

Being **fast, mobile, secure and free**



Inhoudstafel

**Letter of the
CEO and the
president**
p.8

**Sustainability
Policy**
p.12

General
p.6

**Ethical
Management**
p.23

Stakeholders
p.34

**Corporate
Citizenship**
p.55

**Climate and
Environment**
p.59

The Future
p.70

GRI and COP
p.74



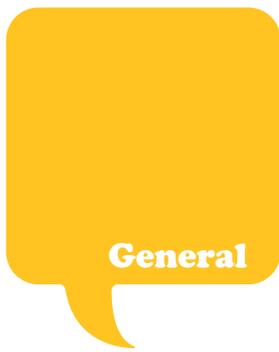
Sustainability Report 2011

This is Telenet's second sustainability report.

The document provides a detailed overview of Telenet's day-to-day sustainability principles and goals. This annual report provides information on the present situation, achievements and new initiatives to attain Telenet's sustainability goals.

1. General	6
1.1 Scope	6
1.2. Engagement	6
1.3 GRI guidelines	7
1.4 2011 annual report	7
2. Letter from the CEO and the President	8
3. Sustainability Policy	12
3.1 Telenet at a glance	12
3.2 Key figures	15
3.3 LEAP strategy	18
3.4 Economic contribution to society	20
3.5 Digital contribution to society - Everybody online	21
3.6 Environmental contribution to society	22
4. Ethical management	23
4.1 Innovation as guideline	23
4.2 Corporate governance	24
4.3 Risk Management	27
4.5 Protection of children, privacy and the protection of personal data	32
5. Stakeholders	34
5.1 Stakeholder commitment	34
5.2 Employees	36
5.3 Customers	45
5.4 Suppliers	51
5.5 Policy makers	53
5.6 Investors	54

6. Corporate Citizenship	55
6.1 Telenet Foundation	55
6.2 Social pricing	56
7. Climate and environment	59
7.0. Introduction	59
7.1 Mission climate neutral	60
7.2 Ecological footprint	60
7.3 Recente realisaties	62
7.4 Compensations	69
8. De toekomst - Digital Wave 2015	70
9. Reporting in accordance with GRI and COP	74
9.1 Selection of GRI indicators for Communication On Progress	75
9.2 Reporting according GRI-guidelines	76



1. General

1.1 Scope

This sustainability report covers the activities and figures of all echelons of the Telenet organization for the whole calendar year 2011 and the beginning of 2012. In this report, the terms Telenet, we, the company, the group and the organization refer to Telenet Group Holding NV, including its subsidiaries, within the context of the Belgian market.

1.2. Engagement

With this document, Telenet wants to give a truthful account of the (socio)economic, ethical and environmental performance results that are most relevant to the company. Telenet pursues a sustainability management in compliance with general accepted principles of inclusiveness, materiality and responsiveness.

1.3 GRI guidelines

Telenet has prepared this sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting. A GRI index with the precise references to the corresponding information can be found at the back of this report. This sustainability report is in accordance with GRI level B.

Your suggestions and comments on this report are very welcome. You can send them to:

- Telenetblogt.be (<http://blog.telenet.be/>)
- Jan.de.grave@staff.telenet.be

1.4 2011 annual report

This sustainability report draws to a considerable degree on information included in the Telenet 2011 annual report.

This is the second time that Telenet publishes an integrated annual report. This document discusses all the elements that are commonly featured in an annual report, along with a focus on the sustainability principles and goals in our day-to-day operations. By this integrated way of reporting, Telenet wants to show how the company engrafts its forward-looking strategy on sustainable enterprise.

We therefore use one foreword, one strategy, and one Internet version of the two reports. The annual report is available at <http://jaarverslag2011.telenet.be..>





2. Letter from the CEO and the President

Dear customer,

Dear shareholder,

Dear reader,

2011 was another interesting year for Telenet. We strengthened the basis for healthy growth and we celebrated our 15 year anniversary as an innovative, customer-centric business. After 15 years of growth we see new opportunities for our company every day.

Telenet always bases itself on the same strategy on the crossroads of television, Internet, telephony and services. We are dedicated to raising customer satisfaction and product experience to a higher level every time. A fine example of this is the commercialization of Fibernet, our next generation broadband product. Our

initial business plan barely mentioned broadband Internet. Now EuroDocsis 3.0 allows unparalleled download speeds of up to 100 Mbps. This underlines once again our leading position as fastest Internet provider in our sales area.

Thanks to continuous investments in our network and products, Telenet has evolved into a major player. Flanders and part of Brussels have a huge Telenet digital infrastructure. The average surf speed of our customers has increased by a quarter within a year. Three quarters of our customers exceed speeds of 25 Mbps today. Flanders is a world leader in this respect.

This also benefits the economy: a recent study has shown that a doubling of the broadband speed increases the GDP by 0.3%. Our company's unique infrastructure thus makes an important economic and social contribution.

In the future we will continue to actively develop digitization. We will continue to work on our powerful network and innovations in several fields. In line with this, we recently introduced homespots: a powerful expansion of the fixed broadband connection of customers at home or at work which allows easy access to the Internet on different mobile devices anywhere.

Telenet is convinced that broadband will play a very special part in the further development of our digital world. That is why we have made our vision and mission yet more powerful. Telenet wants to offer individuals and businesses an excellent broadband connection, today and in the future. We can succeed in this respect by providing a superior network and the right applications and services.

Our division targeting the business market landed the Schoolnet contract for Flanders which offers all Flemish schools a set of flexible Internet solutions. Major companies are increasingly using our platforms because of the closed virtual networks. Other services,

such as hosting and security, are being added to this more and more. Digital TV is also growing in importance for companies and institutions.

Our interactive digital television platform continues to evolve as well. The interface of our digital television product was modified and more functionalities have been added. New applications, such as Yelo, give an entirely new dimension to our customers' media experience. On a whole range of mobile devices or their PC, WiFi allows customers to watch television live, or their favourite channel, movie or series on request.

With regard to this evolution, we always bear in mind innovation and cooperation with our media and industry partners. Digital television must be accessible to customers at all times, both in terms of user interface and price. That is why our prices for basic television are among the lowest in Europe and over the past year have gone up less than inflation.



Attention is also paid to people for whom access to the digital world is not straightforward. Social tariffs are applied and the Telenet Foundation offers structural support to social projects to bridge the digital gap. Since its incorporation in 2006, the Foundation has already supported some hundred projects.

We continue to support and promote important initiatives such as the UN Global Compact. We recently joined the advisory council of the Belgian Network of the UN Global Compact, and as of 2011 Telenet endorses the ten principles of the UN Global Compact.

Telenet is making major progress in the field of sustainability. An overarching long-term approach which brought the various topics of our sustainability programme together in an overall approach resulted in our inclusion in the Dow Jones Sustainability Index. Telenet is the only Belgian company to have achieved this and it is particularly proud of this feat.

The innovation and flexibility that characterize us are bywords for continuous investment in our infrastructure and employment, even when the economic climate is less favourable. In 2011, 314 new employees were hired and for the first time our workforce exceeded more than 2,000 direct employees.

Our operational and financial results show that our company is in great shape, despite difficult economic conditions and the stiff competition. In 2011, the number of customers with three products or more increased 9% to 783 100, or 36% of our clientele. At the same time, this figure highlights Telenet's huge growth potential. In 2011, the average income per customer relationship increased 9% to €42.1, driven chiefly by customers purchasing more services and the success of Sporting Telenet, which thanks to the purchase of Belgian football rights already has more than 177,200 subscribers.

The mobile telephony subscriber base increased to 238,700 active subscribers with a post-paid subscription, driven chiefly by the introduction of subsidized smartphones making mobile data more accessible for the consumer. In the professional services market we generated solid growth. The SME segment in particular showed good results.

Over the whole of 2011 we adequately achieved our financial targets. Our revenue increased 6% to €1,376 million and we generated an Adjusted EBITDA of €723 million, an 8% increase. Without the broadcasting rights for Belgian football and the mobile 3G-spectrum, our capital expenditure amounted to approximately 23% of the revenue thanks to a further growth of the customer base and improvement projects to our network. The free cash flow amounted to €246 million in 2011.

However, these results would not have been possible without the hard work of our more than 3,000 direct and indirect employees. Every day they work with passion to provide our 2.2 million customers with the most progressive technologies and the best customer service.

In the coming years, we will continue to work on improving both customer and employee satisfaction. Until 2015, more than €10 million has been earmarked for various training projects. After all, satisfied employees means satisfied customers. This allows us to raise the bar for our customer satisfaction score even higher.

We will continue to work toward solid growth in 2012 and the following years. We will do this by investing in our most valuable assets, our customers and our network. This positioning will allow us to offer innovative and competitive products that form the basis for future growth and the exponential evolution in the digital world.

Worldwide, more than 13 billion devices are connected to the Internet for 7 billion people today. In 2020, every individual is expected to possess more than six devices that are connected to each other. This is why Telenet wants to continue to play a crucial role on the crossroads of television, broadband and telephony.

We want to provide the bandwidth every house will need in the future. Our aim is to bring fibre optic closer to consumers and companies and thus make new applications possible such as video-conferencing, smart meters, services in the 'cloud' and e-care on a large scale.

As reported, the number of members on our boards of directors will be reduced in 2012. We have appointed a second female member to the board. Messr Jef Roos,

Guido De Keersmaecker and Michel Allé have resigned as members of Telenet N.V. Mr Niall Curren and Mr Andre Sarens resigned as board members of Telenet Group Holding.

Telenet still has a bright future ahead. We want to thank all our customers, employees, partners, suppliers and shareholders for their much appreciated contribution to the success and the future development and growth of Telenet.



Duco Sickinghe

Chief Executive Officer



Frank Donck

President



3. Sustainability Policy

3.1 Telenet at a glance

Telenet is the biggest cable service provider in Belgium. Telenet specializes in the supply of broadband Internet, fixed and mobile telephony services, and cable television to customers in Flanders and Brussels. Professional communications services are provided to corporate customers in Belgium and Luxembourg under the Telenet Solutions brand name.

Mission & vision

Telenet seeks to play a leading role as a telecom firm at the crossroads of television, Internet and telephony.

We want to enrich the daily lives of our customers with sustainable, simple products and services that combine great technological performance and high entertainment value.

Telenet wishes to contribute to the positive social development of people and businesses, today and tomorrow. By 2015, Telenet aims to be climate-neutral in relation to its emission levels in 2007.

Telenet has set itself the goal of being an honest and reliable partner for all its customers, both residential and corporate, as well as other target groups, driven by a strong quality awareness and focus on maximum customer satisfaction.

Telenet wants to achieve its objectives by leveraging the commitment and motivation of a valuable team of inspired employees who are given plenty of opportunity to further develop their job skills.

Looking beyond the confines of the company

As a growth company, we are very much aware of our growing responsibility in the community. We therefore want to take good care of the world around us. Every day we work to keep our ecological footprint as small as possible. We are all the time looking how our broadband network can help to create smart solutions that have a positive impact on the community. We believe that focusing on a long-term sustainability strategy is the best way to remain successful and to create value for all our stakeholders.

Materiality matrix: dialogue with our stakeholders

In order to interact with our stakeholders in a structured way, we drew up a materiality matrix for the first time in early 2012. This matrix, which was made up according to a four-step plan, helps us to identify the most relevant issues in the area of sustainable management.

Stage 1: Defining the issues

We used as our starting point an analysis performed by the Global e-Sustainability Initiative (GeSI), which pinpoints the weaknesses with respect to sustainable development in the ICT industry. We complemented this study with findings from our own LEAP strategy, our business drivers and market intelligence. A team of 18 managers then compiled a list of the 15 most relevant issues for Telenet.

These are the relevant issues we selected:

- Customer satisfaction
- Customer relations
- Freedom of expression
- Attracting and retaining talent
- Work/life balance
- Transparent pricing
- Reliability of our services
- Product use issues
- Innovation
- Access to ICT
- Protection of minors
- Privacy & security
- Waste processing
- Energy use by the customer
- Electromagnetic radiation

Creation Of The Materiality Matrix

STAGE 1

Defining the issues

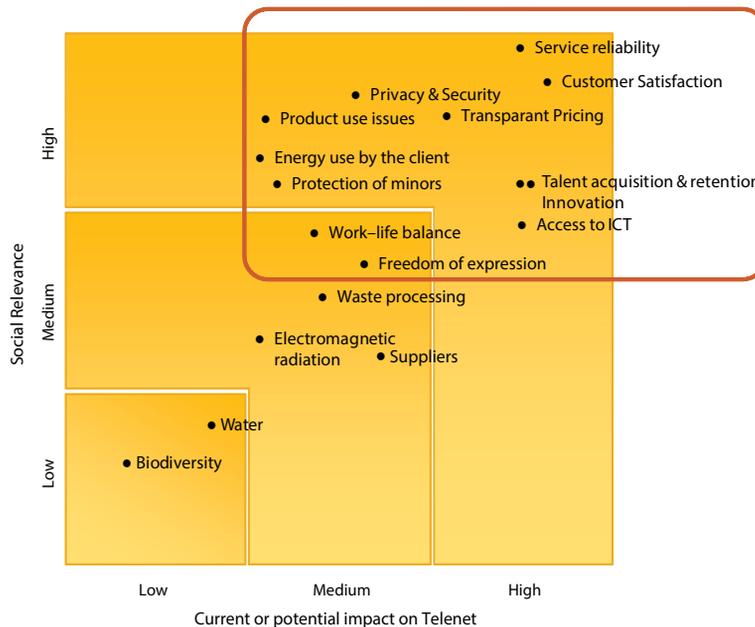
1. Analysis by the Global e-Sustainability Initiative (GeSI), complemented with findings from the LEAP strategy, business drivers and market intelligence..
2. Definition of the 15 most relevant issues for Telenet.

STAGE 2

Determining the social relevance

3. Internal review of issues for their financial and non-financial impact on operations.
4. Interactive survey among customers, NGOs and other stakeholders to ensure the social relevance of those top 15 issues.

Materiality Matrix



In view of the overlapping interpretation of the issues 'Customer satisfaction' and 'Customer relations', it was decided to join these two together into 'Customer satisfaction'. The next category 'Suppliers' has been added to the current list of materialities and submitted to the stakeholders in Stage 2.

Stage 2: Determining the social relevance

Once these issues were defined, we moved on to the second stage where the topics were classified according to low, medium or high relevance. In the spring of 2012, the issues were internally reviewed for both their financial and non-financial impact on our operations.

We conducted an interactive survey among a total of 1,524 business and residential customers, employees, suppliers and other stakeholders to find out which issues they consider important for Telenet. These were the questions of the survey:

- What do stakeholders think of Telenet as an organization?
- What issues are of concern to the stakeholders?
- How about the social involvement of Telenet?
- What is Telenet's image in the community?

Stakeholders feel that Telenet should essentially focus on these five pillars as part of its corporate social responsibility:

- Providing reliable service
- Ensuring customer satisfaction
- Guaranteeing privacy & security
- Offering clarity of pricing to its customers
- User-friendliness of Telenet products and services

More than three-quarters of the stakeholders expects total commitment from Telenet to those pillars.

At the end of this second stage, the topics thus defined will be linked to our business performance, our way of reporting, and our LEAP strategy. In a well-organized dialogue, there will always be regular consultation with our stakeholders so that the issues are consistently reviewed for their relevance.

For a detailed overview of Telenet's activities and operations, including a comprehensive account of the results in recent financial years, see the group's 2011 annual report.

Detailed information on the company's financial results and figures on Telenet services can be found in the group's 2011 annual report. A comprehensive overview of key figures on finances and operations is provided in the annual report.

3.2 Key figures

Customers

(In Thousands Of Euros, Except Information Per Customer)

	2007	2008	2009	2010	2011
Homes passed - Combined network	2.744	2.769	2.794	2.819	2.844
Total Cable TV	1.731	2.402	2.342	2.274	2.199
Broadband Internet	883	985	1.116	1.227	1.306
Fixed telephony	548	629	741	815	880
Mobile telephony	56	87	129	199	239
Total Services (excl. Mobile)	3.162	4.016	4.199	4.316	4.384
Triple play customers	323	539	651	719	783
Total customer relationships	1.731	2.402	2.342	2.274	2.199
Services per customer relationship	1,6	1,67	1,79	1,9	2
ARPU per customer relationship (in €/month)	29,4	32,5	35	38,8	42,1
Customer Loyalty Score	87,23	87,97	89,12*	73,63*	74,50

*Measuring method changed in 2009 and 2010

Employees

	2007	2008	2009	2010	2011
Number of employees (on permanent contracts)	1.687	1.716	1.817	1.898	2.050
Total number of training days			7.068	7.643	8.035
Training days per employee			3,89	4,03	3,92
					in €
Revenue per employee	585.362	637.975	634.563	649.497	671.343
Adjusted EBITDA per employee	278.518	317.111	322.030	334.344	352.863

Community

	2010	2011
Total amount of social investments (cash, time and management)	1.378.275€	€ 1.408.012
Number of beneficiaries (cumulative 2006)	90.000	150.000*
Number of employees involved	45	115
Number of employee hours	1.464	3.043

*Target 2015

Climate and environment

Telenet carbon efficiency index

2007	100%
2008	68%
2009	42%
2010	41%
2011	37%

Telenet emissions by category

Category 1

	Source of emission	Definition
Total Category 1		
	Heating buildings	Diesel (litres)
	Heating buildings	Gas (MWh)
	Fuel for vehicles	Vans (litres)
	Fuel for vehicles	company cars (litres)
	Cooling gases	Telenet cooling gases (kg)

Category 2

	Source of emission	Definition
Total Category 2		
	Purchased electricity	Telenet HQ / Hostbasket / Interkabel Network

Category 3

	Source of emission	Definition
Total Category 3		
	Air travel	Domestic (passenger km)
	Air travel	Short flights (passenger km)
	Air travel	Long-haul flights (passenger km)
	Travel to and from home	Personal car (km)

Total

Telenet waste flows

	2010			2011		
	TOTAAL in kg	Gerecycleerd	Definitief Verwijderd	Totaal In Kg	Gerecycleerd	Definitief Verwijderd
Paper and cardboard ^{(1) (3)}	56.214	85%	15%	61.888	85% ⁽²⁾	15%
Electronics	211.887	75%	25%	413.121	92,2% ⁽⁴⁾	7,8%
Residual waste ⁽¹⁾	70.382	0%	100%	105.988	0%	100%
Total	338.483	206.295	132.188	580.997	433.502	147.495

(1) Telenet HQ (2) Estimate - legal minimum requirement (3) Telenet uses 100% FSC-paper (4) recycled + incineration with energy recovery

	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
	Consumption					Tons CO ₂ Equivalent				
						5.621	5.960	6.059	6.377	6.358
	50.831	50.831	50.831	50.831	35.404	136	136	136	136	95
	3.207	3.518	3.521	4.781	3.880	597	654	655	889	722
	433.014	455.836	463.278	462.924	458.186	1.159	1.220	1.240	1.239	1.226
	1.734.339	1.817.168	1.898.973	1.442.941	1.533.141	3.507	3.728	3.806	3.861	4.103
	164	164	164	169	161	222	222	222	252	212

	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
	Consumption					Tons CO ₂ Equivalent				
	76.895.902	78.138.536	77.975.412	81.705.505	83.303.462	16.346	9.303	4.232	3.831	3.703

	2007	2008	2009	2010	2011	2007	2008	2009	2010	2011
	Consumption					Tons CO ₂ Equivalent				
						3.115	3.456	3.419	3.800	3.512
	708.093	671.975	400.506	694.857	654.734	135	128	76	133	125
	273.082	221.439	367.685	289.383	167.112	29	24	39	31	18
	1.122.672	3.663.350	2.264.911	4.070.324	2.336.079	136	443	274	493	283
	12.331.748	12.534.805	13.278.383	13.532.720	13.581.577	2.815	2.861	3.030	3.144	3.086

	2007	2008	2009	2010	2011
	25.083	18.720	13.711	14.007	13.572

3.3 LEAP strategy

Telenet has experienced exceptionally strong growth since its formation in 1996. As the company grew, so too did its responsibilities in the area of sustainable enterprise. The company is also committed to addressing a number of high-profile social issues that are important and relevant to Telenet, such as climate change, aging and the digital divide.

