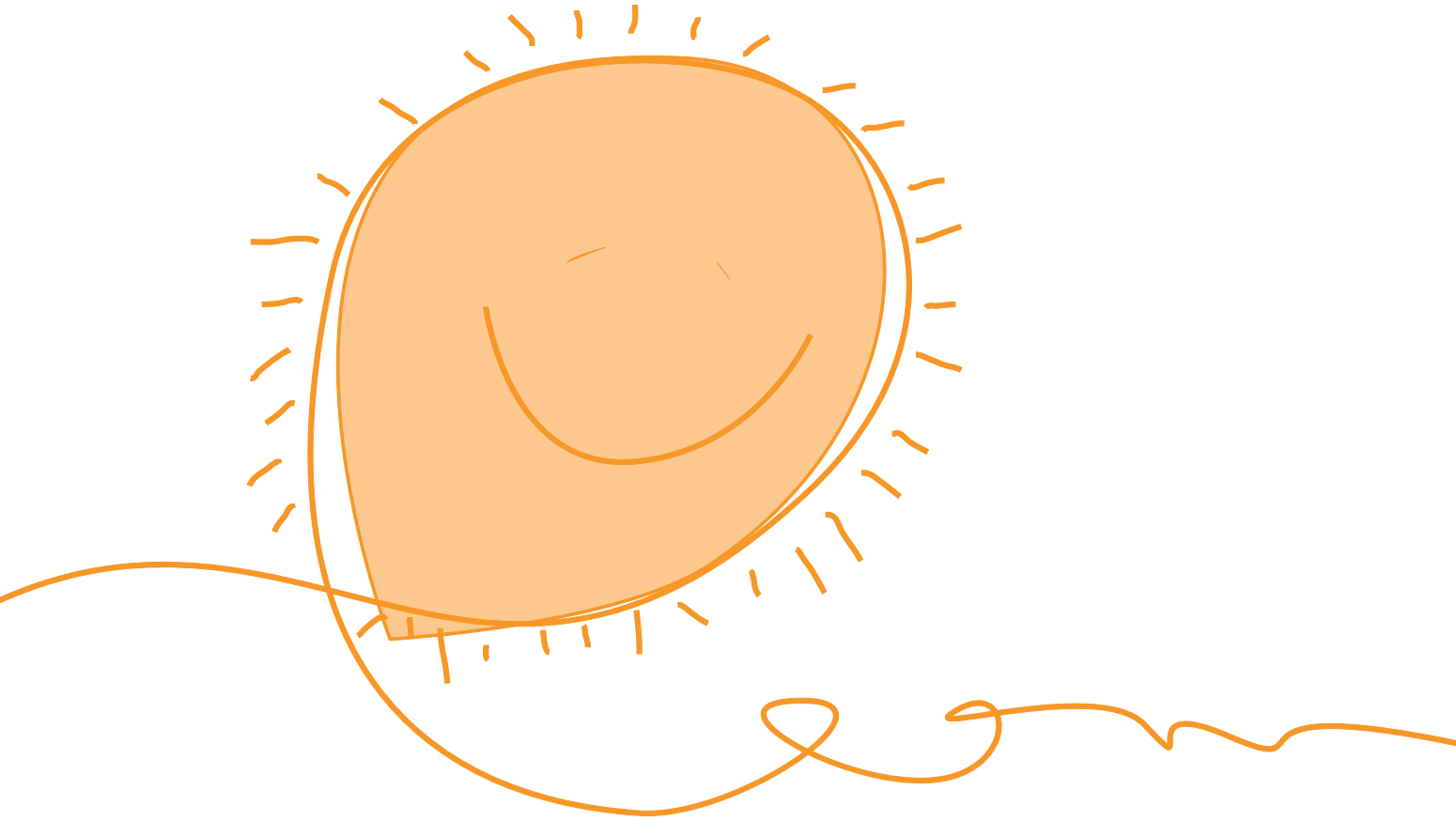
Corporate Social Responsibility Report

Orange Polska 2011

orange™



Corporate Social Responsibility Report

Orange Polska 2011

Orange Polska has been carrying out a number of Corporate Social Responsibility (CSR) initiatives for a long time. Still, plenty of your stakeholders are not aware of them. Do you intend to intensify your CSR communications?

In 2011 we published a CSR Report, which summarised our social responsibility initiatives in the years 2007 to 2010. In addition, we launched the www.orange-csr.pl website as well as a special CSR website for our employees. The current CSR Report, reviewing the year 2011, is a further proof that we make our best efforts to communicate our social responsibility.

Our commitment: Information on corporate social responsibility will be accessible from the home page of the www.orange.pl portal.

LEGEND

Our stakeholders ask

We answer

We commit ourselves

Dear Sirs,

We want our company to grow respecting the needs of our social environment. Therefore, we have incorporated the concept of corporate social responsibility not only into our strategy, but also our everyday business practice.

As Orange Polska we strive to ensure that everybody has access to the achievements of the digital revolution, understands its benefits and is able to use modern technologies safely on a daily basis. As part of building the information society, we not only develop the necessary infrastructure, but also undertake educational initiatives. At the same time we continue to enhance and provide innovative and safe solutions for those who reach for the new technologies for the first time, particularly the youngest net users. We also do not forget about elderly or handicapped people, whom we want to provide with convenient to use services, quality portfolio and education in the field of new technologies.

Orange Polska's business standards include environmental care. As a communication service provider we promote electronic forms of payment, while internally we introduce improvements reduce our impact on the climate.

Our employees are the key to our success. Therefore, we take every effort to provide them with the optimum conditions of work and development. One of the initiatives to further this goal is the Diversity Charter, which Orange Polska together with the Responsible Business Forum and representatives of other companies has introduced in Poland. We believe that this initiative, which supports the equal opportunities and diversity policy, will help us to improve our organisation and inspire others to implement the world's top standards in this respect.

In order to meet these social challenges we need to know the environment in which we operate, particularly its needs and expectations. The best tool to achieve this goal is a dialogue with our partners, both inside and outside the organisation. This is why we have made a dialogue with our stakeholders a major element of our approach to CSR management, as evidenced also by this Report, which responds to the expectations communicated to Orange Polska. In the Report we present our understanding of the concept of corporate social responsibility and demonstrate how we implement it in our business practice, as well as share our plans for the future.

We also remain open to your proposals or suggestions as to what else we can do to become an even more socially responsible company. Thus, I consider the Orange Polska CSR Report 2011 to be both a summary of our activities hitherto and an invitation to discuss the social responsibilities of our company.

Today changes with Orange.

Maciej Witucki

President and CEO of Orange Polska

contents

1. Innovative Thinking – Innovative Management

Orange Polska 10
Vision 13
Corporate Social Responsibility in Orange Polska 14
Ethics 16
Corporate Governance and Risk Management 17
Dialogue with Stakeholders 20

Role of the Telecommunications Industry in the Socio-economic Context 24

2. Building Information Society

Providing Infrastructure 28
Combating Digital Exclusion 30

3. Knowledge/Innovation and the Environment

Innovativeness in Orange Polska 40
Orange Polska for the Environment 42
Ecology in Orange Polska 45

4. Response to Customer and Market Expectations

Learning Customer Expectations 54
Quality Service 55
Quality Portfolio 59
Responsible Communication 60
Safety 64
Partner in Business 71

5. Workplace

Equal Treatment for Employees 76
Training and Development 80
Work-life Balance 84
Care and Safety 86
Listening to Employees' Opinions 88

6. Social Commitment

Orange Foundation 94
In our Regions 98
Corporate Volunteering 101
Other Social Initiatives 104

Methodological Note 106
Our Report 108
Independent Assurance Report 109
Glossary 110
GRI Index 114

1. Innovative thinking – innovative management

Orange Polska

Orange Polska*, formerly TP Group, is the largest telecommunications group in Central Europe. Its main members are Telekomunikacja Polska S.A. (TP S.A.), PTK Centertel Sp. z o.o. (PTK Centertel), Orange Customer Service Sp. z o.o. (OCS) and Wirtualna Polska S.A. (WP). We offer several hundred services and comprehensive telecommunication solutions to residential and business customers. We provide millions of Poles with access to the world of modern multimedia, voice, internet and digital television services.

The global Orange brand operates in 35 countries and has a customer base of 145 million people. It has been present in Poland for six years, serving 14.7 million customers. It offers voice, broadband and mobile TV services as well as access to an informational portal and musical content.

PTK Centertel, the Orange network operator, is the leader in Poland's mobile market. Its services were used by over 14.7 million customers in 2011. The company offers products providing customers with much more than telephone, particularly navigation, mobile TV and broadband services. PTK Centertel has been intensively expanding the coverage of its 3G network, including Poland's fastest HSPA+ DC technology, which offers wireless data transmission at speeds up to 42 Mbps.

Orange is one of the most recognisable and the most trusted telecommunication brands in Europe. Despite relatively short presence in Poland, it is recognised by over 90% of Poles. The brand is perceived as dynamic, innovative and trustworthy. Polish consumers give it very high ratings in terms of choice and quality of the mobile services and solutions offered.

Telekomunikacja Polska is the leader in Poland's fixed line voice and broadband market. The retail and wholesale services on its network were used by over 5.6 million telephone users and 2.4 million broadband users in 2011. As a business-to-business partner, it provides services to 900,000 companies. It has the most extensive business portfolio among all telecom operators in Poland.

In addition, in a bundle with broadband, we offer digital TV plus video-on-demand with a catalogue of over 1,000 films.

In 2011, the company extended its portfolio to include ultra fast VDSL broadband access at speeds of up to 80 Mbps. In the same year it signed a long-term co-operation agreement with the TVN Group. Pursuant to the agreement, TP S.A. is to provide broadband and other telecommunication services to the existing and prospective customers of the "n" satellite TV platform, while TVN has become TP S.A.'s main partner in terms of content. TP S.A. has been also a co-producer of a dozen or so films and operates its own TV channel, Orange Sport.

Shareholder structure of TP S.A.

as of 31 December 2011

France Telecom S.A.	**49,79%**
Capital Group International, Inc.*	**5,06%**
Other shareholders	**44,3%**
TP S.A. (treasury shares)**	**0,85%**

* The number of shares as of 15 October 2010 based on information provided by Capital Group International, Inc.

** In April 2012, TP Group decided to rebrand; consequently, it is referred as Orange Polska in this Report.

Orange Customer Service was established on 1 October 2010 as a result of integration of the customer service functions of Telekomunikacja Polska and PTK Centertel (the Orange network operator) in order to get the best from the potential and experience of both the companies. OCS employs over 5,000 people and operates nationwide. It provides comprehensive customer service for both residential and business customers of TP S.A. and PTK Centertel.

Another member company of the Orange Polska is Wirtualna Polska (WP), which was established in 1995 as Poland's first internet portal. WP is a comprehensive multimedia platform for information and communication, as well as an effective advertising tool. The portal, co-developed by its users, is one of the most frequently visited and best recognised sites on the internet in Poland. Currently, WP.PL offers around 200 specialised topical services.

For the detailed data on the structure of Orange Polska please www.orange.pl/ dla inwestorów

In the fourth quarter of 2011, Orange Polska's market shares by volume in different segments of Poland's telecommunication market were as follows*:

65,9%	in the fixed-line voice market
40,3%	in the broadband market
30,2%	in the mobile market

* Based on the company's own data.

Scale of operations: highlights* – Selected financial data of Orange Polska (in PLN mn)

	2010	2011
Revenue	15 715	14 922
Net operating costs, including	(14 807)	(12 705)**
– Labour expenses	(2 218)	(2 031)
Operating income	908	2 217
Income tax	(341)	133
Consolidated net income	108	1 918
Dividends and share buy-back	(2 003)	(2 203)
Total equity	14 634	14 334
Total assets	28 873	28 219
Total non-current liabilities	6 094	5 765
Weighted average number of shares (in millions) (basic and diluted)	1 336	1 334
Earnings per share (in PLN) (basic and diluted)	0,08	1,44
Investments in communities (donations)	23,5	13,4
Number of employees	25 636	23 805

* Data according to Orange Polska's annual financial statements, except for information on donations, which has been derived from the company's internal reports.

** Including income on sales of TP Emitel, amounting to PLN 1,183 mln.

Fixed line voice (in PLN mn)

	2010	2011
Revenue from fixed line voice services of which:	5 157	4 569
Subscriptions and voice traffic revenue	4 033	3 419
Interconnect	1 109	1 139
Other	15	11
Number of fixed lines, '000 (excl. WLR and VoIP; at the end of the reporting period)	6 346	5 623

Fixed line data (in PLN mn)

	2010	2011
Revenue from data services of which:	2 542	2 433
Broadband and TV	1 569	1 520
Data services	691	642
Leased lines	291	269
Other	5	2
Number of retail customers (at the end of the reporting period)	2 286	2 346

Mobile (in PLN mn)

	2010	2011
Revenue, of which:	7 711	7 706
Retail	6 112	6 265
Wholesale	1 599	1 441
Number of customers (at the end of the reporting period)	14 332	14 658

Vision

We strive to make Orange the telecommunication brand of choice. Our goal is to democratise the digital revolution. What others present only as technologies we want to be comprehensible, plain and human-friendly as much as possible. We want to show how our products and services, together with our people, change the everyday life of our customers to the better.

Orange core values

friendly
We treat everyone as individual and dedicate time for listening.
We look forward to working together and sharing successes.

honest
We are talking about what we intend to do and we do what we have promised.
We have nothing to hide, we are responsible for our actions.
We are always transparent and honest.

direct
We always try to speak in a manner understandable to everyone.
We are clear in our statements.

inspiring
Every time we try to view the world from a different perspective, to select the best manner of action. With us everything gains colour. We are ready to go beyond the boundaries and take risk.

dynamic
We are passionate about what we do and what we believe.
We want to actively change people's lives. Our optimism is contagious.

Corporate Social Responsibility in Orange Polska

Corporate social responsibility is a long-term management strategy that we use in our company and a way of improving our competitive advantage on the market. It is a process of constant pursuit of perfection in meeting the present and future challenges. For us, CSR is a way of doing business.

For several years we have been successfully implementing a policy of corporate business responsibility in all areas of our business. For six years we have been a partner of the Responsible Business Forum. When accepting a company as its partner, the Forum takes into consideration positive examples of business practices as well as company's willingness and readiness to implement rules of responsible business in its activity and to disseminate them in Poland.

In 2006, we committed ourselves to the Global Compact principles as the first Polish telecommunication company among its participants. Global Compact is the world's largest initiative for corporate responsibility and sustainable development. It is an appeal to businesses to align their operations with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

We want social business responsibility to become part of our everyday business practice and plans for the future. Therefore, we have developed a CSR strategy, which accounts for social challenges faced by our company and the whole industry and is listed among the company's strategic goals.

Our CSR strategic goals are as follows:

- to be an active player in building the information society
- to provide safe products, services and technologies
- to be an innovator providing tools to build the "low carbon society"
- to be a reliable partner in an ethical supply chain
- to provide high quality services and customer service standards
- to be a good employer
- to maintain high awareness of the company's social initiatives and voluntary work programmes
- to reduce the company's negative impact on the natural environment (other than climate).

In order to achieve these goals, we strive for:

- strengthening the formal mechanism of dialogue with our stakeholders
- supporting the management mechanisms that build Orange Polska's position as the CSR leader

The development and implementation of the company's CSR strategy are a responsibility of the CSR Steering Committee, which is composed of managers responsible for different areas within the organisation.

The Committee's main task is to manage the CSR policy in Orange Polska by approving long-term plans, co-ordinating and supervising the CSR strategy, aligning it with the company's business goals and monitoring the implementation of the approved initiatives and projects. On a daily basis CSR activities are handled by the Corporate Analysis and CSR Division, which is positioned within the structures of the Management Board Office. The team also collaborates with CSR specialists from the France Telecom Orange Group.

Promoting CSR ideas.

We actively participate in a debate about CSR in Poland and readily share our experience and good practices with others. As a partner of the Responsible Business Forum we regularly participate in its task forces which develop informational and educational materials on important social issues, such as diversity, ethics and community involvement.

For five years we have been a partner of the Responsible Business League, a programme for disseminating CSR knowledge among students of Polish universities.

