and skills of all Directors create a dynamic which benefits the good management of the company.

## Composition of the Board of Directors

### Members of the Board of Directors appointed by the Belgian State

Name	Age	Position	Term
<a href="#">Stefaan De Clerck</a> <sup>1</sup>	68	Chairman	2013 - 2019
<a href="#">Guillaume Boutin</a> <sup>4</sup>	45	Chief Executive Officer	2019 - 2020
<a href="#">Dominique Leroy</a> <sup>2</sup>	55	Chief Executive Officer	2014 - 2019
<a href="#">Karel De Gucht</a>	66	Director	2015 - 2021
<a href="#">Martine Durez</a> <sup>1</sup>	69	Director	1994 - 2019
<a href="#">Laurent Levaux</a> <sup>1-3</sup>	64	Director	2013 - 2019
<a href="#">Isabelle Santens</a> <sup>1</sup>	60	Director	2013 - 2019
<a href="#">Paul Van de Perre</a> <sup>1</sup>	67	Director	1994 - 2019

### Members of the Board of Directors appointed by the General Shareholders' Meeting

Name	Age	Position	Term
<a href="#">Pierre Demuelenaere</a>	61	Independent Director	2011 - 2021
<a href="#">Guido J.M. Demuynck</a> <sup>5</sup>	69	Independent Director	2007 - 2019
<a href="#">Martin De Prycker</a> <sup>6</sup>	65	Independent Director	2015 - 2023
<a href="#">Tanuja Randery</a> <sup>7</sup>	53	Independent Director	2016 - 2019
<a href="#">Catherine Rutten</a> <sup>8</sup>	51	Independent Director	2019 - 2023
<a href="#">Joachim Sonne</a> <sup>9</sup>	45	Independent Director	2019 - 2020
<a href="#">Agnès Touraine</a>	65	Independent Director	2014 - 2022
<a href="#">Catherine Vandendorre</a>	49	Independent Director	2014 - 2022
<a href="#">Luc Van den hove</a>	60	Independent Director	2016 - 2020

<sup>1</sup> by decision of 29 July 2019 the Board of Directors co-opted these members until the AGM to be held on 15 April 2020

<sup>2</sup> until 20 September 2019

<sup>3</sup> until 16 October 2019

<sup>4</sup> by decision of 12 December 2019 the Board of Directors co-opted this member until the AGM to be held on 15 April 2020

<sup>5</sup> end of mandate on 17 April 2019

<sup>6</sup> reappointed on 17 April 2019

<sup>7</sup> until 31 May 2019

<sup>8</sup> appointed on 17 April 2019

<sup>9</sup> by decision of 29 July 2019 the Board of Directors co-opted this member until the AGM to be held on 15 April 2020

## Functioning of the Board of Directors

The Board of Directors meets whenever the interests of the company so require or at the request of at least two Directors. In principle, the Board of Directors holds five regularly scheduled meetings annually.

The Board of Directors also yearly discusses and evaluates the strategic long-term plan in an extra meeting.

In general, the Board's decisions are made by simple majority of the Directors present or represented, although for certain issues a qualified majority is required.

The Board of Directors has adopted a Charter which, together with the Charters of the Board Committees, reflects the principles by which the Board of Directors and its Committees operate.

The Board Charter stipulates, among other things, that important decisions should have broad support, understood as a qualitative concept indicating effective decision-making within the Board of Directors following a constructive dialogue between Directors. Files on important decisions are prepared by standing or ad hoc Board Committees, with significant representation of non-executive, independent Directors within the provisions of article 7:87 of the Belgian Code of Companies and Associations.



## Committees of the Board of Directors

Proximus has an Audit & Compliance Committee, a Nomination & Remuneration Committee and a Transformation & Innovation Committee (formerly Strategic & Business Development Committee).

### Audit & Compliance Committee

The Audit & Compliance Committee (ACC) consists of five non-executive Directors, the majority of whom are independent. In line with its Charter, the Committee is chaired by an independent Director.

The Audit & Compliance Committee's role is to assist and advise the Board of Directors in its oversight of:

- The financial reporting process
- Efficiency of the systems for internal control and risk management of the company
- The company's internal audit function and its efficiency
- The quality, integrity and legal control of the statutory and the consolidated annual accounts and the financial statements of the company, including the follow-up of questions and recommendations made by the auditors
- The relationship with the company's auditors and the assessment & monitoring of the independence of the auditors
- The company's compliance with legal and regulatory requirements
- Compliance within the company with the company's Code of Conduct and the Dealing Code.

The Audit & Compliance Committee meets at least once every quarter.

The members of the Audit & Compliance Committee are: Mrs. Catherine Vandendorpe (Chairwoman as of 17 April 2019), Messrs. Guido J.M. Demuyne (Chairman, until 17 April 2019), Stefaan De Clerck, Pierre Demuelenaere, Paul Van de Perre, Joachim Sonne (as of 19 September 2019) and Mrs. Catherine Rutten (as of 2 May 2019).

A majority of the members of the Audit & Compliance Committee have extensive expertise in accounting and audit. The Chairwoman of the Audit & Compliance Committee, Mrs. Catherine Vandendorpe, holds a degree in Business Economics as well as degrees in Tax and Financial Risk Management. Mr. Paul Van de Perre holds a Master's degree in Economics and several postgraduate degrees. The Chairwoman and the majority of the members exercised several Board or executive mandates in large Belgian or international companies.

## Nomination & Remuneration Committee

The Nomination & Remuneration Committee (NRC) consists of five Directors, the majority of whom are independent. In line with its Charter, this Committee is chaired by the Chairman of the Board of Directors, who is an ex-officio member.

The Nomination & Remuneration Committee's role is to assist and advise the Board of Directors regarding:

- The nomination of candidates for appointment to the Board of Directors and the Board Committees
- The appointment of the CEO and of the members of the Executive Committee on proposal of the CEO
- The appointment of the Secretary General
- The remuneration of the members of the Board of Directors and the Board Committees
- The remuneration of the CEO and members of the Executive Committee
- The annual review of the remuneration concept and strategy for all personnel, and specifically the compensation packages of the Leadership Team
- The oversight of the decisions of the CEO with respect to the appointment, the dismissal and the compensation of Management
- The preparation of the Remuneration report and the presentation of that report at the Annual General Shareholders' Meeting
- Corporate governance matters.

The Nomination & Remuneration Committee meets at least four times per year.

At the beginning of each year, the Committee reviews the performance, budgets for pay-out of bonuses and merits, and long-term and short-term incentive plans. At that

meeting, the concept and strategy of the remuneration policy is also discussed. The Committee determines the performance measurement targets of the CEO and the members of the Executive Committee through Key Performance Indicators.

The members of the Nomination & Remuneration Committee are: Messrs. Stefaan De Clerck (Chairman), Pierre Demuelenaere, Guido J.M. Demuynck (until 17 April 2019), Martin De Prycker, Luc Van den hove (as of 19 September 2019) and Mrs. Martine Durez.

## Transformation & Innovation Committee (formerly Strategic & Business Development Committee)

The Transformation & Innovation Committee (TIC) consists of a maximum of six Directors. In line with its Charter, the Chairman of the Board of Directors is ex-officio member, and the Committee is chaired by the Chairman of the Board of Directors. Three members are appointed among the independent Directors.

The Transformation and Innovation Committee is a permanent committee of the Board, discussing those selected files that need preparatory reflection and need to mature before being brought to the Board for decision. The topics discussed at the Transformation and Innovation Committee may be of diverse nature and will evolve overtime depending on the company's needs and could deal with matters concerning a.o. technology, network, branding/marketing, transformation, HR skills, digitalization... If appropriate, the Board of Directors can decide on establishing a special ad hoc Committee, dealing with a specific subject and composed of members with the appropriate experience.

The members of the Transformation & Innovation Committee are: Messrs. Stefaan De Clerck (Chairman), Karel De Gucht, Martin De Prycker, Luc Van den hove, Mrs. Tanuja Randery (until 31 May 2019) and Mrs. Agnès Touraine.

## Deviation from the 2020 Corporate Governance Code

Proximus complies with the 2020 Corporate Governance Code except for two deviations.

Provision 7.6 stipulates that a non-executive board member should receive part of their remuneration in the form of shares in the company. Because of its specific shareholdership, having the Belgian State as majority shareholder, the company opts not to introduce share-related remuneration at this stage. For the same reason Proximus is not compliant with provision 7.9 that stipulates that the Board should set a minimum threshold of shares to be held by the executives.





## Conflict of interest

A general policy on conflict of interest applies within the company. It prohibits the possession of financial interests that may affect personal judgment or professional tasks to the detriment of the Proximus Group.

On 24 February 2011, the Board adopted a “related party transactions policy” which was updated in September 2016, which governs all transactions or other contractual relationships between the company and its Board members.

In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO, Mrs. D. Leroy, declared during the Board of Directors of 28 February 2019 to have a conflict of interest in connection with her performance evaluation for 2018, item on the agenda of that Board meeting.

In accordance with article 7:96 of the Belgian Code of Companies and Associations, Board members Stefaan De Clerck, Martine Durez, Laurent Levaux, Isabelle Santens and Paul Van de Perre declared during the Board of Directors of 29 July 2019 to have a conflict of interest in connection with their co-optation until the annual general meeting of April 2020, item on the agenda of that Board meeting.

In accordance with article 7:96 of the Belgian Code of Companies and Associations, the CEO Dominique Leroy informed the Board of 14 September 2019 to have a conflict of interest in connection with the CEO item on the agenda of that Board meeting.

Proximus has contractual relationships and provides also telephony, Internet, digital and/or ICT services to many of the companies in which Board members have an executive or non-executive mandate. These transactions take place in the ordinary course of business and at arm’s length.

## Activities Report of the Board and Committee meetings

In 2019, ten meetings of the Board of Directors were held, five meetings of the Audit & Compliance Committee, nine of the Nomination & Remuneration Committee and two of the Transformation & Innovation Committee.

A list with the attendance of the members is included in the Remuneration report.

## Insider trading and market manipulation (market abuse)

In order to comply with legislation on insider trading and market manipulation, Proximus adopted a Dealing Code prior to the Initial Public Offering. This Code aims to create awareness about possible improper conduct by employees, officers and Directors and possible sanctions. This Dealing Code has been widely communicated and is available to all employees. A list of key persons is kept, and all Directors and key employees were requested to sign an affidavit that they had read, understood and agreed to comply with the Dealing Code. Closed periods (including prohibited periods) are defined and any deal must be communicated to and cleared by the Director Internal Audit & Risk Management before transaction (see “Compliance” section).

## Evaluation of the Board

As a result of the latest evaluation, the Board reflected on the role of the ‘Strategic and Business Development Committee’ and decided to change this as of 2018 into a ‘Transformation & Innovation Committee’, which is a permanent committee of the Board, discussing those selected files of diverse nature that need preparatory reflection and need to mature before being brought to the Board for decision. This Committee will be convened at the request of the Chairman or the Board whenever required by the interest of the company.

The Board of Directors will decide after the General Shareholders Meeting of 2020 on the organization of a new external evaluation..

## Executive Committee

### Chief Executive Officer

The mandate of Mrs. Dominique Leroy ended on 20 September 2019.

In its meeting of November 27, 2019, the Board appointed Mr. Guillaume Boutin as new CEO. The CEO is entrusted with day-to-day management and reports to the Board of Directors. The Board has moreover delegated broad powers to the CEO. The contract of Mr. Guillaume Boutin is a renewable six-year fixed term contract that started on 1 December 2019.

The Board of Directors also co-opted on 12 December 2019 Mr. Guillaume Boutin as member of the Board until the next AGM.

## Executive Committee members

The members of the Executive Committee are appointed and dismissed by the Board of Directors at the proposal of the CEO, after consultation of the Nomination & Remuneration Committee.

The powers of the Executive Committee are determined by the CEO. The Executive Committee's role is to assist the CEO in the exercise of his duties.

The Executive Committee aims to decide by consensus, but in the event of disagreement, the view of the CEO will prevail. The Executive Committee generally meets on a weekly basis.

In 2019, the Executive Committee, in addition to the CEO, was composed of the following members:

Name	Age	Position
Guillaume Boutin <sup>1</sup>	45	Chief Consumer Market Officer
Sandrine Dufour	53	Chief Financial Officer
Dirk Lybaert	59	Chief Corporate Affairs Officer and Secretary General
Geert Standaert	49	Chief Technology Officer
Renaud Tilmans	51	Chief Customer Operations Officer
Jan Van Acoleyen	57	Chief Human Resources Officer
Bart Van Den Meersche	62	Chief Enterprise Market Officer

<sup>1</sup> Chief Consumer Market Officer until 1 December 2019

## Board of Auditors

### Composition

The Board of Auditors of the company is composed as follows:

- Deloitte Auditors SC sfd SCRL, represented by Mr. Geert Verstraeten also Chairman of the Board of Auditors
- Mr. Jan Debucquoy, Member of the Court of Auditors
- Mr. Pierre Rion, Member of the Court of Auditors
- CDP Petit & Co SPRL, represented by Mr. Damien Petit.

Deloitte Auditors SC sfd SCRL, represented by Mr. Geert Verstraeten and CDP Petit & Co SPRL, represented by Mr. Damien Petit are responsible for the audit of the consolidated financial statements of Proximus and its subsidiaries.

The other members of the Board of Auditors are, together with Deloitte, entrusted with the audit of the non-consolidated financial statements of Proximus as parent company.

The mandates of Deloitte Auditors SC sfd SCRL and CDP Petit & Co SPRL will expire at the annual General Shareholders Meeting in 2022.

### Additional fees paid to the auditors

In accordance with the provisions of article 3:65 § 2 of the Belgian Code of Companies and Associations, Proximus declares the supplementary fees that it granted during the 2019 financial year to two auditors, members of the Joint Auditors: Deloitte Auditors SC sfd SCRL and and CDP Petit & Co SPRL.

The Group spent during the year 2019 an amount of EUR 354,348 for non-mandate fees for Deloitte Auditors SC sfd SCRL, the Group's auditors. This amount is detailed as follows:

#### Amount spent by the Group for non-mandate fees for Deloitte Auditors SC sfd SCRL

(in EUR)	Auditor	Network of auditor
Other mandatory audit missions	56,358	11,264
Tax advice		
Other missions	263,361	23,365
<b>Total</b>	<b>319,719</b>	<b>34,629</b>

The Group also spent during the year 2019 an amount of EUR 1,588 for non-mandate fees paid to CDP Petit & Co SPRL. This amount is detailed as follows:

#### Amount spent by the Group for non-mandate fees for Deloitte Auditors SC sfd SCRL

(in EUR)	Auditor
Other mandatory audit missions	1,588
Tax advice	
Other missions	
<b>Total</b>	<b>1,588</b>

## Members of the Board of Directors

### Guillaume Boutin



**Mr. Guillaume Boutin** has been Chief Executive Officer since 1st December 2019 and presides over the Executive Committee of Proximus.

Mr. Guillaume Boutin joined the Proximus Executive Committee as Chief Consumer Market Officer in August 2017. Mr. Boutin is a member of the Board of Directors of Scarlet Belgium. From January 2019 until December 2019, he was also member of the Board of Directors of Proximus Luxembourg which is the surviving entity after the merger between Tango and Telindus Luxembourg.

Mr. Boutin started his career as strategy consultant before joining a web start-up. He then joined SFR where he successively held various positions in strategy, finance and marketing until he joined Canal+ Group in 2015 as Chief Marketing Officer.

Guillaume Boutin holds a "baccalauréat scientifique", followed by a degree in telecommunications engineering (Telecom Sud Paris "Programme Grande Ecole", 1997) and a degree from HEC Paris, "Programme Grande Ecole", obtained in 1999.

### Stefaan De Clerck



**Mr. Stefaan De Clerck** is Chairman of the Proximus Board of Directors since 20 September 2013. He chairs the Proximus Joint Committee, the Proximus Pension Fund and the Proximus Art ASBL/VZW. He is board member of the Proximus Foundation and of Connectimmo.

He is also member of the Orientation Council of Euronext, of the Strategic Committee of FEB/VBO, of the Board of VOKA, of the BBR (Benelux Business Roundtable) and of the Bureau of Eurometropole Lille-Kortrijk-Tournai.

Before Proximus, he served as a Member of the Belgian Parliament from October 1990 until October 2013. From June 1995 until April 1998 and from December 2008 until December 2011 he was the Belgian Minister of Justice. From 1999 until 2003 he was President of CD&V, the Flemish Christian-Democratic Party.

He was the Mayor of the city of Kortrijk (Belgium) from January 2001 until end-December 2012.

Mr. De Clerck holds a Master's degree in Law from the Catholic University of Leuven.



## Karel De Gucht

**Mr. Karel De Gucht**, State Minister, was the European Commissioner for Trade from February 2010 until 31 October 2014, where he was pivotal in negotiating, concluding and managing several European Free Trade and Investment Agreements worldwide.

Previously he served as Belgium's Minister of Foreign Affairs from 2004 to 2009, Deputy Prime Minister from 2008 to 2009, and as European Commissioner for International Cooperation, Humanitarian Aid and Crisis Response from 2009 to 2010.

Currently he is the President of the Institute for European Studies (IES) at the Vrije Universiteit Brussel (VUB) – his alma mater (Masters of Laws, 1976) and where he teaches European Law. He serves as a Director on the Boards of ArcelorMittal SA, of EnergyVision and is a Member of the Advisory Board of CVC Capital Partners.

He is also the manager of a family-run wine producing company in the Chianti region (Italy)



## Pierre Demuelenaere

Until 31 August 2015, **Mr. Pierre Demuelenaere** was President and CEO of IRIS (Image Recognition Integrated Systems), a company he co-founded in 1987 to commercialize the results of his PhD.

Mr. Demuelenaere has more than 30 years of experience in Imaging and Artificial Intelligence. He has accumulated solid experience in technology company management, R&D management and setting up international partnerships with US and Asian companies (HP, Kodak, Adobe, Fujitsu, Samsung, Canon, etc.).

Throughout the years, he remained very involved in defining the R&D vision of IRIS and contributed to the development of new technologies, new products and the filing of a large number of patents.

In 2013, Mr. Demuelenaere successfully negotiated the acquisition of IRIS Group by Canon. The company has now become a member of the Canon Group.

Mr. Demuelenaere holds a Civil Engineering degree in Microelectronics from the Université Catholique de Louvain (UCL) and received his PhD in Applied Sciences in 1987. He has received the "2001 Manager of the Year" award and the "2002 Entrepreneur of the Year" award. In 2008, Data News elected him "ICT personality of the year"

Amongst his other activities, until the end of 2019, he was Chairman of the Board of Directors and CEO ad interim of EVS Broadcast Equipment. He is also member of the Board of Directors of Guberna and Professor of management at the UCLouvain. He served for 7 years as a director on the Board of BSB, an insurance and banking software company, for 23 years on the Board of Pairi Daiza and for 10 years on the Board of e-capital, a Venture Capital Fund.



## Martin De Prycker

**Mr. Martin De Prycker** is a managing partner of the Qbic Fund, an inter-university fund of 100 million euro, supporting university spin-off companies in Belgium.

Mr. De Prycker was CEO of Barco between 2002 and 2009. Under his leadership he focused on, and made the company grow in, markets using displays such as the medical, digital cinema, control and airline industry, and spinning off the non-core product lines such as graphics, textile and subcontracting.

Prior to that, he was CTO and member of the Executive Committee of Alcatel-Lucent. Before becoming CTO of Alcatel-Lucent, Mr. De Prycker was responsible for establishing the company's worldwide market leadership in the broadband access market. Under his leadership, ADSL was transformed from a research project into a multi-billion dollar business for Alcatel-Lucent.

Between 2009 and 2013 Mr. De Prycker was CEO of Caliopa, a startup in silicon photonics, allowing the transport of hundreds of Gbps on optical fiber; Caliopa was acquired by Huawei in 2013.

He is also a member of the Board of Directors of several companies, including EVS, Sentiance, Molecubes, Morrow and Arkite.

Mr. De Prycker holds a Ph.D. in Computer Sciences, a Master of Science in Electronics from the University of Ghent, as well as an MBA from the University of Antwerp.

**Martine Durez**



**Mrs. Martine Durez** served as Chief Financial and Accounting Officer at bpost until January 2006, when she became Chairman of the Board, a position she held until June 2014. She is a member of the Board of Directors of several companies, including Ethias Co and SNCB (Belgian Railways).

Mrs. Durez was also Professor of Financial Management and Analysis at the University of Mons-Hainaut until 2000. She has also served as a member of the High Council of Corporate Auditors and the Committee of Accounting Standards and as a special emissary at the Cabinet for Communication and State Companies.

She has been a member of the Royal Academy of Belgium (Technology and Society Action) since 2010. She served as a regent of the National Bank of Belgium.

Mrs. Durez graduated as a Commercial Engineer and holds a PhD in Applied Economics from the University of Brussels (ULB).

**Catherine Rutten**



**Mrs. Catherine Rutten** is CEO of pharma.be, the federation of innovative biopharmaceutical companies in Belgium since 2013. From 2003 to 2013 she has been Member of the Council of the Belgian Institute for Postal Services and Telecommunications, the Belgian regulator for electronic communications and postal services. Prior to that, she worked as Director Regulatory Affairs at the Belgian branch of BT Ltd. She started her career as a lawyer, member of the Brussels Bar, in 1994. She is member of the board of Women on Board.

Mrs. Rutten holds a Degree in Law from the University of Leuven and the University of Namur, a LL.M. in intellectual property law from the London School of Economics and Political Science and a LL.M. in European Law from the College of Europe.

**Isabelle Santens**



**Mrs. Isabelle Santens** was the previous owner and Design Director of Labels of Andres NV, a Belgian fashion company that designs, produces and distributes the ladies clothing brands Xandres, Xandres xline and Hampton Bays.

After studying geography and economics at the KUL, she joined Andres NV in 1985, became Director of Design and then CEO in 2000 until she sold the company to a French listed Company in 2016.

She turned Andres NV from a mere production-oriented facility into a sales and marketing-driven fashion company with a focus on building strong brands, opening pilot stores and building a strong e-commerce site.

She is now active in several boards and in cultural institutions.

**Joachim Sonne**



**Mr. Joachim Sonne** has over 20 years of experience in Investment Banking. Until September 2019, Mr. Sonne served as Managing Director and Co-Head of the EMEA Telecom, Media and Technology Advisory Group in London at J.P. Morgan. He joined J.P. Morgan in London in 1998 where he focused on clients and transactions in the Media and Telecoms space, worked from 2006 until 2010 in the Communications Group in New York and during 2010/2011 for the German M&A practice of J.P. Morgan in Frankfurt.

Mr. Sonne graduated with distinction from the European School of Management –EAP, Paris-Oxford-Berlin and holds a European MS in Business and Economics, a Diplom-Kaufmann and a Diplôme de Grande Ecole.

**Agnès  
Touraine**



**Mrs. Agnès Touraine** is CEO of Act III Consultants, a management consulting firm dedicated to digital transformation.

Previously, Mrs. Touraine served as Chairman and CEO of Vivendi-Universal Publishing, a \$4.7 billion company, after having spent 10 years with the Lagardère Group as Head of Strategy and CEO of the mass market division and five years with McKinsey.

She graduated from Sciences-Po Paris and Columbia University (MBA). She sits on the Boards of Rexel SA, Tarkett SA, GBL (since 31 October 2018) and previously Darty Plc as well as Neopost SA. She is also sitting on non-profit organizations board such as The French-American Foundation and IDATE.

Since May 2014 she has been Chairwoman of the Board of Directors of IFA (French Governance Institute).

**Catherine  
Vandenborre**



**Mrs. Catherine Vandenborre** is Chief Financial Officer at Elia. Previously, she was a member of the executive committee of APX-ENDEX, the Anglo-Dutch gas and electricity exchange based in Amsterdam, and CEO of Belpex. She began her career at Coopers & Lybrand as an auditor.

Mrs. Vandenborre is member of various Boards, including Contassur, an insurance company.

She holds a degree in Business Economics from the UCL as well as degrees in Tax Law and Financial Risk Management.

**Luc  
Van den hove**



**Mr. Luc Van den hove** is President and Chief Executive Officer (CEO) of imec since July 1, 2009. Before holding this position, he was Executive Vice President and Chief Operating Officer. He joined imec in 1984, starting his research career in the field of interconnect technologies. In 1988, he became manager of imec's micro-patterning group; in 1996, Department Director of Unit Process Step R&D; and in 1998, Vice-President of the Silicon Process and Device Technology Division. In January 2007, he was appointed as imec's Executive Vice President & Chief Operating Officer (COO).

Under his guidance imec has grown to an organization with a staff of around 4000 people, operating with an annual budget of around €583M (2018) and with offices in Belgium, the Netherlands, US, Japan, Taiwan, China and India.

Currently, Mr. Van den hove is also professor of Electrical Engineering at the University of Leuven. He is also a member of the Technology Strategy Committee of ASML. He has authored or co-authored more than 150 publications and conference contributions. He is a frequently solicited speaker on technology trends and applications for nano-electronics at major top conferences. He has presented more than 50 key note presentations.

Mr. Van den hove received his Ph. D. in Electrical Engineering from the University of Leuven, Belgium.

**Paul  
Van de Perre**



**Mr. Paul Van de Perre** is co-founder of GIMV (a Venture Capital Firm listed on Euronext) and was formerly a director of Sidmar (Arcelor-Mittal), Thomassen Drijver Verblifa Belgium, Sunparks (a division of Sunair) and other companies. He is currently director of Greenbridge Incubator (University of Ghent), Scientific Investment Board (University of Brussels), President of the Board of Directors of CityDepot (a subsidiary of bpost) and member of the Investment Committee of Participatie Maatschappij Vlaanderen (PMV).

Mr. Van de Perre is CEO of Five Financial Solutions (a corporate finance house). He is co-founder of Parinsu (an added value company to mature scale-ups) and member of the advisory Board of several high-tech start-ups. He holds a Master's degree in Economics and several postgraduate degrees.

## Members of the Executive Committee

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### Sandrine Dufour



**Mrs. Sandrine Dufour** assumed the post of Chief Financial Officer of Proximus on 1 April 2015. In addition to the Finance domains, Sandrine Dufour is also responsible for the Wholesale activities as well as the Group Internal Services. During a transition period from 21 September 2019 to 30 November 2019, Mrs. Dufour assumed the role of CEO of Proximus on an interim basis.

From 1999 to May 2013, Mrs. Dufour held various positions at Vivendi in France and the US; the latest being Deputy Chief Financial Officer and Director of Innovation. Afterwards, she became Executive Vice President Finance & Strategy at SFR. Before that, she held various posts as a financial analyst in France, at BNP and Credit Agricole Cheuvreux (European telecom sector).

Mrs. Dufour is member of the Board of Directors of the following Proximus subsidiaries Proximus Luxembourg, Connectimmo, Be-Mobile, Proximus Pension Fund and Proximus Art. She was the Chairman of the Board of Directors of Proximus Luxembourg until September 2019 and since October 2019 she is Chairman of the Board of Directors of BICS.

Mrs. Dufour holds several degrees from ESSEC Business School, the Société Française des Analystes Financiers, and the Chartered Financial Analyst (CFA) Institute.

## Dirk Lybaert



**Mr. Dirk Lybaert** is Chief Corporate Affairs Officer & Secretary General of Proximus and has the following responsibilities: Legal, Regulatory, Public Affairs, Group Communications, Internal Audit & Risk Management, Security Governance & Investigations, Corporate Prevention & Protection.

Mr. Lybaert was Secretary General of Belgacom from 2005 to 2014. From 1995 until 2007, he was an assistant at the Law Faculty of the University of Brussels for the “Named Contracts” course. From 2000 to 2005 he held different positions within the legal department of Belgacom.

Prior to joining Belgacom, Mr. Lybaert served as an officer with the Federal Police, where he reached the position of Lieutenant-Colonel and Director of the Anti-Terrorism Program.

Mr. Lybaert is a member of the Board of Directors of BICS, Proximus Foundation, Proximus Art and Proximus Opal. He also has external mandates at Aquafin, Bednet and Festival van Vlaanderen.

Mr. Lybaert holds a Master’s degree in Criminology from the University of Ghent, Law from the University of Brussels (VUB) and Business Law from the University of Antwerp, and degrees in Advanced Management and Social and Military Sciences.

## Geert Standaert



**Mr. Geert Standaert** is Chief Technology Officer. He has been a member of the Executive Committee since March 2012. In this function, he oversees all IT development, service engineering, the fixed and mobile network, technical infrastructure and operations for the Group.