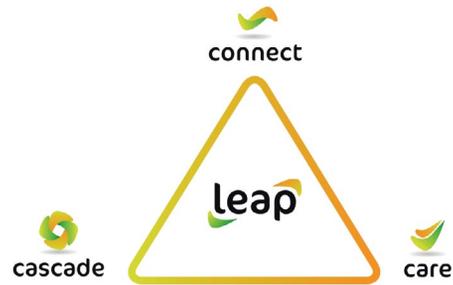
Over the past few years, Telenet has pursued a sustainability policy that centred around two major axes. The Green Together programme contained a whole series of measures to minimize the environmental impact of our operations. Secondly, several initiatives were taken to further intensify Telenet's social role as a socially responsible company.

The sustainability risks are escalating in a fast-evolving market. However, the opportunities to make a positive contribution to society, while offering a healthy return to the business and the shareholders, are increasing in lockstep. With this in mind, 2010 saw a change of approach. By developing an overarching strategy, we brought the various topics of our sustainability programme together in one clear and overall approach.

The purpose of the LEAP (Linking Environment And Profit) programme that was launched in 2010 is to firmly establish Telenet's sustainable character as a company and as a brand and to promote the positive commitment of its employees and stakeholders.

With LEAP, Telenet has set itself some noteworthy and ambitious goals linked to specific actions. As far as the environment is concerned, our aim is to be climate-neutral by 2015. In the socioeconomic area, our group will keep working to close the digital divide through the Telenet Foundation. By 2015 we want to have helped 150,000 young people onto the digital superhighway.

More specifically, LEAP has been structured around three key themes that can be summed up as follows:

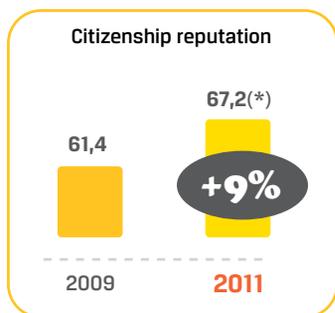


- **Connect:** The creation of digital opportunities. Everyone must have the opportunity to access the new telecom possibilities resulting from the creativity and technological development facilitated by Telenet.

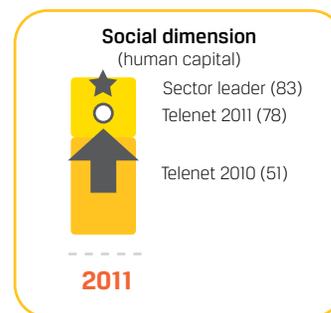
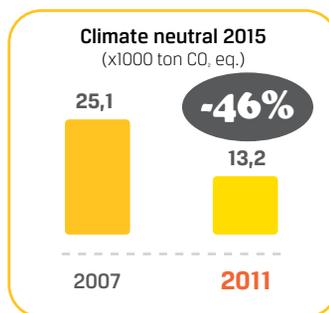
- **Care:** Telenet cares for the community in which it operates and in the long term wants to pay heed to the social needs of all its stakeholder groups, including employees, customers and others.

- **Cascade:** As a reference in corporate responsibility, Telenet wants to contribute successfully to the integration of sustainability in the daily life of its main stakeholders.

The goals of the LEAP programme have been incorporated in a charter, which is endorsed by the whole Executive Team of the group.



(*) Reprtrack™ Pulse Score



Given the increasing impact and importance of sustainability on Telenet's business, the board of directors decided on 15 February 2012 to establish a "Sustainability Committee", which will deal with all matters relating to the design, implementation and monitoring of the LEAP programme. This Committee will be joined with the Strategic Committee, which will be renamed the 'Strategy & Sustainability Committee'.

Sustainable enterprise will keep demanding our utmost attention, particularly against the backdrop of a growing business, an expanding subscriber base, and the continuing expansion of our service range.

All efforts must contribute to the ultimate goal of making Telenet a more sustainable business that fulfils its leading role as an innovative telecom operator in all respects.

Strategy

The principles of Care, Connect and Cascade have been put into practice in action plans, the results of which are assessed against stringent KPIs. They are meant to help Telenet achieve its ambitious goals by 2015:

- **Committed Employer:** In terms of social engagement, Telenet wants to score in the upper quartile of the Dow Jones Sustainability Index (DJSI).
- **Environmental Stewardship:** Telenet wants to further reduce its carbon emission levels versus 2007 to the level at which it can call itself a carbon-neutral business.
- **Enhanced Customer Loyalty:** 20% improvement in Telenet's citizenship score compared with 2010.

3.4 Economic contribution to society

In 2010 Telenet's operating income was €1.378 million. Although it is critical for a listed company to generate a profit for its shareholders, a large part of that income found its way back to other stakeholders and to society in the wider sense.

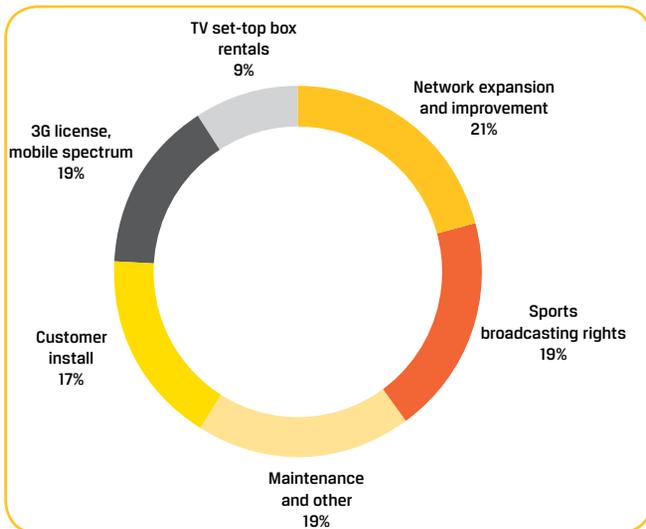
Telenet thus proved that a sustainable relationship with the shareholders does not necessarily mean that company income is utilized in a one-sided way.

Telenet also made significant investments in 2011, totaling €470.2 million, which corresponds to 34% of operating income, or 10% more than 2010. These individual investments are shown in the pie chart. The remainder was invested in repairs and replacements of network equipment, broadcast rights to sports events, and investments in IT systems..

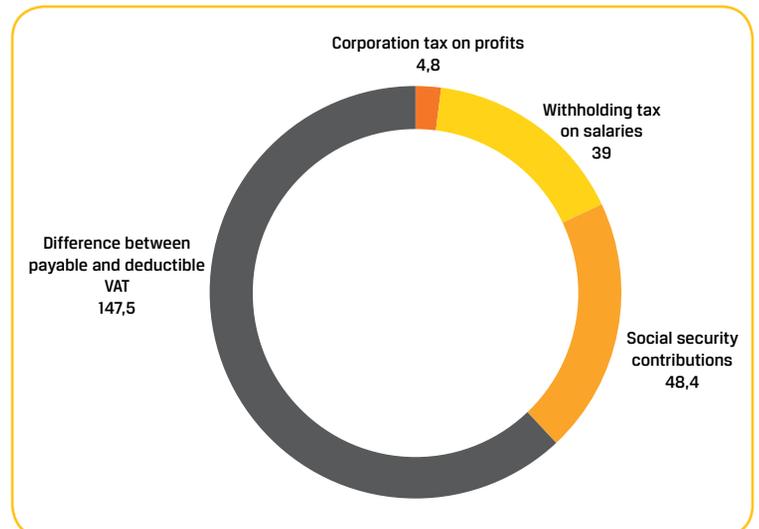
Contributions paid to the Belgian Treasury 2011

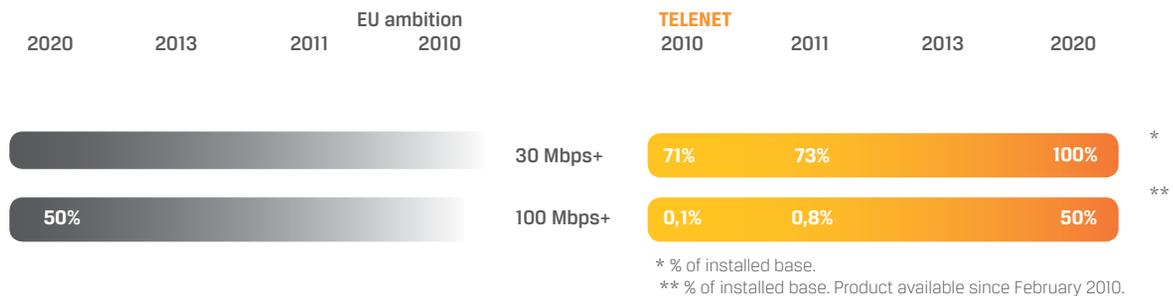
The total contribution transferred to the Belgian Treasury represented 43.6% of the added value generated by Telenet Group Holding. We define added value as revenue minus the cost of services provided minus the principal payments on our capital leases, or €549.5 million in 2011..

Distributions of investments



Contribution paid to the Belgian Treasury in € million





3.5 Digital contribution to society – Everybody online

Not only are we online more often, more and more people are surfing the Net simultaneously as well. As a result, today's Internet requires more and more bandwidth. Telenet continuously improves the specifications and properties of its broadband products to ensure that everyone can keep surfing smoothly.

By investing in new technologies and in our network, we are well positioned to respond to rapidly changing consumer needs and to consistently offer customers the best possible Internet experience.

Fulfilling the Digital Agenda

One of the ambitions of the Digital Agenda is to give all Europeans broadband Internet access by 2013. By 2020, everyone should be able to surf the Net at speeds of at least 30 Mbps, and 50% of Europeans should be subscribed to a product with speeds of up to 100 Mbps. As a comparison, Telenet can now cover nearly 100% of its service area with speeds of up to 100 Mbps. As of 31 December 2011, 73 percent of Telenet's Internet subscribers were already surfing at speeds of more than 30 Mbps.

Around 20% of our Internet subscribers have a Fibernet product with speeds of 50 Mbps and higher, just one year after the launch. When in early December the European Union was looking for 3,000 volunteers in Belgium to test the quality and speed of their broadband connection, Telenet fully endorsed this test. With this large-scale project, for which more than 100,000

volunteers were sought across Europe, the European Commission, in partnership with the research firm SamKnows, endeavours to objectively chart the quality of European broadband connections.

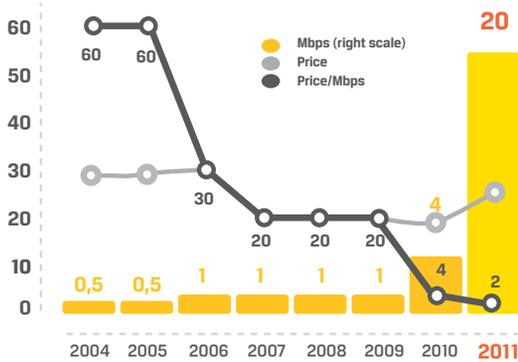
Investing in the network

Although Telenet fulfils the requirements of the Digital Agenda, the firm, like most other broadband operators, is facing an explosive growth of data traffic, due in large measure to the increasing convergence. Telenet is therefore, on an annual basis, investing a massive 23% of its revenue in its network. Besides expanding capacity through capital expenditure, Telenet is able to handle the current volume of data traffic in the most efficient way by resorting to technical measures. In this way we ensure a consistent top quality of the Internet for all users. Providers such as Google, Facebook and Amazon have an important part to play, too. Without innovative services, the Internet becomes pointless, and without a network, providers are unable to offer their services and generate income. This interdependence creates an ideal seedbed for new business models where service providers contribute to the use of the network.

Investing in the future: Digital Wave 2015

Telenet's entire cable network is bidirectional, ready for the rollout of Eurodocsis 3.0, and offers a spectrum bandwidth of 600 MHz. With our ambitious investment programme, Digital Wave 2015, we will continue to upgrade our network and service.

The price per Mbps for an entry product has dropped 98% in the last eight years.



Telenet invests in several initiatives and research projects that maximize the green potential of its network and know-how, with and for the customers. One of those projects, called Pulsar, reduces the number of houses per optical node (the connection point in the neighbourhood) from an average of 1,400 today to an average of 500. By increasing the number of optical nodes across the whole service area, we bring fibreglass closer to the customer, while substantially increasing the capacity of the network. For more information, see Chapter 8.

3.6 Environmental contribution to society

Telenet can help businesses and customers make the transition to a way of life with a smaller ecological footprint. Future technological developments will doubtless increase the number of ways this can be achieved. Here are a few realistic examples that already bear fruit today:

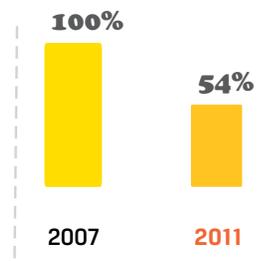
- Working from home is made easier by high-quality Internet and telephony services, thereby helping to substantially reduce commuter traffic;
- Logistical flows become more flexible by machine-to-machine connections over high-performance data networks;
- Improved access to videoconferencing over Telenet's network, resulting in a reduction in travel volume.

While the new services which Telenet is preparing as part of the Digital Wave programme (see chapter 8) can make a major contribution to a low-carbon or carbon-free society, the firm is also very serious about the carbon impact of its own operations.

To achieve its ambitious goal of carbon neutrality, Telenet will make every effort to keep cutting back its own energy consumption and to promote those same reduction efforts with its stakeholders.

We continue to make progress in our pursuit of reducing our carbon emissions to zero by 2015. Our greater operational efficiency has enabled us to cut back our greenhouse gas emissions in 2011 by 3%, or the equivalent of 235 tons of carbon.

Trend in absolute carbon emission





4. Ethical management

4.1 Innovation as guideline

Telenet has been operating in the Flemish market since 1996. From the start, innovation has been a strategic issue in the corporate philosophy. As a broadband cable provider, Telenet has made a special contribution to the penetration of the Internet, and has made its technological know-how available to innovative developments for both families and companies from the very start.

Fifteen years on, Telenet is still a challenger. Innovation, creativity, digital progress and customer satisfaction constitute the central axis of the development of our business. At the same time, the company also aims

to dwell on its important role as a socially responsible organisation.

The quest for sustainability is reflected in all parts of the company. This is a consistent part of the corporate culture and has led to the establishment of ambitious objectives, reviewed against KPIs, which are reflected in many aspects and which will ensure that Telenet will also be able to play an innovative, pioneering role in terms of social and ecological responsibility.

4.2 Corporate governance

The statement of corporate governance is described in detail in the chapter with the same name on pages 32-66 of Telenet's 2011 financial report.

This relates to detailed information regarding the following aspects of sound governance:

- reference code
- regulatory development and its impact on Telenet
- capital and shareholders
- internal control and risk management systems
- board of directors
- day-to-day management
- remuneration report
- company audits

This sustainability report will be restricted to the composition of the main governing bodies of the company.

Shareholder structure

Shareholder structure as at 31 December 2011:

Shareholders	Out-standin Shares	Percentage	Options on PCs	War-rants	Total (fully diluted)	Percentage (fully diluted)
Binan Investments B.V. (Liberty Global Inc.) ^(*)	56.844.400	50,08%			56.844.400	47,63%
BNP Paribas Investment Partners SA	5.592.018	4,93%			5.592.018	4,69%
Norges Bank	5.059.301	4,46%			5.059.301	4,24%
AXA S.A.	3.342.592	2,94%			3.342.592	2,80%
Employees	361.318	0,32%	346.025	5.479.559	6.186.902	5,18%
Own shares	220.352	0,19%			220.352	0,18%
Public (**)	42.096.876	37,08%			42.096.876	35,27%
TOTAL	113.516.857	100,00%	346.025	5.479.559	119.342.441	100,00%

(*) Including 94.827 Liquidation Dispreference shares

(**) Including 16 Liquidatie dispreference shares inbegrepen held by Interkabel Vlaanderen CVBA and 30 golden shares held by financing intermunicipalities

Board of Directors

In 2011, the Board of Directors consisted of 14 members, including 5 independent directors: Frank Donck, Alex Brabers, Friso van Oranje-Nassau, De Wilde J. Management bvba (with Julien De Wilde as permanent representative) and Cityfinance nv (with Michel Delloye as permanent representative).

Directors can be relieved of their office at any time by the General Meeting of Shareholders.

The Board of Directors currently includes two female members, Ruth Pirie and Angela McCullen. Subject to stricter legislation in this context, Telenet aims to arrive at a composition of the Board of Directors in which at least one third of the members is of the opposite gender as the other members of the Board of Directors by end of 2016 at the latest.