We have also initiated the "Coalition for Responsible Business" project, which is managed by the Employers of Poland and partner companies. The main task of the Coalition is to support companies in the implementation of CSR principles by developing and disseminating useful tools and standards. Together, we have developed the Responsible Business Code, a set of rules for responsible companies, as well as a guide with practical guidelines for CSR strategy implementation in six industries: information and communications technology, fuel and power industry, pharmaceutical industry, finance, construction and FMCG. The project has involved an opinion poll of company employees and business environment representatives from selected industries, including telecommunications, as well as the "Responsible Business Leaders" competition. We also participate in working groups of the CSR Team established by the Chairman of the Council of Ministers.

Our successes in 2011:

- Our CSR Report 2007-2010 received an award of distinction in the CSR Reports 2011 competition organised by the Responsible Business Forum, CSR Consulting and PwC. We were recognised for a comprehensive approach to dialogue with stakeholders.
- We were awarded the Leader of Philanthropy title for a company which in 2010 donated the highest share of its revenue for social purposes and a company which donated the highest amount for social purposes. We were also granted a special award by the Donors Forum for long and continuos support for community initiatives.
- In a competition organised by the Academy for the Development of Philanthropy we were nominated for the Benefactor of the Year award in the employee voluntary work programme category.
- TP S.A. was positively verified and for the fourth time included in the Respect Index of socially responsible companies on Warsaw Stock Exchange.
- We received an award of distinction in the Leader of Human Resources Management competition held by the Institute of Labour and Social Studies.
- The CRF Institute granted us the Top Employer certificate based on thorough market assessment, which is developed in conjunction with the leading HR partners.

- We won the first place in the "Employee for Engineers" poll organised by BEST, a student association of the Warsaw University of Technology.
- In the 5th ranking list of responsible companies prepared by Gazeta Prawna daily, Leon Koźmiński Academy and the Responsible Business Forum, we were ranked third among all the companies surveyed and first among companies in the telecommunications, technology, media and entertainment industries.
- Based on the relevant survey, the Management Observatory Foundation granted the Customer-Friendly Company certificate to us.
- We were among the companies nominated by IR Magazine for the Best Investor Relations by a Polish Company award.

Ethics

"In our activity we follow plain and commonly accepted values. They are fundamental for our work as well as the company's image and relationships that we build with customers, employees, shareholders and local communities. Our values constitute the basis for all decisions we make. We attempt to act in a modern, dynamic and friendly manner and assure the transparency and integrity of our actions. (…) We want to enjoy a reputation of a reliable company which cares for the needs of both current and future generations."

Orange Polska's Code of Ethics

Our Code of Ethics indicates the standards and values which are core for Orange, contributing to the performance of our business tasks and building good relations with our business environment. It also describes the attitudes and conduct which are most expected by our shareholders, customers and business partners.

The Code rules are consistent with fundamental standards, such as the Universal Declaration of Human Rights or the recommendations of the International Labour Organization. We also meet the anti-corruption guidelines of the Organization for the Economic Cooperation and Development. An e-learning course in "Business ethics" is mandatory in our company. So far it has been completed by 96% of Orange Polska's employees (TP S.A.: 96.4% or 7,824 hrs; PTK Centertel: 89.1% or 1,146 hrs; OCS: 97.3% or 3,927 hrs).

The course concerns human rights and equal treatment, particularly issues of discrimination, corruption and conflict of interests. Both company's employees and outsource personnel are covered by training. In addition, our employees can attend a special training course in corporate social responsibility, which also presents some issues related to business ethics. In 2011, anti-corruption training was held for 39 people (Management Board members and top managers), totalling 156 hours.

Adherence to ethical standards is scrutinised by the Ethics Committee. The Committee submits annual reports to the President of Orange Polska and the Audit Committee of the TP S.A. Supervisory Board, and annual reviews to all employees of the company. In addition, there are Ethics Advisors in regional branches of Orange Polska.

Any employee who has learnt of any unethical behaviour, fraud, abuse or another action detrimental to the company shall notify their immediate superior or, if it is not possible, their higher-level superior. When this is impossible as well, they should contact the Ethics Advisor, using the generally available email address * zapytaj_etyka (ask an ethicist), or the Ethics Committee. Violation of ethics rules may also be reported to the Chairman of the Audit Committee of the TP S.A. Supervisory Board.

The company has also implemented a system for anonymous reporting of unethical behaviour (whistleblowing).

The emails sent to * zapytaj_etyka are confidential. Any employee reporting an ethical problem cannot be subjected to any threats or discrimination either during or after the problem investigation. This is guaranteed by the Ethics Committee. Full confidentiality is observed in all investigations.

Corporate Governance and Risk Management

The Company, as an issuer of securities listed on the Warsaw Stock Exchange (WSE), is obliged to comply with the corporate governance practices set out in the Code of Best Practice for WSE Listed Companies, which is available at http://corp-gov.gpw.pl. Orange Polska has developed an internal control and risk management system with respect to the process of development of standalone and consolidated financial statements. The system of internal control and risk management has been designed and implemented by the Management Board to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Further information about the internal control and risk management systems has been provided in the TP S.A. Management Board's Report on the company's activity in 2011.

TP S.A. convenes and holds Shareholders Meetings in accordance with the Polish Commercial Companies Code and best practices in shareholder communications. Shareholders are encouraged to take part in the Meeting, whether in person or by proxy. Our shareholders have the opportunity to communicate recommendations and suggestions to the supreme governance body of the company. Pursuant to the Polish Commercial Companies Code (article 401), shareholders holding at least 5% of the shares may submit draft resolutions, which is reflected in the TP S.A. Shareholders Meeting By-laws.

The duties and responsibilities as well as the requirements for qualifications and experience of the Supervisory Board members are specified in the Articles of Association. The document, which details the Supervisory Board's functions, is available at www.orange.pl/dlainwestorow/corporate-governance.

Members of the Supervisory Board*

1) Prof. Andrzej K. Koźmiński – Chairman and Independent Board Member
2) Benoît Scheen – Deputy Chairman and Chairman of the Strategy Committee
3) Nathalie Clere – Board Member and Secretary
4) Timothy Boatman – Independent Board Member and Chairman of the Audit Committee
5) Thierry Bonhomme – Board Member
6) Jacques Champeaux – Board Member
7) Dr. Mirosław Gronicki – Independent Board Member
8) Marie-Christine Lambert – Board Member
9) Pierre Louette – Board Member
10) Prof. Jerzy Rajski – Independent Board Member
11) Gérard Ries – Board Member
12) Dr. Wiesław Rozłucki – Independent Board Member

* Composition on 31 December 2011. The current composition of the Supervisory Board is available at www.orange.pl/dlainwestorow.

As of 31 December 2011, TP S.A. had five independent members in the Supervisory Board, namely: Prof. Andrzej K. Koźmiński, Timothy Boatman, Dr. Mirosław Gronicki, Prof. Jerzy Rajski and Dr. Wiesław Rozłucki. The information about changes in the composition of the Supervisory Board in the period covered by this report is available at www.orange.pl/dlainwestorow.

The matters related to the avoidance of the conflict of interests by members of the Supervisory Board are regulated by the Supervisory Board By-laws. Detailed provisions concerning the conflict of interests are also contained in other by-laws of the company; these concern supervision over transactions with related entities, conlusion of significant agreements with related entities by the company, identification of related entities or approval of transactions with related entities.

Pursuant to the aforementioned documents, members of the Supervisory Board and the Management Board submit quarterly statements, declaring any forms of relations. The information about transactions with related entities is disclosed in the company's financial statements in line with the International Accounting Standards.

The powers of Supervisory Board members, including independent members, are regulated by TP S.A.'s Articles of Association. Additional provisions are contained in the Best Practices of WSE Listed Companies."

The Supervisory Board performs its tasks collectively. It has also set up the Audit Committee, Remuneration Committee and Strategy Committee. The detailed description of the tasks of these committees is available at www.orange.pl/dlainwestorow/corporate-governance

The Management Board consists of between 3 and 10 members, including the President of the TP S.A. Management Board, who are appointed and removed by the Supervisory Board by simple majority of the votes cast.
The term of office of the Management Board members is three years.

The responsibilities of the Management Board are detailed in the Management Board By-laws, available at www.orange.pl/dlainwestorow/corporate-governance.

Members of the Management Board*

1) Maciej Witucki – President of the Board
2) Vincent Lobry – Vice President of the Board
3) Piotr Muszyński – Vice President of the Board
4) Jacques de Galzain – Board Member
5) Jacek Kowalski – Board Member

* Composition on 31 December 2011.

A good news for our investors is TP S.A.'s inclusion in the RESPECT Index of responsible companies listed on the Warsaw Stock Exchange, the first such an index in Central and Eastern Europe.

The RESPECT Index aims at identification of companies managed in a responsible and sustainable

manner, but additionally it puts strong emphasis on investment attractiveness of companies that are characterised, among others, by reporting quality, level of investor relations or information governance.

The RESPECT Index comprises only the WSE--listed companies which operate in accordance with the best management standards in corporate governance, information governance and investor relations, as well as environmental matters, social responsibility and labour relations.

Currently, companies are reviewed on a semi-annual basis. TP S.A. has been in the Index since the beginning and in 2011 it was successfully verified for the Index for the fourth time.

We are also a member of many professional associations and organisations of employers, including:

Polish organisations:

- Employers of Poland (Orange)
- Polish Confederation of Private Employers "Lewiatan"
- Polish Chamber of Information Technology and Telecommunications
- French Chamber of Commerce and Industry in Poland
- American Chamber of Commerce in Poland
- Responsible Business Forum
- Business Centre Club (BCC)
- Foundation for Development of Radiocommunications and Multimedia Technologies
- Association of Stock Exchange Issuers
- Polish Academic-Business Forum

International organisations:

- Baltic Sea Cable Maintenance Agreement (BSCMA)
- Broadband Forum
- Civil Communications Planning Committee North Atlantic Treaty Organization (CCPC NATO)
- Clearcom
- European Network Planning Meeting (ENPM)
- European Telecommunications Network Operators' Association (ETNO)
- Forum for International Irregular Network Access (FIINA)
- Global Compact
- Global Settlements Carrier Group (GSCG)
- Global Signaling and Inter-working Forum
- Home Gateway Initiative (HGI)
- International Cable Protection Committee (ICPC)
- International Inbound Services Forum (IISF)
- International Telecommunication Union (ITU)
- Permanent Platform of Atomium Culture (AC)
- RIPE Network Coordination Centre (RIPE NCC)
- TeleManagement Forum (TM Forum)
- Forum of Incidents Response and Security Teams (FIRST)
- One Stop Shopping/Inter – Carrier Data Services Forum

Orange Polska's regional membership of various industry and professional organisations

The largest organisations of employers have their local branches (e.g. BCC has a system of lodges, while "Lewiatan" has branches). Only the membership of BCC is of individual character. Owing to the fact that TP S.A. or PTK Centertel are members of the largest organisations, officers and employees of the Group may actively participate in their activity on both the central and local level.

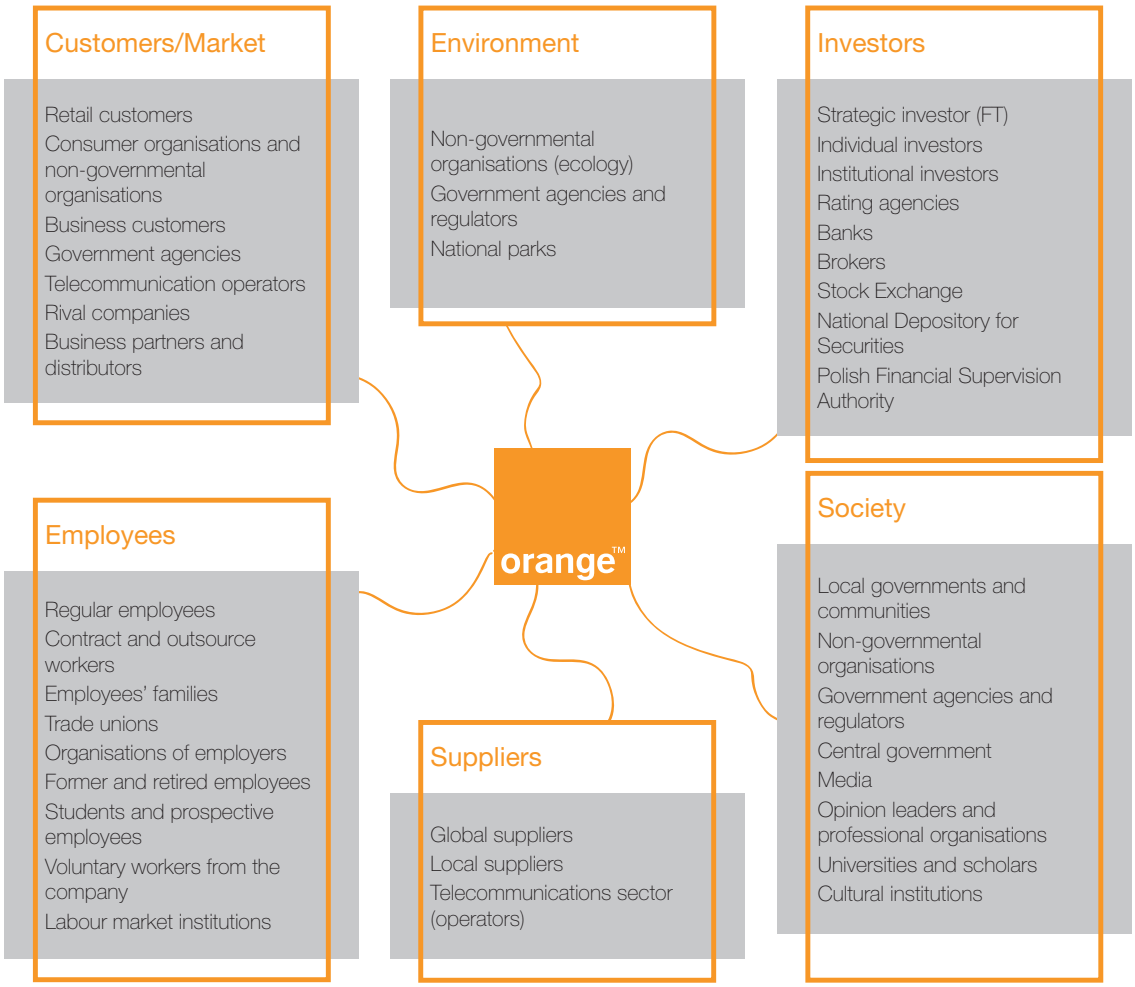
Dialogue with Stakeholders

CSR Strategy:

Strengthening the formal mechanism of dialogue.

For us, dialogue with stakeholders means talking openly about the issues which are important to our partners and responding to their expectations. Through this process we have decided to use the AA 1000 standard, which helps to streamline thinking about the dialogue and systematise the ways of management, implementation, evaluation and communication of the company's activities in the social and business area.

Map of Orange Polska's stakeholders



Our goal was to make use of the existing and proven communication channels, expand customer and employee research, attend regular meetings with consumer organisations and collaborate with spokespersons for customers. In addition, we wanted to launch new tools, such as topical debates, a series of individual meetings of the CEO with representatives of the institutions and agencies of key importance for functioning of the company, expert debates or stakeholder panels. All these discussions focused on key social challenges, which had been incorporated into our CSR strategy. Dialogue with stakeholders is a means of making this strategy a subject of public debate and, consequently, social verification.

We started the process in 2010 by analysing the existing forms of dialogue and communication tools and channels used by Orange Polska hitherto as well as reviewing good practices of other companies. Then, we identified the company's key stakeholders and determined their importance and impact, as well as their relations with the company hitherto.

The CSR Steering Committee and CSR co-ordinators were involved in the process. In this way we developed a map of Orange Polska's stakeholders and then assigned them specific forms of communications, from passive ones (i.e. informing, monitoring) to consultation, increasingly engaging in the process of changes in the company, and collaboration or task delegation.

