

Challenging & Respectful

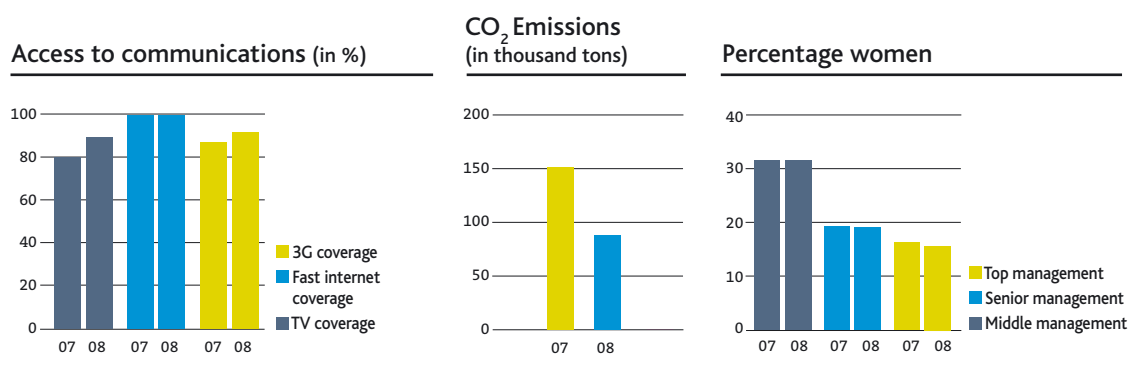
# table of contents

under cover >	key performance indicators
	corporate profile
01 >	CEO foreword
02 >	access to communications
04 >	climate change
07 >	EMF/health
08 >	employees
10 >	supply chain
11 >	socio-economic impact
12 >	community investment
13 >	about this report
14 >	achievements and commitments
16 >	report assurance audit
17 >	general information

*Bringing telecommunication  
closer to the local communities  
improves quality of life*



# key performances indicators



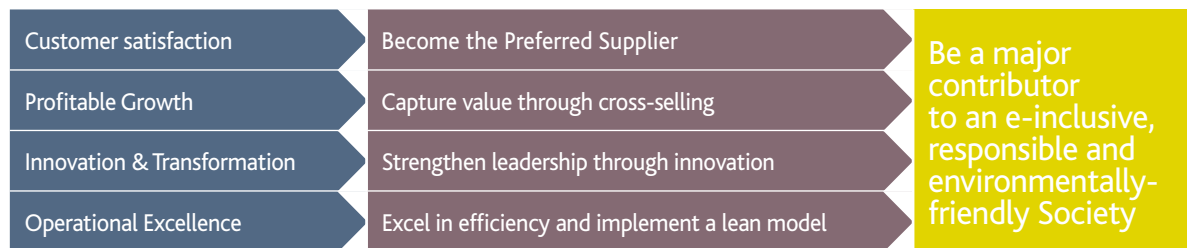
-42% ↗

	2007	2008
<b>General Information</b>		
Total revenue (Mio EUR)	6,065	5,978
Net income (Mio EUR)	958	800
Total number of employees (Full time equivalent)	17,833 <sup>(1)</sup>	17,371
<b>Access to communications</b>		
2G coverage	99.8%	99.98%
3G coverage	84.4%	90.2%
Mobile network: Landlord relationships (average TRIM)	83.75%	90.14%
Fast Internet coverage	99.7%	99.7%
TV coverage	80%	86.6%
Number of Base stations Mobile network	3,946	4,097
<b>Climate Change</b>		
Electricity (GJ)	1,523,151	1,544,756
% renewable electricity (GJ)	8%	81%
Heating gas (GJ)	165,177	167,752
Heating fuel (GJ)	140,250	106,548
Vehicle fuel (GJ)	508,516	516,608
CO <sub>2</sub> emissions (Tons)	151,319	87,728
Waste (Tons)	14,507	13,709
% waste reused/recycled	n/a	71%
Water ('000L)	300,556	199,828
<b>Employees</b>		
Employees satisfaction (index)	70.5	70
Training & development	89%	89%
Occupational accidents rate (index)	12.48	11.01
<b>Supply Chain</b>		
% of buyers trained	n/a	43%
% of e-orders	80%	83%
<b>Community Investment</b>		
Funding amount in % of pretax profit	0.2%	0.3%

(1) In 2007, we reported the total number of employees. As from 2008, we report on total FTEs. For information, in 2007, the total number of employees equaled 18,180 including 2,753 Telindus employees

# corporate profile

## Our Strategy 2009-2013



In the process of the integration of the different entities into one Belgacom Group, we have defined a new mission and developed new corporate values for the whole Group. These mission and values, and the Group Strategy 2009-2013 have been approved by the Belgacom Board of Directors by end 2008.

### Our Mission

Belgacom Group wants to be the preferred provider offering intuitive end-to-end solutions; combining fixed and mobile telecom, IT and media; and empowering its customers to master and enrich their professional and private lives.

### Our Values

Respect - Can do - Passion

### Our organisation

Since 2007, our operational structure is based on four pillars:

- > Consumer Business Unit (CBU) takes care of our Residential customers.
- > Enterprise Business Unit (EBU) delivers high quality ICT products and services to our Professional customers.
- > Service Delivery Engine (SDE) regroups all the networks and IT services.
- > Staff and Support (S&S) brings together all the vertical functions that support the Group's activities.

In addition to these four pillars, Belgacom ICS, a joint venture of Belgacom and Swisscom, is in charge of international carrier services. It is ranked amongst the top 10 companies in the world in this sector.

The complete list of the brands of the Belgacom Group is available on: >> [www.belgacom.com](http://www.belgacom.com)

### Our approach to Corporate Social Responsibility

Belgacom Group does not consider Corporate Social Responsibility (CSR) as a question of altruism or risk management. It is now part of our core business (see our strategy). Our vision for 2012 is to be recognized as a leading responsible company in Belgium. Our five year CSR Strategy – developed in 2007 and continually evolving – is designed to help us achieve this ambition.

#### It sets priorities to:

- > Promote an inclusive e-society by providing access to communications to everyone in Belgium irrespective of age, ability or circumstances;

- > Enable a sustainable growth by managing our climate change impact more efficiently and by providing our customers with products and services that help them managing their environmental footprint more efficiently too.

#### Our approach to CSR aims to:

- > Engage with stakeholders to understand their expectations;
- > Respond to stakeholders with our CSR programmes;
- > Report progress back to our stakeholders.

A cornerstone of our approach is the development of an internal governance and reporting structure, centred around two entities – the CSR department and the CSR Operating Committee (CSR Opco). These committees headed by the Vice-President Group CSR report directly to the CEO and the Belgacom Management Committee (BMC).

#### Engage with stakeholders

Our engagement towards stakeholders is mainly carried out within our business functions. In 2008, we specifically conducted surveys to identify the most material issues to our business and shape our strategy accordingly. We also conducted an internal road show through the whole Belgacom Group and collected feedback from more than 2,000 Belgacom employees across the country.

#### Respond to stakeholders with CSR programmes

In a response to stakeholders' concerns, we have decided to provide the maximum SAR value (SAR= Specific Absorption Rate) of each mobile phone of the Proximus Collection on the packaging, in the point of sales and on the Internet e.g. We have also reduced our CO<sub>2</sub> emissions by 42% in 2008 while continuing to expand our networks in order to enhance access to communications and reduce preventable exclusion. See our performances and commitments.

#### Report back to our stakeholders

We identified existing and developed a set of new Key Performance Indicators (KPI). We will continuously monitor our CSR performance and report our progress through this CSR Report and our corporate website [www.belgacom.com](http://www.belgacom.com).

  
More information on our approach to CSR  
on [www.belgacom.com](http://www.belgacom.com)

# challenge & respect

Welcome to our third Corporate Social Responsibility (CSR) report.

Looking back at 2008, it appears to me last year might yet be considered as another turning point in History. The financial and economic turmoil has increased the importance of transparency, ethics and governance while the environmental and social concerns remained high in stakeholders' expectations. As a consequence, it has and will even more in the future put the principles of corporate social responsibility to a level that was never reached before and to the heart of businesses.



In our 2007 CSR report, I told you I wanted CSR to become a valuable management tool that tunes Belgacom Group performances more finely to the world we operate our business. This report shows work in progress. It shows also some of the challenges we have already identified and the actions we have undertaken to face them.

In 2008, despite the unprecedented and global economic crisis, we managed to report strong performances while continuing to the integration of the different entities into one Group. We designed a new business strategy 2009-2013. We defined a new common mission and a new set of corporate values for all of the 17,000 employees of the Group. We embedded our commitment to corporate social responsibility into our business strategy, mission and values.

In the meantime, we also went on implementing our CSR strategy based on two main axes:

- > Promote an inclusive e-society by providing access to communications to everyone in Belgium irrespective of age, ability or circumstances;
- > Enable a sustainable growth by managing our climate change impact more efficiently and by providing our customers with products and services that help them managing their environmental footprint more efficiently too.

We continued to expand the reach of our networks enabling more customers to access our services irrespective of the technology they use. Bringing telecommunications closer to the local communities improves quality of life and enables participation in the growing e-society. We invested in projects to close the digital gap, training customers and non-customers, unemployed people to get used to the new technologies and possibly help them finding a new job in the ICT sector. We developed tools to educate youngsters to the dangers and the possibilities of the new technologies. We distributed number of PCs and laptops to schools and local associations all over the country to facilitate access to the internet.