Mr. Standaert joined the Group in 1994 and held director positions in various disciplines, including IT, Infrastructure Operations and Data Operations before becoming Vice President Customer Operations in 2007.

Mr. Standaert is also a Board member of Synductis.

Mr. Standaert holds a Master’s degree in Civil Engineering from the University of Ghent (RUG).

## Renaud Tilmans



**Mr. Renaud Tilmans** joined the Executive Committee as Chief Customer Operations Officer of Proximus in May 2014. In this function, he works with his teams to align procedures and create synergies between the operational after-sales activities of the different Business Units.

Mr. Tilmans joined Belgacom in 1993. He held various director positions in the field of ICT and networks before becoming Vice President Customer Operations of the Business Unit Service Delivery Engine & Wholesale in 2012.

Within the Proximus Group, Mr. Tilmans is since 26 September 2019 Chairman of the Board of Directors of Proximus Luxembourg.

Mr. Tilmans is a civil engineer from the UCL (Louvain-la-Neuve) and holds degrees in IT and management.

## Jan Van Acoleyen



**Mr. Jan Van Acoleyen** is Chief Human Resources Officer of Proximus. He joined Proximus in May 2016, after a long career with various international HR management roles, mainly in high-tech companies such as Alcatel, Agfa-Gevaert and Barco. As a HR leader, he acquired extensive experience in organizational and corporate culture transformations.

Mr. Van Acoleyen has a Master's degree in Educational Studies from Leuven University and an Executive MBA from the Antwerp Management School (University of Antwerp)

He is an independent member of the Board of Directors of SD Worx and Chair of the Board of Experience@Work. Within the Proximus Group he is board member of BICS, Proximus Luxembourg, Proximus Foundation, Proximus Pension Fund and is Chairman of the Remuneration Committee of BICS.

## Bart Van Den Meersche



**Mr. Bart Van Den Meersche** is Chief Enterprise Market Officer of Proximus. In 2011, he joined Proximus (formerly Belgacom) following 28 years of experience in the ICT sector with a professional career at IBM, where he held various executive management functions for 16 years and spent eight years as Country General Manager of IBM Belgium/Luxembourg. In his last year at IBM, he was Vice President Industries & Business Development IBM South-West Europe, and a member of the IBM South-West Europe Executive Committee.

For six years, Mr. Van Den Meersche was Chairman of Agoria ICT and a member of the Board of Directors of Agoria, VOKA and VBO.

Within the Proximus Group, Mr. Van Den Meersche is Chairman of the Board of Directors of Proximus SpearIT and Be-Mobile. Since January 1 2019, he is also member of the Board of Directors of Proximus Luxembourg which is the surviving entity after the merger between Tango and Telindus Luxembourg.

He is also a member of the Board of Directors of Belgian Mobile ID, a joint venture between the 4 major banks (BNP Paribas Fortis, Belfius, ING and KBC) and the 3 mobile network operators (Proximus, Orange, Telenet/Base).

In June 2019, Bart Van Den Meersche joined the Board of Directors of Contraste Europe, an IT services company.

Mr. Van Den Meersche has a Master's degree in Mathematics from Leuven University.



**Our compliance program is a key building block for our Corporate Social Responsibility strategy.**

## Non-financial governance

Living up to the commitment of a structured sustainability framework requires a very well-defined organization within Proximus, as our strategic areas stem from different business units. This is also set up to ensure we reach our ambition and have a strong follow up from the higher management.

Thus, for each of the pillars in the strategic areas, an owner is appointed within Proximus. Our most material topics are also mapped in specific pillars of the sustainability framework. For each material topic, at least one KPI has been defined.

Each pillar and their associated topics & KPIs are reported on quarterly to the Executive Committee & Board.

The KPIs for each topic and their targets as well as link to the Sustainable Development Goals can be found in the section “Overview of non-financial information”.

## Compliance

### Role of compliance at Proximus

In an increasingly complex legal and regulatory context and a changing business environment, compliance plays an increasingly important role in the business world.

The Proximus Group Compliance Office is responsible for coordinating compliance activities within the Proximus Group, and aims to promote, at all levels, ethical conduct, respect of values and compliance with laws and internal and external rules and policies, prevent unlawful or unethical behavior and ensures an appropriate response in case such behavior does manifest itself.

Our compliance program is a key building block for our Corporate Social Responsibility strategy (more information available in the Sustainability chapter).

All employees must perform their daily activities and their business objectives according to the strictest ethical standards and principles using the Proximus Code of Conduct, as reflected in multiple Group and Company policies and procedures as their guide.

Moreover, our company values aim to inspire our employees in their daily behavior and attitudes.

Ethical behavior is thus not limited to the texts of the Code of Conduct and basic guiding policies and procedures, which only reflect a summary of the main basic principles and are thus not exhaustive.

The Code of Conduct is available on [www.proximus.com](http://www.proximus.com) and [www.proximus.be](http://www.proximus.be).

The compliance domains which were the compliance focus areas for 2019 are:

- Data protection/Privacy
- Information Security
- Conflict of interest (including an internal audit on events/incentives organized by Proximus and third parties (vendors,...))
- Business expenses
- Business continuity.

## Organization of compliance activities

The Compliance Office is managed by the Director Internal Audit and Risk Management & Compliance, who reports directly to the Chairman of the Audit and Compliance Committee (ACC).

The ACC Charter determines the ACC's responsibility in helping and advising the Board of Directors with respect to monitoring Proximus' compliance with the legal and regulatory requirements, as well as internal compliance with the Code of Conduct and the Group policies and procedures.

## The Compliance Program

Ethical behavior and respect for the values are part of the compliance approach within the Proximus Group.

The following efforts have been done in 2019 in order to improve the visibility of the Group Compliance strategy:

- Continuous communication campaigns towards our staff through the intranet, posters and specific events (e.g. Security week) concerning information security, privacy, conflict of interest,...
- Annual updates of policies, procedures given the fast changing business environment
- Implementation of a data governance tool allowing to document E2E data flows, perform effective data (lifecycle) management and ensure data (quality) by design.

## Diversity & Inclusion statement

In accordance with article 3 of the Law of 3 September 2017 on the disclosure of non-financial and diversity information by certain large companies and groups, Proximus' diversity policy, its purpose and results are described below.

### Strategic orientation about diversity & inclusion

Proximus believes that a diverse workforce, through employees' unique capabilities, experiences and all other characteristics unrelated to someone's abilities, will help to reach a more diverse marketplace and will create sustainable business. It is also important to reflect the diversity of our customers and markets in our workforce.

Therefore, Proximus has a Charter on diversity and equal rights, which applies to all employees of the Proximus Group.

With this policy Proximus wants to enable conditions, where these differences are recognized and respected, and where all employees are given equal opportunities. For Proximus, diversity and equality mean:

- Treating all applicants and employees equally, based only on relevant competencies and objective criteria
- Creating an open and welcoming work environment that encourages contributions from people of all backgrounds and experiences
- Promoting a mind-set of respect and openness throughout all levels of the organization and treating all employees fairly and equally
- Demonstrating behavior free from any form of racism, intolerance, discrimination, harassment or other attitude that could negatively affect the dignity of men and women at the workplace

- Incorporating diversity in all aspects of the way we do business without any form of intolerance.

Within Proximus specific teams are in charge of monitoring the compliance with the Charter and of taking the correct measures in case of non-compliance.

### Diversity & inclusion in our leadership and employees' communities

Proximus is particularly conscious about the importance of diversity at all levels of the organization and concentrates on recruiting employees with an inclusion and growth mindset. Once they are part of the company, we ensure that they are the best ambassadors of our company values by including a part on our inclusion program and philosophy in our welcome days as well as in all related trainings for team leaders, experts, trainees,...

While taking care of putting in place well-balanced and talented mixed teams, Proximus reinforces its capacity for innovation and fosters its learning culture, the satisfaction of its employees and their creativity towards the future challenges of a digital world.

With regards to gender diversity, this approach is also reflected in the female representation at the different levels of our company:

- 38% of the Board of Directors
- 14% of the Executive Committee
- 24% of the members of the Leadership Team
- 33% of all employees' population.

Proximus Group also has a very diverse workforce in terms of culture with 48 nationalities.

Proximus supports internal and external diversity network activities and initiatives such as the AfroPean network (APN). We have a Diamond Sponsorship in the organization “Women on Board” and started a partnership with KliQ, an organization with expertise in the fields of sexual diversity and gender diversity. We will keep on focusing on creating supportive networking groups so that everyone can reinforce their feeling of belonging to our community.

### Creation of a culture that allows to reconcile activities during the different life phases

Proximus wants to create conditions to allow its personnel to reconcile the different aspects of their professional and private life during their different life phases by offering opportunities for internal job change and development opportunities, homeworking, part-time schedules, home child care, ... These measures allow our employees to work in a safe, inspiring and inclusive workplace with equal opportunities for everyone, allowing them to combine their personal and professional lives in order to be optimally present and feel supported, motivated and engaged at work.

Proximus is founding partner of “Experience@Work”. Thanks to this company, experienced talents from organizations can be deployed in other organizations which are looking for specific experience and/or talent.

### Diversity as part of Proximus Code of Conduct

Proximus’ mission consists in opening up a world of digital opportunities, so people live better and work smarter. This also means that we have to earn and keep the trust of our



customers, our employees, our suppliers, our shareholders, our partners and the company as a whole.

Successful business must go hand in hand with honest and ethical behavior. Each employee has a crucial role to play in this matter. This is the reason why the Code of Conduct is in place, representing our corporate culture and values. This Code of Conduct reflects the fundamental principles and rules which are the foundations of our engagement to be a

socially responsible company. The Code of Conduct applies to everyone: Board of Directors, managers and all employees. Although the Code of Conduct cannot directly be imposed to our business partners, we seek to always work with partners respecting the same ethical standards.

Proximus expects its employees to respect the Code of Conduct and use it as a reference in their day-to-day way of working.

### Human rights

People are entitled to be treated with respect, care and dignity. Proximus business practices can only be sustainable if we respect basic human rights and value diversity, cultural and other differences. Our Code of Conduct, values and behavior are inspired by fundamental principles such as those of the Universal Declaration of Human Rights, the European Convention on Human Rights and the United Nations Convention on the Rights of the Child.

### Working conditions

Proximus is committed to creating working conditions which promote fair employment practices and where ethical conduct is recognized and valued. We maintain a professional workplace with an inclusive working environment, and we are committed to respecting Belgian legislation and the International Labour Organization’s (ILO) fundamental conventions.

Proximus recognizes and respects the right to freedom of association and the right to collective bargaining within national laws and regulations. We will not contract child labour or any form of forced or compulsory labour as defined by ILO fundamental conventions. Moreover, we are opposed to discriminatory practices and do our utmost to promote equality, diversity and inclusion in all employment practices.

Our working environment standards are applied to every member of our diverse community and are exemplified by all managers, team leaders and employees who are expected to act as role models in this matter.

# Regulatory framework



## Cable & Broadband Regulation

The Belgian regulators' decisions of 29 June 2018 on the review of the broadband and TV market analysis have outlined the regulation of the cable networks and of Proximus' fibre network.

In terms of pricing, the regulators have imposed a 'fair pricing'. In this context, BIPT issued, on 5 July 2019, a consultation on future rental prices for wholesale cable access based on their cost modelling exercise. BIPT has proposed a price structure that allows for tiering and a small margin of 5%-10% on the prices for internet services over 200Mbps in order to encourage investment. The consultation ran until 6 September. A final decision is expected in Q2 2020 and the new pricing will be effective 2 months after the final decision. The new prices would then apply until 2023. The BIPT assessment of the wholesale FTTH rental pricing of Proximus is still pending. A consultation on the pricing is also expected in Q2 2020.

In terms of Proximus' access to the cable networks, the decision of June 2018 grants access for Proximus in geographical areas without own next-generation broadband access network.

Both Telenet and VOO (Brutélé and Nethys) had lodged an appeal against the June 2018 decisions obliging them to open their networks to competitors, requesting for suspension and annulation but, on 4 September 2019, the Court considered their requests unfounded.

The broadband market analysis of 2018 contains an obligation for Proximus to provide access to end-to-end

ducts in the context of FTTH if and where available. In Q2 2019, Proximus presented a reference offer for this type of access. Developments for such product only need to be done when there is effective demand.

On 17 December 2019, BIPT published its final decision on the review of the wholesale provision of high-quality access (leased lines and similar services) market. Alternative operators purchase these high-quality access services to connect sites (companies, base stations, interconnection points, etc.) that they cannot reach with their own infrastructure. Proximus remains the only SMP operator (operator with significant market power) on this market. BIPT maintains the existing obligations on access, transparency, non-discrimination and price control imposed to Proximus by the previous market analysis of 2013. Proximus must continue to offer access to its copper and fibre infrastructure that largely corresponds to its current wholesale services. New element is that alternative operators will be able to benefit from national coverage without having to interconnect to several nodes of the Proximus network (national collection). BIPT also introduces the obligation for Proximus to provide 'passive' access to the ducts used for these services. For the various wholesale services, Proximus will have to apply a fair pricing (similar to the one imposed for fibre in the broadband market in 2018). Considering that several alternative infrastructures are already present, BIPT foresees a softer regulation in some areas, i.e. no price regulation on active access. The list of areas subject to a lighter regulation will be subject of an annual review based on the criteria defined in the decision. Based on this analysis, new areas might be added or removed from the list. The decision entered into force on 1 February 2020.

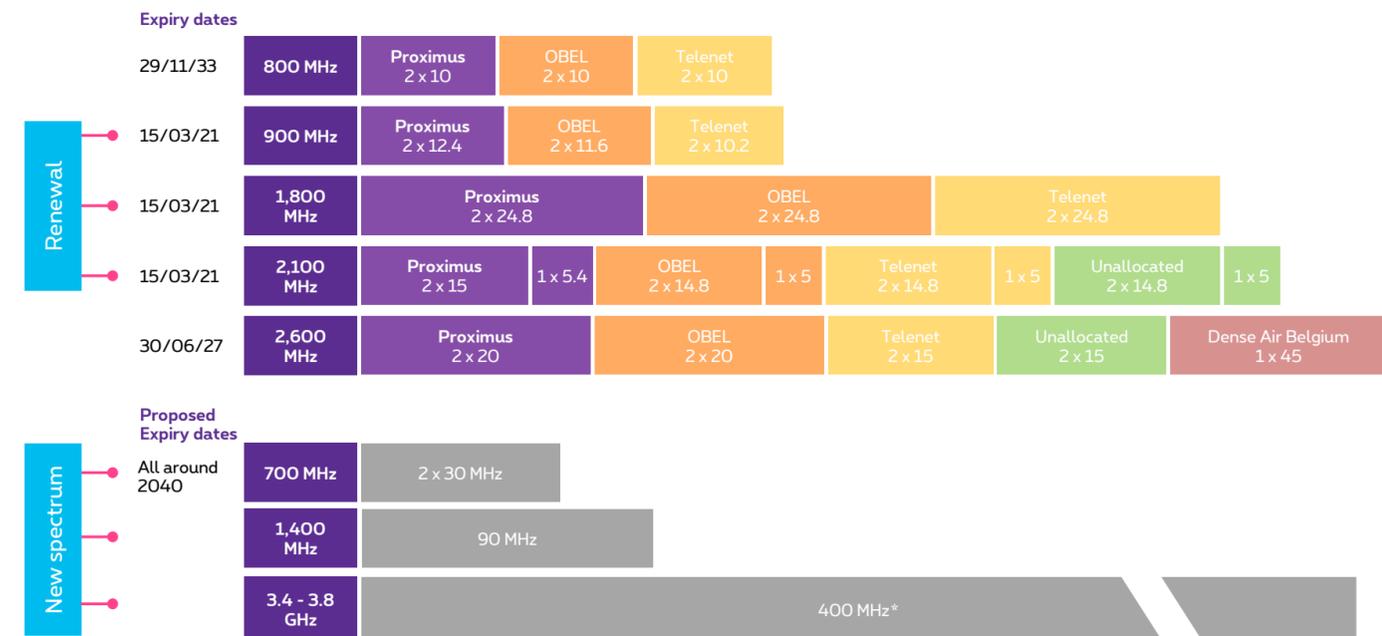
## Radio Spectrum

### Multi-band auction

In July 2018, the Belgian government approved in first reading, the conditions for the multi-band auction for the renewal of the existing 2G/3G spectrum (900, 1800 and 2100 MHz licenses due to expire on 21 March 2021) as well as for the granting of new 5G spectrum (700 MHz, 1400 MHz and 3500 MHz) and unsold spectrum in the 2100 and 2600 MHz bands.

Fibre and cable wholesale rental "fair prices" will be defined in 2020.

### Current ownership and new spectrum



\* 40MHz owned by Citymesh and Gridmax until 2025 (regional licenses)

These proposals included favorable conditions for new entrants (spectrum reservation in the 700 MHz, 900 MHz, 1800 MHz and 2100 MHz bands, national roaming and less stringent coverage obligations). However, due to a disagreement between the Federal state and the Communities on the repartition of the proceeds of the auctions, no final decision has been taken yet. The timing and the final conditions of the auctions remain therefore currently uncertain.

In the meantime, on request of the Telecom Minister, BIPT organized in December 2019 a consultation on new legislative proposals in preparation of the future spectrum auction. The proposals relate a.o. to the possibility for BIPT to extend the current 2G and 3G authorizations (by 6-months periods) beyond the initially foreseen date of 15 March 2021, under the same conditions and fees, until the auction procedure for the bands concerned is finalized. The proposals also consider the reorganization of the spectrum currently in use in the 3400-3600 MHz band in order to ensure that sufficiently wide blocks of spectrum can be freed for 5G and the possibility and conditions for the BIPT to authorize private local area networks using 4G or 5G technologies in the 3800-4200 MHz band.

On 31 January 2020, BIPT also proposed the granting of temporary licenses in the 3.5 GHz band to enable initial 5G roll out awaiting finalization of multiband auction process. Applications (incl. detailed deployment plan) must be sent by 28 February. BIPT will then finalize plans for assigning frequencies.

A Royal decree of 2 June 2019 has introduced a reduction of the usage fees for microwave links in the 'white zones' (areas

where no NGA infrastructure is available) and 'grey zones' (areas where only one NGA infrastructure is available) with 80% for 10 years (from 1 July 2019 until 31 December 2029). BIPT determined the precise scope of these areas on 29 July.

In Luxembourg, the 5G spectrum allocation has been delayed until 2020.

## International roaming and intra-EU calls

The 'Roam-Like-At-Home' (RLAH) that completely abolished the roaming surcharges has been applicable since June 2017. Since then all Proximus customers can surf, call and text within the European Union like at home, without extra charges within the 'Fair Use Policy' (FUP) aimed at preventing abusive usage of retail roaming services beyond periodic travelling in the EU.

The roaming wholesale prices have been determined as follows:

### Wholesale roaming caps (EUR excl. VAT)

	2015	30/04/2016	15/06/2017	2018	2019	2020	2021	2022
Voice call/min	0.05	0.05	0.032	0.032	0.032	0.032*	0.032*	0.032*
SMS	0.02	0.02	0.01	0.01	0.01	0.01*	0.01*	0.01*
Data/GB	50	50	7.7	6	4.5	3.5*	3*	2.5*

\* 2020 tariffs and beyond subject to Commission review



On 29 November 2019, the European Commission published its first full review of the roaming market in which they consider a possible legislative proposal extending the EU roaming rules beyond 30 June 2022. The Commission intends to conduct an impact assessment in this respect in the first semester of 2020. Possible legislation could address the level of wholesale roaming price caps and add transparency obligations regarding quality of service while roaming.

In the context of the EU telecom review adopted end 2018, the European legislators also adopted a Regulation, imposing caps on intra-EU calls and SMS prices (calls and SMS to another EU country). The new caps took effect on 15 May 2019 for consumers at 19 eurocents/minute for calls and 6 eurocents for SMS.



## New caps on intra-EU calls and SMS apply since 15 May 2019.



## Coverage and quality of networks

Through its 'Atlas' project, BIPT publishes detailed information on the coverage and quality of experience of the mobile and fixed networks. BIPT published the last edition of its Atlas on 19 December 2019.

The currently published fixed coverage maps (dated September 2019) show the aggregated coverage of Proximus and the cable operators by different download speeds: 1 Mbps, 10 Mbps, 30 Mbps, 50 Mbps and 100 Mbps.

The mobile maps (dated October 2019) enable the customers to verify the coverage of each of the three mobile operators (Telenet/Base, Orange and Proximus), individually or together, on the map of Belgium. The maps show different coverage levels (very good/deep indoor, good/indoor, satisfactory/outdoor). These maps show that, for 4G, Proximus has the most extensive coverage for all coverage levels, both in terms of territory and population. For 3G, Proximus has the widest coverage for all coverage levels in terms of territory.

These maps are accompanied by the results of a study comparing the quality of the experience offered by the three mobile operators. These results show that Proximus performs best for a large number of KPIs. A smartphone application launched early 2019 also allows citizens to participate in the coverage and quality measurement.

## EU developments

### EU Telecom Review

The EU Telecom review, the so-called 'European Electronic Communications Code' (Code) that was published in the Official Journal of the EU on 17 December 2018 overhauls the previous EU telecoms regulation. This text will determine the regulation of telecommunication networks and services in Europe for the next decade. Member states have until 21 December 2020 to transpose it into national law. The preparation for the transposition has been initiated by the BIPT as well as the French-speaking and Flemish Communities.

### Review of the Audio-visual Media Services Directive

The new Audio-visual Media Service (AVMS) Directive published on 28 November 2018 modifies a directive from 2010. Since then, the market for these services has evolved significantly. Rapid technical developments have sparked new types of services, viewing habits have changed and user-generated content has gained in importance. The legal framework has been updated to take account of these developments. Member states have to transpose it into their national legislations by 19 September 2020. The preparation for this transposition has been initiated by the French-speaking and Flemish Communities.



# Risk management report

Taking risks is inherent to doing business, and successfully managing risks delivers a return to Proximus stakeholders. Proximus believes risk management is fundamental to corporate governance and the development of sustainable business.

## Most important risks and uncertainties

The Group has adopted a risk philosophy that is aimed at maximizing business success and shareholder value by effectively balancing risk and reward. Effective risk management is a key success factor in the realization of our objectives. The aim of risk management is not only to safeguard the Group's assets and financial strength but also to protect Proximus' reputation. A structured risk management process allows management to take risks in a controlled manner. Financial risk management objectives and policies are reported in Note 32 of the consolidated financial statements, published on the Proximus website. Risks related to important ongoing claims and judicial procedures are reported in Note 34 of these statements.

The enterprise and financial reporting risks are detailed below, together with the related mitigating factors and control measures. However, this is not an exhaustive analysis of all potential risks that Proximus might be facing.

## Enterprise-wide risks

Proximus' Enterprise Risk Management (ERM) is a structured and consistent framework for assessing, responding to and reporting on risks that could affect the achievement of Proximus' strategic development objectives. The Group's ERM covers the spectrum of business risks ('potential adverse events') and uncertainties that Proximus could encounter. It seeks to maximize value for shareholders by aligning risk management with the corporate strategy.

It does this by assessing emerging risks (e.g. from regulation and new technologies on the market) and developing mitigating strategies in line with its risk tolerance.

Proximus' ERM framework has been reviewed and updated in 2019 to align with the market best practices. This risk assessment and evaluation takes place as an integral part of Proximus' annual strategic planning cycle. All relevant risks and opportunities are prioritized in terms of impact and likelihood, considering quantitative and/or qualitative aspects. The bottom-up identification and prioritization process is supported by a self-assessment template and validation sessions. The resulting report on major risks and uncertainties is then reviewed by the Executive Committee, the CEO and the Audit and Compliance Committee. The main findings are communicated to the Board of Directors. Among the risks identified by the last ERM 2019 exercise, the following risk categories were prioritized (in the following order):

- Business model and servicing evolution
- Competitive market dynamics
- Customer experience
- Employee skills and motivation
- Human Resource cost & flexibility.

### Business model and servicing evolution

Proximus' business model and financial performance have been and will continue to be impacted by (disruptive) technologies, such as SD-WAN, 5G and OTT (over-the-top) services. Proximus' response to new technologies and market developments and its ability to introduce new competitive products or services, which are meaningful to its customers, will be essential to its performance and profitability in the long run.

Proximus, and the industry as a whole, is evolving towards a more individualized approach to serving its customers. For example, for ultra-broadband, fiber-based connectivity, Proximus adopts a local marketing approach, in which the sales forces, technical staff and local partners join forces for its fiber deployment project. In the business market,

**To take calculated risks is the only way of moving the business forward.**

Proximus is further developing and reinforcing its capabilities to support business customers in their digital transformation with its industry-tailored support and convergent products combining connectivity, hybrid cloud, and managed security solutions.

### Competitive market dynamics

Proximus' business is primarily focused on Belgium, a small country with a few large telecom players, with Proximus being the incumbent. Proximus operates in growing markets (e.g. enterprise campus networks, security, smart mobility, and API platforms), maturing markets (e.g. 4G smartphones), saturated markets (e.g. Fixed Internet, postpaid mobile, and fixed voice) and even declining markets (e.g. prepaid mobile and enterprise voice).

The market is in constant evolution, with competitive dynamics at play (e.g. frequent new product launches, competitors entering new segments of the market that might impact market value going-forward). In December, the validation of the sale of 51% of Voo (the cable company

operating in most of Wallonia and part of Brussels), to Private Equity firm Providence Equity Partners was announced. This transaction is expected to be finalized in the course of 2020. It will likely change the outlook and strategy of Voo going forward. Furthermore, in the coming months or years, the market structure could further evolve with the possible entry of a new mobile operator, in addition to the three existing operators and supported by favorable conditions set in the upcoming spectrum auction. Sector federation Agoria estimates that the possible arrival of a 4th mobile entrant could impact the total Mobile market in Belgium with a reduction of 6,000-8,000 jobs and a reduced sector contribution to the state of EUR 200 million - EUR 350 million. The timing of that remains uncertain, as the upcoming spectrum auction has been repeatedly delayed.

Substitution of fixed line services by OTT services (e.g. by apps and social media such as Skype, Facebook, WhatsApp, etc.) and TV content (e.g. Netflix, Amazon Prime Video, Disney+) could put further pressure on revenues and margins, as these over-the-top services continue to gain ground. As a result of its long-term strategy and continued network investments (Fiber, VDSL/Vectoring, 4G/4G+), Proximus has been consistently improving its multiplay value propositions by putting more customers on the latest technologies, maintaining its lead in mobile innovation, structurally improving customer service, partnering with content and OTT players to offer a broad portfolio of content (Sports, Netflix, families & Kids with the Studio 100 agreement, etc), developing an omnichannel strategy and improving digital customer interfaces (launch of the new Pickx platform), etc. Proximus has established an advantageous and solid competitive position, providing the company with other levers besides price, reducing the risk to churn and price disruption exposure. Following the launch of the Epic mobile offer in 2018, Proximus successfully launched in 2019 a new convergent offer, Epic Combo, targeted at the millennial segment and specifically designed

offer to meet the telecommunication needs of these customers. Proximus is also responding through a convergent and bundled approach and by offering new services and opting for an aggregator model, putting the best content at the disposal of its customers (e.g. Netflix).

The price-sensitive segment, which has continued to rise in 2019 as more consumers seek no-frills offers at a lower price, is successfully addressed through its subsidiary Scarlet. The latter offers attractively priced mobile and triple-play products.

In the corporate large-company market, the scattered competitive landscape drives price competition, which might further impact revenue and margins. Here also, Proximus intends to respond to increasing competition by strengthening its voice-data-IT convergence strategy, leveraging unmatched sales reach, broad portfolio and expertise. Proximus has developed specific solutions to accompany our customers in the transition to both local and cloud-based communication services, leveraging our various assets to offer simple, reliable and technologically advanced solutions to meet our customers' communication needs. Furthermore, Proximus is working with its customers to answer their industry-specific requirements and business needs through solutions combining core assets with innovation like IoT, Cloud, Security and big data, which will help preserve value.

