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Business Model & Strategy

Resilience of the business model and strategy

Telenet is a provider of telecommunication and entertainment services in Belgium. Telenet offers internet, telecommunication, and digital television services across Belgium. The business division provides hosting, security, and connectivity solutions across Flanders, Wallonia, and Brussels. They also support MVNOs (mobile virtual network operators) and are listed on the Euronext Brussels stock exchange.

The company has committed to achieving climate neutrality by aligning with the EU Green Deal and adopting SBTi (Science-based targets) to manage its emissions across all scopes. They plan to become net zero in their operations by 2030, which involves being more efficient in using energy, waste management/reduction, and environmentally friendly resource allocation. To achieve these goals, the company will turn to renewable energy sources and implement measures to save energy in their daily operations such as reducing inefficiencies. These efforts show their strong dedication to a sustainable future.

The company has blended ESG into its management and daily practices. This also aligns with the CSRD requirements, that is embedding sustainability as the core of business strategies. Telenet has set ESG-related risks in their company's risk management since 2021. Therefore, the company is confident in identifying and addressing these risks, which is one of the main aspects of CSRD. The ESG initiative has been given priority and is included in their financial budgeting and planning. Telenet has also aligned with TCFD recommendations that are environmental responsibilities involving governance, risk management, and strategies while setting KPIs to improve energy efficiency and environmental performance. Some of the common practices they do in achieving these initiatives are investing in purchasing electricity from renewable sources and having a range of energy-efficient solutions in place such as LED lighting and cooling systems in their technical areas. They committed to reducing GHG emissions by strongly promoting mobility solutions such as the use of bicycles, and trains, and 98% of their leased vehicles are hybrid electric cars.

Transition plans and actions

Telenet had outlined in their report their goal of a net zero transition plan resulting a zero-carbon emission by 2030. They plan to reduce all scope 1,2, and 3 emissions by 42.33% by 2030. And this is being done as mentioned in the earlier part by using 95% green energy, the purchase of electricity under any contract is 99.9% renewable. They have also identified their activities based on the NACE codes which make them easily identifiable. A thorough assessment of screening criteria for each of its economic activities has also been carried out, this ensures their contribution to climate change mitigation and DNSH (do not significantly harm) environmental objectives. And they have adapted their transition plans into their business aspects (supply chain management, customer engagement, and logistics). They strongly support and promote sustainable supplier operations and use Eco Vadis assessment to evaluate their supplier performance. They also create positive experiences, improving their customer interactions and reinvesting in their digital platforms to complement their offline channels. Telenet also is a part of CULT (Collaborative Urban Logistics and Transport), which involves testing for more sustainable transport solutions.

Stakeholder engagement:

Telenet is committed to stakeholder engagements, and they frequently update their materiality matrix concerning this. They have a wide range of stakeholders, that is customers, investors, employees,

local communities, etc. They also possess a structural approach in their stakeholder engagement charter and materiality assessment, and this aligns with CSRD requirements. However, according to the report it could be felt like there is a lack of focus on indirect stakeholders such as environmental groups and future generations, and it is not quite clear about the depth of these stakeholders' feedback, especially on environmental aspects. There is no clear message or statement on how this feedback influences product development and community needs.

Strategy Implementation

Strategy implementation towards sustainable goals is a multitiered strategy which is the integration of ESG targets in all company-wide objectives. And Telenet is doing so, whether it is in their business strategies or upstream and downstream supply chain. In the year 2022 alone, they have recycled more than 200,000 set-top boxes and modems and this helped in avoiding 483 tons of waste materials. The company has a structural partnership with Pro Used Computers for the recycling and reuse of IT equipment, for instance, old phones brought by customers are reprocessed. In total 50% of collected customer premise equipment is refurbished and 100% of hazardous waste is either being used or recycled.

When mentioning the supply chain, the company rewards any supplier who strives for sustainable operations and encourages underperforming suppliers to improve their performance. All the suppliers of the company have to comply with the company's anti-corruption policy and supplier code of conduct (last updated in 2019).