In a response to the concerns people might have regarding the potential health effects of wireless technologies, we decided to provide to our customers the maximum SAR<sup>(1)</sup> value of each mobile phone of the Proximus Collection on the packaging, in the point of sales and on the Internet.

While continuing to grow our business we believe we must minimize the adverse impact our activities could have on the climate. In 2008, we managed to reduce our CO<sub>2</sub> emissions by 42% mainly through gradually expanding the purchase of renewable electricity. Since September, we buy 100% of Belgacom Group electricity from renewable sources. We started installing solar panels on some of our buildings and we performed a carbon footprint audit to identify further CO<sub>2</sub> efficiency.

Besides our own efforts to manage more efficiently our CO<sub>2</sub> footprint, we believe we can play, as the leading provider of telecommunication services in Belgium, an important role in enabling the transition to a low-carbon society. Recent reports such as the Smart 2020 study by Global e-Sustainability Initiative (GeSI) demonstrate that through enabling other sectors to reduce their emissions, the ICT industry could contribute to reduce global emissions by as much as 15% by 2020 – a volume of CO<sub>2</sub>e five times its own footprint in 2020.

I believe our engagement in these projects is and will be both a commercial and CSR win-win. I believe that embedding CSR into our business strategy will enable us to address some challenges of our society more successfully and will allow us to progress together on a more sustainable basis. My ambition for 2009 is to further establish CSR as part of our daily operations, as part of our decision process.

**Didier Bellens**  
President and CEO

**“I believe that embedding CSR into our business strategy will enable us to address some challenges of our society more successfully and will allow us to progress together on a more sustainable basis.”**

(1) SAR stands for Specific Absorption Rate and is the unit for measuring the quantity of electromagnetic energy that is absorbed by the human body when using a mobile phone. The maximum allowed SAR in Europe is 2 W/kg. Although the SAR is determined on the basis of the highest power level of the phone, the actual SAR in use may be considerably lower. The phone is indeed designed in order to not consume more power than needed to establish a connection with the network. In general, the closer you are to a base station, the less power the phone uses.

# access to communications



Telecommunications can bring a wide range of benefits in our daily lives. Our ambition is to ensure that our services are accessible to the most irrespective of their age, ability or the circumstances. Key elements to fulfill this ambition are the clarity of our pricing; the way we ensure our customers' online safety and the way we protect their privacy; the initiatives we take to expand the reach of our networks; and how we contribute bridging the digital gap by improving access for disadvantaged people.

## We have

### Launched new initiatives to improve clarity, transparency, predictability and affordability of our pricing

Belgacom and Proximus have introduced **Together**, a convergent approach between fixed and mobile telephony enabling customers to make up to 600 minutes of free calls on weekends and public holidays. More than 1,000,000 customers already benefit from the service.

Proximus, in cooperation with MTV Networks has launched **Generation MTV**, a Free SMS 24/7 and 60 minutes of call formula for a fixed monthly fee.

In September 2008, Proximus and the Belgian Post have released **PostMobile**, a prepaid solution offering attractive prices, great simplicity, ease of use and the quality of the Proximus mobile network. The SIM card is sold with 5€ call credit enabling to do 25 minutes of calls or 50 SMS. This is a real low entry price to get access to mobile telephony.

We also regularly review and improve existing pricing plans to make them simpler to understand, more affordable and/or to increase their value either by extending the possibilities and/or the performances. In 2008, associated initiatives were: the price for Mobile Internet Anytime lowered by 30% (34.99 EUR instead of 49.99 EUR); free surf on the Proximus 3G network during weekends for Belgacom Internet customers; and increase of speed and downloadable volume.

As clear pricing is an important part of our relationship with our customers, we have developed over the years tools enabling them to track their usage between bills online and via a SMS alert service when they exceed the maximum monthly budget they have previously predefined.

### Developed or supported initiatives to bridge the digital gap

As part of our efforts to reduce the digital gap, in 2008 we have distributed 240 recycled personal computers and 40 laptops to organizations providing ICT training for disadvantaged people; and 559 desktops and 525 laptops to 106 schools across the country.

We are also partnering with social organizations aiming at providing ICT skills to under- or unemployed people. Associated initiatives that allowed us to **indirectly educate and train about 2,000 people with ICT skills in 2008** in this field are:

> **Techno.bel** is an ICT training centre settled in the middle of Wallonia and is issued from a partnership between Belgacom and the FOREM, In 2008 Technobel obtained the following certifications (on top of its CISCO Academy one): Microsoft Authorized Testing Center and Juniper Networking Academic Alliance, allowing them to propose more qualified training and, by doing this, Technobel surely increased the chance for people to find a job more rapidly. It has also continued its mission of raising ICT awareness, particularly among SME's. In 2008 Technobel has trained 997 people (job seekers, teachers, students, farmers) and sensibilized 34 SME. Seventy two percent (72%) of unemployed people have found a job after that. Innovation is also a pillar in Technobel strategy through the development of a virtual Technobel in 3D which will be fully operational in 2009.

>>More info [www.technobel.be](http://www.technobel.be)

> **Formation Insertion Jeunes (FIJ)**, a Brussels based centre for unskilled job-seekers in the ICT field. 97 young people have received training and many of them were also helped to find jobs (60% of them have found one, 30% are continuing their education and 10% still looking for a job). In 2008, FIJ has also proposed seven workshops for children, teenagers, adults and elderly people in the field of computing introduction, multimedia, freeware, creative, movie-club, video, creative writing, cartoon... reaching about 500 people. >>More info [www.fij.be](http://www.fij.be)

2008 figures	Total trainees	Total hours	% finding a job
FIJ	63	4,675	60%
Techno.bel	997	100,000	72% <sup>(1)</sup>

(1) among job seekers following a qualified training

> The **Network for Training Entrepreneurship (NFTE)**, which helps disadvantaged young people to increase their social and professional skills in pursuit of opportunity and an active, entrepreneurial role in their own lives and in business, has provided 329 students a 60 hours training.

We have also supported 3 Flemish organizations developing in their region the "**Digidak**" concept (Public digital open space) for all to enable access to new technologies and to basic internet training. 27 digidak are active visited by 2,455 people in 2008. Belgacom has provided the internet connections.

> Belgacom Group is also an active member of the **Belgian Employability Alliance**, which shares a strong commitment to support the EU's jobs and Growth Partnership

## We said

> We would make our customer communications on price and products fully transparent

> We would continue to promote social inclusion by facilitating access to technology through products, prices, programs and sponsoring

> We would continue the roll out of the VDSL platform in order to reach a target of national coverage of 65%

> We would increase our efforts to protect children against any type of undesired content on the internet and on television

> We would better protect our mobile customers against undesirable SMS and MMS service-provider practices

> We would develop guidelines and processes to gradually implement a responsible marketing culture covering branding new product launch, customer protection

> We would develop a CSR checklist to be used in the Product and Services product launch process to be sure any CSR concern is identified



by providing skills training for employability to disadvantaged groups: Techno.bel and FIJ are two initiatives of this program.

### Expand our fixed and mobile networks

We have reached a 66.2% national coverage of the VDSL platform that allows at least one stream HDTV, exceeding our 2008 target by 1.2%. Our broadband coverage (99.7%) remained stable with regard to 2007, as we have reached the maximum possible with the ADSL technology.

Thanks to the installation of 151 new sites, our Proximus 2G network now covers 99.98% of the Belgian population and our 3G network 90.2%.

>> [More info www.belgacom.com](http://www.belgacom.com)

### Enhanced access to our products and services

For people with impaired hearing, we have launched the Maestro 9000 videophone and VideoTalk, a PC-based video telephony solution. **Videotelephony** is a perfect communication tool for the deaf and the elderly and for applications in the health sector. The videophone highly simplifies the lives of these target groups.

For children who are chronically sick or suffering a long-term illness, **Bednet vzw** and **Take Off asbl** aim to develop a virtual network. It enables them to connect with their own teacher and classmates at school, and to continue their involvement by distance learning, overcoming the risks of falling behind in their schoolwork or of social exclusion.

Through Bednet and Take Off, and with the support of two other corporate partners, we have provided sick children with hardware, software and an internet connection between classroom and home, and the hospital if required. In 2008, about 60 children have benefited from the free-of-charge support of Bednet and 15 children from Take Off's actions.

### Improved user experience for surfing on mobile phone

We have canceled the difference in pricing between surfing on Vodafone Live portal and on the internet through the Vodafone Live portal. We have also implemented a "rendering" tool which adapts websites as much as possible to the screen size of a mobile phone.

### Increased Online safety

As a key partner of Action Innocence, an NGO that helps preserve children's dignity and integrity on the Internet by

raising awareness in schools urging children to "surf the Internet with care", we have produced:

- > 10,000 BIO mouse pad summarizing internet security guidelines for children;
- > 11,000 leaflets "Ne lâchez pas vos enfants sur internet" for the parents
- > 10,000 CD-Rom and pocketbooks "Nets sur le net" in collaboration with Skynet.
- > Developed specific online content (quizz, game, chat) "Zoë's house" in the fictional town of KidCity, the Belgacom Group's educational and interactive website for children.

We also have welcomed 4 Action Innocence conferences "Your child and the Internet" for the Group employees.

>> [More info www.kidcity.be](http://www.kidcity.be)

On top of what already exists like the parental control we did nothing more in 2008 regarding children protection against undesired content on television.