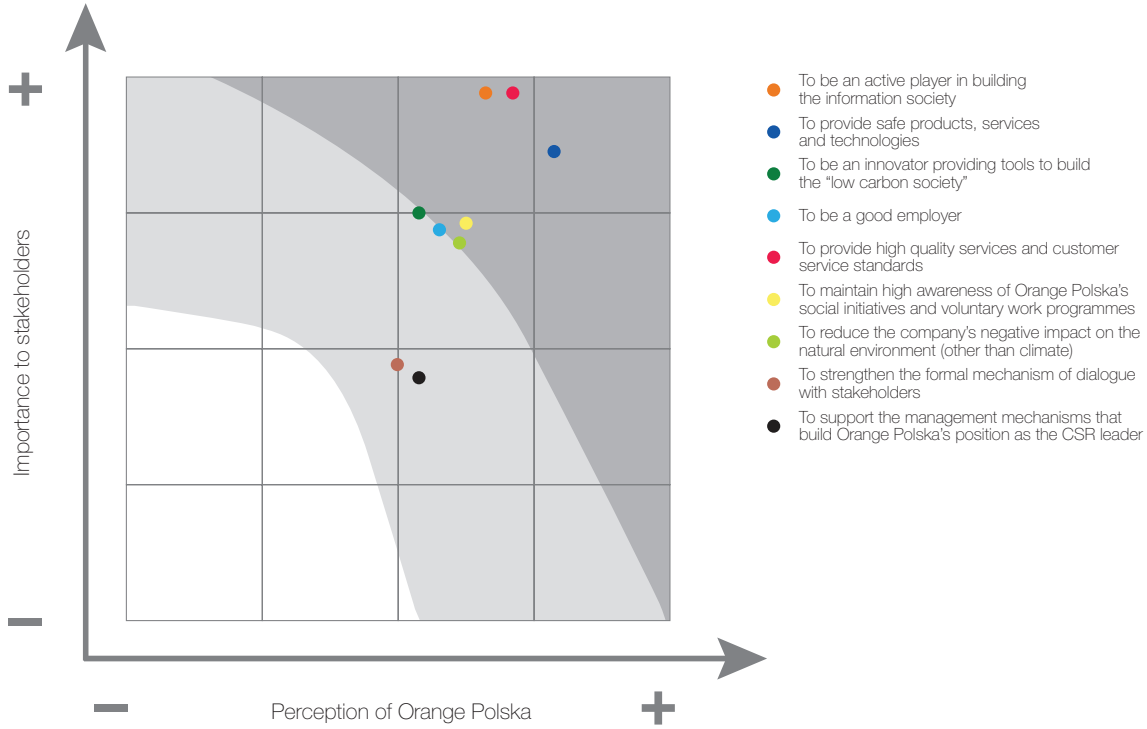
We also wanted the dialogue to concern matters relevant to our stakeholders. Therefore, we used sectoral studies as well as internal studies available within the company. During a workshop with CSR co-ordinators we determined to what extent the goals of our CSR strategy were relevant to our stakeholders now and in the future.

How	With whom	When
Qualitative and quantitative studies	In the "Coalition of Responsible Business" project	Nov–Dec 2010
Workshop	CSR Committee members and CSR co-ordinators	Mar 2011
Quantitative studies	Customer surveys	Mar 2011
Participation in meetings and questionnaires	Meetings with consumer organisations and spokespersons for customers A meeting with trade unions	Mar–Jun 2011
Questionnaires	Business partners Suppliers Sales agents and sub-agents	Apr 2011
Individual meetings of the CEO and top managers	Government officials Representatives of business organisations Office of Electronic Communications (UKE), Office for Competition and Customer Protection (UOKiK), Ombudsman	May–Aug 2011
Studies, questionnaires and workshop	Partners, beneficiaries, opinion leaders and Orange Foundation's sponsors	May–Jun 2011
Extended questionnaires	Representatives of government ministries	May–Aug 2011
On-line questionnaire	"Share your opinion" survey at the company's website	May 2011
Workshop	Representatives of key customers	Jun 2011
Stakeholder panels	External stakeholders: Gdańsk, Wrocław, Warsaw	Sep 2011

This CSR Report is one of our responses to the challenges mounted to the company by its stakeholders in the process of dialogue. Furthermore, three review sessions were held in 2012, in Gdańsk, Wrocław and Warsaw. We have decided to maintain such meetings in view of requests of our dialogue session participants and their positive opinions about this form of contacts.

74% of those surveyed admitted that this type of meetings was a good form of identification of the actual needs and expectations of the company's stakeholders, while 78% were ready to get involved in the co-operation with us in planning, execution or implementation of related initiatives in the future.*

* Based on questionnaires filled in by participants of three dialogue sessions in Warsaw, Wrocław and Gdańsk.



Orange popularises new CSR trends in the Polish market

In 2011, together with CSRinfo, we initiated the "AA1000 in Poland" project, which aimed at providing businesses and organisations with the Polish version of international AA1000 AccountAbility standards concerning a dialogue with stakeholders. The project was carried out in conjunction with the international AccountAbility think-tank under the honorary patronage of the Ministry of Economy. As part of the project, we translated the AA1000 standards into Polish. We also shared our practical experience in dialogue and our knowledge of the process with other companies. We held four open seminaries and a conference. In addition, we developed a dedicated website, AA1000.pl, as well as a related publication, AA1000 Standards. Tool of Corporate Social Responsibility.

It was the first such project in the market. We hope that it has contributed to increasing knowledge about dialogue with stakeholders among representatives of businesses, social organisations, universities and government administration, providing dedicated tools and solutions.

Our commitment: Organising a series of five meetings for companies and associations in five selected cities of Poland

In 2011, for the second time, we became a patron of the "CSR 2.0 Innovations, Trends, Challenges" conference organised by the Responsible Business Forum and the Responsible Business Institute. These meetings aim at popularising the Web 2.0 approach in the context of corporate social responsibility, which involves using social media in company's customer and employee relations as well as getting involved in developing new solutions in the area of sustained development.

Role of the Telecommunications Industry in the Socio-economic Context

The telecommunications industry plays a huge role in the economic and social development and provides the foundation for the activity of other sectors, being the engine of evolution and progress. Development of the telecommunication infrastructure, new technologies and services greatly contributes to growth in other sectors of the economy, providing modern ICT tools, reducing information flow and eliminating physical distance.

Our industry faces a number of challenges related to a rapid pace of technological developments. Growing demand for telecommunication services necessitates new infrastructure investments, network optimisation and development of innovative products. The user profile has also been changing, as technologies are becoming available to everyone regardless of age, education or residence. This is why it is so important to assure the functionality and user-friendliness of the solutions offered. As technology develops, the customers' expectations regarding products and services increase, which forces suppliers to seek new solutions.
The development of telecommunication services minimises the negative impact on the environment. ICT operators enhance the effectiveness of other companies by providing them with products and services that enable effective communications and, consequently, reduce the need for business trips and paper documents in their activity. However, telecom operators should not forget about their own responsibility for the natural environment due to marketing of electronic equipment and use of energy sources. A multitude of technical solutions and short product life necessitate more detailed analysis of environmental issues, such as power efficiency in the supply chain, maintenance, equipment recycling programmes and manufacturer's extended responsibilities. In addition, 'green' education of both employees and customers gains importance.

Challenges for the telecommunications industry in Poland in the context of CSR:

- Intensification of investments in the development of new and modernisation of the existing infrastructure – meeting the growing demand for new services, which requires the development of network infrastructure as well as hardware and software technologies.
- Constant improvement of the quality and safety of services – no adverse health effects and assurance that ICT products are not used in an inappropriate manner (e.g. for internet crimes, including exposure of minors to harmful content or abuse).
- Customer service improvement – adjusting customer service to the needs and expectations, accurate presentation of the information about products and terms of purchase and use as well as cost of services.
- Development of 'green' IT products – reducing the negative impact of products, technologies and services on the environment as well as decreasing the consumption of raw materials and promoting their eco-efficient use.
- Responding to the growing needs of the society – smooth flow of information and access to cutting-edge technologies which meet consumer expectations for safety, innovation and environmental friendliness of the telecommunications industry.
- Improvement of market regulations – stable regulatory and legislative environment contributes to adoption of long-term investment and development plans.

Our market strategy

According to Orange Polska's estimates the value of Poland's telecommunication market decreased by 0.4% (year-on-year) in 2011. The main factors which contributed to the decline were erosion of fixed-line voice revenues and MTR reductions. The broadband internet access market is gradually getting saturated, which is reflected in lower growth rates both by volume and by value.

Growing popularity and availability of smartphones as well as tablets and other units that use mobile internet access is a new, visible trend in the market development. The telecommunication market has entered a phase of concentration as well as establishment of co-operation between former rivals in selected business areas. Orange Polska has followed these trends, developing bundle offers and establishing co-operation with other operators. In 2011, a major development was an agreement between Orange and T-Mobile on reciprocal use of access networks. This is the first such alliance in the Polish market. For customers, this will bring wider coverage and improved network quality, as well as access to cutting-edge technologies.

Orange Polska's strategy is based on three pillars:

- Re-focus on core business, particularly based on a Memorandum of Understanding ("MoU") with the President of the Office of Electronic Communications ("UKE") through the implementation of investments in 1.2 mn broadband access lines. From the commencement of the MoU implementation to 31 December 2011, the company constructed and provided infrastructure enabling operation of a total of 859,205 broadband lines (including 402,300 in 2011 alone), which corresponds to 100.7% of the target for that period set in MoU. The investments were carried out also in rural areas, eliminating digital exclusion.
- Re-engage with key markets, where Orange Polska plans to achieve a commanding leadership position. This will be achieved on the back of a broad portfolio of highly innovative products, as well as best-in-class customer care and commercially powerful, proactive sales force. In terms of our portfolio, one of key developments in 2011 was the launch of the FunPack HD offer, that is a bundle of broadband access at speeds up to 80 Mbps, DTH or IPTV television and VoIP service for unlimited F2F calls in Poland. In addition, we launched Orange Combo, which offers additional discounts to customers who subscribe to more than one service on the Orange network.
- Re-balance the operating model through a number of saving initiatives to increase the cost effectiveness, accompanied by the intensification of customer-oriented efforts aimed at improving the customer satisfaction and building lasting relations with them.

It is also worth noting that 2011 brought a breakthrough in the volume of investments in fibre-optic networks by local governments and operators, which managed to secure co-financing from EU funds. The first to launch such an investment project was the Lubuskie Region, followed by the Pomeranian Region.

Another important element is Orange Polska's involvement in the UEFA EURO 2012 tournament. Our group became the official technology partner of the European Football Championship, providing transmission from all TV cameras installed on Polish stadiums as well as complete ICT solutions and the related infrastructure.

The ICT industry plays an important role in the development of information society, other sectors of the economy and community life. Therefore, it is of paramount importance for telecommunication service providers to respond to social needs and challenges, guaranteeing the availability of their services to all users, ensuring their safety and investing in innovative environmentally friendly solutions. The CSR strategy developed by Orange Polska responds to these social challenges, which, as far as growth of our industry in Poland is concerned, seem to be the key not only for the success of our business, but, above all, for building the social and economic capital of our country.

2 · Building information society

Personally, I pay much attention to the area of infrastructure which enables access to telecommunication network. This is why the co-operation of companies with the public or central/local government sector in providing the population of a city, region or the whole country with access to telecommunication network is of paramount importance. With great pleasure I learnt the plans of Orange Polska's involvement in the implementation of the government strategy to increase the network infrastructure density, which were presented today. I am glad that this issue has been noticed and that the company sees an opportunity for growth and co-operation in this field. Orange Polska clearly understands that meetings such as the one today are an element of a continuous process of finding its own place in the social sphere. This is a very honest approach and I am really satisfied as a participant of this dialogue.

Maciej Krupa, Councillor, City of Gdańsk, participant of a dialogue panel

CSR Strategy

To be an active player in building the information society.

Providing Infrastructure

The telecommunications industry is of key importance not only for the development of the information society but also the civic society. The accessibility and quality of the ICT infrastructure is becoming an increasingly important factor in stimulating the country's economic development and reducing developmental differences between regions. In addition, universal and easy access to the Internet contributes to equal life opportunities and activates the potential of various social groups.

Intensifying efforts aimed at the Internet development and building new infrastructure in line with modern standards and customer expectations. Increasing the presence of telecommunication infrastructure in poorer or rural areas, elimination of coverage gaps.

Our investments are largely determined by the Memorandum of Understanding (MoU) signed with the Office of Electronic Communications (UKE) in October 2009, pursuant to which we committed ourselves to investing in 1.2 million broadband accesses within three years, namely 0.5 million new lines, including 150,000 to fill coverage gaps, and 0.7 million to be upgraded. This infrastructure will be deployed not only in conurbations, but also in small towns and across rural areas. In January 2012, we agreed with UKE that the investments resulting from MoU would be completed by the end of March 2013 and that 220,000 broadband lines would be rescheduled in order to increase their bandwidth to 30 Mbps or more. These investments will provide people leaving within digitally excluded areas with internet access.

In addition, in 2011 we signed an agreement with Polska Telefonia Cyfrowa, the T-Mobile network operator, on reciprocal use of radio access networks. Joint management and expansion of the network infrastructure of both operators will quickly bring customers major benefits: wider coverage and improved network quality, as well as access to cutting-edge technologies. As a result of the co-operation, each operator will be able to make more effective investments and develop its network infrastructure more rapidly.

Co-operation with local governments in infrastructure development and educational initiatives related to the use of new technologies.

We offer local governments various forms of co-operation in the implementation of projects aimed at building the information society. These activities are a responsibility of the Broadband Network Development Programme team. The local government of the Lubuskie Region was the first to make a decision on organising a bidding procedure for co-financing an investment project in the Lubuskie Regional Operational Programme. TP S.A.'s project, "Broadband Lubuskie Region: construction of trunk and distribution network over coverage gaps in the Lubuskie Region", was chosen in an open tender procedure. The project involves the development of a 1,449 km long fibre-optic network in the Lubuskie Region. Owing to co-financing from EU funds, over 300 towns and villages will get access to the internet at speeds of 6 Mbps or higher. This is a chance to improve the competitiveness and attractiveness of the region as well as the quality of life of people. The network will be technologically neutral, guaranteeing "open access" by all interested operators. The total amount of the project is estimated at PLN 150 million, which includes an EU grant of PLN 50 million. TP S.A. will finance approximately two thirds of the project costs. Simultaneously with the project implementation we carry out an informational and educational campaign on the opportunities offered by the new network. The meetings and conferences held so far have been attended by a number of local government officials. In addition, the informational campaign will be addressed to local telecommunication operators, who will be updated about the infrastructure being developed and the opportunities it offers. People living in the region will be also reached by the campaign.

Another project being implemented by Orange is "Broadband Pomeranian Region: construction of trunk and distribution network in the Pomeranian Region". The project covers almost the entire region and will involve construction of a fibre-optic network of a total length of 1,614 km. It will expand broadband coverage to 253 towns and villages. In addition, the existing network will be upgraded in 58 towns and villages. The areas to be covered by the new network have been selected by the regional government based on the relevant survey.

In addition, Hawe, Alcatel-Lucent and TP Teltech have decided to co-operate in submitting bids in tender procedures for implementation of the "Eastern Poland broadband network" projects. These projects cover the Lublin Region, Subcarpathian Region, Podlaskie Region, Świętokrzyskie Region and Warmia-Mazuria Region, that is areas identified as being at risk of digital exclusion. Upon completion of the projects, at least 90% of households and 100% of public institutions and companies will have access to broadband services. The relevant agreement is unique in that it combines the competence and resources of companies which play the leading role in the Polish telecommunication market.

Modernisation of the existing infrastructure (particularly based on the constant monitoring of the failure rate).

We constantly monitor failures on our telecommunication network. We use a method for determining the failure rate for over 40,000 regions, which provides information about the most affected areas. Based on these data we develop our modernisation plans. In 2011, we launched the Network Quality Improvement Programme. It involves investments in upgrading the network elements which negatively affect the quality of our services. So far, we have completed 162 network modernisation tasks related to network elements for which a total of 25,000 failures were reported in 2011.

We also try to adequately protect against theft. We launched an electronic network monitoring programme and installed mechanical protection devices in 2011. In 2012, we intend to start approximately 130 tasks to protect over 5,900 network elements at high risk of theft.

Combating Digital Exclusion

Combating digital exclusion means mainly eliminating social barriers in access to knowledge, culture and education gained through modern forms of communications. Those at high risk of digital exclusion include low-income, disabled, elderly or less educated people as well as people living in rural areas. In addition to economic barriers, access to the digital society may be significantly hindered by social issues, such as lack of competence and skills, poor motivation for change or negative attitude towards modern technologies.

Services for economically challenged people.

Since 2008 we have been offering the cheapest access fee on the market, Friendly Plan. It is for people in a difficult economic situation and costs PLN 18.45 (including VAT). As the price of the Friendly Plan does not cover the costs of service, TP S.A. has obtained UKE's approval for addressing the offer to a limited group of customers. Only people dependent on permanent benefits granted by Welfare Centres are eligible for the service.
In addition, the Friendly Plan may be used on special terms by people with impaired sight, speech or hearing.