Intangible Resource Disclosure

Telenet supports female leadership, and an inclusive culture and invests in related policies. This commitment can be seen through their listing in the Bloomberg Gender Equality Index¹. Their emphasis on social capital is demonstrated by their high rankings in gender equality indexes and programs that foster an inclusive workplace. Meanwhile, Telenet suffers from negative customer loyalty, therefore more focus must be given to it. And there is no mention of goodwill, trademarks, patents, etc., which makes it harder for investors to better understand the gap between accounting book value and their market valuation.

Overview of the gap analysis:

CSRD requirement /section/Sub-section	How does the company address them today?	Identified gap	Recommendations
Resilience of the business model and strategy	Telenet has a strong focus on current sustainability goals and practices	Lack of details on resilience	More insights on how the business model and strategy are resilient against technological aspects and regulatory requirements can be mentioned. There are incentives mentioned but lack the tracking of progress and more details of it.
	Telenet is committed to achieving net-zero carbon emissions by 2030, using	Staffing problems in the Telenet residential	The combination of these issues has led to an important increase in customer complaints in the first

¹ <https://assets.bbhub.io/company/sites/46/2023/01/GEI-MemberList.pdf>

Transition plans and actions	predominantly green energy, and has incorporated sustainability into its business operations, supply chain management, and customer engagement strategies.	customer engagement teams.	quarters of 2023. Therefore, increasing staff to mitigate this risk will be helpful
Stakeholder engagement	Telenet actively engages with a range of direct stakeholders like customers and employees but lacks focus on indirect stakeholders such as environmental groups.	Lack of details on indirect stakeholders and how their engagement is used for product development and community needs.	Improve stakeholder engagement by focusing on indirect stakeholders as well. More emphasis on how the stakeholder engagements are used for product development and community needs
Strategy implementation	Telenet integrates ESG targets into its company objectives and strategies, including recycling and refurbishing initiatives across its supply chain and rewarding suppliers for sustainable practices while adhering to strict anti-corruption and conduct policies.	-	-
Intangible resources	Telenet champions female leadership and an inclusive culture, reflected in gender equality index rankings	Lack of information on intangible resources such as brand value, trademarks, etc.	More information on other intangible resources, such as brand value, corporate culture, and intellectual property, should be disclosed. This helps investors to understand better the gap between accounting book value and their market valuation.

Governance

CSRD requirements:

For information on the Administrative, Management, and Supervisory Bodies' (AMSB) membership, including gender diversity and staff representation, the report refers readers to the annual report.² Detailed information is completely mentioned in the annual report.³ This information, including executive and non-executive members, is more transparent if they include it in the sustainability report.

The report notes that A dedicated Sustainability Expert Team monitors day-to-day operations and program execution in close collaboration with the Investor Relations Team, the Finance Team, and all relevant business units across the firm. Regarding the supervising ESG issues The Audit and Risk

² Telenet, Sustainability Report 2022, p. 96

³ Telenet, Annual Report 2022, p. 83-101

Committee regularly reviews sustainability risks related to the company's key issues and receives quarterly updates on the sustainability program. A senior leadership team, including top executives, meets quarterly to guide and monitor the sustainability efforts, reporting progress to the CEO and Board of Directors.⁴

The AMSB's training and expertise on sustainability-related topics was found to have a large gap. The absence of any evaluation of the AMSB's sustainability expertise or mention of any training they received, both of which are essential for efficient governance in sustainability-related concerns, is noted in the report. The development of a stakeholder engagement charter by Telenet and one instance of a CEO Executive Circle with a stakeholder engagement focus are mentioned in the report.⁵ It does not, however, go into detail on the AMSB's direct observations or participation in these stakeholder engagements, which is essential to comprehend their approach to stakeholder management.

According to the report, there are new long-term incentive plans for senior leaders that prioritize sustainability, as well as a new CEO compensation plan with a specific ESG target that makes up 20% of the plan. The report also mentions the Remuneration Committee approved new long-term incentive plans for senior leaders, aimed at rewarding the effective execution of the company's new sustainability strategy. This strategy emphasizes three main areas: enhancing employee engagement and reducing stress-related absenteeism, increasing environmental responsibility through the reduction of greenhouse gas emissions, and improving the protection of customer privacy and data.⁶

Governance in climate change and business conduct

The report on climate change governance (ESRS E1) makes a general statement on remunerating the AMSB for putting GHG reduction plans into practice. ESG targets 20% of the CEO remuneration plan but it's not mention how much is linked to GHG reduction⁷. GHG reduction targets are also listed and have been sent to SBTi. It is forecasted to get approval from SBTi in early 2024.⁸