With regards to the SMS/MMS value-added services, we have introduced stricter guidelines and a double opt-in for all informative and recreational SMS/MMS subscriber services. This means that users must confirm twice that they wish to sign up for a subscriber service. This new double opt-in rule has been added to the existing GOF guidelines governing the provision of SMS/MMS services. This adaptation is the result of a joint initiative of the mobile operators and connectivity providers who are members of the WASP (Wireless Access Service Providers) Forum.

Regarding the marketing guidelines, the members of the working group have been identified but the development of the guidelines itself still has to be done. It is expected during first half 2009.

The principle of the CSR checklist has been agreed with the product management team but due to the important reorganisation that took place in 2008, nothing is implemented yet, the exercise has to be continued in 2009.

The average waiting time to access our customer service for residential customers has shown an increase of about 90 secondes in 2008, this was mainly during the last quarter in fix domaine and because of highly intensive commercial activities. During 2009 we will give a particular focus to improve this waiting time. The service level for complaints handling for the residential market has remained stable.

## We will

- > Continue to simplify our offers
- > Improve the customers experience while using our products & services
- > Commercialize more convergence offers
- > Continue to develop targeted offers for disabled people
- > Continue to promote and finance programs aiming at the closing the digital gap

*2,000 people trained in ICT via partners*

*Véronique Nesson  
Strategic Consultant*

# climate change

*Johan Van der Kaeyen  
National Energy Manager*



Climate change is increasingly recognized not only as one of the major challenges of the 21<sup>st</sup> Century, but also as a strategic matter for ICT companies like Belgacom Group, as it represents potential risks for our operations but also enables new business opportunities. As the leading provider of telecommunication services in Belgium, we can play an important role in enabling the transition to a low-carbon society.

## We said

- › We would perform a CO<sub>2</sub> audit at Group level
- › We would start deployment of photovoltaic panels
- › We would continue to implement energy saving initiatives
- › We would analyze options to define, within the ETNO framework, a standard KPI on energy efficiency
- › We would take measures to lower the impact of our car fleet
- › We would further assess options to increase the flexibility offered by our mobility plan
- › We would start a collection and recycling program for PMD and foil
- › We would launch a study to assess ways to lower packaging waste
- › We would initiate at least 2 soil remediation projects
- › We would enable our employees to benefit from discount and financing on solar panels
- › We would continue to inform our customers about the green impact of telecom products

Based on our environmental policy, we have defined our strategy to fight climate change, with following 3 pillars:

1. Reduce our own carbon emissions;
2. Help our customers to reduce their carbon footprint via smart ICT solutions;
3. Involve our stakeholders (employees, suppliers, etc.).

## 1. Reduce our own impact on the environment

### We have

#### Contracted external consultants to audit our carbon footprint model

Together with Greenloop, a specialized carbon consultancy, we have developed a robust CO<sub>2</sub> calculation model based on the internationally-recognized GHG protocol and Bilan Carbone and established Year 2007 as our baseline for future reduction targets. We also adapted our scope of reporting: we have added air/train travel as well as refrigerant gases, but removed the CO<sub>2</sub> related to the electricity consumed by external partners in our datacenters since we have no control over this.

#### Reduced our own CO<sub>2</sub> emissions by 42%

Reducing the environmental impact of our own operations (networks, datacenters, offices, stores, fleet, business travel, procurement, etc.) requires a combination of energy efficiency plans, use of our own technologies to reduce transport, and renewable energy.

In 2008, we have managed to reduce our carbon emissions by 42% vs 2007.

We have gradually expanded our purchasing agreements for renewable electricity and purchase 100% of Belgacom Group electricity from **renewable sources**, since September.

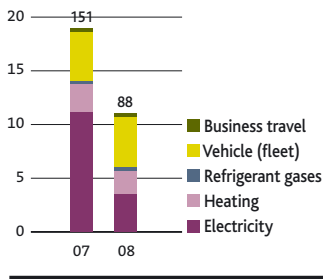
If we exclude the impact of renewable electricity, we managed to keep our CO<sub>2</sub> emissions constant vs 2007, despite increased traffic and hence electricity consumption on our networks.

Main initiatives taken in 2008 to manage our CO<sub>2</sub> emissions:

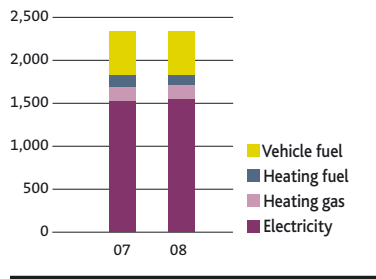
- > We have installed 700 m<sup>2</sup> of solar panels;
- > We have consumed 3% less energy in our office buildings by closing nearly 80.000 m<sup>2</sup>, and by optimization measures like solar films to avoid unnecessary cooling, replacement of our heating installations, roof insulation e.g.;
- > We have significantly reduced energy consumed in our **datacenters** by virtualizing 600 servers until now and buying energy-efficient servers; A virtualized server typically consumes 90% less electricity than a physical server;
- > We have continued to replace air conditioning by **fresh air cooling** in our fixed and mobile networks, reducing our need for electricity and refrigerant gases;
- > We have introduced a new **dispatch application** to optimize the travel routes of our technicians and have successfully tested **Eco-driving** trainings with 30 employees (4% fuel savings); 2 fully **electric cars** have been tested during 2 months and we are currently assessing the results. The tire pressure checks were postponed to 2009;
- > We have assessed options to increase flexibility of our **mobility plan** and obtained a pre-agreement from our unions to review our mobility policy in 2009 in order to give more flexibility and promote low-carbon transport alternatives;
- > In order to reduce employee commuting, we expanded our satellite **teleworking** facilities. As a result, the number of teleworkers increased by 18% vs. last year;
- > We participated in ETNO discussions on energy efficiency but no standard KPI has been agreed upon yet.

-4.2%

**Total CO<sub>2</sub> emissions**  
(in thousand tons)

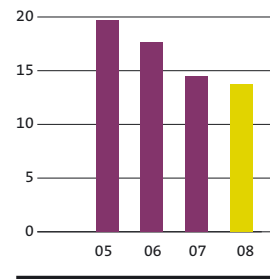


**Energy consumption** (in terajoule)



-6%

**Waste production**  
(in thousand tons)



**Reduced waste by 6% vs 2007 and recycled 71%**

Our waste management approach follows the principles "reduce, reuse, recycle" and include office waste and waste related to our operations (paper, wood, metal, cables, batteries, electronic scrap, etc.).

> **"Reduce"**: We have decreased our overall waste by 6% vs 2007, thanks to building consolidations and efficient waste management. For example paper waste was reduced by 7% and residual waste by 15%;

We have recycled/reused 71% of our waste.

> **"Reuse"**: Our "investment recovery" department, has managed to revalorize 1,021 tons of surplus equipment resulting from our operations (cables, modems, mobile devices e.g.);

> **"Recycle"**: in 2008, we introduced a recycling program for plastic bottles and cans in our headquarters, as well as for foil in our distribution center. We have a national handset recycling scheme and support various initiatives encouraging customers to return used handsets. Two soil remediation projects were realized this year.

**2. Help our customers to reduce their carbon footprint**

Our products and services can contribute to lower-carbon ways of living and working. Recent reports such as the GeSI/Climate Group Smart 2020 study demonstrate that through enabling other sectors to reduce their emissions, the ICT industry could reduce global emissions by as much as 15% by 2020 – a volume of CO<sub>2</sub>e five times its own footprint in 2020. >> [More info www.smart2020.org](http://www.smart2020.org)

**Dematerialization solutions**

Many physical products and services can be replaced by their virtual equivalents, enabling energy and carbon savings on raw materials, production processes, logistic flows, and end-of-life disposal processes.

Examples of such applications include e-billing, mobile payments (parking, tickets, etc.), video on demand (video downloads via Belgacom TV), eHealth (digitization of medical files).

**Smart Optimization solutions for transport and buildings**

Significant reductions in transport can be achieved today via our teleworking, videoconferencing, mobile intranet/internet, traffic info solutions. All these solutions lead to lower CO<sub>2</sub>, increased work productivity and better work-life balance.

Future ICT applications in fields such as "intelligent cars" (telematics) or road charging will further accelerate this low-carbon transformation.

Belgacom estimates that nearly 2 million CO<sub>2</sub>-eq tons could be saved annually in Belgium if these technologies were deployed more broadly.

Residential and office buildings can also benefit from ICT-enabled energy efficiency solutions. For-instance, our existing smart metering solution (currently a pilot launched in 2007 with Nuon and the environmental federation Bond Beter Leefmilieu) enables real-time collection of energy consumption, which customers can then manage proactively via a web interface, by setting alarms, etc. Such applications enable customers to visualize their energy consumption and consequently change their behavior, resulting typically in 2%-10% energy and CO<sub>2</sub> savings. The energy supplier can use the same data to optimize production or create new tariffs better adapted to consumers needs.

**Green Datacenter**

"Engineers of Belgacom and Sun Microsystems have created a scale model of a data center which does not require a cooling system: the systems are simply cooled with outside air (Full Free air Cooling). The savings are enormous and can add up to 47% of the total energy budget of a data center."