## Customer experience

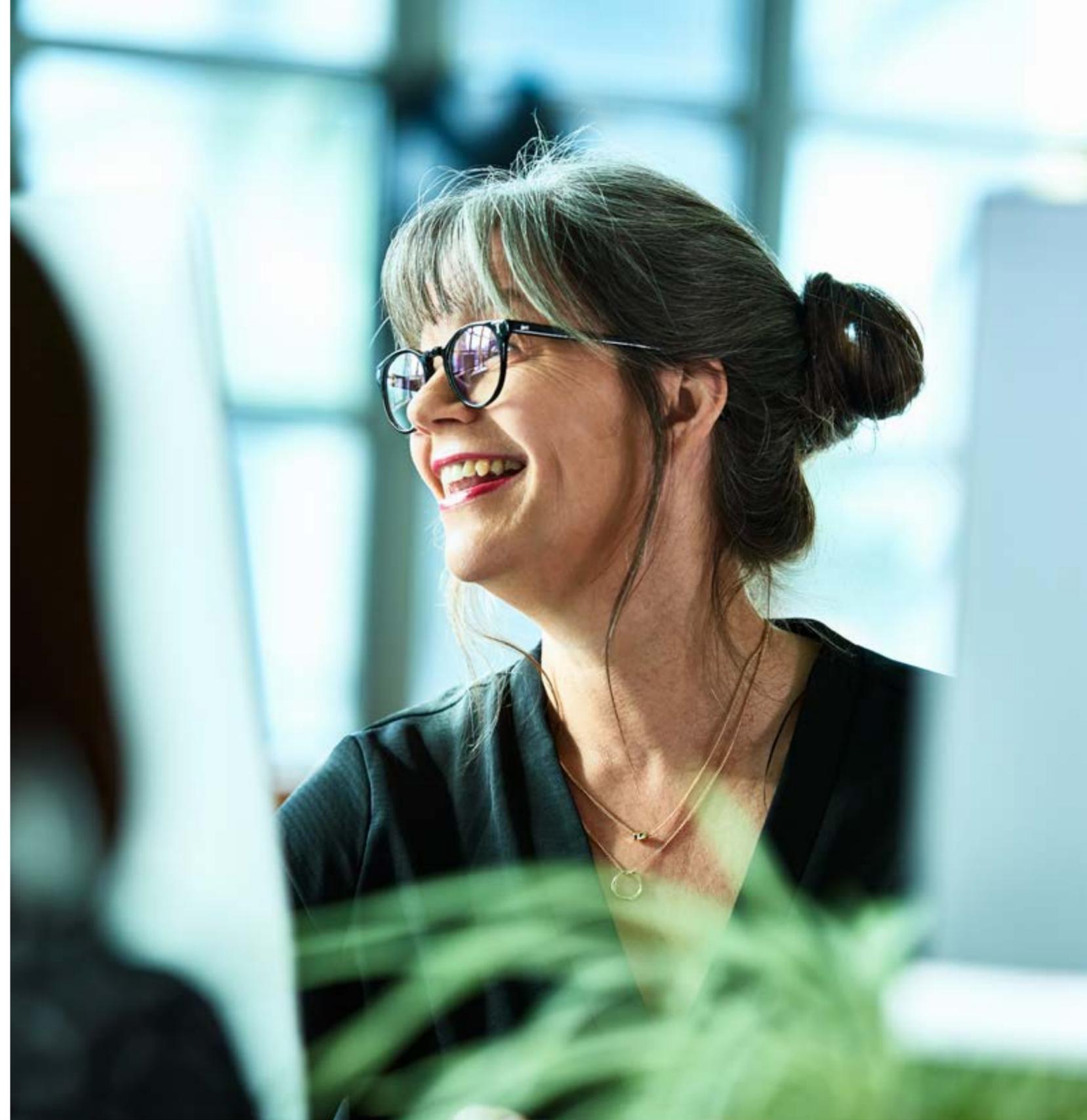
For Proximus, delivering a superior customer experience is a core strategic mission. The priority given to customer centricity means more than focusing on the customer. This is about creating an effortless, intuitive and personalized experience for each customer.

Why would a prospect choose Proximus rather than another telco provider? Why would an existing customer recommend us to family and friends? Why would a customer be delighted with the way his products and services are being moved? This is all about the experience we provide him with.

This experience includes a consistent, effortless and intuitive experience across all interactions in all customer journeys, a high-quality stable network, easy-to-use products and services and a good recommendation index. To achieve this goal, key transformational initiatives such as 'End-to-End Journey Evolution', 'Voice of the Customer', and 'Customer Service Lighthouse addressing root cause of pain points' were set up to take charge of transformation projects participating in Proximus' brand promise: 'Think possible'.



**Customer experience is for us a key decisive competitive advantage to be constantly monitored.**





Providing a superior experience to customers is a crucial challenge but also an ongoing risk domain, considering:

- The fast evolution of market and customers' expectations
- The increased influence of GAAFA and OTT players
- The ever-present risk of a bold move from the competition.

As we are aware of those risks, here are some achievements of the past year tackling them:

- The 'Close-the-loop' was set up to allow customers who express, via our surveys, that they still have an open question or issue, to be re-contacted in priority in order to find a solution.
- Dedicated multidisciplinary teams were set up to act on identified root causes of customers' and operational pain points and drive continuous improvement to realize customer experience improvements and capture financial value. Five priority topics are being looked at end-to-end (i.e. billing, payment & collection, ordering, non-commercial communication and usage experience) and will result in addressing pain points and useful customers' contacts reducing thereby the customer effort. The dedicated teams are supported in their mission by a customer experience analytics team whose mission is to quantify and qualify the root causes and to measure the impact of the adopted improvements.
- The Digiline project allowing a digital journey follow-up and visualization of main interaction for new customers.
- Proximus is no longer a service provider. We create a real bond with our customers and do everything possible to ensure that their experience with us is 'effortless and delightful'.

## Employee skills and motivation

In the digital era, knowledge workers are a competitive asset if they have the right skills and mindset. Proximus could face a shortage of skilled resources in specific domains such as security, digital front-ends, data science, and agile IT. This shortage could hamper the realization of our ambition to become a truly customer-centric organization, and delay some of our objectives in innovation. In addition, we need to upgrade skills in customer-facing and other functions to become digitally oriented.

This is why the company is paying so much attention to training programs, internal mobility, hiring of young graduates from relevant fields, and employer branding. In this context, it is also essential for Proximus to adapt its way of working to the needs and requirements of the new generation – the 'millennials' – and to manage all talents within an inclusive, multi-generational environment.

Considering the imperative to align skills with customer and business needs, Proximus has taken the necessary steps to identify the skills that will be critical for facing tomorrow's challenges and increased drastically its upskilling and reskilling efforts to accelerate the skills' shift. Proximus focuses also more on discovering, developing and sharing talents in order to have the right talent in the right place. Proximus continues to invest in leadership, a collaborative work environment, digitalization, and development in order to stimulate a company culture that nurtures a growth mindset, new ways of working, and our five company values: the digital mindset, customer centricity, accountability, collaboration and agility.

## Human Resource cost & flexibility

Even though Proximus has been on the path of growth since 2015, strong competition, the impact of regulation and fast market evolution mean that it needs to further reduce costs in order to remain competitive and preserve EBITDA. A significant portion of Proximus' expenses is still driven by the cost of the workforce (whether internal or outsourced, expensed or capitalized). Expressed as a ratio of turnover, Proximus' total cost of workforce still lies well above the average of international peers and main competitors, even if steady progress has been made in recent years. Moreover, Belgium applies automatic inflation-based salary increases, leading to higher costs, not only of Proximus' own employees but also of the outsourced workforce, with outsourcing companies being subject to the indexation as well.

At Proximus Group level, about one in five employees is a statutory employee. The application of HR rules as defined during successive Collective Agreements is quite strict and doesn't allow for as much flexibility as competition. This restricts Proximus' ability to improve efficiency and increase flexibility to levels comparable to those of its competitors.

In 2019, another wave of employees left the company under the voluntary early leave plan that was agreed by the unions in 2016. But in the future, major efforts will be needed to increase organizational flexibility and agility. That's why we intend to accelerate our transformation in the next three years, to become an increasingly digital company with an agile and efficient organization. First, Proximus will continue to adapt and simplify its organizational structure in order to evolve towards a high-performance organization by transforming the way we work.



In addition, different initiatives (drastic simplification and/or automation of Proximus' products, services, processes and systems) have been taken to optimize and safeguard the balance between workforce and workload (both in numbers and competencies). The objective is to adapt workforce cost and HR rules to Proximus' future needs, so that we remain competitive and can evolve with customers' needs.

In this respect, in January 2019, Proximus announced the need to reduce the number of employees in line with the workload reduction mainly linked to digitalization. The transformation plan was approved in the Joint Committee of December 9, 2019 while the implementation had started by informing the employees individually.

The content of the transformation plan, is made of:

- A better adequation between the workforce and the workload, linked to business initiatives mainly linked to digitalization. The agreed upon workforce reduction will be managed through a specific process, starting with a voluntary leave plan with a majority of employees leaving by the 1st of March 2020. All other departures will happen before year-end 2020.
- A simplification of HR rules related to functional mobility, HR flexibility, and the balance between insourcing and outsourcing.
- New working conditions for employees hired as of 1st January 2020.
- A significant increase of reskilling and upskilling efforts, to meet the needs in terms of skills transformation.

The three parts of the plan will improve our productivity, flexibility and agility on the market.

## BICS

The disruption of the traditional operator-to-operator wholesale telecoms market has accelerated in 2019, driven by the increasing digitalization of the communications (smartphone penetration, social/communication apps development) and the emergence of new (cloud-based) players. Legacy communications volumes (Voice, Person-to-Person Messaging) have registered a decline between 5 and 10%, while pricings are flattening. The growing segments of the markets (LTE signalling, IPX Roaming data, Roaming value added services) have registered continuous volume growth, but are under fierce competitive pressure, with significant impacts on pricing.

In this turbulent market, BICS managed in 2019 to reinforce its position as one of the top international voice carriers and as number 1 provider of Signalling and Roaming Data services. 2019 also saw the progressive implementation of the new contract between BICS and the MTN Group, whereby MTN will leverage its assets in Africa and Middle East while BICS remains MTN's preferred provider for the rest of the world. To compensate for the legacy business erosion, BICS made good progress in selling new products in the Cloud communication and IoT markets.

TeleSign, the leading US-based authentication and security services provider acquired by BICS in 2017, has managed to double the revenue and triple the EBITDA since its acquisition, despite strong competition by companies operating with a different logic (high revenue growth, negative cash flows). In 2019, TeleSign created a strong momentum in the Mobile Identity market, on which the company will further capitalize in the years to come.

## Operational risks

Operational risk relates to risks arising from systems, processes, people and external events that effect the operation of Proximus businesses. It includes product life cycle and execution; product safety and performance; information management, data protection and cyber security; business continuity; supply chain; and other risks, including human resources and reputation risks. Depending on the nature of the risk involved and the particular business or function affected, Proximus uses a wide variety of risk mitigation strategies, including adverse scenario stress tests, back-up/business-continuity plans, business process reviews, and insurance. Proximus' operational risk measurement and management relies on the Advanced Measurement Approach (AMA) methodology. A dedicated 'as-if' adverse scenario risk register has been developed in order to make the stress tests relevant.

Proximus is covered by extended general and professional liability, property damage and business interruption insurance, as well as by a dedicated cyber security insurance program. Nevertheless, these insurance programs may not provide indemnification should the traditional insurance exclusions (non-accidental event) apply.

The most prominent examples of operational risk factors are explained below:

- Resilience and business continuity
- Legacy network infrastructure
- Security (confidentiality, integrity, availability)
- Sourcing and supply chain reliability
- Data protection and privacy.

In 2019, Proximus defined the protection of critical infrastructure, resilience and crisis preparedness as part of its strategic objectives.

The main goals are to prevent network outages, increase the network & IT resilience in line with evolving customer expectations and ensure the use of appropriate communication channels in case of incidents.

## Resilience and business continuity

Interruptions to our ICT and telecom infrastructure which supports our business activities (including services provided by third-party vendors such as power suppliers) could seriously impact our revenues, our liabilities and our brand reputation.

Building and ensuring the resilience of our network, platforms and IT systems remains a top priority. For each critical business function, business continuity plans have been developed in order to:

- Identify and prevent risks where possible
- Prepare for risks that we can't control
- Respond and recover if an incident or crisis occurs.

Every year, the business units define or review the Recovery time objective (RTO) for each critical product, service and business process. The operational teams perform a gap assessment, the divisional Business Continuity coordinators follow up the resulting action plans and report progress to the Business Continuity Manager.

Proximus closely follows the international standards best practices guidelines. The level of preparedness (relevant KPIs and score cards) is submitted annually to the Audit and Compliance Committee.

In case of a major adverse event, Proximus has put in place a crisis management process called PERT (Proximus Emergency Response Team).

## Security

Increased global cyber security vulnerabilities, threats and more sophisticated and targeted cyber-related attacks pose a risk to the security of Proximus as well as its customers, partners, suppliers and third-party service providers in terms of products, systems and networks.

The confidentiality, availability and integrity of the data of Proximus and its customers are also at risk. We are taking the necessary actions and making investments to mitigate those risks by employing a number of measures, including employee awareness and training, security-by-design, security testing, protective measures, detective measures and maintenance of contingency plans. In addition, Proximus invests in threat intelligence and security incident response.

## Legacy network infrastructure

The systems need to talk to each other over a connected information highway that can deliver information at high

speed and without distortion. There is no doubt that in the coming years there will be a continued demand for ever-greater quantities of data at ever-greater speeds. There is a widely held belief that the increased use of wireless and fiber optic technology will render copper wire obsolete.

The problems with services over copper are speed, reliability and value for money. All too often, legacy systems are costly to operate and maintain. Copper has been around for decades and has far outlived any guarantee period. Outages on the lines will become more frequent.

Considering those elements, in 2004 Proximus was the first operator in Europe to start building a national Fiber-to-the-Home network. And today, Proximus is among the world's top five operators for the proportion of fiber in its VDSL network, with over 21,000 kilometres of optical fiber connecting its street cabinets.

In the last three years, Proximus has accelerated the roll-out of fiber on its fixed network.

The initiatives from utility players, such as Fluvius, to invest in a parallel fiber network, risk to have an impact on the business case of the Proximus Fiber investments.

## Sourcing and supply chain

Proximus depends on key suppliers and vendors to provide the equipment it needs to carry out its business activities. Supply chain risk management (SCRM) is defined as 'the implementation of strategies to manage both every day and exceptional risks along the supply chain, based on continuous risk assessment with the objective of reducing vulnerability and ensuring continuity'.

The following actions have been taken to keep the supply chain risk at an acceptable level:

- Top critical suppliers or their sub-suppliers under constant watch
- Stock management
- Consideration of alternative sourcing arrangements
- Business interruption / contingency plans
- Risk assessments and audits
- Awareness campaigns and training programs
- Strict follow-up of critical suppliers' contractual liability and Service Level Agreement (SLA) clauses
- Data protection & privacy.

## Data protection and privacy

Data protection laws exist to strike a balance between the rights of individuals to privacy and the ability of organizations to use personal data for business purposes. Keeping personal data confidential and secure remains a top priority for Proximus.

In 2019, Proximus continued the GDPR implementation project it started in 2017. As part of our commitment to protect personal data and privacy, we took a series of actions such as appointing a Data Protection Officer (DPO), developing a consent management structure, security screening, and corrective measures for our IT applications. Proximus is using the functionalities and capabilities of the Collibra data governance tool to meet certain compliance requirements under GDPR e.g. register of processing activities.

Furthermore, Proximus has made effort to continuously improve its privacy by design process. As part of rendering the data subject requests process more efficient, Proximus is looking into the further use of semi-automated solutions. In the context of keeping personal data safe, Proximus has implemented additional measures to ensure that personal data in non-production environment is adequately protected.



## Environmental risk & climate change

### Environmental risk

Group Internal Services (responsible for buildings) and Risk Management, together with the Network Engineering and Operations department, regularly assess how extreme climate events could impact Proximus' operations.

To date, Proximus did not identify any chronic physical risks. Risk of extreme weather conditions such as heavy rain and winds, floods, lightning strike and heat waves are seen as acute and temporary events and are treated as follows:

- Flooding risk mainly applies to equipment that is placed outside in cabinets or units. All cabinets are put on a pedestal in concrete and a second one in metal. The latest type of cabinets with copper access technology make use of a sealed, water resistant unit containing the active equipment.
- The oldest type of copper cables with lead mantle are more vulnerable to excessive water in the ground. There are two very important investment projects that aim to phase out these old copper cables. Mantra+ program will phase out most of the copper feeder cable in a timeframe of 15 years. An extensive fibre program will phase out 50% of all copper distribution cables over the next decades. There is no active equipment in the outside optical fibre network, the fact that this is a completely passive and water-resistant solution will limit the risk of customer impact during flooding.
- In 2013, the regulation regarding protection against lightning strikes changed in Belgium. All technical installations are compliant. The installed base of radio access network sites was adapted to be compliant with the norm NBN EN 62305 which implies a detailed risk analysis for each site.
- Heavy winds are mainly a risk for the pylons and structures that carry mobile antennas. The current norms imply the resistance of the structure to wind loads that are far greater than regular conditions in Belgium. The Proximus outside plant is less vulnerable than the OSP in countries like France, the UK, Spain, ... which heavily use aerial last mile networks, both in copper or in fibre. Proximus traditionally deployed fully underground cable networks (opposed to aerial) and the recent façade FttH solutions are also attached to solid objects (buildings), limiting exposure.
- Several precautions are taken to limit the effect of extreme heat conditions on street cabinets. These are (almost always unless imposed otherwise by communalities) a very light colour and placed outside direct sunlight. A lot of

engineering is done regarding the heat exchangers. With every change of technology, or additional technology in these cabinets, heat flows are studied and optimized.

## Climate change

Climate change is high on the agenda due to growing awareness on global warming. In Belgium this is demonstrated by the Thursday marches for climate and political debate on salary cars.

The Group Corporate affairs, responsible for legal, regulatory, public affairs, internal audit & risk management, compliance, group communications and security governance & investigations, closely follows the evolution of regional, national, EU and worldwide climate related guidelines, directives, standards and laws. Proximus has a clear policy to reduce CO<sub>2</sub> emissions and clear commitment to become circular (see chapter 'Committed to the circular economy').



**Internal audit has to move beyond its ability of handling risks & controls to be fully aligned with company strategic objectives and to enter into the role of trusted advisor.**

## Risk Management and Compliance Committee

In 2019, the Risk Management and Compliance Committee (RMC) held five sessions. The related decisions were reported to the Executive Committee and the Audit & Compliance Committee. RMC meetings provide an opportunity to review files in which decisions have to be taken by finding a balance between risk taking and cost, in line with the Group's risk appetite.

Proximus has general response strategies for managing risks, which categorize them according to whether the company will avoid, transfer, reduce or accept the risk. These response strategies are tailored to ensure that risks are within acceptable Proximus risk and compliance guidelines.

The RMC's objectives are:

- To oversee the company's most critical enterprise and operational risks and how management is monitoring and mitigating those risks.
- To enhance pending/open internal audit action points which remain open for more than six months.

A disciplined approach to risk is key in a fast-moving technological and competitive environment, in order to ensure that Proximus only accepts risk for which it is adequately compensated (risk/return optimization).

## Internal Audit

In line with European best practices requirements, Proximus' internal audit function forms an integral part of the Internal Risk Management and Control System and provides assurance to the Audit and Compliance Committee concerning the 'in-control status' of the Proximus Group segments/units/entities and processes. Internal Audit provides independent analyses, appraisals,

recommendations, counsel, and information to both the Audit and Compliance Committee and Proximus Management. Therefore, the objectives of the Internal Audit, using COSO and other professional standards, are to ensure:

- Effectiveness and adequacy of internal controls
- Operational effectiveness (doing it right) and/or efficiency (doing it well)
- Compliance with laws, regulations and policies
- The reliability and the accuracy of the information provided.

Internal Audit helps Proximus to accomplish these objectives through its systematic, disciplined approach to evaluating and improving the effectiveness of risk management and control and governance processes. Internal Audit's activities are based on a continuous evaluation of perceived business risks, and it has full and unrestricted access to all activities, documents/records, properties and staff. The Director Audit, Risk and Compliance (Chief Auditor) has a reporting line to the Chairman of the Audit Committee. Quarterly Audit activity reports are submitted and discussed with the Audit and Compliance Committee.

## Financial Reporting Risks

In the area of financial reporting, besides the general enterprise risks impacting the financial reporting (e.g. staff), the main risks identified include: new transactions and evolving accounting standards, changes in tax law and regulations, and the financial statement closing process.

## New transactions and evolving accounting standards

New transactions can have a significant impact on the financial statements, either directly in the income statement or in the notes. An inappropriate accounting treatment can



result in financial statements which do not provide a true and fair view any more. Changes in legislation (e.g. pension age, customer protection) can also significantly impact the reported financials. New accounting standards can require the gathering of new information and the adaptation of complex (billing) systems. If not adequately foreseen, the timeliness and reliability of the financial reporting could be jeopardized.

It is the responsibility of the Corporate Accounting department to follow developments in the area of evolving standards (both local General Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRS)).

Changes are identified and the impact on Proximus' financial reporting is proactively analyzed.

For each new type of transaction (e.g. new product, new employee benefit, business combination), an in-depth analysis is performed from the point of view of financial-reporting, risk-management, treasury, and tax. In addition, the development requirements for the financial systems are defined in a timely manner and compliance with internal and external standards is systematically analyzed. Emphasis is on the development of preventive controls and setting up reporting tools that enable a posteriori control. The Audit and Compliance Committee (A&CC) and the Executive Committee are informed on a regular basis about new and upcoming financial reporting standards and their potential impact on Proximus' financials.

## Changes in tax law and regulations

Changes in tax laws and regulations (corporate income tax, VAT, etc.) or in their application by the tax authorities can significantly impact the financial statements. To ensure compliance, it is often necessary to set up additional administrative processes within a short timeframe, to collect relevant information or run updates on existing IT systems (e.g. billing systems).

The tax department continuously monitors potential changes in tax law and regulations, as well as interpretations of existing tax laws by the tax authorities. Based on laws, doctrine, case law and political statements as well as available draft laws, etc., a financial and operational impact analysis is performed. The outcome of the analysis is reflected in the corresponding

financial statements, in accordance with the applicable framework.

The complexity of the legal and regulatory environment in which we operate and the related cost of compliance are both increasing due to additional requirements. Furthermore, foreign and supranational laws occasionally conflict with domestic laws. Failure to comply with the various laws and regulations as well as changes in laws and regulations or the manner in which they are interpreted or applied, may result in damage to our reputation, liability, fines and penalties, increased tax burden or cost of regulatory compliance and impacts of our financial statements.

## Financial statement closing process

The delivery of timely and reliable financial statements remains dependent on an adequate financial statement closing process.

Clear roles and responsibilities in the closing process of the financial statements have been defined. During the monthly, quarterly, half-yearly and annual financial statement closing processes, there is continuous monitoring of the different steps. In addition, different controls are performed to ensure quality and compliance with internal and external requirements and guidelines.

For Proximus and its major subsidiaries, a highly detailed closing calendar is drawn up, which includes a detailed overview of cross-divisional preparatory meetings, deadlines for ending specific processes, exact dates and hours when IT sub-systems are locked, validation meetings and reporting deliverables.

For every process and sub-process, different controls are performed, including preventive controls, where information is tested before being processed, and detective controls, where the outcome of the processing is analyzed and confirmed. Special attention is paid to reasonableness tests, where financial information is analyzed against underlying operational drivers, and coherence tests, where financial information from different areas is brought together to confirm results or trends, etc. Tests on individual accounting entries are performed for material or non-recurrent transactions and on a sample basis for others. The combination of all these tests provides sufficient assurance on the reliability of the financials.

# Remuneration report

The remuneration policies of the Directors and of the Executive Committee are inspired by current legislation, by the corporate governance code and by the market practices and trends. Our company is taking particular care to provide relevant and transparent information on the principles and the level of remuneration of the members of the Board of Directors and of the Executive Committee, as well as an overview of the key elements of the remuneration policy of the Proximus Group.





## Remuneration of the members of the Board of Directors

### Director's remuneration policy

The principle of continuity with the past has been maintained. The policy adopted by the General Assembly of 2004 has remained applicable in 2019 and no substantial change of the policy is expected for the coming two years.

The CEO, Mr. Guillaume Boutin, who is the only executive Director, is not remunerated for the exercise of his mandate as member of the Board of Directors and of the Committees, nor for any other mandate within the Group subsidiaries Boards of Directors.

The remuneration policy of the non-executive Directors foresees an annual fixed compensation of EUR 50,000 for the Chairman of the Board of Directors and of EUR 25,000 for the other members of the Board of Directors. All members of the Board of Directors have the right to an attendance fee of EUR 5,000 per attended meeting of the Board of Directors. This fee is doubled for the Chairman. Attendance fees of EUR 2,500 are foreseen for each member of an advisory committee of the Board of Directors. For the Chairman of the respective advisory committee, these attendance fees are doubled. These amounts, defined in 2004, have remained unchanged since then and are not subject to indexation.

The members also receive EUR 2,000 per year for communication costs. For the Chairman of the Board of Directors, the communication costs are also doubled.

These remunerations are granted on an annual basis pro rata temporis of the duration of the mandate during the year in question and are paid semi-annually.

For the execution of their Board mandates, the non-executive Directors do not receive any variable performance-based remuneration such as bonuses or stock options, nor do they receive benefits linked to complementary pension plans or any other group insurance.

As mentioned in the Corporate governance statement part of the Annual Report, our company complies with the 2020 Belgian Code on Corporate Governance with the exception of two deviations. One of these deviations is related to the provision 7.6 which stipulates that a non-executive board member should receive part of their remuneration in the form of shares in the company. Because of its specific shareholding, having the Belgian State as majority shareholder, the company opts not to introduce share-related remuneration at this stage.

The Chairman of the Board of Directors is also Chairman of the Joint Committee and of the Pension Fund. Mrs Catherine Vandendorpe is member of the Board of the Pension Fund. They do not receive any fees for these board mandates.

## Overview of the Directors' remuneration

The total amount of the remunerations granted in 2019 to all the members of the Board of Directors, Chairman included, is amounting to gross EUR 1,243,509.

The individual Directors' gross amounts paid out to the Directors in 2019, based on their activities and attendance to Board and Committee meetings, is presented in the following table.

These amounts have been granted based on ten Board meetings, four being extraordinary and remunerated Board meetings, and sixteen Committee meetings, five being extraordinary and remunerated Nomination & Remuneration Committees.

ACC: Audit & Compliance Committee; NRC: Nomination & Remuneration Committee; TIC: Transformation & Innovation Committee

1 Extraordinary remunerated Board meetings on January 8, July 11, September 14 and November 27, 2019

2 Extraordinary remunerated NRC meetings on July 23, October 16, November 12, November 19 and November 20, 2019

3 Total remuneration  
 • gross amounts on a yearly basis  
 • for all members of the Board, this amount includes the telecom advantage  
 • for the Chairman of the Board, this amount also includes the benefit in kind related to the use of a company car

4 Chief Executive Officer: the mandate of Mrs. Dominique Leroy ended on 20 September 2019. In its meeting of 27 November 2019, the Board appointed Mr. Guillaume Boutin as new CEO. The Board also co-opted on 12 December 2019 Mr. Guillaume Boutin as member of the Board until the next General Meeting of Shareholders.

## Activities report and attendance to Board and Committee meetings

Name	Board (total 10 <sup>1</sup> )	ACC (total 5)	NRC (total 9 <sup>2</sup> )	TIC (total 2)	Total yearly gross remuneration <sup>3</sup>
<b>Stefaan De Clerck</b>	10/10	5/5	9/9	2/2	EUR 224,305
<b>Guillaume Boutin<sup>4</sup></b>	1/1				EUR 0
Dominique Leroy <sup>4</sup>	5/5			1/1	EUR 0
<b>Karel De Gucht</b>	10/10			2/2	EUR 82,000
<b>Pierre Demuelenaere</b>	9/10	5/5	8/9		EUR 104,500
Guido J.M. Demuyneck	2/2	1/1	0/1		EUR 23,025
<b>Martin De Prycker</b>	10/10		9/9	2/2	EUR 104,500
<b>Martine Durez</b>	10/10		9/9		EUR 99,500
Laurent Levaux	4/7				EUR 41,411
Tanuja Randery	3/3				EUR 26,250
<b>Catherine Rutten</b>	8/8	4/4			EUR 69,050
<b>Isabelle Santens</b>	10/10				EUR 77,000
<b>Joachim Sonne</b>	4/5	2/2			EUR 36,468
<b>Agnès Touraine</b>	10/10			2/2	EUR 82,000
<b>Catherine Vandenborre</b>	10/10	5/5			EUR 99,500
<b>Luc Van den hove</b>	9/10		3/5	2/2	EUR 84,500
<b>Paul Van de Perre</b>	10/10	5/5			EUR 89,500

## Global reward policy and principles

Our Group has an innovative remuneration policy which is regularly assessed and updated through close cooperation with external human resources fora and universities. The remuneration policies of our employees are defined in a process of dialogue with the Board of Directors and with the social partners.