Regarding business conduct (G1), there is a good summary table in the report that mentions the number of corruption and anti-competitive behavior incidents. Also, there is a summary that shows several political contributions encompassing consultant salaries and administrative expenses. Regarding the Relationship with Suppliers and Payment Practices, they have established a suppliers' code of conduct which mentions a wide range of responsibilities suppliers should comply such as international labor standards, ethics, health & safety, and environment. However, payment practices as an important topic are missing in the document.⁹

Recommendations:

Even though the report provides a piece of very good information regarding the governance in sustainability, Telenet should concentrate on three critical areas to improve its sustainability reporting following CSRD requirements: Introduce sustainability training information to the AMSB to ensure aware governance. More information about the AMSB's involvement in stakeholder engagement. Provide information on AMSB remuneration associated with climate-related performance and the status of GHG reduction targets. Finally documenting supplier payment practices in business conduct. These actions will not only align Telenet's reporting with CSRD standards but will also demonstrate a complete and transparent governance strategy.

⁴ Telenet, Sustainability Report 2022, p. 22

⁵ Telenet, Sustainability Report 2022, p. 70-71

⁶ Telenet, Sustainability Report 2022, p. 22

⁷ Ibidem

⁸ Telenet, Sustainability Report 2022, p. 84

⁹ Telenet, Sustainability Report 2022, p. 71

Overview of the gap analysis

CSRD Requirement	How does the company address them today?	Identified Gap	Recommendation
information on AMSB	Referred to the annual report	-	Include information in the sustainability report itself for more transparency and accessibility
ESG Oversight	Sustainability Expert Team in place; Board addresses ESG semi-annually	-	-
Knowledge & Training on Sustainability	No mention of AMSB's sustainability training	No reference to AMSB's training in sustainability	Detail current/planned training programs for AMSB in sustainability
ESG Risks & Opportunities	Audit and Risk Committee monitors risks; the senior leadership team provides updates	-	-
Incentive Schemes Linked to Sustainability	CEO remuneration includes ESG target (20%); new incentive plans for senior leaders	-	-
ESRS E1: Climate-Related Remuneration	General statements on remunerating AMSB for GHG reduction strategies	Lack of quantitative data on remuneration linked to climate performance	Include data on the percentage of remuneration linked to climate initiatives
ESRS E1: GHG Emission Reduction Targets	GHG reduction targets mentioned, SBTi approval is pending	-	-
ESRS G1: Corruption & Bribery	Summary of corruption incidents provided	-	
ESRS G1: Political Contributions	Details on lobbying expenses provided	-	-
ESRS G1: Supplier Relationships & Payment Practices	Code of conduct for suppliers established	No mention of payment practices	Include information on payment practices to suppliers

KPI's, Targets & Policies

Telenet has identified 11 material matters in total, 6 of which constitute primary focus areas and 5 of which indicate areas that are crucial to monitor, after assessing the double materiality of its operations

under the CSRD principles. Business ethics and transparency, being a responsible employer, digital inclusion and skill development, carbon and energy efficiency, employee diversity and equality, privacy, and data security are the main areas of attention. These major areas of focus form the framework of Telenet's sustainability report. Telenet offers a qualitative explanation of the matter, potential risks, and management strategy for each of these focus areas.

Description of timebound targets

Telenet has engaged in pursuing long-term goals such as driving digital progress, empowering the internal stakeholders of the organization, and embracing environmentally responsible practices. Their strategy is divided into 3 pillars named “Progress”, “Empowerment” and “Environmental Responsibility”.

The goal of the “Progress” pillar is to push 150,000 individuals and enterprises into the digital era by the year 2030. Also, Telenet wants to be acknowledged both within and outside the organization as an inclusive and purpose-oriented entity through the pillar of “Empowerment”. Moreover, the pillar “Environmental responsibility” refers to the adoption of circular economy practices and being carbon neutral by 2030. None of these targets has been presented as a baseline value.