Assuring safe bills by introducing caps.

A common barrier preventing the use of telecommunication services by low-income people is their concern that the related costs are out of control. The solutions which facilitate cost planning include a call cap, that is blocking paid calls after the pre-defined cost limit per call is reached, as well as a bill cap, that is blocking any outgoing calls when the monthly cost limit is reached.
In addition, Orange offers the "Say how much" service, which enables customers to check the remaining pool of minutes embedded in the subscription and free services available as of the given day and time. The "Say how much" service is one-off and free.

Transparent communication and proper settings of Internet enabled phones to assure the economic safety of customers.

Users of technologically advanced mobile phones (smartphones) do not always know how to use them properly. In order to increase the awareness of our customers we have introduced a new marking system for our handsets. We have also furnished additional information to distributors and established relations with handset suppliers. We have offered free data transmission for one week to new users of smartphones. Upon expiration of that period, customers are informed by an SMS about the data transfer consumed to enable them to decide whether they want to use this service in the future and, if yes, to determine their needs in terms of data transmission packages.

Development of a dedicated offer of fixed line voice and broadband services for social institutions or organisations.

Telekomunikacja Polska as a provider of publicly available telecommunication services and an operator having significant market power has to meet the regulatory obligations imposed on it under the Telecommunication Law and pursuant to the President of UKE's decisions. In particular, TP S.A. shall not use underpricing or apply undue preferences. The prices of TP S.A.'s telecommunication services should be set on the basis of transparent, objective and non-discriminative criteria, and each offer containing services in the relevant market on which the company has a dominating position is subject to the President of UKE's approval. Under the existing regulatory obligations TP S.A. is not allowed to freely set its prices or prepare special offers for social entities. Any special offers dedicated to low-income segments of the society or other groups in need of support would require provision of services below costs, which means that the resulting deficit would have to be reimbursed from the state budget or by other operators active in the market.

Combating digital exclusion of elderly or disabled people.

Combating digital exclusion of elderly or disabled people is one of the priorities of our CSR strategy.

In 2010, we joined the Coalition for Digital Inclusion of the 50+ Generation, "Maturity in the Web". This initiative was launched by UPC Polska and the Academy for the Development of Philanthropy to unite companies, NGOs, state agencies and institutions in their efforts against technological exclusion of senior citizens. The Office of Electronic Communications took patronage over this initiative. In 2011, in the 50+ Coalition, we organised the "Maturity in the Web: Best Practices" competition to promote model initiatives in the area of digital education of people over 50. The competition was addressed to organisations, institutions and companies undertaking various initiatives for the digital education of mature Poles.

In 2011, in conjunction with Agora, we launched a web service with educational materials for elderly people. We also organised the "The Internet connects generations. The Internet and libraries: complementary or mutually exclusive worlds?" contest.

Development of a special offer of terminals for elderly or disabled people.

Our portfolio includes telephone sets and equipment which facilitate the use our services. For those with impaired hearing, these include ringtone enhancers, receiver volume controllers or phones compatible with hearing aids. People with impaired sight may use phones featuring large keys and backlit screens, an SOS button, picture keys and other visual effects as well as voice presentation of the calling number.

Development of a special offer of services for elderly or disabled people.

In the fixed line segment, our portfolio includes a package of benefits for the disabled. We offer a 50% discount in the access fee in selected tariff plans and a 50% discount in the terminal connection fee. Eligible for the discounts are disabled persons in whom the relevant local or regional certifying team has confirmed a significant level of disability of 04-O code (impaired sight) or a moderate to significant level of disability of O3-L code (impaired voice, speech or hearing).

A considerable improvement for those with motor disabilities is the possibility to arrange most matters with our consultants by phone or, if necessary, request a home visit of a consultantor salesperson. We also provide special invoices for people with sight problems. The blind may receive bills for fixed line services in Braille, while those with impaired sight are offered invoices of the A3 size or sent by email so that they can be enlarged on screen.

We have attempted to facilitate the use of public payphones by the disabled. In conjunction with the Polish Association of the Blind we have adjusted payphones to the needs of blind or sight-impaired people.

Development of innovative services in response to the needs of the disabled.

We develop prototypes of new services and equipment in our research centre, Orange Labs. In particular, we have developed the b-Link application, which makes it possible to use computers by eye blink. It is intended for people who due to their disability had limited or no opportunity to use computers or the Internet. The application, which has been developed in co-operation with the Łódź University of Technology, is free and user-friendly. b-Link is available as an open source, which enables its enhancement by the web community. Almost 16,000 people have downloaded the application in the Polish, English or French version from our website.

The b-Link application is being further enhanced by Orange Labs. We are working to enable disabled users to control computers not only by eye blink, but also voice, gasp or pressing a single button. We want it to be compatible with internet cameras, as well as microphones, laryngeal phones, exhaled air pressure gauges and USB foot switches. In addition, the application features an algorithm which facilitates typing on a virtual keyboard by dynamic word prompts.

In 2011, we added NN Assistant to our portfolio. It is a special application for blind, sight-impaired or elderly people, which facilitates the use of mobile phones. NN Assistant is a speaking mobile phone, which uses an integrated speech synthesiser to enable reading text messages displayed on screen and help files for different functions of the phone. The application has been developed in collaboration with the Medical Electronics Department of the Łódź University of Technology. Representatives of the Polish Association of the Blind have been also involved in the development process.

These two applications have been developed in the Accessibility programme, which is carried out by Orange Labs to promote barrier-free communications. In the development of such services we collaborate with organisations which represent the disabled. We also focus on the needs of elderly people. We pay special attention to intuitive mode of use and good visibility of symbols and functions.

What are we working on?

MaterialCom Platform – enables persons with cognitive function disorders to make voice calls and send multimedia or text messages. In addition, the platform features an alarm call function: in case of emergency, a handicapped person can make a call by simply moving an object which is associated with the emergency number. It is still a prototype solution, which will be tested in a group of target users.

Blinker – a prototype application for mobile phones with the Android system, which is intended for deaf or hear-impaired people.
The application replaces standard incoming call and SMS/MMS ringtones with visible and palpable signals.

The application assigns to each directory contact a selected type of incoming call/message signalling, e.g. vibration (for blind or sight-impaired people), display colour coding or flash effects (for deaf or hear-impaired people).

Ardoise – a prototype application for mobile phones with the Android system, which facilitates communication between non-disabled and deaf/hear-impaired persons. Voice information is displayed on screen and a disabled person may type a reply, which will be read out by a speech synthetiser. In addition, the application offers a number of easily available standard replies, which facilitates quick communication.

Development of customer contact channels which remove barriers faced by disabled or elderly people.

In co-operation with "The Visible" Foundation we started an audit of our website to verify its accessibility by elderly or disabled persons. In 2012, based on the audit findings, we will take steps to better adjust our website to the needs of such people. We also intend to create a special section for quick access to the dedicated offer for elderly and disabled persons, e.g. information about special phones or other equipment.

Education of elderly people.

In March 2011, as part of our involvement in the 50+ Coalition and the Orange Academy for Libraries project, we carried out the "Get Online Week" campaign, the Polish edition of the Paneuropean initiative aimed at encouraging people to use the Internet, which debuted in Poland. The campaign meetings were addressed primarily to people over 50 years of age.

They were held in libraries or local e-centres (municipal offices, schools, community centres, day-care facilities) in rural areas nationwide. The meetings were attended by a total of more than 6,780 people, 60% of which were persons over 55 years of age, mainly old-age or disability pensioners..

In 2011, in conjunction with the Scientific and Academic Computer Network (NASK), we launched the "Seniors for Seniors" project, which is aimed mainly at coping with the digital exclusion of majority of Poles over 60 years of age. It is based on the idea of using senior citizens who have mastered the new media and are willing to share their knowledge and experience as trainers and advisors.

Our commitment: Launching training courses in the "Seniors for Seniors" project; preparing the "Internet without Borders" pilot project, including a training module for elderly people purchasing broadband access services.

Education of rural population and low-income people in the ways and opportunities of using the Internet.

A number of our initiatives aimed at building the information society are addressed to public institutions, so that we can disseminate knowledge of new technologies and present the ways of using them in learning, working or building local communities.

We want to demonstrate the potential role of the Internet in rural communities, particularly in building the sense of community, disseminating knowledge or promoting the regional culture.

Between 2006 and 2008, we carried out a nationwide grant programme, "The Internet Republic". It aimed at activating rural communities in using the Internet as a working tool for the development of their region. In 2009, we launched a new programme to get Polish libraries on-line, "Orange Academy for Libraries", pursuant to an agreement between TP S.A., the Ministry of Culture and National Heritage, the Ministry of

Interior and Administration and the Information Society Development Foundation.

The programme aims at building the information society by disseminating Internet access among users of libraries, thus turning them into multi-functional information centres. The public libraries involved in the programme receive a grant for connecting the main facility plus a branch to the Internet. The Orange Foundation provides support in getting on-line as well as education in use of modern technologies, including training, workshops and other initiatives.

The programme covers 3,536 public libraries all over Poland and 1,079 of them received grants in 2011. The Orange Foundation has provided libraries with professional teaching tools and e-learning courses. Using these materials, library staff can learn how to use the Internet in a safe way. Orange Polska's volunteers have been involved in these efforts since 2011.

Our commitments: Continuation of the "Orange Academy for Libraries" programme.

In 2012, we intend to develop 50 Orange Internet multimedia labs in cultural life centres, like community centres, libraries, fire stations or parish offices, in small towns (with population of 20,000 or less) throughout Poland. We will provide for both lab adaptation and equipment: multimedia sets (3 computers, TV, consoles), free Orange Internet access and funds for refurbishment. A precondition for developing such an Orange lab is involvement of the local community in its development (securing space, refurbishing, painting and furnishing) and functioning. Local communities will be supported by the Orange Foundation as well as our volunteers.

Investing in knowledge and skills.

Since 2004, we have been carrying out the "Education with the Internet" programme, which aims at providing Polish schools with broadband Internet access on preferential terms.

So far, 14,500 schools, serving over 4 million young people, have been covered by the programme. In our "Turn Your School On" promotion, we offer Internet access on preferential terms: access activation fee of PLN 1.23 (incl. VAT) and monthly subscription fee of PLN 29.24 (incl. VAT).

In co-operation with the Civic Education Centre we have conducted a series of e-learning courses for secondary school teachers to improve their ability to use the new media and the Internet as an indispensable tool in modern education.

Currently, the Orange Foundation is involved as a partner in the "First-class School 2.0" programme, which aims at stimulating teachers and students to carry out projects which use modern technologies. This is an introduction to broader use of modern tools in school education. The programme is managed by the Civic Education Centre and Gazeta Wyborcza daily and supported by the Polish-American Freedom Foundation and the Agora Foundation.

Program effects in 2011:

- 14,500 shools registered for the programme, which accounts for approximately 45% of all schools in Poland;
- In 2010/2011, "First-class School 2.0" was successfully completed by almost 300 schools, which corresponds to a total of 1,200 trained teachers, around 25,000 pupils and over 700 active pupil blogs. A further 500 schools signed up for the subsequent edition in 2011/2012.

New technologies for culture.

Today, thanks to the web, we can not only be the recipients of culture, but also its creators. This is why we believe that combating cultural exclusion includes providing ICT tools for co-creation and co-operation in the implementation of cultural projects.

Orange Academy is a programme of modern cultural education of children and young people. It has a grant formula, and non-governmental organisations, cultural institutions, schools and libraries are eligible for grants of up to PLN 50,000. The total pool of financing is PLN 1.5 million per edition. The Orange Academy supports projects which use modern technologies in cultural education. Young people become not only participants but also creators of cultural events held in their local communities.

In addition, the projects have an important social mission, as they integrate disabled children with their able-bodied counterparts, get young people involved in local initiatives and present the regional culture to them. The projects include drama classes, urban games, medialabs, audio descriptions, workshops on journalism, photography, filmmaking and puppetry, development of interactive maps of regions, etc.

Each project is a joint venture of at least two organisations and the resulting content is available for use by other organisations under a Creative Commons Polska 3.0 free licence (recognising the authorship).

As a result, the authors retain full copyrights, while sharing their works and ideas with other organisations. All materials are available at the www.akademiaorange.pl portal.

In addition, the Orange Academy has a module addressed directly to animators of culture. They can attend two-day workshops, during which they learn more about the Creative Commons idea and share experience in implementing their cultural initiatives. Such workshops are held in partnership with the National Audiovisual Institute in Warsaw.

Program effects in 2011:

- 42 cultural education projects were completed between January and June 2011;
- 6,000 children from 14 regions attended the winning projects;
- 90 organisations and 204 animators of culture were involved in the implementation of the projects;
- 100 animators of culture participated in two-day workshops held in March/April 2011;
- The www.akademiaorange.pl portal presents descriptions of 80 model projects completed in the first and second edition. The portal serves as a source of best practices and ready-to-use model projects for other organisations, educators and animators of culture; dla innych organizacji – edukatorów i animatorów kultury.
- 448 projects were registered for the third edition and 46 initiatives from 15 regions (including 8 projects inspired by previous editions) were selected.

Getting involved in a process of digitalisation of society.

We use our services and knowledge to develop new solutions, functionalities and projects which are important for building the information society and promoting social development. For the purpose of census Orange established a consortium of several companies, which developed a complete telecommunication solution. It involved implementation of mobile equipment, SIM-card encryption according to the PKI standard as well as data transmission using mobile and fixed line terminals. We also supported the Census Bureau in preparing the technical specifications of the solution as well as project implementation and current maintenance.

A smartphone mobile application, HTC, was used to enable the census staff to fill in electronic forms and send them to central servers. Some additional functions, such as offline mode, house positioning via GPS, local maps, alarm pushbutton or census officer tracking, were introduced. A total of 24,000 terminals were purchased to implement the solution.

As a result of the innovations, we eliminated the use of paper documents, saving about 1,000 tonnes of paper. In addition, the solution we had developed brought a number of quality gains, including immediate data verification and prevention of errors or improper interpretations. In addition, users pointed out to significant improvements in their work, such as enhanced safety (alarm pushbutton, voice communication and geo-positioning), maps for finding addresses and participation in an innovative project.

The project success has cleared the way for developing similar solutions for other departments of the Central Statistical Office (GUS). Additional functionalities, such as data verification against other public administration registers, recording geographical coordinates (in line with EU requirements) and data sorting, have proven that not only financial benefits but also quality gains are possible.

"Opole E-school for the Future" is Poland's first comprehensive and innovative project for getting educational facilities on-line. It connects 112 units within one safe telecommunication network platform. The schools covered by the programme have 38,000 students and 4,500 teachers. This makes a total of approximately 55,000 people if parents and non-teaching staff is included.

The key element of the project is a regional e--school portal, whose role is to integrate the educational community and support students in their development. E-school provides easy access to all curricula and educational materials, so students can collaborate with their peers and teachers on-line from their homes.
Teachers have access to teaching materials and can consult with other teachers, whereas parents can easily contact educators or other parents to check the educational progress of their children. In addition the system increases the safety of materials accessed by children.
For heads of educational units, the system supports school and teacher management and facilitates consulting teachers and parents for their opinion and comparing achievements vs. other schools in the region.

Four years ago, we completed the "System 7/24" project, an application for knowledge base management and a web portal for the regional labour office and district labour offices in the Podlasie Region. Thanks to the new system labour offices can now professionally manage information about the unemployed for both the unemployed and employers via telephone, email and Internet channels, whereas customers have gained 7 days/24 hours access to labour offices throughout the region without the need to visit them in person. It was the first such solution in Poland and it gained a recommendation of the Ministry of Labour and Social Policy.

A follow-up of this project is "Green Line – Employment Service Consultation and Information Centre", which aims at improving accessibility of labour office services and their enhancement, so that both employers and employees can get information quickly and easily via technical means of communication. The Green Line provides information about the labour market services, benefits and assistance offered by labour offices as well as answers questions related to the Employment Promotion Act, labour market institutions or key provisions of the Labour Code. By calling 19524, people can get up-to-date information from all labour offices in Poland. The Green Line is not only a step towards a modern office operating in line with principles of the information society, but also a future-oriented solution which may be implemented in other sectors of public administration. No European Union member country uses such a comprehensive system in similar facilities.