Because of our history as a public-service company, there are some differences in our dynamics and structure, compared to the private sector. This has a considerable influence on how our remuneration policy has evolved. Our Human Resources department has developed creative and adaptable programs to deal with its obligations related to the statutory employment status of some of its workforce and introduced new elements that harmonized policies between civil servants and contractual employees.

To accomplish our company goals within a highly and fast changing competitive global telecom market, we need qualified, talented and engaged employees working in close cooperation in a high performance culture. To foster this culture, it is critical to have a market attractive Global Rewards Program for both the Executive Committee members and all other members of the Top Management, as well as for the entire workforce.

The main objectives of our Global Rewards Program are:

- To drive performance that generates long-term profitable growth and create long-term value for our Group
- To stimulate empowerment that reinforces the business strategy and desired culture
- To offer a fair and equitable remuneration to our staff (both to civil servants and to the contractual employees), and competitive on the market
- To recognize and reward high performance and the promotion of the company values and culture
- To link pay to both individual performance and the overall success of our company
- To enable our company to attract and retain market's talents at all levels
- To combine the needs and responsibilities of employees and their families with those of the company and society as a whole.

Our company also maintains - and modernises - powerful public sector instruments, such as work- life benefits (e.g. sick child care, hospitalization,...) and social assistance. It is the responsibility of our Work-Life department to combine the needs and responsibilities of employees and their families with those of the company and society as a whole. Over the years, we have won several awards for the continuous efforts of our company to create a balanced working environment for its staff.

The Global Rewards Program keeps up and supports this goal and mission.

## Executive remuneration

### Procedure for drafting of the remuneration policy and defining of the remuneration level of the members of the Executive Committee

Both the executive remuneration policy and the individual remuneration packages for the CEO and the other members of the Executive Committee are set by the Board of Directors upon recommendations from the Nomination & Remuneration Committee. The individual remuneration packages are defined according to the individual responsibilities and skills.

It consists of a balanced executive remuneration policy rewarding executives competitively and at rates which are attractive in the market, aligning the interests of management and shareholders and complying with the governance rules applicable in Belgium. As mentioned in the Corporate governance statement part of the Annual Report, our company complies with the 2020 Belgian Corporate Governance Code with the exception of two deviations. One of these deviations is related to the provision 7.9 that stipulates that the Board should set a minimum threshold of shares to be held by the executives. Because of its specific shareholdership, having the Belgian State as majority shareholder, the company opts not to be compliant with this provision.

Our company wants to attract and retain high performing top executives for its Executive Committee and wants to recognize clear role models, who deliver a high level of performance and promote the company values.

Like the rest of the top management of our company, the members of the Executive Committee benefit from dedicated reward programs which focus on the principles of our strategy to consistently reward high performance of individuals and

of the company. A significant part of their total remuneration is variable, based on stringent quantitative and qualitative performance criteria, and is driven by our company's objectives in terms of performance and growth. This way, our company wants to encourage its executives to deliver a long-term, sustainable profitable growth, in line with our Group's strategy and the expectations of our shareholders.

The market positioning of these remuneration packages is reviewed on a regular basis by benchmarking the remuneration of the members of our Executive Committee against both the BEL 20 companies (financial sector excluded) and a set of peer companies in the European Telecommunications and ICT sector. This analysis aims to ensure that the global remuneration of each member of the Executive Committee remains adequate, fair and in line with market practices and consistent with the evolution of both his/her responsibilities and the market situation of the Proximus Group in terms of size, scope of activities and financial results.

A claw back stipulation is part of the contract as CEO signed with Mr. Boutin, enabling our company to recover the paid variable remuneration or to withhold the payment of this variable remuneration in case of established fraud, insofar as enforceable by law. As for the other members of the Executive Committee, current remuneration policy does not provide for a specific contractual claw back stipulation in favour of our company for the variable remuneration that might have been allocated to them on the basis of incorrect financial information. But in the future, all new employment contracts of members of the Executive Committee others



than the CEO will include a claw back stipulation similar to the one mentioned in the management services agreement of the CEO, as to comply with the Belgian companies and Associations Code.

To distinguish ourselves from other employers, our company seeks to excel in the total package offered, by providing not only a cash remuneration but also numerous other benefits.

A fundamental principle of our company's remuneration policy is the degree of freedom for the top management, the CEO and the other members of the Executive Committee included, with regard to the choice of pay out mean of their variable remuneration.

All the amounts mentioned in this report are gross amounts before employer's social contribution.

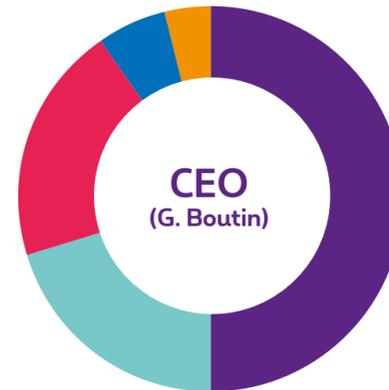
### Executive Committee's remuneration structure

The remuneration of the members of the Executive Committee is built upon the following components:

- Basic remuneration
- Short-term variable remuneration
- Long-term variable remuneration
- Group insurance premiums and other benefits.

The relationship between the distinct remuneration components of the CEO and of the other members of the Executive Committee is illustrated in the graphs on the right. These graphs show the relative importance of the various components of on-target remuneration.

### Relative importance of various components of the on-target remuneration before employer's social contribution (end 2019)



- Basic remuneration
- Short-term (= direct) variable remuneration
- Long-term (= deferred) variable remuneration
- Group insurance premiums
- Other benefits

As per their respective contract, current CEO, Mr. Boutin, and the other members of the Executive Committee are entitled to both a short-term variable remuneration and a long-term variable remuneration with equal target percentages of the basic remuneration.

As per her contract, the former CEO, Mrs. Leroy, was not entitled to a long-term variable remuneration, she was only entitled to a short-term variable remuneration which payment was spread over 3 years. The amounts of CEO variable remuneration reported later in present document are the amounts allocated to Mrs. Leroy in 2018 and 2019.

The variable remuneration of Mr. Boutin as new CEO has been aligned on the policy related to short-term and long-term variable remuneration in force for the other members of the Executive Committee.

As mentioned later in this report, the long-term variable remuneration for the Executive Committee members, CEO included, is allocated through a long-term incentives plan consisting of a long-term Performance Value Plan which awards can only be paid after a blocking period of three years based on performance criteria measured on a yearly base over this period of three years.

The design of this Performance Value Plan has been reviewed. Since the 2019 grant, in order to better reflect the Group's achievements, additional company driven performance criteria have been added to the Total Shareholder Return, which was the only performance criterion of previous plan. These additional performance criteria consist of the Group free cash flow and the reputation index (see under "long-term variable remuneration").

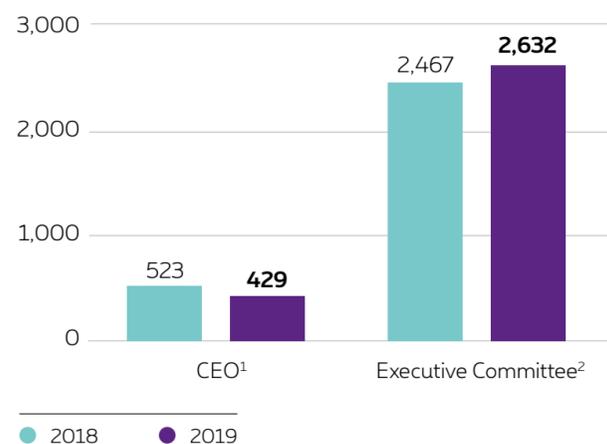
No other substantial change of the remuneration policy is expected for the coming two years.

## Basic remuneration

The basic remuneration consists of a basic salary earned by the CEO and by the other members of the Executive Committee for the reported year in such respective roles. This remuneration is defined by the nature and the specificities of the function, is allocated regardless of the results and is contractually subject to the index applicable to Proximus.

The basic remuneration of the Executive Committee members is regularly reviewed by the Nomination & Remuneration Committee, based on an extensive review of performance and assessment of potential provided by the CEO, as well as on external benchmarking data on market practices. Thereby, the evolution of the basic remuneration depends on the competency level of the Executive Committee member, of his or her continued performance level, of the evolution of his or her responsibilities, as well as of the evolution of the market. Possible adjustments are always submitted to the Board of Directors for approval.

## Basic remuneration in kEUR before employer social contribution



1 CEO: it should be noted that the for 2019 reported amount includes the basic remuneration of Mrs. Leroy (385 kEUR) and the basic remuneration of Mr. Boutin for 1 month (44 kEUR).  
2 Members of the Executive Committee others than the CEO: year-to-year variations in the amounts are mainly resulting from the early pay-out of the vacation pay to Mr. Boutin as per the termination of his employment contract as contractual member of the Executive Committee end 2019. Besides, salary progresses also took place in 2019, as per Board of Directors' approval.  
The roles acted ad interim as CEO or as other member of the Executive Committee are not taken into consideration for current report.

## Short-term variable remuneration

### Short-term variable remuneration components

Our short-term variable remuneration system has been designed to support the strategy and the values of our Group and to enhance a performance-based management culture.

Our company indeed considers close collaboration of all employees to be imperative, all efforts need to be focused and aligned towards Group success.

Group results are therefore highly impacting (for 60%) the short-term variable remuneration of the members of the Executive Committee, on top of individual performance (for 40%), and this in line with our company values.

### Group performance – Key Performance Indicators (KPIs)

Short-term annual variable remuneration is thus partly calculated – for 60% – in relation to performance against Key Performance Indicators (KPIs) set by the Board of Directors upon recommendation of the Nomination & Remuneration Committee. These performance indicators include financial indicators as well as non-financial indicators at Group level.

The performance indicators at Group level are as follows:

- The business cash flow
- The number of new customers in voice, fix, internet and TV businesses, as well as churn reduction
- The Simplification, the Digital and the Customer Experience, measuring our progresses versus our ambition in these domains
- The “employee engagement index”, measuring on a yearly basis our employees’ engagement, agility and strategic alignment.

The achievement of these KPIs are regularly followed-up and communicated. Business cash flows is based on audited reported financial figures that are adjusted to obtain ‘underlying’ financial figures after exclusion of ‘incidentals’. Non-financial indicators are measured by internal and external agencies specialized in market and customer intelligence, of which the processes are audited on a regular basis.

The result at Group level is based on a predefined formula taking these key performance indicators into consideration according to a predefined weight per indicator.

### Individual performance

On top of the Group results, the individual performance is annually evaluated in the course of the first quarter following the end of the year by the Board of Directors. This evaluation is based on the recommendations made by the Nomination & Remuneration Committee versus pre-defined measurable individual objectives and versus the promotion of our company values and culture.

The individual performance is taken into account for 40% in the short-term variable remuneration. Besides the individual differentiation in terms of talent, performance and impact on the Group performance, the Board of Directors ensures the consistency between the total allocated amount for the individual performance and the Group results.

### Short-term variable remuneration allocation

The members of the Executive Committee, current CEO included, receive a target short-term variable remuneration expressed in a percentage of the basic remuneration.

The target short-term variable remuneration of current CEO, Mr. Boutin, is amounting to 40% of his basic remuneration. Given he started his mandate in December 2019, no short-term variable remuneration has been granted yet to him in the course of 2019 for his performances in his CEO role.

The amounts reported in current document as direct and deferred short-term variable remuneration allocated to the CEO are only related to Mrs. Leroy’s previous performances in her CEO role. As CEO, Mrs. Leroy was receiving a target short-term variable remuneration amounting to gross EUR 150,000, which amount was subject to the index applicable to Proximus.

As explained above, the short-term variable remuneration is allocated by the Board of Directors upon proposal of the Nomination & Remuneration Committee. The amount effectively allocated to the CEO and to the other members of the Executive Committee varies according to the Group results and to the evaluation of the individual performances by the Board of Directors.

In case of objectives realization at 100%, the CEO or the other members of the Executive Committee gets 100% of his short-term variable remuneration target amount. In case of sustained excellent performance at Group and individual level, the short-term variable remuneration can go above the 100% of the target amount, with a cap at 200%, according to a linear allocation curve. Conversely, this percentage can drop down to 0% in case of severe underachievement.

As per her contract, the payment of the short-term variable remuneration to Mrs. Dominique Leroy in her CEO role was spread over 3 years: 50% of her variable remuneration was related to performance indicators of the accounting year (= direct short-term variable remuneration) while the other 50% was deferred: 25% was related to performance indicators pertaining over a period of 2 years and 25% was related to performance indicators pertaining over a period of 3 years (= deferred short-term variable remuneration).

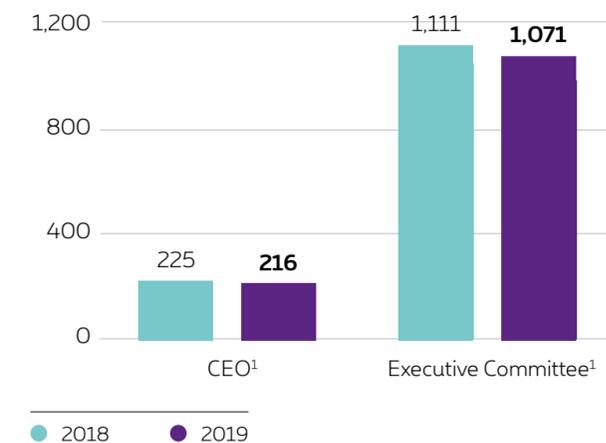
In the last couple of years, the Board of Directors did a positive evaluation of the realizations of Mrs. Leroy in her CEO role, given the overachievement of her objectives and the long term value she had created since her nomination in this role.

In 2019, a direct and a deferred short-term variable remuneration were allocated to her for respectively gross

EUR 105,859 (performance indicators related to 2018) and gross EUR 109,802 (EUR 55,792 linked to performance indicators related to 2017 and EUR 54,010 linked to performance indicators related to 2016). Upon termination of her mandate, Mrs. Leroy kept her rights in terms of short-term variable remuneration, both direct and deferred, which is due to her for the performance years 2017 to 2019 and which will be paid to her in the course of 2020.

The total short-term variable remuneration effectively allocated in 2019 to the other members of the Executive Committee (2018 performance year) amounts to gross EUR 1,070,733.

#### Short-term variable remuneration in kEUR before employer social contribution



<sup>1</sup> Members of the Executive Committee, CEO included: the variations are due to the variations in the Group KPI results over the last performance years, knowing that these results slightly decreased for performance year 2018 compared to performance year 2017.

#### Long-term variable remuneration

The members of the Executive Committee, current CEO included, receive a target long-term variable remuneration expressed as a percentage of the annual basic remuneration. This percentage is the same as the percentage of their target short-term variable remuneration.

The long-term variable remuneration is allocated to the members of the Executive Committee by the Board of Directors upon recommendations of the Nomination & Remuneration Committee. Various factors are considered for the decisions taken by the Board of Directors in terms of effective allocation, such as the retention of talents, the individual performance evaluations or/and the Group results. This allocation is made through a long-term incentives plan, currently consisting of a long-term Performance Value Plan which has been adopted by our company since 2013 and reviewed in 2019.

#### Long-term Performance Value Plan

The long-term incentive plan offered by our company to its executives currently consists of a “Performance Value Plan”. This plan has been designed as to keep our executive remuneration policy balanced and attractive, as well as compliant with the shareholders’ expectations. It aims to ensure that the actions and initiatives taken by the executives are guided by long-term interests. Therefore, this remuneration clearly constitutes a long-term incentive.

Our Performance Value Plan is based on a balance between the individual and the Group performances. The design of this Performance Value Plan has been reviewed further to a benchmark analysis, aimed at a better alignment on market practices and more particularly on the practices of the other European telecommunications companies.

Since the 2019 grant, in order to reflect at best the Group's achievements, the following performance criteria have been adopted:

- Total Shareholder Return: measured against the respective Total Shareholder Return of a basket of 10 other European telecom operators
- Group free cash flow: after tax, interests and all cash items but before M&A, exceptional items, financing activities and dividends
- Reputation index: based on 3 attributes being our fairness in the way we do business, our positive influence on the society and how we meet customer needs, and measured through the RepTrak® methodology from the Reputation Institute.

Under this Performance Value Plan, the granted awards are blocked for a period of 3 years, after which the Performance Values vest. After this vesting, the Performance Values are paid to the beneficiaries according to the final multiplier resulting from the yearly measurement of the performance criteria. This final multiplier consists in the average of the three yearly multipliers.

In case of final multiplier at 100%, the executives get 100% of the long-term variable remuneration originally granted to them. In case of sustained excellent Group performance over this 3-year period, the final multiplier for the long-term variable remuneration can go above the 100%, with a cap at 175%. Conversely, this percentage can drop down to 0% in case of severe underperformance.

The target long-term variable remuneration of current CEO, Mr. Boutin, is amounting to 40% of his basic remuneration. Given he started his mandate in December 2019, no long-term variable remuneration has been granted yet to him in the course of 2019 for his performances in his CEO role.

The former CEO, Mrs. Leroy, was not eligible to long-term variable remuneration, so no long-term variable remuneration has been granted to her since her nomination. As a consequence, there is no amount reported in current document.

The total long-term variable remuneration effectively granted to the members of the Executive Committee others than the CEO was amounting to gross EUR 1,025,000 in 2018 and to gross EUR 1,055,000 in 2019.

#### Long-term variable remuneration in kEUR before employer social contribution



#### Former long-term variable remuneration plan: Stock Options Plan

Stock options have been granted to the senior executives from 2004 until 2012, members of the Executive Committee included.

Only one member of the Executive Committee was still holding stock options end 2018, as shown in the table below, but now neither the CEO nor the other members of the Executive Committee hold any more stock options.

In 2018 and 2019, the CEO and the other members of the Executive Committee did not receive any Proximus shares nor Proximus stock options.

#### Overview of the stock options still held by the members of the Executive Committee

Stock options		Bart Van den Meersche
on January 1st, 2019		15,000
"Exercised in 2019"	Number	15,000
	Year of grant	2012
"Lapsed in 2019"	Number	
	Year of grant	
"Forfeited in 2019"	Number	
	Year of grant	
on December 31, 2019		0

The CEO, Mr. Boutin, and the other members of the Executive Committee do not hold stock options.

#### Group insurance premiums and other benefits

##### Group insurance premiums

The CEO, Mr. Boutin, participates in a complementary pension scheme which foresees an annual defined contribution expressed as a percentage of the basic remuneration. This percentage is amounting to 10%.

The other members of the Executive Committee are participating in a complementary pension scheme. This complementary pension scheme consists of a "Defined Benefit Plan" offering rights which are in line with market practices.

The CEO and the other members of the Executive Committee also benefit from other group insurances in line with market practices, such as life and invalidity insurances.

##### Other benefits

Our Group wants to stimulate its executives by offering a portfolio of benefits and advantages that are competitive in the market place and consistent with the Group's culture. The CEO and the other members of the Executive Committee receive benefits on top of their remuneration, including medical insurance, the use of a company car, welfare benefits and other benefits in kind. Comparative assessments are regularly made on these benefits which are adapted according to the common market practices.

## General overview

Below chart reflects the remuneration and other benefits allocated directly or indirectly to the members of the Executive Committee in 2019 and 2018 by the company or any other undertaking belonging to the Group (benefit based on gross or net remuneration, depending on the type of benefit).

It should be noted that the global remuneration has been affected by the fact that in 2019 there was no active CEO for about 2 months while in 2018 Mrs. Leroy acted for a full year, and by the variations in terms of Group KPI results over the last performance years.

### Remuneration overview of the members of the Executive Committee

Remuneration	CEO		Other members of the Executive Committee	
	2018	2019	2018	2019
Basic remuneration	EUR 522,810	EUR 429,498 <sup>1</sup>	EUR 2,466,946	EUR 2,632,038
Direct short-term variable remuneration	EUR 111,585	EUR 105,859	EUR 1,110,745	EUR 1,070,733
Deferred short-term variable remuneration	EUR 113,710	EUR 109,802	EUR 0	EUR 0
Long-Term variable remuneration	EUR 0	EUR 0	EUR 1,025,000	EUR 1,055,000
Retirement and post-employment benefits	EUR 180,003	EUR 157,433 <sup>1</sup>	EUR 494,319	EUR 529,369
Other benefits	EUR 12,438	EUR 17,619 <sup>1</sup>	EUR 124,172	EUR 145,588
<b>SUBTOTAL (excl. employer's social contribution)</b>	EUR 940,546	EUR 820,211	EUR 5,221,182	EUR 5,432,728
Termination benefits	EUR 0	EUR 0	EUR 0	EUR 0
<b>TOTAL (excl. employer's social contribution)</b>	EUR 940,546	EUR 820,211	EUR 5,221,182	EUR 5,432,728

<sup>1</sup> It should be noted that in 2019 there was no active CEO for about 2 months: the reported amounts include the remuneration of Mrs. Leroy for about 8,5 months and the remuneration of Mr. Boutin for 1 month, while in 2018 Mrs. Leroy acted for a full year.

The roles acted ad interim as CEO or as other member of the Executive Committee are not taken into consideration for current report.

All these amounts are gross amounts before employer's social contribution.

## Main provisions of the contractual relationships

### Contractual agreement related to the mandate of the CEO

The mandate of Mrs. Leroy as CEO ended on 20 September 2019.

In its meeting of 27 November 2019, the Board appointed Mr. Boutin as new CEO. The Board also co-opted on 12 December 2019 Mr. Boutin as member of the Board until the next General Meeting of Shareholders.

In his CEO role, Mr. Boutin has a contract as a self-employed executive and is thus not subject to employees' social security charges.

The CEO is bound by a non-competition clause, prohibiting him for 12 months after leaving the Group from working for any company of the telecommunication industry that is active in Belgium, in Luxemburg or in The Netherlands. If activated by our company, he would receive an amount equal to one year's base salary as compensation. The CEO is also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

If the CEO mandate is revoked by our company before the end of the six-year term, except if the mandate is ended for reason of material breach, our company will pay him a contractual termination indemnity equal to one year's base fee and target short-term variable remuneration.

### Main contractual terms of the other Executive Committee members

All other members of the Executive Committee are all bound by a non-competition clause prohibiting them for 12 months after leaving the Group from working for any other mobile or fixed licensed operator active on the Belgian market. If activated by our company, they would receive an amount equal to six months' base salary as compensation.

Just like the CEO, the other members of the Executive Committee are also bound by exclusivity and confidentiality obligations and is liable for respecting the company codes and policies, like the Code of Conduct and the Dealing Code.

They have a contractual termination clause which foresees an indemnity of one year's remuneration.



# The Proximus share

## Proximus share performance in 2019

The Proximus share closed 2019 at EUR 25.52, +8.0% compared to the last closing price of 2018 and outperforming the European Telecom sector (STOXX EUR 600 Telecom), which closed stable at +0.1%.

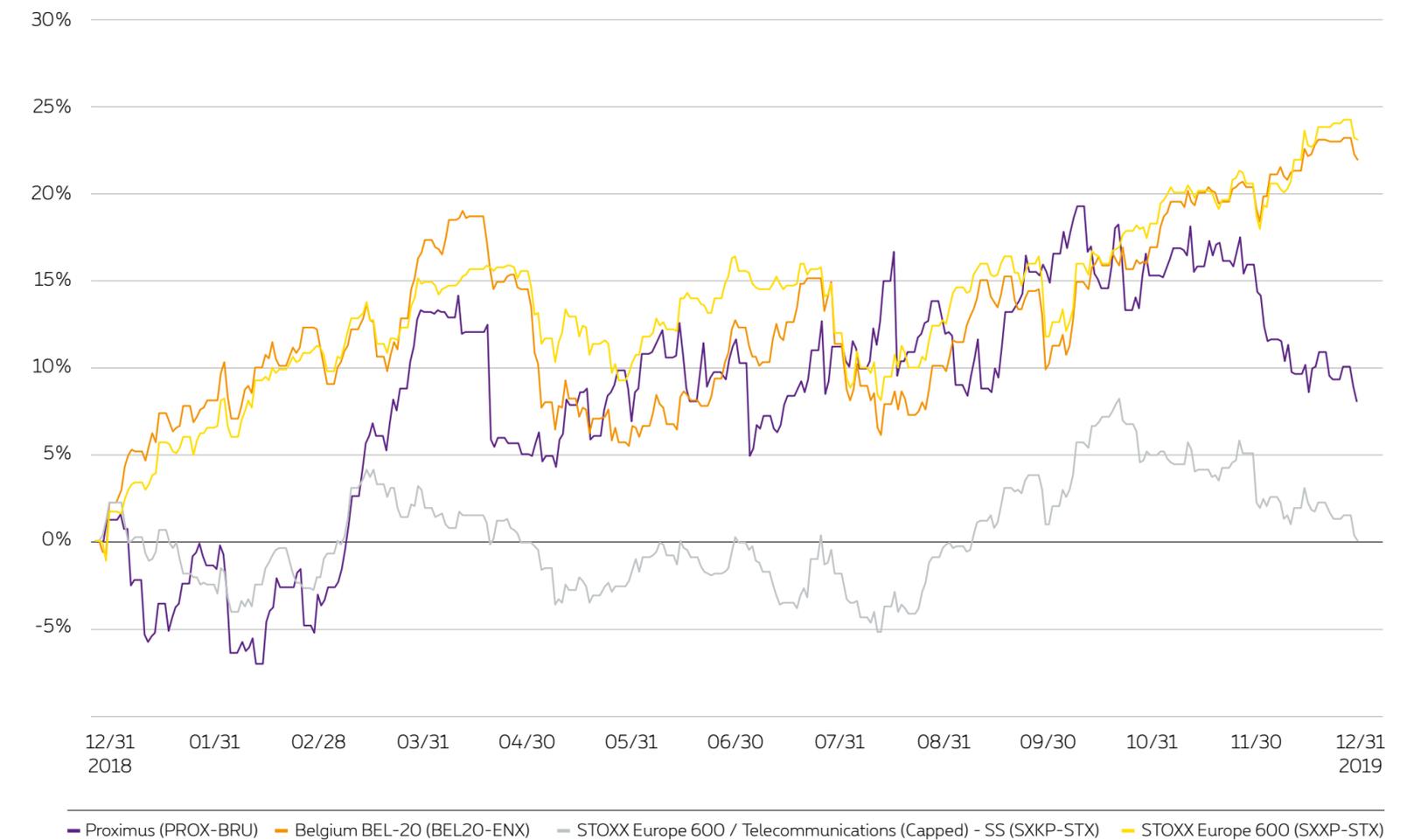
After a depressing 2018, which saw European Telecoms drop by 13%, the year 2019 ended fairly stable for European Telecoms. The underperformance compared to the overall market (SXXP) is driven by the various drawbacks the European Telecom sector faced in 2019: the difficulty to find growth opportunities, a harsh regulatory environment, expensive spectrum auctions while mobile competition remains strong, capex intensity as the sector finds itself in a Fiber investment cycle, increased leverage and concerns over dividend cuts by several operators.

Driven by a strong interest from infrastructure funds, some M&A initiatives are driving the monetization of infrastructure such as FTTH networks and mobile towers, seen as positive for the sector.

Although Proximus faces some similar challenges, with increased competitive pressure and a highly regulated environment, the Proximus share outperformed its European Telecom peers. In a bumpy market resulting from macro risks driven by trade war and Brexit news, investors showed appetite for defensive names in the Telecom sector. The Proximus share is viewed as a safe haven, providing very attractive dividend payments. In 2019, the Proximus share price also benefitted from the company's transformation plan, its announced Mobile network sharing agreement and the delay of the spectrum auction in Belgium, with the

market considering a new mobile entrant as more unlikely. However, with the new political stance on a potential new entrant not yet confirmed, it remained an overhang on the stock price.