Regarding the short-term targets, Telenet has established a sustainability framework for the period between 2021 and 2025 with detailed, concrete, and measurable goals. Overall, the targets that Telenet has set forth are quantifiable, contain precise targets, and have a due date. More importantly, the targets set by Telenet are the Sustainable Development Goals (SDGs) outlined by the United Nations. The targets align with SDG 4 (quality education), SDG 5 (gender equality and women empowerment), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation, and infrastructure) SDG 12 (responsible consumption and production), SDG 13 (climate action), and SDG 17 (partnership for the goals).

Description of progress, indicators & ESG policies – “PROGRESS”

Telenet outlines the plans to accomplish the targets established within this pillar. To reduce the digital divide, twelve innovative projects with a focus on inclusion and digital literacy will provide connectivity solutions, including hardware, guidance, and coaching in basic digital skills. Additionally, Telenet will provide cost-free consultations and personal mentoring to help local entrepreneurs succeed and evolve in the digital age.

The sustainability report provides an explanation of the qualitative components of the sustainability activities described.¹⁰ Additionally, the qualitative aspects of each partnership Telenet has that advances the sustainability goals are addressed in the report.¹¹

Moreover, the percentage of employees who felt favorable about Telenet's societal commitment through the aforementioned initiatives is also given, indicating that employee feedback is taken into consideration, adding to the qualitative assessment of these initiatives and campaigns.

To show the progress of the long-term targets of this pillar, KPIs that encompass the period 2019-2022 are presented, which allow the reader to assess Telenet's success in meeting its targets.¹² Meanwhile, only the 2022 figure is provided for each initiative individually, leaving the reader unable to fully evaluate the usefulness of each program because it does not provide an overview of how those initiatives progress.

¹⁰ Telenet, Sustainability Report 2022, p. 39-41.

¹¹ Telenet, Sustainability Report 2022, p. 32-41.

¹² Telenet, Sustainability Report 2022, p. 74.

Description of progress, indicators & ESG policies – “EMPOWERMENT”

Telenet has implemented various initiatives to achieve the goals included in this pillar, including transforming into an Agile organization, empowering employees with a platform that enables them to provide and request feedback, conducting multiple surveys to measure and track their active engagement, and creating an inclusive work environment.

Telenet describes the qualitative aspects of their initiatives through narratives together with case studies, success stories, and examples that illustrate them.

The progress regarding the targets mentioned above is measured using the relevant KPIs.¹³

Furthermore, the report contains the evolution of relevant and thorough indicators concerning gender diversity and equity, employee engagement, employee well-being, and attraction and retention of talent. In this instance, it is simple for the reader to evaluate the company's progress.¹⁴

The report lacks specific details regarding partnerships and collaborations with governmental agencies, other companies, or non-governmental organizations (NGOs). Recommended for a full and transparent picture of the company's collaborative efforts would be to provide explicit insights into the vaguely mentioned partnerships.

Description of progress, indicators & ESG policies – “ENVIRONMENTAL RESPONSIBILITY”

Telenet evaluates its emissions, categorizing them by scope. Each identified scope is accompanied by baseline data measurements and time-bound targets.

Telenet additionally details its strategies for achieving the set targets. The company has outlined 11 distinct initiatives, all of which revolve around key themes directed at enhancing energy efficiency, curbing greenhouse gas emissions, minimizing resource consumption, and mitigating waste generation. These initiatives collectively emphasize Telenet's comprehensive approach to sustainable practices and highlight its commitment to fully tackling various environmental aspects.

It appears that, for this section of the report, the decision was made to monitor the progress of each initiative by providing a qualitative description enriched with case studies, success stories, and other illustrative examples, as opposed to presenting a year-over-year overview.

The Sustainability Report provides an assessment of each target's progress along with the pertinent KPIs over four years starting in 2019 until 2022 which allows the reader to assess the level of environmental responsibility Telenet has.¹⁵

Throughout this section of the report, qualitative dimensions of partnerships and collaborations are outlined, encircling shared values and the existing synergies among partners.

Responsible Business Practices

Telenet ensures transparency and accountability in the preparation of this report through established mechanisms. The company's commitment to sustainability is demonstrated by adherence to the standards mandated by CSRD and ESRS. External audits conducted by KPMG further validate the company's sustainability claims.

The Board actively engages in promoting various ESG policies and exercises oversight by reviewing and endorsing management proposals. However, the absence of dedicated sustainability structures within the Board is notable.