Apart from development of the telecommunication infrastructure, a huge social challenge faced by our industry is to break mental barriers based on a belief that new technologies are too complex, dangerous or inaccessible to be used by everyone. Together, we can build the information society, provided that nobody is left out of its reach.

3. Knowledge /innovation and the environment

I remember no other case of a large company carrying out such an open dialogue in its home market, not only with customers, but with stakeholders as a whole. In its business relations with Orange Polska, Relacom has obviously lots of opportunities to talk about us and our commitments or agreements we have made. Yet stakeholder meetings held in a social dialogue enable talks in a broader context of not only customers, but, say, environmental impact. I believe this is a good direction and I am glad that in our region Orange has decided to carry out such an open dialogue. I think that it is time for Orange Polska to make use of the trust enjoyed in our society and set new standards for business functioning, as a number of large brands in Poland have launched no such social involvement programmes yet.

Piotr Gehrmann, Sales Director and Management Board Member, Relacom Sp. z o.o., participant of a dialogue panel

CSR Strategy:

To be an innovator providing tools to build the low carbon society.

Innovativeness in Orange Polska

Development based on new technologies is a key precondition for the existence of the ICT industry. On one hand, it offers a great opportunity for using new technologies in the development of social or economic life; on the other hand, due to rapid development products quickly become obsolete, which raises problems of recycling of the equipment withdrawn from use and stimulates concern for eco-efficiency.

To be an innovator.

Innovativeness is an indispensable element in the development of the telecommunication industry. In order to develop new technologies and provide them to people we need to not only quickly respond to changes in the market, but also work on new solutions and inventions. In order to better monitor the on-going changes and set trends in new technologies we have established Orange Labs.

Polish Orange Labs is a part of an international network comprised of 15 Orange research and development facilities and laboratories on four continents. Polish laboratories account for 15% of the aggregate research potential of the network. The role of Orange Labs is to generate innovative solutions to support the development of Orange.

Orange Labs actively participates in European research projects and the work of international standardisation organisations, such as ITU, CENELEC, Broadband Forum, TeleManagement Forum or Home Gateway Initiative. It closely collaborates with a number of universities and research centres in Poland and abroad.
Our partners include the Warsaw University of Technology, Gdańsk University of Technology, Wrocław University of Technology, Łódź University of Technology, AGH University of Science and Technology, Poznań University of Economics, Poznań Medical University, University of Warsaw Interdisciplinary Centre for Mathematical and Computational Modelling and Polish-Japanese Institute of Information Technology.

Collaboration with universities for innovation.

In 2011, together with Huawei, we provided the students of the Warsaw University of Technology (PW) with the Long Term Evolution (LTE) network for developing modern services. Co-operation in an open innovation scheme between the market's leading technology partner (Huawei), leading research partner (PW) and leading telecom operator (TP S.A.) provides development opportunities for both students and partner companies.

It is one of few open innovation projects in Poland and a further step in our collaboration with the Warsaw University of Technology. Last year we launched a joint project, "Test Campus", which provides free broadband infrastructure based on FTTH, VDSL2 and radio technologies for the purpose of research projects and sharing experience related to the latest trends in research and technology. The network is used mainly by students, whose task is to assess its quality as well as enhance or develop new services.

Orange Labs also works on the development of new services to integrate Internet and telecommunication technologies. In the Orange Labs Telco 2.0 University project, workshops are organised for students interested in modern ICT systems in selected universities, including the University of Warmia-Mazuria, Warsaw University of Technology and Łódź University of Technology. Such projects aim to stimulate the development of new ideas for provision of telecommunication services.

Promoting innovations.

Orange Labs is also a place of promotion of new technologies and innovations. Together with its business partners, we regularly organise Innovation Days, Innovative Technology conferences as well as workshops and prototype presentations in order to promote innovation inside and outside the company, share experience and build positive partnerships. Orange's solutions may be seen at the "Innovation Gardens". In 2011, in co-operation with other business units, the France Telecom Orange Group and our suppliers, Orange Labs presented about 50 prototype and commercial solutions at the Gardens and organised 250 meetings with almost 6,500 guests, including 60 or so events attended by representatives of the France Telecom Orange Group, universities, suppliers and government administration. During the holiday season, also children and young people are invited to the "Innovation Gardens", where our employees talk about new technologies and demonstrate new services.

Developing innovative solutions.

In 2011, we developed Poland's first interactive audiobook, "1812: Heart of Winter". It is an innovative game based almost exclusively on sounds. Graphics have been kept down to minimum, so that the player can focus on the story line. It is one of the first products of this type in the Polish market. The Polish Association of the Blind has conducted tests to verify the game accessibility, which have confirmed that the application can be used by sight-impaired persons on their own.

Innovations for the environment.

New technologies may serve the environment, helping to manage energy and other natural resources more efficiently. Therefore, Orange Polska also works on projects aimed at saving energy. As part of our energy saving initiative (Green Initiative) we have got involved in the DSLAM Power Savings project. We have also prepared a GreenBox application, which automatically turns off unused ports on DSLAMs*. Turning off the ports reduces energy consumption by access devices as well as heat emission, which leads to a decrease in A/C costs. GreenBox has introduced a new logic in broadband network management. Reduced energy con-

* Port – a socket on the operator's side, as opposed to a socket (port) on the customer's side. DSLAM (Digital Subscriber Line Access Multiplexer) – a network device on the operator's side which transfers traffic from the operator's network directly to customers.

sumption translates directly into a reduction in network maintenance costs, as well as greenhouse gas emissions. The solution has made the network more 'green'. The pilot project demonstrated the immense potential of the solution. Consequently, in 2009 we decided to implement it on the entire network operated by TP S.A. In December 2010, GreenBox was permanently integrated into our network management systems and processes.

GreenBox results (estimated)	2011
Energy savings	453,000 kWh
CO_2 reduction	430,000 kg
Cost savings	PLN 192,000

Which is equivalent to:	
Trees planted	6,450
Km driven by car	2,460,000 km

Developing new eco-efficient solutions.

Climate changes and depletion of natural resources have made us realise the need to develop smart energy networks which could effectively manage both traditional and renewable energy sources as well as prepare electric vehicles using green energy. 35 leading power and ICT companies, research institutes and universities have established the FINSENY (Future INternet for Smart ENergY) international consortium. Being part of the European initiative Future Internet Public Private Partnership, it is co-financed by the European Commission. Orange Polska has been involved in this project. The consortium will identify requirements for an ICT system for smart energy networks, develop a reference architecture and participate in intersectoral standardisation initiatives. This will enable the adaptation and implementation of smart power solutions in Europe and elsewhere.

Orange Polska for the Environment

We are not indifferent to global challenges related to protection of the natural environment and natural resources. As a provider of telecommunication services we can significantly contribute to reducing the negative impact of business on the environment. We also introduce improvements inside the company to the same purpose.

Green services.

The key environmental issue seems to be the positive impact which the whole industry may have on a reduction in greenhouse gas emissions by offering services which replace traditional forms of communication or document flow. Thanks to tele- and video-conferences, electronic document flow, on-line shopping, e-services, e-invoices and comprehensive ICT systems for business and administration, we make ecology and environmental protection part of everyday life.

Owing to our services also other companies, institutions or organisations may become more "green". A number of them have successfully used video-conferences to enable home-working via Internet or phone and replaced paper documents with electronic ones. Communication may involve either face-to-face or virtual meetings; naturally, at the time of general focus on savings and effective use of resources, tele- and video-conferences are becoming the most reasonable solution. The implementation of a video-conference system within a company saves time and money spent on business trips, while increasing the frequency of personal contacts with customers and partners.

Promoting e-documents and e-payments.

In Orange Polska we promote electronic forms of invoice distribution.

For four years since the introduction of e-invoices we have carried out advertising and social initiatives and marketing campaigns in order to popularise this form of invoices on the market. Education has been a major element of these efforts, as we have been informing customers about the functioning of e-invoices and their environmental impact. So far, e-invoices have been used by over 2 million of our customers.

In 2011, we launched a special website, www.zyskajzefaktura.pl, where customers can find all information about e-invoices and learn about the benefits from using this form of settlements. They can choose from free minutes, lower activation fee for Neostrada, free e newspaper subscription, PAYBACK points or discount vouchers of various service providers. In addition, we started a dedicated portal on the Facebook: www.facebook.com/zyszkjazefaktura.

Orange's customers receive SMSs whenever an invoice is issued (indicating the due date of payment) and after the relevant payment is recorded on the operator's account. Fixed line service users receive notices with invoices to their email address. In addition, any amendments in rules or price sheets or other communications from the company may be sent in the electronic form upon customer's consent.

We also promote electronic payments among our customers, primarily direct debit, which is a modern and safe form of paying bills. Those, who choose this form of payment are offered extra points in the PAYBACK programme.

Direct debit ensures timely payment of bills directly by the bank by a transfer to Orange Polska's account. If direct debit is used, customers do not waste their time, while retaining full control over payments owing to an option to cancel any transaction that has been effected in this scheme.

Customers who use e-invoices are offered a free, easy and quick payment method: e-payment. TP S.A.'s e-invoices contain hyperlinks which enable customers to effect payments from their on-line bank accounts in a quick and safe manner.

Lobbying for e-invoices as a business solution and co-operation with other companies.

Responding to the aforementioned need communicated during a meeting with our key customers, we have decided to intensify promotion of e-invoices. Together with other companies (Netia, ING, Radio Zet, Polish

National Clearing House, T-Mobile, UPC, InPost Finanse, Mobilne Płatności, Plus, Cyfrowy Polsat), under the auspices of the Polish Confederation of Private Employers "Lewiatan", we have established the Coalition for E-invoices. Its role will be to publish a report on the functioning of e-invoices in Poland and actively promote this form of settlements among residential and business customers.

Our commitment: To launch, jointly with other companies, a platform for e-invoice payments.

Recycling of telecommunication equipment.

Multimedia equipment is leased to customers for the term of service provision. Upon expiration of the service agreement, returned products (modems) are refurbished. As a result of this process, products which have not reached the end of their service life are placed on the market again. This project is an example of the 3R (Reuse, Reduce, Recycle) principle. All parts of a product are recycled, which makes our project even more 'green'. Also cardboard boxes of returned products are reused as filling material in parcels sent to customers. As a result of implementing the 3R principle, Orange may offer product refurbishment services to potential external customers too. Owing to the fact that it is an in-house process, we can better control its quality and provide for its expansion, while increasing our savings and enhancing eco-efficiency.

Our production process is based on the Japanese concept of lean production, which is about doing "more for less", that is a reduced storage space with an efficient manufacturing line. Orange in co-operation with CEVA Logistics is able to test products in terms of optimum quality and durability.

Since the launch of the process in March 2011, over 100,000 products, including Livebox 2.0, Samsung SHD-85 and COMBO modems, have been refurbished, and 24.10% of them have been placed on the market again.

Building social awareness that old phones may be returned to customer service outlets.

We encourage our customers to recycle mobile phones. In 2011, in co-operation with Greenfone, we launched the www.orange-recykling.pl website, which enables customers to re-sell their old and unwanted handsets. The launch of this on-line service has significantly improved the availability and comfort of using this solution, which used to be offered by selected Orange outlets only. A new feature is that customers can sell or freely recycle not only handsets in good working order but also damaged ones. Proceeds from sale can be used for customer's own profit or donated to charity. The service is available to all people, whether Orange's customers or not, and the repurchase offer covers about 2,000 different handset models. In December 2011, we successfully carried out a campaign of selling refurbished handsets with Orange post-paid services. Unwanted mobile phones and accessories may be returned for free to our sales outlets. The equipment is collected in special containers and handed over to a professional company which is responsible for its recycling and disposal.

Our commitments: To intensify efforts aimed at encouraging customers to return old handsets through informational campaigns and extra benefits for returning old equipment. To implement an application for publishing the assessment of eco-friendliness of mobile phones distributed by Orange. The assessment will account for carbon dioxide emission, power consumption, etc.

Ecology in Orange Polska

CSR Strategy:

To reduce the company's negative impact on the natural environment.

We are increasingly focused on minimising our environmental impact by reducing energy consumption, introducing waste segregation and encouraging more efficient paper management. We want Orange Polska to be a company which promotes eco-friendly attitudes and has its employees involved in reducing the negative impact on the environment.

Making the company more environmentally friendly.

We reduce our negative impact on the natural environment. As part of our environmental policy we monitor our operations for compliance with laws and other regulations, control the negative impact of our processes on the environment and take initiatives aimed at reducing it. We reduce the consumption of energy and resources, especially water and paper, as well as carbon dioxide emission related to our activity.

		2010	2011
CO_2 emissions excluding transport*	in '000 tonnes	424	365
Total CO_2 emissions during transport	in '000 tonnes	18.3	18.1
Total CO_2 emissions	tonnes	442	383
Electricity consumption/customer	KWh/customer	25.3	22.0
CO_2 emissions during electricity consumption/customer	kg/customer	16.7	14.4
Total electricity consumption/1000 customers	toe**/1000 customers	7.2	6.6
CO_2 emissions (all energies)/customer	kg/customer	18.2	16.0

* CO_2 emissions excluding transport is the total amount of emissions resulting from combustion of indirect fuels and electricity purchases. Total CO_2 emissions during transport refers to petrol consumed by company cars/trucks during business trips. The amount of emissions has been estimated with the GHG Protocol, a tool used throughout the France Telecom Orange Group.

** Toe, Tonne of Oil Equivalent, is a unit of fuel, which enables comparing total energy consumption in different countries. 1 toe corresponds to the amount of energy released by burning one tonne of crude oil. By convention, 1 toe = 41.87 GJ = 11.63 MWh.

The greatest contributor to CO_2 emissions is the consumption of electricity and indirect energy sources: gas, coal and oil. Our efforts to reduce the consumption of electricity and fuels are in line with our policy aimed at reducing CO_2 emissions.

Introduction of eco-friendly solutions and education of employees.

We are focused on the environment protection both at work and at home. There is the Environmental Protection Service on our intranet, which provides information on the environmental initiatives taken by the company. In addition, through dedicated campaigns we encourage our employees to adopt eco-friendly lifestyle and behaviour.

In the "Second Life of Paper" campaign, we have provided containers for documents and waste paper to our employees in 21 locations. This solution not only enables us to segregate paper waste but also retain control over safety of documents. Containers for waste paper have been put also at TP S.A.'s headquarters at Twarda 18, Warsaw.

		2010	2011
Waste paper, cardboard boxes: internally and externally	in '000 tonnes	2.5	1.9

There are also containers for used batteries in 6 locations. In 2011, we put containers for segregated waste (paper, glass, plastics) in all conference halls in our head office at Twarda 18, Warsaw. Another initiative related to rational use of paper and printout safety is "Safe printing at TP S.A.". In 2011, we also launched the "No paper" project.

We have posted the "Code of Good Practices" in our Environmental Protection Service. It contains guidelines on 'green' behaviours at home and at work. Furthermore, we develop informational materials, such as "Save energy, protect the environment" or "Save water, protect the environment" stickers.

We also organise a competition for our employees for the most interesting green idea. One of the winners has been the "Biking to work" project, which has involved installing bike stands in 43 locations and bathrooms with showers for bikers in selected locations. We have also launched a forum for bikers, where they can share experience, advice and information about biking events organised by cities. One of such events is "Biking Ride for Autistic People", which we promote among our employees each year, providing financing to the Synapsis Foundation, which helps autistic people, for each kilometre ridden by bike. We are working on the implementation of further ideas which won in the second edition of the competition, including "Orange Polska Green Code" and the "Together we drive farther" project, which promotes car-pooling (i.e. travelling together by car).

Since 2009, we have participated in the Earth Hour organised by WWF, which promotes the need to take action on global warming. We also remind our employees about the Sustainable Transportation Week and the European Day without a car, encouraging them to use public transport or bikes.

In 2011, we held a green picnic for our employees and their families in our Central Region. Together with foresters we planted about 2,000 seedlings in a 1 ha plot of land near Warsaw. The event combined an eco-friendly initiative with employee voluntary work, which has been successfully promoted within the company for several years.

We want to get our employees involved in a dialogue on environmental issues. To this end we have provided a special mailbox, *ekologia (ecology), to which they can send any inquiries or suggestions related to the environmental protection or green initiatives within the company.

		2010	2011
Direct energy consumption, primary sources			
Fuel (all buildings, all uses)	in '000 tonnes	3.5	2.9
Gas	in '000 m³	3,444	4,085
Coal	tonnes	119	87
Energy produced during combustion, primary sources	GWh	77.04	76.62
Indirect energy consumption, primary sources			
Electricity	GWh	619	535

Popularisation of e-documents in our work.