Proximus share price evolution 2019 vs. 3 indices (in %- rebased)



Source: Nasdaq

## Share listing

Stock Market	<b>First Market of Euronext Brussels</b>
Ticker	<b>PROX</b>
ISIN code	<b>BE0003810273</b>
Bloomberg code	<b>PROX BB</b>
Nasdaq code	<b>PROX-EB</b>
Reuters code	<b>PROX BR</b>

## Key figures on the Proximus share

Share information	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018 IFRS15	2019 IFRS16
Share price high	28.65	29.11	27.64	24.60	23.25	32.29	35.67	31.74	32.81	28.10	28.17
Share price low	21.67	24.31	21.40	20.80	16.32	20.78	27.93	25.31	26.42	19.31	21.96
Share price at 31 December	25.32	25.13	24.24	22.21	21.55	30.1	30	27.36	27.35	23.62	25.52
Annual trading volume (number of shares)	181,364,309	138,569,376	148,786,324	142,139,111	189,753,834	178,802,905	179,825,076	157,368,090	147,754,799	169,849,252	168,509,614
Average trading volume per day (number of shares)	708,454	532,959	578,935	555,231	744,133	701,188	702,442	612,327	579,431	650,763	660,822
Number of outstanding shares	320,614,683	321,482,641	317,648,821	318,321,665	319,204,181	321,230,597	322,003,751	322,637,103	322,638,989	322,703,817	322,982,509
Weighted average number of outstanding shares	320,475,553	321,138,048	319,963,423	318,011,049	318,759,360	320,119,106	321,767,821	322,317,201	322,777,440	322,649,917	322,918,006
Market capitalization at 31 December (billion EUR) <sup>1</sup>	8.12	8.08	7.70	7.07	6.88	9.67	9.66	8.83	8.82	7.62	8.24
<b>Key data per share - on reported basis</b>											
EBITDA	6.14	7.56	5.93	5.62	5.33	5.48	5.12	5.38	5.49	5.56	5.19
Earnings <sup>2</sup>	2.82	3.94	2.36	2.24	1.98	2.04	1.50	1.62	1.62	1.58	1.16
Price/earnings at 31 December <sup>3</sup>	8.98	6.37	10.26	9.92	10.9	14.73	20.03	16.86	16.90	15.00	22.09
Ordinary dividend (gross)	1.68	1.68	1.68	1.68	1.68	1.00	1.00	1.00	1.00	1.00	1.00
Interim-dividend (gross)	0.40	0.50	0.50	0.81	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Gross dividend yield <sup>3</sup>	8.20%	8.70%	9.00%	11.20%	10.10%	4.98%	5.00%	5.48%	5.48%	6.35%	5.88%
<b>Key data per share - on underlying basis</b>											
EBITDA	NA	NA	NA	NA	NA	5.15	5.38	5.57	5.65	5.78	5.79
Earnings	NA	NA	NA	NA	NA	1.85	1.68	1.71	1.72	1.71	1.76
Price/earnings at 31 December	NA	NA	NA	NA	NA	16.28	17.87	15.96	15.92	13.78	14.51

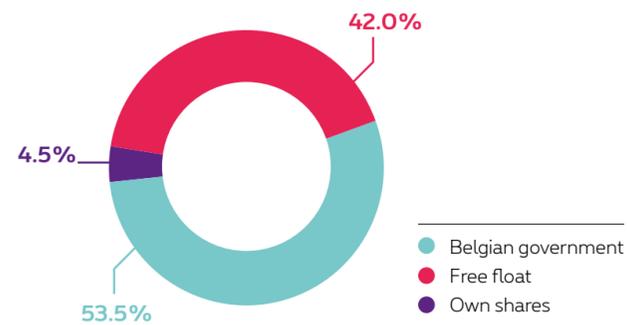
1 Calculation based on number of outstanding shares & last closing price of the respective year  
2 Corresponds to the Net Income (Group Share) / weighted average number of outstanding shares  
3 Based on the last closing price of the respective year

## Our shareholders

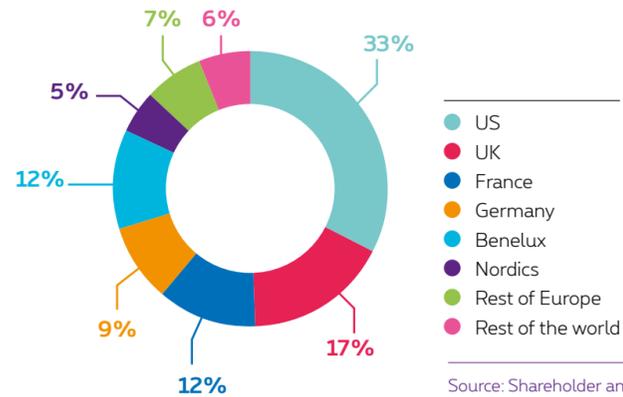
Proximus' main shareholder is the Belgian Government, owning 53.5% of the company's shares. Proximus itself held 4.5% of its own shares end-2019. The free float represented 42.0%, of which about 20% was held by retail shareholders.

The remainder was essentially held by institutional shareholders. Proximus' main institutional shareholders are located in the United States and the UK, followed by the Benelux and France.

Proximus share ownership



Institutional shares per geography



Source: Shareholder analysis October 2019  
% of identified institutional shareholders - Nasdaq



Proximus share ownership – 31 December 2019

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180,887,569	53.51%	56.01%	55.88%	180,887,569	180,887,569
Proximus own shares	15,042,626	4.45%	0.00%	0.22%	0	710,285
Free-float	142,094,940	42.04%	43.99%	43.90%	142,094,940	142,094,940
<b>Total</b>	<b>338,025,135</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>322,982,509</b>	<b>323,692,794</b>





## Evolution of treasury shares

End of period 2018	15,321,318
Changes through liquidity contract	-165,908
Options exercised during 2019	-109,751
Discount Purchase Plan employee	-3,033
<b>End of period 2019</b>	<b>15,042,626</b>

End-2019, Proximus held 15,042,626 treasury shares, representing 4.5% of the total number of shares. In the course of 2019, 3,033 treasury shares were used in a Discounted Share Purchase Plan, and 109,751 options were exercised.

The voting rights of all treasury shares are suspended by law. Proximus has 14,332,341 treasury shares that are not entitled to dividend rights and 710,285 treasury shares that are entitled to dividend rights (to cover the dividends linked to the outstanding stock options granted to key management and senior management of the Group).

Under Belgian law, companies are prohibited from owning more than 20% of their outstanding share capital.

## Transparency declarations

According to Proximus' bylaws, the thresholds as from which a shareholding needs to be disclosed have been set at 3% and 7.5%, in addition to the legal thresholds of 5% and each multiple of 5%.

In 2019, Blackrock Inc. provided notification of the changes in their shareholding in Proximus as listed below. To Proximus' knowledge, no other shareholder owned 3% or more of Proximus' outstanding shares as at 31 December 2019.

Notifications of important shareholdings to be made according to the Law of 2 May 2007 or Proximus' bylaws should be sent to:

- FSMA on [trp.fin@fsma.be](mailto:trp.fin@fsma.be)
- Proximus on [investor.relations@proximus.com](mailto:investor.relations@proximus.com)

Date on which threshold was crossed:	Notified on:	Notifier	Reason for notification:	Voting rights		Total incl. equivalent financial instruments	
				nr of voting rights after the notified transaction:	% of voting rights in total of 338,025,135 voting rights	nr of voting rights after the notified transaction:	% of voting rights in total of 338,025,135 voting rights
19/12/2019	24/12/2019	Blackrock Inc.	>5%	17,143,882	5.07%	19,014,279	5.63%
28/11/2019	02/12/2019	Blackrock Inc.	<5%	16,622,580	4.92%	18,841,194	5.57%
05/11/2019	06/11/2019	Blackrock Inc.	>5%	17,087,015	5.05%	18,737,209	5.54%
29/10/2019	30/10/2019	Blackrock Inc.	<5%	16,874,037	4.99%	18,426,526	5.45%
28/10/2019	29/10/2019	Blackrock Inc.	>5%	16,995,563	5.03%	18,856,474	5.58%
25/10/2019	29/10/2019	Blackrock Inc.	<5%	16,432,282	4.86%	18,432,324	5.45%
23/10/2019	29/10/2019	Blackrock Inc.	>5%	17,064,342	5.05%	19,037,141	5.63%
22/10/2019	22/10/2019	Blackrock Inc.	<5%	16,754,310	4.96%	18,653,153	5.52%
21/10/2019	22/10/2019	Blackrock Inc.	>5%	16,949,847	5.01%	18,855,890	5.58%
29/08/2019	30/08/2019	Blackrock Inc.	<5%	16,795,501	4.97%	17,976,677	5.32%
28/08/2019	30/08/2019	Blackrock Inc.	>5%	17,045,010	5.04%	18,258,064	5.40%
27/08/2019	29/08/2019	Blackrock Inc.	<5%	16,683,747	4.94%	17,896,801	5.29%
14/08/2019	16/08/2019	Blackrock Inc.	>5%	17,041,681	5.04%	18,091,626	5.35%
09/08/2019	12/08/2019	Blackrock Inc.	<5%	16,794,614	4.97%	17,913,311	5.30%
07/08/2019	08/08/2019	Blackrock Inc.	>5%	17,021,048	5.04%	18,211,746	5.39%
31/07/2019	02/08/2019	Blackrock Inc.	<5%	16,858,074	4.99%	18,121,841	5.36%
25/07/2019	29/07/2019	Blackrock Inc.	>5%	16,965,558	5.02%	17,918,272	5.30%
22/07/2019	23/07/2019	Blackrock Inc.	<5%	16,884,324	4.99%	17,995,963	5.32%
29/04/2019	30/04/2019	Blackrock Inc.	>5%	17,432,352	5.16%	19,202,094	5.68%
18/04/2019	23/04/2019	Blackrock Inc.	<5%	16,887,851	5.00%	18,820,870	5.57%
12/04/2019	15/04/2019	Blackrock Inc.	>5%	17,346,680	5.13%	19,253,083	5.70%
10/04/2019	11/04/2019	Blackrock Inc.	<5%	16,700,942	4.94%	18,781,359	5.56%
09/04/2019	11/04/2019	Blackrock Inc.	>5%	17,107,548	5.06%	19,270,713	5.70%
08/04/2019	09/04/2019	Blackrock Inc.	<5%	16,847,669	4.98%	18,887,250	5.59%
04/04/2019	05/04/2019	Blackrock Inc.	>5%	17,088,393	5.06%	19,071,152	5.64%
02/04/2019	04/04/2019	Blackrock Inc.	<5%	16,295,751	4.82%	18,399,174	5.44%
06/02/2019	07/02/2019	Blackrock Inc.	>5%	16,911,141	5.00%	19,027,644	5.63%
04/02/2019	05/02/2019	Blackrock Inc.	<5%	16,891,165	5.00%	18,994,349	5.62%
01/02/2019	04/02/2019	Blackrock Inc.	>5%	16,970,776	5.02%	19,054,008	5.64%
31/01/2019	01/02/2019	Blackrock Inc.	<5%	16,886,812	5.00%	18,976,357	5.61%
15/01/2019	16/01/2019	Blackrock Inc.	>5%	17,214,724	5.09%	19,151,839	5.67%
09/01/2019	10/01/2019	Blackrock Inc.	<5%	16,663,920	4.93%	18,915,341	5.60%
07/01/2019	08/01/2019	Blackrock Inc.	>5%	17,065,307	5.05%	19,140,722	5.66%

## Shareholder remuneration

On 20 February 2020, the Board of Directors approved to propose to the Annual General Shareholders' Meeting of 15 April 2020 to return over the result of 2019 a gross dividend of EUR 1.50 per share, of which EUR 0.50 interim dividend per share was paid in December 2019.

After approval by the Annual Shareholders' Meeting, the normal dividend of EUR 1.00 per share will be paid on 24 April 2020, with record date on 23 April 2020 and ex-dividend date on 22 April 2020.

This brings the total declared dividend over the result of 2019 to EUR 486 million.

## Investor Relations

Proximus Investor Relations (IR) aims at ensuring open communication with the Belgian and international investment world on a regular basis. Through transparent, consistent dialog with investors and financial analysts, the Group strives for a fair share value based on high-quality financial information.

To keep Proximus' current and potential shareholders informed, Proximus' management speaks to the financial community on a regular basis. Each quarterly results announcement is followed by a conference call or investor/analyst presentation during which maximum time is reserved for a "questions & answers" session. Twice a year, typically following the full-year and half-year results, Proximus organizes a roadshow with top management covering the most important money centers of Europe and the United States.

Furthermore, Proximus has participated in several major international investment conferences. In between these events, meetings and conference calls are held with senior management. In all these activities, management is supported by the Investor Relations team (IR).

The Proximus IR team offers daily support to the retail and institutional shareholders as well as to the sell-side analysts.

A strict quiet period is observed before the communication of the quarterly results. The start of the quiet period is published on the Proximus Investor Relations website.



## Financial calendar<sup>1</sup>

31 March 2020	Capital Markets Day
13 April 2020	Start of quiet period ahead of Q1 2020 results
15 April 2020	Annual Shareholders' Meeting
24 April 2020	Dividend payment
30 April 2020	Announcement of Q1 2020 results
13 July 2020	Start of quiet period ahead of Q2 2020 results
31 July 2020	Announcement of Q2 2020 results
12 October 2020	Start of quiet period ahead of Q3 2020 results
30 October 2020	Announcement of Q3 2020 results

<sup>1</sup> Note that these dates may be subject to change.



# Appendix

- 105 Overview of non-financial information
- 109 Transparency
- 121 Social figures
- 125 Environmental figures
- 128 GRI content index
- 145 KPI definition



# Overview of non-financial information

Page	Strategic pillar	Highly material topics	Theme/KPI*	Target 2019	Result 2019	Result 2018	Target 2020 & beyond	GRI KPI/ref	Impact/ SDG
Enabling a better digital life									
p.24	Digital infrastructure	Innovation and sustainable infrastructure	4G indoor coverage	For competitive reasons we do not wish to disclose targets on our infrastructure investments.	99.6%	99.6%	For competitive reasons we do not wish to disclose targets on our infrastructure investments	Indirect economic impacts	9. Industry, Innovation & Infrastructure
			4G outdoor coverage		100%	100%			
			Fixed Internet: 70 Mbps coverage		76%	73%			
			Average VDSL2 speed		79.2 Mbps	75.8 Mbps			
			Vectoring coverage in Belgium		90.1%	88.6%			
p.29	Digital innovation	Digital competitiveness of companies and institutions	IoT connections	1.8 Million	1.82 Million	1.36 Million	2.0 Million	Indirect economic impacts	9. Industry, Innovation & Infrastructure
			Number of projects with universities/education institutes	Not available	20	39	Not available		
p.26	Digital trust	Privacy and data security	International recognized certifications related to cyber security (ISO 27001 and Trusted Introducer certifications)	5	5	6	Not available	Customer privacy Cyber security	11. Sustainable Cities & Communities
			Phishing exercises. Employee awareness results: employees who informed CSIRT	Not available	2,480	1,113		Training and education	8. Decent Work and Economic Growth

Page	Strategic pillar	Highly material topics	Theme/KPI*	Target 2019	Result 2019	Result 2018	Target 2020 & beyond	GRI KPI/ref	Impact/ SDG
<b>Caring for our stakeholders</b>									
p.41	Ethical business conduct	Business conduct and ethics	Number of cases investigated by the Investigations department for violation of policies/code of conduct	Not available	38	29	Not available	Anti-corruption	8. Decent Work and Economic Growth
			Number of whistleblowing cases	Not available	7	7	Not available		
p.33	Customer first	Quality products and services	Blended usage satisfaction (residential customers)	Not disclosed	93.5%	94.6%	Not disclosed	Economic performance Customer health and safety	3. Good Health
		Pricing and billing transparency	Customer complaints	Not disclosed	-18% vs '18	-6% vs '17	-8% vs '19		
		Customer relationship	MyProximus active users	Not disclosed	1.6 Million	1.48 Million	Not disclosed		
			Field repairs	Not disclosed	-14% vs '18	-6% vs '17	-7% vs '19		
Responsible marketing	# complaints from JEP (# of which justified)	Not available	2 (1)	7 (2)	Not available	Anti-competitive behavior			
p.36	Employee care	Human capital and employee development	Employees using Office365 OneDrive	74%	85%	79%	Not disclosed	Employment Labor/ Management relations	8. Decent Work and Economic Growth
			Employees actively looking for knowledge or people by using our enterprise social network (#WAP)	95%	98%	96%	Not disclosed		
		Health and safety	Employees who feel that they have the technology tools and infrastructure to enable them to work across different locations outside the building	Not available	92.5%	90.5%	Not available	Training and education Occupational health and safety	3. Good Health

Page	Strategic pillar	Highly material topics	Theme/KPI*	Target 2019	Result 2019	Result 2018	Target 2020 & beyond	GRI KPI/ref	Impact/ SDG
p.36	Employee care	Human capital and employee development	Employees who feel that they have the technology tools and infrastructure to enable them to work across different locations within the building	Not available	91.8%	89.7%	Not available	Employment Labor/ Management relations	8. Decent Work and Economic Growth 3. Good Health
			Internal mobility	Not available	519	983	Not available		
		Health and safety	Frequency rate of occupational accidents	Stable in relation to previous year	6.51	6.8	Stable in relation to previous year	Training and education	
			Severity rate of occupation accidents	Stable in relation to previous year	0.11	0.28	Stable in relation to previous year	Occupational health and safety	
<b>Contributing to society</b>									
p.44, 46, 47	Digital for all	Connectivity and digital inclusion	Percentage of accessible tested devices (at least for 1 disability category)	90%	100%	91%	90%	Local communities	9. Industry, Innovation & Infrastructure 11. Sustainable Cities & Communities
			Number of job seekers supported by our initiatives in Belgium	350	862	404	Over 800		
			Number of sick children connected to their school by Bednet and Take Off	Over 1,000	1,164	Over 1,000	Over 1,100		

Page	Strategic pillar	Highly material topics	Theme/KPI*	Target 2019	Result 2019	Result 2018	Target 2020 & beyond	GRI KPI/ref	Impact / SDG
<b>Respecting our planet</b>									
p.52 Environmental figures, p.125-126	Being CO <sub>2</sub> neutral	Sustainability, energy & circularity	Electricity used which came from renewable energy sources	100%	100%	99%	100% in 2020	Energy	13. Climate Action
			Carbon neutrality level for own operations and business travel	100%	100%	100%	100%		
			Carbon emissions scope 1+2 compared to previous year	-4%	-5%	-16%	-4% yearly		
			Energy consumption compared to 2008	Not available	-30%	-27%	Continuous improvement		
p.54 Environmental figures, p.127	Being circular	Sustainability, energy & circularity	Percentage of waste recycled, reused or composted	Not available	87%	87%	90% by 2025	Materials	12. Responsible Consumption and Production
			Collected mobile phones	Not available	31,475	18,279	100,000 by 2020		
			Refurbished modems and TV decoders	Not available	336,000	405,544	Not available		
p.56 Environmental figures, p.127	Sustainable supply chain	Sustainable supply chain	Percentage of suppliers screened using social criteria (incl. working conditions, human rights, etc.) who received a silver or gold recognition level	80%	85%	87%	80%	Supplier environmental assessment Human rights assessment Supplier social assessment	12. Responsible Consumption and Production
			Percentage of suppliers screened using environmental criteria who received a silver or gold recognition level	80%	75%	83%	80%		13. Climate Action

# Transparency

## About this report

### Scope of the sustainability information

The purpose of this report is to inform our stakeholders about our contribution to society, in relation with our ambition, sense of purpose and goals. Our stakeholders are all the individuals and organizations affected by our operations or with whom we have a relationship. These include but are not limited to: customers (both corporate and residential), employees, shareholders, suppliers, the press, government representatives & institutions, partners and social organizations. For more information on how we maintain our relationship with our stakeholders, see the section on stakeholder dialogue.

This report has for scope the Proximus Group, including the subsidiaries in which Proximus has a majority shareholding. Unless stated otherwise, references to Proximus should be read as referring to the Proximus Group, except for the sections “Overview of non-financial information” and “GRI content index” which are focused on Proximus in Belgium unless stated otherwise. In this report (including all its appendix), Proximus S.A. refers to the activities of the Proximus Group in Belgium. In the Netherlands, our division is called Telindus Netherlands.

In Luxembourg, we operate as Proximus Luxembourg under the brand names Tango and Telindus Luxembourg. Internationally, we are active through our affiliate, BICS. We also have other affiliates integrated in our Enterprise Business Unit such as Be-Mobile, Davinsi Labs, Umbrio, Codit, etc.

For our financial information, we include new acquisitions in our report as of the first full year of ownership.

### Reporting criteria non-financial information

The Annual Report is published in March 2020. For the sustainability information included in this report we followed the indications of the Global Reporting Initiative (GRI) guide. We comply with the EU Directive Non-Financial Reporting (translated in the Belgian law of 3rd September 2017) and integrated all elements in our Annual Report.

EU Directive 2014/95/EU: Non-Financial Information and Diversity information reference table, translated in the Belgian law of 3rd September 2017

Requirements EU Directive	Subtopic	Chapter / Page reference
A brief description of the business model	The business environment	Foreword from our CEO & Chairman, p.5-7 Key achievements, p.16-19
	Organization and structure	Proximus at a glance, p.8-11 Proximus governance model, p.59
	Markets where the undertaking operates	Proximus at a glance, p.8-11
	Objectives and strategies	Foreword from our CEO & Chairman, p.5-7 Proximus at a glance, p.8-11 Key achievements, p.16-19 Contributing to society while creating value for our stakeholder, p.22
	Main trends and factors that may affect the undertaking's future development	Risk management report, p.79-87 Foreword from our CEO & Chairman, p.5-7 Management report, (available on our website)

Requirements EU Directive	Subtopic	Chapter / Page reference
Relevant social and personnel matters (e.g. HR, safety etc.)	A description of the policies pursued, including due diligence	Caring for our employees, p.36-40 Risk management report, p.82-83 Remuneration report, p.88-96
	The outcome of those policies	Caring for our employees, p.36-40
	Principle risks in own operations and within value chain	Caring for our employees, p.36-40 Social figures, p.121-124 Risk management report, p.82-83
	How risks are managed	Caring for our employees, p.36-40 Risk management report, p.82-83
	Non-financial key performance indicators	Caring for our employees, p.36-40 Social figures, p.121-124 Risk management report, p.82-83 Overview of non-financial information, p.106-107
Relevant environmental matters (e.g. climate-related impacts)	A description of the policies pursued, including due diligence	Respecting our planet, p.51-56 Risk management report, p.85-86
	The outcome of those policies	Respecting our planet, p.51-56 Environmental figures, p.125-127
	Principle risks in own operations and within value chain	Respecting our planet, p.51-56 Environmental figures, p.125-127 Risk management report, p.85-86
	How risks are managed	Respecting our planet, p.51-56 Environmental figures, p.125-127 Risk management report, p.85-86
	Non-financial key performance indicators	Respecting our planet, p.51-56 Environmental figures, p.125-127 Overview of non-financial information, p.108

Requirements EU Directive	Subtopic	Chapter / Page reference
Relevant matters with respect for human rights (e.g. labor protection)	A description of the policies pursued, including due diligence	Sustainable supply chain, p.56 Ethical business conduct, p.41 Proximus governance model, p.59 Risk management report, p.85 Remuneration report, p.88-96
	The outcome of those policies	Sustainable supply chain, p.56 Ethical business conduct, p.41 Proximus governance model, p.59 Risk management report, p.85 Remuneration report, p.88-96
	Principle risks in own operations and within value chain	Sustainable supply chain, p.56 Ethical business conduct, p.41 Proximus governance model, p.59 Risk management report, p.85 Remuneration report, p.88-96
	How risks are managed	Sustainable supply chain, p.56 Ethical business conduct, p.41 Proximus governance model, p.59 Risk management report, p.85 Remuneration report, p.88-96
	Non-financial key performance indicators	Ethical business conduct, p.41 Risk management report, p.85 Sustainable supply chain, p.56 Overview of non-financial information, p.106

Requirements EU Directive	Subtopic	Chapter / Page reference
Relevant matters with respect to anti-corruption and bribery	A description of the policies pursued, including due diligence	Ethical business conduct, p.41 Proximus governance model, p.59
	The outcome of those policies	Ethical business conduct, p.41
	Principle risks in own operations and within value chain	Ethical business conduct, p.41 Risk management report, p.79-87
	How risks are managed	Ethical business conduct, p.41 Risk management report, p.79-87
	Non-financial key performance indicators	Ethical business conduct, p.41 Risk management report, p.79-87 Overview of non-financial information, p.106 GRI content index, p.133
Insight into the diversity	A description of the policies pursued	Caring for our employees, p.36-40 Proximus governance model, p.59 Remuneration report, p.88-96
	Diversity targets	Caring for our employees, p.36-40 Proximus governance model, p.73-74 Remuneration report, p.88-96
	Description of how the policy is implemented	Caring for our employees, p.36-40 Proximus governance model, p.73-74 Remuneration report, p.88-96
	Results of the diversity policy	Caring for our employees, p.36-40 Proximus governance model, p.73-74 Remuneration report, p.88-96 Social figures, p.121-124

The following of the indications of the GRI guide means that Proximus reports on all general standard disclosures related to identified highly material topics.

The way through which we defined our highly material topics and thus the contents of this integrated report is described below in the Materiality Determination section. The overview of the GRI linked to this report can be found in GRI content index. This index specifies the boundaries of each highly material topics, as well the GRI indicators which were omitted from this report (including clarifications).

Proximus prepared this integrated report by following the indications of the GRI guide, including where relevant or available data for 2019.

## Scoping and calculation methodologies for environmental figures

### Accuracy

Since many years we adopt the principle of best available data quality.

### Carbon emissions scopes 1 and 2

Measurement of the Group's CO<sub>2</sub> emissions is based on the guidelines of the Greenhouse Gas Protocol.

We measure all activities that are subject to operational control. This not only concerns emissions in Belgium, but also, since 2010, the CO<sub>2</sub> emissions of Proximus Group subsidiaries outside Belgium. Their consumption represents 7% of the Group's total energy consumption.

Reporting on environmental figures for the group subsidiaries is done depending on data availability and quality. This is positively evolving over the years, in the sense that more and more subsidiaries are monitoring their environmental impact.

The carbon footprint of the subsidiaries TeleSign, Davinsi Labs and Unbrace, all acquired in 2017 and Codit acquired in 2018 is not material and not included in the figures.

The CO<sub>2</sub>e consumption represents a CO<sub>2</sub> equivalent emission figure of all greenhouse gases combined, i.e. CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>. The gases of primary interest for Proximus are CO<sub>2</sub> and HFCs, but CH<sub>4</sub> and N<sub>2</sub>O are also included in the calculation.

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs Group total	Climate neutrality/renewable energy	GWP	Source emission factors	External audit assurance level
<b>Scope 1 – Direct emissions</b>						
Car fleet fuel	High	Proximus Group/ 100%	100% carbon credits - Gold Standard	AR5 IPCC	Base Carbone + Bilan Carbone adjusted with the gradual addition of biofuel BE	Limited
Heating of building installations	High	Proximus Group/ 100%	100% carbon credits - Gold Standard	AR5 IPCC	Gas: GHG protocol heating fuel: Base Carbone + Bilan Carbone	Limited
Cooling of building installations-refrigerants	High	Proximus Group/ 100%	100% carbon credits - Gold Standard	AR5 IPCC	Bilan Carbone	Limited
<b>Scope 2 – Indirect emissions</b>						
Emissions released during the generation of electricity that is purchased by the company	High	Proximus Group/ 100%	Renewable energy sources: 100% Offset by carbon credits – Gold Standard: 1%	AR5 IPCC	IEA (CO <sub>2</sub> emissions from fuel combustion – highlights) - 2019	Limited

### Carbon emissions scope 3

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

Scope 3 refers to the upstream and downstream GHG emissions which are indirectly generated by 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. For most of the scope 3 categories only the operations in Belgium are taken into account.