On 31 December 2011, the Telenet Group Holding NV Board of Directors and the Telenet NV Board of Directors had the following composition:

Name	Function	Nominated by	Director Telenet Group Holding NV	Director Telenet NV
Frank Donck	Managing Director 3D NV	Independant Director	CM	CM
Alex Brabers	Executive Vice President Technology, GIMV	Independant Director	•	•
Michel Delloye (Cytfinance NV)	Director of companies	Independant Director	•	
Julien De Wilde (De Wilde J. Management BVBA)	Director of companies	Independant Director	•	
Friso van Oranje-Nassau	Director of companies	Independant Director	•	
André Sarens	Grid Participations Manager Electrabel		•	•
Duco Sickinghe	Chief Executive Officer & Managing Director Telenet		•	•
Charles H. Bracken	Executive Vice President & Co-Chief Financial Officer (Principal Financial Officer) of Liberty Global, Inc.	Liberty Global Consortium	•	•
Diederik Karsten	Executive Vice President, European Broadband Operations of Liberty Global, Inc.	Liberty Global Consortium	•	•
Balan Nair	Executive Vice President & Chief Technology Officer Liberty Global Inc.	Liberty Global Consortium	•	•
Manuel Kohnstamm	Managing Director Public Policy & Communications UPC Corporate	Liberty Global Consortium	•	•
Niall Curran	Acting President & Chief Operating Officer Chellomedia BV	Liberty Global Consortium	•	•
Ruth Pirie	CFO Liberty Global Europe Holding	Liberty Global	•	•
Jim Ryan	Senior Vice President & Chief Strategy Officer of Liberty Global, Inc.	Liberty Global	•	•
Guido De Keersmaecker (Abaxon BVBA)	Director of companies	Independant Director		•
Jozef Roos (JROOS BVBA)	Chairman of the Catholic University of Leuven	Independant Director		•
Michel Allé	Chief Financial Officer SNCB Holding	Independant Director		•

VCM: Chairman

Executive Team

Per 1 April 2011, the Executive Team had the following composition:

Name	Year of birth	Position
Duco Sickinghe	1958	Chief Executive Officer en Managing Director
Jan Vorstermans	1960	Chief Operating Officer
Patrick Vincent	1963	Chief Commercial Officer
Renaat Berckmoes	1966	Chief Financial Officer
Luc Machtelinckx	1962	Executive Vice President en General Counsel
Claudia Poels	1967	Senior Vice President Human Resources
Inge Smidts	1977	Senior Vice President Residential Marketing
Herbert Vanhove	1969	Senior Vice President Product Management
Martine Tempels	1961	Senior Vice President Telenet for Business
Ann Caluwaerts	1966	Senior Vice President Public Affairs & Media Management
Vincent Bruyneel	1975	Senior Vice President IR & Corporate Communications



Back row, fltr:

Patrick Vincent, Vincent Bruyneel, Herbert Vanhove, Renaat Berckmoes, Jan Vorstermans, Duco Sickinghe, Claudia Poels

Front row, fltr:

Inge Smidts, Martine Tempels, Luc Machtelinckx, Ann Caluwaerts

4.3 Risk Management

Audit committee

Telenet has an audit committee that is chaired by an independent director. The main duties of the audit committee are the following:

- Convene regular meetings in order to support the Board of Directors and to provide advice in the context of monitoring the financial reporting of the company;
- Monitoring the effectiveness of the systems for internal control and risk management that are in place at the company;
- Monitoring the internal audit and its effectiveness;
- Monitoring the statutory auditing of the annual report and the consolidated accounts, including follow-

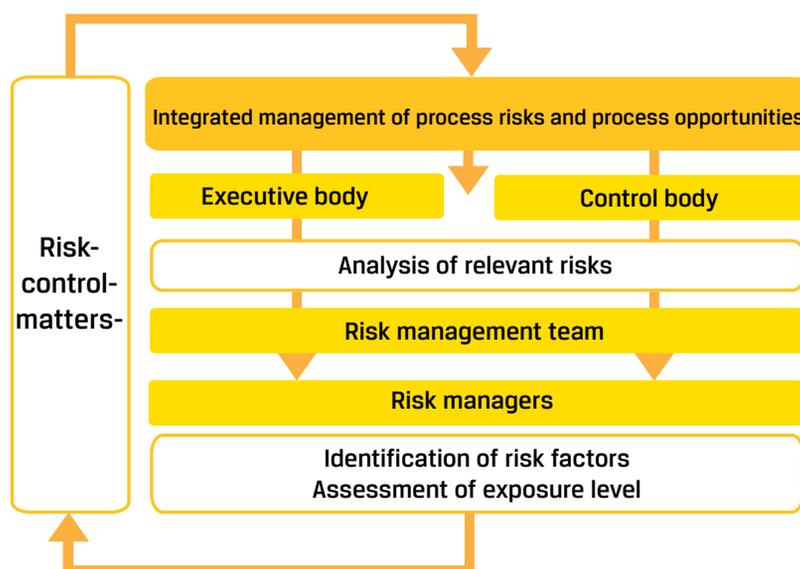
up on questions raised by and recommendations made by the statutory auditor;

- Assessment and monitoring of the independent character of the statutory auditor, taking additional services to the company into account;
- Meeting with the external auditor at least once a year without the presence of the executive management.

An external auditing firm carries out the internal audit in order to avoid potential conflicts..

Implement the method for risk management

The operational implementation of the method for risk management is an interactive and cyclic process that is summarized schematically below.



Risk identification process

In the risk identification process, Telenet takes a broad range of risks into account that could have an impact on the company, both now and in the future. The Executive Team monitors the major identified risks every quarter.

The risks are first listed according to importance, and are then mapped on the basis of the category (A), the owner (B) and the control measures (C).



A) Telenet distinguishes the following categories:

Corporate Governance	It Operaties
Customer Satisfaction External Factors	Customer Support
It Sdlc Management	Finance
Legislation and regulations	Human Resources
Network technology	Innovation
Product life-cycle management	Network operations
Sales	Outsourcing
Marketing & Communication Strategy	Reporting
	Security
	Suppliers
	Other

The following items are reviewed in terms of the follow-up on the action plans:

- Progress status
 - Not yet started
 - Under development
 - Completed
 - Removed (the reason for removing an action plan must be provided)
- Follow-up
 - Per quarter for each of the main risks for Telenet
 - Annually for other risks that have been assessed as relevant
- Progress assessment

B) The risk owner has the following responsibilities:

- Defining how the risk should be monitored, in other words making a decision regarding the risk management measures;
- Identifying gaps in the supervision (lack of control, set-up/implementation of control);
- Supporting and monitoring the implementation of action plans;
- Re-evaluating the risk coverage on a regular basis.

The use of a centralised risk register incorporating all information relating to any relevant risk simplifies the analysis of the correlation between the registered risks, the determination of the priority of the risk management measures and the identification of the synergy between the risk management actions.

More information regarding risk management is available in the annual report. Monitoring of the non-financial risks is applicable to the following topics, among others:

C) Risks can be accepted, mitigated, avoided or transferred:

- Risk management measures are documented and, in the case of risk mitigation, it may be necessary to define action plans in order to enhance the control.
- Action plans are documented in the risk management measures that clearly indicate who/what/when.
- The risk management measures include a target date for all action plans.

- Risks in the field of the activities, technology and competitiveness of Telenet
- Risks in the area of legislation and regulations
- Risks of lawsuits
- Risks for Telenet's staff, management, major shareholders and related parties

4.4 Behavioural codes

As a large company, Telenet aims to continuously increase and retain the confidence it enjoys from its stakeholders and society. To achieve this objective, Telenet has implemented various procedures and codes.

The foundation

- Telenet undertakes to carry out its activities with honesty, integrity and respect. Corporate governance has a direct impact on the way the company is managed and on the relationship with the stakeholders. Telenet is convinced that the highest standards of corporate governance are required for the integrity and performance of its activities. For this reason, a number of policies have been established with the purpose of supporting the corporate governance in every sub-aspect of the business.

- Telenet's Code of Conduct includes a number of business policy principles, and aims to act as a guideline for the interpretation of various legal and regulatory requirements and for the professional practices that are applicable to the activities that are carried out for the benefit of the company.

- In addition, Telenet has implemented a number of corporate policies. An indicative list with a description of the policies that are most relevant to the sustainability policy is provided below.

4.4.1 Code of Conduct

Telenet's Code of Conduct relates to the following issues:

equal opportunities and a working environment that is free from harassment
fair competition and anti-corruption
confidentiality of information and protection of privacy
correct accounting and accurate communication
conflicts of interest, insider trading and business integrity

protection of health, safety and environment
whistleblower regulations.

The Code of Conduct was signed by the executive committee, Telenet's top management and staff members in a position of trust.

No infringements were reported in 2008, 2009 and 2010. In 2011, one formal complaint was submitted under the category 'whistleblower regulations', but this was officially assessed as a complaint outside the scope of the whistleblower regulations by KPMG. This makes 2011 the fourth consecutive year without infringements.

Telenet is currently updating its Code of Conduct. The new code, many principles of which have already been incorporated in the Belgian legislation, will be rolled out on a broader basis. This update has been carried out and the discussions with the Works Council have started.

4.4.2 United Nations Global Compact

' In April 2011, Telenet – in the person of CEO Duco Sickinghe – signed the document confirming its commitment to the ten principles of the United Nations Global Compact policy initiative.

The principles included in this initiative relate to human rights, working conditions, the environment and anti-corruption, and are based on a universal consensus. The principles are based on:

the Universal Declaration of Human Rights
the ILO Declaration on Fundamental Principles and Rights at Work
the Rio de Janeiro Declaration on Environment and Development

the Convention of the United Nations against Corruption

Telenet undertakes to incorporate the Global Compact principles as a guideline into its strategy, company culture and day-to-day operations, and to make every



effort to set up partnership projects to further develop the broader objectives of the United Nations, and in particular the Millennium objectives.

Through this commitment, Telenet aims to reflect a clear position with regard to its stakeholders and towards the general public.

Telenet's CEO, Duco Sickinghe, and the Chairman of the Board of Directors, Frank Donck, wrote the following in the preface of the integrated 2011 annual report: 'We continue to support and promote major initiatives such as the UN's Global Compact. We recently became a member of the advisory board of the Belgian UN Global Compact Network, and Telenet embraced the ten principles of the UN Global Compact in 2011. We are currently making every effort to promote the ten Global Compact principles within various sectors in Belgium and among the broader UN Global Compact community.'

Telenet is aware that one of the key requirements for the participation in the Global Compact is the annual communication on the progress that has been booked (Communication on Progress, COP), and, more particularly, on the efforts that the company has made with regard to the implementation of the ten principles.

Telenet is in favour of a transparent approach, and is therefore committed to report on the progress achieved regarding the principles, for the first time in 2012.

An overview of the Communication on Progress on the basis of a selection of GRI (Global Reporting Initiative) indicators can be found at the end of this report.

4.4.3 Code of Conduct for data centres

The Telenet data centres account for a large portion of the total energy consumption, whereby energy reduction is a major focus of Telenet. For this reason, Telenet endorses the European Code of Conduct on Data Centres Energy Efficiency for its data centres. The data centre in Mechelen has in the meantime obtained the status of 'participant' in the Code of Conduct.

For the measurement of the progress regarding energy efficiency, the Power Usage Efficiency ratio, or PUE, is used, the ratio between the total energy consumption of the data centre and the energy consumption of all

the IT equipment of the data centre. The lower the PUE, the better the performance.

From March 2012 onwards, Telenet has been measuring the PUE of 53 technical stations (terminals, switches, pops, sites) in real time. Thanks to this investment, we can now monitor our energy consumption directly and have the means available to optimise our systems and processes and make them more efficient.

The Telenet data centre based in Mechelen achieved an **average PUE value of 1.56** at the end of the first quarter.

4.4.4 Code of ethics for publicity

The high ethical standards Telenet imposes on itself are also applicable to its advertising and publicity. The company aims to respect all relevant legal provisions, regulations and codes.

Telenet acts according to the rules of the JEP, the Jury on Ethical Practices in Advertising (www.jep.be). The JEP is a self-regulatory body for the advertising sector in Belgium, monitoring the correct and honest nature of advertising with respect to the public. Its decisions are based on the legislation and on self-disciplinary codes, including the Code of the International Chamber of Commerce. The decisions made by the JEP have advisory value.

Telenet complies with these recommendations as far as possible. These recommendations are published on the JEP website. If no favourable action follows, however, the JEP can address a suspension recommendation to the media.

In the course of 2011, Telenet was informed by the JEP of 7 alleged infringements against these ethical practices with regard to advertising.

Telenet adapted its advertising on the basis of the recommendations by the JEP.

Telenet is a member of the UBA, the Union of Belgian Advertisers (www.ubabelgium.be), which in turn is a member of the JEP. The UBA is an independent institution which, among other activities, draws up guidelines on advertising for its members.

Telenet formulated its own Code of Ethics for advertising and promotional activities last year:

Telenet commercials and advertisements must present products and services in an honest and accurate manner, respecting the relevant laws and marketing regulations. With its four core values 'catchy, considerate, pleasant and enterprising', Telenet goes beyond the honest and accurate advertising and promotion practices that are legally required. These values are essential if we want to uphold our positive reputation with our stakeholders. All claims and other statements in advertising to customers and potential customers must be genuine and be made on a reasonable basis. They must also be substantiated prior to publication or dissemination. This applies to all advertising claims in all types of media. This also applies to verbal presentations or even informal conversations in which objective, factual or quantifiable remarks about our products or services are made. Finally, suppliers such as research or (digital) marketing agencies ensure that the privacy and any personal data of consumers that they collect, use and store is protected.

In addition to the general regulations and directives, the valid Codes of Conduct and the green purchase policy, Telenet applies the following rules for all marketing activities:

- limit the use of paper and opt for digital alternatives;
- produce all printed matter on FSC paper;
- opt for suppliers who act green and have a sustainability policy in place;
- avoid blistering as much as possible;
- optimise the sustainable nature of gadgets and POS materials that are used for sponsoring in terms of packaging, transport and reuse or recycling.

4.4.5 Anti-piracy

Telenet's majority shareholder, Liberty Global Inc., is a member of AEPOC and therefore has an excellent insight in the latest development in the fight against piracy, know-how that is shared with Telenet and its other subsidiaries. AEPOC is short for Association Européenne pour la Protection des OEuvres et services Cryptés (European Association for the Protection of Encrypted Works and Services). Members include major European players in digital television and telecommunication. AEPOC unites operators from four major sectors: TV-channels, suppliers of secure access technology for set-top boxes, providers of transmission infrastructures and hardware manufacturers.

The contracts relating to the broadcasting of programmes by the major studios and TV channels include comprehensive policies on the prevention of piracy. Telenet explicitly complies with these provisions.

Telenet distributes set-top boxes that are in compliance with the regulations relating to piracy.

Our contracts with the customers (general terms and conditions) also include clauses to prevent piracy. They provide for penalties in the case of infringements.

In 2004, Telenet concluded and signed a cooperation agreement with IFPI Belgium (International Federation of Phonographic Industry) regarding the removal of illegal content from news groups in the Internet.



4.5 Protection of children, privacy and the protection of personal data

Telenet also makes substantial efforts to guarantee the online security of its users. Specific measures are necessary to increase the protection of children and young people in particular. Telenet is also Gold partner of the Safer Internet Day, with the support of principal shareholder Liberty Global, Inc. Privacy and the protection of personal data are of paramount concern in the workplace. We acquaint our staff with the various threats involved, and how they can effectively counter them.

4.5.1 Safer Internet Day

Insafe, the European network that teaches children how to handle the Internet and mobile telephony safely and in a responsible way, organised its Safer Internet Day for the ninth time on 7 February 2012. Hundreds of online and offline events were organised in more than 60 countries on the topic Connecting generations and educating each other, and with the slogan Discover the digital world together ... safely.

Telenet fully supports this initiative, and has made a contribution this year in the form of two brochures (together with Insafe, Liberty Global/UPC Nederland and the European Union) with the aim of further sensitizing the general public to the subject. The first, 'Plain Surfing: Being Online', is a booklet aimed at four to eight-year-olds, while the 'e-Safety Kit' is intended for the six to twelve age group. These brochures bring children into contact with a range of security aspects of the Internet environment, such as privacy and data protection, in a playful way, as well as with other topics such as online bullying.

The sensitization was also aimed at teachers and parents.

4.5.2 E-safety charter

On the initiative of Child Focus, all Belgian industry partners, including Telenet, have joined in a multi-stakeholder platform. On 23 June 2011, they signed the E-safety Charter.

The purpose of the Charter is to improve the online protection of children by transcending commercial interests. It serves as a basis for joint activities and cooperation. All industry partners who have signed this document have a common objective: to maximise the advantages of the Internet for children and youngsters by reducing potential risks to a minimum.

The principles of the E-safety Charter:

- Content providers, access providers and all other persons or bodies offering an online service or platform to minors should commit themselves to the protection of children online.
- To raise awareness by informing children regarding possible risks and how to prevent them, on the one hand by stimulating communication between children and parents regarding e-safety, and on the other by informing parents, teachers and other educators about the potential risks and the tools available for the protection of children.
- To offer children a safe online environment by protecting them against harmful or illegal behaviour by means of simple rules, or by offering consumers the option to block unsuitable or undesirable content.
- To empower users by means of technical tools and solutions, such as providing simple privacy settings, the optimisation of default settings aimed at the protection of children, providing tools that facilitate the monitoring of personal data, and encouraging users to actually make use of all these options.
- To adjust the commercial approach by not marketing e-safety products as commercial products, and by approaching children in a different manner than adults with regard to commercial aspects, in order to prevent abuse of their naivety or credulity.

- The cooperation with police, judicial authorities and other authorities is a crucial aspect in preventing or fighting illegal or harmful content, or content or behaviour that is inappropriate in terms of age.

4.5.3 Safer internet

In 2011, the constant attention to the above issues led to the organisation and support of a number of concrete campaigns to accelerate awareness of the potential dangers of the Internet, or to promote specific prevention measures:

- Telenet is actively working together (directly or indirectly via ISPA Belgium, the Internet Service Providers Association) with the Belgian Government and the Federal Computer Crime Unit with regard to the development and implementation of measures against websites with a harmful content. In the past, Telenet has blocked several websites that were spreading child pornography content.

- Telenet itself is a prominent member of the ISPA, which has concluded a cooperation protocol with the FPS Justice Belgium on behalf of its members. This protocol includes specific obligations for Internet providers with regard to the fight against child pornography.

- Telenet applies the ISPA Code of Conduct, which includes provisions for the cooperation with Child Focus, aimed at preventing and combating the abuse of children via chat applications and websites.

- In the newsletter to its Internet customers, Telenet regularly provides information with regard to harmful content and measures for the protection of children (including by the use of filters).

- Telenet constantly remains up-to-date on any EU campaigns for a safer Internet, and is actively involved in the annual Safer Internet campaign.

- Telenet has developed an effective control mechanism based on the use of a code that is built into the set-top box and the digital TV platform. Specific content can only be viewed or ordered by means of a password.

4.5.3 Protection of privacy and personal data

Telenet is committed to soundly controlling the risks and threats that could arise from malicious or erroneous use of information and data by means of appropriate protection of this information and data. More information in chapter 5.3.2 "Privacy and security".



5. Stakeholders

5.1 Stakeholder commitment

Telenet's primary responsibility is the creation of value for its stakeholders. On the other hand, the company also has broader responsibilities towards everyone involved in the activities of the group. The latter aspect is crucial to ensure the returns in the long term. Telenet's operational decisions will correctly reflect the organisation's responsibilities if the company thoroughly understands what drives and occupies not only its staff, but also the shareholders, customers, suppliers, regulators and others in the community in which they operate.

Telenet interacts with its various stakeholders via a range of different media, in both a formal and an informal manner. The company communicates with its shareholders during the general meeting for shareholders, for example, but also by means of the annual

report, the corporate website, the quarterly reporting, conference calls and investors' meetings.

Communication with staff takes place via the Intranet, regular updates by e-mail, interviews, training and development programmes. Telenet interacts with customers, both residential and business, through various initiatives such as focus groups, interviews, visits and, of course, also by the daily contacts via the call centres. In addition, interaction with customers is also carried out by specific Web Care teams on several online forums.

Measurements on how Telenet is perceived by its stakeholders are carried out regularly. Through qualitative and quantitative studies, the company maintains a good overview of what the stakeholders consider important, what their expectations are and what issues they are focussing on.

With regard to customers, such measurements lead to the Customer Loyalty Score. With regard to the other stakeholders, Telenet also aims to develop a concrete measurement of the mutual commitment. In 2011, the company also made concrete efforts to measure supplier satisfaction for the first time. To do this, the company is working together with the University of Antwerp.

