

Responsible business

About our CSR report

This is Belgacom's sixth Corporate Social Responsibility (CSR) report. It aims to provide a balanced account of our performance on the socioeconomic, ethical and environmental issues which are the most relevant to Belgacom Group and its stakeholders.

- + More information on
 - ▶ www.belgacom.com/responsibility (CSR reports)
 - Key Figures (KPI) table
 - Details on scope and definitions of our KPI's
 - GRI reference table
 - Ernst & Young assurance statement
- + We welcome your feedback on our CSR strategy and report
 - ▶ csr@belgacom.be

Because CSR is increasingly embedded in our day-to-day activities, we no longer publish a separate CSR report and included several case studies throughout our activity report. More information is available on our website.

Unless otherwise stated, all data and activities are for the year 2011 and refer to the Belgacom Group as a whole.

We use the GRI G3.1 principles as a basis for determining relevant content and metrics. Against the GRI

G3.1 principles, we self-declare compliance with level B requirements.

Ernst & Young gave a limited assurance on the qualitative information and on a selection of key indicators for 2011 (covering all our CSR commitments), identified by a √ in our Key Figures table available online.

Our CSR Strategy

"We aim to grow our business in a responsible and sustainable way, as we believe it has to benefit both the society and our long-term development."

Didier Bellens - CEO

▶ See message on p. 5.

At Belgacom, we recognize the need for a responsible and transparent way of managing our business vis-à-vis our stakeholders. We believe our future business success will depend on the positive impact we, through our activities, have on economic, technological and social progress, and on winning the trust of our interest groups. Corporate Social Responsibility (CSR) is therefore considered a strategic management tool and a key component of our corporate mission and strategy.

Our CSR strategy enables a more inclusive, safer and greener (e)-society, while ensuring that we do business in an ethical and responsible way.

By doing this, we aim to increase our business growth and protect our reputation, while contributing to the broader economy and society as a whole. Our significant investment in Belgium's digital infrastructure will improve access to technology at the same time as our initiatives are helping more people get online and enjoy the benefits of the digital society. Our green IT solutions help customers reduce costs and their environmental impact. Our new Belgacom Foundation stimulates social links between people and communities for more social cohesion. We also contribute to Belgian society as one of its biggest employers and by paying over EUR 900 million in taxes, social security, and dividends.

Belgacom's social responsibility rating improved in 2011: we were selected for inclusion in the Ethibel Sustainability Index Europe and enhanced our score within the Carbon Disclosure Project. We believe we are on the right track to achieve our ambition of being recognized as a leading socially responsible company in Belgium, and will pursue our efforts in the coming years in order to create value both for our business and for society at large.



Managing CSR

Our governance model firmly embeds CSR in our group activities, and ensures that the world beyond Belgacom has a legitimate opportunity to influence our choices and priorities.

Understand our stakeholders' expectations

We engage with a wide range of stakeholders in order to understand their expectations, challenge our approach, improve our performance and build trust-based relationships. This is done in various ways, such as face-to-face meetings, satisfaction surveys from our employees and customers, and the Belgian public, and interactions with financial analysts. We also exchange best practices with peers through various CSR networks and partnerships.

Focus on relevant topics

We regularly challenge our CSR strategy to ensure we address the CSR issues that are the most relevant for our stakeholders and our business. This year, in internal workshops, we cross-checked our current CSR priorities against the new ISO26000 guidelines for social responsibility. We identified our most critical issues, based on the financial and reputational risks and opportunities for Belgacom on the one hand, and on our potential influence on these sustainability issues on the other. This exercise confirmed that we were addressing the right issues with our current CSR strategy. But we will ask external stakeholders to validate this in 2012. Our CSR report focuses on the most material CSR stakes for our stakeholders and for our business, identified in the top-right corner of our materiality matrix.

Embed CSR throughout the organization

Our mission, our corporate values (Respect, Can Do, Passion), our Corporate Governance Charter, our Code of Conduct and our compliance office and poli-

cies, underpin our approach to responsible business and to corporate social responsibility.

