

COMMUNICATION ON ENGAGEMENT

Brussels, 27 January 2016

To our stakeholders:

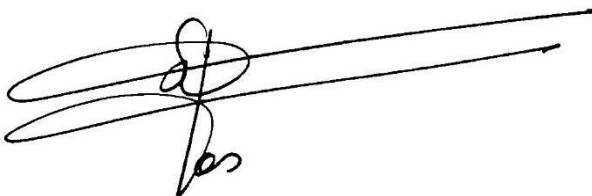
I am pleased to confirm that the **European Telecommunications Network Operators' Association** (ETNO) reaffirms its support to the United Nations Global Compact and its Ten Principles in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This is our Communication on Engagement with the United Nations Global Compact. We welcome feedback on its contents.

In this Communication of Engagement, we describe the actions that our Association has taken to support the UN Global Compact and its Principles as suggested for an Association like ours. We also commit to sharing this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Steven Tas, Chairman of the ETNO Executive Board

A handwritten signature in black ink, consisting of a stylized 'S' and 'T' followed by a horizontal line and a small flourish.

1. Introduction

This is the first Communication on Engagement with the UN Global Compact that the European Telecommunications Network Operators' Association releases since it joined the Global Compact in 2004. This document provides a brief overview of ETNO's sustainability commitments and achievements. More detailed information can be found on the Association's web site, www.etno.eu.

2. About ETNO

Based in Brussels, ETNO has been the voice of Europe's telecommunication network operators since 1992 and has become the principal policy group for European electronic communications network operators. Its 41 members and observers from Europe and beyond are the backbone of Europe's digital progress. They are the main drivers of broadband and are committed to its continual growth in Europe.

ETNO members are pan-European operators that also hold new entrant positions outside their national markets. ETNO brings together the main investors in innovative and high-quality e-communications platforms and services, representing 60% of total sector investment.

ETNO closely contributes to shaping the best regulatory and commercial environment for its members to continue rolling out innovative and high quality services and platforms for the benefit of European consumers and businesses.

3. ETNO's commitment to Sustainability and to Global Compact Principles

ETNO does not only represent the above however. The Ten Principles of the Global Compact are embedded in the way ETNO member companies operate worldwide, be they Global Compact participants or not.

ETNO has a long history of commitment to sustainability: the Association launched the voluntary Environmental Charter of European Telecom Operators in 1996. The Charter is made up of a set of commitments on environmental protection and responsible use of natural resources and is also a commitment to investigate the role of telecommunication in driving environmental sustainability. In 2004 – the year when ETNO joined the Global Compact - the scope of the Charter was broadened and additional social commitments were included. Finally, in 2012 the Association launched its Corporate Responsibility Charter (see section 5). The Charter reflects most of the Ten Principles and all ETNO members and non-members are invited to subscribe to its commitments.

ETNO member companies are convinced of the importance of decoupling economic growth from the use of natural resources and, in particular, of the need to reduce pollution, manage energy effectively and contribute to the global fight against climate change. They are convinced that high health and safety standards in the workplace, fair treatment, respect of human rights, proper work-life balance and the creation of opportunities for professional growth are basic pre-requisites that can enhance the well-being and productivity of their workforce. They aim to ensure that such principles be applied globally across the whole value chain.

ETNO continuously monitors the performance of its members against Charter commitments: this is testified by the Environmental/Sustainability reports published on a regular basis. These can be found on the public web site of the Association together

with an update on the sustainability related activities in which ETNO and its members are engaged. Such activities are coordinated by the Corporate Responsibility Working Group together with its associated task forces on Energy Efficiency and Online Child Protection.

(see <https://www.etno.eu/home/working-groups/corporate-responsibility>).

ETNO was one of the founding members - and is still an active member - of the *Global e-Sustainability Initiative* (GeSI, www.gesi.org), having a seat on the Board of Directors. Created in 2001, GeSI is a strategic partnership which brings together international organisations and companies active in the ICT sector that are committed to creating and promoting technologies and practices that foster economic, environmental and social sustainability, while driving economic growth and productivity. Currently GeSI's activities are particularly focused on enhancing and promoting the contribution of the ICT sector to reducing global GHG emissions - in line with the COP21 agreement, investigating ways and developing tools to guarantee and assess the respect of human rights across the ICT value chain, and developing methodologies and tools to assess ICT product and service sustainability.

In view of COP 21 ETNO released its Climate Change Report, which was officially launched together with the GeSI SMARTer2030 study at a joint event. The event - "*Driving our sustainable future through ICT*" - took place on the 28 October 2015 in Brussels. It analysed the role of Information and Communication Technologies in enabling greenhouse gas reductions and resilience building across all sectors, with insights into how current markets will change, and what new services will be needed. Leading experts and decision-makers discussed the environmental and societal benefits of ICT-based solutions as well as their market potential against the backdrop of the global deal on climate action at the UN climate conference (COP21) in Paris at the end of the year.

4. Actions in support of the Global Compact

ETNO continuously promotes the Ten Global Compact Principles together with the Association's Corporate Responsibility Charter, which is practically aligned, to both its membership and within its sphere of influence.

The results achieved as a consequence of these awareness raising activities cannot be quantified as such, but can be assessed by looking at the improvement of each ETNO member company's sustainability performance over the years, which is testified by the facts and figures that can be found in the sustainability sections of these companies' annual reports or in their specific social/environmental/sustainability reports.