Our major shareholder LGI already carried out an extensive study on stakeholder commitment involving Telenet and its other European companies in the context of the development of the CR strategy. A series of in-depth interviews were conducted with people inside and outside the company to identify the social issues that were of the greatest concern. The results of these interviews were analysed and used as the basis for the development of a CR strategy that takes the opinions and priorities of the stakeholders into account.

Telenet will continue to expand the contacts with the stakeholders, while also further implementing its CR strategy in the coming years. We asked 1,524 customers, staff members, NGOs, suppliers and other stakeholders about the social issues they found important, and about the importance they attach to a Telenet contribution in these areas. This resulted in the following five pillars on which, according to the stakeholders, Telenet should mainly focus in its social management: providing a reliable service, ensuring customer satisfaction, guaranteeing privacy and security, pursuing a transparent pricing policy and ensuring the user-friendliness of the Telenet products and services.

Telenet conducts a reputation survey every year using the RepTrak method. This model measures the corporate reputation in a quantitative and standardized manner. Consumers are questioned about their feelings, their appreciation, their admiration and their confidence in Telenet. The study sheds light on the broader issues for the further development of the reputation. In 2011, Telenet obtained an overall score of 67,2%, the highest score in the Belgian telecom sector.

Telenet has a well-known brand name within its strategic scope of action. The company has developed this brand name through extensive marketing campaigns, website promotions, customer referrals, the deployment of a specific sales structure and the development of a dealer network. The Telenet brand name is a material and valuable property of the Telenet company.

Telenet received a fine accolade from the international investors' scene in June 2011. 9,200 asset managers and 2,400 bankers voted Telenet's CEO and CFO to be the **best managers** of the stock market-listed industry in Belgium.

In **Investor Relations**, too, Telenet achieved the highest score. This emerged from a survey carried out by the research firm Thomson Reuters Extel.

In addition, Telenet's CEO was elected **Manager of the Year 2011**, and Senior Vice President Telenet for Business, **ICT Woman of the Year 2012**.

5.2 Employees

As an employer, Telenet is as dynamic as in its expansion policy. Employees are given plenty of challenges to work with, as well as the chance of development and training, and the workplace is characterized by a stimulating, young and dynamic atmosphere. Internal promotion is high on the priority list, and is stimulated by the large number of positions at many levels in various areas. People are also taking up the career opportunities that are offered to them, and at least one in three staff members are promoted to higher levels. The key factors for success are proactivity, team spirit, integrity, dedication and customer focus. Qualities that guarantee optimum customer satisfaction, at every level.

5.2.1 Employee satisfaction

Telenet is strongly committed to employee satisfaction. This is measured twice a year as part of the coaching compass. Telenet employees appear to be generally satisfied with their job. In answers to the question 'Are you experiencing enough satisfaction with your job?', Telenet scored 71, both in 2010 and in 2011.

The coaching compass also provides employees with an opportunity to assess the coaching style of their immediate supervisors. In addition, Telenet conducts an extensive well-being survey among its staff once every three years. The survey makes use of the S-ISW questionnaire and measures a number of wellbeing indicators, such as stress, motivation, inappropriate behaviour and absenteeism. In addition, risk factors are also identified, including the stress that employees experience in their job, the challenges they can see, risks at the team and organisational level and risks arising from the broader socio-economic context.

Employee satisfaction

2010	2011
71%	71%

In 2011, 71% of the employees completed the survey. Compared to 2008, the situation has improved or has remained unchanged in all key areas.

Following the results of the well-being survey, the priorities were charted, for example, for motivation and inappropriate behaviour. This was done using a priority matrix. On the basis of the established priorities, concrete steps were taken to further improve the well-being of the employees, including a supplementary training course for managers with the title 'Helping talent to flourish'. This programme sensitizes people managers with regard to detecting development requirements in their employees, discussing this with them and taking action. The Telefit programme and the course on mindfulness are also a result of this.

At the end of 2010 and early in 2011, we investigated the value that Telenet executives attach to sustainability within the company. More than 80% of the management is of the opinion that it is very important that Telenet takes up its responsibility for the social, economic and environmental impact of its operations, and acts accordingly.

The Telenet executives identify sustainability as a stimulus for value creation and innovation. They see opportunities, for example, for enhancing the reputation and anticipating and responding to the demand of the customer. According to them, the environment is situated at the top of the sustainability agenda, in addition to campaigns aiming at transparency and accountability towards both staff and customers.

The value of sustainable enterprise according to the Telenet executives

Marketing	CSR contributes to the reputation (80%) and innovative power (67%) of Telenet
Competitiveness	CSR helps to comply with and to anticipate the needs of the customer (75%)
Financial	CSR creates more efficiency in the company's activities and generates cost savings (69%)
Human resources	CSR stimulates the attraction of talent within Telenet (63%)

5.2.2. Attracting and retaining talent

Telenet not only wants to focus on the customer, but also on its own employees. Early in 2012, Telenet launched the 'Candidate Centricity' project, in which the candidate takes the central position in the various job application phases. At each step of the application process until the first days following the recruitment, we check that the candidate is approached in the most customer-friendly manner. The first results are expected in the summer of 2012.

Telenet is a large and dynamic group, with an uninterrupted flow of vacancies at all levels of the company. Telenet's continuous growth also led to the creation of additional jobs in various areas of competence in 2011. A total of 314 new employees were recruited, which means a slight increase compared to 2010. A total of 222 people have left the company. The global workforce increased to 2,050 employees. The largest recruitment boost for the group resulted from the expansion of the network of regional call centres, and from the growth of the business-to-business segment.

A unique feature is that Telenet not only uses the traditional recruitment channels for the recruitment of new talent, but also relies on alternative sources, such as the Refer a Friend programme, recruitment via Facebook or one-day recruitment events, where the entire selection procedure takes place in one day. (<http://corporate.telenet.be/jobs>)

Telenet's aim is thereby to attract people from all backgrounds. This is Telenet's way of establishing a versatile team in which a wide range of skills and talents are present.

Another way to fill vacancies is the internal rotation system. Our internal promotion system flourished considerably compared to the previous years. In 2011, a record number of vacancies were filled with internal candidates, i.e., 43% of the total number of vacancies.

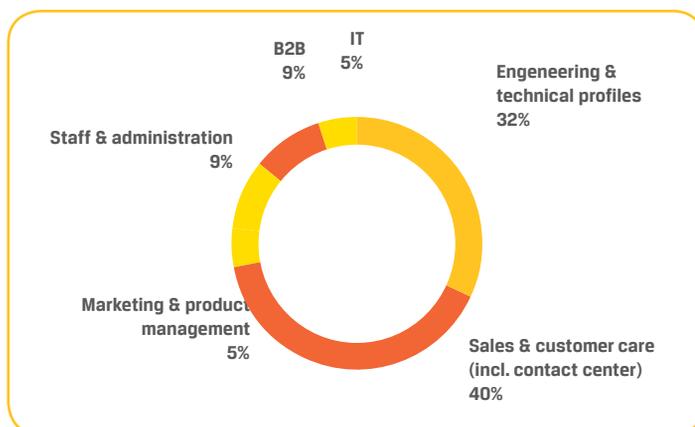
Staffing evolution

	Staff
2007	1.687
2008	1.716
2009	1.817
2010	1.898
2011	2.050

Internal promotion figures

	2009	2010	2011
	30%	34%	43%

Breakdown per area of competence



5.2.3 Training, development and performance management

As a technology company, Telenet attaches great importance to the ideal staffing of the technical profiles within the company. But Telenet has a lot more to offer. The workforce is complemented with positions in various other areas of competence. The extensive efforts regarding customer service and satisfaction, for example, have resulted in a significant increase in the workforce of the regional call centres in recent years.

Telenet leadership model

The competence model is the central aspect of Telenet's HR processes. This model is used as a guideline during recruitment, personal evaluation and for the establishment of the individual development programme. Telenet has grouped the key skills that are of paramount value for the staff of the company into six competence clusters, as clarified in the diagram below.

Telenet competence model



Personal development and training

The individual development programmes are linked to the competence model. They provide for both technical and non-technical training. At the end of 2011, no less than 1,300 personal development programmes were registered, almost tripling the records of the previous year. The aim is to establish a development plan of this kind for all employees in due time.

The Telenet development programme includes a wide range of internal and external training courses. In 2011, an employee spent an average of four days on training courses. The range of training courses was extended by sessions relating to, for example, mindfulness, people management skills and business writing. Moreover, alternative forms of learning were used, such as company theatre, role plays and individual coaching sessions.

On 23 December 2011, the Flemish Government decided to grant Telenet € 1 million in strategic development support. We ourselves will invest almost € 10.5 million in training projects up to 2015. The development support was allocated on the basis of a subsidy file that was submitted in 2010. In terms of content, the file is based on a strategic development plan that is built around three objectives. First of all, we establish the decentralisation and expansion of the customer service department, including the establishment of regional contact centres in Aalst, Sint-Truiden and Herentals. Secondly, new (especially technological) training requirements arose from the innovation of the product range, which included Digital Wave 2015. Finally, the relentless focus on LEAP and sustainability implies the need for new leadership training courses, such as 'authentic leadership', for the support of the sustainable development of Telenet.

Since 2011, the 'employee compass' has been carried out twice a year. With this list, we assess the overall well-being of the Telenet employee. From the results, it appeared that no less than 94% of the employees are proud to work at Telenet, and that 87% are experiencing positive trust among colleagues.

Number of training days

	2009	2010	2011
Number of staff members (with a permanent contract)	1.817	1.898	2.050
Total number of training days	7.068	7.643	8.035
Training days per employee	3,89	4,03	3,92

Performance Management

Two important time frames are made available every year for the monitoring of the daily performance. On the one hand, this relates to the final assessment, which focuses on the achievement of the individual objectives for the year. While time is already made available at mid-year for possible adjustments on the other.

In addition to the result of the personal objectives, the bonus system linked to the assessment is also influenced by the collective Telenet performance, including the score on customer loyalty. In the bonus structure of the executives, Telenet highlights the importance of customer satisfaction even more, as this parameter is weighted to up to 40% of the overall performance.

The results of the coaching compass, a measurement tool that has been carried out twice a year since 2009 and that is linked to the 'employee compass', represent a significant barometer for the management's leadership style. The coaching compass focuses on the overall job satisfaction, and provides staff with the opportunity to assess the coaching style of their direct supervisors. This serves as the basis for executives to further develop their coaching skills. The coaching compass has been organised five times since 2009. We have noticed a remarkable progress in the results relating to the five question clusters: employee management, employee development, coaching skills, recognition and customer orientation.

Breakdown of staff by gender

	male	female
Total group	64%	36%
Executives	71,1%	28,9%

5.2.4 Sustainable personnel policy

In all its facets, the personnel policy is structured in a professional manner, and is fully in line with the sustainability objectives of the company.

Diversity

Telenet's aim is to attract people of all backgrounds in order to establish a versatile team with the most talented professionals in which all skills are represented. Telenet is convinced that a diverse workforce contributes to creative thinking processes that help the company to serve its customers better.

Telenet is currently working on enhancing the diversity of its management teams, including the recruitment and promotion of a larger number of women. The number of female staff members has been fluctuating around 30% in the last 3 years. The percentage of women at the top management level (CEO-1) has increased by 33%: from 27% in 2010 to 36% today. This is in line with the total number of women in the company, which employs many – predominantly male – engineers and IT staff.

In this way, the company aims to build up the necessary talent within its own environment in order to enhance the availability of a broad and varied number of future executive profiles. In addition, staff and

Average age in years

general	male	female
37,64	39	35

management teams also better reflect the diversity of the customer base in this case.

People have their preferences. Technical positions, for example, attract more men, while marketing and call centre positions attract more women. From staff surveys, it appears that people do not experience this as a problem, but as an additional asset to develop further within Telenet.

Fair remuneration

For their work, Telenet employees are remunerated in a fair manner in line with the market situation. The basic package for all staff consists of the gross salary, complemented by fringe benefits such as meal cheques and eco-cheques, hospitalisation and group insurance and subsidised telecom facilities. In addition, a special bonus that is linked to the Telenet score regarding customer satisfaction is provided for everyone. The bonus for executives was linked to customer satisfaction up to 40% in 2011.

Consultation with social partners

Telenet has a formal meeting with the Committee for Prevention and Protection at Work and with the Works Council on a monthly basis. In addition, there are frequent ad hoc consultations with both parties.

The Works Council is an advisory body at company level that represents all employees. It is established on a joint basis and consists therefore of an equal number of employer and employee representatives. The Works Council is involved in issues that affect the social, economic and financial policy of the company. This general authority includes many areas: the personnel policy, the organisation of the work, the financial and economic situation of the company, working conditions, new technologies (Works Council Law, Art. 15). Minutes of the Work Council meetings are published for all employees in the organisation, in accordance with the legal provisions.

The CPPW is an advisory body at the level of the technical business entity that represents all employees. It is established on a joint basis and therefore consists of an equal numbers of employer and employee representatives, the company doctor and the internal office for prevention and protection at work. The CPPW must

be involved in issues relating to the well-being policy of the staff with regard to the performance of their work, as well as the global prevention plan and the annual action plan (RD CPPW 3/5/1999). This general authority includes the areas of occupational safety, medical monitoring, ergonomics, hygiene, embellishment of the workplace and the psychosocial aspects relating to the work, including mobbing, violence and sexual harassment, and the (living) environment. The CPPW makes decisions regarding the appointment or removal of the occupational doctor, the prevention advisors and the confidential counsellors. The CPPW has mainly advisory duties regarding new and changing technologies, work processes, the lay-out of the work stations, equipment, protective equipment, training courses, instructions, regular inspections, etc. The committee also appoints delegations for the annual safety rounds in the context of serious risks with imminent damage or serious accidents or incidents with the aim of working with the authorised officials.

Well-being at work

The Telenet management considers prevention and well-being to be an important objective within the company. This objective is in line with and is an integrated part of the overall corporate policy, which focuses on building up and strengthening a strong image towards both clients and third parties, as well as within the company.

In this context, the management is convinced that the full commitment of everybody is essential:

- for personal safety, as well as the safety of colleagues and third parties;
- for personal safety, as well as the safety of colleagues and third parties;
- for a clean and environmentally-conscious working environment.

Safety, well-being and the environment are an integral part of the responsibility of the hierarchic line management at all levels, and are also the concern of all the organisation's staff, temporary staff and staff from external companies.

In its five-year Global Prevention Plan, Telenet has identified the objectives in the areas of safety, well-being and the environment in a systematic and project-based manner on the basis of auditing, risk analyses, accident and incident analyses, safety rounds, complaint management, results, reports and medical examinations. This enables Telenet to comply with the legislation regarding the well-being of employees with regard to the performance of their work. These objectives are crystallised into an annual action plan every year.

The results are reported annually to the Directorate General for Supervision of Occupational Wellbeing, which is part of the Federal Public Service for Employment, Labour and Social Dialogue, as well as to the Committees for the Prevention and Protection at Work.

The indicators relating to absenteeism due to illness and occupational accidents are discussed annually at the meeting of the CPPW (Committee for the Prevention and Protection at Work). In 2011, 19 occupational accidents occurred with temporary incapacity for work, 354 calendar days in total. There were no fatal occupational accidents or accidents with permanent incapacity for work.

Information regarding accidents at the place of work

In addition to the further execution and implementation of the 2010 action plans, Telenet has focused on the following in 2011:

SUBJECT	OBJECTIVE	ACHIEVEMENTS
Resources	Systemisation of inventory, control and maintenance of the equipment and protection equipment	A software module was developed and put into operation, data logging and monitoring from 2012 onwards
Company vehicles	Ergonomic and safe design	Development for Field Force, Customer Install and Sporting Telenet completed
Psycho-social work aspects	Conduct regular quantitative wellbeing surveys relating to psycho-social aspects at work, extended by a module on ergonomics and alcohol & drugs	The wellbeing survey was conducted, the results were discussed and incorporated into an e-tool, a roadmap and a template for action planning and project monitoring at both the organisational and departmental level
Purchase policy	Improved integration of safety and environmental requirements into the purchase policy	<ul style="list-style-type: none"> 2 training sessions for the Purchase division relating to safety and environmental issues in purchase dossiers review of the safety clauses when working with third parties advice regarding particular specifications relating to safety and environment
Further development of the environmental policy	<ul style="list-style-type: none"> further optimisation of waste management further screening of environmental conditions and permits 	<ul style="list-style-type: none"> improvement and communication of waste procedures updating of environmental permits (completion in 2012)

Life-work balance

New communication tools offer a new kind of freedom, which is not only reflected in our private lives, but also at work. Telenet is actively involved in this so-called New Way of Working.

The New Way of Working can help to find a better work/life balance. At the same time, this also entails an environmental benefit, because teleworking, video conferencing and other ICT solutions help to address the mobility issue. If you can choose where and when you work, you can avoid the traffic jams, sometimes even to the extent of not having to leave the house. This saves effort, travel time and CO2 emissions.

The New Way of Working specifically focuses on three interconnected areas. First of all, a 'flexdesk' is created, a new, virtual workplace without a fixed, personal desk. Secondly, the appropriate ICT facilities are provided for this virtual workplace: for example, smartphones, conference call numbers and laptops are made available. Finally, a new form of teamwork and leadership develops, where employees are assessed on performance rather than on attendance.

The benefits are obvious. Several companies acknowledge the need to adapt their organisation to the needs of the twenty-first century based on trust, cooperation, autonomy and output. Anyone who has Internet access and a laptop, tablet or smartphone, can go online anywhere and anytime. This principle was further illustrated in June 2011 by the fun 'Make the Bridge' campaign staged by Telenet and Microsoft. The closing of the Vilvoorde Viaduct, a major arterial

road, during the summer months caused considerable traffic congestion. Telenet and Microsoft urged their employees to work via the Telenet hotspots of the Autogrill restaurants at the service stations in Waarloos, Groot-Bijgaarden and Nijvel on Monday morning, 20 June, between 7 and 10 a.m. After the weekend, office staff therefore 'made the bridge' to the new working week by getting down to work right away, without having to face the early-morning traffic jams.

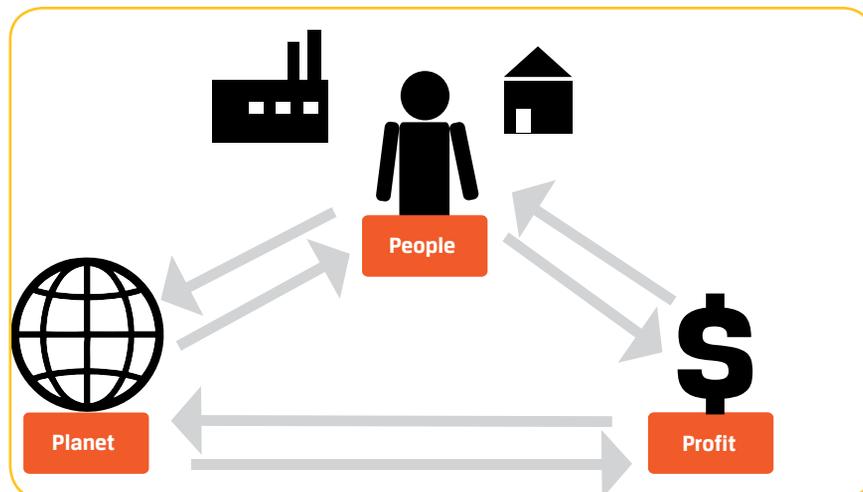
But it's not just playful campaigns. We are working hard on 'the New Way of Working'. At the end of November, eight partner organisations signed a cooperation agreement regarding 'the New World of Work'. The founding members are Microsoft, the Belgian Federal Department of Social Affairs, OutofOffice, SDWorx, Flanders Synergy, USG People, Euro Green Innovation Center, and Telenet.