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs Group total	Climate neutrality/renewable energy	GWP	Source emission factors	External audit assurance level
<b>Scope 3 - Cat. 1</b>						
Resource extraction, transportation and production of purchased goods and services	Low	Proximus in Belgium/ 95%	None	AR5 IPCC	LCA based (customer products), Bilan carbone, IEA, Carnegie emission factors	Limited
<b>Scope 3 - Cat. 2</b>						
Acquired investments	Low	Proximus in Belgium/ 95%	None	AR5 IPCC	Carnegie emission factors, IEA	Limited

Scope (GHG Protocol) + activity	Possible impact from Proximus	Scope/% vs Group total	Climate neutrality/renewable energy	GWP	Source emission factors	External audit assurance level
<b>Scope 3 - Cat. 3</b>						
Extraction, production and transportation of direct fuels and electricity purchased by the Proximus Group, non-reported in scopes 1 and 2. Network losses, among others, are included transportation	High	Proximus Group/ 100%	None	AR5 IPCC	Bilan Carbone, IEA	Limited
<b>Scope 3 - Cat. 4</b>						
Transportation of subcontractors for network activities	Low	Proximus in Belgium/ 95%	None	AR5 IPCC	Bilan carbone EEIO model (other subcontractors fall within Cat.1)	Limited
<b>Scope 3 - Cat. 5</b>						
Treatment of waste flows	Medium	Proximus in Belgium/ 95%	None	AR5 IPCC	Bilan carbone	Limited
<b>Scope 3 - Cat. 6</b>						
Aircraft and trains for business travel	Low	Proximus in Belgium/ 95%	100% carbon credits - Gold Standard	AR5 IPCC	Official figures of travel agency	Limited
<b>Scope 3 - Cat. 7</b>						
Employee commuting. Company cars are accounted for in scope 1	High	Proximus Group 98%	None	AR5 IPCC	Bilan carbone	Limited
<b>Scope 3 - Cat. 11</b>						
Energy consumption of customers' Proximus devices (modems, set-top boxes and mobile phones)	High	Proximus in Belgium/ 95%	None	AR5 IPCC	Bilan carbone, IEA	Limited
<b>Scope 3 - Cat. 12</b>						
Processing of products (end of life): included in cat.5	N.A.	Proximus in Belgium/ 95%	None	AR5 IPCC	N.A.	Limited
<b>Scope 3 - Cat. 15</b>						
Investments: included in cat.2	N.A.	Proximus in Belgium/ 95%	None	AR5 IPCC	N.A.	Limited
<b>Scope 3 - Cat. 8, 9, 10, 13, 14</b>						
N.A.	N.A.	N.A.	N.A.	AR5 IPCC	N.A.	N.A.

## Gold Standard carbon credits

By being carbon neutral means we will first of all continue reducing our carbon emissions but will offset what is left over by supporting international projects that fight global warming.

In practice, this has allowed the Proximus Group to become a climate-neutral company for its car fleet, electricity, heating, refrigerants (scopes 1 and 2) and for business travel (scope 3) since 2016.

Proximus is the main driving force behind the development of the multiannual 'Gold Standard' certified climate project called the TEG Stove project. More info: [www.tegstove.org](http://www.tegstove.org)

In this specific region in Benin, where 69% of the population lives in poverty, 91% of households use wood as an energy source and there is very limited access to electricity.

The TEG STOVE is an efficient cookstove on which a thermo-electric generator (TEG) is installed as an extra. Thanks to this TEG module, 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. Intensive research is being conducted to find the most efficient way to design and use this TEG module with a view to integrating it into a growing number of cookstoves.

In 2019, 400 households were provided with improved cookstove compared to 1,700 in 2017 and 1,200 in 2018.

The use of these cookstoves is registered and serves as proof for the issuance of carbon credits.

The budget made available for carbon credits by Proximus allows 100 times more CO<sub>2</sub> to be reduced in developing countries as compared to Belgium. This is because the cost of setting up

CO<sub>2</sub>-friendly projects in Africa is lower, and current energy efficiency in the region can also be dramatically improved. We also support cookstove projects in Uganda, Malawi and rural Asia. The benefits are mainly forest conservation, improved air quality, health, employment and quality of life.

The projects were also selected because they contribute to several Sustainable Development Goals. More info: [www.tegstove.org](http://www.tegstove.org)

Another project we support is the stove project in Uganda, in which efficient cookstoves drastically reduce the use of firewood. The benefits are mainly forest conservation and improved air quality, health, employment and quality of life. We also support cookstove projects in Malawi and China.

## Energy conversion factors<sup>1</sup>

### Electricity

Calculation based on the invoices of energy suppliers and internal energy management system GENY (Belgian activities).

### Electricity savings within the organization

Calculation based on actions undertaken during the reporting period calculated over a window of 12 months. The savings projects were implemented in the course of the reporting year, hence the results only become material in the current and following reporting year, but the order of magnitude remains comparable on a year-by-year basis.

The infrastructure savings are calculated based on the directly measured electricity consumption and an estimated indirect consumption such as for cooling before and after the savings operation. For multiple installations, the consumption of one type installation is multiplied by the total number of installations.

### Electricity savings sold products

The baseline for the calculation of savings related to the

electricity consumption of TV decoders installed at customer premises is based upon the formula described in the EU Code of Conduct for digital TV services, the technical consumption data provided by the vendor and the installed base devices by type at customer premises.

### Transport

Calculation based on invoices and reports of the supplier, based on fuel card consumption or expense statements.

### Heating

Calculation based on supplier billing data:

- Gas: meter readings
- Heating oil: heating oil tank refills

### Waste calculation

Monthly bills and certificates of waste processors are combined into a single annual report, which is then updated with additional information received from the waste processors:

- The average weights of the subscriptions and the individually measured weights of the waste collections.
- Distinction between hazardous and non-hazardous waste.
- Processing method such as composting, recycling, reprocessing, reuse or residual waste with energy recovery.
- Additional reduction in residual waste through a posteriori sorting of the residual waste by the waste processor into recyclable categories such as wood, metal, paper, etc.

## 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.

### Stakeholders

- The Corporate Social Responsibility (CSR) department, with a strong focus on environmental issues and CO<sub>2</sub> 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, plans and campaigns related to environmental issues (mobility campaigns, surveys and info sessions for employees to further promote the use of public transport and bicycles).
- New packaging waste prevention plan 2016-2019 for IVCIE and awareness campaigns on waste recycling,
- Anti-pollution plan in the event of severe air pollution in the Brussels Region,
- Environmental policy,
- Field visits concerning environmental issues such as hazardous products, waste and control of permits,
- Communication channels: intranet news, toolboxes, internal reporting to the executive committee,
- Integrated management system, ISO9001 certificate,
- Environmental clauses in purchasing procedures concerning waste reduction, such as recycling, eco-design and life cycle,
- Noise studies and control measurements to ensure compliance with noise standards and limit disturbance for neighbours,
- Soil survey for high-risk installations,
- E-learning module on the impact of mobile and wireless telephony on the health of employees.

<sup>1</sup> CDP Technical Note: Conversion of fuel data to MWh

# Sustainable Development Goals integration, materiality determination and stakeholder dialogue

## Integrating the UN's Sustainable Development Goals

We have integrated the realization of the United Nations' Sustainable Development Goals (SDGs) in our sustainability strategy, linking them to our four strategic area's: Enabling a better digital life, Caring for our stakeholders, Contributing to society and Respecting our planet.

SDG	SDG goal	Strategic relevance for Proximus	Link to our sustainability framework
	Ensure healthy lives and promote well-being for all at all ages	With concerns surrounding radiation and health around the arrival of 5G, we want to play our role in informing customers about electromagnetic waves as well as providing precautionary measures.	Caring for our stakeholders
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	The re-skilling of the Belgian workforce is a challenge we must participate in to ensure we have the skills needed for the digital economy & society of tomorrow. We invest in upskilling our workforce. We also pilot re-skilling initiatives for young job-seekers such as MolenGeek or School 19.	Caring for our stakeholders Contributing to society
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We know that the jobs of the future will be digital. We work with many associations to re- and up-skill the Belgian population to sustain Belgian economic growth and increase the number of digital talents. In that way, we contribute to driving the digital transformation of our economy & industry. We are also a major employer and as such contribute to the Belgian economic ecosystem.	Caring for our stakeholders
	Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	We build future-proof digital infrastructure and invest in the newest technologies, innovative platforms & solutions. Those are critical enablers of a digital economy & society, in which Belgium is still lagging.* In addition, we support innovation ecosystems to foster Belgium companies & inventions.	Enabling a better digital life
	Make cities and human settlements inclusive, safe, resilient and sustainable	We contribute to building smarter cities and smart solutions that answer societal challenges & support local communities.	Enabling a better digital life Contributing to society
	Ensure sustainable consumption and production patterns	We have a clear ambition to become fully circular by 2030. To do so, we set strict goals to reduce our waste, recycle our construction materials, etc. We also impose strict standards throughout our supply chain and partner with suppliers respecting our standards.	Respecting our planet
	Take urgent action to combat climate change and its impacts	Climate change is a key issue for us. We want to be a leading company in addressing climate change and we are committed to further reduce our negative environmental impact. We do this by extending our CO <sub>2</sub> neutral ambition to a net positive and by becoming a truly circular company.	Respecting our planet

\*DESI-index 2019

## Materiality determination

In 2018, we proceeded to a materiality assessment process with external expert assistance, enabling us to further report on the most relevant topics. The assessment concluded in a materiality matrix, which was also validated by our Board of Directors. The process consisted of four steps:

1

### External analysis

First an external materiality view was taken not only capturing Proximus' sustainability issues but also the ones of the industry as a whole. A media analysis as well as a peer review and reputation survey were taken into account.

Relevant topics, on which Proximus can have an impact in society were identified. Based upon this subsequently a shortlist could then be validated with internal stakeholders.

2

### Internal materiality workshop

We organized a well prepared, semi-structured and facilitated workshop thereby mapping our stakeholders and highly material topics. The workshop included representatives of all the business units, management and support functions of Proximus.

We started from the aforementioned long list of highly material topics and stakeholders obtained in the external analysis, which we then plotted to define those that are truly key.

3

### Integrated materiality matrix

The integrated materiality matrix combines the external analysis and the results of the internal materiality workshop into one materiality matrix. It provides a comprehensive overview of the most highly material topics taken from both views.

The combination of the horizontal axis and the vertical axis determines the degree of impact that Proximus has with the topic on society. In a simplification exercise to ensure we direct our strengths where most needed, we decided to focus our actions & reporting on the topics of the upper right quadrant, which are most material for our stakeholders and the impact Proximus can have. The definition of those highly material topics as well as their boundary can be found on the next page.

4

### Implementation

Based on this analysis, we implemented our new contribution framework in 2019 and pursued actions to serve our main ambition. The results of those actions are shown throughout the report.

## Highly material topics

Materiality matrix 2019



The matrix on the right represents the upper right quadrant of the overall materiality matrix showing the topics which are most material for stakeholders and the impact Proximus can have.

- 1 Innovation and sustainable infrastructure**  
How the company keeps up to date with the newest technologies and includes them within the products and services portfolio. Investments in digital infrastructure (connectivity -5G, Fiber, network) and innovation in smart energy, smart mobility, smart cities, smart education, smart buildings, smart health, smart security, etc
- 2 Connectivity and digital inclusion**  
How the company makes sure that its infrastructure is up-to-date and inclusive for all members of the community, as well as ensuring that the connectivity of the customers is at all times at a good level. Further it relates to the digital inclusion of the all layers of the general public.
- 3 Sustainability, energy & circularity**  
How the company plans to reduce energy consumption and how this affects emissions. How the company contributes to the circular economy and deals with waste management, equipment recycling, responsible sourcing and resource efficiency.
- 4 Business conduct & ethics**  
Comprises the conduct of business practices in regard to transparency, integrity, corruption, lawsuits and claims. It should include the corporate governance of the company.
- 5 Privacy & data security**  
The way the company makes sure that privacy laws are complied with, and that the data of the customers are handled in a secure way. The topic also relates to GDPR and the development of new technologies relating to this topic.
- 6 Health and safety**  
The way the company treats its employees in terms of health and safety in linkage to production and overall health and safety management.
- 7 Human capital & employee development**  
How the company deals with its human capital including labor conditions. It includes topics such as: Diversity and inclusion; gender; aging population; turn-over; training and development.
- 8 Digital competitiveness of institutions and companies**  
How the company is enhancing the competitiveness of institutions, cities and companies in terms of digitalization.
- 9 Quality products and services**  
How the company ensures that it delivers top quality products and services to its customers, including safe and healthy products.
- 10 Responsible marketing**  
The policies and practices around marketing and advertising.
- 11 Pricing and billing transparency**  
How the company discloses its pricing of its different products and services in a transparent way.
- 12 Customer relationship**  
How the company ensures that customers are satisfied. It also includes the impact on their health of these customers and providing them with all necessary information.
- 13 Sustainable supply chain**  
The way the company manages its responsibility towards the sustainability practices of its supply chain. Some other topics already involve this issue, however Proximus should also present an overarching approach to manage the impact of its supply chain and address its economic impact.

## Stakeholder dialogue

At Proximus, we consider the following groups as our stakeholders: General public (including customers, and with a specific focus on the youngsters (18-25 y.o.)), Corporate clients (SE, ME, COR), Media, Government & regulatory bodies, Start-up communities, Sales & CSR partners, Employees, Opinion leaders and Investors.

This year, we have had the following interactions with our stakeholders:

Stakeholder group	What they expect	How we engaged them	Main topics & concerns in 2019	Our response
Employees	Employees expect us to provide them with a safe and advanced work environment as well as the flexibility it comes with. They also expect to receive opportunities & challenges fitted to their ambitions and to have an impact on how our company works. Finally, they expect us to offer the possibility of learning the new skills they need in this changing job market.	We engage our employees yearly in a survey called Speak Up. In this survey, they have the possibility to evaluate many points of our work environment, atmosphere, opportunities, and more. We also offer many possibilities for each employee to talk to an HR specialist about their concerns (described more in Caring for our employees).	Our employees voiced the need to increase our agility in the way we answer to competitive moves as well as in the execution of our strategy.	Our engagement survey called Speak Up is yearly processed and upon areas of concerns raised by our employees, we deploy business unit, department, team and company action plans to ensure we work towards areas of improvement identified in the survey. Speak Up is part of the Group Key Performance Indicators set on yearly basis. We regularly organize talent review boards to assess how best talents can be deployed in the company. Internal mobility is fostered through job rotation as well as new ways of working such as agile, empowered organization, fostering transversal ways of working. Homeworking ensure flexibility for the majority of our employees whose jobs allow it.
Residential customers self-employed and small businesses	Our customers turn to us to receive high-quality product and services. They expect us to always be up-to-date on the latest trends in terms of connectivity and user experience. Customers want not only to have unfiltered access to the digital world, but also for us to contribute to the society they live in. They expect us to fill our role as a key player in Belgium.	Including our customers in our operations is key for us to respond the best we can to their needs. We thus set up ways to continuously co-create with customers through design thinking sessions and focus groups. We also have an internal initiative called voice of the customer. In 2019, 20 consumer co-creation & design thinking sessions were organized, counting more than 500 participants.	Customers voiced the needs for: <ul style="list-style-type: none"> <li>• relevant and differentiating customer solutions</li> <li>• competitive no-frills offers</li> <li>• seamless and frictionless digital experiences</li> <li>• great network quality</li> </ul>	<ul style="list-style-type: none"> <li>• Launch of Epic combo, a new mobile, internet and TV experience with full digital onboarding</li> <li>• Launch of 1P Internet at Scarlet, the ultimate no frills offer</li> <li>• Launch the entertainment platform Pickx</li> <li>• Pilot of the next generation decoder</li> <li>• Launch of the reward program Enjoy!</li> <li>• Launch of specific Bizz solutions, support and service for our SE customers, like Bizz online</li> <li>• Continued roll-out of fiber, launch of a smart wifi app, and preparing the mobile network of the future with 5G</li> </ul>

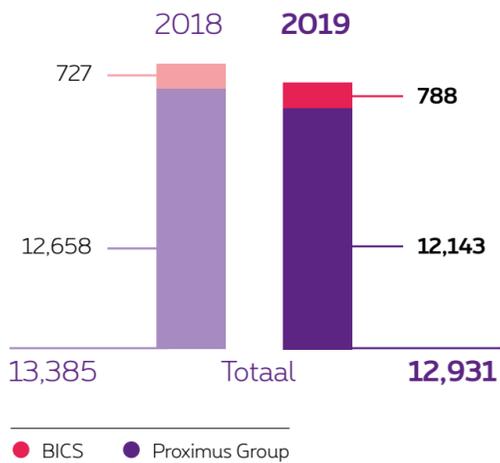
Stakeholder group	What they expect	How we engaged them	Main topics & concerns in 2019	Our response
Enterprise customers	Our business customers expect a personalized and high-quality service at all times. They want us to not only serve their connectivity needs, but also collaborate with them to become more digital and thus help them serve their own clients better.	Next to our regular interaction channels with our customers through our account managers, contact centres and indirect partner channel we have created other ways to reach out to our clients. We engage our business customers through regular personal surveys, ready for tomorrow meetings as well as Voice of the Customer forums and advisory boards. Through these different fora we aim to capture feedback in relation to their customer experience, feedback on our own strategy and development roadmap but also to deep dive in the customer's digital transformation needs and how we can support them with our newest technologies. In 2019 we will have organized 58 ready for tomorrow meetings, 18 Top to Top meetings and 8 voice of the customer forums & advisory boards.	Our customers expect: <ul style="list-style-type: none"> <li>• Relevant solutions</li> <li>• A digital customer experience</li> <li>• Reliability and business continuity</li> </ul>	<ul style="list-style-type: none"> <li>• Move towards new (vertical) customer segmentation to understand our customers' context better and tailor our portfolio &amp; service to their needs.</li> <li>• Launch of the Proximus Accelerators to help customers in many aspects of the digital transformation journey.</li> <li>• Continued focus on projects that increase the customer experience in their key journey's with Proximus (both physical &amp; digital).</li> <li>• Further investments in our network.</li> </ul>
Government & regulators	Government and regulators expect us to comply with all rules and regulations in place in Belgium, Europe & internationally. They also expect us, as a Belgian & partly state-owned company, to play a role in developing the digital society & economy of tomorrow through investments and involvement. This includes contributing to society and playing our part to slow down climate change. Finally, they expect us to respect business ethics.	We proactively & regularly engage with our government representatives and regulators through business associations such as Agoria, the European Telecommunications Network Operators' Association (ETNO), GSMA, etc. We also maintain regular interactions with politicians and representatives to develop partnerships (such as the one to increase internet coverage in white zones). These interactions occur on a regular basis.	Proximus regulation extended from its copper to its fibre network in 2018 - regulators prepare implementation (pricing and reference offers) Introduction of new obligations for Proximus high quality business access market. Belgian Government considering to introduce conditions favouring the entry of a 4th mobile player in the upcoming multiband spectrum auctions - timing and final conditions remain uncertain. Regions planning to invest in parallel networks. Preparation of transposition of new EU Code and Media directive has been initiated.	We advocate our position towards the relevant authorities, we ensure timely compliance with new rules and the business responds with adequate commercial actions to imposition of new obligations.

Stakeholder group	What they expect	How we engaged them	Main topics & concerns in 2019	Our response
Investors	Our investors and the financial markets expect a transparent, clear, accurate and consistent company communication and insights on the market we operate in. We are clear with them on our achievements, our strategy and ambitions going forward and short to mid-term perspectives. They also want to know how we expect to create value and need timely accurate updates. We also are expected to provide them the necessary access to top management with the opportunity to receive clarification and ask questions.	In 2019, we organized 2 management roadshows, after full and half-year results, where our CEO, CFO and Investor Relations Director visited our investors in various countries to expose them our strategy and results. This was completed by the participations in several sector conferences, IR-only roadshows, reverse roadshows and conference calls. For some occasions investors' feedback was provided, which is then included in the result of our reputation survey and materiality analysis. Over the year 2019, Proximus spoke to about 200 institutional investors. We also organize a yearly general assembly where all investors are invited.	Investor questions and concerns during 2019 were mainly related to: <ul style="list-style-type: none"> <li>• Competitive environment and the impact on Proximus.</li> <li>• Regulatory related topics such as international calling prices, cable and fiber wholesale pricing.</li> <li>• Upcoming spectrum auctions and the risk related to a potential new entrant in the Belgian market.</li> <li>• Overall capex level and strategy on fiber deployment.</li> </ul>	A detailed disclosure allows investors to get insight in Proximus' achievements in the Belgian market through the publication of several KPIs (net customer growth, market shares, average revenue per household, Mobile ARPU, etc.) on the main products (Internet, TV, Fixed Voice, Mobile, etc.). Also, the evolution of pricing is clearly communicated. Proximus disclosed its estimated financial impact from regulation for 2019 and disclosed the actual impact by quarter. Information on spectrum and auction conditions and status of the process have been disclosed in the quarterly information pack, and extensively discussed during meetings. Proximus has set a 3-year capex target when announcing the Fiber for Belgium project and has discussed with investors the potential scenarios going forward.
Suppliers	Our suppliers expect us to fulfil our long-term commitment and uphold our end of the deal. They want us to offer transparent contract with fair prices.	We consider our suppliers as very impactful and we engage with them in the form of regular audits to ensure they follow our CSR and ethical principles. Such interactions are described further in the section on Sustainable supply chain.	Proximus aims to have 75% of suppliers with a positive rating (assessments and audits) within 5 years.	In 2019, 83% of suppliers screened on human rights and environmental risks have a positive score. Suppliers with a negative score are systematically reassessed the year following initial assessment. Corrective action plans of the audits are systematically followed-up by Proximus within the Joint Audit Cooperation.
Society at large	The society expects Proximus to offer high quality networks & digital opportunities, and to leave behind a positive impact on Belgium. They want us to care for their data, be ethical and contribute to society while respecting the environment. They want us to develop products and services that can solve current challenges.	Every quarter, we evaluate our performance on key markers in a survey conducted on the large public in Belgium. This ensures we are going in the right direction and responding to society's expectations. As a Belgian company, we want to leave a positive mark on our surroundings, and we work with various NGOs and associations to make a difference in various areas of the Belgian society. We have a focus on contributing to a digital education for all, and to becoming a circular company with a net positive impact. We want to provide solutions to let our stakeholders accelerate towards circularity as well.	A concern for citizens is the impact of electro-magnetic waves as we develop more and more extensive networks, especially with the arrival of 5G. They also want us to provide clearer communications and to ensure their data is treated in the right manner. Besides these topics, people are concerned about the future and the skills needed to be part of it. Finally, a big societal topic in the year 2019 was the environment, with more and more voices demanding action from companies like Proximus. Most of their concerns relate to the material items mentioned earlier in the section.	We contribute to their concerns by offering clear information on the risk on electromagnetic waves and advice on our website. We intend to proactively communicate on the potential impact of 5G as well. We have strict rules and guidelines around data privacy and comply with the newest laws. We also acquire ISO certifications on the subject. Finally, we contribute to society and the digital inclusion, by partnering with organizations such as MolenGeek or School 19, promoting our own programmes like diggit, as well as re-skilling our workforce. We have a solid green strategy, with a 10-year ambition to become circular & have a net positive impact. This ambition is served by strategic tracks & squads dedicated to the matter.

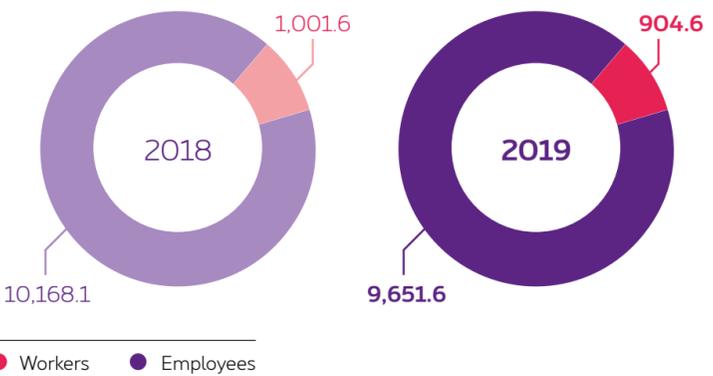
# Social figures

The social figures relate to Proximus SA/NV unless otherwise stated.

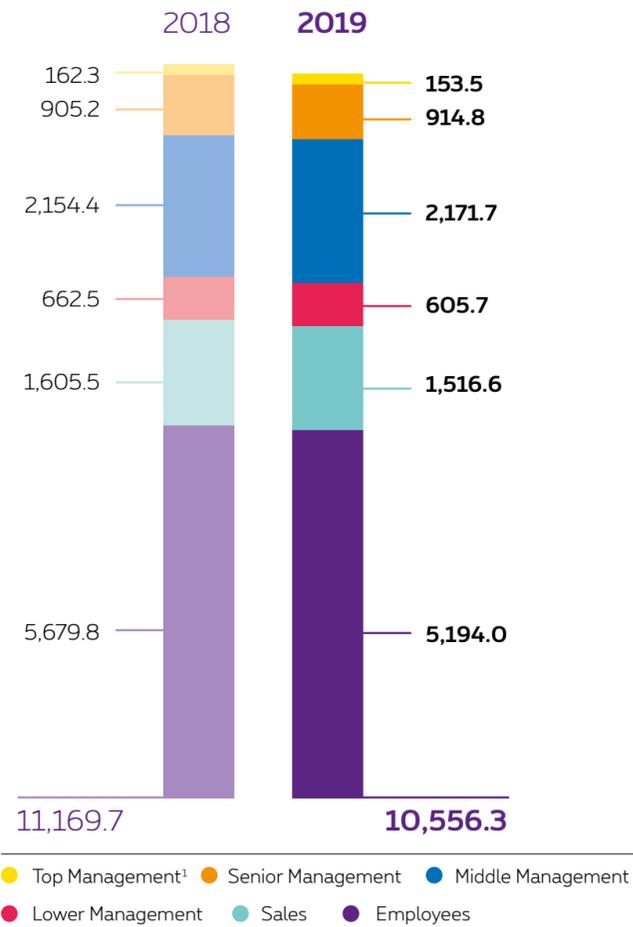
Total number of employees (FTE) for the Proximus Group



Total number of employees (FTE) by employment contract



Total number of employees (FTE) per level

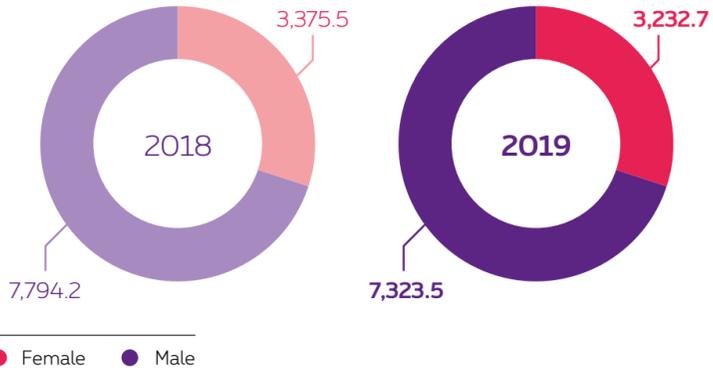


<sup>1</sup> Excluding the Luxembourg branch

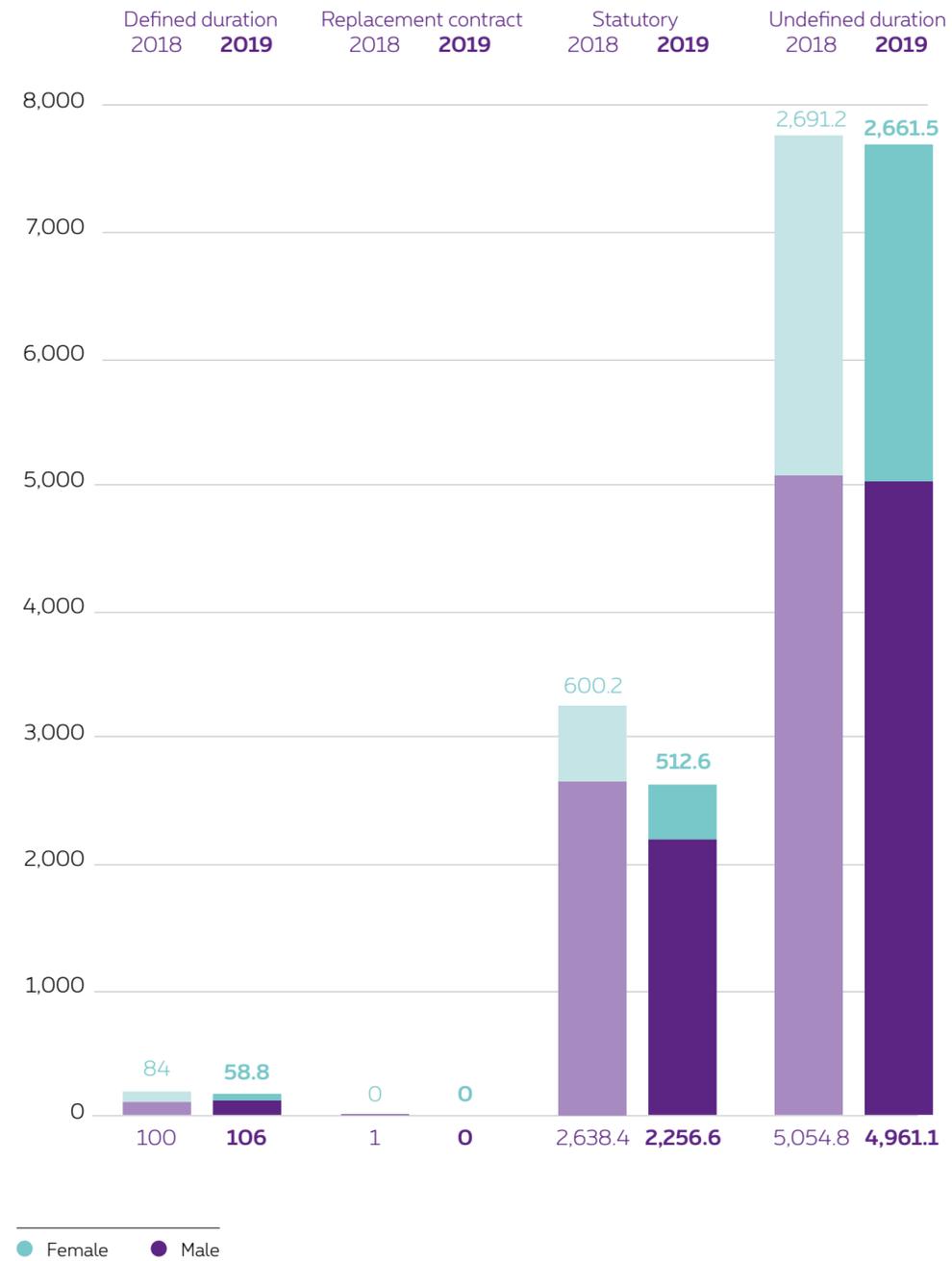
Total number of employees (FTE) by employment contract, by gender

