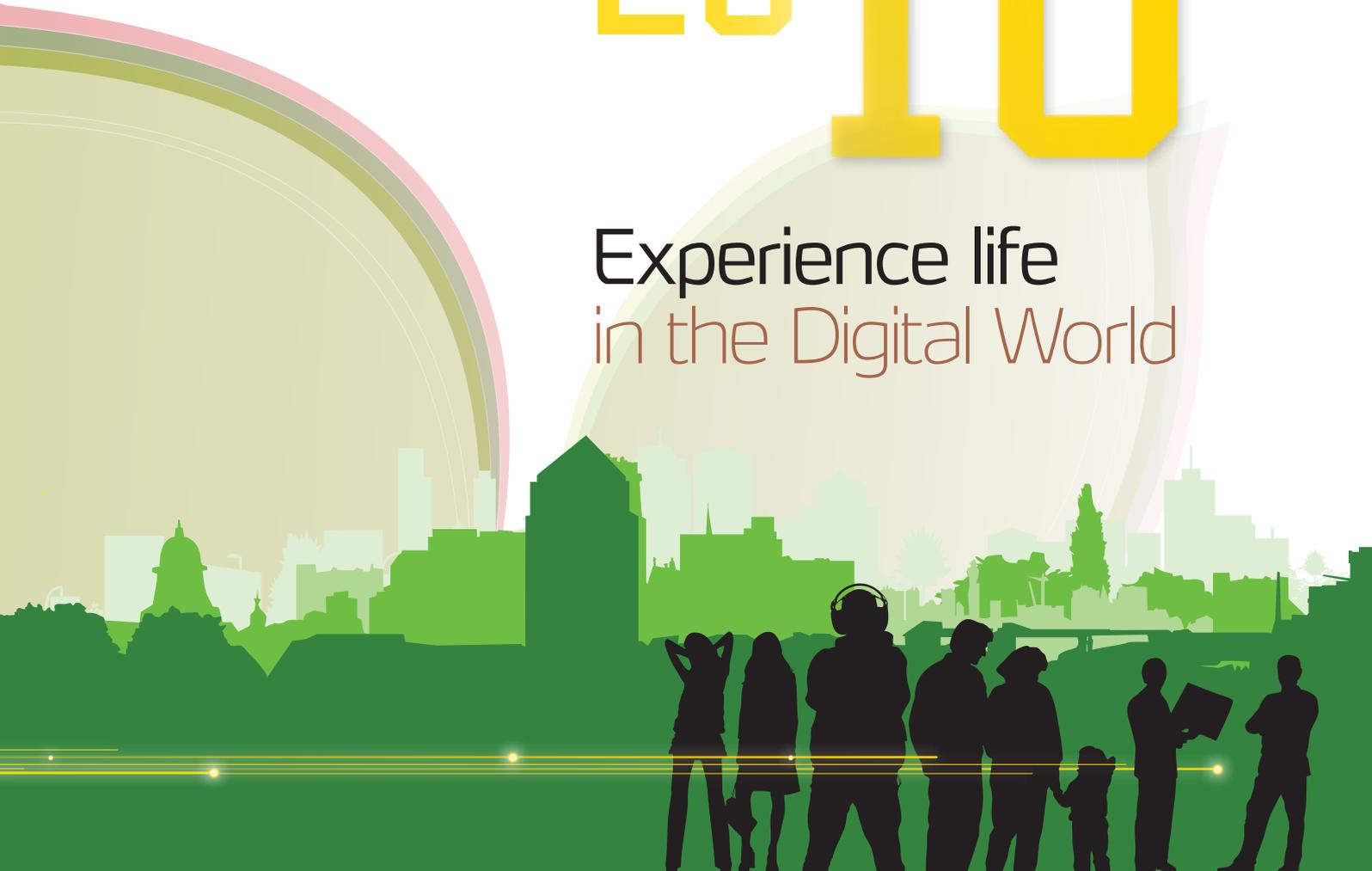


SUSTAINABILITY REPORT

2010

Experience life  
in the Digital World



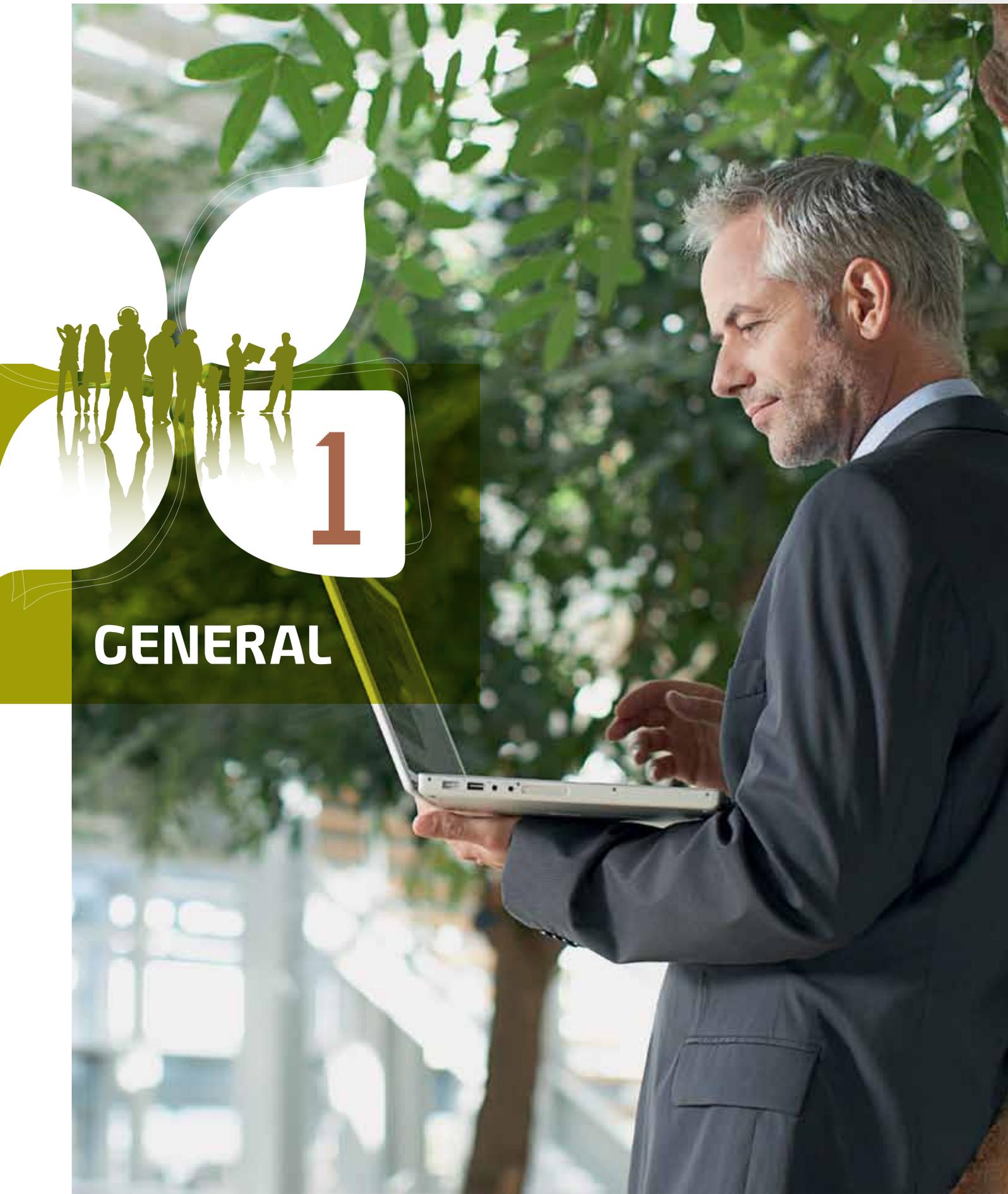


# CONTENTS



<b>1</b>	<b>GENERAL</b>	<b>4</b>	<b>5</b>	<b>STAKEHOLDERS</b>	<b>34</b>
1.1	How we report	5	5.1	Stakeholder Engagement	36
1.2	Scope	5	5.2	Employees	38
1.3	Engagement	5	5.2.1	Employee satisfaction	38
1.4	GRI guidelines	5	5.2.2	Attracting and retaining talent	39
1.5	2010 annual report	5	5.2.3	Training, development and performance management	40
<b>2</b>	<b>LETTER FROM THE CEO AND THE PRESIDENT</b>	<b>6</b>	5.2.4	Sustainable human resources policy	41
<b>3</b>	<b>SUSTAINABILITY POLICY</b>	<b>8</b>	5.3	Suppliers	46
3.1	Telenet at a glance	10	5.4	Customers	47
3.2	Key figures	11	5.4.1	Customer loyalty	47
3.3	LEAP strategy	14	5.4.2	Customer service	48
3.4	Economic contribution to society	17	5.5	Policymakers	52
3.5	Digital contribution to society	17	5.6	Investors	53
3.6	Environmental contribution to society	19	<b>6</b>	<b>CORPORATE CITIZENSHIP</b>	<b>54</b>
<b>4</b>	<b>ETHICAL OPERATIONS</b>	<b>20</b>	6.1	Telenet Foundation	56
4.1	Innovation as guiding principle	22	6.2	Social pricing	61
4.2	Corporate Governance	23	<b>7</b>	<b>CLIMATE AND ENVIRONMENT</b>	<b>62</b>
4.3	Risk management	26	7.1	Mission climate neutral	65
4.3.1	Focused risk management	26	7.2	Carbon footprint	65
4.3.2	Anticipating new technologies	27	7.3	Recent achievements	66
4.4	Codes	28	7.3.1	Energy efficiency	66
4.4.1	Code of conduct for data centers	28	7.3.2	Energy sources	69
4.4.2	United Nations Global Compact	29	7.3.3	Mobility and transport	70
4.4.3	Data center codes	29	7.3.4	Materials reuse	71
4.4.4	Ethical code for advertising	29	7.3.5	Waste reduction and processing	71
4.4.5	Anti-piracy	30	7.3.6	Paper	72
4.5	Protection of children	31	7.3.7	Events	73
4.5.1	Safer Internet	31	7.4	Offsetting	74
4.5.2	E-Safety charter	31	7.5	Future perspective – a society with a lower carbon impact	75
			<b>8</b>	<b>THE FUTURE – DIGITAL WAVE 2015</b>	<b>76</b>
			<b>9</b>	<b>ACCOUNTABILITY</b>	<b>80</b>





# GENERAL



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

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



## 1.1 How we report

This is Telenet's first sustainability report ever providing 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.

## 1.2 Scope

This sustainability report covers the activities and figures of all echelons of the Telenet organization for the whole calendar year 2010 and the beginning of 2011. 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.

## 1.3 Engagement

In this document Telenet wishes to publish a faithful report of the socioeconomic, ethical and environmental performances most relevant for the company. Telenet pursues a sustainability management in compliance with general accepted principles of inclusiveness, materiality and responsiveness.

Where relevant, Telenet has had data checked by an independent auditor.

## 1.4 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.

## 1.5 2010 annual report

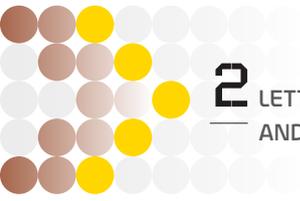
This sustainability report draws to a considerable degree on information included in the Telenet 2010 annual report, which contains a comprehensive overview of the group's financial statements and a detailed description of all group activities and all corresponding aspects of operational management. The Telenet 2010 annual report is available at <http://jaarverslag2010.telenet.be>.

In this sustainability report, regular reference will be made to the corresponding chapters in the annual report.





# LETTER FROM THE CEO AND THE PRESIDENT



## 2 LETTER FROM THE CEO AND THE PRESIDENT

Dear reader,

Telenet is delighted to present this first ever sustainability report.

The publication of this comprehensive overview confirms the importance Telenet gives to sustainable operations. This is no new vision. As a modern and innovative telecoms group, we have incorporated various aspects of sustainability in our strategic thinking since our formation in 1996. From the very beginning, Telenet has made sure that Flanders has been in the leading group when it comes to network technology, broadband penetration and the innovative application of state-of-the-art telecommunications. We do not want to do that without giving the environment, our community and the well-being of all our stakeholders the attention they deserve.

Telenet's first sustainability report proves that we are committed to further professionalizing our approach in this field. More than ever, sustainable enterprise is assimilated in the philosophy and activities of our company; it has also been given its own place in the structure of our organization.

We now feel it appropriate to report on our sustainable enterprise goals, policy lines, actions and advancements in a sustainability report for the first time. Not simply because we have already achieved so much in terms of sustainability, but also because Telenet cherishes the principle of transparency, an attribute our stakeholders value highly and we as a listed telco feel very strongly about, throughout our organization.

Telenet has set a number of striking and ambitious sustainability goals, which are bound together in the LEAP strategy and measured by key performance indicators. When it comes to environment, we have targeted climate neutrality by 2015. Telenet has already made a lot of progress, but we will continue to work hard. In the socioeconomic sphere, our group will continue to invest efforts to close the digital gap through the Telenet Foundation. We want to help 150,000 young people get online by 2015. When it comes to environment, we have targeted climate neutrality by 2015. Telenet has already made a lot of progress, but we will continue to work hard. So, sustainable enterprise will continue to demand our full attention, especially against the backdrop of an expanding business, a growing customer base and the continual addition of services.

If we are to attain our goals, the commitment and creativity of our employees – and our external stakeholders – are vital. All efforts, even the most modest, take us closer to our ultimate goal: making Telenet a sustainable business that claims a leading role as an innovative telecoms operator in all areas.

**Duco Sickinghe**  
Chief Executive Officer

**Frank Donck**  
President





# SUSTAINABILITY POLICY







“Telenet is the largest provider of cable services in Belgium.”

### 3.1 Telenet at a glance

Telenet is the largest provider of cable services in Belgium.

Telenet focuses on the provision of broadband, fixed and mobile telephony services and cable television, to residential customers in Flanders and Brussels. Professional communications services are also provided to corporate customers in Belgium and Luxembourg under the Telenet Solutions brand name.

#### Mission

Telenet wishes to contribute to the positive social development of people and companies through innovative, accessible networks. Today and tomorrow.

Telenet wishes to enrich the daily life of its customers with products and services that combine great technological performance and high entertainment value.

Telenet has targeted a leading role for itself at the intersection of television, internet and telephony.

Telenet has set itself the goal of being an honest and reliable partner for all customers, residential and corporate, as well as other target groups, through great quality consciousness and a focus on maximum customer satisfaction.

Telenet wishes to achieve its objectives by leveraging the commitment and motivation of a valuable team of inspired employees who are given opportunities to develop and improve their job skills.

As a growth company, Telenet is highly conscious of its increasing responsibility in the community. Telenet has managed to significantly decrease its ecological footprint through a number of initiatives. Telenet has also demonstrated great social engagement, which is not only reflected in the socially-engaged product range, but also in the efforts of the Telenet Foundation to further close the digital gap between social groups.

Telenet has its registered office in Mechelen, with contact centres in Herentals, St-Truiden and Aalst, Telenet shops in Mechelen, Leuven, Schaarbeek, Hoboken and regional sites to provide technical assistance across the whole of Flanders.

At the end of 2010 Telenet employed 1,898 people in total and generated turnover of 1.3 billion euros.

Telenet is listed on Euronext Brussels in the Bel 20 index.

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 2010 annual report.



Detailed information on the company's financial results and figures on Telenet services are published in the group's 2010 annual report. A comprehensive overview of key figure with regards to finances and operations is also provided on the inside cover of the annual report.

## 3.2 Key figures

### Customers

IN THOUSANDS, EXCEPT INFORMATION PER CUSTOMER

	2007	2008	2009	2010
<b>// Number of services provided</b>				
<b>Connectable households – Combined Network</b>	<b>2,744</b>	<b>2,769</b>	<b>2,794</b>	<b>2,819</b>
<b>Total Cable TV</b>	<b>1,731</b>	<b>2,402</b>	<b>2,342</b>	<b>2,274</b>
Broadband internet	883	985	1,116	1,227
Fixed telephony	548	629	741	815
Mobile telephony	56	87	129	199
<b>Total services provided (excl. mobile)</b>	<b>3,162</b>	<b>4,016</b>	<b>4,199</b>	<b>4,316</b>
Triple play customers	323	539	651	719
Total customers	1,731	2,402	2,342	2,274
Services per customer	1,6	1,67	1,79	1,9
ARPU per customer (€/month)	29.4	32.5	35	38.8
Customer loyalty score	87.23	87.97	89.12*	73.63*

\* Measuring method changed in 2009 and 2010.

### Employees

	2007	2008	2009	2010
Number of employees (on permanent contracts)	1,687	1,716	1,817	1,898
Total number of training days			7,068	7,643
Training days per employee			3.9	4.0
				IN €
Income per employee	585,362	637,975	634,563	649,497
Adjusted EBITDA per employee	278,518	317,111	322,030	334,344

### Community

Total amount of social investments (cash, time and management)	€1,378,275
Number of beneficiaries (combined)	90,000
Number of employees involved	45
Number of employee hours	1,464





## Climate and environment

### // Telenet Carbon Efficiency Index

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

### // Telenet emissions per category

#### Category 1

	EMISSION SOURCE	DEFINITION
<b>TOTAL CATEGORY 1</b>		
	Heating for buildings	Diesel (liters)
	Heating for buildings	Gas (MWh)
	Fuel for vehicles	Van (liters)
	Fuel for vehicles	Telenet company cars (liters)
	Fuel for vehicles	Hostbasket company cars (km/liter *)
	Fuel for vehicles	Belcompany company cars (liters)
	Cooling gases	Telenet cooling gases (kg)

#### Category 2

	EMISSION SOURCE	DEFINITION
<b>TOTAL CATEGORY 2</b>		
	Purchased electricity	Telenet HQ/ Hostbasket/ Interkabel network

#### Category 3

	EMISSION SOURCE	DEFINITION
<b>TOTAL CATEGORY 3</b>		
	Flights	Domestic flights (passenger km)
	Flights	Short flights (passenger km)
	Flights	Long flights (passenger km)
	Commuting	Private car (km)
	Commuting	Public transport (passenger km)

#### TOTAL

\* In km in 2007, 2008 and 2009 and in liters in 2010.