This coalition for "The New World of Work" actively promotes the New Way of Working and aims to bring about a true change of mentality among its employees. The underlying principles of the New Way of Working are 'people', 'profit' and 'planet'.

The workers (**people**) organise their work as it suits them and their colleagues best. They choose the time and place of their work. This responsibility and flexibility result in a better work/life balance.

The organisation (**profit**) benefits from it: motivated and committed employees mean better operating results.

Finally, the environment (**planet**) benefits from a reduction in commuter traffic. The coalition will regularly



share its experiences in order to get a clear idea of the pros and pitfalls of the New Way of Working. It will discuss its findings in workshops, hold round-table debates with opinion leaders, and organize open days.

1,373 people, including consultants, were able to telework in 2011. All the workstations at the headquarters in Mechelen are equipped as 'flexible desks': everyone can sit and work at any location. In 2011, the occupancy rate of this flexdesk was 96%, and the ambition for 2014 is 85%. In addition, a pilot project is currently running at Telenet with fifty Teleworking ambassadors from various departments of the organisation. The purpose of 'Telenet 2.0' is to identify the different challenges of the New Way of Working. How can the organization help people to cope with both keeping work and private life separate and mixing

them efficiently? How can we channel the impact of being reachable everywhere and always, and how can we ensure that workers can still disengage themselves sufficiently from their work? What management skills and corporate culture are needed to make the New Way of Working possible? At Telenet, we aim to provide an answer to those questions and to create a sustainable policy with regard to the New Way of Working. This calls for in-depth preparation. In the long term, the project will be systematically rolled out across the organisation, and this 'new way of working' will simply evolve to 'the way we work'.

1,373

In 2011, 1373 people, including consultants, were able to telework.

8 December

Telenet took part in the National Telework Day on 8 December.

flexibele desks

All workstations at Telenet headquarters in Mechelen are fitted out as 'flexible desks': everyone can sit and work at any location. In 2011, the occupancy rate of this flexdesk was 96%.

96%

trend

Telenet responds to this new trend by offering bespoke solutions to businesses for mobile working, networking, cloud computing, videoconferencing, data protection, etc.

Motivation priority map



Internal complaints procedure

Telenet makes numerous efforts to create a pleasant and safe working environment in which employees can feel safe and comfortable, and where they can perform in the best possible way.

In accordance with Belgian legislation, Telenet's wellbeing policy includes a procedure relating to inappropriate behaviour at work. The complaints procedure is integrated in the company rules and relates to inappropriate behaviour such as mobbing, including discrimination, violence and sexual harassment. The complaints procedure also applies to permanent third parties.

If an employee is unable to solve the problem by himself/herself or with his/her manager, the confidential counsellors of the internal office for prevention and protection at work, or the prevention advisor for psycho-social aspects, can be contacted either in a formal or in an informal manner. The informal procedure involving the confidential counsellor or the prevention advisor includes an initial relief or intake interview, advice, mediation and/or an intervention by authority figures within the organisation.

Confidential counsellors can also accept a formal complaint and submit this to the prevention advisor for further monitoring. The formal procedure not only aims at stopping the problem and preventing that it is repeated, but also at conducting an investigation in order to determine whether or not the case relates to mobbing, violence or sexual harassment. Moreover, this

also involves the recommendation of individual and collective measures to the employer, if appropriate. In 2011, there were 17 informal and no formal interventions. The majority of these informal interventions was limited to a recommendation to an employee, since there was clearly not always a case of mobbing, violence or sexual harassment, and in most cases only a mild form of incorrect behaviour was involved that could usually be solved by the employee himself/herself with appropriate support or advice. At the recommendation of all actors in the field, the legislative framework will be further refined in this context in order to respond appropriately to the needs and to create a more preventative character.

5.3 Customers

Telenet aims to be a generous and welcoming brand. We make every effort to focus on each stakeholder with the same level of attention and respect. We listen because we know we can learn something from each customer, employee, supplier, investor, i.e. from everyone.

5.3.1 Customer loyalty

Customer Loyalty Score

Telenet conducts monthly surveys in order to chart customers' perceptions and their loyalty. This Customer Loyalty Score provides an objective illustration of our customers' perception of Telenet in general and our products and processes in particular. Because the Customer Loyalty Score not only measures satisfaction levels but also other customer perception parameters, it is a genuine reflection of how customers perceive our approach in the broadest sense. The fact that client perception of both our products and processes is a significant cornerstone of Telenet's corporate culture is demonstrated quite clearly by the integration of the Customer Loyalty Score as a measurable parameter in the bonus system. 40% of the global amount of potential bonuses awarded to Telenet executives is directly dependent upon this score.

Customer Loyalty Score

2007	87,23%
2008	87,97%
2009	89,12%*
2010	73,63%*
2011	74,50%

*measuring method changed in 2009 en 2010

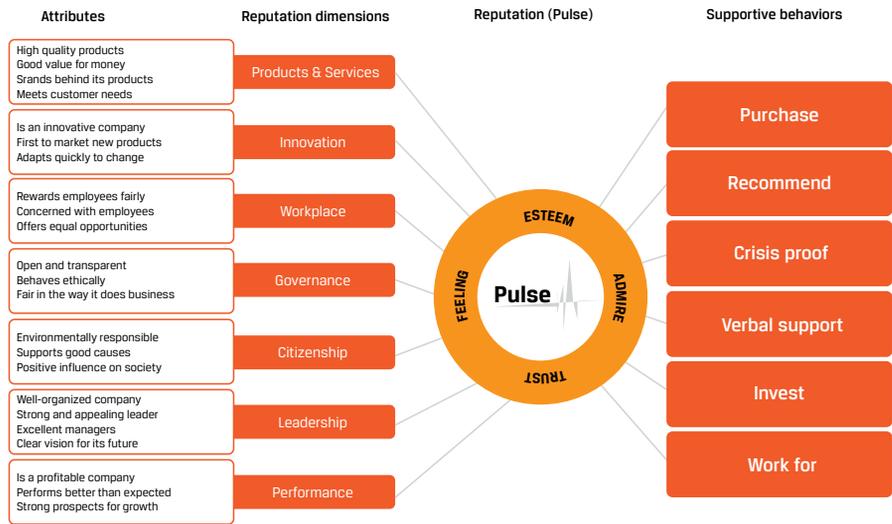
Telenet has initiated various programmes to further improve the Customer Loyalty Score and fine-tune the targeted objectives. We aim to be transparent about our customer loyalty results. In 2011, the CLS increased by 1.01 percent to a total of 74.5. Our target was 76 points, which we unfortunately did not achieve. The price increase for internet in July 2011 levelled off the impact of other improvement initiatives.

In 2012, we will continue to focus on the systematic improvement of the perception of our Internet and mobile services quality. We will approach this quite specifically on the basis of the customer perception insights we obtained in 2011.

RepTrak

In addition to the customer perception we also regularly measure how all our other stakeholders view the company. To gain an understanding of its overall corporate reputation, Telenet conducts annual reputation analyses based on the RepTrak method, which polls consumers' feelings, valuation, admiration of and trust in Telenet on the basis of a quantitative standardised method.

This type of qualitative and quantitative research provides a clear idea of what stakeholders consider important and what their expectations are. In 2011, Telenet achieved a general score of 61.7%, the highest in the Belgian telecom sector. International telecom operators scored 67,2% in 2011..



5.4.2 Customer service

GRACE

In 2011, via different projects and initiatives we underlined the improvement of our customer service. At all times we undertake to improve and renew the way we communicate with our customers. The GRACE programme (Getting the Right Appreciated Calls Every-time), launched in 2010, will continue. GRACE increases the customer satisfaction from telephone calls, the majority of which are handled via call centres. These calls relate to technical aspects, content or commercial products/ services.

Spinnaker

Spinnaker, an internal project launched at the end of 2010 that aims to improve the efficiency of various operating processes, also remained in the spotlight.

Several Spinnaker thought processes resulted in Customer Service optimisation. For example, this project also takes a look at how we can improve the operation of our technical back office and customer service via e-mail. A project was launched to reduce the processing times from an average of 5 and 2 days to 2 and 1 days respectively.

Another project focuses on the further development of the complaints management. To this end we appointed an internal ombudsman for our customers in 2011. The

Spinnaker project, intended to develop an organisation with a greater focus on learning, led to the establishment of the Customer Contact Quality Assurance Team. This team audits the quality of customer contacts, initially in our contact centres. The 'Improvements and Process Management' department, which manages the ongoing improvement of our services and processes, was established during the fourth quarter.

Charter on customer satisfaction

As part of its customer friendly approach, Telenet signed the charter on 15 June 2011 which at the beginning of 2011, at federal Minister for Enterprise Vincent Van Quickenborne's request, was sent to all telecom operators to make customer service a priority. The charter had been drawn up by Test-Aankoop and Radio1 programme Peeters & Pichal and the long-term aim was shorter waiting times at call centres and helpdesks.

The charter also comprises agreements pertaining to transparency and response times to written customer queries. The charter to promote customer friendly services has already resulted in a number of decisive actions, including the introduction of a call back option for customers waiting more than 150 seconds to talk to a helpdesk operator (for more information, please go to [http:// corporate.telenet.be/corporate-sustainability](http://corporate.telenet.be/corporate-sustainability))

Customer certificate

In 2009, Telenet launched a programme to convince all its employees of the crucial importance of customer service. Today, this Customer certificate has a permanent place in HR policy and the ambition is to assimilate the pursuit of increasingly better customer service as a central theme in day-to-day operations. More specifically, for at least one day a year all employees carry out a position which requires direct contact with the customer, such as a call centre employee, shop assistant or installer. In 2011, 1,155 employees were awarded their Customer certificate. That is 91% of the employees who in their day-to-day activities have no direct contact with customers.



Customer contact

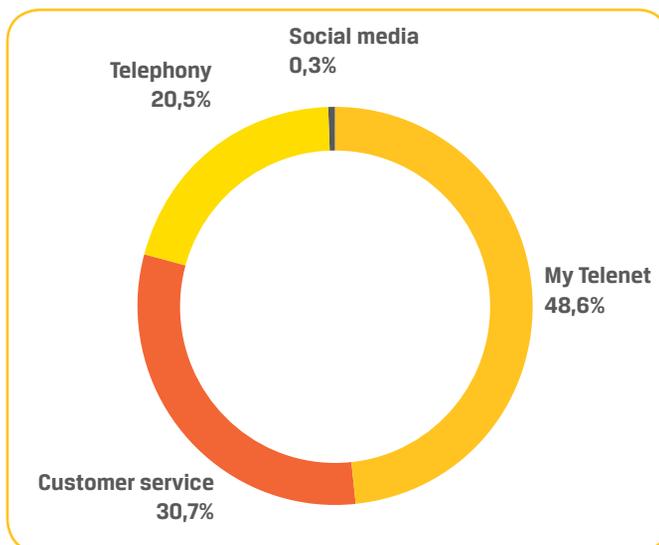
In 2011, most of our technical support services were internet based. The total reorganisation of our online customer service website, which offers search item based solutions, also contributed to the rising number of customer contacts via the internet. One fifth of the overall number of customer contacts is still telephone based.

Our aim was to reduce the total number of telephone calls in 2011 by 10%. Unfortunately we did not achieve this ambitious target but we did manage to reduce the number of calls per interactive or mobile service supplied by 6%. The main reasons why we did not achieve the general target included extra calls as a result of the launch of Fibernet in January and Sporting Telenet in the spring, a number of teething troubles with our mobile services following the introduction of the full MVNO (Mobile Virtual Network Operator) agreement and a greater influx resulting from the price increase.

Telephone response times always play a major part in the customer's perception of satisfaction. 65% of calls were answered within 30 seconds in 2011. 78% were answered within two minutes. We continue to make every effort to reach our target of 90% within 120 seconds. Customers who have to wait longer than 150 seconds are given the option to be called back at a time that suits them.

Telenet also reviewed its cooperation arrangement with outsourced call centres. This greatly increased the stability of our services, which became obvious particularly in the last quarter of 2011.

Split number of contacts



Social media

Telenet also supports customers via social media (Twitter, Facebook, Forums, etc.), which we see as important customer service tools and a means to gather feedback on our products and services. Customers can use social media to describe products and services, assist other customers, launch new ideas and consult additional information on functions and facilities. Telenet clocked up 70,996 mentions this year, i.e. on average 5,916 mentions per month. Every 9 minutes someone somewhere was talking about Telenet. The Fibernet launch was the hottest topic of the year with a live-streamed press conference in January. In February 2012, the social media team initiated the 'good to know' campaign, which highlights lesser known, less frequently used or fun properties of specific products.

Achievements 2011

65% of calls were answered within 30 seconds

78% of calls were answered within 120 seconds

52% of all mail was answered within 2 dagen; 93% within 5 dagen

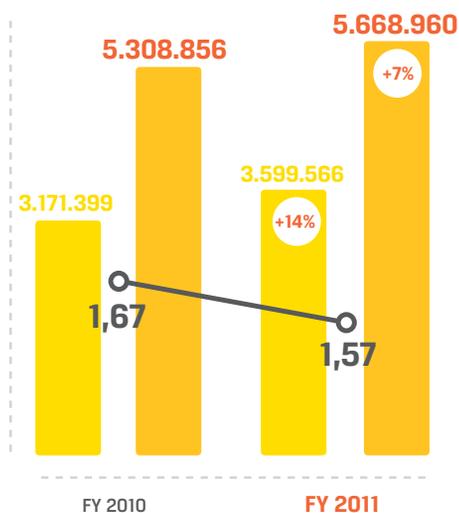
Targets 2012

answer 80% of calls within 30 seconds

answer 90% of calls within 120 seconds

answer 80% of all mails within 2 days; 100% within 5 days

Evolution of calls



Files via ombudsman

	2010	2011
Number of new files via ombudsman	2.733	3.158
Number of provided services including mobile (x1000)	4.514	4.622,9
New files per 100K provided services	60,5	68,3

Dossiers mobiele telefonie via ombudsman

	2011	
	services (excl. mobiel)	Mobile telephone services
Number of new files via ombudsman	2.282	873
Total supporting services (x1000)	4.384	239
New files per 100K provided services	52,05	365,3

Telecoms Ombudsman

The growth in the customer base, the launch of mobile telephony and the higher number of services led to a rise in the absolute number of complaints submitted to the Telecoms Ombudsman.

Complaints are handled as follows:

- The ombudsman accepts the complaints of customers that have already contacted Telenet and wish to appeal.
- As soon as the ombudsman accepts the complaint, invoice collection is frozen until the matter is resolved.
- After the investigation the ombudsman sends a response to the customer.
- If the customer accepts the proposal, the matter is settled amicably.

- If the customer wishes to respond with counter-arguments the ombudsman will make a decision on a new investigation and issue a second response.

In 2011, Telenet received 425 more files via that channel for 108,800 new customers in this period. In 2011, Telenet received 1 file per 1,464 customers. In 2010, this was 1 file per 1,651 customers. The biggest increase was in the category of mobile customers: +23% (873 new cases) compared to 2010, which means Mobile represents 28% in the total number of complaints. This volume can be explained in part by the exceptional migration of our total customer base to a full MVNO contract.

The Telecoms Ombudsman offers telecoms users an opportunity to resolve disputes without going to court and as such is recognised as an ADR (Alternative Dispute Resolution) body by the European Commission.

Privacy and security

Spam, phishing, computer viruses: with the growing popularity of the internet come new risks. Telenet gives this the highest priority in its security approach and takes a number of specific initiatives.

Protection of personal details and privacy & protection

Respect for privacy has the highest priority in Telenet's security policy. Some information is critical to Telenet's daily activities, its working relationships with partners and services to customers. With this in mind, protecting this information is important to Telenet's business continuity and future growth. This protection also fits within the judicial and legal framework.

Telenet is committed to soundly controlling the risks and threats that could arise from malicious or erroneous use of information and data by means of appropriate protection of this information and data. It is also essential to find a healthy balance between protecting data and achieving the company's goals.

The Information Security Roadmap is implemented to achieve Telenet's goals with regard to the protection of data and information. The roadmap includes projects with priority status to support the general protection goals. The roadmap is revised annually, based on the strategic recommendations of the Security Steering Committee, on which all departments are represented.

All Telenet employees – whether they are on fixed contracts, working students or temporary staff – are notified about the confidentiality of certain information. They are given written instructions on the use of personal details and customer-related information.

Safer internet

As well as specific measures to protect children online (see 4.5 Protecting children), Telenet deploys the high-

est standards to protect all other web users. SPAM and virus filters are standard in the network and 150,000 customers make use of strict online parental control tools. Moderators play a positive role in various online forums. It is down to the government to decide which websites are permitted and which are not. Telenet helps the authorities to enforce the law by designating competent staff to handle questions of a judicial nature in a fixed procedure, within the limits of the law.

Raising awareness is a priority

Awareness is at least as important as procedures. Telenet plays an active role in the industry, and participates in the annual Safer Internet Day. The goal is to educate children so they are able to protect their privacy and go online without compromising their safety (see 4.5. Protecting children).

Telenet participated in a prevention campaign of the Federal Government Department for the Economy regarding fraudulent SMS practices with the support of the mobile operators. On 1 March 2011, the initiators launched the website www.winforphone.be, a faithful imitation of an SMS competition. To supposedly win one of the 9,550 smartphones, participants had to send an SMS to shortcode 9550. A code was sent to them which they had to validate on the website. Ultimately they did not win a smartphone, but received tips to avoid the pitfalls of these fraudulent SMS competitions.

Premium text services

There can be an unwished-for downside to Telenet's phone services. For instance, by using premium text messaging services, customers can be burdened with an unwanted and expensive subscription. Telenet keeps to the GOF guidelines for this type of text service and takes immediate action if a supplier breaches these guidelines.

5.4 Suppliers

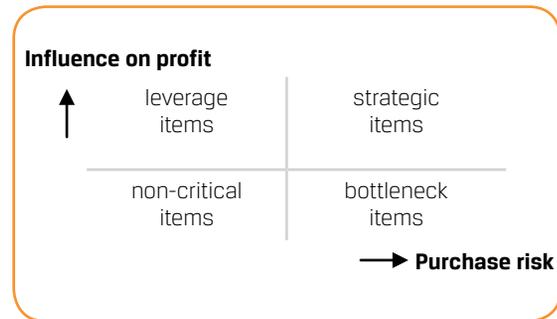
Telenet actively involves the suppliers in the pursuit of sustainable entrepreneurship. The key objectives set out in the sustainable supplier policy, developed in conjunction with the main shareholder Liberty Global, Inc. Telenet's purchasing decisions also take account of ethical, environmental and social considerations. These considerations refer to the optimum price, quality and availability, but also the ecological and social aspects of the origin of products and services. The ecological impact of the products and services we obtain via our suppliers is just as important as the impact of our own products and services.