In terms of performance evaluations for sustainability initiatives, Telenet has transitioned from individual assessments to a collective performance review centered on company-wide objectives

¹³ Ibid.

¹⁴ Telenet, Sustainability Report 2022, p. 48-49.

¹⁵ Telenet, Sustainability Report 2022, p. 75.

rather than individual-level goals. Notably, the report does not specify any repercussions in the event of falling short of Telenet’s sustainability targets.

Overview of the gap analysis

CSRD requirement	How does the company address them today?	Identified gap	Recommendations
Description of time Bound Target	In general, Telenet has established detailed, concrete, and measurable goals for the short term and the long term.	Regarding the pillar “Empowerment”, no precise timebound target has been established for their commitment to “be recognized internally and externally as an inclusive and purpose-driven organization”. Overall, no roadmap with milestones has been mentioned for any of the targets.	To ensure that the report has uniform targets regarding all aspects it would be recommended to set the year 2030 as a target. Also, providing a roadmap with milestones would benefit this section of the report.
Description of Progress	YoY evolution of relevant KPIs for each pillar and qualitative description for all their initiatives. The status of the initiatives during the reported year is presented.	The description of the progress made on each initiative is differently presented for each pillar which represents an inconsistency in their reporting. Moreover, the status of the initiatives only for the past year doesn’t help the reader assess the actual progress.	Telenet should report uniformly the progress of the initiatives related to every pillar and show a YoY evolution like in the case of the KPIs.
Use of Indicators relevant to the disclosures	Overall, the KPIs and initiatives used to measure progress and performance are relevant.	No gaps were identified.	Proactivity in ensuring that reporting standards are up to date with industry standards.
ESG policies	The policies laid out by Telenet which serve as a framework for decision-making and action are aligned with the Sustainable Development Goals established by United Nations.	There are not mentioned any consequences/penalties for the board/executives/employees in a scenario where the company would fail to achieve its goals.	The mention of consequences or penalties for not reaching the specified targets would confer more credibility on the report and the company overall. Proactivity in ensuring that the company complies with the latest recommendations and regulations.

Adverse Impacts and Risks

Due Diligence Process and Core elements

Telenet has integrated ESG-related risks¹⁶ into its Enterprise Risk Management framework since 2021.

Green code: The company has integrated ESG-related risks into its Enterprise Risk Management framework.

Orange code: The report lacks specific information on engagement with affected stakeholders, tracking the effectiveness of efforts, and integration into governance and business model decisions.

Red code: The report lacks disclosure of the nature of prior period material errors. Stakeholders rely on accurate and reliable information to assess a company's environmental, social, and governance (ESG) performance. Material errors in reporting can impact the credibility of the sustainability report and affect the decisions and perceptions of stakeholders, including investors, customers, employees, and the wider community.

Identification and description of actual and potential adverse impacts

Green code: The company identifies ESG risks across general categories.

Orange code: The report lacks explicit descriptions of potential impacts, especially in the environmental and social aspects. Telenet should enhance the description of actual and potential impacts, providing more specific examples and detailing the link between these impacts and their business operations, value chain, and relationships.

For this, it is recommended to utilize a graphical table to elucidate the risks along with their corresponding impact levels on the company's operations. This approach facilitates a more user-friendly and comprehensible representation. Furthermore, new risks for Telenet have been identified, which may be incorporated into their report.

Risk causes & climate change – Potential adverse impacts	Short-term	Medium-term	Long-term
Policy changes - Introduction of climate change-related policies by governments These policies could result in a price increase, for example by putting a price on CO2 emitted. Extra flat taxes are also a possibility.	Low impact	Medium impact	High impact
Market - Competition for scarce green energy supply Energy prices have seen a massive price increase due to geopolitical reasons. The move away from fossil fuels also influences the pricing of energy as green energy is in high demand.	Medium impact	Medium impact	High impact
Market - Increased outsourcing & supply chain risk as they are also exposed to climate change impact. Climate change is one of the driving factors influencing the economy.	Medium impact	Medium impact	High impact

¹⁶ Telenet's impacts and risk were retrieved from: Sustainability report 2022, Page 19-21, and Page 51-57.