// Telenet waste flows

IN KG

	2009			2010		
	TOTAL	RECYCLED	PERMANENTLY REMOVED	TOTAL	RECYCLED	PERMANENTLY REMOVED
Paper and cardboard*	49,807	85%	15%	56,214	85%	15%
Electronics	380,409	75%	25%	211,887	75%	25%
Unsorted waste	79,601	0%	100%	70,382	0%	100%
<b>TOTAL</b>	<b>509,817</b>	<b>326,920</b>	<b>182,897</b>	<b>338,483</b>	<b>206,295</b>	<b>132,188</b>

\* Telenet head office.

	2007	2008	2009	2010	2007	2008	2009	2010
	CONSUMPTION				CARBON EQUIVALENT IN TONS			
					<b>5,621</b>	<b>5,960</b>	<b>6,059</b>	<b>6,377</b>
	50,831	50,831	50,831	50,831	136	136	136	136
	3,207	3,518	3,521	4,781	597	654	655	889
	433,014	455,836	463,278	462,924	1,159	1,220	1,240	1,239
	1,212,554	1,295,383	1,317,923	1,354,598	3,245	3,466	3,527	3,625
	473,046	473,046	532,311	39,604	132	132	149	106
	48,739	48,739	48,739	48,739	130	130	130	130
	164	164	164	169	222	222	222	252

	2007	2008	2009	2010	2007	2008	2009	2010
	ENERGY CONSUMPTION (IN KWH)				CARBON EQUIVALENT IN TONS			
	<b>76,895,902</b>	<b>78,138,536</b>	<b>77,975,412</b>	<b>81,705,505</b>	<b>16,346</b>	<b>9,303</b>	<b>4,232</b>	<b>3,831</b>

	2007	2008	2009	2010	2007	2008	2009	2010
	DISTANCE				CARBON EQUIVALENT IN TONS			
					<b>3,115</b>	<b>3,456</b>	<b>3,419</b>	<b>3,800</b>
	708,093	671,975	400,506	694,857	135	128	76	133
	273,082	221,439	367,685	289,383	29	24	39	31
	1,122,672	3,663,350	2,264,911	4,070,324	136	443	274	493
	9,810,488	9,971,385	10,560,577	10,981,251	2,747	2,792	2,957	3,075
	2,521,260	2,563,420	2,717,806	2,551,469	68	69	73	69
					<b>25,083</b>	<b>18,720</b>	<b>13,711</b>	<b>14,007</b>





“Creating opportunities, managing risks.”

### 3.3 LEAP strategy

Telenet has experienced exceptionally strong growth since its formation in 1996. As the company has grown, so too have its responsibilities in 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.

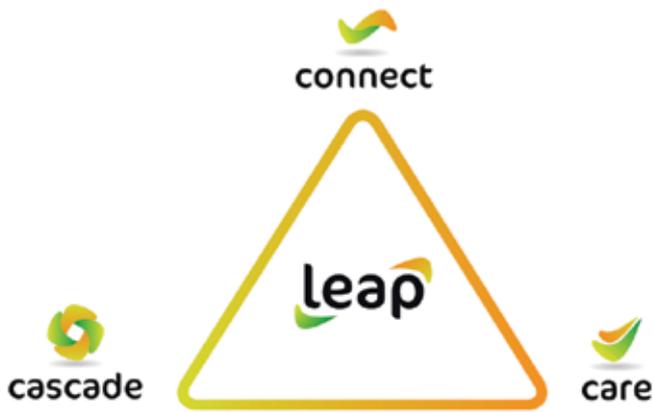
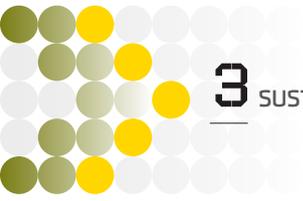
In recent years, Telenet has pursued a sustainability policy with two main focuses. The *Samen Groen* [Green Together] program comprises a host of measures to minimize the ecological impact of operations. At the same time, various initiatives have been rolled out to intensify Telenet’s role as a socially responsible business.

The sustainability risks are escalating in a fast-evolving market. But 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. A clear global strategy was developed to integrate the various points of interest in the sustainability program.

The purpose of LEAP (Linking Environment And Profit) is to establish Telenet’s sustainable character as a company and a brand to an even greater degree and promote the positive commitment of its employees and stakeholders.

LEAP is built around the following three themes:

- Connect: creating digital opportunities is the keystone of Telenet’s social commitment. Everyone must have the opportunity to access the new telecom possibilities resulting from the creativity and technological development facilitated by Telenet.
- Care: Telenet bears responsibility for the community in which it operates and wishes to give attention in the long term to the social needs of all stakeholders, including employees, customers and others.
- Cascade: Telenet is a pioneer in corporate responsibility and as such wants to contribute to the integration of sustainability in the daily life of its main stakeholder groups.



These principles have been put into practice in action plans, the performance of which is assessed against stringent KPIs. They are expected to help Telenet achieve its ambitious objectives by 2015:

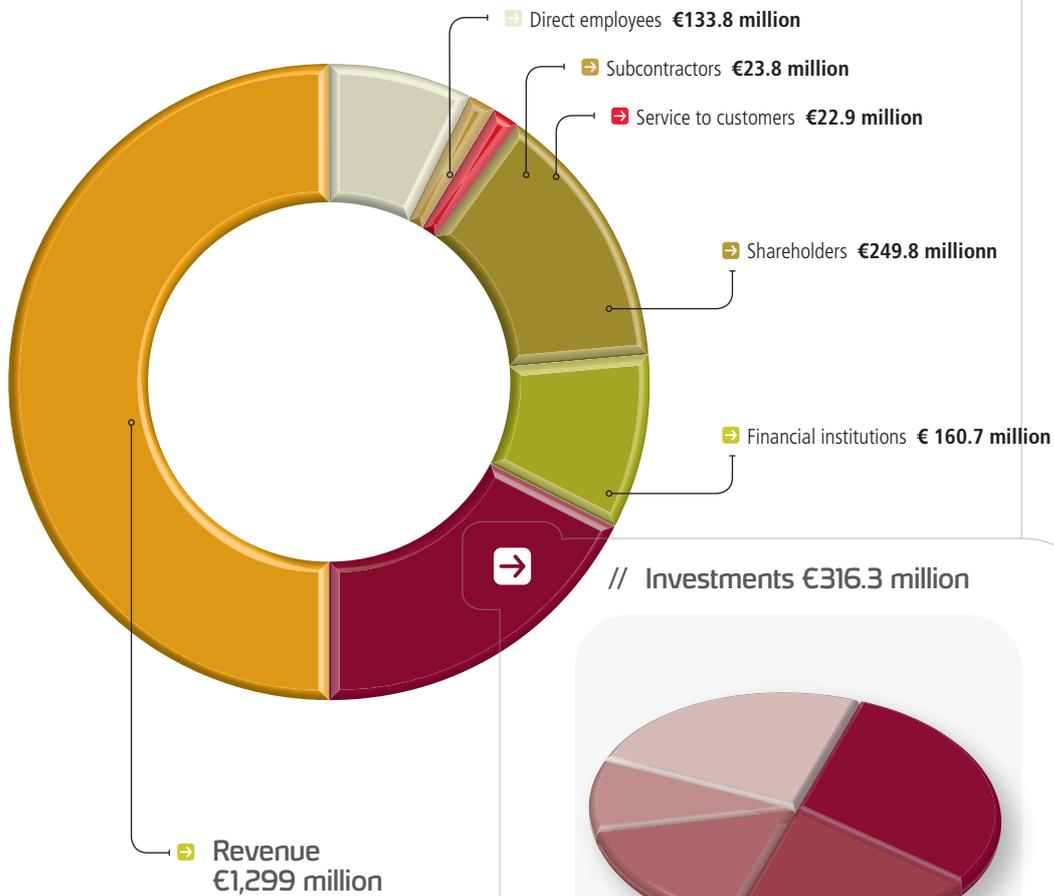
- **Committed employer:** Telenet wants to score in the upper quartile in the Dow Jones Sustainability Index (DJSI).
- **Environmental Stewardship:** Compared to 2007 Telenet wants to further reduce its carbon emissions to the level at which it can call itself a carbon-neutral business.
- **Enhanced customer loyalty:** 20% improvement in Telenet's citizenship score compared with 2010.

The LEAP objectives have been set out in a charter signed by the entire Executive Team.

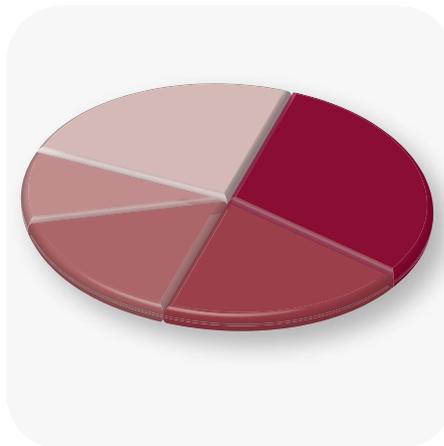




## // Economic contribution



## // Investments €316.3 million



- Network expansion and improvement 30%
- Digital TV set-top box rentals 20%
- Installations at the customer 16%
- Digital ether TV 10%
- Other 24%





### 3.4 Economic contribution to society

In 2010 Telenet's operating income was €1.299 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 2010, totaling €316.3 million, which corresponds to 24% of operating income. 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.

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 2010 annual report.

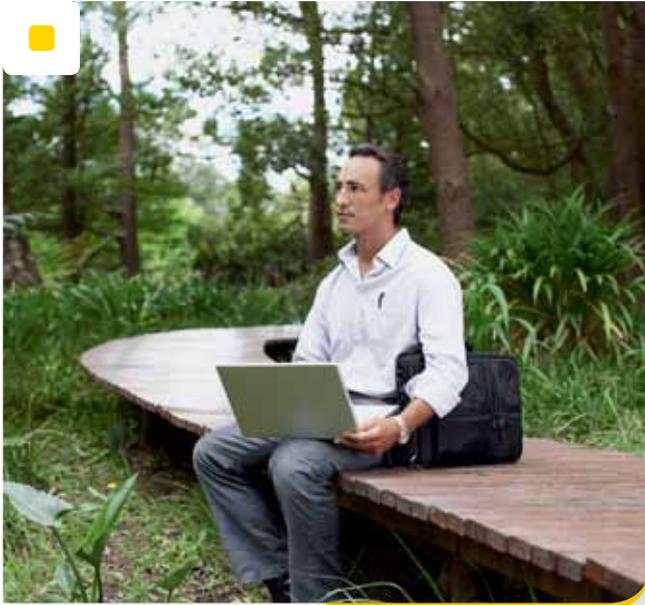
### 3.5 Digital contribution to society

Telenet actively works on tomorrow's society, which is smarter but also greener. Those two goals are closely interwoven of course. Telenet invests in a host of initiatives and research projects that fully utilize the green potential of its network and know-how, with and for its customers. The Telenet Foundation supports initiatives to bridge the digital gap every year. The Telenet Foundation has set itself the goal of getting an additional 150,000 people online by 2015. There are projects at home and abroad.

#### Accelerated investment in network upgrade

The accelerated upgrade of the broadband network will provide Flanders with one of the world's best performing communication networks. It brings the development of many new services within touching distance. The ambitious Digital Wave 2015 investment program will make the network fully ready for the newest applications – including 3D and mobile TV, e-government services and remote medical services – within five years. These network applications contribute to creating an effective organization that employs resources more efficiently, by avoiding the need to move people and goods, for instance, and so also the related carbon emissions.





A Solon Management Consultancy report shows that the European cable industry can currently reach 50% (112 million) of EU households with a speed of 10 to 100 Mbps and higher. 73% of European cable users subscribe to a service offering 10 Mbps or more. The European Union therefore achieves the ambitions of the digital agenda, which include hooking up all EU citizens to broadband internet by 2013.

### The prospects according to the report:

- By 2013, 50% of EU cable users will subscribe to a service with a speed in excess of 30 Mbps, 13% in excess of 100 Mbps.
- In 2020 the standard will be 100 Mbps and almost 70% of subscribers will be connected at this speed.

## Towards the new digital Flanders

The digitization of Flanders benefits citizens and concerns everyone: government, academia, business, broadcasters, technology suppliers, developers and customers. Telenet is delighted to fulfill its role and responsibility in this development. That is why Telenet has been a zealous advocate of the Flemish Living Lab Platform (FLIP), which was recently established to allow all parties to share their ideas, test technology and discuss new partnerships.

## Telenet is ahead of the game in Europe

By way of comparison, Telenet already offers almost 100% of its market speeds in excess of 100 Mbps. As of 31 December 2010, 73% of Telenet internet customers go online at speeds in excess of 30 Mbps.

### // Targets for the digital contribution of the cable industry in the EU

	2010	TELENET 2010	2013	2020
<b>BROADBAND COVERAGE</b>				
Broadband internet access for all EU citizens by 2013	50%	75% <sup>(1)</sup>	52%	55%
30 Mbps+ internet access for all EU citizens by 2020	41%	73% <sup>(2)</sup>	51%	55%
<b>BROADBAND PENETRATION</b>				
50% or more of all EU households have an internet subscription at 100 Mbps+	0,5%	0,1% <sup>(3)</sup>	4%	27%

(1) Internet penetration as a % of households in Flanders.  
 (2) % of installed base.  
 (3) % of installed base. Available since February 2010.

Source: Solon Management Consultancy





### 3.6 Environmental contribution to society

Telenet takes the challenge of a greener world seriously. Telenet is growing year on year and wishes to do this in an ecological way.

To this end, the company launched the Samen Groen [Green Together] program in September 2009 to work on a green approach in partnership with employees, suppliers and customers. Samen Groen encourages lower energy consumption and more efficient use of materials.

It also inspires the organization to develop smart services that help customers to live a greener life. That often results in cost savings.

Since 2009 all Telenet sustainable enterprise initiatives are coordinated and managed structurally by a Vice President Sustainability. This new position, which reports to the COO, underscores Telenet’s ambition to earn a reputation as a sustainable, ecological business. In 2010 Telenet set itself the ambitious target of becoming carbon-neutral by 2015 compared to base year 2007.

#### // Development of absolute carbon emissions

	2007	2010
	100%	56%



Telenet is fully aware that everything it does – also in partnership with its suppliers – has an impact on the environment. It works every day on minimizing its ecological footprint and constantly examines how it can utilize its broadband network to contribute to smart solutions that have a positive impact on the environment. With this in mind, it recently launched the Flemish Living Lab Platform (FLIP), a digital platform for developing new services, which the high-performance Telenet network can leverage. Telenet wishes to make a robust contribution to a greener world through these initiatives.

All these efforts are paying dividends, because relative carbon emissions are shrinking. Telenet is committed to continuing along this path in the future.

Employees play a critical role in developing and rolling out green initiatives that limit the company’s environmental impact. They examine operational management with a critical eye and keep up to speed so as to be able to launch new advancements and innovations with the potential to make Telenet, its customers and society greener.

Telenet also wishes to gain insight into the more indirect impact its activities have and it works with suppliers that share the ambition of a greener approach (see also 5.3 Suppliers).





# ETHICAL OPERATIONS

4





## 4.1 Innovation as guiding principle



Telenet has been active in the Flemish market since 1996. Innovation has been a strategic theme in the corporate philosophy since the very beginning. As a broadband provider, Telenet has made an exceptional contribution to improving internet penetration and has always utilized its know-how to push innovative developments for both residential and business customers.

Fifteen years on and Telenet continues to be a challenger. Innovation, creativity, digital advancement and customer satisfaction are the focal points of business development. At the same time, the company also wants to consider its bigger role as a socially responsible business.

The pursuit of sustainability is expressed at all echelons of the organization. It is an inextricable part of the corporate culture and has led to ambitious targets, measured against KPIs in a wide range of areas, which will ensure that Telenet will be in a position to play an innovative role of pioneer in terms of social and ecological responsibility.

## 4.2 Corporate Governance

The good governance statement is described in detail in the chapter with the same title on pages 129-160 of the 2010 Telenet annual report.

It gives detailed information on the following aspects of good governance:

- Reference code.
- Regulatory developments and their impact on Telenet.
- Capital and shareholders.
- Internal control and risk management systems.

- Board.
- Daily management.
- Remuneration report.
- Audits.

This sustainability report is limited to the composition of the company's main management bodies.

### // Shareholding structure at 31 December 2010

AANDEELHOUDERS	NUMBER OF SHARES	PERCENTAGE	OPTIONS (ON PROFIT-SHARING CERTIFICATES)	WARRANTS	TOTAL (FULLY DILUTED)	PERCENTAGE (FULLY DILUTED)
Liberty Global Consortium <sup>(1)</sup>	56,405,400	50.17%			56,405,400	47.61%
BNP Paribas Investment Partners SA <sup>(2)</sup>	5,595,908	4.98%			5,595,908	4.72%
Norges Bank	3,382,022	3.01%			3,382,022	2.85%
Employees	22,776	0.02%	334,675	5,705,357	6,062,808	5.12%
General public <sup>(3)</sup>	47,021,934	41.82%			47,021,934	39.69%
<b>TOTAL</b>	<b>112,428,040</b>	<b>100.00%</b>	<b>334,675</b>	<b>5,705,357</b>	<b>118,468,072</b>	<b>100.00%</b>

(1) This includes 94,827 Liquidation Non-Preferential Shares.

(2) Formerly Fortis Investment Management SA.

(3) This includes 16 Liquidation Non-Preferential Shares held by Interkabel Vlaanderen CVBA and 30 Golden Shares held by the inter-communal financing associations.