	2018	2019	
<b>Employment contract</b>			
Defined duration	184.0	<b>164.8</b>	
Replacement contract	1.0	<b>0.0</b>	
Statutory	3,238.6	<b>2,768.8</b>	
Undefined duration	7,746.0	<b>7,622.6</b>	
<b>Employment contract by gender</b>			
Female	Defined duration	84.0	<b>58.8</b>
	Replacement contract	0.0	<b>0.0</b>
	Statutory	600.2	<b>512.6</b>
	Undefined duration	2,691.2	<b>2,661.5</b>
Male	Defined duration	100.0	<b>106.0</b>
	Replacement contract	1.0	<b>0.0</b>
	Statutory	2,638.4	<b>2,256.6</b>
	Undefined duration	5,054.8	<b>4,961.1</b>

Total number of employees (FTE) by gender (Proximus SA/NV)



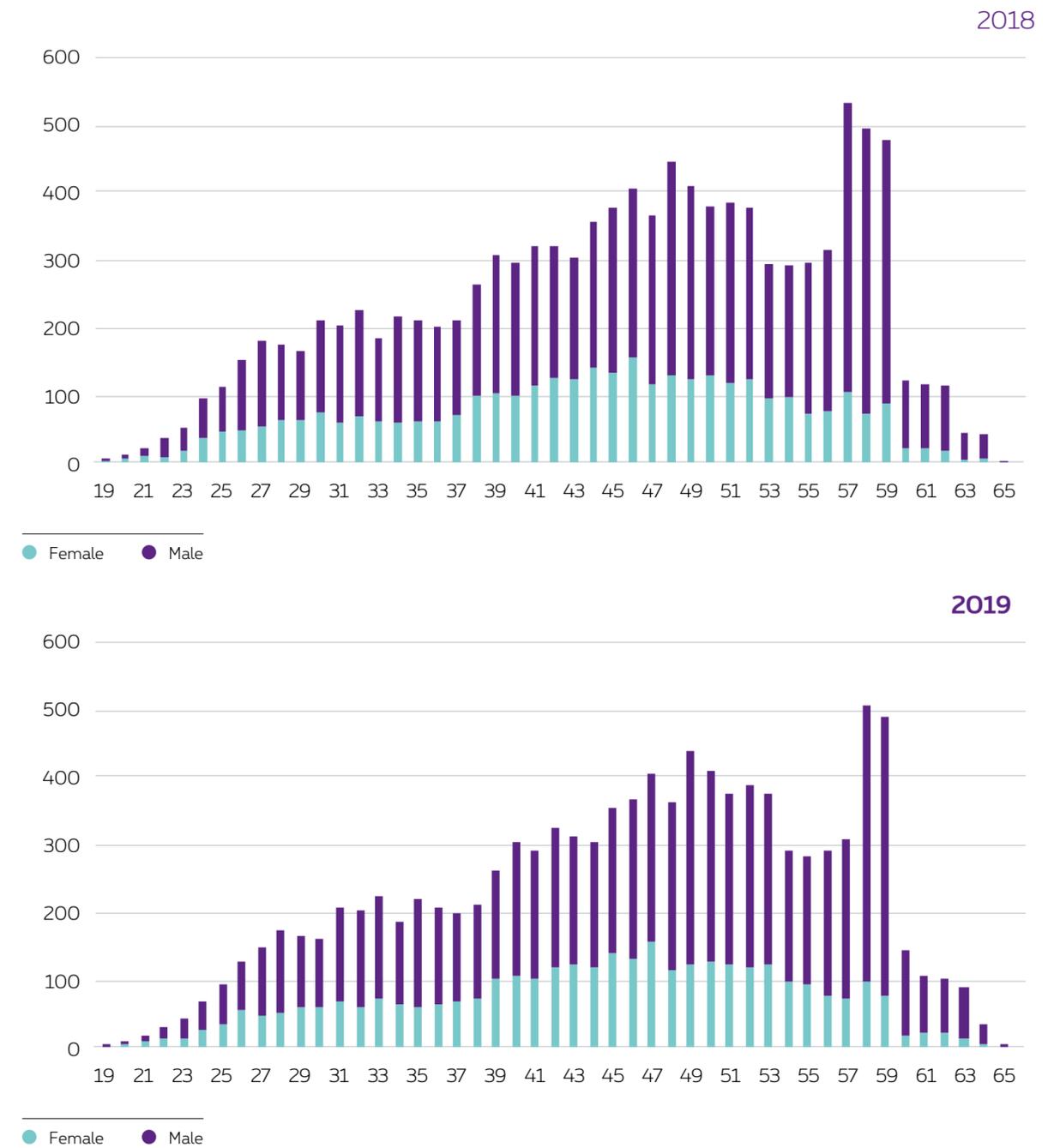
Total number of employees (FTE) by contract type



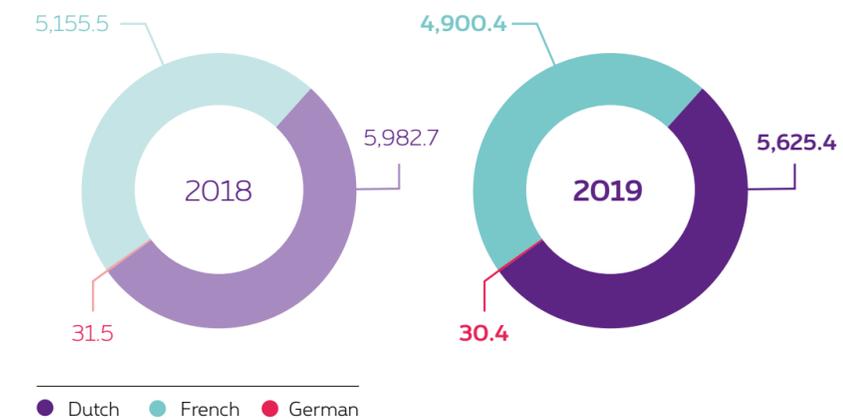
Total number of employees (FTE) by employment contract, by region

Region	Contract Type	2018	2019
Brussels	Defined duration	51.0	37.8
	Replacement contract	0.0	0.0
	Statutory	1,372.5	1,226.1
	Undefined duration	5,021.2	4,956.8
Flanders	Defined duration	83.0	68.0
	Replacement contract	0.0	0.0
	Statutory	954.1	779.3
	Undefined duration	1,341.5	1,312.11
Wallonia	Defined duration	50.0	59.0
	Replacement contract	1.0	0.0
	Statutory	912.0	763.4
	Undefined duration	1,383.4	1,353.7

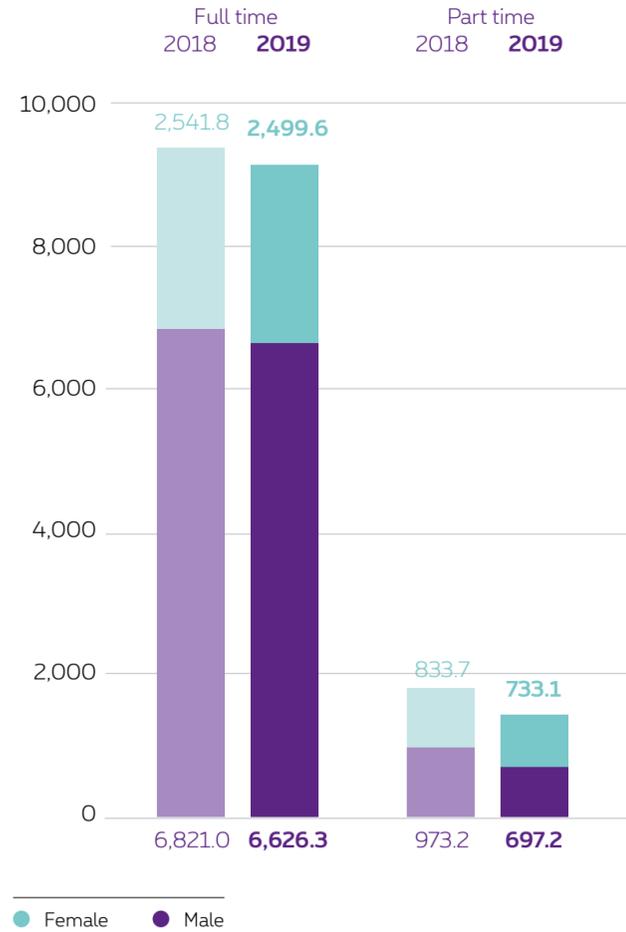
Age pyramid of total number of employees (FTE)



Total number of employees (FTE) by language



Total number of employees (FTE) by employment type, by gender



Total number and rate<sup>1</sup> of new employee hires (FTE) during the reporting period, by gender and age group

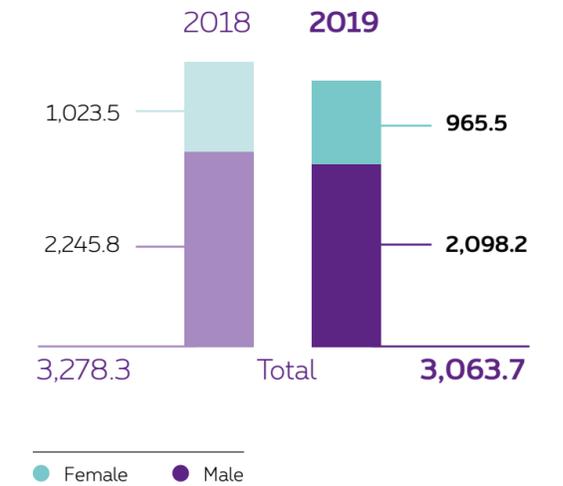
	2018	2019
Female	5.2% (177.0)	<b>3.3% (105.0)</b>
Male	4.8% (371.0)	<b>2.9% (212.0)</b>
Total	4.9% (548.0)	<b>3.0% (317.0)</b>
Under 30	33.2% (341.0)	<b>19.6% (169.0)</b>
30-50	3.2% (201.0)	<b>2.3% (134.0)</b>
Over 50	15.0% (6.0)	<b>0.4% (14.0)</b>
Total	4.9% (548.0)	<b>3.0% (317.0)</b>

<sup>1</sup> We define a rate as being the number of new entries over the reporting period, divided by the total number of employees working in that category at the end of the reporting period. E.g.: (Number of new female hires within the reporting period/Number of women working at Proximus SA/NV by end of the reporting period)\*100.

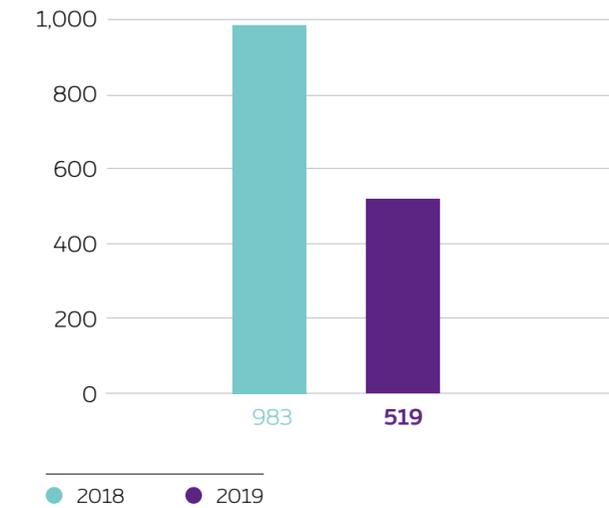
Total number and rate of employee turnover (FTE) during the reporting period, by gender and age group

	2018	2019
Female	4.9% (166.2)	<b>6.5% (208.5)</b>
Male	7.4% (572.5)	<b>8.2% (598.5)</b>
Total	6.6% (738.7)	<b>7.6% (807.0)</b>
Under 30	9.5% (96.1)	<b>14.8% (128.1)</b>
30-50	2.1% (119.9)	<b>3.2% (189.1)</b>
Over 50	12.1% (522.7)	<b>13.0% (489.8)</b>
Total	6.6% (738.7)	<b>7.6% (807.0)</b>

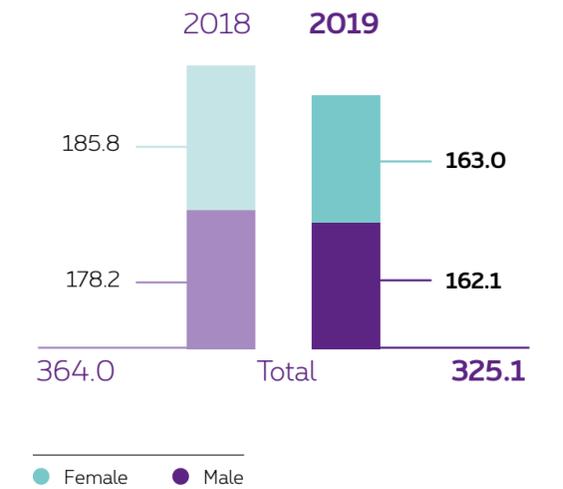
Total number of employees (FTE) that were entitled to parental leave, by gender



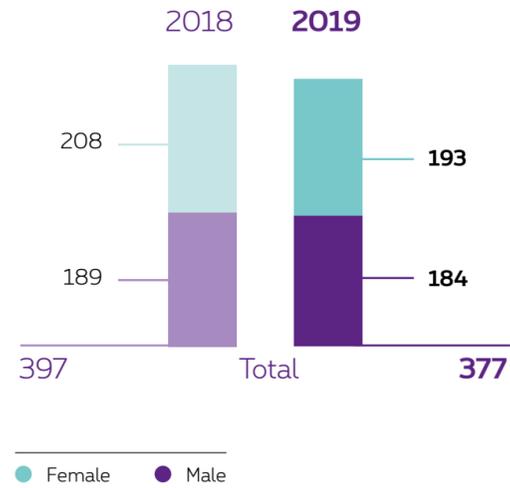
Total number of internal moves (function changes) during the reporting period



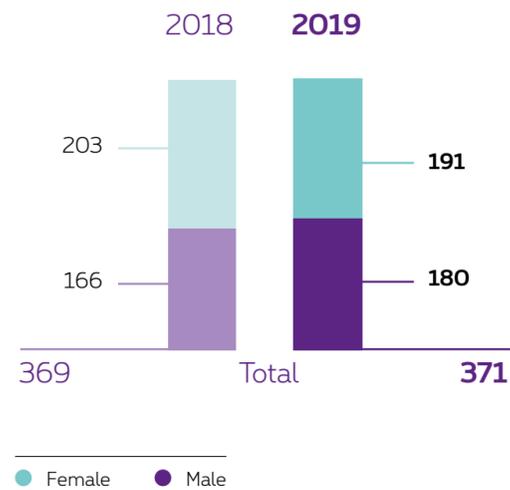
Total number of employees (FTE) that took parental leave, by gender



Total number of employees that returned to work in the reporting period after parental leave ended, by gender<sup>2</sup>



Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender<sup>2</sup>



Return to work<sup>3</sup> and retention rates<sup>4</sup> of employees that took parental leave, by gender

		2018	2019
Return to work	Female	97.7%	<b>98.5%</b>
	Male	98.4%	<b>98.9%</b>
	Total	98.0%	<b>98.7%</b>
Retention rates	Female	97.7%	<b>97.5%</b>
	Male	98.4%	<b>96.8%</b>
	Total	98.0%	<b>97.1%</b>

Average hours of training that the organization's employees (FTE) have undertaken during the reporting period, by gender and employee category (in hours)

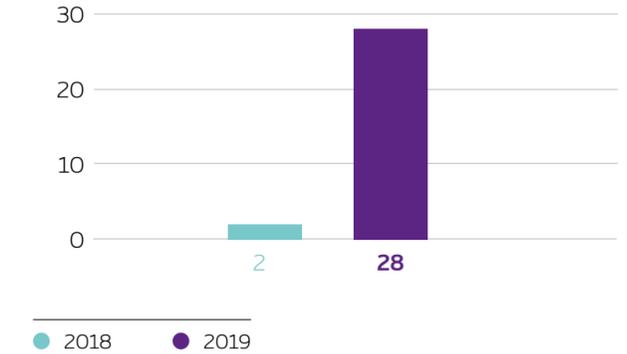
	2018	2019
Female	23	<b>30</b>
Male	24	<b>42</b>
Total	24	<b>39</b>
Executive	35	<b>37</b>
Senior Management	28	<b>38</b>
Middle Management	24	<b>38</b>
Lower Management	25	<b>41</b>
Employees	22	<b>39</b>

Types of injury, injury rate (IR<sup>5</sup>), occupational disease rate (ODR<sup>6</sup>), lost day rate (LDR<sup>7</sup>), absentee rate (AR<sup>8</sup>), and work-related fatalities, for all employees, with a breakdown by gender (Proximus Group)

		2018	2019
IR	Female	0.000005	<b>0.000008</b>
	Male	0.000008	<b>0.000001</b>
	Total	0.000007	<b>0.000007</b>
ODR	Female	0	<b>0</b>
	Male	0.0000004	<b>0.000001</b>
	Total	0.0000003	<b>0.0000007</b>
LDR	Female	0.0002	<b>0.0001</b>
	Male	0.0004	<b>0.0001</b>
	Total	0.0003	<b>0.0001</b>
AR	Female	10.8%	<b>11.6%</b>
	Male	6.3%	<b>6.2%</b>
	Total	7.7%	<b>7.9%</b>

Proximus had no work-related fatalities in 2018 and 2019.

Types of injury, injury rate (IR), and work-related fatalities, for all workers (excluding employees) whose work, or workplace, is controlled by the organization (Proximus Group)



2 Expressed in headcount, not FTE.

3 Calculation: (Total number of employees that did return to work after parental leave/ Total number of employees due to return to work after taking parental leave)\*100

4 Calculation: (Total number of employees retained 12 months after returning to work following a period of parental leave/ Total number of employees returning from parental leave in the prior reporting period(s))\*100

5 Frequency of injuries, relative to the total time worked by all workers during the reporting period. Calculation: number of injuries in Proximus Group/total number of hours scheduled to be worked by Proximus Group employees

6 Frequency of occupational diseases (disease arising from a work situation or activity, or from a work-related injury) relative to the total time worked by all workers during the reporting period. Calculation: number of occupational diseases/ total number of hours scheduled to be worked by Proximus Group employees

7 Impact of occupational diseases and accidents as reflected in time off work by the affected workers. A Lost day is defined as time ('days') that cannot be worked (and are thus 'lost') as a consequence of a worker or workers being unable to perform their usual work because of an occupational disease or accident. Calculation: total number of lost days (due to occupational disease or accident)/total number of hours scheduled to be worked by Proximus Group employees

8 Measure of actual absentee days lost, expressed as the number of illness days divided by the number of theoretical working days, taking into account by definition the work regime of the person. An absentee is a worker absent from work because of taking an illness day (with or without attest), excluding work accidents & pregnancy. Calculation example for female employees: (sum of all the illness days registered amongst female employees/sum of all the theoretical working days amongst female employees)\*100.

# Environmental figures

Being CO <sub>2</sub> -neutral: Energy	2014 baseline	2015 baseline	2017	2018	2019	Target	GRI indicator	Ext. audit
Total energy consumption within the organization (TJ)			1,967	1,876	1,808		302-1e	✓
Total fuel consumption within the organization from non-renewable sources (TJ)			575	552	525		302-1a	✓
Heating: Natural gas (TJ)			101	101	105		302-1a	✓
Heating: Heating oil (TJ)			63	50	35		302-1a	✓
Vehicle fleet: Diesel (TJ)			409	398	373		302-1a	✓
Vehicle fleet: Petrol (TJ)			1	4	12		302-1a	✓
Total fuel consumption within the organization from renewable sources (TJ)			0	0	0		302-1b	
Electricity consumption (TJ)			1,392	1,323	1,283		302-1c	✓
% electricity consumed from renewable sources with GO, REC or IREC - Belgium/Group			100/98	100/99	100/100	RE100 commitment		
Energy efficiency ratio (energy consumption within the organization in TJ vs total revenue in EUR Mio)			0.339	0.322	0.317		302-3	✓
Energy efficiency ratio (energy consumption within the organization in TJ vs FTE)			0.147	0.140	0.140		302-3	✓
Heating, cooling or steam consumption (TJ)			0	0	0		302-1c	
Electricity, heating, cooling or steam sold (TJ)			0	0	0		302-1d	
Electricity consumption within the organization (GWh)			387	368	357			
Fixed and mobile network (GWh)			285	269	268			
Data Centers (GWh)			56	55	53			
Offices + Shops (GWh)			45	43	36			
Energy savings network (TJ)			137	47	40		302-4	
PUE data centers			1.63	1.65	1.60			

Being CO <sub>2</sub> -neutral: GHG	2014 baseline	2015 baseline	2017	2018	2019	Target	GRI indicator	Ext. audit
CO <sub>2</sub> e emissions scope 1 and 2 (KTons) <sup>1</sup>		50.3	46.5	39.0	36.9			✓
Evolution CO <sub>2</sub> e emissions scope 1 and 2 (vs previous year) <sup>1</sup>			-4%	-16%	-5%		305-5	
Evolution CO <sub>2</sub> e emissions scope 1 and 2 (vs 2015 baseline) - Science Based Target <sup>1</sup>			-8%	-22%	-27%	-30% (2025)	305-5	
Evolution CO <sub>2</sub> e emissions scope 1 and 2 (vs 2007 baseline) <sup>1</sup>			-72%	-78%	-79%		305-5	
Carbon intensity (Tons CO <sub>2</sub> e scope 1 and 2/EUR Mio revenue) <sup>1</sup>			8.0	6.7	6.5		305-4	
Carbon intensity (Tons CO <sub>2</sub> e scope 1 and 2/# FTE's) <sup>1</sup>			3.5	2.9	2.9		305-4	
CO <sub>2</sub> e emissions scope 1 - heating, refrigerants and fleet fuel (KTons)			43.9	38.0	36.0		305-1	✓
CO <sub>2</sub> e emissions scope 1 - heating (KTons)			11.0	10.0	9.2		305-1	✓
CO <sub>2</sub> e emissions scope 1 - refrigerants (KTons)			4.6	0.3	0.3		305-1	✓
CO <sub>2</sub> e emissions scope 1 - fleet fuel (KTons)			28.3	27.7	26.5		305-1	✓
CO <sub>2</sub> e emissions scope 2 - electricity - market based method (KTons) <sup>1</sup>			2.6	1.0	0.9		305-2	✓
CO <sub>2</sub> e emissions scope 2 - electricity - location based method (KTons)			68.4	65.0	62.5			
CO <sub>2</sub> e-emissions compensated by carbon credits (scope 1 en 2 en scope 3 business travel) (KTons)			47.9	42.2	40.1			
CO <sub>2</sub> e emissions scope 3 (KTons) - 8 relevant categories	767		765	809	742		305-3	✓
Evolution CO <sub>2</sub> emissions scope 3 (vs 2014 baseline) - Science Based Target			0%	+5%	-3%	-10% (2025) and -50% (2040)	305-3	
Scope 3 - category 1 - purchased goods and services (KTons) - Belgium <sup>3</sup>	518	317	481	540	460		305-3	✓
Scope 3 - category 2 - capital goods (KTons) - Belgium <sup>3</sup>	146	90	177	184	200		305-3	✓
Scope 3 - category 3 - fuel and energy related activities (not in scope 1 en 2) (KTons) - Group	11	11	11	11	10		305-3	✓
Scope 3 - category 4 - transportation and distribution (KTons) - Belgium	7	7	4	3	3		305-3	✓
Scope 3 - category 5 - waste disposal (KTons) - Belgium	1	1	1	1	1		305-3	✓
Scope 3 - category 6 - business travel (KTons) - Belgium <sup>2</sup>	2	2	1	1	2		305-3	✓
Scope 3 - category 7 - employee commuting (KTons) - Belgium	5	5	4	4	4		305-3	✓
Scope 3 - category 11 - use of sold products (KTons) - Belgium	78	88	87	64	62		305-3	✓

✓ Deloitte provided a limited external assurance on these indicators for the year 2019

1 Correction in 2018 linked to purchase of EAC's (scope 2) after reporting period.

2 Other vendor and calculation methodology while the number of business trips decreased.  
The calculation is based on DEFRA conversion factors without Radiative Forcing (RF).

3 Methodology will be redesigned in 2020 to limit the impact of procurement spend.

Being circular	2014 baseline	2015 baseline	2017	2018	2019	Target	GRI indicator	Ext. audit
Waste (KTons) - Belgium			11.8	14.7	13.6		306-2	✓
% of hazardous waste - Belgium			4.3%	4.0%	8.7%		306-2	✓
% waste reused/recycled - Belgium			85%	87%	87%	90% in 2025	306-2	✓
Non-hazardous waste - recycled or reused (KTons) - Belgium			9.6	12.2	10.6		306-2	✓
Non-hazardous waste - with energy recovery (KTons) - Belgium			1.7	2.0	1.8		306-2	✓
Hazardous waste - recycled or recovered (KTons) - Belgium <sup>4</sup>			0.5	0.6	1.2		306-2	✓
Mobile phones collected in Proximus and Tango shops for reuse and recycling			4,493	9,237	19,255		306-2	
Mobiles phones collected in schools with GoodPlanet Belgium for reuse and recycling			14,000	9,042	12,220	200,000 in 2013-2020		
Number of refurbished computers offered to schools as reward for mobile phone recycling			250	156	189			
Number of refurbished modems			122,397	182,553	140,000		301-2	
Number of refurbished modems/number of new installed modems (%)			24%	32%	26%		301-3	
Number of refurbished TV decoders			199,797	222,991	196,000		301-2	
Number of refurbished TV decoders/number of new installed TV decoders (%)			56%	44%	39%		301-3	
Evolution average energy consumption customer decoders vs 2014	0%		-33%	-41%	-50%	-50% (2019 vs 2014)	302-5	
Paper consumption (KTons)			260	194	132			
Water ('000L) - Belgium			124,611	146,599	109,392		303-1	

✓ Deloitte provided a limited external assurance on these indicators for the year 2019

<sup>4</sup> 99% of the hazardous waste is battery related and temporary high because of the network migration program and renewals

Sustainable supply chain	2014 baseline	2015 baseline	2017	2018	2019	Target	GRI indicator	Ext. audit
% of the total spend covered by supplier CSR scorecards - Proximus PLC			40%	40%	32%			
Number of onsite audits in collaboration with JAC			89	91	84			

# GRI content index

The non-financial indicators assured by our external auditors are indicated by a tickmark (limited assurance).