Climate change could trigger pandemics, political uncertainty, and raw materials shortages.			
Reputation - External stakeholder perception may not be in line with Proximus efforts. Perceived inactivity/inconsistency of a company concerning climate change can lead to customer churn, missed sales opportunities, lower demand for products & services, and regulatory fines. Example: debate around the roll-out of 5G and climate impact.	Low impact	Low / Medium impact	Medium / High Impact
Extreme weather events - Infrastructure damage Extreme weather events will become more frequent and widespread, even in unexpected areas. These events will cause major disruption and damage to IT systems and assets.	Low impact	Low impact	Medium impact
<i>Source's elaboration:</i> Short-term period 1 year, medium-term period 2-5 years, long-term year more than 6 years. The objective of this table is not to assess it; instead, its purpose is to recommend Telenet a methodology through which they may gauge the impact of risks.			

Sustainability-Related Financial Risks & Opportunities

Green code: The report acknowledges financial impacts from transition and physical climate risks, among others.

Orange code: The report lacks specificity in illustrating sustainability-related financial risks and opportunities. It also does not cover all relevant risks observed in other reports, such as Technology Adoption Risk and Biodiversity Risk.

On the first hand, the report mentions Transition risks, Physical risk, Resource efficiency, Energy source, and Resilience. It is crucial to recognize that these are not completely exhaustive. Furthermore, incorporating additional risks observed in different report companies, such as Technology Adoption risk (according to the Global Telecommunications Sustainability Report 2023), several telecom firms faced disruptions during the integration of 5G technology due to unexpected technical glitches and cybersecurity concerns. As for Biodiversity risk, the Sustainability Impact Assessment by the European Telecommunications Consortium highlighted that the telecom sector, counting broadband infrastructure development, can pose a risk to biodiversity playing havoc with habitats and increasing demand for raw materials, will offer a more comprehensive view and align with stakeholder expectations for thorough sustainability analysis.

Managing Sustainability Risks & Opportunities

Green code: ESG risks are integrated into the Enterprise Risk Management framework, and there is a risk register with details on assessments and mitigation plans.

Orange code: The report lacks details on how ESG risks are prioritized, assessed for likelihood and magnitude, and integrated into the overall risk management strategy. Additionally, quantitative aspects of the risk assessment need further elaboration.

Overview of the gap analysis:

CSRD requirement	How does the company address them today?	Identified gap	Recommendations
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Due Diligence Process and Core elements	Telenet has integrated ESG-related risks into its Enterprise Risk Management framework since 2021. Telenet has identified and categorized ESG risks, but the report lacks specific information on engagement with affected stakeholders, tracking the effectiveness of efforts, and integration into governance and business model decisions.	Absence of specific details in the report on stakeholder engagement, effectiveness tracking, and integration into governance and business model. Critical lack of disclosure regarding the nature of prior period material errors in the report.	Strengthen Telenet's ESG risk management with a comprehensive due diligence process aligned with CSRD, explicitly addressing core elements such as stakeholder engagement, impact assessments, and effective risk mitigation strategies.
Identification and description of actual and potential adverse impacts	The report identifies ESG risks across general ESG, environmental, social, and governance categories. However, there is a need for more explicit descriptions of potential impacts, especially regarding the environment and social aspects.	The report lacks clear descriptions of impacts, especially in environmental and social aspects. Telenet should enhance descriptions, providing specific examples and linking impacts to business operations, value chains, and relationships.	The report should elevate the description of adverse impacts, providing specific examples and establishing clear links between these impacts and Telenet's operations. Utilizing a graph to measure their level of impact.
Sustainability-Related Financial Risks & Opportunities	The report acknowledges financial impacts from transition and physical climate risks but lacks specificity in illustrating sustainability-related financial risks and opportunities.	The report lacks specificity in illustrating sustainability-related financial risks and opportunities. It does not cover Technology Adoption Risk and Biodiversity Risk. Including additional risks, such as disruptions during 5G integration and biodiversity risks, aligns with stakeholder expectations.	Telenet's report must expand beyond current categories, including specific examples like Technology Adoption and Biodiversity Risks for a more comprehensive view aligning with stakeholder expectations
Managing Sustainability Risks & Opportunities	The report outlines the integration of ESG risks into the Enterprise Risk Management framework, with a risk register providing details on risk assessments and mitigation plans.	The report lacks details on prioritizing, assessing likelihood and magnitude, and integrating ESG risks into the overall risk management strategy. Quantitative aspects of the risk assessment need further elaboration for a more comprehensive understanding.	Enhance the report by detailing risk prioritization, assessment, and seamless integration with a focus on quantitative aspects for clarity. Provide granular details on prioritization, mitigation plans, and specific scenarios for increased robustness