## // Board

At 31 December 2010 the boards of Telenet Group Holding NV and Telenet NV were composed as follows:

	POSITION	NOMINATED BY	DIRECTOR TELENET GROUP HOLDING NV	TELENET NV DIRECTOR
Frank Donck <sup>1</sup>	Managing Director 3D NV	(nominated for appointment as independent director)	P <sup>4</sup>	P <sup>4</sup>
Alex Brabers <sup>1</sup>	Executive Vice President Technology, GIMV	(nominated for appointment as independent director)	•	•
Michel Delloye (Cytifinance NV)	Company director	Independent director	•	
Julien De Wilde (De Wilde J. Management BVBA)	Company director	Independent director	•	
Friso van Oranje-Nassau	Company director	Independent director	•	
André Sarens	Grid Participations Manager Electrabel		•	•
Duco Sickinghe	Chief Executive Officer & Managing Director Telenet		•	•
Charles H. Bracken	Co-Chief Financial Officer (Principal Financial Officer) Liberty Global, Inc.	Liberty Global Consortium	•	•
Shane O'Neill	President Chellomedia BV, Chief Strategy Officer Liberty Global, Inc.	Liberty Global Consortium	•	•
Diederik Karsten	Managing Director UPC Nederland	Liberty Global Consortium	•	•
Bernard G. Dvorak <sup>2</sup>	Senior Vice President and Co-Chief Financial Officer (Principal Accounting Officer) Liberty Global, Inc.	Liberty Global Consortium	•	•
Manuel Kohnstamm	Managing Director Public Policy & Communications UPC Corporate	Liberty Global Consortium	•	•
Niall Curran	Chief Operating Officer Chellomedia BV	Liberty Global Consortium	•	•
Ruth Pirie	CFO UPC Corporate	Liberty Global Consortium	•	•
Gene W. Musselman <sup>3</sup>	President & Chief Operating Officer UPC Corporate	Liberty Global Consortium	•	•
Jim Ryan	MD Strategy & Corp. Development UPC Corporate	Liberty Global Consortium	•	•
Guido De Keersmaecker (Abaxon BVBA)	Company director	Independent director		•
Jozef Roos (JROOS BVBA)	President Katholieke Universiteit Leuven	Independent director		•
Michel Allé	Chief Financial Officer SNCB Holding	Independent director		•

(1) Appointed independent director as of 27 April 2011.

(2) Left the board as of 27 April 2011.

(3) Left the board as of 31 December 2010.

(4) P: President

Balan Nair, Chief Technology Officer of Liberty Global, Inc. was coopted onto the board as of 23 April 2011. His appointment was confirmed by the general meeting of shareholders of 27 April 2011.

There were wholesale changes to the composition of the boards in 2011. Frank Donck and Alex Brabers were appointed independent directors. Gene W. Musselman and Bernard G. Dvorak left the board, respectively on 31 December 2010 and 27 April 2011. Balan Nair, Chief Technology Officer of Liberty Global, Inc. was coopted onto board as of 23 February 2011. His appointment was confirmed by the general meeting of shareholders of 27 April 2011.

As a consequence, the board shrunk from 16 to 15 members and the number of independent directors rose from 3 to 5.

The board currently has one woman member (Ruth Pirie). The Company's intention is to ensure more balance between the sexes on the board in the near future. Subject to stricter laws in this area, Telenet wishes to establish a situation by 2017 in which at least 30% of the board members is the opposite sex to the remaining members.

As of 1 April 2011 the Executive Team was composed as follows:

NAME	YEAR OF BIRTH	POSITION
Duco Sickinghe	1958	Chief Executive Officer & Managing Director
Jan Vorstermans	1960	Chief Operating Officer
Patrick Vincent	1963	Chief Commercial Officer
Renaat Berckmoes	1966	Chief Financial Officer
Luc Machtelincx	1962	Executive Vice President and 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 Solutions
Ann Caluwaerts	1966	Senior Vice President Media & Public Affairs





## 4.3 Risk management

### 4.3.1 Focused risk management

The risks to which Telenet is exposed within the context of regular trading activities could have a negative impact of material importance on the activities, prospects, results and financial situation. The company's board therefore prioritizes controlling these risks. Responsibility for this is invested in the audit committee, which is attached to the board.

The internal audit is outsourced to a firm that fulfils the role of internal auditor of the company and its subsidiaries for a term of three years. The internal auditor not only reports problems but also provides the company with information on how effective the auditing procedures are, makes recommendations and supports the launch action plans to address points that demand improvement.

The internal control department is focused on control measures that guarantee the integrity of the financial reporting, monitor the flow of income and hedge risk relating to fraud. Special teams have also been formed to supervise, coordinate and facilitate activities in other risk areas (such as health and safety, business continuity and information security).

The Liberty Global Consortium (LGI), in which Telenet is a subsidiary, is subject to the US Sarbanes-Oxley Act of 2002 (SOX). The Company has been included in LGI's assessment of internal control of financial reporting (ICoFR) since 2008 and has reported no material shortcomings in that time.

An internal risk management system has been set up for Telenet group to help management and the audit committee to deal with the challenges the company faces. The Corporate Office Team, which reports directly to the CEO, meets every quarter together with the Executive Team to discuss the operational and financial results and identify future opportunities and threats for all business units, before the announcement of the quarterly figures. This report is submitted to the audit committee and threats are monitored by the Corporate Office Team.

Telenet identifies risks in the following areas:

- Financial profile (including credit, liquidity and market risk).
- Activities, technology and competition.
- Legal framework and regulations.
- Legal proceedings.
- Employees, management, main shareholders and related parties.

“Spinnaker puts the customer first.”

### 4.3.2 Anticipating new technologies and services

Telenet wishes to distinguish itself as the attractive and competitive company it is. Telenet has a clear strategy and vision on how it should deal with future challenges arising from the evolving media, telecommunications and information landscape.

The company is committed to fundamentally revamping how it provides to its customers services that are developed from the point of view of customers and geared to the communication and ecosystems of tomorrow.

The Spinnaker project anticipates future developments:

- The increasing demand for an excellent customer experience.
- The customer’s increasing need to be able to access content on a full range of devices.
- The super-fast growth and development of social media.
- Ever shorter product development cycles.
- Increasing pressure on efficiency.

For more information on the financial risk factors, see Note 5.3 and Chapter 3 of the company’s consolidated annual report.





## 4.4 Codes

As a large company Telenet wishes to retain and augment the trust of its stakeholders and society. To achieve this goal Telenet has introduced various procedures and codes.

### The foundations

- Telenet undertakes to do business in an honest, fair and respectful way. Corporate governance has a direct impact on how the company is run and the relationship with stakeholders. Telenet is convinced that the highest standards of corporate governance are needed to ensure the integrity and quality of its activities. With this in mind, it has implemented a number of policies to support its corporate governance in every part of the business.
- Telenet's Code of Conduct, which contains a number of principles of business policy, shapes the company's response to various legal and juridical demands and professional practices applicable to the activities conducted for the benefit of the company.
- Telenet also implements a number of corporate policies. Some of the policies most relevant to sustainability are briefly described below.

### 4.4.1 Code of Conduct

Telenet's Code of Conduct addresses the following points:

- Preventing corruption and bribery.
- Handling confidential information.
- Preventing money laundering, insider trading and dealing.
- Protecting the safety of employees, business partners and customers.
- Respecting health, safety and environment.
- The whistle-blowing regulation.

All Telenet management and executives have signed the Code of Conduct, along with a large part of the whole workforce.

No sanctions were introduced on the basis of the Code of Conduct in 2010.

Telenet is currently preparing an improved version of the Code of Conduct, which includes *equal opportunities* (discrimination).



The new code, many principles of which are already laid down by law in Belgium, will also be rolled out further.

### 4.4.2 United Nations Global Compact

Telenet, in the person of CEO Duco Sickinghe, signed the commitment to implement the ten principles of the United Nations Global Compact in April 2011.

These principles, which are the subject of universal consensus, relate among other things to human rights, working conditions, environment and corruption. The principles are based on:

- The Universal Declaration of Human Rights.
- The ILO Declaration on Fundamental Principles and Rights at Work.
- The Rio Declaration on Environment and Development.
- The United Nations Convention against Corruption.

Telenet undertakes to give the principles of the Global Compact a guiding role in its strategy, corporate culture and day-to-day operations and to invest efforts to set up partnership projects to develop the broader goals of the United Nations, especially the Millennium Goals.

Telenet wants to adopt a clear position on its commitments towards both stakeholders and the general public.

Telenet is fully aware that a key criterion of participating in the Global Compact is annual communication on progress (COP), specifically on the company's efforts to implement the ten principles.

As an advocate of transparency, Telenet is committed to publishing a report on the progress made in implementing the principles for the first time in 2012.

### 4.4.3 Code of conduct for data centers

The Telenet data centers account for a large part of the total energy consumption and reducing energy consumption is a major focal point for Telenet. With this in mind, Telenet has signed the EU Code of Conduct on Data Centres Energy Efficiency for its data centers in Lochristi and Mechelen. The application was submitted in the spring of 2011.

Power Usage Efficiency (PUE) – the ratio between the data center's total energy consumption and the energy consumption of all IT equipment in the data center – is used to measure progress in energy efficiency. The lower the PUE the higher the efficiency.

At the end of the first quarter of 2011 Hostbasket attained a PUE of 1.63, while Telenet's Mechelen data center attained a PUE of 1.72 over the same period.

### 4.4.4 Ethical code for advertising

The high ethical standards Telenet wishes to impose on itself also apply to advertising and publicity. The company is committed to complying with all related legal prescriptions, regulations and codes.





Telenet acts in accordance with the rules of the Jury for Ethical Practices in Advertising ([www.jep.be](http://www.jep.be)). The JEP is a self-regulated body of the Belgian advertising industry that oversees the proper and honest character of advertising for the general public. It bases its decisions on laws and the self-regulating codes, including the Code of the International Chamber of Commerce. The decisions of the JEP have the value of advice. Wherever possible Telenet follows this advice, which is published on the JEP website. If advice is not followed positively the JEP may address a suspension recommendation to the media.

In the course of 2010 Telenet was notified by the JEP of five alleged breaches of the ethical practices in advertising. Telenet adapted its advertising based on the advice of the JEP.

Telenet is a member of the UBA, the Union of Belgian Advertisers ([www.ubabelgium.be](http://www.ubabelgium.be)), which is in turn a member of the JEP. The UBA is an independent institute that, among other things, draws up guidelines on advertising for its members.

In addition to the general rules and guidelines, the prevailing codes and the green procurement policy, Telenet applies the following rules to all marketing activities:

- Limiting paper consumption and using digital alternatives
- Ensuring all printing is done on FSC paper
- Selecting suppliers with strong green and sustainability credentials
- Avoiding blistering wherever possible
- Ensuring the sustainable nature of gadgets and POS materials used for sponsoring, in terms of packaging, transport and reuse or recycling

#### 4.4.5 Anti-piracy

Telenet's majority shareholder, *Liberty Global International*, is an AEPOC member and as a consequence has outstanding insight into the newest developments in the fight against piracy, know-how it shares with Telenet and its other subsidiaries. AEPOC is the *European Association for the Protection of Encrypted Works and Services*. Its members include major European digital TV and telecommunications providers. AEPOC represents the interests of operators in four main sectors: TV stations, suppliers of protected access technology for set-top boxes, suppliers of transmission infrastructure and producers of hardware.

Comprehensive policies for the prevention of piracy are included in the contracts for broadcasting shows owned by the major studios and stations. Telenet is fully committed to complying with these regulations.

Telenet distributes set-top boxes that comply with anti-piracy regulations.

Contracts (general conditions) with customers also include clauses to prevent piracy and provide for fines in the event of breaches.

In 2004 Telenet signed a partnership agreement with IFPI Belgium (International Federation of the Phonographic Industry) to remove illegal content from online newsgroups.

## 4.5 Protection of children

Telenet works very hard to protect its customers online. Specific measures are needed to improve the safety of children and young people in particular. Telenet is Gold Partner of the Safer Internet Day, with the support of main shareholder Liberty Global.

A second booklet, the practical *e-Safety Kit* helps raise awareness among 6- to 12-year-olds of their online behavior, based on games, quizzes and tips.

The campaign also targets teachers and parents.

### 4.5.1 Safer Internet

On 8 February 2011 Insafe, the European network that teaches children to use internet and mobile telephony in a safe and responsible way, hosted the eighth annual *Safer Internet Day*. Online and offline events were held in more than 65 countries on the *Our virtual lives* theme, under the slogan *It's more than a game, it's your life*. Telenet runs an annual campaign to support this day and is the initiative's Gold Partner in the EU.

A booklet – *Play and learn: Being online* – was also published to mark Safer Internet Day. It was developed by Insafe with the support of Telenet's main shareholder Liberty Global, Inc. and the European Union. The aim of the booklet is to teach children how to stay safe online. The target group comprises 4- to 8-year-olds, a group that has grown up with internet but are unable to identify the risks connected with going online, including privacy and sharing personal details.





## 4.5.2 E-Safety charter

All Belgian industry partners, including Telenet, have come together in a multi-stakeholder forum on the initiative of Child Focus. On 23 June 2011 they signed the E-safety Charter.

The purpose of the Charter is to improve the security of children online by going beyond commercial interests. It serves as a point of departure for joint actions and partnership. All industry partners that sign the E-safety Charter have the same goal: maximizing the advantages of internet for children and young people by minimizing the potential risks.

### The principles of the e-Safety Charter:

- Content and access providers plus all other persons or bodies offering an online service or forum to minors must commit to protecting their online safety.
- Raising awareness among children of potential risks and how to avoid them, by encouraging children and parents to talk about e-safety and by teaching parents, teachers and other people involved in raising children about the potential risks and the tools available to protect children.
- Offering children a safe online environment by protecting them from dangerous or harmful behavior with simple rules or by giving users the opportunity to block inappropriate or undesirable content
- Empowering users with technical tools and solutions, such as offering simple privacy settings, optimizing standard settings to protect children,

offering tools that facilitate control of personal data and encourage users to actually use all these possibilities.

- Adapting the commercial approach by not trading e-safety products as commercial products and by adopting a different commercial approach for children to prevent abuse of their naiveness or credulity.
- Cooperation with police, the judicial authorities and competent authorities is crucial to prevent or combat illegal, harmful or age-restricted content or behavior.

The constant attention for these issues resulted in a number of actions being organized or receiving support in 2010 and early 2011, all of which were designed to spread awareness of the potential dangers of the internet and promote specific prevention measures:

- Telenet works actively with the Belgian government and the Federal Computer Crime Unit (directly or indirectly through the Internet Service Providers Association, ISPA Belgium) to develop and implement measures against websites with harmful content. In the past Telenet has denied access to several websites disseminating content of a pornographic nature involving children.
- Telenet is a prominent member of ISPA, which has agreed a partnership protocol with the Belgian Federal Justice department on behalf of its members. It contains specific obligations for internet providers with regard to the fight against pornography involving children.

## 4 ETHICAL OPERATIONS

- Telenet follows the ISPA's code of conduct, which contains provisions among other things for the partnership with Child Focus to prevent and fight child abuse through chat applications and websites.
- In the newsletter to its internet customers Telenet regularly draws attention to harmful content and measures to protect children (among other things using filters).
- Telenet remains fully informed of the EU campaigns for a safer internet and is actively involved in the annual Safer Internet campaign.
- Telenet has developed a high-grade control mechanism based on the use of a code, which is integrated in the set-top box and the digital TV platform. A password is required to view or order certain content.





# STAKEHOLDERS



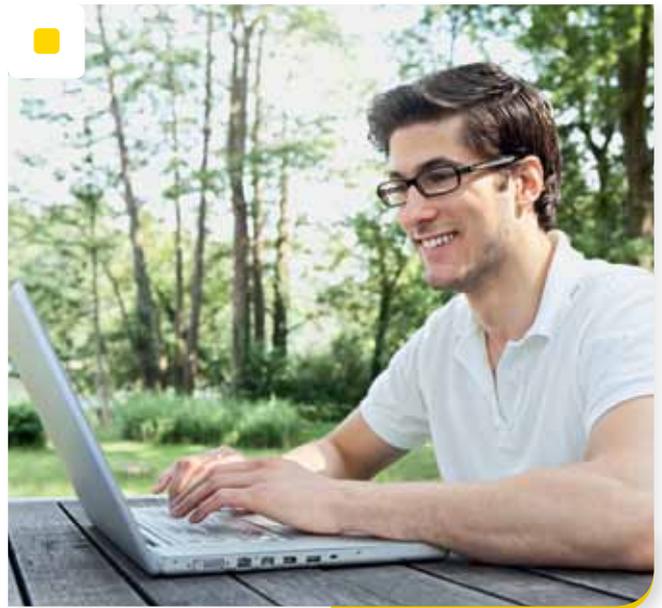


## 5.1 Stakeholder engagement

Telenet's main responsibility is creating value for its stakeholders. On the other hand, the company must also take broader responsibilities toward everyone involved in the group's activities. This is the key to guaranteeing long-term returns. When Telenet understands the drives and concerns of employees as well as shareholders, customers, suppliers, regulators and other parts of the community in which the company does business, it is able to take business decisions that correctly reflect its responsibilities.

Telenet has both formal and informal contacts with its stakeholders through various channels. For instance, the company communicates with its shareholders at the shareholder meeting, as well as through the annual report, the corporate website, quarterly reports, conference calls and investor meetings.

Contacts are maintained with employees through the intranet, regular email updates, interviews, training and development programs. Telenet contacts its residential and business customers through various initiatives, such as focus groups, interviews, visitors and naturally also the daily contacts in the call centers. There is additional customer interaction through special Web Care teams on various online forums.



Telenet regularly measures how its various stakeholders perceive it. The company gains a good idea of what the stakeholders find important, what they expect and what issues they are affected by in qualitative and quantitative studies.

In the case of customers, these measurements lead to the monthly Customer Loyalty Score. Telenet wishes to work on a concrete measurement of the mutual engagement for the other stakeholders. The company worked on the measurement of supplier satisfaction in 2011. For that, it has partnered with the University of Antwerp.

In the past, main shareholder LGI has conducted a detailed measurement of stakeholder engagement for Telenet and its other European businesses, with reference to the development of the CR strategy. A series of in-depth interviews were held with people inside and outside the company to find out which social issues they were most concerned with. The results of the interviews were analyzed and used as a basis for the development of a CR strategy that takes account of the opinion and priorities of the stakeholders. Telenet will develop contacts with stakeholders further as its CR strategy is rolled out over the next few years.

Telenet conducts an annual reputation study based on the RepTrak method. This model measures corporate reputation in a quantitative and standardized way. Consumers are asked about their feelings, appreciation, admiration and trust in Telenet. The study sheds more light on those points that demand attention if the reputation of the company is to be improved. In 2010 Telenet's average score was 63.1%. Telenet can be delighted that it earned the highest score in the Belgian telecoms industry. In 2011 the international telcos averaged 59.8%.