>> More info <http://wikis.sun.com/display/freeaircooling/Free+Air+Cooling+Proof+of+Concept>



700 m<sup>2</sup> of solar panels installed in 2008



## We will

- › Further lower our CO<sub>2</sub> emissions and define an overall CO<sub>2</sub> reduction target for our Belgian activities
- › Implement a new mobility policy, promote eodriving trainings, and increase the number of internal teleworkers
- › Increase % of waste recycled/reused
- › Take further action to help our customers lower their carbon footprint
- › Further engage with external stakeholders, by joining GeSI (Global e-Sustainability initiative) for-instance.
- › Launch an internal employee involvement campaign

## We have

### Taken a number of initiatives to limit the impact of our products and marketing activities on our customers

- > Reduction of the packaging for TV and GSM and shift to recycled boxes;
- > Replacement of all plastic bags by fully-biodegradable bags in our points of sales;
- > Implementation (ongoing) of a new software which reduces the energy consumption of our TV digital decoders by 15% and make them compliant with the EU Code of Conduct;
- > Consolidation of our print communication and shift of the remaining majority (over 800 million sheets per year) on FSC-certified and even recycled paper.

### Continued to develop and pilot new "green" ICT applications

For instance, we participate in a trial to evaluate the opportunities of intelligent car insurance. Based on a GPS/GPRS device inside the car, the real usage of the car will be measured, allowing insurance companies to develop policies and pricing plans based on driver's behaviour.

### Continued to communicate on green benefits of our solutions towards our customers

- > We promoted e-bill to our fixed and mobile customers, as a green alternative to paper bills. At 31<sup>st</sup> December 2008, we had 508,000 residential customers using e-bill, saving 15 million sheets of paper each year.
- > "Green" was a major topic during several of our B2B events: we invited the Polar Foundation as keynote speaker during our "green datacenter" event to raise awareness of our customers; we showcased our green IT offering during our annual ICT symposium.

## 3. Involve our stakeholders

We believe it is key to involve our stakeholders in our Climate change challenge.

### Employees

We organized several events to raise employee awareness on climate change and our "green" plans.

We negotiated special conditions with our suppliers for employees willing to install solar panels at home.

### Suppliers

We believe we can also influence our suppliers and therefore increasingly include energy efficiency and "green" requirements in our tenders and discussions with our suppliers.

### Industry peers

In order to engage with our industry peers and share best practices, we participated in several initiatives such as the ETNO (European Telecommunications Network Operator's Association) sustainability and energy workgroups, the EE IOCG (Energy Efficiency Inter-Operator Collaboration Group), and workgroups organised by Business and Society, the Belgian CSR network.

### Community

By sponsoring the International Polar Foundation and major exhibitions like "C'est notre Terre", we indirectly help increase society's awareness on climate change and sustainability challenges. We have extended our existing partnership with the International Polar Foundation >> [More info www.polarfoundation.org](http://www.polarfoundation.org) to the Princess Elisabeth Station in Antarctica, the first "zero emission" scientific station (full energetic autonomy) >> [More info www.antarcticstation.org](http://www.antarcticstation.org). Belgacom Group's educational and interactive website for children >> [www.kidcity.be](http://www.kidcity.be) has integrated the IPF into its fictional town. Several resources and activities covering the IPF, the Princess Elisabeth Station and the Polar Regions are available on the Kid City website: quizzes, flash animations, videos, contests, articles, stories, pictures, forums and polls.

# electromagnetic fields (EMF) & health

The rapid growth of wireless technology has brought personal, business and social benefits. However, some people are concerned about the health effects from the electromagnetic fields (EMF) emitted by base stations and wireless devices. Thanks to a market survey, we specified this concern and addressed it by launching new communication initiatives to our stakeholders and by closely monitoring the evolution of the scientific research in this field.



## Scientific research

### Expert review published during 2008

The Independent Expert Group on Electromagnetic Fields of the Swedish Radiation Safety Authority (SSI) published its fifth annual report in April 2008. Its opinion is that:

"The few studies that have been published on health risks among populations living near transmitters have had major methodological shortcomings. However, the exposure to the general population that results from transmitters is very weak and one would not expect such exposure to produce a health risk as discussed in the previous report. Indeed, one would assume that if RF exposure at low levels is associated with a health risk it would be considerably easier to detect it in studies of mobile phone users, or highly exposed occupational groups. The overall conclusion is that exposure from transmitters is unlikely to be a health risk."

### INTERPHONE / IARC

INTERPHONE is the largest series of case-control studies ever made investigating the potential link between mobile phone use and brain tumours risk. This study is coordinated by the International Agency for Research on Cancer (IARC), a body of the World Health Organization (WHO).

The latest progress report has been issued in October 2008. It generated a lot of press reactions in Belgium although it did not include any new results. Furthermore, the authors underlined that results are preliminary with further analysis needed to account for uncertainty in long term recall of usage and evidence of data bias.

Till now, one cannot conclude whether electromagnetic fields emitted by mobile phones are carcinogenic.

The conclusions have been delayed to 2009.

>> [More info www.belgacom.com](http://www.belgacom.com)

### Emission norm for base stations

Since December 2001, our base stations have to comply with the Royal Decree fixing the norm for antennas emitting electromagnetic waves between 10 MHz and 10 GHz. This norm is four times stricter than the recommendations of the WHO.

Nevertheless, we see political initiatives to lower the norm in the three Regions. Especially in the Brussels region, an ordinance has been adopted in 2007 and has to be applied as from the 14<sup>th</sup> of March 2009. The Brussels norm will be 200 times stricter than WHO recommendations.

As a consequence, the emission power of some base stations will need to be reduced, generating coverage holes.

In order to restore the coverage and the quality of service, extra base stations will have to be built.

## We have

### Communicated the maximum SAR value of mobile phones on the packaging

We have performed a market survey in order to evaluate the public perception on EMF. We have seen that EMF is not the highest source of concern with regard to smoking or exhaust gasses of vehicles for example. Nevertheless, base stations are perceived as a greater source of concern than mobile phones or WiFi hotspots.

#### Key findings:

- > The respondents consider that the operators and the legislator are responsible for base stations;
- > On another hand, the respondents are willing to take their responsibility to reduce their exposure to mobile phones and would therefore like to have more information on this matter.

In a response to these key findings, we have decided to provide to our customers the maximum SAR value of each mobile phone of the Proximus Collection on the packaging, in the point of sales and on the Internet, as from July 2008.

SAR stands for Specific Absorption Rate and is the unit for measuring the quantity of electromagnetic energy that is absorbed by the human body when using a mobile phone. The maximum allowed SAR in Europe is 2 W/kg.

Although the SAR is determined on the basis of the highest power level of the phone, the actual SAR in use may be considerably lower. The phone is indeed designed in order to not consume more power than needed to establish a connection with the network. In general, the closer you are to a base station, the less power the phone uses. >> [More info on http://customer.proximus.be/en/Sup\\_SAR/index.html](http://customer.proximus.be/en/Sup_SAR/index.html)

### Increased our information towards our employees and government bodies

Our employees have been informed on EMF by giving them 12 specific presentations.

Furthermore, two noon sessions open to all the employees have been organised with a university professor.

We participated in 27 information sessions with local and national government bodies including the Belgacom Telecom Days and 11 sessions with people living close to base stations.

Andy Embas  
Device Category  
Manager

We launched SAR  
labelling on  
mobile phones

## We said

> We would increase our communication to our stakeholders

## We will

> Continue to closely monitor the scientific research on EMF

> Further increase communication on EMF towards our stakeholders

Ann De lael  
Market Research  
Diversity Team Member

Fernande Hazard  
HR Project leader University

Jean-Marc Verhust  
VP Human Capital  
Diversity Sponsor

# employees



Belgacom Group employs approximately 17,000 people. We believe our employees are our most valuable asset to maintain and build on the success of our business. We aim to ensure that all our working environments are inclusive, safe, ...

## We said

- › We would finalize staff & support integration
- › We would define Group Corporate Values to build coherence between the strategy, the brand and the employee
- › We would continue the standardization of the HR support for all affiliates
- › We would continue to promote a safe and healthy work environment.

## The Pulse

The employees' initiative continued in 2008 to offer a large scale of courses, outside working hours, to develop creative talents

- › 7,626 training hours
- › 11 new courses
- › 462 participants
- › 16 employee trainers
- › 1 CD from the Belgacom band "Quartier Nord" produced
- › Several theatre plays and performance from "Il Coro di Belgacom"

## We have

### Completed the 1<sup>st</sup> integration phase of Staff & Support

Since 1<sup>st</sup> October, the Staff & Support teams of Proximus, Telindus and Skynet have been fully incorporated in the Staff & Support service structure of Belgacom s.a. This integration complies with the European Directives which stipulate that transferred employees must retain their employment conditions, salary and advantages from which they benefit at the time of their transfer.

Besides the guarantees laid down by the European Directives, the Belgacom Group's management committee and the social partners have agreed to provide supplementary guarantees for transferred employees. These guarantees are set out in a Collective Labor Agreement, concluded after negotiations where unions and management from affiliates were represented.

2 phases have been defined to reach the complete integration:

- > During the 1<sup>st</sup> integration phase (reception structure), employees will keep same remuneration, job content and employment condition.
- > With the implementation of phase II (optimized structure) that is foreseen in 2009, transferred employees will be subject to the conditions in effect at Belgacom s.a. However, the latter have the option of rejecting Belgacom s.a.'s salary policy and keeping their salary package in its entirety for an indefinite period of time. In that case they will be excluded from the salary adaptation systems that apply at Belgacom s.a. During the implementation of phase 2, any employee whose job content or employment conditions change substantially will be able to make a unique and definitive choice. He or she may either opt for the reconversion system under the rules applicable at Belgacom s.a. or for the special "reassignment" system of the legal entity to which he or she belonged.