Other Requirements

ESG information publication in a dedicated section of the annual report

Telenet not only publishes its ESG information separately in its annual report, but on top of that it releases a dedicated sustainability report. Their separate documentation shows the commitment of Telenet to be transparent and accountable. By creating a stand-alone report, they give their stakeholders a good overview of the company's sustainability initiatives as a whole. The presentation of ESG metrics in a separate report highlights overall Telenet's sustainability efforts.

Digitalization – electronically readable format (with 'tagged' sustainability information)

Telenet has made significant strides in digitalization by presenting its sustainability information in an electronically readable format. However, at the moment tagged metadata cannot be verified yet. The company's commitment to transparency can be seen in the accessibility and clarity of its digital reports. The format makes it easy for stakeholders to navigate and understand the information, which helps to be more informed about Telenet's sustainability efforts. As the 'tagged' sustainability information is not yet present or incorporated into their report, the advice would be to make sure Telenet works on this aspect for complete incorporation. There are situations where the level of detail provided is not sufficient. Some examples are the following: for renewable energy, it is mentioned that they are moving towards more renewable energy sources. However, we never see a full depiction of the current state of those renewables in terms of percentage from each renewable. On the other side for community engagement programs, they do mention more clearly the different types of people and how many people they reach. The tagged information, however, remains absent in both situations. Despite some small remarks, overall Telenet has a well-accessible and readable format. This in turn helps the different types of stakeholders to find information more easily throughout the report. Telenet also provides English, Dutch, and French reports meaning their digital documents are even more accessible and inclusive.

Report according to the double materiality principle

Telenet conducted a double materiality assessment at the beginning of 2023 that is already in line with the CSRD regulation. This assessment brought a new matrix forward which will be the basis of their reporting cycle for 2023. The current report is based on their assessment of 2021. Telenet provides a complete overview of how they conduct their assessment. Their process includes defining and weighing the different stakeholders and interviewing them. Their final result for their prioritization of ESG topics is based on public data, results from interviews with customers, and inputs from labor unions. This shows Telenet uses an already complete way of defining its priority matrix. Benchmarking Telenet with other companies reveals that they could further split their stakeholders. An example could be the government and communities. The way Telenet currently engages its different stakeholders could also be further improved by reaching them through different channels and initiatives rather than only through surveys and interviews. To conclude, sustainability reporting remains a process of continuous improvement. Telenet also recognizes this and has made improvements from its report in 2021 compared to its latest report of 2022. In their 2022 report, they mention they will further improve their reporting and refine their sustainability strategies to better reflect the outcomes from their latest double materiality assessment.

Report according to EU taxonomy

Telenet already reports according to the EU Taxonomy, however, there is still some room for improvement. The company could improve its reporting quality by providing more specific details and examples of how its activities align with topics outlined in the taxonomy. Telenet only assessed a selection of their entities for the reporting of sustainable activities according to EU taxonomy. A recommendation here is to include all entities to make sure that Telenet as a whole is being considered for the report, which is what they are planning to do. They also only took their operations into account and not those of their suppliers, which in the future could be good to do to provide a more complete overview.

The main source of Telenet's activities cannot be matched with the EU taxonomy for sustainable activities. It indicates that Telenet has rather unsustainable activities according to the EU taxonomy. This is something Telenet themselves indicate as well: *"Our most relevant revenue-generating economic activity, namely telecommunications, is currently not recognized as a sustainable activity within the EU Taxonomy"*. Despite this fact, they did provide a complete overview of their methodology and how they conducted the assessment of how their activities could be matched with taxonomy-eligible activities. A recommendation here is to adapt the visualization of the tables to make them easier to grasp. This would offer stakeholders a clearer view of Telenet's sustainability efforts and their contribution to EU environmental objectives. Endeavors to adapt their business activities towards more eligible activities are also recommended.