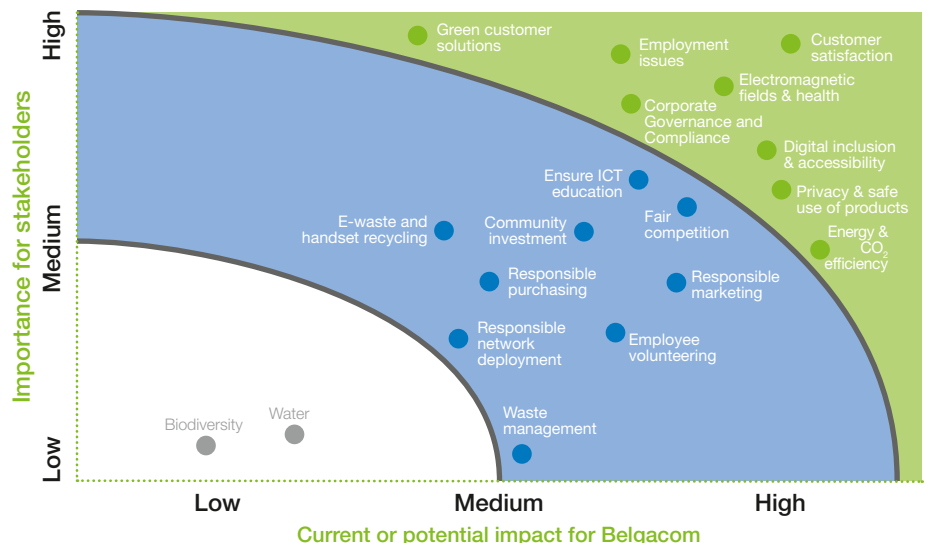
Our internal governance and reporting structure is centered around three entities: the Group CSR department, the CSR Steering Committee and representatives in each business unit implementing the action plans. The Vice-President in charge of CSR and the Steering Committee report directly to the CEO and the Belgacom Management Committee. Our key CSR priorities are managed as a 'corporate strategic program', with monthly progress reports to our Belgacom Management Committee. To stress the importance of our non-financial performance, employee satisfaction and customer centricity results directly influence the variable remuneration of our top management. Our CSR governance structure was not impacted by the organizational changes we experienced in 2011 and our CSR priorities remained unchanged.

Our approach to CSR



+ More information on
 ▶ www.belgacom.com/responsibility
 • CSR management
 • Stakeholder dialogue
 • Ethics & compliance

Materiality matrix





Performance overview

Our objectives	Target date	Status	Our performance in 2011
CSR STRATEGY AND GOVERNANCE			
Continue to share best practices with our international subsidiaries	Yearly	✓	Best Practices workshops on energy/CO ₂ and human resources management.
Organize a multi-stakeholder panel on our CSR strategy	Dec-11	⋯	Performed an internal assessment of our material issues based on ISO26000 guidelines. Validation by external stakeholders postponed to 2012.
Ensure that we remain included in Ethibel Investment register	Yearly	✓	Included in the Ethibel Sustainability Index Europe
ENHANCING ACCESS TO COMMUNICATIONS			
Improve our customer satisfaction, via improved service and simplicity	Yearly	✓	Customer satisfaction scores rised, with a clear improvement in loyalty and brand image.
Develop responsible marketing and communication guidelines	Dec-11	✓	Responsible guidelines included in our marketing and communication approval processes.
Launch at least two new initiatives to bridge the digital divide	Dec-11	✓	Launched 'Webexperts' and a new large-button mobile phone.
Improve the accessibility of our web sites for people with disabilities	Dec-11	⋯	Started to improve the accessibility of our corporate website and will pursue efforts in 2012.
Provide at least 170,000 hours of ICT training per year.	Yearly	✓	Provided 191,474 hours of ICT training, enhancing the digital skills of 9,699 persons.
Take new initiatives to bridge the digital divide	Yearly	new	
ENCOURAGING A RESPONSIBLE PRODUCT USE (child online safety and electromagnetic fields)			
Take at least 2 new initiatives to encourage a responsible use of our products	Dec-11	✓	Employees trained 3,600 kids on 'safe Internet and mobile phone use' in schools. Informed 50,000 parents on how to choose the 1 st mobile phone of their child in a responsible way.
Launch the EMF e-learning tool and take at least another initiative to inform customers	Dec-11	✓	Launched an e-learning on electromagnetic fields. Provided tips to reduce exposure to electromagnetic fields via our bill inserts.
Retrofit of our mobile network in the Brussels and Flemish regions as legally required	Dec-15	▶	Launched the retrofit of our mobile network to comply with strict new exposure norms.
Train at least 13,000 children on a safe use of Internet and mobile devices	Dec-12	new	
Continue to inform our stakeholders on electromagnetic fields and health	Yearly	new	