The key objectives set out in the sustainable supplier policy will be applied to all of Telenet's approximately 3,000 suppliers by the end of 2012. Over the course of 2012, the top 500 will be offered a corporate responsibility survey (self-audit). They represent 17% of our suppliers and 90% of our supplier expenditure. This supplier policy is referred to in every quote and the providers are expected to give the necessary information regarding the following aspects, among others:

- social aspects on their shop floor;
- respect for the laws and rules with respect to child labour;
- looking for transport optimisation;
- green aspects of the suppliers' business management.

In the selection of suppliers, the aforementioned aspects have a relatively high importance, in addition to the specified price and quality for the goods or services to be delivered.

In 2011, Telenet spent a total of € 1.04 billion on approximately 3,000 suppliers. To effectively manage our supply chain, we have defined a formal process to identify our critical suppliers using the Kraljic matrix to determine the 4 main categories: leverage items (15% of suppliers), strategic items (5%), bottleneck items (5%) and non-critical items (75%).



Every contract with a critical supplier contains a code of conduct regarding the following topics:

- environmental standards for the supplier's activities, products and services;
- fundamental human rights (such as forced labour, child labour: ILO agreements);
- working conditions (such as working hours, dismissal provisions);
- health and safety at work;
- company ethics (such as corruption).

We will regularly check our supply chain and on suspicion of an infraction, a formal audit will be conducted. In case of a positive case of non-observance, Telenet shall continue to work with the supplier in question to help him take the necessary corrective actions. If no correspondence is found regarding an acceptable recovery plan, Telenet may have to terminate the business relationship.

Telenet also believes the development of capacities and encouragement can improve the results and the relationship with the critical suppliers. Examples include:

- development of a supplier manual every new supplier receives;
- development of a quality manual with the Telenet warehouse partner;
- joint approach of the improvement of the logistics procedure with the Telenet stores;
- annual 'day of the contractor' meeting, with an award for the best contractor;
- extensive training in customer friendliness and technical aspects for new technical employees at installation companies;
- annual call centre award for the call centre employee with the best results;

- bonus/malus clause in the contract with critical suppliers.

Telenet measures the results of its suppliers with KPIs, such as the percentage of the purchase spent on preferred suppliers, the fuel consumption by the installation buses and the percentage of supplier contracts with contractual provisions regarding environment, social aspects and good governance (ESG).

These three aspects come together in the sustainable collaboration with protected workshop Imsir: a social initiative resulting in less waste, employment and cost cuts. In 2011, the far-reaching reuse of set-top boxes resulted in a waste reduction by 600 tonnes, employment for 40 people and savings on purchase costs of € 19.8 million.

With regard to risk and opportunity management in the supply chain, Telenet focuses on, among other things, single vendorship, warehousing and the non-availability of goods and services. More information on our risk management process is available in chapter 4.

In 2011, Telenet also specifically started working for the first time on measuring supplier satisfaction. We worked with MBA students of the University of Antwerp for this. About 14% of our critical suppliers was interviewed about a number of issues, ranging from

operational satisfaction, to strategic alliance and long-term vision. The results of the study were positive and helped Telenet to improve its relationship with suppliers.

General satisfaction of Telenet suppliers

Satisfaction about strategic results	"Reasonably satisfied"
Economic satisfaction	"Reasonably satisfied"
Satisfaction about relationship	'very satisfied'
Satisfaction about value creation	'Reasonably satisfied'

5.5 Policy makers

Telenet considers its relationships with policy makers, at all levels, of great importance. Regular consultations are arranged with this target group in order to exchange ideas and knowledge on an ongoing basis.

The dialogue with regulators and the government mainly relates to issues that affect the entire sector, including:

- legislation
- investment policy

To facilitate the contacts, Telenet is a member of a number of specific trade union organisations, which from different perspectives act as voice for the sector in its entirety, or for specific subdivisions. For instance, Telenet participates actively in the consultation with fellow sector participants via platforms such as:

- Platform Telecom Operators and Service Providers
- ISPA
- Cable Belgium
- Cable Europe

Telenet charts the key issues on the basis of debates with its stakeholders. They are given priority in line with strategy and importance for stakeholders. At the start of 2012, Telenet drew up the first materiality index to determine the relevant points for sustainable business management (see Mission & vision).

In order to promote this open dialogue with policy makers, Telenet has produced a guide on investment, innovation, growth, competition, employment, social engagement and media pluralism. The electronic communication market is vital for Belgium and the

Belgian economy. Consistent investment and innovation over many years has enabled Telenet to acquire a leading position in this market. However, we are still facing major challenges. Hence this appeal to policy makers to maintain an authoritative, visionary and balanced (tele)communications policy.

The amount of lobby related expenses in 2011, including staff salaries, administrative costs and sponsoring, amounted to € 637,000. Telenet does not contract external lobbyists, nor does it support political parties, subject to Belgian law. No money was spent on political contributions.

Stakeholder issue matrix



5.6 Investors

Telenet remains committed to high-quality and transparent financial reporting. The reports are drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU while the company also complies with the requirements of the US Sarbanes-Oxley Act. Telenet publishes a detailed overview of its financial results on a quarterly, half-yearly and annual basis.

Following the refinancing operations in 2010 and the continued strong progress in Free Cash Flow generation, Telenet has laid the foundation to deliver attractive shareholder disbursements in a recurring and sustainable way while preserving liquidity for investments in business growth and value-accretive acquisitions. Accordingly, the company targets a long-term Net Total Debt to EBITDA ratio of at least 3.5x which provides for an optimal balance between growth and shareholder returns on the one hand and attractive access to capital markets on the other hand.

The company aims to achieve this leverage target through a further optimisation of its financing framework, potential acquisitions, strong Free Cash Flow generation and cash returns to shareholders. The implementation of this leverage model will allow for attractive and sustainable shareholder returns with an above-sector yield, on top of continued strong long-term business growth.

To that end, in the absence of acquisitions and/or a significant change in Telenet's business model, the shareholder remuneration strategy will allow for a continuing high level of cash returns to shareholders on a long-term basis.

For 2011, the Board of Directors authorised to proceed with a shareholder disbursement of € 4.5 per share, representing a total distributable amount of € 505.3 million. The final decision on the disbursement has been voted upon at the Annual General Meeting of Shareholders on 27 April 2011. The disbursement, executed and recognized as a capital reduction, is not subject to withholding taxes, and was paid on 29 July 2011.

// In 2011 Telenet organised:

- 11 roadshows
- 19 conferences (with an increasing focus on sector and theme conferences)
- 375 meetings with investors and 34% of these meetings were with the 25 majority shareholders and 44% with potential new shareholders
- More than 100 telephone meetings with investors

A detailed overview of the efforts relating to investor relations is available on investors.telenet.be.



6. Corporate Citizenship

6.1 Telenet Foundation

Annual project call

As telecommunication company, Telenet plays an important role in the development of the digital society. With the introduction of Fibernet and the new possibilities provided by the Digital Wave 2015, the technological progress and the digitisation process are extra highlighted. At the same time, Telenet realises that this digitisation can be a social trap for people who due to circumstances are unable to jump on the technological bandwagon.

Too many underprivileged young people have no access or too little knowledge of today's information and communication technology. This only perpetuates their social difficulties. That is why the Telenet Foundation supports initiatives of non-profit organisations

every year to bridge the digital gap in a sustainable way. The effect of the Foundation is connected to the 'connect' pillar of the LEAP strategy. The Telenet Foundation has set itself the goal of getting an additional 150,000 people online by 2015. The aim of all these projects is to get young people in particular involved in the Foundation's initiatives.

Since 2011, the King Baudouin foundation manages and guides the external project call of the Telenet Foundation. Both foundations find each other in the joint objective to sustainably contribute to more justice and respect for diversity. The 12 laureates of 2011 together received € 241,093 for their project.

Since being formed in 2006, the Telenet Foundation has received almost 1,220 project requests, around 100 of which received active support to the tune of € 1.75 million.

Research of the supported projects shows that:

- 75% of the projects did not exist before they received support of the Telenet Foundation

- 65% of the projects are able to carry on afterwards without the support of Telenet Foundation

Make time for others

A second pillar of the Foundation is the internal personnel programme 'Make time for others'. This programme was launched on 21 June 2011 and offers Telenet employees the chance to, on the one hand regardless of the internal project call, request support for organisations in which they actively volunteer or, on the other hand do voluntary work as a teambuilding activity.

Every year Telenet wants to increase the contribution of its employees, both in terms of the number of people, and in the total number of hours. The target is the active involvement of 200 employees investing a total of 3,000 hours by 2015.

LBG Model

Telenet uses the LBG model (London Benchmarking Group) to map its support to social organisations and good causes. The LBG model allows the social involvement of a company to be calculated and managed in a standardised way. In 2011, the contribution in cash, time and management amounted to € 1,408,012.

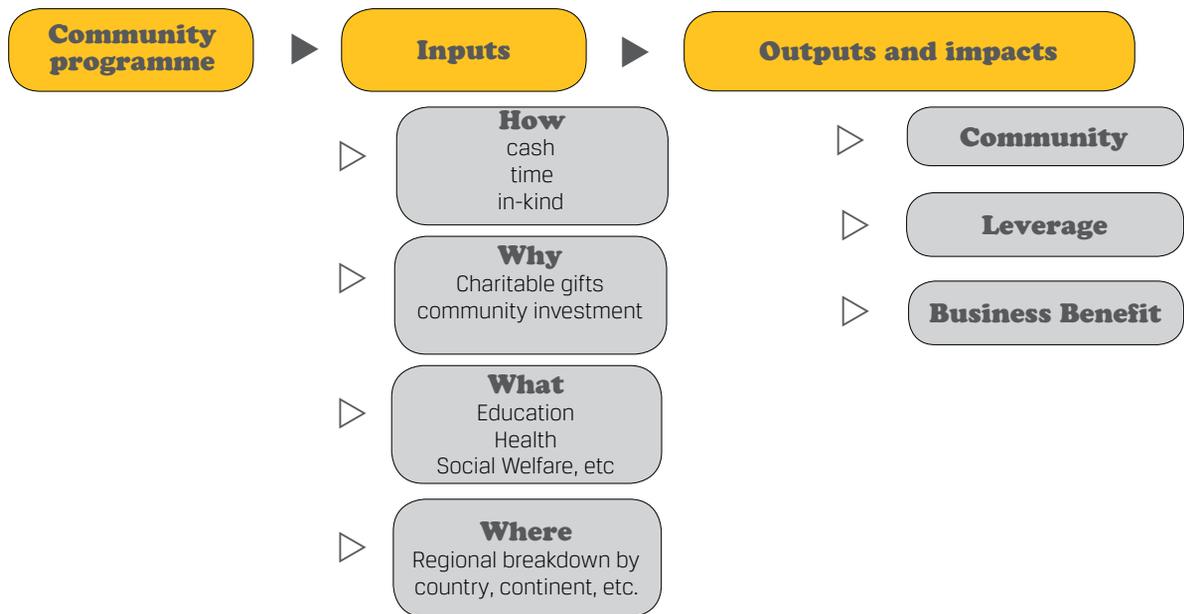
6.2 Social pricing

Telenet voluntarily introduced social pricing for internet in the summer of 2009, as it had already done for its other services. Telenet expects the measure to bring broadband internet within reach of low-income families at a modest monthly charge. Telenet also actively participates in 'Start to Surf', a government initiative. These are further steps towards achieving Telenet's ambition to help close the digital gap.

Telenet is the only Belgian telecom operator with a social tariff for all its products: internet, landlines, mobile telephony and television.

Number of people with a social tariff

	2009	2010	2011
Tv	68.987	67.977	63.733
Telephone	6.821	11.478	15.040
Mobile	50	79	127
Internet	1.506	3.821	5.548

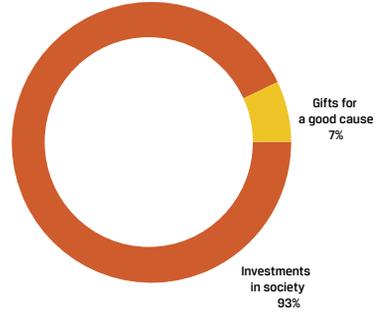


Bron.: London Benchmarking Group, "Making a Difference Management Report, p.7

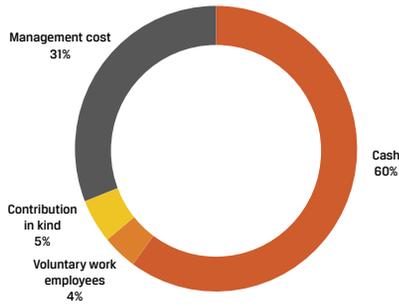
Activity	Output	
	Contribution To Society	Advantages For Telenet
Telenet Foundation	100 social projects which provide digital access and training	A positive effect on the image of the company in terms of closing the digital gap.
My Zone by Telenet	PCs and Internet access in 9 hospitals	PCs and Internet access in 9 hospitals
Bonjour Afrique	Job creation and support in Senegal for a) the construction of a new school b) setting up a beekeeping project c) material and consultancy for an education centre	Strong participation and motivation of the personnel. A project of the employees for the employees. Positive impact for the company
Safer Internet	Support for the annual Safer Internet Day.	Strengthen the position as responsible provider.
Make time for others	The personnel programme spends financial capital on organisations to which Telenet employees actively contribute their time and offers a platform for voluntary work	Social engagement contributes to a greater team spirit in the company and a positive image of the company.



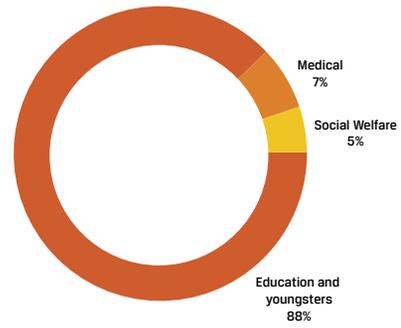
The reason why we contribute



Total contribution 2011



Contributions per theme



Targets Telenet Foundation

Number	2010	Target 2015
Beneficiaries (cumulative)	90.000	150.000
Involved employees	**	200
Employee hours *	**	3.000

* During working hours.

** New target drawn up in 2011



7. Climate and environment

7.0. Introduction

Telenet is strongly committed to sustainable development, protecting the living environment and limiting the ecological negative impact of its activities. The 'Samen Groen' policy was the framework of the company's environmental policy. Telenet wishes to conduct and communicate its environmental policy in a transparent way and wants to set clear targets and closely monitor its progress, with the aim of constantly chipping away at its environmental impact.

Telenet wants to manage its impact on the environment as part of a well-balanced approach, based among other things on:

- Designing, siting and building operational infrastructure to limit the company's negative ecological impact and combat pollution.
- Reducing emissions of greenhouse gases and chemicals that harm the ozone layer.
- Promoting sustainable use of resources (energy, raw materials and natural resources) to achieve the lowest possible user level to sustain operational needs.
- Minimising waste by implementing the 'limit, reuse and recycle' principle where possible and ensuring that unavoidable waste is removed responsibly.
- Working in partnership with suppliers to improve environmental performance in the supply chain.
- Looking for opportunities to limit dependence on cars, for both private and business use.
- Reporting and communicating environmental performance inside and outside the company.

- - Developing and implementing a 'Samen Groen' strategy to minimise the impact on climate change.

7.1 Mission climate neutral

In 2010, Telenet announced its goal of being climate-neutral by 2015 compared to 2007. To achieve this goal, the company will first and foremost continue to focus on measures that further reduce its own carbon emissions and, where possible, switch to alternative energy.

To close the remaining divide between current carbon emission and the ambitious target for good, in an offsetting measure the company will plant new woodlands in Flanders and Ecuador.

7.2 Ecological footprint

Reducing the carbon footprint in 2011 was a prominent goal in Telenet's sustainability programme, in line with the goals of the 'Samen Groen' plan, which was rolled out in 2009 in a close partnership with main shareholder Liberty Global. Since mid 2008, Telenet exclusively uses green energy and numerous initiatives have been launched since 2009 to drive down carbon emissions even further.

We concentrated on two operational priorities:

1. Stimulate energy-efficiency and reduce the carbon footprint of the offices, data centres and the network; as well as the mobility of employees
2. Manage waste in a responsible way and maximise the purchase of sustainable goods and services.

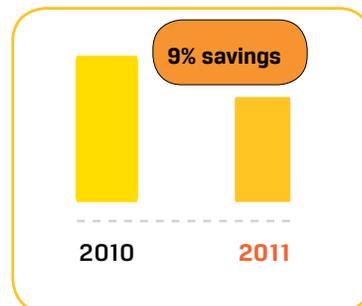
In our ambition to reduce carbon emissions, priority is given to reduction measures in the data centres and the network.

We take every effort to optimise the efficiency and activities of the infrastructure and technical systems by stimulating the efficiency in the power supply and cooling of the data centres and by optimising the efficiency and the use of technological equipment.

The efficiency of the electricity consumption compared to the turnover has improved by 7% over the last 3 years and the carbon emissions compared to electricity dropped by 12% in the same period, as a result of the combination of the purchase of renewable AlpEnergy generated by hydro-electric power stations and reduction measures. The data centre in Mechelen has the status of participant to the EU Code of conduct for Data centres.

The main initiatives we took this year resulted in energy savings and efficiency calculated at the current electricity prices to a cumulative amount of almost € 1 million.

Network Energy Efficiency
Average monthly KWH/GB



Telenet CO2 efficiency-index

	2007	2008	2009	2010	2011
CO ₂ /revenue (Ton CO ₂ eq./million €)	26,9	28,4	11,5	10,8	9,9
Percentage	100%	68%	42%	41%	37%

Telenet catalogues its carbon footprint in three main categories, in accordance with the World Business Council for Sustainable Development Greenhouse Gas Protocol.

- **Category 1** or direct power sources such as fuel (gas, diesel, heating oil, etc.).

- **Category 2** or indirect power sources such as electricity.

- **Category 3** or other power sources, more specifically business trips and commuter traffic.

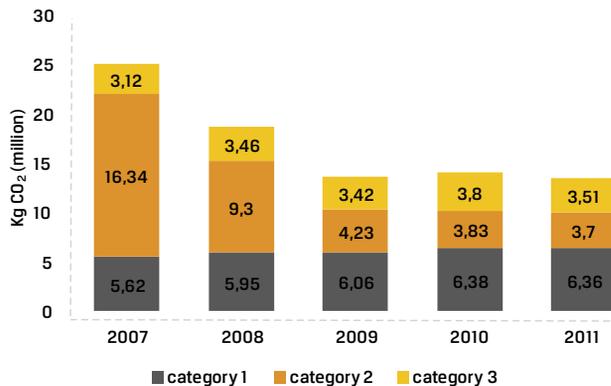
Telenet achieved a joint CO₂ emission of 10,060 tonnes in category 1 and 2 in 2011, an improvement of 1,4% compared to 2010. Including category 3, the CO₂ emission amounted to 13,572 tonnes. This means Telenet's total CO₂ emission dropped 46% compared to 2007. Cumulative savings of about 40,000 tonnes of CO₂ since 2007.

