



# Portugal Telecom Digital Inclusion Strategy

Portugal Telecom’s DNA entails significant contributions to society at large for a long time. So no surprise that one of the **five strategic goals** defined by PT in 2009, is to “**become a reference in sustainability**”:



This memorandum summarizes PT’s sustainability strategy and lists some of the key initiatives of our company that have the ultimate goal of helping close the “digital gap” that still remains within and somehow separates our society.

## MAIN DRIVERS

### A - EDUCATION, HEALTHCARE AND DIGITAL INCLUSION AS PART OF PT’S SUSTAINABILITY STRATEGY

PT’s ultimate goal is to create shareholder value while simultaneously contributing to the society and the environment wellbeing. We believe these objectives are self reinforcing. Hence its sustainability strategy has been developed with triple bottom line objectives that apply not only to Portugal but also to all geographies where we are present:

- **Economy**: focus on ethics and stakeholder engagement in order to achieve long term profitable results
- **Environment**: introduce eco-responsibility as a key element in the corporate culture and global strategy
- **Society**: apply ICT solutions **to reduce the digital divide and contribute to improve education and healthcare**



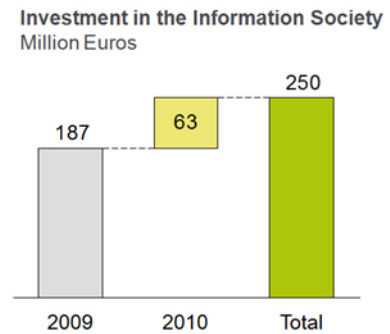
To guarantee the success of our initiatives we make sure they are sustainable in the future and we measure their direct and indirect impact in the society through a group of key metrics.



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## B- FOCUS ON REDUCING THE DIGITAL DIVIDE AND CONTRIBUTING TO THE SOCIETY

In 2010, PT invested 63 million Euros in more than 100 initiatives contributing to the Information Society and ultimately improve the quality of life of our citizens. Together with 2009, the investment to promote access to Information and Communication Technologies (ICT) to foster the equality of opportunities and in initiatives focusing on education and healthcare totalled 250 million Euros:



**1. TRANSFORMING THE EDUCATION SYSTEM– PT** launched multiple programs in place that contribute to the improvement of the education of both children and adults

**1.1. Internet in education** – set of initiatives to make sure that the education community has access to broadband Internet. PT believes that people who cannot access the Internet are at a greater disadvantage than the ones that do since they are excluded from basic opportunities such as finding a job or staying in touch with family and friends.

**1.1.1. National broadband network** – PT has built a nationwide network (WAN) that connects more than 6,000 schools to the Internet and among them (100 of them have a 100 Mbps connection). PT was also responsible for installing local networks (LANs) in more than 1,000 schools including a Wi-Fi connection available anywhere within the schools area.

**1.1.2. The e.school program** – through its mobile operator TMN, PT has joined the **e.escola** (e.school) initiative and distributed more than 780 thousand laptops with a mobile broadband connection at subsidized prices (as low as 25% of market price). This initiative not only gained international recognition (Best European Project Award by Toshiba) but also placed Portugal at the forefront of mobile broadband penetration in Europe (second highest in Europe with 16.1% vs. EU average of 5.2%). Another positive impact was the boost on the number of computers shared by students that went from a single computer being shared by ~9 students in 2007 to being shared by only ~2 students in 2009.





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**1.2.ICT training** – from one-to-one sessions on how to use computers to a nationwide road show focusing on teaching safety guidelines to children

**1.2.1.Safety in ICT** – PT has been rolling out a **nationwide program** in which employees visit schools and teach children about rules they must follow when using computers or mobile phones. The program named Comunicar em Segurança (Communicate Safely) and has already reached about 6,000 children from 40 different schools, involving more than 100 PT volunteers. Additionally, all the material shared during these sessions is made available online.



**1.2.2.How to use a computer and the Internet** – in partnership with a main national ONG (Santa Casa da Misericórdia) PT employees teach the elderly on how to use the computer and the Internet. For most of them, these one-on-one sessions represent their first contact with a computer and the Internet.

**1.2.3.Entrepreneurship** – in 2010 PT has sponsored the **Junior Achievement initiative** in Portugal which has the goal of introducing students to the work environment. In this program, students spend one day at PT with one of our employees in order to experience what a real work environment feels like and to discuss their career options.

**1.3.Remote videoconference** – PT has developed an in-house videoconference solution called TeleAula (TeleClass) that allows for a student located in a remote location (hospital/home) to connect with its classroom and pursue his studies even during recovery. Every year, more than 20 children take advantage of the solution provided by PT and, since the beginning of the program in 1995, a total of 400 students benefited from this initiative.