Telenet is a familiar brand within its strategic sphere. The company has developed this brand in extensive marketing campaigns, website promotions, customer referrals, the deployment of a special sales structure and the development of a dealer network. The Telenet brand is valuable material property for Telenet the business.





International investors recognized Telenet's efforts in June 2011. 9,200 asset managers and 2,400 bankers named our CEO and CFO the best managers of a listed company in Belgium.

Telenet also earned the highest score for investor relations in a survey by research agency Thomson Reuters Extel.



## 5.2 Employees

As an employer Telenet is equally dynamic as in its expansion. Employees are given plenty of challenges, development and training opportunities and a stimulating, young, dynamic atmosphere dominates the work floor. Internal promotion is highly prized and stimulated by the large number of jobs at the many levels in various fields. People seize their career opportunities and at least one in three advance. The key success factors are proactivity, team spirit, integrity, dedication and customer focus. These are qualities that ensure optimal customer satisfaction at every level.

Telenet also holds a comprehensive well-being survey among its employees every three years. Based on the S-ISW list, the survey measures a number of well-being indicators, such as stress, motivation, undesirable behavior and absenteeism. Risk factors are also identified, including perceived workload and challenge, risks at team and organization level and risks arising from the broader socioeconomic context.

In 2008, 70% of the 1.644 employees completed the survey.

The situation is better than or equal to the 2005 situation in all main areas.

### 5.2.1 Employee satisfaction

Employee satisfaction is very important for Telenet. It is measured twice a year as part of the coaching compass. Telenet employees generally prove to be satisfied with their job. In 2009 and 2010, 70% and 71% respectively of Telenet employees responded positively to the question "Are you sufficiently satisfied with your job?"

Through the coaching compass employees are given the opportunity to assess the coaching style of their line manager.

Based on the results of the well-being survey, priorities were set for motivation and undesired behavior, using a priority matrix. Based on the priorities, steps were taken to further improve the well-being of employees, including additional training for managers with the title *Enabling talent to flourish*. In this program people managers are trained to identify the development needs of employees, discuss them with the employees in question and take appropriate action. The well-being survey has also resulted in the Telefit program and the mindfulness course.

#### // Employee satisfaction

	2009	2010
	70%	71%

A study was held in late 2010 and early 2011 to identify the value Telenet managers give to sustainability within the company. Over 80% of managers finds it very important that Telenet assumes its responsibility for the social, economic and environmental impact of operations and acts accordingly.

The Telenet managers identify sustainability as an opportunity to generate value and innovate. They identify opportunities to improve the company's reputation as well as anticipating and meeting customer demand.

In their opinion, the environment is at the top of the sustainability agenda, alongside actions focused on transparency and responsibility towards employees and customers.

### 5.2.2. Attracting and retaining talent

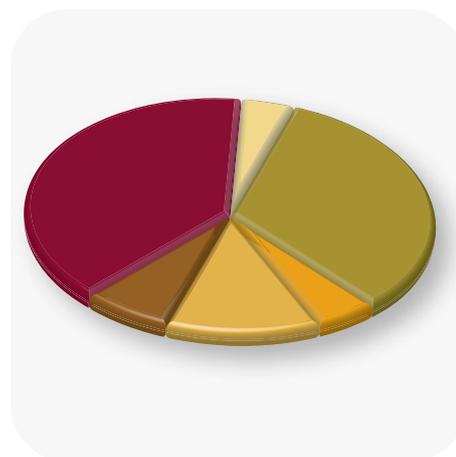
Telenet's unrelenting growth led to the creation of additional jobs in a range of fields in 2010. A total of 300 new people were hired, a slight increase on the 2009 figure. A total of 219 people left the company. The overall workforce grew to 1,898 employees.

The group's main source of job creation was the expansion of the regional call center network and the growth of the B-to-B segment. As a large, dynamic company Telenet has an uninterrupted flow of vacancies at all levels.

Uniquely, Telenet does not hire only through the established channels; alternative sources are also used, such as the *Refer a Friend* program and *one-day recruitment* events.

The internal rotation system is another way to fill vacancies. One in three vacancies in 2010 were filled internally.

#### → // Skills areas



- Engineering & technical profiles **33%**
- Sales & Customer Care (including contact centers) **39%**
- Marketing & Product Management **5%**
- Staff & Administration **12%**
- Telenet Solutions **7%**
- IT **4%**

#### // Workforce growth

YEAR	WORKFORCE*
2007	1,687
2008	1,716
2009	1,817
2010	1,898

\* The workforce is calculated on the basis of the number of permanent employees, regardless of the nature of the employment contract Telenet also creates work for around 1,000 external employees, who are active in the contract center and other service positions.





### 5.2.3 Training, development and performance management

As a technology company Telenet gives high priority to finding the best possible people to fill its technical positions. Telenet has so much more to offer, however. The workforce is supplemented with positions from many other skills areas. The intensive efforts invested in customer service and satisfaction in recent years, for instance, have led to significant rise in the number of staff at the regional call centers.

#### Telenet leadership model

The skills model is at the center of Telenet’s HR processes. It is used as a guideline for recruitment, personal assessments and defining individual training needs.

Telenet has classified the most highly prized employee skills in one of six skills clusters, as shown in the diagram below.



#### Personal development and training

The individual training courses are also linked to the skills model. They offer both technical and non-technical training. By the end of 2010, 500 personal development plans had been registered. The goal is for all employees to have their own personal development plan in the long run.

Telenet’s training program comprises a wide range of internal and external trainings. In 2010 each employee spent an average of four days on courses.

The range of courses was expanded, with sessions on such themes as mindfulness, people management and business writing. Alternative forms of learning were also utilized, including corporate theater, role-play and individual coaching sessions.

#### // Number of training days

	2009	2010
Number of employees (on permanent contracts)	1,817	1,898
Total number of training days	7,068	7,643
Training days per employee	3.9	4.0

#### Performance management

There are two main opportunities every year to monitor and assess day-to-day performance. The first is the annual assessment, which examines the personal goals over the year. An interim talk is also scheduled in the middle of the year.

The bonus system linked to the assessment is influenced not only by how well personal goals have been achieved but also by Telenet’s collective performance, including the customer loyalty score.

This has a 40% weighting in the management bonus scheme, which clearly shows how important Telenet rates customer loyalty.



The results of the coaching compass are a significant barometer of management’s leadership style. The coaching compass gives employees the opportunity to assess the coaching style of their line manager. This is the basis for line managers to further improve their coaching skills. The coaching compass survey is held twice a year.

### 5.2.4 Sustainable human resources policy

The human resources policy is built up in all sections of the company and fully linked to the company’s sustainability goals.

#### Diversity

It is Telenet’s goal to attract people from all backgrounds, in order to build a team comprising all skills and the most talented professionals. Telenet is convinced that a diverse workforce contributes to creative thinking, which helps the company improve its customer service.

Telenet is working to enhance the diversity of its management teams, among other things by recruiting and promoting a larger number of women and people of different nationalities. The company sees this as an opportunity to develop the talent needed to fill a wide and varied range of future leadership profiles from within. Ultimately, employees and management teams will better reflect the diversity of the customer base.

People have their own preferences. Technical positions attract more males, whereas marketing and call center position attract more females. An employee survey showed that people do not see this as a problem, but rather as an extra advantage for their further development within Telenet.

	2009	2010
<b>Full workforce by gender</b>		
% male	65.5	65
% female	34.5	35
<b>Management by gender</b>		
% male	71.4	71.5
% female	28.6	28.5
<b>Full workforce (Belgian/non-Belgian)</b>		
% Belgian	98.26	97.55
% non-Belgian	1.74	2.45
<b>Average age in years</b>		
General		37.35*
Male		38.82
Female		34.61

\* This is slightly down on 2009





### Fair pay

Telenet employees receive fair pay in line with market rates for their efforts. The basic package for all employees comprises a gross salary plus such perks as meal and eco checks, hospitalization and group insurance, and subsidized telecoms facilities. In addition, everyone has the opportunity to secure an additional bonus, which is fully linked to Telenet's customer satisfaction score.

40% of the management bonus in 2010 was linked to customer satisfaction, another 40% to business objectives and 20% to leadership qualities.

### Dialogue with social partners

Telenet has formal dialogue with the prevention and protection at work committees and the works council on a monthly basis. There is also frequent unscheduled dialogue with both parties.

The works council is a consultative body at company level representing the employees. It is an equal representation body composed of an equal number of employer and employee representatives.

The works council must be involved in the company's social, economic and financial policy. This general power comprises many different areas: human resources policy, organization of work, the company's financial and economic situation, working conditions and new technologies (Law on works councils, art. 15). The minutes of works councils are made available to all employees in the organization, as demanded by law.

### Well-being at work

Telenet management has made prevention and well-being a priority goal within the company. This goal fits in with and is part of the general business policy, which is focused on building and strengthening a high-quality image with regard to both customers, third parties and within the company.

Management feels it is vital that everyone works:

- for their own safety and the safety of colleagues and third parties.
- for their own health and well-being and the health and well-being of colleagues and third parties.
- for a clean and environmentally aware workplace.

Safety, health and environment are an integral part of the responsibilities of the hierarchical line at all levels and the concern of all employees – permanent, temporary – of the company and its subcontractors.

In the five-year Global Prevention Plan Telenet has systematically identified safety, well-being and health objectives by means of auditing, risk analyses, accident-incident analyses, security inventories, complaints handling, results and reports from medical checkups. As a consequence, Telenet is in compliance with the law concerning employee well-being in the performance of their work. These goals are laid down in annual action plans.

The results are reported on an annual basis to the Well-being at Work Supervisory Directorate, which is part of the Federal Public Service Employment, Labour and Social Dialogue and to the prevention and protection at work committees.

// Information about accidents in the work place

	NUMBER	NUMBER OF LOST CALENDAR DAYS	NUMBER OF FIXED DISABILITY DAYS
Accidents resulting in fatality	0	0	0
Accidents resulting in permanent disability	0	0	0
Accidents resulting in temporary disability	9	41	
<b>Total</b>	9	41	0

Among the goals set by Telenet in 2010:

TOPIC	GOAL	ACHIEVEMENTS
Asbestos inventory	Since 2009 due to recent mergers draw up asbestos inventory	Asbestos inventory was completed
Emergency planning	Technical building rollout, control and supplementation of technical intervention files	Technical fire intervention files have been drawn up
Ergonomics	Prevent neck and back complaints	Regular Computer Ergonomics training for employees and team coaches at the contact centers
Environmental coordination	Enlarge the knowledge in the organization about environmental aspects	Permanent on the job with assistance from environmental coordinators as part of projects and environmental reporting
Absenteeism	Keep absenteeism due to illness under control	Absenteeism due to illness at Telenet is below the Belgian average
Alcohol and drug policy	Prepare the statement of intention	Statement of intention has been completed and the first procedure proposal developed ahead of further consultation with the social partners
Work equipment	Systematically identify work equipment and personal protection equipment for the group HFC operations	Electronic tool has been developed for inventory and periodical checks/inspections at Planon (FM system)

The indicators for absenteeism and occupational accidents are discussed annually at the prevention and protection at work committees. There were 9 occupational accidents resulting in temporary disability in 2010, totaling 41 calendar days. There were no occupational accidents resulting in a fatality or permanent disability.





In addition to the further rollout and implementation of the action plans stated in 2010, in 2011 Telenet will focus on the following areas:

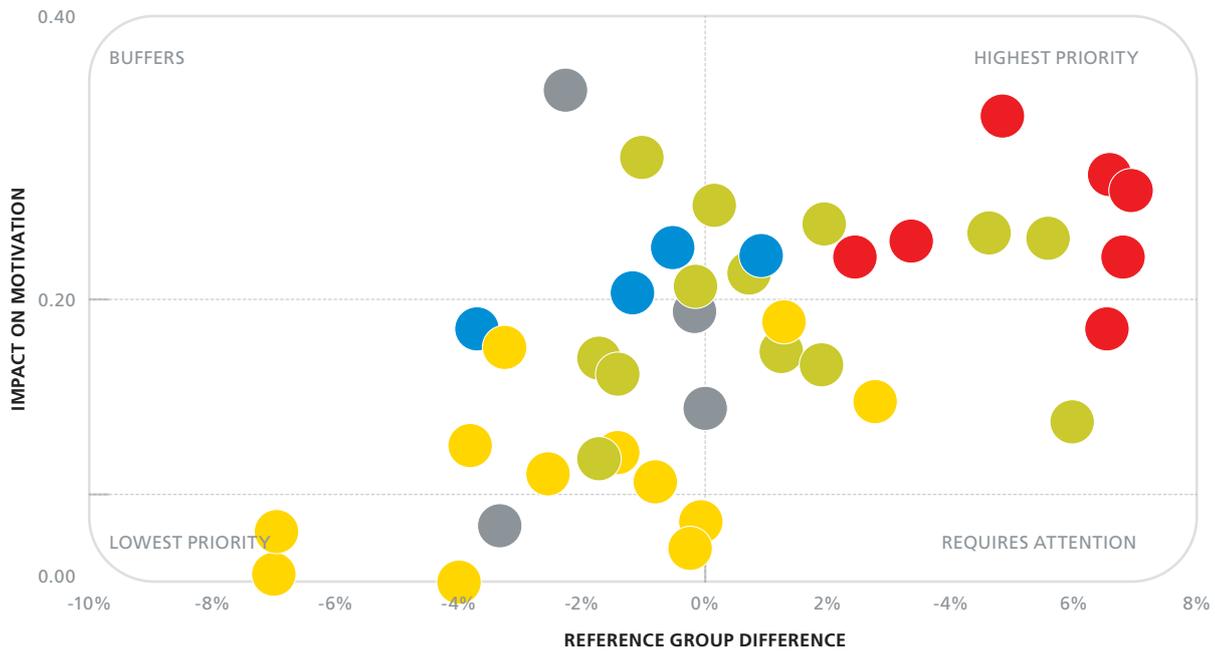
- Purchasing policy: strong integration of health, safety and environmental requirements and systematic approval flow (including ROHS, REACH, energy consumption and waste).
- Environmental policy: further optimization of waste management and screening of environmental conditions and permits.
- Developing a safe technical method for replacing outmoded cabling unfit for interactive services.
- New company vehicles: revision of set-up with regard to ergonomic safety.

- Temporary or mobile building sites: screening throughout the organization.
- Screening the high-risk activities in the buildings.
- Revising the first-aid procedure.

**Work-life balance**

Bearing in mind the importance of a good work-life balance, Telenet has introduced a flextime system and is also open to the possibility of employees working part-time or remotely, at home or during their commute.

// Motivation priority map



- WORKLOAD
- TEAM
- CONTEXT
- JOB MOTIVATORS
- ORGANIZATION





Employees who wish to work remotely do need the right technology and access to the company network. 1,373 people are currently able to work remotely (including consultants). 125 employees have a part-time contract.

Various arrangements are also in place to enable employees to care for children and parents, such as maternity leave, parental leave, time credit, care for sick children, family leave, palliative care leave and time off for various reasons.

Telenet invests in fitness, one of the factors of *well-being at work*. The Telefit program was launched in 2009, with the aim of encouraging employees to do more sport, via such initiatives as *Start to Run*. The program was expanded in 2010 to cover mental fitness too.

The Telefit program, which was launched individually at the various sites using Wii consoles, led to various initiatives, including *Move@Telenet*, *Telefit Ambassadors*, *Bike@work* and *Friday Bike Day*. Telenet delegations also participated in sports events for the general public, including *Dwars door Mechelen*, the *Gordel* and the *Brussels 20km*. Sporting activities for which registration is required are covered by the occupational accident insurance.

Among the courses offered to Telenet employees is one on *mindfulness*. The purpose of this course is to help employees develop more awareness in how they deal with problems, conflict situations, stress and complaints.

It is expected to improve the overall well-being of participants. Positive development is of course not only good for the individual but also for the team and the organization as a whole.

### Internal complaints procedure

Telenet works hard to create a safe and pleasant working environment in which employees feel comfortable and are able to work optimally.

As part of its well-being policy Telenet has also set up a procedure for undesirable behavior at work, in accordance with Belgian law. The complaints procedure, which is part of the employment regulations, covers undesirable behavior such as bullying, discrimination, violence and undesirable sexual behavior. The complaints procedure also applies to permanent third parties.

If employees are unable to resolve problems themselves or together with their line manager, the employee may contact the confidential advisor at the prevention and protection at work department or the psychosocial prevention advisor. The informal procedure comprises an initial interview, a recommendation, mediation guidance and/or the intervention of people in positions of authority in the organization.

The confidentiality advisor may also receive a formal complaint, which will be submitted to the prevention advisor for further handling. The purpose of the formal procedure is always to resolve the problem, but also to conduct an investigation to determine whether bullying, violence or undesirable sexual behavior is taking place. The employee is also given advice on individual and collective measures.

In 2010 there were nine informal interventions and one formal procedure.





## 5.3 Suppliers

Every year Telenet invests millions of euros in products and services for its customers. Telenet considers ethical, environmental and social aspects when taking procurement decisions. Telenet also actively involves suppliers in the pursuit of sustainable enterprise.

Telenet has relations with an estimated 3,500 suppliers. The main drivers of the sustainable supplier policy, drawn up in association with main shareholder Liberty Global, Inc., will be applied to the top 500.

The supplier policy is referenced in every procurement procedure and suppliers are expected to provide appropriate information, including but not limited to the following aspects:

- Social aspects in their workplace.
- Compliance with laws and regulations pertaining to child labor.
- Transport optimization efforts.
- Green aspects of the supplier's operations.

These aspects are given a relatively strong weighting in the supplier selection process, alongside price and quality.

Every purchase order contains clauses on ethics, safety, health and environment, in accordance with the Stockholm Convention of 1998 on Persistent Organic Pollutants (POP), Directive 2006/121/EC and EC Regulation 1907/2006 concerning the Recording, Evaluation and Authorisation of Chemical Substances (REACH).



## 5.4 Customers

### 5.4.1 Customer loyalty

Quality is something that numerous companies see as an opportunity to differentiate themselves from the competition. At the same time, quality is often an abstract concept that is difficult to measure.