Key Figures



191,474
hours of ICT training

3,600
kids trained on safe Internet and mobile phone use

- Inclusion in Ethibel Sustainability Index Europe
- New initiatives to get more people online, such as Webexperts
- 3,600 kids trained on safe Internet and mobile phone use by Belgacom employees
- -62% of our CO₂ emissions in Belgium since 2007
- EUR 2.98 million invested to support our communities
- +2% employee satisfaction

+ A detailed overview of our key performance indicators is available on www.belgacom.com/responsibility

ENABLING A LOW-CARBON SOCIETY

Lower our CO ₂ emissions by 70% and improve the energy efficiency of our networks and datacenters by 25% over the period 2007-2020	Dec-20		Lowered our CO ₂ emissions in Belgium by 62% vs 2007 (14% vs 2010). Energy efficiency targets for networks and datacenters are on track.
Launch at least 2 new initiatives to help our customers become more energy-efficient	Yearly		SME account managers received training on green IT and sustainability. We published a white paper on 'smart and green IT'.
Increase collection and recycling of old mobile devices	Yearly		5% increase in phones collected for reuse/recycling vs 2010.

-62%
CO₂ vs 2007

75%
of waste recycled

40,328
mobile phones collected

SUPPORTING OUR COMMUNITIES

Launch the new Belgacom Foundation	Dec-11		The new Belgacom Foundation supported 36 innovative projects stimulating intergenerational dialogue.
Support at least 100 social projects	Dec-11		118 social projects supported.
Offer access to sport or cultural events to disadvantaged youngsters in collaboration with our sponsoring department	Yearly		We included paralympic athletes in the Belgacom Memorial Van Damme competition and offered free entrances to disadvantaged children.
Contribute to more social integration via our projects and partnerships	Yearly		

EUR 2,98 mio
to support our communities

PROMOTING A POSITIVE WORKING CULTURE

Ensure each business unit has its own skills plan	Dec-12		We mapped out our precise needs for the workforce of the future. All business units will have their skills plan by 2012.
Stimulate career management also for mid and late career employees	Dec-14		New career management approach and tools have been launched.
Improve employee satisfaction each year and by 5 percent in 2015 vs. 2010	Dec-15		Employee satisfaction increased by 2% vs. previous year

29% women in total workforce

90% employee satisfaction (+2%)

DEVELOPING A RESPONSIBLE SUPPLY CHAIN

Extend CSR risk assessment for all suppliers with a spend above EUR 125,000	Dec-11		We assessed the CSR risk of 397 suppliers, representing 31% of our total spend.
Evaluate the CSR performance of detected medium and high-risk suppliers and follow up with 10 more high-risk suppliers	Dec-11		Pre-evaluation of 9 high risk suppliers identified in 2011. Follow up of 11 high risk suppliers identified in 2010 will be finalised in Q1 2012.
Continue to elaborate CSR topics in strategic review meetings with key suppliers	Dec-11		CSR included in scorecards presented to suppliers during Vendor Performance Meetings.
Integrate additional sustainability criteria in the sourcing plans and in our request for proposals for at least 5 categories	Dec-11		Sustainability criteria integrated in RFP and sourcing plans for 5 categories
Perform on-site audits in collaboration with other telecom operators	Yearly		
Include sustainable criteria in relevant request for proposals	Yearly		

397 suppliers assessed on CSR risk

- Delayed
- Completed
- On track
- New



Enhancing access to communications

We want to enable as many people as possible to enjoy the benefits of a digital society, by improving our customer service and facilitating access to our technologies (particularly for people with special needs), while enhancing the digital skills of citizens. By developing our ICT infrastructure and the use of ICT, we increase our business growth and contribute to the broader economy and to society as a whole.

+ More information on
 ► www.belgacom.com/responsibility
 ► www.webexperts.be

9,699

disadvantaged people followed our ICT trainings

563

computers donated to schools and charities

Tom and Johan, teachers...