### Developed a new set of Group Corporate Values

At the moment of the integration of the affiliates, the definition of new corporate values answered to high demand from employees. Elix (the employee satisfaction survey) revealed that though there is still a high job commitment, the engagement towards the organisation is generally emotionally low. Employees lack of cohesion, identity, clear direction, balance between rationality and human.

In the meantime, the business context – market needs for end-to-end solutions, economical instability also change, the Group had to adopt a clear corporate strategy.

The value definition process started with employees focus groups, during which feedback has been collected on a proposition of 5 values. After consolidation, this feedback has been presented to TGR's during workshops.

This process results in the choice of "Respect", "Can do" and "Passion" as Belgacom Group corporate values.

Implementation is foreseen in 2009, focus will be put on communication, systems and processes (to reinforce the behaviour), skills (competency development and getting the opportunity to behave) and role modelling (I see leaders, peers and reports behaving in the new way)

### Surveyed our employees at Group level

For the second time, we have surveyed our employees at Group level, with an answer rate of 57%.

Apart from CBU where Elix decreases vs 2007, there is a status quo for the different business units.

Regarding legal entities:

> Decreased commitment amongst "Proximus" & "Skynet" employees

> Positive development for Telindus Belgium & International

Elements driving commitment where satisfaction decreases are:

- > Information and communication (all Bu's)
- > Work organisation (EBU, CBU, S&S)
- > Co-operation with colleagues from other teams

Elements driving commitment where satisfaction increases are:

- > Career development (all BU's)
- > Evaluation policy (all BU's)
- > Immediate manager (SDE; EBU, CBU)
- > Work atmosphere (SDE, EBU, S&S)

Decrease in confidence in the market position (not as employer) of the Belgacom group, and this mainly in the "client facing" business units: CBU & EBU

84% of employees are overall satisfied with Belgacom Group as employer.

A CSR survey has been conducted during CSR roadshows in May-June. 2,050 employees gave their perception of Belgacom's CSR actions. The survey revealed that all people are not equally informed and that internal communication is key to embed CSR into the Group. Expectations are high for a topic like environment.

### Taken several initiatives to promote a diverse workplace

Working in a company or an organization means also collaborating with people who differ on the level of gender, language, ethnicity, religion, physical abilities, sexual orientation, education, experience, personality, .... Belgacom

wants to be a workplace where these differences are recognized and respected, and where all employees are given equal opportunities. An e-learning tool has been developed to increase awareness of all employees.

This year, actions have been taken to understand the expectations from Belgacom employees toward diversity:

- > We have conducted 8 soundings boards in different locations, with a total of 49 participants. We received a very constructive feedback, and challenges (aging populations, distance between the towers and the field, unfamiliarity with new colleagues and cultural differences) have been highlighted. Actions like field visits, communication campaign, training sessions on age, working with different cultures & BGC Group integration are foreseen for 2009.
- > We also organized Focus Groups on diversity within the Belgacom Group where we brought together similar-category employees (woman/man, employees under 25/ over 50, gays, people with a disability, employees born outside Belgium, English-speakers, people working in Flanders/Wallonia. Conclusions were that employees welcome the diversity initiatives and hope they will receive long term support by top management. Initiatives stimulating communication and collaboration among divisions, among employees of different levels and cultures, among regions should be taken. Only a minority of the "classic" diversity target groups perceive themselves as a community at work. More so, most groups are not in favour of forming a ghetto and welcome more interaction.

Actions promote equality between men and women continued in 2008:

- > The Winc Team (Woman in Corporation, woman network launched within the Belgacom Group) has organised 3 "Eat and Greet" lunches, to allow women employees to meet women top managers and develop networking.
- > Via the Interface 3 project (ICT training addressed to women unemployed with low level of education), we have aimed showing that women can also be recruited for function that traditionally are considered as men's job. 15 persons followed the formation, 9 received a Belgacom contract.
- > A McKinsey study on the place of women in the enterprise has been presented to the Belgacom top 200.

A Telecom discovery day, baptised "ICT is fun" has been organised for employee's teenagers. 100 youngsters, aged 15 to 18 visited Belgacom TV studios, created web sites, and got familiar with their parents workspace.

We have associated our trainings suppliers to our diversity project, explaining them our Diversity policy and calling them to integrate diversity principles in their courses: the cases and examples used for training courses should reflect the diversity in our organization (including course content, presentations and hand-outs); the training content and teaching methods should fit a heterogeneous public; the different pedagogical styles and possible limitations should be adapted to the learning ability of the target groups.

As official result of our efforts, we have received the diversity label: Belgacom Group first has received this label in

2007 from the Minister of Employment and Equal Opportunities. Although it applies to the entire 2007-2010 period, the owners are audited annually by an advisory committee which examines whether they have kept their promises. The audit conducted on our company in May 2008 has once again yielded very positive results and we have received the Equality Diversity Label for the second time from Deputy Prime Minister Joëlle Milquet in September 2008.

### Promoted balance in life

Since years, Belgacom offers solutions to achieve balance between professional and private life. Teleworking, holiday camp for children, childcare service during summer months and sick child home care service are some example of the initiatives taken. Fun events are also proposed to families and always have a lot of success.

### Pursued our efforts to build a safe working place

Several initiatives have been taken to promote safety at work, like a risk analysis to improve working conditions of technicians on the field. Based on this study, actions have been proposed and will be developed in 2009.

We have also reviewed and completed the warning signs in all our buildings. An information campaign has been launched, to allow all employees to understand the different pictograms. An e-learning module has been developed by our Belgacom Corporate University (BCU).

On construction sites, we have conducted 1,200 controls and safety trainings have been organised for new hired. Specific safety trainings have been organised for electricians, guards, kitchen managers.

The first aid and fire fighting trainings have been centralized for all affiliates and a global call has been launched to recruit new volunteers. 251 employees followed the fire fighters formation and 121 the first aid training. Belgacom Group has published reviewed evacuation procedures on the new Group intranet and has created a common phone number for emergencies. That way, information is centralized for all affiliates.

Belgacom tested an interactive self-assessment tool with respect to stress and well-being at work in the division GS²C. This tool gives immediate feedback and personal advice to the user about here/his personal situation (based on different questionnaires). ISAT will be launched within the entire organization during 2009. ISAT also enables us to make analysis for departments / teams and to support them by drawing up, executing and follow-up action plans.

### Signed the "Road Safety" Charter

In November, we have signed the "Road safety charter", which is part from the "Road safety Program" launched by the European Commission. With this charter, Belgacom Group has committed to maintain and increase its vehicle safety level, to increase awareness of, and respect for safety rules where Group employees, contractors and road users are concerned, all these actions must result in the reduction of the number of accidents and/or incidents, and to raise the level of knowledge about the new road safety legislature for our employees in order to reduce chances of having accidents due to unsafe driving behaviour.



## We will

- > Complete the 2<sup>nd</sup> Staff & support integration phase
- > Develop communication campaign and actions plans to implement new Corporate Values
- > Continue to promote diversity
- > Implement commitments included in the "Road safety Charter"

# supply chain



We do not own any manufacturing facilities. We buy network and IT equipment, cables, phones and services from a large number of suppliers worldwide.

We spend roughly 1.7 billion EUR with 8,000 suppliers. We expect our suppliers to meet high standards regarding human rights, the environment and employment issues. Embedding our CSR standards in our procurement practices helps us to protect our reputation and make a real difference to the communities where our suppliers operate.

## We said

- › We would finalize the CSR training of all Group procurement buyers
- › We would integrate Vendor's compliance towards CSR as an explicit evaluation during sourcing & selection projects
- › We would integrate a CSR clause in all new contracts
- › We would finalize a Group-wide procurement policy, including ethical & CSR aspects
- › We would inform suppliers on Belgacom CSR policy during suppliers' day and forums
- › We would source more fair trade products
- › We would continue efforts to develop e-flow and thereby limit use of paper/fax.

## We will

- › Finalize the training of our buyers on CSR and ethical procurement.
- › Assess the CSR performance of our high risk suppliers
- › Include CSR performance as criteria in sourcing & selection projects

Belgacom Group's suppliers are mainly large multi-nationals that either operate their own assembly factories or source from independent manufacturers or both. We strive to work with suppliers that maintain high labour and environmental standards. Our Code of Ethical Purchasing sets out our expectations towards suppliers.

## We have

### Integrated our Code of Ethical Purchasing as a mandatory condition in all our new contracts and thereby require vendor's compliance towards CSR

By integrating our Code of Ethical Purchasing as a standard condition in all our new contracts and in our general terms & conditions, we now require all Belgacom Group suppliers to comply with labour and environmental standards. The Code of Ethical Purchasing covers the following items:

1. Legal Compliance
2. Child Labor
3. Forced Labor
4. Health and Safety
5. Freedom of Association
6. Discrimination
7. Disciplinary Practices
8. Working Hours
9. Wages
10. Individual Conduct
11. Environment

### Reviewed our Group procurement policy and included CSR

Our new Group procurement policy explicitly refers to our Corporate Social Responsibility approach and our Code of Ethical Purchasing.

### Continued to train our buyers and raise the awareness of our suppliers

To be effective, our Code of Ethical Purchasing must be understood by our buyers and suppliers. Therefore, we have continued the training sessions and 43% of Group's buyers have now followed the training.

We have also raised suppliers' awareness during our annual suppliers' day.