Telenet has made the quality of its products and services one of its main strategic drivers for the future development of the company. At the same time Telenet wishes to guarantee quality by defining the abstract concept of quality on the basis of measurable parameters.

In 2009 the quality experience was converted into a customer satisfaction rating, which was determined on a monthly basis by the marketing department in association with third-party experts. The concept of quality was broadened in 2010 and replaced by the *Customer Loyalty Score*. This rating still takes customer satisfaction with regard to technical and content matters into account, but the aim is to take the pursuit of quality to a new level, so it can be applied in all echelons of the company.

The importance of service quality in Telenet’s corporate philosophy is clearly illustrated by the integration of the *Customer Loyalty Score* as a parameter in the bonus system. A significant percentage of the total amount in potential bonuses awarded to Telenet managerial staff is directly linked to the company’s *Customer Loyalty* score.

	2007	2008	2009	2010
Customer loyalty score	87.23	87.97	89.12*	73.63*

\* Measuring method changed in 2009 and 2010.

Telenet has launched various programs to further improve the *Customer Loyalty Score*, which is already at a satisfactory level in several areas, and to raise the bar in terms of targets across the board. The company also wants to adopt a mindset promoting transparency with regard to customer loyalty results.

Telenet set itself the goal of attaining a customer loyalty score of 75 in 2010, but ultimately just missed out. The measuring method has changed, so in 2010 the company gained insight into intrinsic customer loyalty to the brand and the driving factors behind customer satisfaction, such as price sensitivity, brand preference, loyalty and the promoter score. Many improvement projects have already been scheduled and launched. One of the biggest is *GRACE*, a project that aims to drive down the number of calls relating to process inefficiency and lack of clear communication.

Within the same framework, on 15 June 2011 Telenet signed the customer-friendliness charter. On the request of federal business minister Vincent Van Quickenborne, the charter was submitted to all telcos with the aim of prioritizing customer service. Among other things the charter also includes clauses about transparency and response times to written questions of customers.





## 5.4.2 Customer service

### GRACE

In 2010 most technical support for customers was provided online. The *online support* website – which provides solutions to known problems on the basis of search terms – was given a full makeover, leading to the increase in the number of customer contacts via internet. Just 16% of the all customer contacts are by phone, but Telenet is also deeply concerned about customer satisfaction through that channel too.

Telenet has launched GRACE ('Getting the Right Appreciated Calls Every time), a program focusing on improving customer satisfaction in phone calls, most of which come into the call centers. These calls relate to technical aspects, as well as content and the commercial offering.

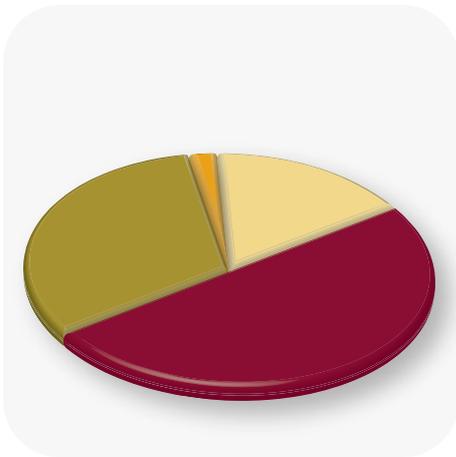
In 2010 Telenet managed to achieve a drop in the number of incoming calls for the first time, despite a hisorty of increasing calls as the company and the customer base has grown. 5.32 million calls were received in 2010 (286,230 fewer than in 2009).

Customer satisfaction is also influenced by how long you have to wait until your call is taken. In 2010, 69% of calls were answered within 30 seconds. 77% of calls were answered within two minutes. Telenet has set ambitious targets with regard to both call response time and limiting the number of connections. They are expected to further improve efficiency and have a positive impact on customer satisfaction. These targets follow the charter for shorter waiting times at call centers and helpdesks.

### Customer certificate

In 2009 Telenet launched a program to convince its employees of the general quality concept and the crucial importance of customer service in particular. The Customer Certificate now has a permanent place in HR policy. The aim is to assimilate the pursuit of better and better customer service as a central theme in day-to-day operations.

### → // Number of contacts



- Telephony 16%
- My Telenet 50%
- Online Support 32%
- Social Media 2%

## ACHIEVEMENTS IN 2010

**69%** of calls were answered within 30 seconds

**77%** of calls were answered within 120 seconds

## TARGETS FOR 2011

**80%** of calls answered within 30 seconds

**90%** of calls answered within 120 seconds

To ensure the success of the program, all employees are expected to gain intensive experience in a job that entails direct contact with customers over a certain period. That gives all employees a tangible sense of what *customer satisfaction* means in practice, especially those who have direct contacts with customers on a daily basis.

91% of employees were awarded the customer certificate in 2010, a sharp rise compared with the previous year.

### 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. That being said, the number of complaints rose more slowly than the number of new customers.

The number of complaints relating to traditional non-mobile activities fell. Proof that efforts to professionalize services and administrative aspects – such as simplifying invoicing and making it more transparent – are clearly reaping rewards.

In 2010 mobile activities were transferred to a separate division, which saw a 39% rise in its customer base during the year. This vigorous increase also resulted in some growing pains, which somewhat distorts the complaints pattern for the company as a whole. One major source of complaints was premium text messaging services, which often burdens customers with an unwanted paying subscription. Telenet has now adapted its premium text package, which will inevitably drive down the number of related complaints in 2011 (see also Customer protection).

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 counterarguments the ombudsman will take a decision on a new investigation and issue a second response.

Telenet received 2,733 complaints through the ombudsman in 2010. An amicable agreement was reached in 93% of cases.

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





	2009	2010
Number of new files at Ombudsman	2,477	2,733
Total services provided including mobile (x 1000)	4,328	4,515
New files per 100K provided services	57.2	60.5

	2010	
	SERVICES (EXCL. MOBILE)	SERVICES MOBILE TELEPHONY
Number of new files at Ombudsman	2,024	709
Total services provided including mobile (x 1000)	4,-316	199
New files per 100K provided services	46,9	280,7

**Privacy and protection**

Spam, fishing, computer viruses: with the growing popularity of the internet comes new risks. Telenet gives this highest priority in its security policy, as well as taking a number of special initiatives.

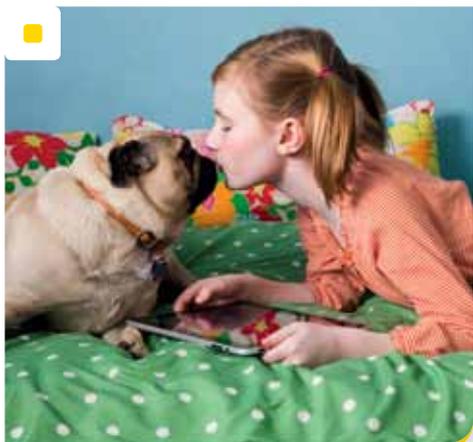
**Protection of personal details and privacy & protection**

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 juridical 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 attaining 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 safety 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 special measures to protect children online (see 4.5 Protecting children), Telenet deploys the highest standards to protect all other web users. Spam and virus filters are integrated in the network as standard and 150,000 customers make use of strict online *parental control* tools. Moderators play a positive role in *Garage TV* and various online forums. It is down to the government to decide which websites are permitted and which are not. Telenet helps the authorities 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, participating in the annual *Safer Internet Day*. The goal is educating children so they are able to protect their privacy and go online without compromising their safety (see 4.5 Protecting children).

### ***Premium text services***

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





## 5.5 Policymakers

Telenet gives great importance to its relations with policymakers at all levels. There is regular dialogue with this target group to share ideas and knowledge.

Dialogue with regulators and government mainly relates to issues important to the whole industry, such as:

- Rule setting
- Market regulation

To facilitate contacts, Telenet is a member of a number of trade organizations representing certain sub-sectors or the industry as a whole. Telenet actively participates in dialogue with industry colleagues through such platforms as:

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

Telenet identifies the key issues in dialogue with its stakeholders. They are prioritized on the basis of strategy and the importance for stakeholders.

// Regulatory risk and opportunity matrix 2011



- ACCESS ISSUES
- CONSUMER ISSUES
- INFRASTRUCTURE ISSUES

Telenet produces a guide on investment, innovation, growth, competition, employment, social engagement and media pluralism to stimulate this open dialogue with policymakers. The electronic communication market is important for Belgium and for the Belgian economy. Telenet has been able to gain a position on this market thanks to many years' persistent investment and innovation. Major challenges remain, however. Which is why policymakers are called up to conduct a powerful, visionary but also balanced telecommunication policy.

Telenet does not contract external lobbyists.

## 5.6 Investors

Telenet gives great importance to high-quality transparent financial reporting, prepared in accordance with the *International Financial Reporting Standards (IFRS)* implemented by the EU. Telenet also meets the requirements of the *United States Sarbanes-Oxley Act*. Telenet publishes a detailed survey of its financial figures every quarter, every six months and every year.

Telenet has laid the foundations for attractive recurring dividend payments to shareholders while retaining sufficient liquidity for investments in growth and value-adding acquisitions through refinancing transactions in 2010 and the unrelenting strong rise in free cash flow. Telenet pursues a long-term ratio of total net debt to EBITDA of at least 3.5, which will ensure optimal balance between growth and shareholder dividend as well as access to attractive capital markets.

The company endeavors to achieve this target through further optimization of the financing framework and possible acquisitions, by generating a strong free cash flow and paying out cash dividends. The implementation of this model will bring attractive sustainable dividends within reach that are over the industry average, while also driving the long-term growth of the underlying business.

For a detailed survey of all investor relations information, see page 86-94 of the 2010 annual report.

### // In 2010 Telenet organized:

**10** roadshows

**15** conferences (with increasing focus on sector and theme-based conferences)

**300** investor meetings,  
**30%** with the 25 largest shareholders  
and **45%** with potential shareholders

**65** conference calls with investors

Assuming no acquisitions occur and/or Telenet's business model does not change significantly, the company dividend policy will provide for continuing high cash payouts to shareholders in the long term.

The Board has approved retaining the dividend at €4.50 per share in 2011, which adds up to a total amount of €505.3 million. The final decision on the dividend will be voted on at the general meeting of shareholders of 27 April 2011. The dividend will probably be recognized as a capital reduction, which is not subject to tax. The provisional payment date is mid 2011.





# CORPORATE CITIZENSHIP



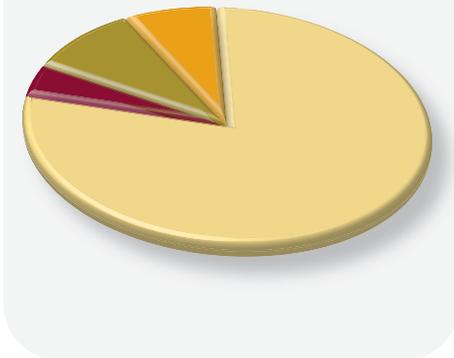




“Telenet Foundation creates digital opportunities.”

→ // Total contribution in 2010

(Including cash, time, gifts in kind and management costs)



- Cash **78,4%**
- Voluntary employee time **4,4%**
- Contributions in kind **9,8%**
- Management costs **7,3%**

## 6.1 Telenet Foundation

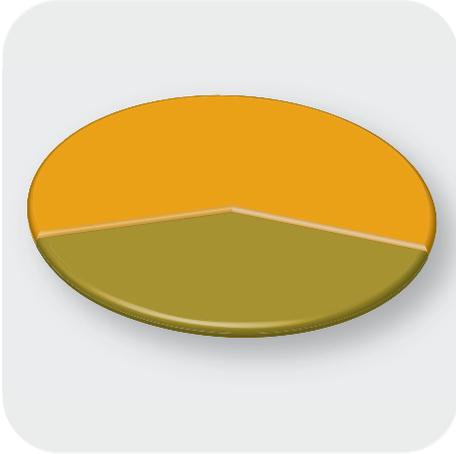
As a telco Telenet plays a major role in developing the digital society. Technological advancement and digitization are given even greater prominence with the introduction of FiberNet and the new possibilities Digital Wave 2015 will open up. At the same time, Telenet realizes that digitization can be a social trap for people unable to keep up with technological advancement for any reason.

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 to bridge the digital gap every year in a sustainable way. The Telenet Foundation has set itself the goal of getting an additional 150,000 people online by 2015. The projects are based in Belgium and abroad, but they all share the same main goal of getting young people in particular involved in the foundation’s initiatives.

The Telenet Foundation’s mission is to bring modern information and communication technology within the reach of all its target groups. The official website is at [www.klikmee.be](http://www.klikmee.be). The Telenet Foundation has helped 90,000 primarily young people get online between 2006 and 2010. (Source: Why5 Research)

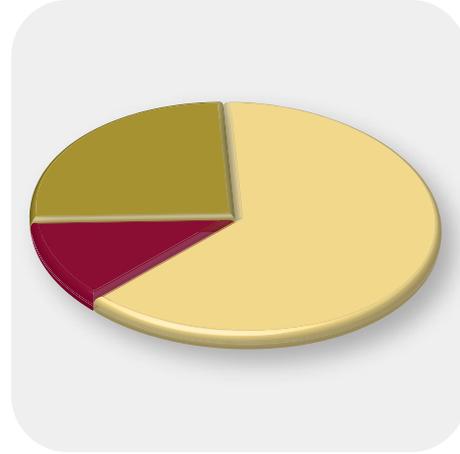
Since being formed in 2007 the Telenet Foundation has received almost 1,100 project proposals, around 80 of which received active support. These have been financed to the tune of over €1.5 million.

→ // Why we contribute



- Investments in the community 59,1%
- Charitable gifts 40,9%

→ // Contributions by theme



- Education & young people 63,2%
- Medical 11,3%
- Emergency assistance 25,4%

Research shows that:

- 75% of the projects did not exist before receiving funding from the Telenet Foundation.
- 95% of projects remain active after receiving support from the Telenet Foundation.
- 65% of projects grow to become viable without further funding from Telenet.

In 2010, 45 employees unselfishly contributed 1,464 hours to the Telenet Foundation initiatives. Telenet wishes to increase its employees' contribution year on year, in terms of both the number of people and the total number of hours. The target is the active involvement of 200 employees investing a total of 3,000 hours by 2015.

// Telenet Foundation targets

NUMBER	2010	2011	2015
Beneficiaries (combined)	90,000	102,000	150,000
Employees involved	45	90	200
Employee hours *	1,465	2,250	3,000

\* During working hours.



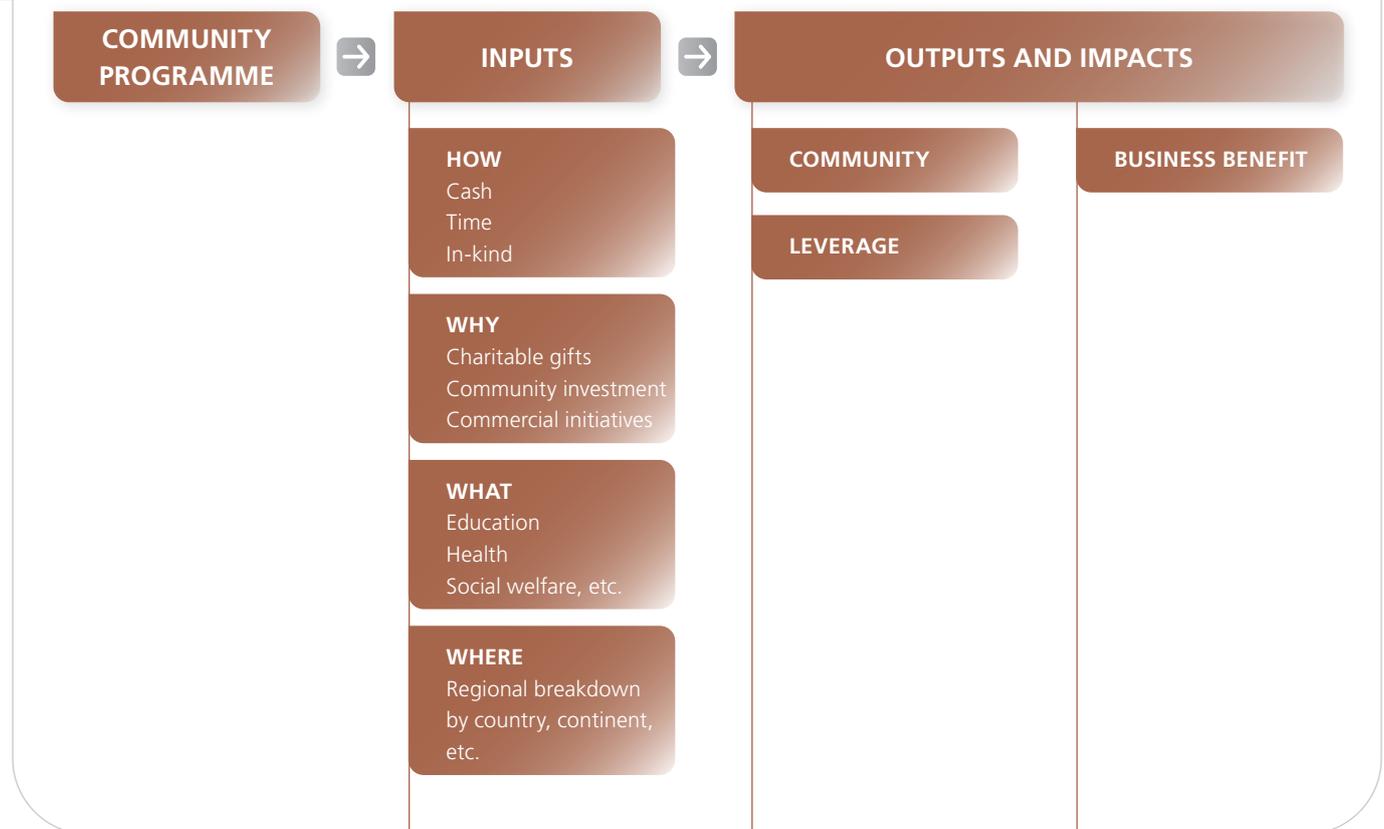


Telenet employs the London Benchmarking Group (LBC) model to measure its support to social organizations and charities. The LBC model enables the company's social engagement to be calculated and managed in a standardized way. In 2010 the contribution in terms of cash, time and management was €1,378,275.