... of a school class that trained 18 elderly people using the Webexperts program

“It was very stimulating to see our pupils in action. They were patient when explaining to the adults in detail how to use the Internet. We saw a lot of radiant faces, both among the children and the adults they assisted. In general, everyone was very enthusiastic.”

Our progress in 2011

Improving our customer satisfaction through better service and simplicity

We have seen customer satisfaction scores rising, with a clear improvement in loyalty and brand image. Complaints for our fixed-line business were down by 30%, and we did our utmost to answer calls to our contact centers within two minutes. ► [More information on p. 34.](#)

Our new guidelines for “responsible marketing and communication” are included in the approval processes prior to the launch of new products and advertisements. This checklist reminds employees of the importance of aspects such as the accessibility, environmental impact and transparency of our products and communications.

Facilitating access to technologies for all

The share of the Belgian population that has never used the Internet decreased to 14% in 2011 (26.5% in 2008), well ahead of the European target (15% by 2015). And 60% of disadvantaged people use the Internet at least once a week, which is better than the European average (48%) – source: EC Digital Agenda Scorecard 2011. These are positive results, but we aim to continue our efforts to bridge the digital divide in Belgium.

We further facilitated access to our technologies by expanding our network coverage (99.85% for 1Mbps broadband and the best 3G coverage in Belgium), by launching attractive offers for the elderly (with free installation and training), and by offering free wireless Internet via 500,000 Wi-Fi hotspots in Belgium. We promoted large-button phones for people with special needs. Over 350,000 customers benefit from our “social tariff”, a discounted offer for disadvantaged people, and 563 refurbished computers were donated to specialized schools and non-profit associations. We also started to enhance the accessibility of our corporate and commercial websites and will pursue these efforts in 2012.

Enhancing digital skills

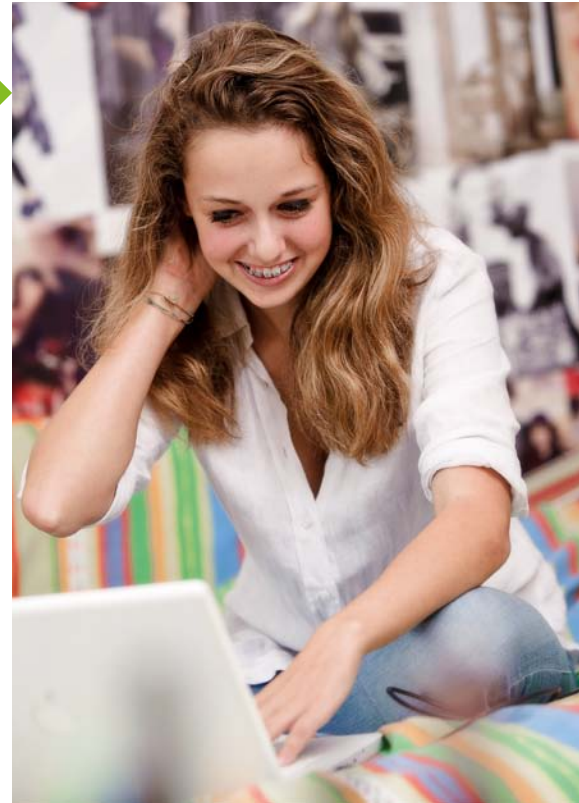
It is important to offer simple and accessible products, but we also want to make sure that customers have the skills they need to embark on the digital journey.

We continued to provide free Internet training and to support various ICT training centers, enabling 9,699 disadvantaged people to enhance their digital skills (191,474 hours).



In order to help elderly people get acquainted with our digital technologies, we launched “Webexperts”, an initiative stimulating youngsters to share their Internet knowledge with the elderly. Schools or individuals can submit projects using the tutorials on www.webexperts.be, and each month we reward the best projects. After three months, more than 50 projects had already been submitted, with a majority coming from schools. Thanks to those projects, 700 seniors received training and have discovered the world of the Internet and its potential!

+ More information on
 ▶ www.belgacom.com/responsibility
 • Review of scientific research on electromagnetic fields
 • E-learning on EMF



Encouraging a responsible product use

We encourage a responsible use of our products, and focus in particular on providing transparent information on electromagnetic fields and health and on protecting children online. This helps us to mitigate potential financial and reputational risks, and to build trust with our stakeholders.