**1.4.Educational programming platform** – through a partnership established with Massachusetts Institute of Technology (MIT), PT has launched a friendly programming platform called Scratch where students can develop their projects. Today the platform already encompasses more than 14.000 projects.

**1.5.Education through music** – in 2010 PT launched this new initiative that supports the **musical education** of about 100 students from problematic neighbourhoods. The idea is that through the development of a hobby like music, children build-up their self-esteem, are entertained and are less at risk of getting involved with drugs or alcohol.



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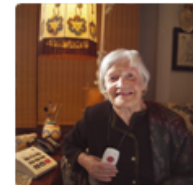
**2.BRINGING HEALTHCARE CLOSER** – since 1989, PT develops technology based solutions that help improve healthcare services and hence improve patients quality of living

**2.1.Physical barriers** –services developed by PT bringing people closer together and eliminating physical distances

**2.1.1.Telemedicine** – for more than 10 years now, PT has been installing an in-house developed **telemedicine solution** that enables doctors in Portugal to remotely diagnose patients living in other countries. Today the solution connects hospitals from fifty locations in Portugal with hospitals in Angola, Cape Verde and Sao Tome, and has, so far, realized more than 8,000 remote diagnosis sessions.



**2.1.2.Remote Assistance** – PT offers a special phone with an emergency button that when pushed connects the person in danger with a dedicated call centre available 24 hours a day, 365 days per year. Recently PT has also developed a volunteer program that invites all employees to have a 1 hour weekly call with more than 70 elderly that live alone.



**2.2.Healthcare solutions** – PT has a whole range of healthcare dedicated solutions that take advantage of technology to improve the efficiency and quality of offered services

**2.2.1.Healthcare Centre of the Future** – PT developed and implemented a futuristic concept of a healthcare centre that exponentially improved the quality of life of the patients that visit that centre every day. The solution includes, among other, an online portal with about 600 users (where patients can easily schedule an appointment, request an exam or prescription), an unique patient health record (allowing for easy sharing of patient information among healthcare providers), and an automatic queue management system that reduced waiting times by 50% (e.g. a patient that schedules an appointment online can go straight to the doctor's office upon arrival).

**2.2.2.Babycare remote vigilance** – this innovative solution was first introduced in 2000 by PT and allows for parents of premature babies to remotely see their children on a page available on the Internet. Currently there are 40 webcams installed in three hospitals in Portugal where more than 700 premature babies are born each year. In 2010 alone, more than 200 families took advantage of the system.





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**2.2.3. Personal Health Record** – together with some of its partners, PT developed a **free online based tool** called Meu Sapó Saúde (My Sapó Health) that allows families to store and manage their health information, thus becoming an essential part of the healthcare prevention process. Since its launch in May 2010 more than 1,300 users have registered online and accessed the service 15,000 times. The page also generated a lot of additional interest within the online community totalizing more than 800.000 unique visitors.

**3. AIMING AT 100% DIGITAL INCLUSION** – Making sure that everyone has equal access to ICT has been a priority at PT for more than 20 years and initiatives range from making its network available nationwide to dedicated products and services for people with special needs.

**3.1. Geographical** – these initiatives have the purpose of not only guaranteeing access to PT's services even in rural and isolated areas but also to define emergency plans in order to be prepared for possible catastrophes

**3.1.1. Universal Phone Service** - since 1995, under its Universal Service program, PT provides communication services to remote and isolated communities around Portugal making sure that all 10 million citizens have access to basic communication services.

**3.1.2. National Fibre Network** - fibre networks have a positive impact in the creation and utilization of new solutions that contribute to social sustainability. At the end of 2010, PT's FTTH network already covered 1 million households and we have announced the goal of reaching 1.6 million homes by the end of 2011 which represents half of main households in Portugal (3.1 million) and will place Portugal at the forefront of European fibre roll-outs.

**3.1.3. Emergency Plan** - PT has in place several emergency plans and dedicated teams to deal with natural and human catastrophes. Unfortunately, our contingency plans were tested in February 2010 in the Madeira Island flood disaster when PT was able to restore 85% of the damaged fixed and wireless communications in just two days.

**3.2. Economical** – PT has a range of specific price plans to guarantee that citizens with lower income can also benefit from communication services

**3.2.1. Unemployment plans** - in face of the challenging economical crisis, PT decided in April 2009 to introduce a new telephone pricing plan for unemployed customers which provides a 50% discount on the monthly plan

**3.2.2. Retired customers** - for retirees with low income, i.e. below the minimum wage, PT also offers a **dedicated pricing plan** for half of the regular price

**3.2.3. Refurbished computers** - PT has been refurbishing old computers that are no longer being used and has been distributing them to people that cannot afford to buy them.