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
General Disclosures					
Organization Profile	102-1	Name of the organization	Proximus public limited company under Belgian Public Law		
	102-2	Activities, brands, products and services	Who we are & what we do, p.10		
	102-3	Location of headquarters	Boulevard du Roi Albert II, 27 B - 1030 Bruxelles		
	102-4	Location of operations	Who we are & what we do, p.10		
	102-5	Ownership and legal form	Proximus governance model, p.59		
	102-6	Markets served	Who we are & what we do, p.10		
	102-7	Scale of the organization	Social figures, p.121 Key Financial Highlights, p.13-15		
	102-8	Information on employees and other workers	Social figures, p.121-124	Reporting on employees of contractors is considered not applicable to Proximus Group.	
	102-9	Supply chain	Sustainable supply chain, p.56		
	102-10	Significant changes to the organization and its supply chain	N.A.	None to report on in 2019	
	102-11	Precautionary principle or approach	Proud to be CO <sub>2</sub> neutral, p.52-53		
	102-12	External initiatives	#embracedifference pledge; DigitalforHer declaration; Decent work for all - Commitment charter	Non-exhaustive list	

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Organization Profile	102-13	Membership of associations	ETNO VBO/FEB VOKA Agoria BECI (Union des entreprises de Bruxelles) UWE (Union Wallonne des Entreprises) Cercle de Wallonie VKW Benelux Business Roundtable GSMA Center on Regulation in Europe ISPA Belgium ETIS Guberna Cyber Security Coalition The Shift Be.Face Joint Audit Cooperation Talent2Connect Belgian Association of Marketing	Non-exhaustive list	
Strategy	102-14	Statement from senior decision-maker	Foreword from our CEO & Chairman, p.5-7		
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	Ethical business conduct, p.41 Foreword from our CEO & Chairman, p.5-7 Code of conduct, <a href="http://www.proximus.com/investors/compliance">www.proximus.com/investors/compliance</a> Values: collaboration, agility, accountability, customer orientation and digital mindset		
Governance	102-18	Governance structure	Corporate governance statement, p.58-74		
	102-19	Delegating authority	Proximus governance model, p.59 Non-financial governance, p.72		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Stakeholder engagement	102-40	List of stakeholder groups	Stakeholder dialogue, p.118		
	102-41	Collective bargaining agreements	98.5% of employees covered by collective bargaining agreements (all employees except Extended Leadership Team)		
	102-42	Identifying and selecting stakeholders	Proximus selects its stakeholders based on its business, their relevance to our industry and our main contribution themes. We include all those impacted by our operations, as well as those we partner and maintain a relationship with.		
	102-43	Approach to stakeholder engagement	Stakeholder dialogue, p.118-120		
	102-44	Key topics and concerns raised	Stakeholder dialogue, p.118-120		
Reporting practice	102-45	Entities included in the consolidated financial statements	The basis for the entities covered in the consolidated financial statements is Proximus Group' legal structure. All entities covered by the consolidated financial statements are also included in the report.		
	102-46	Defining report content and topic Boundaries	Non-financial reporting approach 2019, p.3 Transparency, p.109		
	102-47	List of highly material topics	Our materiality matrix, p.22 Highly material topics, p.117		
	102-48	Restatements of information	There is no restatement of information unless specifically otherwise stated in the text		
	102-49	Changes in reporting	Changes were made in the materiality matrix. We merged the following three highly material topics that are closely linked: Energy and green house gases; Circular economy and responsible sourcing and resources efficiency into one topic named 'Sustainability, energy & circularity'		
	102-50	Reporting period	Jan 1 to Dec 31, 2019		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Reporting practice	102-51	Date of most recent report	March, 2019		
	102-52	Reporting cycle	Annually		
	102-53	Contact point for questions regarding the report	csr@proximus.com		
	102-54	Claims of reporting in accordance with the GRI standards	Non-financial reporting approach 2019, p.3		
	102-55	GRI content index	GRI content index, p.128-144		
	102-56	External assurance	A selection of non-financial indicators were externally assured (limited assurance) by our external auditor. These indicators are indicated by a tickmark in the GRI index. Assurance statement, p.147		
<b>Linked with highly material topic: Innovation and sustainable infrastructure</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Future-proof digital infrastructure, p.24-26 Digital innovation, p.29-31 Boundaries: - Inside: management of Proximus Group - Outside: all customers, communities and governments institutions in countries of operations.		
	103-2	The management approach and its components	Future-proof digital infrastructure, p.24-26 Digital innovation, p.29-31 Proximus governance model, p.59 Non-Financial governance, p.72 Transformation & Innovation Committee, p.62		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-Financial governance, p.72 Transformation & Innovation Committee, p.62 Overview of non-financial information, p.105		
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Future-proof digital infrastructure, p.24-26		
	Own indicator	4G indoor coverage	Future-proof digital infrastructure, p.24-25 Overview of non-financial information, p.105		✓

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 203: Indirect economic impacts 2016	Own indicator	4G outdoor coverage	Future-proof digital infrastructure, p.24-25 Overview of non-financial information, p.105		✓
	Own indicator	Fixed Internet speed 70Mbps and above	Future-proof digital infrastructure, p.24-25 Overview of non-financial information, p.105		✓
	Own indicator	Average VDSL2 speed	Future-proof digital infrastructure, p.24-26 Overview of non-financial information, p.105		
	Own indicator	Vectoring coverage	Future-proof digital infrastructure, p.24-26 Overview of non-financial information, p.105		
	Own indicator	Number of projects with universities/education institutes	Digital innovation, p.29-30 Overview of non-financial information, p.105		✓
<b>Linked with highly material topic: Digital competitiveness of companies and institutions</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its boundaries	Highly material topics, p.117 Digital innovation, p.29-31 Boundaries: - Inside: management of Proximus Group - Outside: all customers, communities and governments institutions in countries of operations.		
	103-2	The management approach and its components	Digital innovation, p.29-31 Proximus governance model, p.59 Committees of the Board of Directors, p.61-62 Non-Financial governance, p.72		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-Financial governance, p.72 Overview of non-financial information, p.105		
GRI 203: Indirect economic impacts 2016	203-1	Infrastructure investments and services supported	Future-proof digital infrastructure, p.24-26		
	Own indicator	IoT connections	Digital innovation, p.29-31 Overview of non-financial information, p.105		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Linked with highly material topic: Business conduct and ethics					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Ethical business conduct, p.41 Boundaries: - Inside: Proximus Group (management and employees) - Outside: all customers, suppliers, communities, and government institutions in countries of operations		
	103-2	The management approach and its components	Ethical business conduct, p.41 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Ethical business conduct, p.41 Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.105		
GRI 205: Anti-corruption 2016	205-2	Communication and training about anti-corruption policies and procedures	Ethical business conduct, p.41 Proximus governance model, p.59		
	205-3	Confirmed incidents of corruption and actions taken	On 19 June 2019, Proximus was indicted following a complaint by a Brussels examining magistrate on the grounds of corruption and offences relating to industry, commerce and public auctions in the so-called "GIAL" case. Proximus formally contests having committed any offence in this case. Due to the secrecy of the investigation, it is obvious that the elements of this case cannot be set out in this report. Nevertheless, Proximus would like to mention the existence of this case for the sake of transparency. For information purposes, if, contrary to its analysis of its role in this case, Proximus were to be found guilty of the acts of which it is accused and in view of the charges laid down by the examining magistrate, the maximum fine that could apply to Proximus in the context of this case would be EUR 800,000. At the present time and on the basis of the information available to Proximus in connection with this case, Proximus has not set aside any amount for the payment of any fine. Finally, insofar as necessary, Proximus recalls that the formality of the indictment does not in any way mean that there are any charges or evidence of guilt against it and insists that it is presumed innocent and has solid elements for a favourable outcome to this case.		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 412: Human rights assessment 2016	412-2	Employee training on human rights policies or procedures	Ethical business conduct, p.41 Proximus governance model, p.59		
	Own indicator	Number of cases investigated by the Investigations department for violation of policies/code of conduct	Ethical business conduct, p.41 Overview of non-financial information, p.106		✓
	Own indicator	Number of whistleblowing cases	Ethical business conduct, p.41 Overview of non-financial information, p.106		✓
<b>Linked with highly material topic: Quality products and services</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Customer first, p.33-35 Boundaries: - Outside: all customers		
	103-2	The management approach and its components	Customer first, p.33-35 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Customer first, p.33-35 Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.106		
GRI 416: Customer Health and Safety 2016	Own indicator	Blended usage satisfaction for residential customers	Customer first, p.33 Overview of non-financial information, p.106		
	Own indicator	MyProximus active users	Customer first, p.33-34 Overview of non-financial information, p.106		
<b>Linked with highly material topic: Pricing and billing transparency</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Customer first, p.35 Boundaries: - Outside: all customers		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 103: Management approach 2016	103-2	The management approach and its components	Customer first, p.35 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Customer first, p.35 Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.106		
GRI 206: Anti-competitive behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Consolidated management report, <a href="http://www.proximus.com/investors/reports-and-results">www.proximus.com/investors/reports-and-results</a> 3 legal actions regarding anti-competitive behavior and violations of anti-trust and monopoly legislation Outcomes of legal actions: nothing to report		
	Own indicator	Customer complaints	Customer first, p.33 Overview of non-financial information, p.106		
<b>Linked with highly material topic: Sustainability, energy &amp; circularity</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Respecting our planet, p.52-55 Boundaries: - Inside: management of Proximus Group - Outside: suppliers, communities and customers in countries of operations.		
	103-2	The management approach and its components	Respecting our planet, p.52-55 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Respecting our planet, p.52-55 Overview of non-financial information, p.108 Proximus governance model, p.59 Non-financial governance, p.72		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 301: Materials	301-3	Reclaimed products and their packaging materials		Reporting on reclaimed products and their packaging materials is considered not relevant for Proximus Group since customers are also allowed to bring the oldest end-of-life devices as scrap to WEEE recycling points in the local municipal container parks. Since Proximus Group is a member of Recupel, we rely on them to manage this recycling channel. The container parks report the WEEE figures to the Recupel organization but Proximus Group has no view on this data.	
	Own indicator	Collected mobile phones	Committed to the circular economy, p.54 Environmental figures, p.127 Overview of non-financial information, p.108		
	Own indicator	Refurbished modems and TV decoders	Committed to the circular economy, p.54 Environmental figures, p.127 Overview of non-financial information, p.108		
GRI 302: Energy 2016	302-1	Energy consumption within the organization	Environmental figures, p.125 Proud to be CO <sub>2</sub> neutral, p.52 Transparency, p.114 Overview of non-financial information, p.108		✓
	302-3	Energy intensity	Environmental figures, p.125		✓
	302-4	Reduction of energy consumption	Environmental figures, p.125 Proud to be CO <sub>2</sub> neutral, p.53 Transparency, p.114 Overview of non-financial information, p.108		
	302-5	Reductions in energy requirements of products and services	Environmental figures, p.127 Transparency, p.114		
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Environmental figures, p.126 Transparency, p.111-112		✓
	305-2	Energy indirect (Scope 2) GHG emissions	Environmental figures, p.126 Transparency, p.111-112		✓

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 305: Emissions 2016	305-3	Other indirect (Scope 3) GHG emissions	Environmental figures, p.126 Transparency, p.112-113		✓
	305-4	GHG emissions intensity	Environmental figures, p.126 Transparency, p.111-113		
	305-5	Reduction of GHG emissions	Environmental figures, p.126 Proud to be CO <sub>2</sub> neutral, p.52 Transparency, p.111-112 Overview of non-financial information, p.108		
GRI 306: Effluents and waste 2016	306-2	Waste by type and disposal method	Committed to the circular economy, p.54-55 Transparency, p.114 Environmental figures, p.127		✓
	Own indicator	Percentage of waste recycled, reused or composted	Committed to the circular economy, p.54 Overview of non-financial information, p.108 Environmental figures, p.127		
<b>Linked with highly material topic: Sustainable Supply Chain</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Committed to a sustainable supply chain, p.56 Boundaries: - Inside: management of Proximus group - Outside: suppliers and communities in countries of operations		
	103-2	The management approach and its components	Committed to a sustainable supply chain, p.56 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Overview of non-financial information, p.108 Committed to a sustainable supply chain, p.56 Proximus governance model, p.59 Non-financial governance, p.72		
GRI 308: Suppliers environmental assessment 2016	308-1	New suppliers that were screened using environmental criteria	Committed to a sustainable supply chain, p.56 Overview of non-financial information, p.108	Our screening policy is not specific on the new suppliers but rather on the significant suppliers contracted in the reported year. In 2019, our screening policy covered 32% of the total purchase amount.	

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 308: Suppliers environmental assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	Committed to a sustainable supply chain, p.56 In 2019, 25% (36) of suppliers screened on environmental risks had a negative score. None of them saw their relationship with Proximus Group terminated as a result of the assessments. These are used to promote sustainability among suppliers and to raise their sustainability standards. Suppliers screened on environmental risks with a negative score are systematically reassessed the year following the initial assessment. Action points of sustainability audits are systematically followed-up by Proximus Group within the Joint Audit Cooperation.		
GRI 412: Human rights assessment 2016	412-1	Operations that have been subject to human rights reviews or impact assessments	Committed to a sustainable supply chain, p.56		
	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Committed to a sustainable supply chain, p.56 100 % of investment agreements include human rights clauses or underwent such screening. We define significant investment agreements as contracts with a value above or equal to EUR 125 K.		
GRI 414: Supplier social assessment 2016	414-1	New suppliers that were screened using social criteria	Committed to a sustainable supply chain, p.56 Overview of non-financial information, p.108	Our screening policy is not specific on the new suppliers but rather on the significant suppliers contracted in the reported year. In 2019, our screening policy covered 32% of the total purchase amount.	
	414-2	Negative social impacts in the supply chain and actions taken	Committed to a sustainable supply chain, p.56 In 2019, 15% (21) of suppliers screened on labour practices & human rights risks had a negative score. None of them saw their relationship with Proximus Group terminated as a result of the assessments. These are used to promote sustainability among suppliers and to raise their sustainability standards. Suppliers screened on labour practices & human rights risks with a negative score are systematically reassessed the year following initial assessment. Action points of sustainability audits are systematically followed-up by Proximus Group within the Joint Audit Cooperation.		
	Own indicator	% of the total spend covered by supplier CSR scorecards - Proximus PLC	Environmental figures, p.127		
	Own indicator	Number of onsite audits in collaboration with JAC	Environmental figures, p.127		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
<b>Linked with highly material topic: Human capital and employee development</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Caring for our employees, p.36-40 Boundaries: - Inside: Proximus employees		
	103-2	The management approach and its components	Caring for our employees, p.36-40 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Caring for our employees, p.36-40 Overview of non-financial information, p.107 Proximus governance model, p.59 Non-financial governance, p.72		
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Social figures, p.123		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Proximus doesn't exclude part-time or temporary employees from the benefit package aimed at the full-time employees. However, for benefits with a direct link with remuneration/service, the level of the benefit is impacted by the part-time regime at due proportion (supplementary retirement plan, death coverage, disability coverage)	As Proximus makes no exception for the benefits given to its employees, a definition for "significant locations of operation" is not relevant to add.	
	401-3	Parental leave	Social figures, p.123-124		
	Own indicator	Employee engagement		The Speak Up survey for the 2019 results was organized in January 2020.	
	Own indicator	Internal mobility	Caring for our employees, p.36-37 Overview of non-financial information, p.107		
GRI 404: Training and education 2016	404-1	Average hours of training per year per employee	Caring for our employees, p.36-37 Social figures, p.124		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 404: Training and education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	Caring for our employees, p.36 Overview of non-financial information, p.106 (Proportion of Proximus employees actively looking for knowledge or people by using our enterprise social network (#WAP))		
	404-3	Percentage of employees receiving regular performance and career development reviews	Performance review, development and career coaching are closely linked to our culture. Our performance review process focuses on the strengths of employees to sharpen them further, through continuous coaching and feedback. We are convinced that this approach is beneficial for the employee himself. Indeed, an employee who evolves and develops, will perform all the better. It is also beneficial for Proximus because it helps it, in the end, to return to growth. At least 2 times a year each active employee receives a performance/ career review.		
	Own indicator	Employees using latest digital tool Office 365 OneDrive	Caring for our employees, p.36-37 Overview of non-financial information, p.106		
	Own indicator	Phishing exercises. Employee awareness results: employees who informed CSIRT	Digital trust, p.26-27 Overview of non-financial information, p.105		
<b>Linked with highly material topic: Health and safety</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Caring for our employees, p.36-40 Boundaries: - Inside: Proximus employees		
	103-2	The management approach and its components	Caring for our employees, p.36-40 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Overview of non-financial information, p.107 Proximus governance model, p.59 Non-financial governance, p.72		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Material topic 403: Occupational health & safety 2018	403-1	Occupational health and safety management system	Caring for our employees, p.40		
	403-2	Hazard identification, risk assessment, and incident investigation	Caring for our employees, p.40 Every accident at work occurring at Proximus must be reported as quickly as possible on a national & free phone number. A separate procedure exists for the subsidiaries. This can be consulted via Human Resources/HR department of the subsidiary. Accident data is treated by the RISK department in a database & each work accident analysis will be performed by the Corporate Prevention & Protection Department (CPP). In case of a serious accident at work, CPP will ensure it is reported as required to the Well-being at Work supervisory body or any other public authorities. For each work accident CPP will look together with the management of the concerned department for prevention and/or protection measurements as to prevent that the accident will happened again under the same circumstances.		
	403-3	Occupational health services	Caring for our employees, p.40	We took the step to disclose on health and safety according to the updated version of the GRI disclosure concerning occupational health and safety (2018), even though this will only be compulsory from 2021. This year, we focus on reporting the required information about our own employees.	
	403-4	Worker participation, consultation, and communication on occupational health and safety	Caring for our employees, p.40		
	403-5	Worker training on occupational health and safety	Caring for our employees, p.40	We took the step to disclose on health and safety according to the updated version of the GRI disclosure concerning occupational health and safety (2018), even though this will only be compulsory from 2021. This year, we focus on reporting the required information about our own employees.	

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
Material topic 403: Occupational health & safety 2018	403-6	Promotion of worker health	Caring for our employees, p.40	We took the step to disclose on health and safety according to the updated version of the GRI disclosure concerning occupational health and safety (2018), even though this will only be compulsory from 2021. This year, we focus on reporting the required information about our own employees.	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Caring for our employees, p.40		
	403-9	Work-related injuries	Caring for our employees, p.36, 40 Social figures, p.124 Overview of non-financial information, p.107	We took the step to disclose on health and safety according to the updated version of the GRI disclosure concerning occupational health and safety (2018), even though this will only be compulsory from 2021. This year, we focus on reporting the required information about our own employees.	
<b>Linked with highly material topic: Connectivity and digital inclusion</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Contributing to society, p.44-50 Boundaries: - Inside: management of Proximus Group - Outside: government institutions, communities and customers in countries of operations		
	103-2	The management approach and its components	Contributing to society, p.44-50 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.107		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 413: Local communities 2016	Own indicator	Percentage of accessible tested devices (at least for 1 disability category)	Contributing to society, p.46 Overview of non-financial information, p.107		✓
	Own indicator	Number of job seekers supported by our initiatives in Belgium	Contributing to society, p.44-45 Overview of non-financial information, p.107		✓
	Own indicator	Number of sick children connected to their school by Bednet and Take Off	Contributing to society, p.47 Overview of non-financial information, p.107		✓
<b>Linked with highly material topic: Privacy and data security</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Digital trust, p.26-28 Boundaries: - Inside: Proximus Group (management and employees) - Outside: government institutions, communities and customers in countries of operations		
	103-2	The management approach and its components	Digital trust, p.26-28 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.105		
GRI 418: Customer privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In 2019, Proximus reported 4 personal data incidents to the Belgian Data Protection Authorities.		
	Own indicator	International certifications related to privacy and cybersecurity	Digital trust, p.26-27 Overview of non-financial information, p.105		
<b>Linked with highly material topic: Responsible marketing</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Customer first, p.33, 35 Boundaries: - Inside: management of Proximus Group - Outside: customers in countries of operations		

GRI standard	#	GRI disclosure	Page number(s), URL(s) and/or information	Omission	Ext. audit
GRI 103: Management approach 2016	103-2	The management approach and its components	Customer first, p.35 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.106		
GRI 417: Marketing and labeling 2016	417-3	Incidents of non-compliance concerning marketing communications	Customer first, p.33, 35 Overview of non-financial information, p.106		
<b>Linked with highly material topic: Customer relationship</b>					
GRI 103: Management approach 2016	103-1	Explanation of the material topic and its Boundaries	Highly material topics, p.117 Customer first, p.33 Boundaries: Outside: all customers, in countries of operations		
	103-2	The management approach and its components	Customer first, p.33 Proximus governance model, p.59 Non-financial governance, p.72		
	103-3	Evaluation of the management approach	Proximus governance model, p.59 Non-financial governance, p.72 Overview of non-financial information, p.106	We don't disclose this information as it is commercially sensitive information	
	Own indicator	Field repairs	Customer first, p.33 Overview of non-financial information, p.106		

\* The definition of each KPI can be found in the section "KPI definition".

# KPI definition

<b>4G indoor coverage</b>	The indoor coverage refers to the average coverage of 4G inside of buildings. Results are based on BIPT/IPBT public figures in Q4 2019 and represent the population coverage percentage based on a simulation provided by the operators calibrated on basis of BIPT-drive-tests with signal levels at good level ( $\geq -97.5$ dBm).
<b>4G outdoor coverage</b>	The outdoor coverage refers to the average coverage of 4G outside of buildings. Results are based on BIPT/IPBT public figures in Q4 2019 and represent the population coverage percentage based on a simulation provided by the operators calibrated on basis of BIPT-drive-tests with signal levels at satisfactory level ( $\geq -110$ dBm).
<b>Fixed Internet speed 70Mbps and above</b>	This is the percentage of homes in Belgium that can be connected to our network with a speed of at least 70 Mbps. This includes copper & fiber homes passed.
<b>Average VDSL2</b>	This records the average VDSL2 speed of the homes connected to the Proximus VDSL2 network.
<b>Vectoring coverage in Belgium</b>	This records the percentage of Belgium which is covered by the vectoring technology. This technology allows for higher speed of the copper network connections.
<b>IoT connections</b>	Records the number Internet of things (IoT) connections in our network. using different wireless technology (LTE, LoRa, NbloT).
<b>International certifications related to privacy and cybersecurity</b>	Records the number of international certifications Proximus has acquired in the domain of cybersecurity and privacy.
<b>Phishing exercises: employee awareness results</b>	Number of employees that reported the 'real life' phishing mails they received (as part of an internal awareness campaign) to our corporate Cyber Security Incident Response Team (CSIRT). The numbers are the average of the two internal phishing campaigns Proximus organized.

<b>Blended usage satisfaction for residential customers</b>	Blended satisfaction with the use of our Internet, television and mobile phone services for residential customers.
<b>Customer complaints</b>	Decrease or increase seen in number of complaints made by residential customers that are not solved in first line by a call center agent and are therefore handled in second line by the Proximus back office.
<b>Field repairs</b>	In-home repair interventions by Proximus technicians to enable the customer to make optimal use of Proximus products.
<b>Internal mobility</b>	The number of internal moves is the total number of function changes during one year by Proximus employees.
<b>Frequency rate of occupational accidents</b>	Number of accidents that people suffer at work (multiplied by 1,000,000) divided by the total number of hours worked by Proximus S.A. employees.
<b>Severity rate of occupational accidents</b>	Number of accidents that people suffer at work (multiplied by 1,000) divided by the total number of hours worked by Proximus S.A. employees.
<b>Percentage of accessible tested devices (at least for 1 disability category)</b>	Percentage of devices which have been tested and proven accessible for at least one disability category by our partner Passe-Muraille.
<b>Number of job seekers supported by our initiatives in Belgium</b>	Number of job seekers which were helped through our initiatives (MolenGeek, 19, Technobel) during one year.
<b>Unique reach of Music &amp; Sports content on Proximus platforms</b>	The total number of unique users who see the music and sports content during one year.

Unique reach of sponsoring events	Unique visitors on sponsored events (estimate based on organizations' figures).
Carbon emissions 1+2 compared to previous year	Carbon footprint of Proximus group, in line with the GHG protocol, including the emissions related to heating gas and fuel, electricity consumption and fleet fuel.
Carbon neutrality level for own operations and business travel	To which extent Proximus Group is carbon neutral for all its operations and business travel.
Energy consumption compared to 2008	Decrease or increase seen in the energy consumption of Proximus Group in comparison with 2008 (when we set our objective to reduce our carbon footprint by 70% in the period 2007- 2020).
Electricity consumed from renewable energy sources	Percentage of electricity used by Proximus Group which came from renewable energy sources.
Percentage of waste recycled, reused or composted	The percentage of waste produced by Proximus S.A.'s operations which was then recycled, reused or composted. The remaining percentage is incinerated with energy recovery.
Collected mobile phones	Number of mobile phones collected over the course of one year to recycling them.
Refurbished modems and TV decoders	Number of refurbished modems and TV decoders over the course of one year to recycling them.

## Assurance statement

**Deloitte.**

Independent auditor's report on the limited review performed on a selection of non-financial performance indicators published in the document "Annual Report 2019" of Proximus SA de droit public / NV van publiek recht for the year ended 31 December 2019

To the board of directors

We have been engaged to perform limited review procedures aimed at expressing a limited assurance conclusion on a selection of non-financial performance indicators (the "Non-Financial Data") published in the document "Annual Report 2019" of Proximus SA de droit public / NV van publiek recht ("Proximus") for the year ended 31 December 2019. The Non-Financial Data have been defined following the Global Reporting Initiative (GRI) standards and Proximus' internal non-financial reporting guidelines. The Non-Financial Data have been selected by Proximus management and are as follows:

**Enabling a better digital life**

- 4G indoor coverage
- 4G outdoor coverage
- Fixed internet: 30Mbps coverage
- Number of projects with universities/education institutes

**Respecting our environment**

- Energy efficiency index (energy consumption vs total revenue) - Group
- Electricity [Terajoules] - Group
- Heating [Terajoules] - Group
- Vehicle fleet fuel [Terajoules] - Group
- CO2 emissions scope 1 and 2 (KTons) - Group
- CO2 emissions scope 1 - heating, refrigerants and fleet fuel (KTons) - Group
- CO2 emissions scope 2 - electricity - market based method (KTons) - Group
- CO2 emissions scope 3 - all reported categories - i.e. category 1, 2, 3, 4, 5, 6, 7 and 11 (KTons) - Belgium
- Waste (KTons) - Belgium
- % of hazardous waste - Belgium
- % waste reused/recycled - Belgium
- Non-hazardous waste - recycled or reused (KTons) - Belgium
- Non-hazardous waste - with energy recovery (KTons) - Belgium
- Hazardous waste - recycled or recovered (KTons) - Belgium

**Caring for our stakeholders**

- Number of cases investigated by the investigations department for violation of policies/code of conduct
- Number of whistleblowing cases

**Contributing to society**

- Number of job seekers supported by Proximus initiatives in Belgium
- Number of sick children connected to their school by Bednet and Take Off
- Percentage of accessible tested devices (at least for 1 disability category)

The scope of our work has been limited to the Non-Financial Data covering the year 2019 and including only the values retained within the scope of reporting defined by Proximus. The reporting scope covers Proximus SA de droit public / NV van publiek recht and its subsidiaries Telindus/SIT BV, Proximus Luxembourg SA and BICS SA (the "Group"). Our conclusion as formulated below covers therefore only these Non-Financial Data and not all information included in the Annual Report 2019.

1

**Deloitte.**

### RESPONSIBILITY OF THE BOARD OF DIRECTORS

The board of directors of Proximus is responsible for the Non-Financial Data and the references made to it presented in the Annual Report 2019 as well as for the declaration that its reporting meets the requirements of the GRI standards and of Proximus' internal non-financial reporting guidelines.

This responsibility includes the selection and application of appropriate methods for the preparation of the Non-Financial 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 Non-Financial Data.

### Nature and scope of our engagement

Our responsibility is to express an independent conclusion on the Non-Financial Data based on our limited review.

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 Non-Financial 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 functioning 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 Non-Financial Data published in the Annual Report 2019;
- Conducting interviews with responsible officers;
- Examining, on a sample basis, internal and external supporting evidence to validate the reliability of the Non-Financial Data and performing consistency checks on the consolidation of the Non-Financial 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 Non-Financial Data, as defined above, related to Proximus published in the Annual Report 2019, have not been prepared, in all material respects, in accordance with the GRI standards and Proximus' internal non-financial reporting guidelines.

Zaventem, 21 February 2020

The independent auditor

**DELOITTE Bedrijfsrevisoren CVBA / Réviseurs d'Entreprises SCRL**  
Represented by Koen Neyses

2