Our supplier portal also contains more information on how we embed CSR in our procurement practices and a link to our Code of Ethical Purchasing. >> **More info:** [www.belgacom.be/sup/public/en/jsp/dynamic/homepage.jsp](http://www.belgacom.be/sup/public/en/jsp/dynamic/homepage.jsp)

### Increased sourcing fair trade products

Although we do not have a formal sustainable product policy, we ask buyers to consider sustainable alternatives as much as possible. For instance, fair trade products are now included in our catalogue for business gifts and we organized a fair trade week in our restaurants to raise employees' awareness.

### Increased sourcing green products

We have shifted the big majority of our print communication on sustainable paper (FSC and recycled), and our office printing paper is PEFC certified.

We have replaced the plastic bags in our retail stores by certified biodegradable plastic from renewable sources. All our electricity is now sourced from renewable sources. Printing toners, which are not directly refilled by our suppliers, are recycled and the revenues go to a social project.

### Further developed e-procurement

In line with our efforts to reduce our environmental footprint, we have continued to promote e-supply and to reduce usage of paper and faxes. 83% of Belgacom group purchase orders were sent out electronically (80% in 2007).

83% of purchase orders sent out electronically

# socio-economic impact of telecommunications

Information and Communication Technologies (ICT) can bring significant social, economic and environmental benefits. We make a direct contribution to the society through direct and indirect jobs our activities create and the associated wealth it generates. We believe that the contribution of ICT goes beyond providing networks and services; and that we can contribute to EU's sustainable growth. A report by The Climate Group on behalf of the Global e-Sustainability Initiative (GeSI), with independent analysis by McKinsey & Company, confirm that ICT is a key sector in the fight against climate change by enabling energy efficiencies in other sectors, an opportunity that could deliver carbon savings five times larger than the total emissions from the entire ICT sector in 2020.



At European Union level, eHealth policy has been set out in the 2004 eHealth action plan. The plan aimed to bring national authorities closer together in order to move towards a European eHealth Area, in which the geographical location of an individual citizen has minimal impact on the quality of healthcare they receive. In 2008, the adopted "Communication to support and improve access to telemedicine for EU citizens and healthcare professionals across Europe" and the "Commission Recommendation on cross-border interoperability of electronic health record systems" have reinforced it.

## We have

### Defined eHealth as a major strategic domain

The Belgacom Group has developed clear objectives regarding eHealth: the Group will provide tools and managed services to patients, relatives and Healthcare professionals in order to link, inform and support them, digitally.

- > By managing in a secure, scalable and cost effective way:
  1. Infrastructure and generic applications (encryption, storage,...)
  2. Mediation engine making all medical applications interoperable
  3. Specific medical applications and services
- > By transforming and federating the healthcare system in partnership with Healthcare sector and technology providers

Belgacom take thus an active positioning as integrated services provider in the exchange of health data in collaboration with the sector (mutualities, hospitals, etc)

Supporting eHealth development in Belgium, we have developed health information network concepts such as patient data secured exchange between practitioners, e-prescription concept and have already successfully implemented Carenet: almost 200 hospitals already request to be involved in this system of secured data exchanges via internet between patients, pharmacists, doctors, hospitals, mutualities.

>> [More info www.caretet.be/](http://www.caretet.be/)

Placing the patient in the centre of the healthcare system, we are today ready to deliver life supporting technology

like video-care, Alzheimer patient monitoring, Personal Alarming systems and remote assistance technology.

The trial of cardiology telemonitoring launched in 2007 will last until 2011. Congestive Heart Failure affects some 100,000 and 200,000 people in Belgium with a severe impact on their quality of life. Statistics have shown that 40% of patients discharged from hospital are expected to be re-hospitalised within 6 months. The aim is to cut back this re-hospitalisation rate through an innovative monitoring system for HF patients, with the assistance of general practitioners. >> [More info www.belgium-hf.be](http://www.belgium-hf.be)

Telemedicine project of diabetes management and monitoring of pregnant women at risk at home are currently studied.

### Started the digitisation of Belgium's cultural heritage

The digitisation of cultural heritage has been defined as a major priority in the cultural agenda of the French presidency of the Council of the European Union, in the second part of 2008. Digitisation and on line accessibility of the cultural material from the Member states as well as digital preservation are essential for valorising cultural heritage to the audience, stimulating the creation of contents and fostering new on-line services. They contribute to the democratisation of the access to culture and to the development of the information society and the knowledge economy. 2008 is a major step in the construction of the European digital library, which is supported both by the European Commission and the Member states.

In Belgium, the Belgacom Group started the digitisation of the archived newspapers from the Royal Library and from the archived newspaper from the Royal Museum of Cinema.

Belgian government plans to launch a global RFP for the digitisation of federal museum in 2009, for which Belgacom Group will also be candidate.

## We said

- > We would continue to investigate opportunities in eHealth domain
- > We would define a Group strategy

*eHealth is a major strategic domain*

## We will

- > Continue to investigate new initiative in eHealth domain
- > Be candidate to the global RFP for digitalisation of federal museum

# community investment



We believe our responsibility goes beyond our products and services. We want to contribute improving quality of life in our communities. We focus our contributions on areas directly related to our CSR strategy: reach the excluded; promote sustainable development and engage employees in their local communities.

## We said

- › Based on existing success of Proximus Foundation & Helping Hand we will study the opportunity to create a Belgacom Group Foundation
- › Start a study to identify key needs to address, this helps us to review our social investment policy at Group level by end of 2008
- › We would review our Community Investment policy by end of 2008

## We will

- › further study the feasibility of a Belgacom Group Foundation
- › finalize our Community Investment policy.

## We have

### Launched the reflection about a Belgacom Group Foundation

We have conducted internal and external surveys in order to identify stakeholders' expectations, particularly with customers and employees.

Key findings have confirmed that their main expectations are related to unemployment, re-training, education, environment and employee engagement.

Taking these results into account, we have started to review our social investment policy in 2008 but could not finalize it by end of 2008. We expect to pursue this exercise in 2009.

Regarding the creation of a Group foundation in particular, we have formulated a recommendation but decision making is postponed to 2009 due to economical situation.

### Donated 1.1 million EUR in money but also time and materials to charities and good causes through the Proximus Foundation, the Helping Hand and our partnerships

The Proximus Foundation has supported 42 local non profit organisations in 2008, focussing on youngsters living in Belgium, disadvantaged by poverty, social exclusion, youth or handicap. >> [More info www.proximusfoundation.be](http://www.proximusfoundation.be)

We have also continued to encourage social engagement among our employees through **The Helping Hand**, which provides up to 5,000 EUR in financial support for social projects in charitable associations where our employees work as volunteers with people who are disadvantaged, handicapped or sick. In 2008, 57 requests have been approved by the jury. In the meantime, Belgacom has continued to distribute without charge furniture that it replaces in the Headquarter office. >> [More info www.lepetitcoupdepouce.be](http://www.lepetitcoupdepouce.be)

We are members of **United Fund for Belgium**, a Belgian non-profit organization with a mission to efficiently support small and medium-sized charitable institutions and projects located exclusively in Belgium.

As a structural partner of **Responsible Young Drivers**, we have offered, for the third consecutive year, the proceeds from the first million SMS messages sent by our mobile customers to mark the New Year's Eve celebrations. The

Responsible Young Drivers promote safe driving among young drivers.

We have continued to support **Child Focus**, the European Centre for Missing and Sexually Exploited Children by hosting them in two Belgacom buildings in Brussels.

We have also made donations to the **Queen Paola Foundation**, the fundraising organization that supports projects to help young people with problems to reintegrate into society.

Besides these specific programs, we have regularly welcomed in the Belgacom Towers charity sales or recruitment campaigns from NGO's over the year, in 2008 we hosted **United Fund for Belgium, Amnesty International, CréaHM, Fondation Damien, La Ligue contre la Sclérose en plaques, la Fondation contre le Cancer, APEPA, Médecins Sans Frontières** e.g.

Trans-Mission is an independent organisation that aims to mobilise young people to the world social stakes and give them the possibility to be involved in different projects. In 2008, we have financed the development of their web platform. >> [More info www.lemondeavectoi.org](http://www.lemondeavectoi.org)

In the environment area, we have also sponsored as major partner the exhibition "C'est notre Terre" taking place at Tour&Taxis-Brussels from October 2008 till April 2009 and promoting the safety and the beauty of our planet, and educating on sustainable development.

### Supported extraordinary people

We have concluded a partnership agreement with the **Belgian Paralympic Committee**, allowing our top paralympic athletes to participate in the Paralympic Games in Beijing from 6 to 17 September 2008. >> [More info www.supporterparalympics.be](http://www.supporterparalympics.be)

Because each child is extraordinary, we have decided to support **APEPA**, an association of parents of autistic children for one specific project: the production of a short movie showing the different types of autisms. >> [More info www.belgacom.com](http://www.belgacom.com)

Teens are also exceptional especially when they accept to participate to group discussions, another movie we have financed to support the **l'AFRAHM**.



# about CSR reporting

This is the third Belgacom Group Corporate Social Responsibility (CSR) Report. It covers the year ended 31<sup>st</sup> December 2008. This printed version is primarily aimed at stakeholders with particular interest or professional involvement in Corporate Social Responsibility.

In this report, we aim to provide a balanced account of our performance on the socioeconomic, ethical and environmental issues which are the most relevant to Belgacom at Group level. These issues have been identified through research, benchmarking with other telecom operators, stakeholder engagement, media tracking and other methods. >> [More info www.belgacom.com](#) for an explanation of the process we used to assess the issues that are material to the Belgacom Group.