We use e-documents in Orange. We use no paper to request and settle business trips or set holiday leaves. We can also submit income tax returns electronically.

Since 2010 we have been using a special application for holding video-conferences, Telepresence, which has enabled us to significantly reduce time- and money-consuming foreign business trips. A total of 159 video-conferences were held in 2011.

E-documents are also used in business relations with our suppliers. Orders can be placed through a dedicated electronic system. The same applies to invoices, which are sent in the electronic form. We have also introduced a tool for confirming courier delivery electronically. In addition, our company has been using electronic invoice archiving, so that they do not need extensive storage space but rather virtual space on servers.

In 2011, we succeeded in reducing paper consumption by 28% in TP S.A. and by 36% in PTK Centertel (year-on-year). All companies which supply paper materials to us are required to hold an FCE certificate, i.e. a certificate of good forest management, which confirms that the material had been obtained from sustainable forests, where care is taken to plant new trees and wasteful exploitation is not performed.

Eco-efficient use of telecommunication infrastructure.

Since 2009, we have been implementing the Green IT project, which is aimed at increasing efficiency of our IT function, while reducing pollution and consumption of natural resources.

The project is an element of Orange Polska's pursuit of its strategic goal of combining saving initiatives with a reduction in the negative impact on the environment.

The key elements of the project include:

IT infrastructure

- consolidation, centralisation and virtualisation of the IT infrastructure;
- identification and elimination (or qualification for reuse) of the IT infrastructure which due to various circumstances, e.g. system migration to another platform, does not play any major role any more, yet is still on in the server room;
- used computer equipment disposed by companies which hold the relevant certificates and licences;
- purchases which, apart from financial considerations, account for the environmental protection as an additional criterion.

Server room technical environment

- optimisation of A/C settings in server rooms;
- adjustment of cooling power in server rooms to the current needs;
- modification of ventilation and lighting systems;
- adjustment of agreements with electricity suppliers to the current needs;
- optimisation initiatives in Orange Polska's server rooms: audit follow-up or implementation of IT infrastructure best practices (confirmed through the relevant tests and analyses).

Office space

- popularisation of 10 rules of economical printing among employees and promoting a habit of turning off computers before leaving work; all our printers have been automatically set to two-sided black-and--white printing mode;
- "Computers at night" campaign aimed at reducing the number of office computers being on at off-work time (nights, weekends, holidays) by using remote switching off tools; this initiative alone produced energy savings of 3,161,076 kWh in 2011, which corresponds to a reduction of approx. 3,128 tonnes in CO_2 emission;
- initiatives in customer relations: electronic documents, using recycled paper envelopes for correspondence, reducing the volume of mail.

The Green IT project is a good example of combining economic and environmental goals. For the company it means lower electricity or water bills. In the Data Centre alone, Green IT savings have totalled almost PLN 4.82 million (PLN 2 million in 2011), while electricity consumption fell by almost 11 million kWh (4.7 million kWh in 2011).

For the environment, the project means less CO_2 released and less water and paper consumed. As a result of the Green IT project, CO_2 emissions fell by almost 11,000 tonnes (4,600 tonnes in 2011).

Eco-efficient use of company cars.

Petrol powered company cars are gradually withdrawn and replaced with diesel cars. A reduction in the vehicle fleet and modification of its structure have resulted in a 12.6% decrease in fuel consumption in 2011 (year-on-year).

		2010	2011
Company cars: petrol + GPL	in '000 litres	2,073	1,265
Company cars: diesel fuel	in '000 litres	4,875	4,804
Business trips: plane	in '000 km	7,084	7,150
Business trips: train	in '000 km	6,822	5,553

In 2011, we launched the "Green Driving Academy" educational project to promote eco--efficient driving among our employees, thus generating savings on company car costs and reducing CO_2 emissions.

The "Green Driving Academy" involves dissemination of knowledge about environmentally friendly driving as well as hands-on training in an autodrome in cars equipped with indicators of various driving parameters.

During a few months after completion of training, participants record each refuelling in a special on-line application. This clearly shows how a change in driving habits affects the fuel consumption rate.

Each project participant has his own profile in the application and can compare his results any time. A total of 1,155 employees of Orange Polska registered for a qualification test and 130 employees took part in pilot training.
In this group, fuel consumption fell by an average of over 6%.

Efficient waste management.

The Company's activities generate industrial waste, such as waste electronic and electrical equipment (WEEE), batteries and storage cells, cables and telegraph poles. The recycling thereof is closely controlled.

Waste		2010	2011
Industrial waste	tonnes	289.1	n/a*
Internal WEEE (network & tertiary)	tonnes	255	284
Wooden poles	tonnes	43.3	24.0
Cables	tonnes	374.3	324.6
Batteries	tonnes	83.6	20.6
Fluorescent lamps	tonnes	0.0	0.0
Paper / cardboard	tonnes	122.4	237.4
Printer cartridges	tonnes	0.3	0.1
Other hazardous waste (including PCB)	tonnes	2.6	0.1
Other non-hazardous waste	tonnes	505.6	619.6
Waste recycled internally	tonnes	1,676	1,510
Waste recycling	tonnes	0.43	0.42

* These data used to be reported by TP Emitel. Since the sale thereof in 2010, we have not been classifying these data.

Wooden telegraph poles are considered hazardous waste due to petroleum derivatives used for wood preservation. Their disposal is a responsibility of a specialised company. In 2011, over 24,000 tonnes of poles (i.e. 100% of those withdrawn from service) were discarded. Copper cables withdrawn from use are delivered to non--ferrous metal recycling centres. Those which due to a type of insulation pose a potential hazard to the environment are handed over for disposal by professional companies. Copper from wires is 100% recovered. In 2011, almost 328 tonnes of waste copper cables were recycled.

Also 100% of network batteries are neutralised by qualified companies. TP S.A. has concluded agreements with battery suppliers under which they pick up and dispose of any waste elements as part of maintenance services.
A similar scheme has been introduced under framework agreements with suppliers of consumable materials for photocopiers, printers and facsimile machines.

We have introduced uniform waste classification rules in line with the Regulation of the Minister of Environment of 27 September 2001 on the catalogue of waste (Journal of Laws of 2001, No. 112, item 1206) as well as uniform waste recording rules in line with the Regulation of the Minister of Environment of 8 December 2010 on templates of documents used for waste records (JoL of 2010, No. 249, item 1673).
We also hold the necessary administrative permits for waste generation.

We co-operate only with suppliers which take responsibility for further processing of the received waste (collection, transport, recycling or neutralisation) and can document the subsequent stages of waste handling between the waste producer and the waste neutraliser.

In line with the Act on waste electronic and electrical equipment (WEEE*), such unwantedand unusable equipment is transferred as waste to licensed waste management companies (since 1 October 2006, such companies also have to be registered by the Chief Inspectorate for Environmental Protection).

		2010	2011
WEEE collected from customers	tonnes	0.3	0.2
WEEE collected from customers	kg/1000 customers	0.01	0.01
EMS**: ISO 14001	%	27	30

** Environment Management System.

We follow procedures aimed at reducing our impact on the natural environment. Dedicated teams have been established within the company to assure the progress in environmental protection by inspecting infrastructure, monitoring emission levels and providing the related training. We co-operate with regional inspectors for environmental protection on a constant basis, being subject of their audits and following their recommendations. We also maintain relations with the Ministry of the Environment with respect to interpretation of regulations as well as training.

In the process of implementation of environmentally friendly projects we also co-operate with organisations dedicated to the environmental protection.

In pursuit of our environmental policy objectives, we regularly participate in the international exchange of best practices across Orange. We also take part in environmental projects endorsed by the Responsible Business Forum and co-operate with foundations which promote sustainable development and environmental care.

Innovativeness is important for our industry, so we seek new functional solutions for our customers. New technologies may be eco-efficient, helping to save both time and natural resources.
We monitor environmental indicators within our company on a current basis. In INDICIA, a dedicated CSR database used across the France Telecom Orange Group, we report 122 environmental indicators on a semi-annual basis, monitoring the use of natural resources and our impact on the natural environment.

* Waste of Electrical and Electronic Equipment – The WEEE Directive 2002/96/EC (Directive on waste of electrical and electronic equipment) was adopted by the EU in January 2003 in order to minimise the negative environmental impact of electronic waste. Pursuant to it, producers, suppliers and importers are responsible for collection, reuse, recycling and recovery of electronic waste. This waste has been divided into several categories and different recycling rules have been determined for each of them.

4.

Response to customer and market expectations

As the Head of the Pomerania Employers, that is the biggest and the oldest organisation of employers with the membership of over 700 companies, I am often invited to meetings on corporate social responsibility or public relations of companies. A dialogue with Orange Polska's representatives is carried out in an open and vibrant manner. A face-to-face round-table debate facilitates moderated discussions between various stakeholders. It seems to me that Orange evaluates according to the need, adjusting its procedures and PR policies, which in a short time will certainly be reflected in its business results as well.

Zbigniew Canowiecki, President of Pomerania Employers, participant of a dialogue panel

CSR Strategy:

To provide high quality services and customer service standards.

Our priority is to increase the customer satisfaction from our products and services and to build good relations in every area, from quality of services and customer service standards to widely understood safety and responsible communications.

We know how much is yet to be done to make our customers more satisfied from our services and customer care. Therefore, in 2010 we decided to launch a programme whose strategic goal is to transform Orange Polska into a customer-oriented company guided by the needs and satisfaction of its customers.

Learning Customer Expectations

We make every effort to identify the needs of our customers in order to respond to their expectations in the best way. We put a lot of attention to customer opinion and satisfaction surveys, which enable us to better plan changes in our service portfolio or customer service procedures.

Identifying customer needs to adjust the portfolio.

Our customer satisfaction surveys are among the largest such surveys in Poland. Each month, we conduct a total of around 20,000 interviews, analyse calls from over 500,000 infoline customers and review handling of complaints from over 30,000 residential customers and 2,500 business customers. Apart from regular monthly customer satisfaction surveys, through which we monitor the customer satisfaction rate, we carry out in-depth surveys of customer expectations, particularly to determine how the portfolio matches customer needs, as well as tests of specific offers. Our research also includes analysis of customer needs in a process of sales and agreement renewal. In addition, we have introduced the Net Promoter Score (NPS), which is currently one of customer satisfaction measures. The key purpose of this indicator is to listen and respond to customer opinions.

Based on surveys conducted by independent agencies, we identify causes of customer dissatisfaction and define areas for improvement and further actions. As a result, we are able to better adjust the time and manner of our sale and customer service processes to customer expectations. We have conducted a series of training courses in offer customisation skills for our front-line personnel. We gradually increase the number of sales people who work according to the established standards,

which contributes to an increase in customer satisfaction. Moreover, after each contact we approach our customers to learn what we could improve or change. Such feedback helps us to define areas for improvement.

Our commitment: A dedicated survey of customers with sight or hearing impairments as well as elderly people to better identify their needs and expectations of the company.

Learning the causes of service discontinuation.

We identify the causes of churn through market research, monitoring of customer experience in relations with our salesforce and consultants, as well as proactive campaigns, in which customers are offered contract renewal before the previous promotion ends. As a result of these initiatives, the churn rate for our broadband services was down 20% last year (compared to 2010). Investigation of churn causes is two-fold. While informing about service discontinuation customers indicate its cause. In addition, we conduct regular phone surveys among departing customers and, based on their results, undertake the relevant corrective actions.

Concern about both existing and prospective customers.

For existing customers we have the ProPosition offer. Choosing from among Dolphin II, Pelican II or Panther II tariff plans (subscription or mix), customers receive, depending on the time they have been with the company, 20% or 40% minutes more than new customers get. Customers receive additional packages if they sign up via company's website, and the package size depends on the time spent with the company. Customers of Orange Polska's fixed line services can participate in the biggest multipartner bonus programme on the Polish market, PayBack, in which they earn points for the following:

- Timely payment of invoices for selected voice services;
- Conclusion of a new agreement or renewal of an existing agreement, e.g. for broadband access or FunPack;
- Migration to a higher speed under an existing agreement for broadband plus TV or FunPack.

PayBack points may be subsequently redeemed for attractive items from the gift catalogue.

Customers who renewed their agreements under the Orange for Business offer in 2011 were eligible for the "More Optimum Benefits" promotion.

Development of special offers in response to business customer needs.

In 2011, Orange became the first operator in Poland to introduce a tariff solution enabling flexible choice of the amount of subscription fee and the pool of minutes and value-added services embedded in the subscription. In the Customised Offer for Business, customers can determine the subscription volume and price themselves.

In 2011 we also launched a new "IT for Business" service, which is addressed mainly to small to medium enterprises. This is an offer of comprehensive IT system support, including an option to rent computers, peripheral equipment, accessories and software. There is a professional support department to help customers, who pay a fixed monthly fee for the service. The "IT for Business" service is our response to customers' growing expectations with respect to IT infrastructure management and increasing interest in outsourcing.

Quality Service

Since October 2010, our customer service has been a responsibility of Orange Customer Service. The company is an integral part of Orange Polska. It was established by combining customer service functions of TP and PTK Centertel to get the best from the potential and experience of both companies. Orange Customer Service aims at setting new quality standards based on long-term relations with customers and their trust.

Enabling consultants to review the status of customer's order or complaint.

Our consultants have access to all systems required for proper customer service, and each communication or change in the case status is recorded. In case of fixed line services we used to operate several different systems. In 2011, in order to make it easier for our consultants to access up-to-date information about customers, we implemented an application which retrieves data from a number of systems used in customer service.

Our commitment: To enable our consultants to consolidate all the necessary information on a single screen, which will facilitate customer service. The project will be implemented in 2012.

Preparing consultants for acting as advisors.

We try to best prepare our consultants for contacts with customers. During the initial training they learn our portfolio and get acquainted with customer service systems and standards. As for in-service training, the ratio of sales competence to customer service competence development is about 50/50. Customer service remains our priority and our consultants are to ensure its quality.

Our commitment: Implementation of a SmartPad application in 2012, enabling offer customisation together with the customer. The customers will see visualisations on screen and will be able to create a customised offer with the consultant.

Training of infoline consultants in interpersonal skills.

The training programme for our consultants includes good communications, problem solving and relation management skills. It is a fixed element of the "Professional Customer Service" module.

Consultants are assessed for proper and effective communication with customers, simplicity and clarity of statements and attitude towards customers. The assessment may constitute the basis for referring a consultant to additional training.

Regional management of customer relations (e.g. including the regional area code in the infoline number).

We have decided to depart from a regional model of customer service due to higher costs of such a solution. Customers are connected with the first available consultant who has the competence to handle the matter. As a result, we are able to meet customer expectations quickly, respond to incoming traffic growth and optimise operating costs. However, the area code recognition functionality has been retained, so as to enable the infoline system to play messages to customers calling from the given area (e.g. in case of network failure).

Reducing the infoline Menu and assigning "0" to speaking directly to a consultant.

In our infoline for mobile users, "0" has been defined as speaking to a consultant. Customers choose from among three primary topics and then are automatically connected to a consultant. Thus, in order to reach a consultant, customers need to make just two selections: first "0" from the main menu, then a topic of interest. Elimination of the topic selection stage would increase call switching between consultants according to their competences, which is negatively received by customers. In case of our infoline concerning fixed line services, we have introduced a new simplified menu and clear division between new and existing customers. It enables precise selection of a menu depending on the type of customer as well as automatic retrieval of the status of the last reported case. In addition, we have simplified a verification procedure for customers calling from their terminals.

Shortening the time to respond to failures.

For reported technical problems (failures, faults), which cannot be solved during a call, we use effectiveness indicators which correspond to the time to repair. In 2011, the rate of fixed line or broadband network failures repaired within 24 hours was around 80%. For the mobile segment, the time limit has been set at 48 hours (end to end), and the rate of such repairs exceeded 80%. Information about the expected time to repair and the manner of response are specified in the consultant/customer interaction standard. Customers are notified about solving the problem in the way they have chosen (by phone or SMS).

Our commitment: We intend to reduce the time to repair in the mobile market and to introduce an obligation to inform by phone about problems solved within 12 hours.

Quick and simplified handling of complaints and ensuring uniform standards in this respect across Poland.