### PC Solidarity

In 2009 Telenet Foundation formed a partnership with PC Solidarity, which together with Close the Gap refurbishes IT equipment from companies for use by social enterprises. Like the previous year, in 2010 Telenet Foundation donated 250 PCs, with an overall value of €50,000. The material was distributed to various Belgian non-profit organizations.

#### → // KPIs for Measuring Business and Social Benefits



Source: London Benchmarking Group, Making a Difference Management Report, page 7.



## My Zone by Telenet

Chronically sick children who are hospitalized for a protracted period fall out of the digital boat. One of the major initiatives of the Telenet Foundation is the *My Zone* project. Active chat sessions are set up with Cliniclowns using laptop, webcam and internet connection. The project was active in eight hospitals in 2010. It will be rolled out further in 2011. Telenet ambassador Yanina Wickmayer gave her active support to *My Zone* in 2010 with a visit to the hospitals involved in the project.



ACTIVITY	OUTPUT	
	CONTRIBUTION TO SOCIETY	ADVANTAGES FOR TELENET
Telenet Foundation	39 social projects providing digital access and training for an estimated 10,000 people.	A positive impact on the company's image with regard to bridging the digital divide.
My Zone by Telenet	150 PCs in 8 hospitals provide internet access to over 300 children's beds and an estimated 15,000 end users annually.	Provides Telenet Solutions with a striking example of support for health sector activities.
Bonjour Afrique	Job creation and support in Senegal for 1. building a new school / 2. setting up a bee farming project / 3. equipment and consulting for a child-raising center.	Strong employee participation and motivation. A project by employees for employees. Positive image for the company.
Musicforlife	The application enabled IDTV customers to donate from the comfort of their armchair.	Highlighted Telenet's digital TV technology and interactive applications.
Haiti Appeal	As well as a monetary gift, Telenet also supported the Haiti project by opening up all of its channels for the collection of money (DOD, text messaging, Call Center and more).	The campaign showed off Telenet products in use and highlighted how they can save lives.
Chello Foundation	International AIDS fight.	Positive effect & A company image
Safer Internet	Support for the annual Safer Internet Day.	Enhanced the position as a responsible provider.
Telefit	Motivating employees to be fitter and more healthy.	Motivation of employees and limitation of absenteeism.
SOS Kinderdorpen	Simba house provides a refuge for children suffering in a tough family situation.	Company image. (CSR activation of brand sponsoring)





## Bonjour Afrique

*Bonjour Afrique* is a striking project aimed at closing the digital divide on the basis of a number of initiatives in Senegal developed by a group of Telenet employees. The project will continue in 2011, its fourth year. The biggest *Bonjour Afrique* initiatives are building a school in Medina Gounass (Dakar), setting up a centre offering computer and educational courses, and agricultural projects in Sindia.

## Haiti Lavi

Telenet also showed its solidarity with the people of Haiti after the earthquake and subsequent humanitarian disaster there at the beginning of 2010. In addition to money Telenet also provided technological support during the *Haiti Lavi 1212*, a live TV benefit show jointly broadcast by public and commercial stations. Many Telenet teams worked in their area of expertise to ensure the show was a rousing success.

## Klik Mee

The *Klik Mee* campaign was launched in November 2010 to raise awareness of the digital gap and the work of the Telenet Foundation. Anja Daems and Ben Roelants spent the day at Gent Sint-Pieters station interviewing famous guests, including Yanina Wickmayer, Ianka Fleerackers and mayor Termont. The aim of the event was to raise awareness of the digital gap and get people to visit the campaign website. The Byte Me! youth project received one euro for every click registered at [www.klikmee.be](http://www.klikmee.be)!



## Byte Me! and Jeugdwerknet VZW – Ghent

*Byte Me!* is a project for socially vulnerable young people. Jeugdwerknet's aim is to help members of this target group to learn the skills they need in the information and communication society within the framework of NU game, a technology-based game. Telenet's aim is to support and assist youth workers in accordance with the train-the-trainer principle so they are able to give a more advanced workshop as well as training interested Jeugdwerknet volunteers and trainees to work with the target group.

## Start2Surf@home

One in three inhabitants of Belgium still do not have an internet connection. With this in mind, federal ICT minister Van Quickenborne launched *Start2Surf@home*, an initiative offering a low-cost computer and internet package. With *Start2Surf@home* the federal government wishes to give everyone access to a computer and internet. Telenet is playing its part too. A good low-cost *Start2Surf@home* internet package has been made available, thanks to the consortium that Telenet has formed with Voo and Numericable. The package includes a laptop and a basic internet subscription, so that the less well-off in Belgium can also take advantages of what the web has to offer. In addition to the above projects Telenet supports dozens more initiatives every year. A focus of charity is in fact part and parcel of the Telenet philosophy with respect to all sponsoring projects. In that way Telenet wishes to fulfill its social role and enthusiastically take up its responsibilities as a corporate citizen.



## SOS Kinderdorpen is given hefty support by Kim Clijsters

Kim Clijsters recently became an SOS Kinderdorpen ambassador to go with her Telenet ambassadorship. Kim launched the partnership with a check for no less than €100,000 – a great way of investing some of her Telenet sponsorship money. One of the initiatives she supports is the Simbahuis in Liedekerke, which helps families cope with tough situations. Kim wants to back up her financial support with regular visits along with her daughter, so she can play with the other children.

## Pink ribbon

Sanoma Magazines and Via Plaza have joined forces on Pink Ribbon Magazine, a temporary interactive TV channel. With the launch of the channel, for which Telenet provides technological support, Sanoma Magazines began a campaign to raise awareness of breast cancer, through a series of videos. Telenet Digital TV subscribers could access the channel by pressing the red button when tuned to VijfTV.

## 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.

### // Number of people eligible for social pricing

	2009	2010
TV	68,987	67,977
Fixed phone	6,821	11,478
Mobile phone	50	79
Internet	1,506	3,821

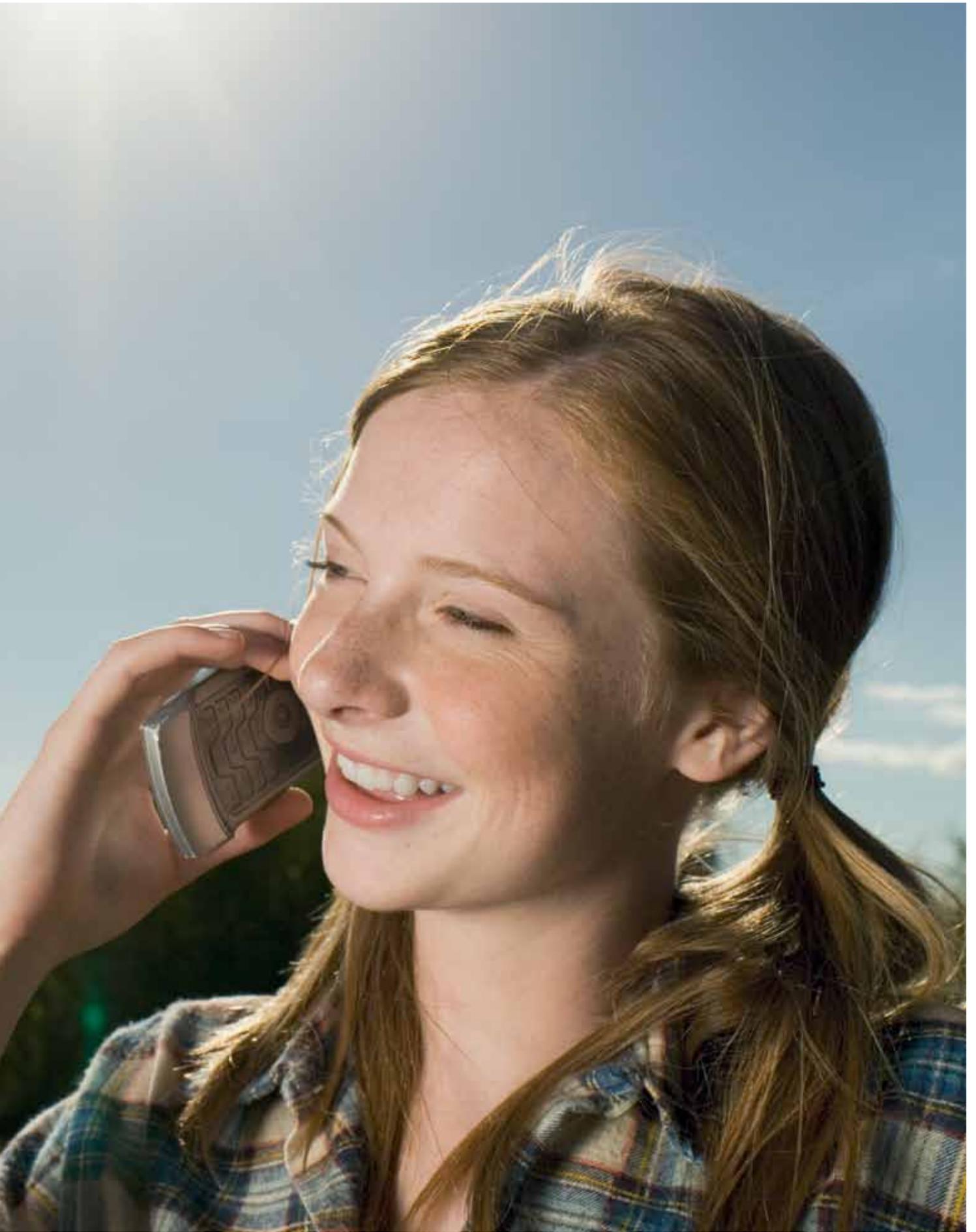
Telenet is the only Belgian telecoms operator with social pricing for all its products: internet, fixed and mobile telephony, and TV.





# CLIMATE AND ENVIRONMENT







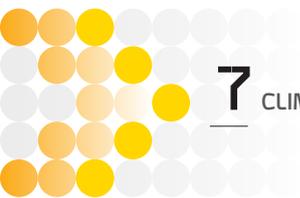
## “Going greener.”

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. The company also wishes 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 fight 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 attain the lowest possible user level to sustain operational needs.
- Minimizing 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 minimize the impact on climate change.



## 7.1 Mission climate neutral

Telenet recently 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 2010 was a prominent goal in Telenet's sustainability program, 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 consumes green energy and numerous initiatives were launched in 2009 and 2010 to drive down carbon emissions even further.

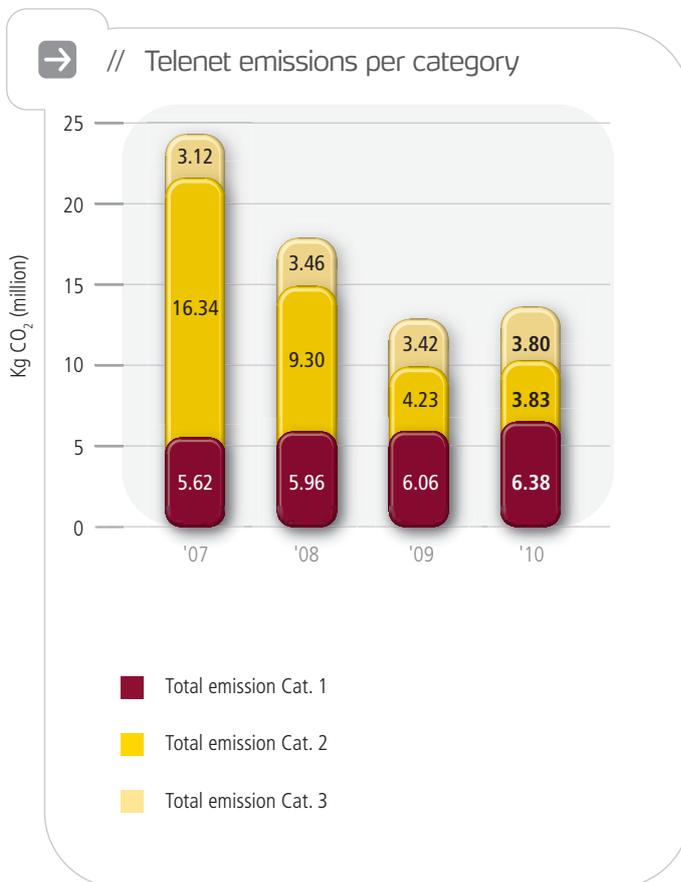
Telenet measures its carbon footprint in three categories, in accordance with the World Business Council for Sustainable Development Greenhouse Gas Protocol.

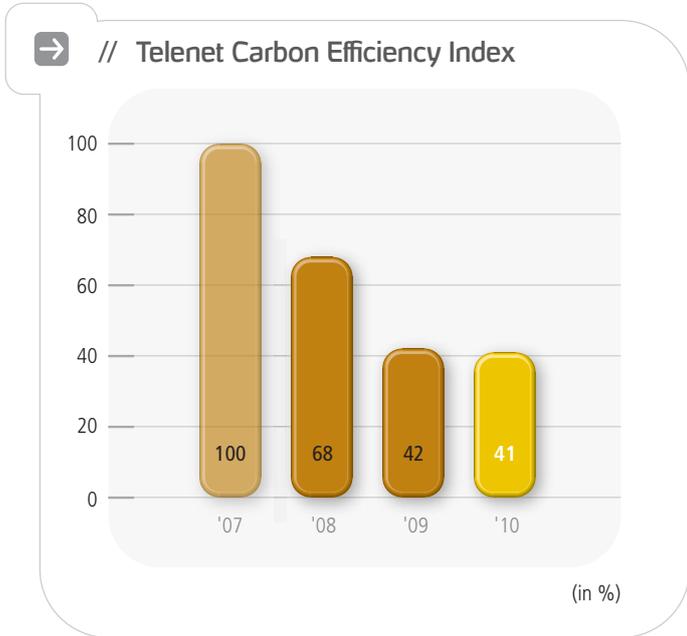
- Category 1 or direct energy sources such as fuel (gas, diesel, oil fuel).

- Category 2 or indirect energy sources such as electricity.
- Category 3 or other energy sources such as business trips and commuting.

In 2010 Telenet generated a combined carbon emission for categories 1 and 2 of 10,207 tons. With category 3 included, the carbon footprint was 14,007 tons. That means Telenet's total carbon emission has fallen by 44% since 2007. A combined saving of 26,000 tons of carbon since 2007.

The slight increase in the emissions compared with 2009 (2% or 297 tons of carbon) is in part due to the growing customer base and increased business activities.





Telenet’s 2010 carbon efficiency score, where emissions are linked to generated operating income, was better than the 2009 score. Carbon efficiency has improved by 59% since 2007.

The carbon footprint was calculated for all Telenet activities as a whole, including Hostbasket, Interkabel and Belcompany. The 2007 and 2008 figures for Hostbasket, Interkabel and Belcompany were included in the Telenet figure, as if those companies were already part of the group, to permit an accurate measure of the annual change in Telenet’s ecological footprint. However, Telenet acquired Hostbasket only at the beginning of 2008 and the agreement with Interkabel was not signed until mid 2008. Belcompany was acquired in June 2009.

## 7.3 Recent achievements

Permanent awareness campaigns within the company have resulted in a striking number of initiatives and inspirational actions on various themes, including energy consumption, mobility, network efficiency and management of premises and spaces.

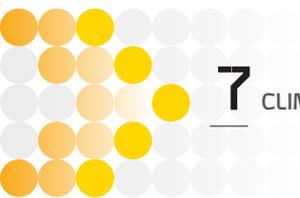
At the same time, Telenet wishes to assume its responsibilities towards customers and other target groups. Telenet wishes to enable all its stakeholders to reduce their ecological footprint. With this in mind, the company is investing in innovative applications and services able to contribute positively to the resolution of sustainability issues.

### 7.3.1 Energy efficiency

Telenet shows a permanent concern for the energy efficiency of its products and operations. A large number of measures relate to saving energy within the company. But Telenet wants to take it to the next level and drive up energy efficiency at some of its stakeholders too.

### // Telenet electricity consumption

	2007	2008	2009	2010
Electricity consumption (in Gwh)	76.9	78.1	78	81.7
Income (in millions €)	931.9	1,018.8	1,197.4	1,299.0
Energy efficiency compared with income (in %)	82.5	76.7	65.1	62.9



### Set-top boxes

Telenet invests in initiatives to reduce the energy consumption of set-top boxes. A special function was rolled out for existing set-top boxes. The total customer saving is around 28,860 MWh, the equivalent of 6,550 tons of carbon, which is the average annual emission of Flemish households.

The new set-top boxes with hard disk power down automatically when left on stand-by for a certain amount of time. This makes a difference of 20%. The most recent set-top boxes are also twenty times more efficient than the first generation marketed by Telenet.

In 2010 a *voluntary agreement* came into effect to speed up the adoption of more energy-efficient set-top boxes. All set-top boxes currently marketed by Telenet comply with this agreement. Improvements in technology are sought in association with the partners to make the next generation of set-top boxes even more efficient

### Modems

The replacement of 120,000 obsolete modems, which ended in 2010, is another source of major energy savings. As a result, all customers will have modern, energy-thriftier modems. The total net annual energy saving of the new modems is estimated at 4,789 MWh, the average consumption of 1,368 Flemish households.

### Efficient lighting

High-performance striplighting was introduced in the offices and technical rooms in 2010.



### Free-cooling air conditioners

Investments in the network and a replacement program introducing newer, more efficient equipment constantly result in new energy savings. Saving energy was the goal of the investment in the replacement of the air-conditioning cooling assembly in the data rooms, the *Services Operations Center* (SOC) and the digital TV offices in Mechelen. Telenet opted for a free-cooling system making maximum use of the exterior temperature. The compressor is not activated unless the heat exchanger has insufficient capacity. This saves Telenet 28 MWh of electricity annually.

### Cooling assemblies with turbo compressors

Due to the expansion of server capacity the two cooling assemblies were no longer adequate. Here, too, energy consumption was of overriding importance for the replacement. With this in mind, the decision was taken to install a cooling assembly with turbo compressor – state-of-the-art technology. Telenet is one of the first Belgian companies to install this high-tech cooling equipment. The investment in two compressors saves the company 180 MWh annually.