We base our report on the Global Reporting Initiative (GRI:G3) sustainability guidelines. A summary of conformance with the G3 guidelines is available page 17 in the chapter "general information". The full index of conformance is available on: >> [www.belgacom.com](#)

## Completeness

We identify our stakeholders by assessing who is impacted significantly by the company and who could have an impact on the company. Stakeholder engagement helps us understand the issues of concern to our stakeholders.

## Materiality

There is no natural basis for comparing the significance of one issue with another. Nevertheless it is important to be able to prioritise effort and resources. To make these judgements we assess the extensive list of issues for significance in three areas:

- > The level of concern and interest among stakeholders most affected by our operations
- > Our impact on society and the environment
- > Financial and reputation impact on our business

## Stakeholder Inclusiveness

The selection of content of report draws upon the outcomes of stakeholder engagement processes and if stakeholder engagement processes that informs decisions about the report are consistent with the scope and boundary of the report. We use the knowledge gained from stakeholder engagement to explore possible actions and solutions. Where these are possible we make an appropriate commitment and publish it in this report. On occasion we will not agree with a criticism or not be able to respond with a solution. In this situation we explain our view clearly and publicly. Further information on our business and financial performance, corporate governance, regulatory issues and directors' remuneration is provided in our Annual Report

for the year ended 31<sup>st</sup> December 2008. This report is also available on: [www.belgacom.com](#). All references to "Belgacom Group", "the Group" and "we" in this report mean Belgacom Group and its subsidiaries.

## Sustainability Context

The report presents the organization's performance in the wider context of sustainability. This context is defined by a benchmark analysis and a press review.

## Balance

The report reflects positive and negative aspects of the organization's performance to enable a reasoned assessment of overall performance. The report discloses both favourable and unfavourable results and topics.

## Comparability

The reported information is presented in a manner that enables stakeholders to analyze changes in the organization's performance over time, and could support analysis relative to other organizations. The report and the information contained within it can be compared on a year-to-year basis.

## Timeliness

Reporting occurs on a regular schedule and information is available in time for stakeholders to make informed decisions.

**Clarity:** information is made available in a manner that is understandable and accessible to stakeholders using the report.

The assessment process requires a judgemental approach. Our assessment on 31 December 2008 indicated that the most material issues for the Belgacom Group are: clear pricing; content standards; energy use and environmental impact; handset recycling; education and training; transformation of Belgacom Group and its impact on jobs; radio frequency fields and health. We aim to cover all the issues raised in the appropriate places in our reporting. This report focuses on the issues material at Group level.

## Scope and data

The Belgacom Group is active in 22 countries. The data included in this report though cover Belgacom Group's activities in Belgium. With regards to last year CSR report, we modified our approach moving from a stakeholders' approach to a business issue

based approach. The international carrier activities of the Belgacom Group abroad, provided by its subsidiary ICS (International Carrier Services) and the international operations of Telindus are not included in the scope of this report. Tango and Scarlet are also out of scope due to their late acquisition in 2008. An independent assurance review was conducted on the policies and measures provided in this report by Ernst&Young Bedrijfsrevisoren BCVBA /Reviseurs d'Entreprises SCCRL ("Ernst&Young"). Although it is our 3<sup>rd</sup> year of reporting and our procedures to collect data are not yet established, no assurance is being given on quantitative data in the report. Consequently, Ernst&Young's assurance statement does not provide assurance on those elements, neither Ernst&Young provides assurance on the references to external web links in this report.

## Disclaimer

This report has been drawn up for the purpose of informing our stakeholders on the Belgacom Group's performance and commitment with respect to CSR. Nothing in this document is intended to extend or amend the Belgacom Group's existing obligations to its customers, shareholders, employees, suppliers, shareholders and investors or other stakeholders. All references to external Web links in this report are provided purely for information purposes and therefore no external assurance are provided on this information by Ernst&Young's. The Belgacom Group is not responsible for the reasonableness, accuracy or completeness of the information available on these Web sites, nor does their mention in this report constitute tacit approval or endorsement by the Belgacom Group of such sites or the products or the services offered therein. The Belgacom Group accepts no liability with regard to any such information that has been or will be provided by external parties via their Web sites. A glossary of the technical terms used in this report is available on: >> [www.belgacom.com](#).

We welcome your feedback on our CSR engagement and your views on this report. Please contact:

Mrs Concetta Fagard  
M. Jean-Luc Van Kerckhoven  
E-mail: [csr@belgacom.be](mailto:csr@belgacom.be)

# achievements & commitments

## We said

### Access to communications

- ▶ We would make our customer communications on price and products fully transparent
- ▶ We would continue to promote social inclusion by facilitating access to technology through products, prices, programs and sponsoring
- ▶ We would continue the roll out of the VDSL platform in order to reach a target of national coverage of 65%
- ▶ We would increase our efforts to protect children against any type of undesired content on the internet and on television
- ▶ We would better protect our mobile customers against undesirable SMS and MMS service-provider practices
- ▶ We would develop guidelines and processes to gradually implement a responsible marketing culture covering branding new product launch, customer protection
- ▶ We would develop a CSR checklist to be used in the Product and Services product launch process to be sure any CSR concern is identified

### Climate change

- ▶ We would perform a CO<sub>2</sub> audit at Group level
- ▶ We would start deployment of photovoltaic panels
- ▶ We would continue to implement energy saving initiatives
- ▶ We would analyze options to define, within the ETNO framework, a standard KPI on energy efficiency
- ▶ We would take measures to lower the impact of our car fleet
- ▶ We would further assess options to increase the flexibility offered by our mobility plan
- ▶ We would start a collection/recycling program for PMD and plastic foil
- ▶ We would launch a study to assess ways to lower packaging waste
- ▶ We would initiate at least 2 soil remediation projects
- ▶ We would enable our employees to benefit from discount and financing on solar panels
- ▶ We would continue to inform our customers about the green impact of telecom products

### EMF/health

- ▶ We would increase our communication to our stakeholders

### Employees

- ▶ We would finalize staff & support integration
- ▶ We would define Group Corporate Values to build coherence between the strategy, the brand and the employee
- ▶ We would continue the standardization of the HR support for all affiliates
- ▶ We would continue to promote a safe and healthy work environment.

### Supply chain

- ▶ We would finalize the CSR training of all Group procurement buyers
- ▶ We would integrate Vendor's compliance towards CSR as an explicit evaluation during sourcing & selection projects
- ▶ We would integrate a CSR clause in all new contracts
- ▶ We would finalize a Group-wide procurement policy, including ethical & CSR aspects
- ▶ We would inform suppliers on Belgacom CSR policy during suppliers' day and forums
- ▶ We would source more fair trade products
- ▶ We would continue efforts to develop e-flow and thereby limit use of paper/fax.

### Socio-economic impact

- ▶ We would continue to investigate opportunities in eHealth domain
- ▶ We would define a Group strategy

### Community investment

- ▶ Based on existing success of Proximus Foundation & Helping Hand we will study the opportunity to create a Belgacom Group Foundation
- ▶ Start a study to identify key needs to address, this helps us to review our social investment policy at Group level by end of 2008
- ▶ We would review our Community Investment policy by end of 2008

## We have

- Launched new initiatives to improve clarity, transparency, predictability and affordability of our pricing
- Developed or supported initiatives to bridge the digital gap
- Expanded our fixed and mobile networks
- Enhanced access to our products and services:
- Improved user experience for surfing on mobile phone
- Increased Online safety

## We will

- Continue to simplify our offers
- Improve the customers experience while using our products & services
- Commercialize more convergence offers
- Continue to develop targeted offers for disabled people
- Continue to promote and finance programs aiming at the closing the digital gap

- Contracted external consultants to audit our carbon footprint model and we adapted our scope of reporting
- Installed 700 m<sup>2</sup> of solar panels on several office buildings
- Consumed 3% less energy in our office buildings by closing nearly 80.000 m<sup>2</sup>, and via optimization measures
- Significantly reduced energy consumed in our datacenters by virtualizing 600 servers until now
- Continued to replace air conditioning by fresh-air cooling in our networks
- Engaged actively in energy efficiency discussions with ETNO members but no common KPI has been agreed upon
- Introduced a new dispatch application for our technicians
- Successfully tested ecodriving trainings with 30 employees (4% fuel savings)
- Increased the number of teleworkers by 18% vs 2007
- Tested 2 fully-electric cars
- Obtained a pre-agreement from our unions to deploy a reviewed mobility policy in 2009
- Introduced a recycling program for plastic bottles and cans in our headquarters, as well as for foil in our distribution center
- Reduced the packaging for TV decoders and GSM and shifted to recycled boxes;
- Initiated 2 soil remediation projects
- Negotiated special conditions with our suppliers for employees willing to install solar panels at home.
- Demonstrated our Green IT solutions at several of our B2B events
- Promoted ebill as a green alternative to paper bills, and reached 508,000 residential customers using e-bill
- Reduced our own CO<sub>2</sub> emissions by 42%, mainly by expanding our purchasing agreements for renewable electricity in order to cover 100% of our electricity consumption
- Showcased the feasibility of free air cooling in datacenters in partnership with Sun & Cisco
- Reduced waste by 6% vs 2007 and recycled 71%
- Shifted the majority of our print communication on FSC and recycled paper
- Indirectly increased society's awareness on climate change via our partnership with IPF and via sponsoring of exhibitions
- Communicated the maximum SAR value of mobile phones on the packaging
- Increased our information towards our employees and government bodies
- Completed the 1<sup>st</sup> integration phase of Staff & Support
- Developed a new set of Group Corporate Values
- Surveyed our employees at Group level
- Taken several initiatives to promote a diverse workplace
- Promoted balance in life
- Pursued our efforts to build a safe working place
- Signed the "Road Safety" Charter
- Continued training of our buyers but have not managed to train all buyers yet
- Included compliance with our code of ethical purchasing as a mandatory condition in all new contracts
- Included compliance with our code of ethical purchasing as a mandatory condition in all new contracts
- Reviewed our Group procurement policy and included CSR
- Included CSR as a key topic during our yearly supplier symposium
- Integrated fair trade products in our business gifts
- Increased the % of e-orders from 80% in 2007 to 83% in 2008
- Sourced more green products (certified/recycled paper, green electricity, ...)
- Defined eHealth as a major strategic domain
- Started the digitisation of Belgium's cultural heritage
- Launched the reflection about a Belgacom Group Foundation
- Donated EUR 1.1 million in money but also time and materials to charities and good causes through the Proximus Foundation, the Helping Hand and our partnerships