In 2012, Interkabel will also use 100% green energy. Combined with our new car lease policy (see 7.3.3 Mobility and transport) and the ambitions in the field of Teleworking Telenet 2.0 (see 5.2.4 Sustainable human resources policy), Telenet aspires to a footprint close to 10,000 tonnes of CO₂ by the end of 2012.

When the CO₂ efficiency is calculated and the emission is compared to the generated revenue, Telenet realised an improvement in 2011 of 8% compared to 2010. Since 2007, CO₂ efficiency has already improved 63%.

The carbon footprint was calculated for all Telenet activities, including HostBasket, Interkabel and Belcompany. To accurately compare the annual shift in the company's ecological footprint, the figures of HostBasket, Interkabel and Belcompany over 2007 and 2008 have been included in the group's figure, as if these companies were already part of Telenet at the time. However, Telenet took over HostBasket at the beginning of 2008 and the agreement with Interkabel was only reached mid 2008. Belcompany was taken over in June 2009.

Telenet emission per category



7.3 Recent realisations

Continuous awareness-raising campaigns within the company have resulted in a striking number of specific initiatives and inspirational actions combined around various themes, including energy consumption, mobility, network efficiency, and management of premises and spaces.

At the same time, Telenet wants to accept its responsibilities towards its customers and other target groups. Telenet wants to enable all its stakeholders to reduce their ecological footprint. With this in mind, the company is investing in innovative applications and services that can make positive contributions to the resolution of sustainability issues.

7.3.1 Energy efficiency

Telenet pays continuous attention to the energy efficiency of its products and operations. Telenet also constantly aims to further improve the energy efficiency for various stakeholders.

The increasing energy requirement is mainly the result of the need to meet the increasing demand for data processing and provision of digital services. The energy efficiency has improved by 7% compared to 2009. Calculated at current electricity prices, this means an accumulated saving of almost € 1 million.

Monitoring

The building management system (BMS) is under the permanent supervision of the Services Operations Centre (SOC): every calamity of either the BMS itself

or the equipment is shown 24/7 at the SOC via alarm notification.

Based on the continuous monitoring of the technical infrastructure, new investments in energy efficiency can be achieved, for example, by improving less efficient systems or by the adjustment of the cooling or heating of the buildings.

An important measure for the internal performance concerning energy saving is the measurement of energy efficiency (Power Usage Efficiency, PUE) of 53 technical stations (end stations, switches, pops, sites) in real time with effect from 2012, with the opportunity to calculate daily or monthly averages for each type of building or for them all. This investment enables the power consumption to be seen immediately, and offers the means of optimising the systems and processes and making them more efficient.

Set-top boxes

Telenet invests explicitly in initiatives to reduce the energy consumption of the set-top boxes. For example, a special function was rolled out for existing set-top boxes. The total saving for customers from this is around 28,860 MWh per annum, the equivalent of 6,550 tonnes of carbon dioxide, which is the average annual consumption of 8,354 Flemish households.

The new set-top boxes with hard disk, automatically power themselves off when left on stand-by for a certain amount of time. This makes a difference of 20%. The most recent set-top boxes are now also 20 times more efficient than the first generation of these devices that were once marketed by Telenet.

Telenet Electricity Consumption

	2007	2008	2009	2010	2011
Electricity consumption (in GWh)	76,9	78,1	78	81,7	83,3
Income (in € millions)	931,9	1.018,8	1.197,4	1.299,0	1376,3
Energy efficiency as a ratio of income (in %)	82,5	76,7	65,1	62,9	60,52

In 2010, a voluntary agreement came into effect to speed up the adoption of more energy-efficient set-top boxes, which actually involves mutual agreements within the industry. All set-top boxes currently supplied by Telenet comply with this voluntary agreement. Improvements in technology are constantly being sought in association with the partners to make the next generation of set-top boxes even more efficient.

In 2011, some 200,000 energy-efficient decoders of the most recent type were also produced. The rollout of these new energy-efficient boxes is saving 24,732 MWh.

Efficient lighting

In the context of the GreenLight Programme, every year the Joint Research Centre of the European Commission awards a prize to the most interesting projects in terms of energy saving and technological innovation. Telenet was one of the winners of the 2012 GreenLight Annual Award.

Free-cooling air conditioners

Investments in the network and a programme of replacing old equipment by newer, more efficient appliances are continually providing new energy savings.

With the replacement investment for the cooling assemblies of the air conditioning for the data centres, the Services Operations Centre (SOC), and the office area for digital TV in Mechelen, the emphasis was on energy savings. Telenet opted for a free-cooling system that makes the maximum possible use of the exterior air temperature. The compressor only switches on when the heat exchanger has insufficient capacity. This saves Telenet 28 MWh of electricity consumption each year.

Replacement of the old 48V power supply systems with new, energy-efficient systems provide a yield increase of 10%, which is intrinsic to the system. The installation of a sleep mode with the 48V power supply systems then also provides extra efficiency gains.

The old emergency power supply systems (UPS, Uninterruptible Power Supply) have also been replaced by new, more efficient systems.

Cooling assemblies with turbo-compressor

Due to the expansion of server capacity, the two existing cooling assemblies in Mechelen had become inadequate. Here, too, energy consumption was of overriding importance for the replacement, and the decision was taken to install state-of-the-art technology, a cooling assembly equipped with a turbo compressor combined with free-cooling, which was also later implemented in the switch in Hoboken. Telenet is one of the first Belgian companies to install this high-tech cooling equipment with a high yield. The investment in the two compressors saves the company 180 MWh each year.

Climate chambers

In addition to the server farm in Mechelen, Telenet also has some 50 larger technical buildings, including switch boxes and terminals, housing the basis of its technical infrastructure. The INFRA department has succeeded in reducing energy consumption by 700 MWh as a result of sequential management of the cooling facility

Smart meters

Energy consumption is continuing to increase in Flanders, although some of this energy is generated locally. Solar panels, wind energy, and heat pumps produce renewable energy, some of which can be 'returned' to the grid by small household producers.

Three million buildings in Flanders will be equipped with a smart electricity meter between 2014 and 2018. The intelligent meter always shows the cost of the available energy and the price paid for self-produced energy, enabling users to make informed choices about how much energy they consume and when. If the network has sufficient power and the revenue from self-produced energy at that moment is relatively low, it is always more advisable to consume the self-produced power, to charge the batteries of an electric car, for instance, rather than returning it to the grid.

Telenet is cooperating with network administrator Eandis on a pilot project in the Mechelen area. 3,000 households have already been equipped with smart meters.

Smart grid

The smart grid, the smart energy network, goes one step further than the smart meters. Telenet is participating in the Flemish Linear platform with initiative taker Voka to test the smart grid. The smart grid is needed to enable renewable but variable energy sources to be hooked up to the grid on a large scale and for new advancements to be efficiently used, such as the electric car. The Linear programme tests the new possibilities. Apart from Telenet, Voka, and the Flemish government, the Catholic University in Leuven (KU Leuven) also participates in the programme. In the Smart E Project, Telenet is focusing on the smart data flows that are needed for the system's introduction, and which are made possible by the finely meshed high-performance communications network.

7.3.2 Energy sources

Research into the use of alternative energy sources plays a major role at Telenet. Generating renewable energy is not only good for the environment, but also it helps the company to build in a buffer to cope with any exponential rise in energy prices.

Green electricity

Telenet has been consuming green electricity since mid-2008, Hostbasket since 1 January 2010 and Belcompany since September 2010. This certified Electrabel AlpEnergie comes from hydro-electrical power stations and is accordingly 100% renewable.

Based on an energy consumption of some 65 GWh a year in 2007, this represents a reduction of 12,515 tonnes of carbon dioxide each year. Interkabel's network will also be using 100% green energy in 2012.

Renewable energy

Telenet has made significant efforts to use renewable energy sources itself and to promote them among its stakeholders.

Solar panels had already been installed at Telenet's head office in Mechelen. To promote the use of solar panels, Telenet offers them to many of its stakeholders

– including employees and customers – with purchasing at very attractive conditions. The panels offered in this way will produce 225 MWh of energy a year, which represents a saving of 150 tonnes of carbon dioxide each year.

7.3.3 Mobility and transport

The nearly 2,050 employees travel daily to and from their work. At the same time, numerous suppliers are constantly on the road doing work for Telenet. This means, in terms of mobility and transport, that there are numerous opportunities and challenges to achieve reductions in carbon dioxide emissions.

Commuting

Various initiatives have been launched within the company to reduce car usage.

In 2009, the limit of the carbon dioxide emissions for the fleet of vehicles was set at 175 g/km. Meanwhile, the average carbon dioxide emissions of the entire leased fleet are already well below this, with the average carbon dioxide emissions for Telenet's fleet at 138 g/km. The average emissions of the cars purchased in 2011 are 126 g/km.

The new car policy will make use of the car more accountable with a dozen measures, in line with the changes in federal tax law, such as a further refinement of the maximum carbon dioxide emissions for each job level and the partial charging on of any rise in diesel prices.

Under the heading Train-bike@Work, Telenet makes bicycles rented from the sheltered workshop 't Atelier available to train commuters, enabling staff members to cycle between the Mechelen Central railway station and Telenet's offices. 't Atelier also maintains the bicycles.

Telenet is one of the four Belgian participants in a three-year test programme for the Toyota Prius Plug-In, a hybrid car that runs on electricity.

7.3.4 Reuse of equipment

The reuse of our set-top boxes is increasing all the time

Almost all set-top boxes and modems are reused and an approved processing company recycles the remaining versions. The intensive reuse reduced the amount of waste by 600 tonnes in 2011 compared to 374 tonnes in 2010.

All returned modems and set-top boxes go to the Imsir sheltered workshop in Boom, where the processing of the equipment employs 40 enthusiastic staff. In December, this systematic cooperation under the project name 'Reverse Logistics with a social touch' won the audience prize of the Supply Chain Awards.

Computers

Old PCs are given a second lease of life via the Telenet Foundation. As part of its partnership with PC Solidarity, the Belgian part of Close The Gap, Telenet donated 150 high-quality used PCs to this social institution in 2011.

Reuse of set-top-boxes

	2010	2011	% difference
Number of reused set-top boxes	122.170	222.996	82%
Reduction in amount of waste	374 ton	600 ton	73%
Savings on purchase costs	€ 12,7 miljoen	€ 19,8 miljoen	56%

7.3.5 Waste reduction and processing

Two waste flows are significant for Telenet: Telenet's own waste flow and the waste flow that is generated at end customers. Telenet does pay a contribution for the proper processing of a number of waste fractions, but now wants to take the next step in the reduction of waste flows. In addition to limiting waste from old modems and set-top boxes, Telenet also wants to drive down the amount of the other waste fractions. By default, waste flows such as batteries, electrical panels, fire extinguishers, chillers, transformers, cabling, cooling liquids, diesel and lubricating oil are recycled professionally. Telenet is also working intensively on improved recording of the waste flows.

Waste at Telenet itself

Waste at Telenet is sorted and collected by fraction to promote the best possible recycling. To this end, Telenet works in partnership with various collection organisations, which either perform the recycling in-house or outsource it to a third party. For its waste

disposal and processing, Telenet cooperates with two major parties, specifically SIMS Recycling Solutions and SITA. SIMS provides companies and organisations with an extensive package of recycling services for electrical and electronic equipment, in accordance with Belgian and European laws and regulations. Through this partner, Telenet ensures there is the best possible recovery of the raw materials. SITA manages all the other waste flows: sortable waste, hazardous waste (paint and varnish, solvents, oil, etc.), and residual waste. Both partners guarantee sustainable and ecological processing and try to recycle and reuse as much material as possible.

As Telenet is continually growing, it is important to have the proper priorities for these waste flows: first prevention, and then sorting. The table below shows the development between 2010 and 2011 of the three key fractions. These efforts are being continued in 2012: continued measuring of the waste flows and, where necessary, providing specific action plans.

Processing of hazardous waste

	2010	2011
Permanently removed (kg)	8.957	32.284*
Recycled (kg)	298.617	265.732
Energy recovery (kg)	84.332	119.152
Recycled waste	97,71%	63,7%
Waste not dumped	98,10%	92,2%

Processing of paper and cardboard (Telenet head office)

	2010	2011
Permanently removed	15%	15%
Recycled	85%*	85%*
Total (kg)**	56.214	61.888

* Estimate – statutory minimum requirement

** Telenet uses 100% FSC paper

Processing of residual waste

	2010	2011
Total (kg)	70.382	105.988**

* Increase due to clean-up of the warehouses in 2011

** The increase is partly due to the fact that we now take 'moloks' of Kitchen in to our own waste data, as previously by onsite caterer. On a like for like basis that fraction of 'unsorted waste would have decreased from 70 382 kg to 67 560 kg..



Waste at the customer

For the proper processing and disposal of all waste that is created at the customer, Telenet is affiliated to various organisations approved by the authorities. With every purchase of a Telenet product, a contribution goes to Recupel and Bebat. Thus there is automatic payment for proper processing of batteries and the collection and recycling of discarded electrical devices, and customers can therefore, for example, take their old appliances to the container park without any problem. For the other waste flows, which are the packaging and printed-paper advertising, Telenet pays an annual contribution to FostPlus, Val-i-Pac and the vzw Interventiefonds oud papier (non-profit making old paper intervention fund).

Set-top boxes

For each set-top box, modem, server, or other electrical or electronic device that it markets, Telenet pays a contribution to Recupel, the organisation responsible for the collection and processing of discarded electrical and electronic equipment. The equipment ends up at approved processing companies via the container parks and other channels.

Batteries

For the batteries that Telenet brings onto the market in remote controls and modems, it pays a contribution to Bebat, the non-profit organisation that is visible to end-consumers via the collection boxes and bags in shops and other public places.

For technical equipment, the batteries that serve as backup in case of power failures constitute a large proportion of the waste. At the end of their useful life, the supplier takes care of removal to an approved recycling company that recycles batteries and issues the legally required certificates for this.

Packaging

In 2011, Telenet had 493 tonnes of cardboard and 17.3 tonnes of plastic waste from activities at customers, in addition to 3.5 tonnes of composite material. Telenet paid Fost Plus € 17,000 for processing this in 2011. Fost Plus is a non-profit organisation set up by the companies for the collection and recycling of paper, cardboard, glass and PMD waste. In 2011, the collected household packaging waste produced more than the previous year. The recycling rate of household waste in Belgium amounted to 91.7% in 2011, slightly better than the previous year.

Cabling

During cabling activities, cables that are no longer being used are removed from the ground and recycled via the contractor by professional cable producers or metal processing firms. Other parts are also reused wherever possible. A project has been launched to improve the identification of the waste flows.



7.3.6 Paper

Less paper

Paper consumption is a major source of carbon dioxide emissions. Therefore Telenet has already been developing numerous initiatives to limit internal paper consumption for many years now. More recently, there have also been vigorous efforts to involve stakeholders, such as customers and suppliers, in the rationalisation of paper consumption. For example, when the contract for printing was put out to tender, two printers were selected who take action to reduce the environmental effects of their activities, for example, by purchasing new equipment, using green power, and organising their transport more efficiently.

Secure printing or badge printing ensures that people print less and do more double-sided printing. In 2011, there was almost 30% less printed than five years ago. The newest printers also automatically switch to standby after 60 minutes of inactivity.

We also have the ambition to digitise 100% of our network plans by 2020, an investment of approximately € 5 million. Currently, 200,000 network plans are still printed each year. Digitalisation should enable the reduction of this number by 8,000 a month, and these can be emailed to the various people requesting the plans instead of sending printed copies.

FSC paper

Telenet switched to FSC paper from sustainably managed forests for internal use in May 2010, which means that Telenet is 100% FSC. Based on the consumption of 25 tonnes of paper in 2009, this provides an annual saving of 5 tonnes of carbon dioxide.

The marketing printing has already been printed on FSC paper since 2009, representing a reduction of 250 tonnes of carbon dioxide each year.

The PRIME Guide has been printed on FSC paper since October 2009. The reduction in the number of pages and use of thinner paper generated a saving of 39 tonnes of paper. In 2012, the PRIME Guide will only be published in electronic format. This will make the guide not only more user friendly and more interactive for the reader, but also achieve a reduction of carbon dioxide emissions in the printing and distribution.

E-billing

Targeted campaigns encourage customers to switch to e-billing, directly via Telenet or via Zoomit, a service that delivers bills to subscribers via their system of internet banking. In 2011, 631,000 customers received their bill electronically, which saved some 200 tonnes of paper.

E-billing is also becoming more standard for corporate customers. Telenet Solutions makes this option even more attractive with smart applications such as My Bill and ETIS.

With My Bill, corporate customers manage their bills online and can even export the data to specific accounting programs.

Telenet employees are also opting en masse to receive their account digitally.

Electronic billing for residential customers

	2009	2011
Number of residential customers that use electronic billing	399.000	631.000
As a percentage of the total number of residential customers	14%	36,6%

Telenet water consumption

	2008	2009	2010	2011
Water consumption in millions of cubic metres	0,009	0,011	0,011	0,011

Besides the ecological aspect, e-billing has various advantages for the customer. For example, electronic billing simplifies the personal administration. All bills from the past 14 months are maintained in an online archive on 'My Telenet', and a useful reminder system invites the customer to pay on time. Electronic billing also ensures additional cost savings for Telenet. The e-billing avoids aspects including printing and postage costs. The aim for 2012 is to have 100,000 additional e-bill customers, accounting for € 0.5 million a year in reduced costs on top of the existing e-bill basis.

7.3.7 Water

In recent years, Telenet's water consumption has remained constant. It fluctuates around 10,000 cubic metres, comparable to the contents of 20 swimming pools of 25 x 10 metres, or the average consumption of 245 people.

7.3.8 Events

Mountain bike Tour

Since the spring of 2010, as well as professional cyclo-cross, Telenet also supports recreational mountain biking via the Telenet MTB Tours. Telenet Mountain Bike & Cycling Tours joined forces with the Vereniging voor Bos in Vlaanderen (Association for Forests in Flanders) to make mountain biking as sustainable as possible. When organisers make their cycling tour into a 'Telenet Mountain Bike Tour' they receive not only logistical support, but also a social and green programme. Participants receive a biodegradable bio-bottle and their participation supports Bonjour Afrique, an organisation of Telenet employees who, together with partners of Telenet, work voluntarily for various development projects in Africa.

7.4 Compensations

While efforts to further reduce carbon dioxide emissions have already achieved astonishing results, which will only improve in the future, compensations are expected to achieve the ambitious goal of climate neutrality by 2015.

The most important measure in this context is the planting of new forests, in both Flanders and Ecuador. After all, trees take carbon dioxide from the atmosphere, which helps combat climate change. 2011 was the international year of the forest, because deforestation is responsible for 20% of global carbon dioxide emissions.

Telenet plants 1,000 trees every day. From 2015, we want this green project to save an annual average of 10,000 tonnes of carbon dioxide.

In Flanders, Telenet is planting a substantial forest of no less than 5 hectares in Moerbeke Waas, which is in support of the Bos+ (Forest plus) One Million Trees campaign.