Our progress in 2011

Child online safety

In addition to the security mechanisms we provide on our products (parental control, anti-spam, anti-virus) and our information security management system (ISO 27001-certified), we support awareness raising and we fight online child abuse through our partnership with Child Focus, the Belgian Safe Internet Center. Belgacom employees teach online safety in schools, and we promote the use of hotlines to report offensive or harmful online content. Furthermore, we adhere to the Belgian e-safety charter and the code of conduct for safer mobile use by young teenagers and children.

Our employees gave training to 3,600 children on the safe use of the Internet and mobile phones in 64 schools across Belgium, in collaboration with Child Focus (the Belgian Safe Internet Center) and Microsoft. Given the very positive feedback of our employees, the children, and the schools, this initiative will be extended in 2012.

Electromagnetic fields and health

Some anxieties remain about the potential effect on health of electromagnetic fields (EMF). We have taken on board these concerns by closely following scientific research in this domain, applying a responsible network deployment, and informing our stakeholders in a transparent way.

We provide tips to reduce exposure to electromagnetic fields via our websites and bill inserts. We also indicate the exposure level to electromagnetic fields in all our wireless devices, and provide an earpiece by default with our mobile phones. We provide transparent information to our stakeholders. For this purpose, we established a new e-learning on electromagnetic fields. Also, we organize information sessions for municipalities and our employees.

Last year, we launched the retrofit of the mobile network in the Brussels and Flemish regions as required by the environmental legal framework. The new norm in Brussels is the strictest one in Europe.

3,600

kids trained on "safe Internet use" by Belgacom employees

100%

of our wireless products with a label indicating exposure to EM waves (in at least one communication channel)

Wouter, a Belgacom employee...

... who trained kids on safe Internet use

"I found this to be a very rewarding thing to do. I was impressed by the kids, about their internet savvy as well as their eloquence. Got great interaction and feedback afterwards. I will be more than happy to repeat this. Great initiative!"



Enabling a low carbon society

Climate change represents potential risks for our operations and at the same time enables new business opportunities. We are committed to playing an important role in preserving the environment and moving towards a low-carbon society. Our aim is to reduce our CO₂ emissions by 70% by 2020 (2007 baseline), to help our customers lower their costs and environmental impact, and to involve our stakeholders.

- + More information on www.belgacom.com/responsibility
- + Our green solutions and white paper on <http://ict.belgacom.be/greenict>

-62%
CO₂-emissions vs 2007

75%
of waste recycled

40,328
mobile phones collected

Gauthier Andries, CTO Stepstone

“Belgacom can help us increase our efficiency further and support our objectives to become even more sustainable. The main green initiative taken by Stepstone was to migrate all the applications and servers to the Belgacom data center in Machelen. As a result, our servers lose less heat and show a better energy efficiency. Secondly, we virtualized all our applications in the Belgacom data center”.

Our progress in 2011

Reduce our CO₂ emissions in Belgium by 70% (2007-2020)

Energy efficiency is a key component of our environmental management system and environmental policies. This year, we achieved an extra electricity saving of EUR 1.9 million in total, partly thanks to the further virtualization of our server park, the continued roll-out of free air cooling, the dismantling of old network cards, etc. The major project to replace our mobile network infrastructure was completed by the end of 2011, and will result in an annual electricity saving of about 17 GWh.

Thanks to our efforts related to efficient energy management in buildings, a greener vehicle fleet (e.g. the average emission of new ordered company cars dropped to 115g CO₂/km), and the continued promotion of public transport, our CO₂ emissions in Belgium decreased by 14% compared to 2010 (-15% for our global operations), and by 62% compared to 2007.