All the physical cleaning and software installation is performed by PT's employees during work hours as part of the global volunteering program. Since the beginning of the program in 2009, more than 2,500 computers have been distributed in five countries (Portugal, Cape Verde, Mozambique, Sao Tome, East Timor). In 2010 alone, PT donated more than 300 computers to ONGs in Portugal and about 1.250 computers to countries where PT is present.



**3.2.4. Matched funding** – for the first time in Portugal, PT developed a **matched funding campaign** in 2010 that involved collecting the donations of its employees with PT doubling the value at the end. In just 2 days about 20,000 Euros were raised for a national ONG that has the goal of fulfilling dreams of children with chronic diseases. Similarly, at the end of the year, PT launched another matched funding initiative but this time the company tripled the amount given by its employees and raised a total of 25,000 Euros for several ONGs.



**3.3. Disability** – since 1989 PT offers **customized solutions** for customers with special needs in order to improve their quality of life. In 2010 alone, PT invested more than a million Euros in solutions that improved the lives of more than 4,000 people.

**3.3.1. Equipments** – every year PT subsidizes more than 200 equipments to several of its customers with disabilities. These equipments range from emergency phones to special mobile handsets for the deaf.



**3.3.2. Software** – similarly to the equipments, PT also subsidizes more than 300 software packages per year that include text-to-speech programs for the blind, screen grids for low mobility users that allow them to interact with the computer and to control their surroundings.

**3.3.3. Services** – for more than 20 years, PT has been offering discounted pricing (50%) for customer with special needs to all of its basic services including fixed and mobile voice and broadband. Today, more than 2,500 customers currently benefit from this cheaper pricing tier.



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**3.3.4.Technology centres** – in order to facilitate the education of users of special solutions, PT has installed more than 120 (25 in 2010) centres throughout the country where thousands of users are trained every year

**3.4.Inclusive design** – we want all products and services offered by PT to be user friendly and easy to use. With that goal in mind, we have been working with the University of Trás-os-Montes e Alto Douro (UTAD) to guarantee that all citizens can use our solutions.

## C - VOLUNTEER PROGRAMS FROM PT

As mentioned above, several of our **initiatives involve PT employees**. It has been the company's policy that each employee can dedicate 6 days per year to volunteer initiatives without any impact on the employee's wages or annual bonuses. Since the first volunteer initiative ever, PT employees have already contributed with 50,000 hours of volunteer time that have benefited more than 1,700 institutions. In 2010 alone, about 850 volunteers invested a total of 1.650 hours in initiatives that benefited 7,100 people from 60 different institutions.



PT's volunteer program is just one of several other key initiatives that contribute to the wellbeing of our employees and that are grouped together in a dedicated internal HR program called *éconsigo* ("it concerns you").

## D - CLOSING THE DIGITAL GAP AND IMPROVING EDUCATION AND HEALTH-CARE AT INTERNATIONAL OPERATIONS

In its subsidiaries around the world, PT is also leading several initiatives around digital inclusion, education and healthcare.

- Education – several initiatives have been pursued, including offering



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- **Education:** several initiatives have been pursued, including offering scholarships to poor children (e.g. Namibia), and providing Internet connections at schools (e.g. Sao Tome)

- **Healthcare:** local programs include telemedicine solutions that connect local hospitals with hospitals in Portugal (e.g. Angola and Sao Tome), and initiatives dedicated at AIDS prevention and advanced screening programs (e.g. Cape Verde and Sao Tome)

- **Digital Inclusion:** programs range from the creation of multimedia centres in poor neighbourhoods to foster Internet adoption (e.g. Cape Verde), to the distribution of refurbished computers to children in need (e.g. East Timor)

## E - DEVELOPING AN ECOSYSTEM OF STRATEGIC PARTNERSHIPS

PT believes that it is important to establish strategic alliances with other players within the technology field (to enhance each one's expertise) and to work hand in hand with non-profit organizations in order to clearly understand existing needs (no one understands the problem better).

- **Technology partners:** for two years in a row, PT and Qualcomm have **worked together** to improve and enhance the mobility of our portfolio dedicated for customers with disabilities. Together with Portuguese hospitals and rehabilitation clinics, the partnership mainly focuses on those users with paralysis and Cerebral Palsy.

- **ONGs:** for more than 20 years, PT has been working hand in hand with several non-profit organizations. These entities range from disability associations like ACAPO (for blind people) with whom we have developed solutions like the first Braille phone bill, to leading Portuguese hospitals like Maternidade Alfredo da Costa (MAC) where we first launched the Babycare solution (one of the health-care projects mentioned above).