There is a uniform standard for handling complaints all over Poland and it is constantly adjusted to customer expectations. To accelerate the procedures we have introduced an option that a complaint may be examined during a call or in Orange own or premium outlets without the necessity to refer it to second-line consultants. These changes have been preceded by training for outlet managers and sales personnel. In addition, we have prepared new information clearly describing the procedure for our salesforce, which has further simplified and shortened complaint handling. Moreover, we have systematised procedures for handling and editing written replies to complaints filed by Orange customers. We have introduced the Code of Good Practices for Complaint Processing for the fixed line and mobile markets, which is available to customers on our website.

Our commitment: To increase the number of replies to complaints sent by email and to develop new guidelines describing how to handle difficult and most frequent complaints.

Enabling customers to monitor the status of an order or complaint filed.

Customers can check the status of their orders by texting STATUS.order_no* to 6505. To check the status of complaints or other reported problems they can text STATUS. complaint_no* to 6505. The status information can be also checked upon logging in to our website.

Providing full and reliable information to customers seeking network connection (terms, possibility, time, costs).

We have adopted a rule that we indicate all parameters to customers who want to be connected to our network. Such data should be provided to customers on a current basis by our salesforce. In case of a negative technical survey, an alternative solution is developed.

Reducing the time to connect.

If possible, we carry out a technical survey together with the installation during a single visit. If during a survey a technician determines that connection is possible, it is promptly effected, so that the customer does not have to wait for another visit.

It is also possible to carry out a technical survey by phone, which reduces the time to connect by one to three working days. In addition, we are implementing the "Technician's Itinerary" project to enable customers to choose convenient time of technician's visit.

Ensuring high efficiency of technical personnel's performance.

We make efforts to closely link remuneration to performance not only among our own employees but also the personnel of external companies to which Orange Polska outsources installation or other services. Under our contracts, the remuneration depends on the timeliness and quality of services. We have also introduced certification procedures for Partner Companies and FP Maintenance Technicians.

Clearly presenting the conditions of withdrawal from or termination of an agreement and the consequences thereof; informing customers about the effects of migration to another operator and financial consequences with respect to loyalty agreements.

Customers who have concluded an agreement at a distance or outside the company's premises may withdraw from it (in writing) within 10 days. In such case, no service fees are charged. Upon withdrawal, the customer returns to the services he had used prior to the conclusion of the agreement. Moreover, we have introduced the Try&Buy offer

for selected services. Customers can try out our services and then discontinue them within the predetermined time limit with no financial consequences. Outside this scheme, service discontinuation during the loyalty period results in a penalty fee specified in the terms of the offer unless the terms of service provision and promotion indicate otherwise or the company's fault or some other circumstances occur (e.g. technical problems on the company's part preventing the use of the service; random events). Naturally, there are no financial consequences of service discontinuation in case of agreements for an indefinite period of time. In each case of withdrawal from a loyalty agreement, customers are informed about the consequences.

Quality Portfolio

Telecommunication products and services are becoming increasingly complex in technological terms and their functioning is getting less and less comprehensible to their users. We will not stop progress in this area, but we can try to make it easier for customers to handle modern telecommunication technologies.

Developing simpler systems for customers, particularly for operating new equipment.

Prior to the launch of any new services or functionalities, we test their ergonomics and usefulness. We have been implementing the Simplicity+ programme, which aims at making life easier for customers in every aspect of customer relations, particularly through portfolio information in plain language, transparent tariffs and user-friendly products, as well as smooth service installation, easy to use and practical channels of communication and transparent customer service procedures. Simplicity+ involves testing the customer experience with the company from the portfolio information, through service purchase, installation and invoicing to after-sale service and even service discontinuation procedure.

As part of the project, our consumer research centre carries out tests, which result in modifications in the newly developed products to make them even more user friendly. We have adopted a rule that users should have no difficulty using a product regardless of their technical knowledge.

Introducing and extending service trial-up offers.

At present, our fixed line broadband portfolio includes a 30-day trial-up offer for Neostrada. In 2012, we intend to carry out a customer survey on the service trial-up in order to optimise the sales model. Trial-up options are also available to customers subscribing to Orange Free and Orange Freedom services as well as smartphone users, who are offered free weekly Internet trial-up. Owing to the try & buy scheme, customers can evaluate product functionalities and parameters before making the purchase decision.

Offer customisation (e.g. for SME companies or for innovative and technologically sophisticated products and services).

We strive to make our portfolio best meet business needs of our customers. In 2011, Orange introduced the first tariff solution in the Polish market that enables flexible selection of the monthly subscription fee and the pool of minutes and value-added services embedded in the subscription. In the Customised Offer for Business, customers can determine the size and price of their subscription themselves.

For small to medium enterprises we have launched the Negotiated Offer, that is a comprehensive tool used by our salespeople to analyse customer's needs and develop a flexible and customised offer by selecting best suited services, discounts and promotions.

Since 2011, our business customers have been offered the Optimum Discount, that is a solution which involves granting a discount on the subscription fee at the time chosen by the customer, e.g. during a low season in the industry or in case of a non-standard expense or investment borne by the company.

In 2011, Orange launched the Business Everywhere Day-by-Day mobile broadband offer. It is the only offer in the market in which customers pay no monthly subscription fee; they pay only for the days when they actually use the Internet access service.

To companies which use standard tools, such as fixed line broadband and voice, in their business, we offer bundled services in the Business Package.

In 2011, we launched the "IT for Business" service, becoming the first telecom operator in Poland to offer IT support services. Business customers can choose from among four packages: basis, optimum, prestige and mobile, which combine hardware, software and IT support. It is a modular offer, which enables customers to choose a package and type of services they need, getting cost-effective support for their IT systems.

A new company, Integrated Solutions, was formed in 2011 to expand Orange's portfolio to include IT and telecommunication system integration services as well as data centre dedicated solutions.

The company was established to respond to growing customer demand for consistent and comprehensive management of the ICT infrastructure.

Responsible Communication

Increasing the participation of consumer organisations and spokespersons in disputes between Orange Polska and its customers.

We carry out a regular dialogue with consumer organisations. Together with local spokespersons for consumer rights, these organisations represent groups of customers who experience problems in relations with telecom operators; thus, they are a good source of information about the problems of our customers. We in turn inform consumer organisations and spokespersons on a current basis about our actions and changes to be introduced, making it easier for them to solve problems with which they are approached by customers.

We have collaborated with consumer organisations for over nine years, particularly through the following:

- Dedicated teams for handling customer cases referred to us via spokespersons for consumer rights;
- Regular meetings to enable clarification of contentious issues;
- Monthly communications to spokespersons for consumers, containing information about major changes in our portfolio or customer service.

In addition, we organise occasional topical meetings, which are attended by local spokespersons for consumers and Orange Polska's managers. The purpose of these meetings is to present customer issues to people planning the development of service systems, gather opinions concerning solutions to be implemented by Orange Polska and identify the areas which require changes in customer service.

Giving a particularly high priority to interventions by consumer organisations.

In 2011, Orange Polska established a team to examine issues reported by consumer organisations or spokespersons and related to wholesale service procedures, regulated services or relations with alternative operators.

Providing information in sales outlets about consumer organisations to which customers can report their problems.

Each problem reported by a customer is handled on an individual basis. In line with the procedures in force, while responding to complaints our consultants consider both the results of technical tests and the mandatory regulations.

Upon completion of a complaint handling procedure, the customer is informed about the right to initiate court action, mediation proceedings before the President of the Office of Electronic Communications or proceedings before a permanent court of arbitration attached to the Office of Electronic Communications.

Dialogue and good communication with customers.

We also implement other solutions which build our relations with customers and provide inspiration for further initiatives. We want our customers to broadly share their observations, remarks and ideas with us. In Orange Polska we have the Spokesperson for Customers, who supports the development of customer-oriented strategies, promotes improvements in sales and customer service standards and maintains a dialogue with customers. In addition, he conducts analyses of media opinions and market environment, collaborates with consumer organisations and communicates with customers via websites and social media.

A blog of our Press Spokesperson was launched in 2008 and in 2009 we created Poland's first corporate blog platform, which, in addition to the Spokesperson's blog, hosts our corporate, technology and sports blogs. Around 30 people are involved in running the blogs; these are specialists in their respective fields, sharing their knowledge with readers. On average, the website attracts 150,000 unique visitors per month.

The blog platform is a major element of our communication strategy and a modern communicator, which provides multimedia materials, video reports, original film materials and live broadcast.

It is a place of interaction between the company and its customers, open to comments and criticism. One of the topics discussed on our blog www.blog.orange.pl is corporate social responsibility.

In November 2011, Orange Polska profile on Facebook was launched. It includes the "Help" tab, which is another way for customers to reach our consultant team. There are also a technical assistance forum and a video help centre with instructional films concerning various services. As the only telecom operator in Poland we provide full service on Facebook. Over 2,000 requests have been received through this channel so far.

Our commitment: To expand the role of social media in our customer relations.

Carrying out ethical marketing and promotional activities.

We want to better communicate with our customers, in a clear, friendly and responsible manner. In 2010, we introduced the Code of Responsible Communication. The purpose of this document is to apply our social and environmental commitments to all forms of marketing communication as well as to develop best communication practices. Each year we talk to hundreds of customers, suppliers and partners, so we need to ensure that all our conversations are conducted ethically.

Our rules:

- Showing respect by involving customers in the communication process;
- Earning trust through honesty in communication;
- Responsible behaviour during conversations;
- Accepting responsibility for the environment;
- Disseminating similar rules of communication among our partners.

Our Code has been consulted with Polish and international experts, including representatives of the Polish regulator, consumer organisations, the marketing industry and environmental organisations. The Code has been made available to our employees and business partners, e.g. advertising agencies. We aim at applying our commitments, both social and related to environmental protection, in all areas of operations, particularly marketing.

During tender procedures for services of advertising agencies, we are guided by the market opinion about them. Moreover, the agreements we conclude contain ethical clauses and ethical issues are an element of our evaluation of the performance of the agency and its employees.

In 2010, we signed the Memorandum of Understanding promoting the use of the European tendering standards in the marketing industry. The relevant rules have been specified in the "Pitch Guidelines" announced jointly by the World Federation of Advertisers (WFA), of which Orange is a member, and the European Association of Communications Agencies (EACA). The document describes in detail good practices of responsible business in the context of tender procedures and relations with business partners.

Rearranging telemarketing activities.

We want to minimise the situations when customers are approached through different sales channels, which may result in an excessive number of calls. Currently, the standard is that direct contact with customers is done exclusively through the telesales channel.

We have launched an outgoing contact co-ordination project. Customers can be approached by salespersons with the same offer not more frequently than every three months. The same customer my be included in several marketing campaigns at the same time; in such case, contacts should not be more frequent than once a month.

Each contact with customers is recorded in a database and each contact retrieved for the purpose of one campaign is automatically blocked for other campaigns for a pre-defined period.

Providing an opportunity to reduce telemarketing offers.

A customer who definitively refuses telemarketing contacts may apply for

unlisting his number and is informed about the relevant procedure. Requests for number unlisting should be submitted in writing.

Orange customers may also use a free service of Anonymous Call Blocking. It blocks incoming calls from unlisted phone numbers, that is numbers which are not displayed on the phone screen.

Transparent and imaginative presentation of current tariff plans to make them more understandable for customers.

We want our offer to best meet the needs of our customers and to be best communicated to them.

A good example of these efforts was the introduction in 2010 of the first segmentation-based offer in the Polish market, which is tailored to the needs of various groups of customers.

Dolphin – for those who like to talk much;
Pelican – for those who like texting and activity on web social portals;
Panther – for those who want to be constantly on line.

In case of any questions, customers can always contact our consultants.

Furthermore, in 2011 we launched FunPack, a package of multimedia services offered by TP S.A. It bundles fast Internet access, digital TV and fixed line voice with unlimited calls to fixed line networks. Customers can easily select one from the packages offered.

Providing customers with access to our current offer.

We strive to communicate our offer to customers as broadly as possible. We are present in traditional media, such as press, radio and television, as well as social media. The "Heart and Reason" profile on Facebook has over 1 million "likes" and is one of the most popular corporate profiles in Poland. We prepare leaflets and posters for our sales outlets and salesforce. We also organise attractive competitions and promotions for our customers. Once a year, we develop a catalogue of fixed terminals, which is then available in our sales outlets. It contains the portfolio of major terminals and other pieces of equipment offered by the company. Since 2011, all terminals and other equipment are presented in the catalogue in a handicapped-friendly manner.

In addition, customers are offered a Mobile Internet Spot, which provides broadband Internet access and is used for service presentation. We have also introduced a special 6500 number for text messages: if an SMS is sent to this number by a customer, they will be called back by a consultant.

We inform about any changes in price lists, agreements or service rules on a current basis by enclosing regulatory letters with invoices for telecommunication services. In addition, the information contained in regulatory letters is always published in two nationwide newspapers.

Our website, www.orange.pl, offers a chance to check the technical availability of our services, e.g. Neostrada, and presents all available infolines and contact numbers for text messages, as well as sales outlets, price lists and complaint procedures.

Safety

CSR Strategy:

To provide safe products, services and technologies.

Safety of customers is a profoundly important issue for all telecommunications companies. It involves proper protection of our technical devices and provision of safe products and services to our customers on one hand, and careful protection and security of their personal data on the other.

Care for safety on the Internet.

Although the Internet has already become a common tool of communications, which is used by a dozen or so million people in Poland, the knowledge about the basis safety rules is still scarce. As a provider of telecommunication services we cannot ignore this problem. For us, customer education, ensuring safety of use of our services and providing proper tools for handling problems are a natural consequence of the development of modern technologies.

The safety of users of our services is ensured by a team of specialists, who have been responding to any hazards and supporting Internet users since 1997. In 2006, TP S.A., as the only telecommunication operator in Poland, received the prestigious CERT (Computer Emergency Response Team) certificate, which confirms the highest quality of the organisation in the area of ICT security incident management. At present, up to 3 billion incidents are processed by TP CERT systems. Owing to automation and standardisation of responses, our capacity to handle security hazards have been steadily growing. This is directly reflected in the enhanced safety of our Internet services and of the Polish Internet in general.

Co-operation with other telecom operators in development of common safety standards.

The TP CERT team has worked with other telecom operators not only in the area of current struggle against cyber security hazards (to contain and mitigate their occurrence), but also on development of standards for such collaboration and sharing information (e.g. about means of communication, hazard classification and methods of responding) both on the national and international level.

In August 2011, TP CERT joined FIRST (Forum of Incident Response and Security Teams), the leading association of such teams from all over the world. As a result of participation in the work of FIRST, TP CERT will be able to mitigate risks on our network and, consequently, more effectively help users to respond to hazards, which in turn will further improve the quality of our services.

Increasing the safety of networks.

In 2011, we signed an agreement with Sourcefire Inc., which provides for hazard identification as well as protection against third party's attacks on the network infrastructure of the company and its customers. The agreement has brought increased competence in identification of and defence against attacks on ICT networks of our business and residential customers owing to close co-operation in security incident response. The agreement involves active know-how transfer and analysis of network traffic risks.

Offering adequate protection to customers.

For many years, the users of Neostrada or bundled services (e.g. broadband + TV) have been able to use our protection packages. Depending on a package they choose, they receive anti-virus, anti-spam and anti-fraud solutions, firewall, communicator and data protection, parental control function, blocking access to harmful websites as well as protection of their entire home network. In addition, customers using services based on Livebox routers can use a built-in firewall and their Wi-Fi connections are protected with strong encryption keys. Business customers are offered Intrusion Prevention Systems (IPS), which detect and block hacker attacks.

Educating customers about network safety.

We educate and support Internet users, including the young ones, in active approach towards their safety on the net. Our website presents information and advice about safe computer set-up, rules of using the Internet, as well as descriptions and references to tools and software related to safety. Customers can use them to check the safety status of their computers as well as select and install a number of useful applications (anti-virus, anti-spam or firewall) or learn how to recover the lost data or protect data against unauthorised access. Furthermore, Orange technology blog,www.blog.orange.pl/technologiczny, features articles which describe various aspects of the ICT security.
More on www.orange.pl/tpcert

In 2011, WP.PL carried out the "Don't accept, don't connect, don't enter..." social campaign, which had been initiated by the Scientific and Academic Computer Network (NASK).

The purpose of the campaign was to attract people's attention to the need to respond to on-line materials presenting child sexual abuse or racist and xenophobic content coupled with hate speech.

Protection against Internet hacking.