The Environmental Investment Organization (EIO) ranked Belgacom first among European telcos in its

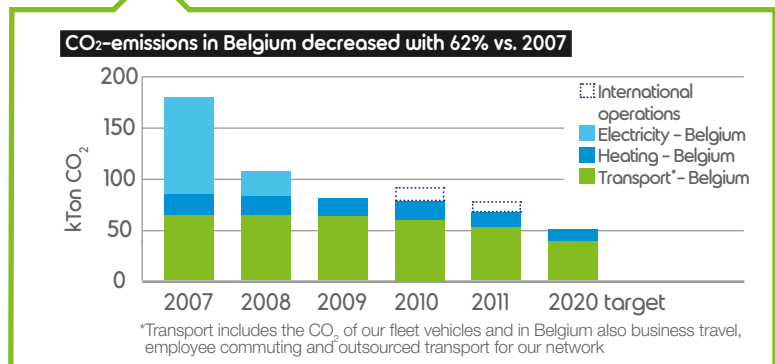
carbon ranking, on the basis of our scope and CO₂ reduction in relation to turnover. In 2011, we produced 4% less waste than the previous year, and 75% of our waste was recycled or reused.

Help our customers lower their environmental impact

In 2011, we developed a “green ICT” training course for our SME sales managers to enable them to give our customers better information on how our products can help to increase their efficiency in terms of costs and energy. A Belgacom white paper on “green ICT” was also drawn up, with a focus on ‘a smaller ecological footprint and reduced costs, thanks to smart ICT solutions’.

Involve and raise awareness of stakeholders on climate change

In 2011, we became founding partner of GoodPlanet.be, a new organization which aims to raise environmental awareness in schools with material from French photographer and filmmaker Yann Arthus-Bertrand. We worked with several suppliers to drastically reduce the ecological impact of their products.





+ More information on
 ▶ www.belgacom.com
 • Corporate Governance and compliance
 ▶ www.belgacom.com/responsibility
 ▶ www.belgacom.com/foundation

Ethical and responsible operations



BelgacomFoundation

EUR 2.98 million
community investment

90%
employee satisfaction (+ 2%)

397
suppliers assessed on CSR risk

Anne-Sophie Parent, Secretary General AGE Platform

“As President of the Jury of the Belgacom Foundation in 2011, I was very enthusiastic to participate in the selection of 36 valuable initiatives stimulating intergenerational dialogue in Belgium, which fit in perfectly with the 2012 European Year for Active Aging and Intergenerational Solidarity.”

We aim to conduct our business in a responsible and ethical way vis-à-vis our employees, our suppliers and the communities in which we operate. This helps us to build trust with our stakeholders, protect our reputation, enhance employee engagement, contribute to social integration, and forge stronger links with our suppliers and communities.

Our progress in 2011

Our Corporate Governance Charter, our Code of Conduct and our compliance office and policies underpin our approach to responsible business. ▶ See p. 83, 98-99.

Positive working culture

This year, we further increased employee satisfaction by 2%, launched a new career management program, initiated a plan for the future skills needed to cope with our business transformation, and started tackling our ageing workforce issue, in close collaboration with our unions. ▶ See p. 48-51.

Caring for the health and safety of our employees and suppliers is also a priority. Our policy covers all aspects related to stress, moral and sexual harassment and violence. These internal procedures are published on our intranet with advice and contact persons, along with our whistle-blowing procedure. Our proactive campaigns aimed at preventing accidents helped us maintain a rather low occupational accident index (9.2).

Responsible supply chain

We have labor, ethical, safety and environmental standards for suppliers (based also on our Code of Ethical Procurement), and we monitor compliance through questionnaires and discussions with suppliers (during Vendor Account Meetings). Out of the

11 strategic suppliers identified at risk in 2010, 10 proved to have a lower risk rank as originally defined after an in-depth analysis. An improvement plan has been defined with the remaining supplier at risk. In 2011, we assessed the CSR-related risks of 397 suppliers with spending above EUR 125,000, and identified 9 suppliers with potential risks, which we will follow-up in 2012. An additional 100 suppliers with spend above EUR 125,000 will be assessed in 2012 with our new tool, along with our strategic suppliers. CSR is now included in our vendor performance scorecards.

Supporting our communities

We invested EUR 2.98 million this year to support our communities, through financial donations, in-kind support, and volunteering of our employees.

We launched the Belgacom Foundation, whose mission is to create, restore or strengthen social links between people and communities. In our first external project call, we supported 36 innovative projects aimed at stimulating intergenerational dialogue. 563 refurbished computers were donated to schools and social projects. Finally, we supported 49 social projects in which our employees are active as volunteers.