### Climate chambers

In addition to the server farm in Mechelen, Telenet has fifty or so large technical installations, including switch boxes and terminals, housing the basic technical infrastructure. The INFRA department was able to reduce energy consumption by 700 MWh through the sequential control of the cooling facility.

### Professional Hosting Services

The Professional Hosting Services department only enlarges its storage capacity in response to a demand for extra capacity. This prevents non-active equipment consuming energy unnecessarily. Server virtualization is also constantly enlarged, meaning that less hardware is needed to supply the same services.

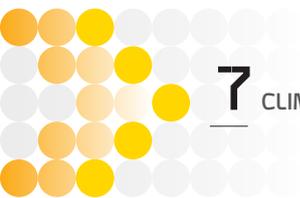
“Smarter working.”

### Monitoring systems

Measures were introduced at the Hostbasket data center in Lochristi similar to those introduced at Professional Hosting Services. This enabled Hostbasket to achieve the ambitious targets for 2010: 18.9% virtualization, 40% e-invoicing and energy efficiency (PUE) of 1.63. These results were attained through excellent internal monitoring, in which numerous sustainability factors were translated into targets and KPIs. Over or under performance is included in a management report, which all Hostbasket employees have access to on a daily basis. The environmental indicators are included on a monthly basis. As a result, the rise in energy consumption was relatively limited compared with the growth of the business.

### Smart meters

Energy consumption continues to rise in Flanders, although part 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 meter shows the cost of energy and the price paid for self-produced energy at all times, 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 is relatively low, the most advisable thing to do is to consume your self-produced power, to charge the batteries of an electric car, for instance, rather than returning it to the grid.



## 7 CLIMATE AND ENVIRONMENT

Telenet is working with grid operator Eandis on a pilot in the vicinity of Mechelen. 3,000 households have already been equipped with smart meters.

### Smart grid

The *smart grid* takes the idea of smart meters to the next level. Telenet participates in the Flemish Linear platform with 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 new advancements like the electric car to work efficiently. The Linear program tests new possibilities. Telenet, Voka and the Flemish government are joined in the program by KU Leuven. In the Smart E Project Telenet is focusing on the smart data flows that are a precondition of the system's introduction. These smart data flows are made possible by the finely meshed high-performance communication 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, it also helps the company build up a buffer to cope with any exponential rise in energy prices.

#### Groene stroom

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

That reduced the carbon emission in 2010 by 12,515 tons compared with 2007, when energy consumption was pegged at 65 GWh.



#### Renewable energy

Telenet has made significant efforts to adopt renewable energy sources and to promote them among customers.

Solar panels had already been installed at Telenet's head office in Mechelen. To promote the use of solar panels, Telenet offers them for purchase to its stakeholders – including employees and customers – at very attractive conditions. These panels will produce 225 MWh of energy, which represents a saving of 150 tons of carbon.





### 7.3.3 Mobility and transport

Almost 1,900 Telenet employees commute daily. In addition, a large number of suppliers are constantly hitting the road on Telenet business. There are therefore many opportunities to reduce carbon emissions in terms of mobility and transport.

#### Commuting

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

The Finance department achieved its target of a 10% reduction in commuter journeys by car in 2010. At Supply Chain and Procurement 40% of commuter journeys in 2010 were not by private car.

The participation of 91 employees in the I Kyoto project produced a carbon emission reduction of 5,752 tons.

(Source: Bond Beter Leefmilieu - I Kyoto)

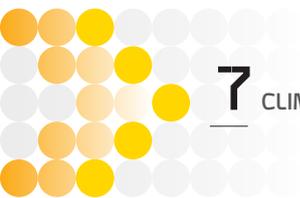
Telenet provides sixty commuters with rental bikes supplied by the sheltered workshop 't Atelier as part of the Train-bike@Work initiative to cover the stretch between Mechelen central train station and the Telenet offices. 't Atelier also takes care of servicing.

In 2009 the carbon emission threshold for the fleet was set at 175g/km. The average carbon emission for the fleet is now quite a way below that and is developing positively. The average carbon emission for the fleet was 151g/km at the end of 2009, whereas it had been reduced all the way down to 141g/km by the end of 2010. The average emission of cars procured in 2010 is 123g/km.

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

#### Commercial traffic

2010 saw the end to the use of air transport to bring set-top boxes to Belgium from where they are produced. All transport from the Far East is now by sea, with final assembly in the Czech Republic. That has led to a 16% reduction in the carbon emission for the import of new modems and a 90% reduction for set-top boxes, corresponding to a saving for Telenet of 6.353 tons of emitted carbon.



### 7.3.4 Materials reuse

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

Set-top boxes are assembled in the Czech Republic, which means they can be transported from the production plant in the Far East by sea, which produces significantly lower carbon emissions than air transport. The new set-top box comes in a smaller box, which reduces the required transport capacity. A task force is also working on a new packaging concept, made from material with higher environmental credentials and comprising fewer superfluous parts.

Virtually all set-top boxes (and modems) are reused; the remaining articles are recycled by an accredited firm. Intensive reuse drove down waste by 374 tons in 2010. All returned modems and set-top boxes go to Imsir sheltered workshop in Boom.

#### Computers

Telenet donated 250 PCs to social enterprises in 2010, as part of the partnership with PC Solidarity. In addition, 20% of Telenet's computers are given a new lease of life every year through Telenet Foundation projects.

202 computers were given to educational projects in 2010.

### 7.3.5 Waste reduction and processing

Two waste flows are important for Telenet: Telenet's own waste flow and the waste flow generated at end customers.

Telenet pays for the 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 wishes to drive down the amount of other waste fractions. Such waste flows as batteries, electricity panels, extinguishers, coolers, transformers, cabling, coolants, diesel and lubricants are recycled by professional providers as standard.

#### Waste at Telenet

Waste at Telenet is sorted and collected by fraction to promote optimal recycling. Telenet works with various collectors, who also take care of recycling, either in-house or through a third party. As Telenet continues to grow it is important to have the right waste priorities: prevention first, then sorting. Progress in the three main fractions between 2009 and 2010 is shown in the table.

These efforts will be continued in 2011: waste flows will be quantified further and where necessary action plans provided.

### // Telenet reuses unsorted waste

IN KG

	2009			2010		
	TOTAL	RECYCLED	PERMANENTLY REMOVED	TOTAL	RECYCLED	PERMANENTLY REMOVED
Paper and cardboard *	49,807	42,336	7,471	56,214	47,782	8,432
Electronics	380,409	284,584	95,825	211,887	158,513	53,374
Unsorted waste	79,601	0	79,601	70,382	0	70,382
<b>Total</b>	<b>509,817</b>	<b>326,920</b>	<b>182,897</b>	<b>338,483</b>	<b>206,295</b>	<b>132,188</b>

\* Telenet head office.





## Waste at the customer

### Set-top boxes

Telenet pays a fee to Recupel, the organization responsible for collecting and processing discarded electrical and electronic equipment, for every new set-top box, modem, server or other electrical and electronic equipment it brings on the market. The materials end up at authorized processing companies through the container parks and other channels.

### Batteries

Telenet pays a fee to *Bebat*, the NPO that has built up a reputation among end consumers for the collection of spent batteries in stores and other public places, for the batteries used in its remotes and modems.

The batteries used as a backup to cover the eventuality of a power cut at technical systems constitute a large waste fraction. The battery supplier is responsible for bringing the spent batteries to an authorized processor, which recycles them and issues certificates, as per the law.

### Packaging waste

In 2010 Telenet paid Fost Plus €20,000 to process 536 tons of cardboard waste and 10.8 tons of plastic waste from activities at customers, alongside 9.2 tons of composite material. In Belgium 93% of household packaging waste is reused.

### Cables

During cabling work cables that are no longer used are removed from the ground and recycled through the contractor by professional cable producers or metal processing firms. Other parts are also reused wherever possible.

## 7.3.6 Paper

Paper consumption is a major source of carbon emissions. With this in mind, Telenet has developed initiatives to limit paper consumption in house for the past several years. More recently, there have also been vigorous efforts to involve stakeholders, such as customers and suppliers, in the rationalization of paper consumption. For example, when the contract for printing came up again, two firms were selected who take action to reduce the environmental impacts of their activities, by choosing more energy-efficient machines during purchasing rounds, using green power and organizing their transport more efficiently.

### FSC paper

Telenet switched to FSC paper from sustainably managed forests for internal use in May 2010. It means that Telenet is 100% FSC. Based on consumption of 25 tons of paper in 2009, that generates a saving of 5 tons of carbon.

Secure or badge printing is expected to produce a situation where people print less, in the future perhaps also on both sides of the sheet. The pilot is still ongoing. The newest printers automatically switch to stand-by mode after 60 minutes of inactivity.

Marketing matter has been published on FSC paper since 2009, which has reduced carbon emissions by 250 tons.

### PRIME guide

Telenet is concerned about the use of paper and packaging material. Since October 2009 the PRIME Guide is printed on FSC paper. The reduction in the number of pages and use of thinner paper generated a saving of 39 tons of paper. Telenet encourages readers to opt to receive the PRIME Guide digitally through targeted campaigns. That results in a reduction in the carbon emissions related to printing and distribution.



### 7.3.7 Events

#### E-billing

Targeted campaigns encourage customers to switch to e-billing, directly through Telenet or through Zoomit, a service that delivers bills to subscribers through their online banking application. The target to double the number of customers registered for e-billing compared with 2009 was achieved. By the end of 2010, 800,000 residential customers – 40% of the total – received their bill electronically. This will save an additional 250 tons or so of paper in 2011.

E-billing is also increasingly the norm for corporate customers too. Telenet Solutions makes this option even more attractive with smart applications like *My Bill* and ETIS. Corporate customers can manage their invoices online with *My Bill*. Data can even be exported to specific accounting software. In the first phase, Telenet Solutions has targeted customers that receive more than 10 sheets of paper through the mail. Total paper quantity was reduced by 35% in 2010, a saving of 41,500 sheets, corresponding to 207kg or 620 tons of carbon.

ETIS enables customers to switch to a full digital solution, provided their information systems have been adapted. A change in the law in 2010 made this solution even more attractive.

#### // Electronic billing for residential customers

	2009	2010
Number of residential customers using e-billing	399,000	818,000
As a percentage of all residential customers	14%	40%

Telenet employees have opted to receive their bills digitally en masse.

#### Telenet Mountainbike Tour

Since the spring of 2010, alongside professional cyclo-cross Telenet also supports recreational mountain biking in the *Telenet MTB Tours*. *Telenet Mountainbike & Cycling Tours* joined forces with *Vereniging voor Bos in Vlaanderen* to organize mountain bike tours in the most sustainable way possible. When organizers rebrand their race as a “*Telenet Mountainbike Tour*” they receive both logistical support and a social and green program.

Participants receive a biodegradable bio-bottle and the knowledge that they are supporting Bonjour Afrique, a project to build a school in Senegal, for which cyclo-cross specialist Tom Meeusen is the proud ambassador.





## 7.4 Offsetting

While efforts to further reduce carbon emissions have already started generating striking results, which will only improve in the future, offsetting is expected to achieve the ambitious goals of climate neutrality by 2015.

The most important measure here is the planting of new forests in Flanders and Ecuador. Trees, of course, take carbon dioxide from the atmosphere, which helps combat climate change. Reforestation and forest protection are major goals set by the Cancún climate change conference at the end of 2010. 2011 is the international year of the forest, because deforestation is responsible for 20% of global carbon emissions.

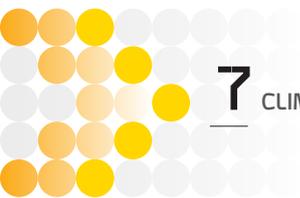
### Flanders

Telenet participated in the successful *'One million trees for Flanders'* campaign at the end of 2010. 10,000 trees were planted. Employees also got involved by sending e-cards via a special Christmas website.

### Ecuador

Telenet supports a reforestation project in Ecuador. The aim of the project is to reforest both sides of the Rio Mira in Ecuador, which has been gradually cleared since the mid twentieth century. In addition to this general goal, the project also generates many positives for the local population. The poor, unused grasslands are converted into a valuable habitat for birds and other animals, while the trees combat erosion, provide timber, shadow, rainfall, pure air and nutrients. Local jobs are created, which helps eradicate poverty and migration out of the region.





# 7

## 7.5 Future perspective – a society with a lower carbon impact

Telenet can help companies and customers in the transition to a way of life with a smaller ecological footprint. The possibilities will undoubtedly increase significantly on the back of future technological developments. Examples that are already generating benefits now are:

- Facilitating teleworking based on high-grade internet and phone services, which results in substantially lower commuting costs.
- Increasing the flexibility of logistical flows through machine-to-machine connections or high-performance data networks.
- Improving the accessibility of video-conferencing over the Telenet network, which results in fewer journeys.

Although the new services Telenet is preparing will make a major contribution to the establishment of a low-carbon or no-carbon society as part of the Digital Wave program, the company also takes the carbon impact of its own operations very seriously.

To achieve the ambitious goal of *carbon neutrality*, Telenet will continue to make work of reducing its own energy consumption and encouraging its stakeholders to do the same.





# THE FUTURE DIGITAL WAVE 2015





Fast-evolving technology and the ensuing new communication possibilities will drive society's development in the future.

At the beginning of 2010 Telenet launched its prestigious Digital Wave 2015 program. For Telenet the future is all about high network capacity, mobility and convergence of fixed and mobile telecommunication.

To facilitate the unavoidable sweeping digitization of our world Telenet has first and foremost decided to speed up investments in network expansion and to complete the planned modifications over five years rather than ten as originally proposed. The modernization relates to various technological aspects:

- The expansion of the glass fiber network will be speeded up.
- The number of junctions will be increased in the Pulsar program. As a result, just 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 *Fiber To The Home*, for new-build, for instance.

To put Digital Wave 2015 into practice, in 2009 the Telenet board approved a program providing for an additional €30 million in investments in the broadband network every year. A lot of efforts in the course of 2010 were focused on achieving these goals. The modernization work will continue unabated in 2011 and beyond.

The investments will produce a state-of-the-art network, constantly offering Telenet customers new experiences and opportunities, especially when the expansion of digital capacity goes hand in hand with the development of convenient, user-friendly devices.

It is also important that Telenet does not focus exclusively on enhancing its network to enable larger and larger quantities of data to be transmitted at faster and faster speeds; it also has to provide user possibilities itself.

Digital Wave is also driven by content, which can be categorized as follows:

- **Entertainment**  
Gaming at higher and higher speeds, from computers but also from smartphones, tablets and more.
- **Home management**  
Digital remote control of household appliances.
- **E-health**  
Paramedical and medical care and observation through digital communication channels.
- **Virtual office**  
The office of the future, with high-grade visual interactivity, videoconferencing and easy access to data.

- **Mobility**

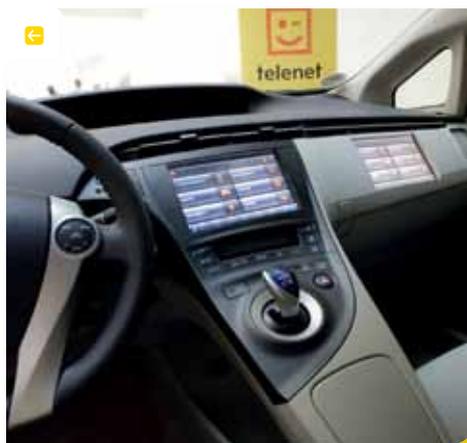
One of the Digital Wave's key concepts. Implementation of LTE (Long Term Evolution) and availability and convergence of new and existing means of communication are expected to increase the mobility of telecommunication spectacularly. WiFi will also continue to play an important role based on the increasing demand for mobile data transmission through numerous mobile devices.

- **Smart TV**

Telenet conducted the first successful tests with LTE in the second half of 2010. The aim is to start pilots in the course of 2011 to offer concrete Digital Wave services.



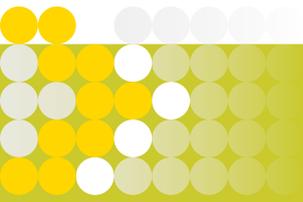
To stimulate the further digitization of Flanders via Digital Wave 2015 Telenet is especially counting on a constructive partnership with a great many parties active in the network economy. Such players as academia, TV channels and other media companies, technology businesses, customers and government must find a way to work together constructively on co-creation.





# ACCOUNTABILITY





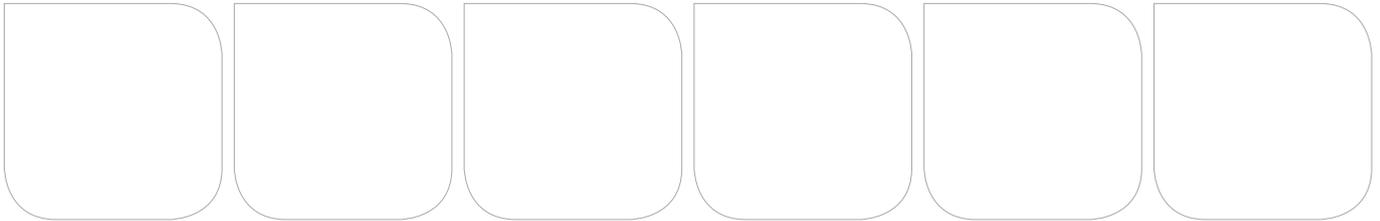
Reporting according GRI.





The table links the contents of the Telenet Sustainability Report to the relevant sections of the Reporting Guideline 2002 published by the GRI. 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.