Currently **68%** of ETNO member companies have joined the Global Compact; **16** of them since 2004, when ETNO also joined, and **3** over the past two years (2014 and 2015). This demonstrates both the value that ETNO members attribute to the Ten Principles and the awareness that the Association has been able to raise among its membership.

ETNO is firmly committed to further promoting the Ten Principles within its own sphere of influence, and to encourage its member companies to do the same.

5. The Corporate Responsibility Charter of the European Telecommunications Network Operators' Association

About us

This Charter is an initiative of the European Telecommunications Network Operators' Association, and is aimed at responsible companies operating in the ICT sector in Europe. It represents the natural evolution of the former Environmental Charter launched in 1996 and Sustainability Charter launched in 2004.

Collectively, our companies' combined turnover represents a significant proportion of European trade, which offers a unique opportunity for ETNO member companies and the signatories of this Charter in general to co-operate actively with policy-makers and Governments to make a real difference. Indeed, our CR activities can offer a significant contribution to sustainable development.

Our Vision

Sustainable development is a global strategic goal, which seeks to achieve economic growth and promote a fair and just society while preserving the natural environment and the world's scarce, non-renewable resources for future generations. It is our belief that given our position and our impact on the economy, society and technology, we can play an important role in making this happen. Corporate Responsibility also needs to be understood in the context of sustainable development:

- Corporate Responsibility is the business contribution to making sustainable development happen, through the proactive management of a company's environmental, social and economic impact;
- this Charter embodies our commitment to sustainable development via a sustainable provision of ICT based solutions with significant environmental, social and economic benefits. We maintain a particular focus on enabling the reduction of the environmental impact of other industry sectors and society at large and on improving citizens' quality of life;
- a determined effort to integrate our business activities in our environmental, social, and economic responsibility by minimising, where practicable, any negative impact these activities may have.

Our Approach

We believe, as do our customers, employees, shareholders and governments, that today's world demands close attention to business principles and ethics, employee relations, the respect of human rights, environmental management, community investment and general working conditions, within a company and regarding its upstream suppliers and business partners.

Collectively, these activities form the basis for Corporate Responsibility (CR). Embracing CR demands commitment to continuous improvement and regular performance assessment. Thus, our reports will offer stakeholders a means to judge how effective our improvement programmes have been. Moreover, the spread and reach of telecommunications across contemporary society imposes on us, as responsible corporate citizens, the social obligation to demonstrate transparently that this commitment is reflected in the way we plan and run our businesses.

Our Pledge

We, as Charter signatories, whether individually or collectively, are committed to continuous improvement and the sharing of best practices via action in the following areas:

1. e-INCLUSION

To identify and deploy actions aiming at the achievement of an inclusive information society, contributing to enhancing digital competence and e-accessibility in order to enable all to benefit from the opportunities created by the internet and digital technologies.

2. AWARENESS AND TRAINING

To acknowledge all the relevant environmental, social and economic impacts of our products and services, whether positive or negative; and to contribute to the global efforts aiming to assess such impacts, with a particular focus on their GHG emission reduction potential. We will build CR aspects into company communications and training programmes.

3. REGULATORY COMPLIANCE

To achieve full compliance with all relevant legal requirements and, where appropriate, to exceed them.

4. RESEARCH AND DEVELOPMENT

To support research and development so that new telecommunication products and services are as economically and ecologically sustainable as possible.

5. RESOURCE EFFICIENCY

To implement efficient management of resources, energy use, waste, emissions reductions. Particular attention will be given to implementing solutions that help reduce GHG emissions and material use.

6. SUSTAINABLE SUPPLY CHAIN MANAGEMENT

To implement sustainable and transparent procurement practices, identifying the corporate responsibility risks across the supply chain, and in close cooperation with suppliers, applying proper solutions, aiming in particular to observe respect of human rights, to improve labour standards and to reduce product and process environmental footprints.

7. ACCOUNTABILITY

To make available to all stakeholders' material data, case-study examples and information about our environmental, social and economic performance, as accountability and transparency are key elements of CR. To maintain an inclusive approach to stakeholder relationships in order to reflect their aspirations and needs in our business activities.

8. COOPERATION

To co-operate constructively with governments, customers, industry partners, civil society and international organisations when investigating, developing and promoting the benefits that information and communications technologies generate for sustainable development.

9. MANAGEMENT SYSTEMS

To offer a statement of business principles, an environmental policy, the appointment of a management board member with specific CR responsibilities, and a manager(s) with

designated responsibility for co-ordinating programmes of continuous improvement. To implement management systems that support development of appropriate and well-structured programmes on environmental protection, labour conditions, occupational health and safety and social accountability.

10. EMPLOYEE RELATIONS

To create work environments that promote work-life balance, professional development, diversity, health and safety, proper labour standards and observation of human rights and to maintain a highly motivated and productive workforce.

11. CUSTOMER SAFETY AND SECURITY

To investigate, identify and adopt proper measures that combat and prevent safety and security threats to which customers may be exposed irrespective of the services and platforms used, with particular attention to the protection of children and young generations.

12. HUMAN RIGHTS

In general, to support and respect the protection of internationally proclaimed human rights, and to refer to guiding principles like those developed within the UN "Protect, Respect and Remedy" Framework for Business and Human Rights.

13. CORPORATE GOVERNANCE

To adopt a proper and effective Corporate Governance model in order to guarantee transparency, accountability and conformity to laws and regulations and to preserve company's integrity and reputation while ensuring prosperity to the company itself and its stakeholders.