- Further lower our CO<sub>2</sub> emissions and define an overall CO<sub>2</sub> reduction target for our Belgian activities
- Implement a new mobility policy, promote ecodriving trainings, and increase the number of internal teleworkers
- Increase % of waste recycled/reused
- Take further action to help our customers lower their carbon footprint
- Further engage with external stakeholders, by joining GeSI (Global e-Sustainability initiative) for-instance.
- Launch an internal employee involvement campaign
- Continue to closely monitor the scientific research en Electro Magnetic Fields
- Further increase communication on EMF towards our stakeholders.
- Complete the 2<sup>nd</sup> Staff & support integration phase
- Develop communication campaign and actions plans to implement new corporate values
- Continue to promote diversity
- Implement commitments included in the "Road safety" Charter
- Finalize the training of our buyers on CSR and ethical procurement
- Assess the CSR performance of our high risk suppliers
- Include CSR performance as criteria in sourcing & selection projects
- Continue to investigate new initiative in eHealth domain
- Be candidate to the global RFP for digitalisation of federal museum
- Further study the feasibility of a Belgacom Group Foundation
- Finalize our Community Investment policy.

# report assurance audit



To the management of BELGACOM Group SA de droit public

## Engagement

We have been engaged by BELGACOM Group SA de droit public ("BELGACOM") to obtain limited assurance on BELGACOM's Corporate Social Responsibility Report 2008 ("the Report").

The scope of the Report, including any inherent limitations that could affect the reliability of the information contained therein, is set out in the section "scope and data" of the Report. The Report covers BELGACOM's activities in Belgium (including Belgacom SA de droit public, Belgacom Mobile SA and the national activities of Telindus SA and Connectimmo NV). The Report is the responsibility of the management of BELGACOM. Our responsibility as independent auditor is to provide limited assurance on whether the topics discussed in the Report address the key Corporate Social Responsibility issues affecting BELGACOM, whether the reporting procedures and principles used are appropriate and consistently applied and whether the description of the policy and management systems provides a reasonable reflection of the efforts made by BELGACOM with respect to corporate social responsibility ("CSR") during 2008. A limited assurance engagement provides less assurance than an audit.

## Limitations in our review

Our engagement did not include verification or review of any of the quantitative information contained in the Report nor did it include a verification of the internet links in the Report and their related information disclosed on the BELGACOM internet site. In the section "scope and data" of the Report, an explanation for the reasons of these limitations is provided.

## Criteria and reporting principles

There are currently no generally accepted criteria for reporting sustainability performance in Belgium. The Report, which is the responsibility of BELGACOM's management, has been prepared in accordance with the internal reporting criteria detailed in the section "About CSR Reporting" of the Report, which are primarily derived from the Sustainability Reporting Guidelines of the Global Reporting Initiative ("GRI").

## Scope of work performed

Management is responsible for the preparation of the report and the information therein in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation of the Corporate Social Responsibility Report 2008 that is free of material misstatements, selecting and applying appropriate reporting policies and using measurement methods and estimates that are reasonable in the circumstances. The choices made by management, the scope of this report and the reporting policy, including any inherent limitations that could affect the reliability of information, are set out on page 13 of the report.

## The auditor's responsibility and scope of the work performed

Our responsibility is to express a conclusion with regard to the Corporate Social Responsibility Report 2008 of BELGACOM based on the limited assurance engagement described above. We conducted our procedures in accordance with the International Standard for Assurance Engagements 3000 ("ISAE 3000"): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and the Code of Ethics, issued by the International Federation of Accountants ("IFAC").

## Procedures

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. Our main procedures were:

- > Obtaining an understanding of the telecom sector and its relevant CSR issues;
- > Assessing the acceptability of the reporting principles used, the choices of the stakeholder groups, and the topics on which Belgacom reports;
- > Reviewing, through press review and internal documentation review, the key CSR expectations regarding BELGACOM;
- > Evaluating the procedures at BELGACOM Corporate level and at operational level to identify CSR issues relevant for internal and external stakeholders;
- > Evaluating the existing procedures to define report content;
- > Examining, on a limited test basis, evidence supporting the descriptive data provided, and studying relevant company documents;
- > Conducting interviews with responsible company officers of BELGACOM, mainly for the purpose of assessing the consistency of the descriptive data in the Report;
- > Assessing the materiality and comprehensiveness of the topics discussed in the Report and the clarity of the presentation;
- > Evaluating the overall view of the Report, amongst others by comparing the contents against the guidelines issued by the Global Reporting Initiative.

## Conclusions

Based on our procedures performed to obtain a limited assurance nothing came to our attention that causes us to believe that:

- > The topics discussed in the Corporate Social Responsibility Report 2008 do not address the key Corporate Social Responsibility issues affecting BELGACOM Group SA de droit public;
- > The reporting procedures and principles used, are not appropriate and consistently applied;
- > The description of the policy and management systems of BELGACOM does not provide a reasonable reflection of the efforts made by BELGACOM in respect of Corporate Social Responsibility in 2008.

Brussels, 20 March 2009  
Ernst & Young Reviseurs d'Entreprises SCCRL  
Represented by  
Harry Everaerts  
Partner

# general information

## Corporate name and legal form

The autonomous public-sector company Belgacom is a Société anonyme de droit public/Naamloze vennootschap van publiek recht (limited liability company under public law) as defined by the Law of 21 March 1991 on the reform of certain public-sector commercial undertakings and organized under the laws of Belgium.

The Company is subject to the statutory and regulatory provisions of commercial law applicable to companies limited by shares in all matters not expressly determined by (or by virtue of) the Law of 21 March 1991 or specific legislation of any kind.

## Registered Office

Belgacom SA under public law  
Boulevard du Roi Albert II/Koning Albert II-laan, 27  
1030 Brussels Belgium  
VAT BE 0202.239.951  
Brussels Register of Legal Entities

## Consultation of the issuer's documents

The public documents concerning the issuer can be consulted at the registered office.

## Date of constitution

The company was established as an autonomous public sector company, governed by the Law of 19 July 1930 setting up the Belgian National Telephone and Telegraph Company, the RTT (Régie des Téléphones et Télégraphes/Regie van telegraaf en -telefoon). The transformation of Belgacom into a SA of public law was implemented by the Royal Decree of 16 December 1994, which was published in the Belgian Official Gazette on 22 December 1994, and went into effect on the same day.

## Objects of the Company

As described in the Article 3 of the Articles of Association, the Company's objects are:

1. to develop services within the field of telecommunications in Belgium or elsewhere;
2. to take all actions aimed at promoting, directly or indirectly, its activities or ensuring optimal use of its infrastructure;
3. to acquire participating interests in bodies, companies or associations – whether existing or to be created, Belgian, foreign or international, and public or private sector – that may contribute, directly or indirectly, to the achievement of its corporate objects;
4. to provide radio and television broadcasting services.

## Disclaimer

This communication contains forward-looking statements, including statements about the Company's beliefs and expectations. These statements are based on the Company's current plans, estimates and projections, as well as its expectations of external conditions and events. Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of them in light of new information or future events, except to the extent required by Belgian law. The Company cautions investors that a number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements.

## Editor-in-chief:

Concetta Fagard  
Bd du Roi Albert II/  
Koning Albert II-laan, 27  
B - 1030 Brussels

## Content:

Concetta Fagard - Vice President  
Corporate Social Responsibility  
Jean-Luc Van Kerckhoven - Corporate  
Social Responsibility Manager  
Contact : csr@belgacom.be

## Conception:

Frédéric Herzele - Corporate  
Communication Manager  
Franck Vanbelle - Corporate Content  
& Publication Manager

Anne Catherine Doumont - CSR Manager

## Design and prepress:

Chris Communications  
www.chriscom.be

## Printing: Snel

## Pictures:

Jean-Michel Byl, Reporters and Belgacom

## GRI core performance indicators reported by BELGACOM (through CSR Report 2008)

	Economic	Environment	Labour practices	Human rights	Society	Product responsibility
Fully reported	2	1,3,5,6,7,8,16,18			1	5
Partially reported	1	17,19,22,26				
Non reported	3,4,6,7,8	4, 9,10,11,12,13, 14,15,20,21, 23, 24,27,28,29,30	1,2,3,4,5,6,7,8,9 10,11,12,13,14	1,2,3,4,5, 6,7,8,9	2,3,4,5, 6,7,8	1,2,3,4, 6,8,9



Printed on certified PEFC<sup>®</sup> paper.