Third-party verification (limited vs reasonable assurance)

Third-party verification for sustainability reporting is important to validate the provided information. Telenet mentioned that as part of the Liberty Global group, they engage with KPMG to get a verification of their sustainability report. KPMG provides limited assurance on Telenet's energy consumption and greenhouse gas emissions. The level of third-party verification on the sustainability report plays an important role in improving the reliability of the provided data and information. Given that Telenet opts for limited assurance, the question can be raised whether everything provided is sufficiently reliable and/or correct. A transition towards reasonable assurance would be recommended to improve reliability.

European Sustainability Reporting Standards

To assess the applicability of the European Sustainability Reporting Standards (ESRS) for Telenet, we confronted the legislation regarding these standards with the material topics disclosed in the sustainability report. In the table below an overview can be found of the applicability of ESRS for Telenet.

ESRS	Relevance	Justification
ESRS 1 – General Requirements	Applicable	Reporting on general requirements is essential for Telenet as it operates in a regulated industry.
ESRS 2 – General Disclosures	Applicable	Required to disclose general sustainability information to meet the increasing demand for transparency from investors, customers, and the public.
ESRS E1 – Climate Change	Applicable	Telenet's operations consume significant energy which makes it necessary to report on climate change to demonstrate the company's efforts to measure and reduce GHG emissions, contributing to global climate change mitigation goals and aligning with regulatory expectations.

ESRS E2 – Pollution	Not Applicable	Not Applicable
ESRS E3 – Water & Marine Resources	Not Applicable	Not Applicable
ESRS E4 – Biodiversity & Ecosystems	Not Applicable	Not Applicable
ESRS E5 – Resource Use & Circular Economy	Applicable	Allows Telenet to showcase its commitment to minimizing waste, promoting recycling, and adopting practices that contribute to a more sustainable and efficient use of resources.
ESRS S1 – Own Workforce	Applicable	The company's commitment to fair labor practices, employee well-being, and diversity and inclusion is of interest to stakeholders who are increasingly considering social responsibility in their decision-making.
ESRS S2 – Workers in the Value Chain	Applicable	Ensures that Telenet maintains ethical business relationships, contributing to the overall well-being of workers associated with the company's value chain.
ESRS S3 – Affected Communities	Not Applicable	Not Applicable
ESRS S4 – Consumers & end-users	Applicable	Telenet serves a large consumer base, and reporting on consumers and end-users is essential for demonstrating the company's commitment to responsible business conduct.
ESRS G1 – Business Conduct	Applicable	Transparent reporting on business conduct is essential for building and maintaining trust among stakeholders, including customers, investors, and regulatory authorities.

Note: In our materiality interpretation of the assessment, aspects scoring 2.5 or above, on a scale from 1 to 5, are considered material.

Conclusion

Telenet's sustainability report offers a thorough examination of the company's approach towards sustainability and ESG clearly and concisely. Their reporting includes both their achievements and their areas to improve, which is indicative of transparent behavior. Overall, Telenet started implementing different requirements from ESG guidelines, CSRD, and EU taxonomy at an early stage. They follow up on new directives closely, which shows their strong commitment to the field of sustainability and its changing environment. Their ambition to commit is visible in their daily practices as well as in their various goal settings about the EU Green Deal, SBTi, and TCFD recommendations. Their proactive approach is also visible in their focus on energy efficiency, switching towards renewable energy sources, and implementing sustainable supply chain practices.

Nonetheless, Telenet's report also shows several gaps that were identified throughout the analysis. In general, a lack of more detailed information leads to gaps in their reporting. Some examples of this are the missing detailed information on the resilience of their business model and strategy and the information about their intangible resources like branding or their intellectual property. This in turn affects shareholders and their decision-making as well. Telenet could also expand its stakeholder focus to include more indirect stakeholders to guide it in defining its double materiality matrix.

To gain a comprehensive understanding of all the gaps and recommendations, the full analysis should be reviewed. This conclusion only refers to some key elements from the gap analysis. Telenet needs to fill in these gaps to improve its sustainability reporting and procedures. Better progress tracking and reporting are necessary to strengthen the business model's resistance to changes in technology and regulations.

Overall, Telenet already has a good sustainability report and can focus on continuous improvement and attention to the changing environment of sustainability to keep on meeting their various stakeholders' expectations.