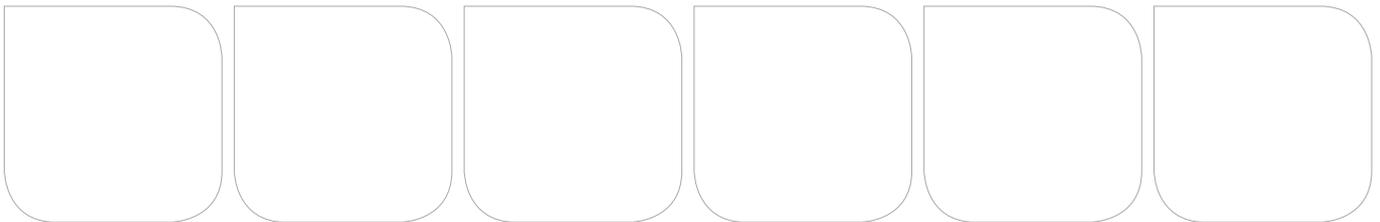
<b>Strategy and Analysis</b>	<b>1.1</b> <b>P7</b> 2 / Letter from the ceo and the president.	<b>1.2</b> <b>P26</b> 4.3 / Risk management.												
<b>Organizational Profile</b>	<b>2.1</b> <b>P5</b> 1 / General.	<b>2.2</b> <b>P10</b> 3 / Sustainability policy.												
<b>Report parameters</b>	<table border="1"> <tr> <td>3.1</td> <td>3.2</td> <td>3.3</td> </tr> <tr> <td>3.4</td> <td>3.5</td> <td>3.6</td> </tr> <tr> <td>3.7</td> <td>3.8</td> <td>3.9</td> </tr> <tr> <td>3.10</td> <td>3.11</td> <td></td> </tr> </table> <b>P5</b> 1 / General.		3.1	3.2	3.3	3.4	3.5	3.6	3.7	3.8	3.9	3.10	3.11	
3.1	3.2	3.3												
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<b>Governance, Commitments, and Engagement</b>	<table border="1"> <tr> <td>4.1</td> <td>4.2</td> <td>4.3</td> </tr> </table> <b>P23</b> 4.2 / Corporate Governance.	4.1	4.2	4.3	<b>4.4</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 130 / 7.3.3 / Shareholders.									
4.1	4.2	4.3												
	<table border="1"> <tr> <td>4.12</td> <td>4.13</td> </tr> </table> <b>P28</b> 4.4 / Codes.	4.12	4.13	<table border="1"> <tr> <td>4.14</td> <td>4.15</td> <td>4.16</td> </tr> <tr> <td>4.17</td> <td></td> <td></td> </tr> </table> <b>P36</b> 5 / Stakeholders.	4.14	4.15	4.16	4.17						
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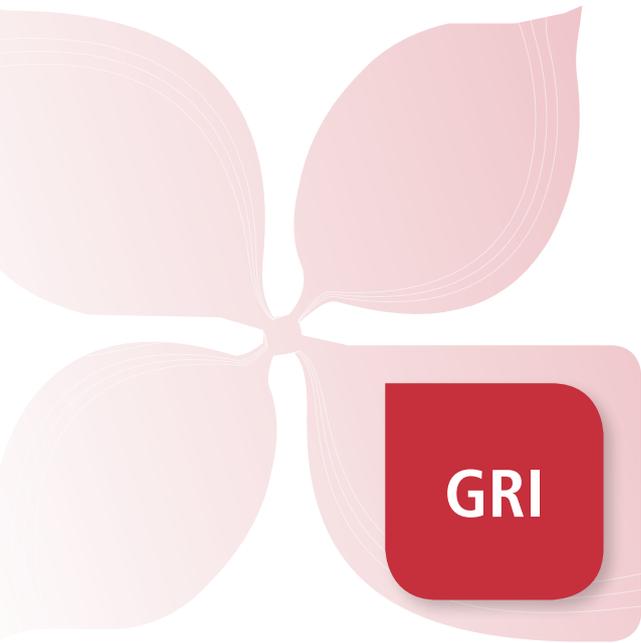


<p><b>2.3</b> <b>P5</b> 1 / General.</p>	<p><b>2.4 2.5</b> <b>P10</b> 3 / Sustainability policy.</p>	<p><b>2.6</b> <b>P5</b> 1 / General. <b>P23</b> 4.2 / Corporate Governance.</p>	<p><b>2.7 2.8</b> <b>P10</b> 3 / Sustainability policy.</p>	<p><b>2.9</b> <b>ANNUAL REPORT 2011</b> P 14-17 / Key events during the financial year 2010.</p>	<p><b>2.10</b> <b>P38</b> Boxed text.</p>
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<p><b>3.12</b> <b>P82</b> 9 / Accountability.</p>	<p><b>3.13</b> <b>P5</b> 1 / General.</p>				
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<p><b>4.5</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 150 / 7.7 / Remuneration report.</p>	<p><b>4.6</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 146 / 7.5.6 / Application of legal rules regarding conflicts of interest.</p>	<p><b>4.7</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 141 / 7.5.4 / Board Committees.</p>	<p><b>4.8 4.9</b> <b>P28</b> 4 / Ethical operations.</p>	<p><b>4.10</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 141 / 7.5.3 / Evaluation of the board of directors.</p>	<p><b>4.11</b> <b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 129 / 7 / Corporate governance statement.</p>
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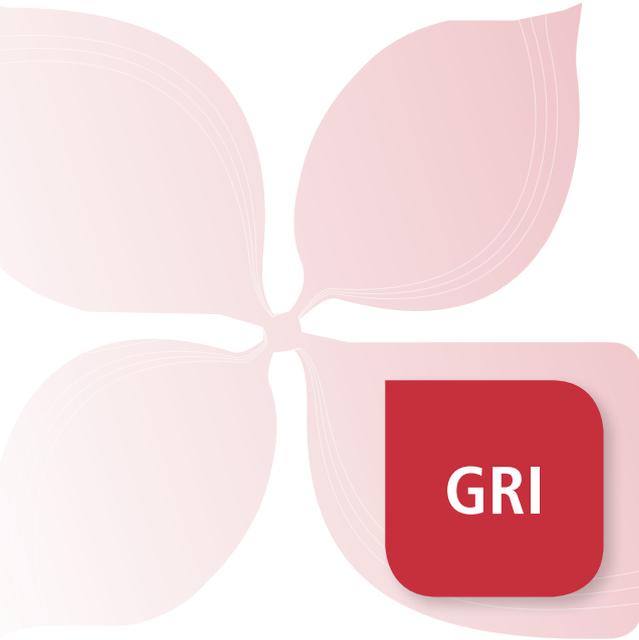
<b>Economic</b>	Aspect: Economic performance	<b>EC1</b> <b>P17</b> 3.4 / Economic contribution to society.
		<b>EC7</b> Not available.
	Aspect: Indirect economic impacts	

<b>Environmental</b>	Aspect: Materials	<b>EN1</b> <b>EN2</b> Not available
	Aspect: Biodiversity	<b>EN11</b> <b>EN12</b> Not material.
		<b>EN21</b> Not material.
		<b>EN22</b> <b>P71</b> 7.3.5 / Waste reduction and processing.
	Aspect: Compliance	<b>EN28</b> No fines incurred.

<p><b>EC2</b></p> <p>Not available.</p>	<p><b>EC3</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy / Fair pay.</p>	<p><b>EC4</b></p> <p><b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 168/ 5.2.3 / Property and equipment.</p>	<p><b>Aspect:</b> Market presence</p> <p>→</p>	<p><b>EC5</b></p> <p>Not available.</p>	<p><b>EC6</b></p> <p><b>P17</b> 3.4 / Economic contribution to society.</p>
<p><b>EC8</b></p> <p><b>P56</b> 6.1 / Telenet Foundation</p>	<p><b>EC9</b></p> <p><b>ANNUAL REPORT 2011</b> CONSOLIDATED ANNUAL ACCOUNTS P 179 / 5.3 / Risk management.</p>				

<p><b>Aspect:</b> Energy</p> <p>→</p>	<p><b>EN3 EN4</b></p> <p><b>P12</b> 3.2 / Key figures / Climate and environment</p>	<p><b>EN5 EN6 EN7</b></p> <p><b>P66</b> 7.3 / Recent achievements.</p>	<p><b>Aspect:</b> Water</p> <p>→</p>	<p><b>EN8 EN9 EN10</b></p> <p>Not material</p>	
<p><b>EN13 EN14</b></p> <p><b>P74</b> 7.4 / Offsetting.</p>	<p><b>EN15</b></p> <p>Not material.</p>	<p><b>Aspect:</b> Air emissions, effluents and waste</p> <p>→</p>	<p><b>EN16 EN17</b></p> <p><b>P12</b> 3.2 / Key figures / Climate and environment</p>	<p><b>EN18</b></p> <p><b>P66</b> 7.3 / Recent achievements.</p>	<p><b>EN19 EN20</b></p> <p>Not available.</p>
<p><b>EN23</b></p> <p>Not material.</p>	<p><b>EN24</b></p> <p>Not available.</p>	<p><b>EN25</b></p> <p>Not material.</p>	<p><b>Aspect:</b> Products and services</p> <p>→</p>	<p><b>EN26</b></p> <p><b>P74</b> 7.4 / Offsetting.</p>	<p><b>EN27</b></p> <p><b>P71</b> 7.3.5 / Waste reduction and processing.</p>
<p><b>Aspect:</b> Transport</p> <p>→</p>	<p><b>EN29</b></p> <p><b>P12</b> 3.2 / Key figures / Climate and environment</p>	<p><b>Aspect:</b> Overall</p> <p>→</p>	<p><b>EN30</b></p> <p>Not available.</p>		





<b>Labor Practices and Decent Work</b>	Aspect: Employment	<b>LA1 LA2</b> <b>P39</b> 5.2.2 / Attracting and retaining talent.
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<b>LA9</b> <b>P42</b> 5.2.4 / Sustainable human resources policy / Dialogue with social partners.	Aspect: Training and education
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<b>Human rights</b>	Aspect: Investment and procurement practices	<b>HR1</b> <b>Not available.</b>
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Aspect: Child labor	<b>HR6</b> <b>Not available.</b>
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<b>Social performance indicators</b>	Aspect: Community	<b>S01</b> <b>P31</b> 4.5 / Protection of children. <b>P48</b> 5.4.2 / Customer service.
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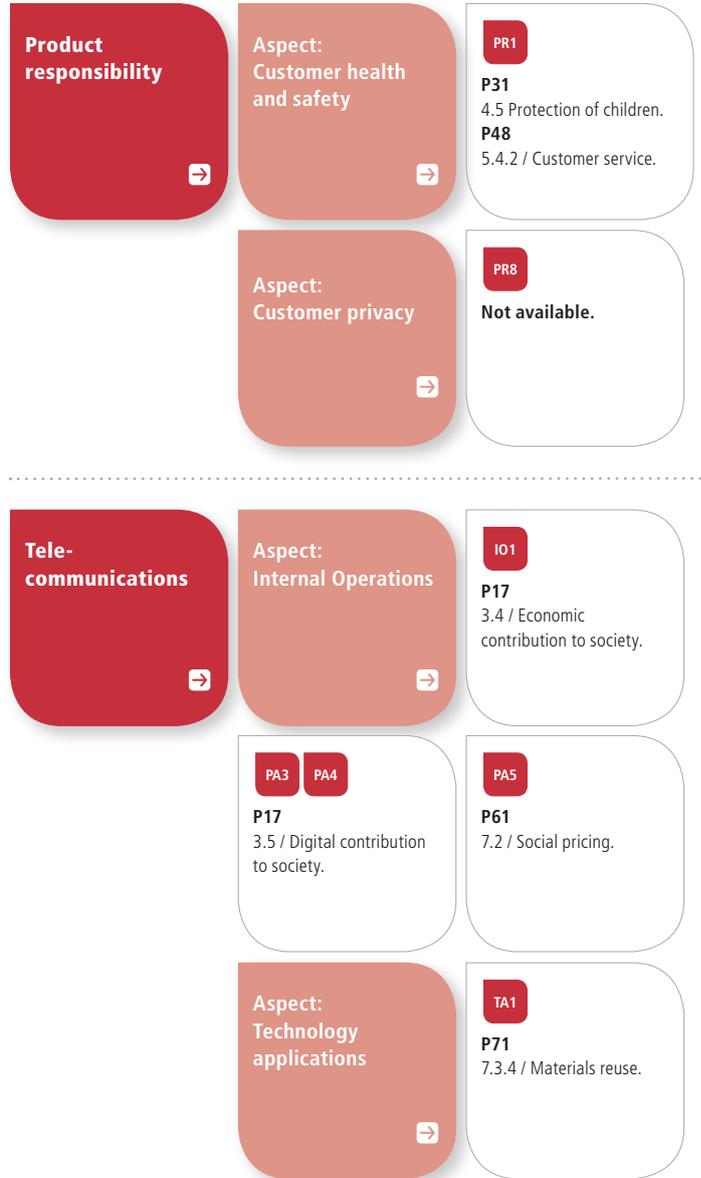
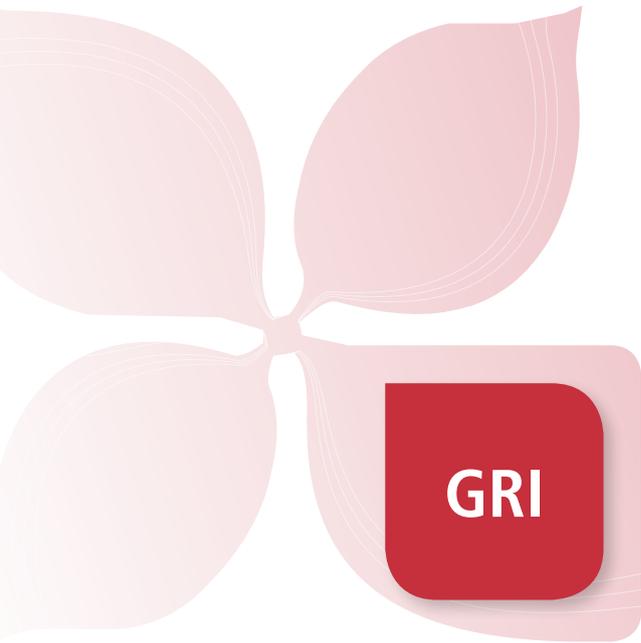
Aspect: Anti-competitive behavior	<b>S07</b> <b>Not available.</b>
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<p><b>LA3</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy / Fair pay.</p>	<p><b>Aspect:</b> Labor / management relations</p>	<p><b>LA4</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy /100%.</p>	<p><b>LA5</b></p> <p><b>Not available.</b></p>	<p><b>Aspect:</b> Occupational health and safety</p>	<p><b>LA6 LA7 LA8</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy / Well-being at work.</p>
<p><b>LA10 LA11 LA12</b></p> <p><b>P40</b> 5.2.3 / Training, development and performance management.</p>	<p><b>Aspect:</b> Diversity and equal opportunity</p>	<p><b>LA13</b></p> <p><b>P41</b> 5.2.4 / Sustainable human resources policy /Diversity.</p>	<p><b>LA14</b></p> <p><b>Not available.</b></p>		

<p><b>HR2</b></p> <p><b>P46</b> 5.3 / Suppliers.</p>	<p><b>HR3</b></p> <p><b>P50</b> 5.4.2 / Customer service / Privacy and protection.</p>	<p><b>Aspect:</b> Non-discrimination</p>	<p><b>HR4</b></p> <p><b>P28</b> 4.4.1 / Code of Conduct</p>	<p><b>Aspect:</b> Freedom of association and collective bargaining</p>	<p><b>HR5</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy / Dialogue with social partners.</p>
<p><b>Aspect:</b> Forced and compulsory labor</p>	<p><b>HR7</b></p> <p><b>Not available.</b></p>	<p><b>Aspect:</b> Security practices</p>	<p><b>HR8</b></p> <p>Three well trained prevention advisors.</p>	<p><b>Aspect:</b> Indigenous rights</p>	<p><b>HR9</b></p> <p><b>Not material.</b></p>

<p><b>Aspect:</b> Corruption</p>	<p><b>S02</b></p> <p><b>Not available.</b></p>	<p><b>S03 S04</b></p> <p><b>P28</b> 4.4.1 / Code of Conduct</p>	<p><b>Aspect:</b> Public policy</p>	<p><b>S05</b></p> <p><b>P52</b> 5.5 / Policymakers</p>	<p><b>S06</b></p> <p><b>Not available.</b></p>
<p><b>Aspect:</b> Compliance</p>	<p><b>S08</b></p> <p><b>Not available.</b></p>				

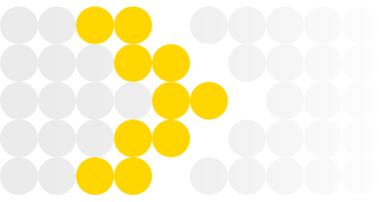




<p><b>PR2</b></p> <p>Not available.</p>	<p><b>Aspect:</b> Product and service labelling</p>	<p><b>PR3 PR4</b></p> <p>Not available.</p>	<p><b>PR5</b></p> <p><b>P47</b> 5.4.1 / Customer loyalty</p>	<p><b>Aspect:</b> Marketing communications</p>	<p><b>PR6 PR7</b></p> <p><b>P29</b> 4.4.4 / Ethical code for advertising.</p>
<p><b>Aspect:</b> Compliance</p>	<p><b>PR9</b></p> <p>Not available.</p>				

<p><b>IO2</b></p> <p>Not available.</p>	<p><b>IO3</b></p> <p><b>P42</b> 5.2.4 / Sustainable human resources policy / Well-being at work.</p>	<p><b>IO4 IO5 IO6 IO7 IO8</b></p> <p>Not available.</p>	<p><b>Aspect:</b> Providing Access</p>	<p><b>PA1</b></p> <p>Not available.</p>	<p><b>PA2</b></p> <p><b>P17</b> 3.5 / Digital contribution to society. <b>P56</b> 6.1 / Telenet Foundation.</p>
<p><b>PA6</b></p> <p><b>P56</b> 6.1 / Telenet Foundation.</p>	<p><b>PA7</b></p> <p><b>P48</b> 5.4.2 / Customer service.</p>	<p><b>PA8 PA9</b></p> <p>Not available.</p>	<p><b>PA10</b></p> <p><b>ANNUAL REPORT 2011</b> P 48 / 5 / Products and Activities.</p>	<p><b>PA11</b></p> <p><b>P31</b> 4.5 Protection of children. <b>P48</b> 5.4.2 / Customer service.</p>	
<p><b>TA2 TA3 TA4</b></p> <p><b>P78</b> 8 / The future   Digital Wave 2015.</p>	<p><b>TA5</b></p> <p><b>P48</b> 5.4.2 / Customer service.</p>				





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