In addition, we are supporting a reforestation project in Ecuador. The project area on both sides of the river Rio Mira wants to restore the forest there, a large part of which had been cleared since the middle of the previous century. In addition to these general goals, the project offers numerous benefits for the local population. The poor and unused grasslands are not only converted into a valuable habitat for birds and other animals, but also the trees combat erosion, provide timber, shadow, rainfall, pure air, and all types of food. The residents receive opportunities for local employment, thereby reducing poverty and their not being forced to leave the area. We cooperate for this with the Flemish wildlife organisations Bos+ and Bos+tropen (tropics), and with local NGOs.



8. De toekomst - Digital Wave 2015

Telenet's future lies in a high network capacity, mobility, and the convergence of fixed and mobile telecommunications.

To facilitate the inevitable and far-reaching digitalisation of the world we live in, Telenet has first and foremost decided to accelerate its investments in the expansion of its network and realise the planned changes over a period of five years, instead of the previously proposed ten years. The modernisation relates to various technological aspects:

- The expansion of the fibre-optics network will be speeded up;
- The number of existing junctions will be increased in the Pulsar programme, which means

only 500 households will be connected to each junction, rather than the current 1,400, which will

significantly increase the available bandwidth per connected household;

- The number of routers will be constantly increased and updated where needed;
- There will be selective investment in Fibre To The Home, in new-builds, for instance.

To put the Digital Wave 2015 programme into practice, Telenet's Board of Directors approved an investment programme in 2009 that provides an additional € 30 million investment each year in the broadband network. During the course of 2010 and 2011, extensive efforts were made to achieve the goals above. This modernisation work will continue unabated in 2012 and the years to come.



It is significant that Telenet not only wants to offer the possibility to transmit and receive increasing volumes of data at ever increasing speed via its network, but also to develop its own customised solutions that will provide its customers with added value in their daily lives. The ultimate goal of Digital Wave 2015, however, is not the ultra modern network in itself, but the variety of innovative services that run on the network and which meet all types of social needs.

This does not mean that Telenet continually develops new technologies, but rather that we do always examine how we can best use our knowledge together with the other partners. The five major content pillars that support Digital Wave are entertainment, energy, health, safety, and mobility.

Entertainment

Telenet wants to make the home a richer, digitalised environment. Specifically, we are then talking about watching television on a tablet or smartphone via Yelo. But equally well about video calls with the best possible quality, or about gaming at an increasingly higher speed. In cooperation with the KU Leuven, Telenet started an R&D project that is studying the impact of 3D television on people by means of functional representation. This study should enable Telenet in cooperation with its content partners to bring 3D services optimally to the viewer.

Energy

In the area of energy too, Telenet wants to develop new applications in the future with various partners that will make consumers' lives easier. Telenet is participating

with initiative taker Voka and the KU Leuven in the Flemish Linear platform to test the smart grid. Smart grids use green energy generated by the customer at home in the best possible manner, and are based on two-way traffic. The available energy will no longer just flow from the power station to the customer. The renewable energy generated by the customer at home using solar panels, wind power, and heat pumps, can supply a proportion that flows back into the grid. Smart meters, an essential component of smart grids, communicate via the Telenet broadband network to the central computer of the power station concerning the consumption of the customer. When there is low energy demand, the proceeds from self-produced energy is relatively low. It is then useful not to feed this power back into the grid at that time, but to consume it yourself, for example, to charge the batteries of the electric car. When there is high demand, it is then better again to 'sell' the green energy to the grid.

In other words, the smart grid ensures via active demand management that the energy consumption depends on the availability of renewable energy, on the one hand, and the cost of electricity, on the other. For customers this means specifically that they are able to live greener and more economically. The smart grids are an essential part of the future green economy.

The Linear programme is specifically testing the possibilities of the smart grids. Three million buildings in Flanders will be equipped with a smart electricity meter between 2014 and 2018. Telenet is cooperating with network administrator Eandis in a pilot project in the area of Mechelen, in which 3,000 households have already been equipped with smart meters.

Safety

A third social theme concerns safety. We are then talking not only about safety of data, but also about strengthening a general feeling of safety at home and on the street. There is a high demand for increasing safety in a simple way via networks. Specifically, this means cooperating with security companies to monitor a certain environment using cameras, for example. Or the expansion of installing 'panic buttons' for senior citizens, with which the push of a button sends pre-

programmed data to any number of preset emergency numbers..

Health

The health aspect is one of the key social priorities for the future. In 2020, half of the Belgian population will be older than 50 years of age. With an eye on this aging population, innovative solutions are vital to enable senior citizens to remain independent as long as possible. By supplying connectivity, Telenet can be a link between the various players, including doctors, hospitals, patients, the government, etc.

Thus, elderly people using simple applications can correctly measure their blood pressure, heart rate, or weight, and transmit these results automatically to the doctor or health authorities. Even video calls have significant added value in this context, and can be a solution for the isolation issue. In the clinical world, Telenet has installed some 500 bedside multimedia monitors in the AZ Sint-Blasius teaching hospital in Dendermonde. Patients can use this touch screen, which is attached to their bed, to watch digital television or play music from their iPod. However, the hospital staff can also use it to store patient details and retrieve these again, to monitor the treatment, etc.

Mobility

Mobility continues to be one of the keywords for the Digital Wave. The availability and convergence of new and existing means of communication are providing a spectacular increase in the mobility of telecommunications. WiFi, 3G and its successor LTE, Long Term Evolution, the fourth generation of mobile technology, play an important role not only for leisure activities, but also as a solution to the issue of mobility. Expanding applications in the cloud and the stimulation and optimisation of video conferencing, via high-performance WiFi and 3G networks, for example, are enabling the New Working; see page 38. Another project concerns Electric Vehicles in Action (EVA). Blue Corner, Eandis, and Telenet have joined forces in this EVA project. Specifically, a Telenet hotspot is integrated in the charging point for electric vehicles. Both the charging

pole of Blue Corner, the smart meter of Eandis, and the electric vehicle communicate with the internet.

Thus the charging process can take place smoothly and the vehicle's driver can answer mails, check Facebook or read a newspaper online while waiting. An initial prototype of such a Telenet hotspot in a charging pole was realised during the summer months in Blankenberge. Meanwhile, the Flemish government has formally decided to subsidise the EVA project. Thanks to EVA, Telenet will roll out a total of some 70 hotspots at strategic locations throughout Flanders. EVA is contributing in this way to the ambitious rollout plans to 2,000 Telenet hotspots.

In the context of sustainable innovation in 2010, Telenet included an initial electric car in its fleet: a Toyota Prius whose batteries can also be charged via a mains socket. This car is part of a European research project by Toyota. In addition, Telenet has installed its first charging point for electric vehicles in its visitor's car park. Visitors with electric vehicles can henceforth recharge their batteries for nothing.

Call to action

To encourage the continued digitalisation of Flanders by means of this Digital Wave 2015, Telenet above all counts on a constructive cooperation with numerous other parties active in the network economy: government, academia, business community, broadcasting companies, technology providers, developers, and customers.

Digital Wave is a 'call to action' to Flemish players to work together to build a strong Flemish economy. After all, we cannot provide all the solutions ourselves. All players must come together in a constructive whole in which the idea of co-creation is given specific shape.

The B2B2C principle emerges in this context, which means various companies cooperate to bring an innovative end product to the customer.

Telenet is currently pleased to take its role and responsibility in this development. We are well aware

that everything we do - whether or not together with our suppliers - has an impact on the world around us. We are constantly examining how we can use our broadband network to contribute to creating smart solutions that have a positive impact on the environment and society.

Testing in the experimental field

All the projects above related to the five pillars of Digital Wave are tested via various partnerships and pilot projects. One of the major initiatives is the Flemish Experimental Field Platform (Vlaams Proeftuin Platform), a joint venture between Alcatel-Lucent, Androme, Niko/Fifthplay, the Institute for Broadband Technology, and Telenet.

This digital platform enables all the parties involved to exchange their ideas, test technologies, and agree new types of partnership. The Flemish Experimental Platform currently focuses on projects in three areas: Smart Cities, ICT solutions to support the autonomy of cities and their citizens; Smart Grids, ICT solutions to support smart energy grids, homes and vehicles; and Smart Media, new media experiences from application of innovative technology. The experimental field currently has 2,000 families ready to test new technologies on the basis of a test infrastructure. With these initiatives, Telenet wants to make a tangible contribution to an innovative and greener world. More information is available at <http://vlaamsproeftuinplatform.be>



9. Reporting in accordance with GRI and COP

GRI-guidelines

Telenet has prepared this second sustainability report in accordance with the Global Reporting Initiative (GRI) guidelines for sustainability reporting. The following table links the contents of the Telenet Sustainability Report to the relevant sections of the Reporting Guideline 2002 published by the GRI. We also include a table with a selection of GRI-indicators for Communication on Progress (COP).

An attempt has been made during the drafting of this Report to provide all the information required by the aforementioned guidelines. In some cases, however, the information requested was not applicable to Telenet or was not available, mainly in the case of additional indicators. This sustainability report is in accordance with GRI level B.



9.1 Selection of GRI indicators for Communication On Progress

Human Rights

- HR2** Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken; *5.3. Suppliers, p.46*
- HR10** Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments; *Not available*
- HR11** Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms; *4.4.1. Code of Conduct*

Labour

- LA4** Percentage of employees covered by collective bargaining agreement; *5.2.4. Sustainable human resources policy / 100%, p. 39*
- HR4** Total number of incidents of discrimination and corrective actions taken; *4.4.1. Code of Conduct p. 29*
- HR5** Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights; *5.2.4. Sustainable Human Resources Policy / Dialogue with social partners p.39*
- HR6** Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor; *Not available*
- HR7** Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor; *Not available*

Environment

Indicators on uses of materials and energy

- EN1** Materials used by weight or volume; *not available*
- EN3** Direct energy consumption by primary energy source; *3.2. Key Figures / Climate and Environment p. 15*
- EN8** Total water withdrawal by source; *not material*

Indicators on emissions, effluents, and waste

- EN16** Total direct and indirect greenhouse gas emissions by weight; *3.2. Key Figures / Climate and Environment p. 15*
- EN19** Emissions of ozone-depleting substances by weight; *not available*
- EN20** NO, SO, and other significant air emissions by type and weight; *not available*

Indicators on the company's initiatives to promote greater environmental responsibility

- EN2** Percentage of materials used that are recycled input materials *not available*
- EN5** Energy saved due to conservation and efficiency improvements; *7.3 recent realisations p. 62*
- EN10** Percentage and total volume of water recycled and reused; *not material*
- EN13** Habitats protected or restored; *7.4 Compensations p 69*
- EN18** Initiatives to reduce greenhouse gas emissions and reductions achieved; *7.3 Recent Realisations p. 62*
- EN27** Percentage of products sold and their packaging materials that are reclaimed by category; *.3.5. Waste reduction and processing p. 66*

Indicators on the development and diffusion of environmentally friendly technologies

- EN6** Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives; *7.3 Recent Realisations p. 62*
- EN26** Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation. *7.4 Compensations p 69*

Anti-Corruption

- S02** Percentage and total number of business units analyzed for risks related to corruption; *not available*
- S04** Actions taken in response to incidents of corruption; *4.4.1. Code of Conduct p. 29*
- S03** Percentage of employees trained in organization's anti-corruption policies and procedures; *4.4.1. Code of Conduct p. 29*

9.2 Reporting according GRI-guidelines

Subject	Section	Chapter	Page
Strategy and Analysis	1.1	Letter from the CEO and the president	8
	1.2	4.3. Risk Management	27
Organizational Profile	2.1	1. General	6
	2.2	3. Sustainability Policy	12
	2.3	1. General	6
	2.4	3. Sustainability Policy	12
	2.5	3. Sustainability Policy	12
	2.6	1. General/ 4.2 Corporate Governance	6/24
	2.7	3. Sustainability Policy	12
	2.8	3. Sustainability Policy	12
	2.9	Annual Report 2011. Highlights 2011	8
	2.10	Boxed text	25
Report Parameters	3.1	1. General	6
	3.2	1. General	6
	3.3	1. General	6
	3.4	1. General	6
	3.5	1. General	6
	3.6	1. General	6
	3.7	1. General	6
	3.8	1. General	6
	3.9	1. General	6
	3.10	1. General	6
	3.11	1. General	6
	3.12	9. Reporting in accordance with GRI and COP	5/74
	3.13	1. General	6
Governance, Commitments and Engagement	4.1	4.2 Corporate Governance	24
	4.2	4.2 Corporate Governance	24
	4.3	4.2 Corporate Governance	24
	4.4	Annual Report 2011. Consolidated annual accounts. 7.3.3 shareholders	38
	4.5	Annual Report 2011. Consolidated annual accounts. 7.7. Remuneration Report	57
	4.6	Annual Report 2011. Consolidated annual accounts. 7.5.6. Application of legal rules regarding conflicts of interest	53
	4.7	Annual Report 2011. Consolidated annual accounts. 7.5.4. Board Committees	48
	4.8	4. Ethical Operations	23
	4.9	4. Ethical Operations	23
	4.10	Annual Report 2011. Consolidated annual accounts. . 7.5.3 Evaluation of the board of directors	47
	4.11	Annual Report 2011. Consolidated annual accounts . 7. Corporate Governance	32

Onderwerp	Section	Chapter	Page
	4.12	4.4. Codes	29
	4.13	4.4. Coded	29
	4.14	5.Stakeholders	34
	4.15	5.Stakeholders	34
	4.16	5.Stakeholders	34
	4.17	5.Stakeholders	34
Economic	EC1	3.4. Economic contribution to society	20
	EC2	Not available	-
	EC3	5.2.4. Sustainable human resources policy / Fair pay	39
	EC4	Annual Report 2011. Consolidated annual accounts. 5.2.3. Property and Equipment	78
	EC5	Not available	-
	EC6	3.4. Economic contribution to society	20
	EC7	Not available	-
	EC8	6.1. Telenet Foundation	55
	EC9	Annual Report 2011. Consolidated annual accounts. 5.3. Risk Management	91
Environmental	EN1	Not available	-
	EN2	Not available	-
	EN3	3.2. Key Figures / Climate and Environment	15
	EN4	3.2. Key Figures / Climate and Environment	15
	EN5	7.3. Recent Realisations	62
	EN6	7.3. Recent Realisations	62
	EN7	7.3. Recent Realisations	62
	EN8	Not material	-
	EN9	Not material	-
	EN10	Not material	-
	EN11	Not material	-
	EN12	Not material	-
	EN13	7.4. Offsetting	69
	EN14	Offsetting	69
	EN15	Not material	-
	EN16	3.2. Key Figures / Climate and Environment	15
	EN17	3.2. Key Figures / Climate and Environment	15
	EN18	7.3. Recent Realisations	62
	EN19	Not available	-
	EN20	Not available	-
	EN21	Not material	-
	EN22	7.3.5. Waste reduction and processing / 3.2. Key Figures	66
	EN23	Not material	-
	EN24	7.3.5. Waste reduction and processing / 3.2. Key Figures	66
	EN25	Not material	-
	EN26	7.4. Offsetting	69
	EN27	7.3.5. Waste reduction and processing	66
	EN28	No fines incurred	-
	EN29	3.2. Key Figures / Climate and Environment	15
	EN30	Not available	-

Subject	Section	Chapter	Page
Labor practices and decent work	LA1	5.2.2 Attracting and retaining talent	36
	LA2	5.2.2 Attracting and retaining talent	36
	LA3	5.2.4. Sustainable human resources policy / Fair pay	39
	LA 15	Not available	-
	LA4	5.2.4. Sustainable human resources policy / 100%	39
	LA5	Not available	-
	LA6	5.2.4. Sustainable Human Resources Policy / Well-being at work	39
	LA7	5.2.4. Sustainable Human Resources Policy / Well-being at work	39
	LA8	5.2.4. Sustainable Human Resources Policy / Well-being at work	39
	LA9	5.2.4. Sustainable Human Resources Policy / Dialogue with social partners	39
	LA10	5.2.3. Training, development and performance management	38
	LA11	5.2.3. Training, development and performance management	38
	LA12	5.2.3. Training, development and performance management	38
	LA13	5.2.4. Sustainable Human Resources Policy / Diversity	39
LA14	Not available	-	
Human Rights	HR1	Not available	-
	HR2	5.3. Suppliers	51
	HR3	5.4.2. Customer Service / privacy and protection	46
	HR4	4.4.1. Code of Conduct	29
	HR5	5.2.4. Sustainable Human Resources Policy / Dialogue with social partners	39
	HR6	Not available	-
	HR7	Not available	-
	HR8	Three well trained prevention advisors	-
	HR9	Not material	-
	HR10	Not available	-
	HR11	4.4.1. Code of Conduct	29
Social Performance indicators	S01	4.5. Protection of minors / 5.4.2. Customer Service	32
	S09	Not available	-
	S010	Not available	-
	S02	Not available	-
	S03	4.4.1. Code of Conduct	29
	S04	4.4.1. Code of Conduct	29
	S05	5.5. lobbying	54
	S06	Not available	-
	S07	Not available	-
S08	Not available	-	

Subject	Section	Chapter	Page
Product Responsibility	PR1	4.5. Protection of minors/ 5.4.2. Customer Service	32/46
	PR2	Not available	-
	PR3	Not available	-
	PR4	Not available	-
	PR5	5.4.1. Customer Loyalty	45
	PR6	4.4.4. Ethical code for advertising	30
	PR7	4.4.4. Ethical code for advertising	30
	PR8	Not available	-
	PR9	Not available	-
Telecommunications	I01	3.4. Economic contribution to society	20
	I02	Not available	-
	I03	5.2.4. Sustainable Human Resources Policy / Well-being at work	39
	I04	Not available	-
	I05	Not available	-
	I06	Not available	-
	I07	Not available	-
	I08	Not available	-
	PA1	Not available	-
	PA2	3.5. Digital contribution to society/ 6.1 Telenet Foundation	21/55
	PA3	3.5. Digital contribution to society	21
	PA4	3.5. Digital contribution to society	21
	PA5	7.2 Social pricint	56
	PA6	6.1. Telenet Foundation	55
	PA7	5.4.2. Customer Service	46
	PA8	Not available	-
	PA9	Not available	-
	PA10	5.4.2. Customer Service	46
	PA11	4.5. Protection of minors/ 5.4.2. Customer Service	32/46
	TA1	7.3.4. Reuse of materials	65
	TA2	8. The future / Digital Wave	70
	TA3	8. The future / Digital Wave	70
	TA4	8. The future / Digital Wave	70
	TA5	5.4.2. Customer Service	46

Information on CSR

Jan De Grave
+32 15 333 465
jan.de.grave@staff.telenet.be

Sustainability Report

This sustainability report is also available in Dutch

Internet

This report can also be read or downloaded as a pdf at www.telenet.be/corporate-sustainability

Responsible editor

Duco Sickinghe

ClimatePartner[®]
**climate neutral
print product**

CO2 emissions from this product have been offset with emission reduction certificates.

Certificate Number:
244-10506-0611-1010
www.climatepartner.com





Corporate Communications

T. 015 33 30 00 - www.telenet.be

Responsible editor

Telenet, Duco Sickinghe

Liersesteenweg 4, 2800 Mechelen