In our fixed line network we use blackholing, that is blocking communication with the IP addresses of botnet zombie computers, i.e. computers compromised by hackers (with owners being unaware) and used for illegal tasks. This solution not only eliminates unnecessary traffic on the network, but also protects customers from having their computers used for cybercrime (e.g. to spread spam or viruses or launch denial-of-service attacks).

In 2011, Orange introduced unique offers which protect customers against the effects of handset or netbook theft or damage. By buying a piece of equipment together with new activation or agreement renewal, customers can sign up for insurance programmes: New Safe Phone or Safe Laptop. Orange is the first telecom operator in the market to offer such services.

Development of crisis management systems to support customers in case of emergency.

We strive to respond to the need of securing communication in case of system failure. This service is offered mainly to all emergency services (112), for which it is of the utmost importance to maintain communication. Customers can sign a Service Level Agreement (SLA) with our company, which guarantees the delivery of the pre-defined service standard.

Spam reduction.

In December 2009, we switched communication for Neostrada users from port 25 to other ports. Port 25 is the default port for communication between mail servers and is often used for spamming. This helped to mitigate problems resulting from a large amount of emails sent by unaware users. After the measure was introduced, the amount of spam generated in our country immediately fell by more than 90% and Poland left a "shameful list" of top spamming countries for good. In addition,

we automatically block connections with Netbios ports for users of our Internet access services. These ports are usually not used for network transmissions, but network wrongdoers frequently use them for attacks on computers of unaware users.

Ensuring adequate personal data protection .

We are a controller of personal data of our customers, employees and business partners. There is the Coordinator for Personal Data Protection within the company, who is responsible for co-operation with the General Inspector of Personal Data Protection (GIODO) as well as for ensuring compliance with our data protection policy and monitoring of processes related to management of personal data processing systems.

We have developed the Personal Data Security Policy and the Personal Data Processing Rules. We ensure that our employees and partners have full knowledge of the current mandatory regulations as well as our internal procedures related to personal data processing.
Since 2007, we have been operating a system for registering personal data sets, which enables us to effectively control access to the personal data processed within the company.
In 2011, pursuant to the Memorandum of Understanding between TP S.A. and UKE, we further enhanced the security of our personal data management system.

In 2011, a total of 25 internal audits of personal data processing were conducted within the company. It enabled us to identify irregularities in data processing and promptly undertake clarifying and corrective actions. We also streamlined a process of providing data to the authorised agencies. Data transfer to our partner companies is effected on the basis of outsourcing agreements for data processing. When the co-operation ends, the data are returned to our company or destroyed. Last year, none of GIODO 's decisions issued in administrative proceedings to which our company was a party either challenged or questioned the way we processed data. Due to trade secrets and data confidentiality, we do not disclose detailed information about the number of privacy violation or data loss complaints filed by our customers.

Adequate quality and security is also required in case of other information we manage. PTK Centertel has implemented an Information Security Management System (ISMS), which complies with the ISO 27001 international standard. PTK Centertel was Poland's first mobile operator to obtain this certificate.

Ensuring customer privacy.

All our customers have the right to privacy protection. In particular, they can block selected incoming calls, e.g. from unlisted phone numbers. They can also request that their number be not identified and their address and phone number be not published in directories and that no advertising offers be sent to them by our company.

Customer education about personal data protection.

Both during data collection and at the subsequent stages of their processing, we comply with the obligation to inform customers about the purpose and scope of data processing, the source of data as well as the right of access and the right to rectify data.
In addition, customers are informed about the scope of data disclosed and the data recipients and advised about their right to object to data processing for marketing purposes or to the transfer of data to another controller.

Our commitment: To carry out an informational campaign concerning the security of personal data and content placed on the web by adults and children, through forms enclosed with phone bills and co-operation with the media.

Ensuring safety of customers with respect to unfair practices of other entities.

We try to eliminate fraud by people posing as our employees. In 2011, we carried out an active prevention campaign concerning fraudulent sales. It was addressed to low-income fixed line service subscribers, who, after change of our social plan to basic plan, were exposed to intensified activity of our competitors, including dishonest salespersons.
We informed customers how to act in case of contact with fraudulent forms of sales or what to do in case of a risk of it. We respond to reports about unfair activity of our competitors.
We inform customers that if they have any doubts whether a salesperson is really a representative of our company they can check it.
We have launched a toll-free number for reporting malpractice or suspected fraud.

Our commitment: To carry out an informational campaign, through the media and using informational materials sent to customers with bills, about fraudulent sales.

Ensuring safety of customers faced with unfair practices over phone (e.g. phone fraud).

Phone or the Internet can be used for multiple purposes, including evil.
We cannot eliminate such risks, but we can educate or warn customers. Elderly people are most vulnerable to deception. In response to a growing number of fraud using the "grandparent scam", we decided to support a campaign of the Police Headquarters in Warsaw.
A special leaflet was prepared to warn senior citizens against calls from con men posing as their relatives to get money. It was enclosed with TP and Orange's bills in the Warsaw region, where the problem was most frequent. This initiative was accompanied by an informational campaign carried out by the Police.

Launch of the data backup service for mobile and broadband.

Orange offers the "Your Backup" service, which enables customers to copy contacts, calendar and tasks to the Your Backup section on the www.orange.pl website.
Since April 2012, the service is free.

Our commitment: In 2012, we intend to launch a data backup service for smartphones. We have also begun initial works on the Cloud Computing offer for different segments, which will enable customers to store data on the Internet and work on line, while being protected against hacking, data loss, etc.

Education of children about safe use of the Internet. Education of parents and teachers about the security of children on the net and the ways of talking about it with them.

One of the most important goals of our "Education with the Internet" social programme is to enhance the security of children and youth on the Internet and prepare young people to use the new media consciously.
We join social campaigns which build the awareness of hazards related to using the Internet: we are the main partner of the "Child on the Net" programme carried out by the Nobody's Children Foundation. Together with the Foundation we have developed the www.sieciaki.pl ('net pets') service, where children can find plenty of useful information about the safe and effective ways of using the Internet.
In 2011, we launched the Necio.pl ('Netty') portal for pre-school children as well as developed new lesson scenarios and a set of materials for primary school teachers as part of our educational campaign. As part of our efforts for the security of kids on the Internet, each summer holiday season we carry out the "Net pets on holiday" project, which involves organisation of educational picnics for children in tourist resorts in conjunction with local governments and community centres. Each year, our workshops on the rules of the safe use of the Internet are attended by about 4,000 children,

while we distribute the Safe Media guide concerning the same issues among parents.

Since May 2009, secondary school students and teachers have been able to use the resources from our e-learning platform, which, among other materials, contains training courses on how to use the Internet safely.

By the end of December 2011, 150,000 users had registered on the platform. For a few years now, in conjunction with the Nobody's Children Foundation, we have been operating a free telephone line, 800 100 100, and a website, www.helpline.org.pl, where children and their guardians can get help and advice if faced with hazards on the net.

Results of the programme in 2011:

- 45,000 children attended 38 "Net pets on holiday" educational picnics;
- 9,500 interventions via the www.helpline.org.pl website;
- Over 150,000 primary and secondary school students used e-learning courses on how to use the Internet safely;
- 190,000 registered users of the Sieciaki.pl portal;
- Over 1,200 initiatives submitted as part of the Safe Internet Day celebration. 7,500 children attended lessons conducted by almost 100 Orange's volunteers across Poland.

We have developed the Safe Media guide for parents, which gives a comprehensive picture of the hazards faced by kids in the digital world and discusses how to prevent them and where to seek help. The guide discusses the safe use by children of modern media, such as fixed and mobile phone or TV. The guide has been developed in collaboration with organisations and institutions dealing with on-line safety of children. It can be downloaded from the www.bezpiecznemedia.pl website; it is also distributed by the Orange Foundation, the Nobody's Children Foundation and the Kidprotect.pl Foundation. The guide will also reach schools thank to Orange Polska's voluntary workers holding meetings on the safety on the net. In 2009, together with the Kidprotect.pl Foundation, we launched the "School of the Safe Internet" prevention and educational programme. The aim of the programme is to increase the knowledge of teachers, parents and students on the widely understood safety on the net and, consequently, to mitigate the hazards related to young people's access to inappropriate content, cyber-violence, technological hazards, psycho-manipulation (including paedophilia) and Internet addiction.

In the programme, we organise prevention meetings for parents and teachers as well as lessons for children. Each school can obtain the Safe Internet Certificate. In 2010, the Office of Electronic Communication granted us a certificate confirming that we guarantee the highest level of safety to users of our Internet services, especially children and youth. Also Wirtualna Polska carries out dedicated campaigns through its dzieci.wp.pl service, promoting safe behaviour on the net, identifying certain undesirable behaviours and encouraging due caution in disclosing one's data.

Monitoring of the content posted on the Internet by children.

As an Internet provider, we have no right to monitor the content posted on the net. However, Wirtualna Polska has taken efforts to protect children against inappropriate content. An example of such initiatives is the AMULET programme, which protects young users against content and images which are inappropriate for their age. To achieve it, WP.PL has introduced user segmentation by age groups: 0+, 7+, 12+, 16+ and 18+. Any materials posted on the portal bear information to which age group they are addressed. In case of a conflict between the user age and the age profile of a material, a window is displayed with information on "Why you have not seen the site" and two pushbuttons: "Take me away" and "Go to the website". The WP website permanently displays the "Report illegal content" box linked to pomoc.wp.pl, which can be used to inform administrators about any content which violates the law.

Furthermore, chat rooms for underage users have priority and are moderated not only by WP's employees, but also representatives of the Kidprotect.pl Foundation collaborating with the portal. Moderators react to any "suspicious" posts by chat users. They can block users' access to the chat room, if they are aggressive or vulgar. In addition, posts which might indicate dissemination of paedophile content are secured (to be used as potential evidence in criminal cases related to breach of mandatory regulations or rules of community life). Users can use an option to report the content which they consider indecent to moderators through a form on the home page of the chat room. Children may also seek help from the "moderator room", where website operators respond in real time.

In addition, WP has introduced some functionalities to enable its employees to report any content of pornographic nature or safety-related (e.g. information about suicide attempt contemplated by an adult or underage person) directly through the portal intranet.

The activity of the Information Security Department (DBI) is one of the key elements of WP's efforts to prevent hazards within the portal. The business unit responsible for these issues has been operating in Wirtualna Polska for ten years, and is still being expanded. The most important hazards which trigger immediate action by DBI include: information that user's life is in danger, phishing, pharming or attacks on the company's systems. In addition, actions countering pornography or other illegal content (e.g. related to racism or xenophobia), breach of copyright or privacy rights are considered a matter of urgency. DBI collaborates on a permanent basis with organisations and institutions responsible for the safety of users.

Repositioning of the link to the children's zone on the WP portal.

The position of the link For Children was changed upon reports that it was too close to the adult zone. Currently, the link to the children's zone is first in the menu and is clearly separated graphically.

Introduction of the child positioning service.

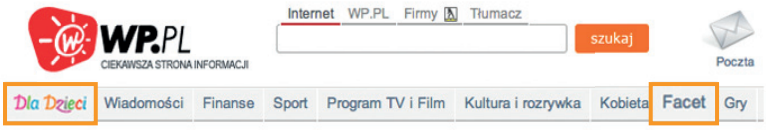
Orange has launched the "Where is my child" service, which enables customers to locate their children using their mobile phones. The service is rendered upon prior consent as well as identification of a parent entitled to learn the child's location. The service is available via a secure connection with the www.orange.pl website.

Co-operation with other entities for the safety of children on the net.

A major element of our efforts is encouraging other companies and institutions to adopt self-regulatory measures related to the safety of children with respect to the media. Upon our initiative, the Children's Safety on the Internet Agreement has been developed. So far, it has been signed by twenty partners: Internet providers, web portals and non-governmental organisations dealing with these issues.
The initiative has been supported by the Office of Electronic Communication and the Government Plenipotentiary for Equal Treatment.

The parties to the Agreement have committed themselves to carry out, individually or jointly, communication and educational activities, develop and implement similar procedures for handling illegal content as well as support international initiatives related to the safety of children with respect to the electronic media.

Orange is also a member of an alliance of mobile operators against child sexual abuse.
The alliance was formed to contain the use of mobile phones by persons or organisations deriving profits from materials which containing illegal content involving children. In particular, the alliance determines the mutual rules of co-operation in applying mechanisms which block access to websites that have been identified by the relevant agencies as providing content related to children sexual abuse.



had been initiated by Neelie Kroes, Vice-President of the European Commission and the European Commissioner for Digital Agenda. This initiative is a perfect vehicle to mobilise all the key players in the ICT industry and facilitate the adoption of consistent solutions in the area of safety of the youngest Internet users.

Protection against harmful emissions from mobile phones and antennas.

We ensure that all subscriber terminals undergo the relevant tests. The safety of use is verified in tests of conformity with essential requirements. We meet all the strict standards concerning electromagnetic fields (EMF) from base and transmission stations. The technical measures related to environmental protection against EMF emitted from base stations of wireless communication systems which we build and operate conform with the Regulation of the Minister of Environment on the maximum admissible environmental EMF intensities and methods to verify that the intensities are not exceeded (Journal of Law of 2003 No. 192, item 1882/83), which is ensured by the following:

- Assessment of the EMF impact on the environment as part of design work on new or modernised radiocommunication stations;
- Measurements of electromagnetic field levels and reporting the results to the relevant environmental protection agencies, which decide whether to initiate public consultation or not.

All handsets offered by Orange meet the emission standards set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). In addition, PTK Centertel has the Environmental Safety Lab, which has been measuring electromagnetic field intensities for over eight years. Furthermore, we have implemented a management system compliant with the PN-EN ISO/IEC 17025:2005 standard, as confirmed by the AB 419 certificate issued by the Polish Centre for Accreditation.

Development of safe technologies.

We carry out research on limiting the human exposure to electromagnetic radiation. The International Telecommunication Union (ITU) has adopted an official recommendation in this area, ITU-T K.70: Mitigation techniques to limit human exposure to EMFs in the vicinity of radiocommunication stations, to which our research has greatly contributed. We have also had considerable input into the development of the following recommendations: ITU-T K.90: Evaluation techniques and working procedures for compliance with limits to power-frequency (DC, 50 Hz and 60 Hz) electromagnetic field exposure of network operator personnel, ITU-T K.91: Guidance for assessment, evaluation and monitoring of human exposure to radio frequency electromagnetic fields, and ITU-T K.83: Monitoring of electromagnetic fields.

A valuable supplement to the ITU-T K.70 recommendation is the EMF-estimator application for determining the electromagnetic field levels near intended base stations, while for the K.90 recommendation, there is the EMFACDC application, which determines the EMF levels near power lines supplying telecommunication or radiocommunication systems. Both applications are free and are available to all on ITU's website.

Owing to these projects, we have an opportunity to directly contribute to the assessment and reduction of environmental hazards related to excessive human exposure to electromagnetic fields emitted by base stations either in Poland or abroad. ITU-T continues to work on human protection against non-ionizing electromagnetic radiation under the leadership of our representative.

We plan to publish the "Human Exposure to Electromagnetic Fields" guide, which will answer the most frequently asked questions and clarify the most frequent misconceptions and doubts formulated by people who are afraid of the electromagnetic radiation impact on human health.

Partner in Business

CSR Strategy:

To be a reliable partner in an ethical supply chain.

Social responsibility should be present in the entire supply chain. Therefore, we want the relations with our suppliers and business partners to be based on transparent principles and mutual obligations to abide by ethical standards. We want to build good and long-term relations with our suppliers.

Building good relations with local suppliers.

We gradually work on effecting all payments to suppliers in due time. Owing to an electronic invoice flow system, the timely payment rate has reached 92%.

We take active part in the implementation of the France Telecom Orange Group's global supplier assessment programme, QREDIC. Periodical assessment is performed on the basis of all information about suppliers available across the Group. In doubtful cases, suppliers are is requested to provide explanation and remove irregularities.

The results of assessment are used in a process of negotiations and selection of suppliers on the global level.

A definitely negative assessment with respect to compliance with ethical and environmental standards (particularly lack of actions aimed at elimination of the identified irregularities) disqualifies the supplier. Local suppliers are required to include an ethics clause in agreements with our company. The clause specifies the supplier's obligation to respect ethical and environmental rules, particularly international conventions on human rights and special protection of children's rights. Pursuant to the ethics clause, we have the right to conduct regular audits of the supplier's compliance with the rules.

The ethics clause is a standard element of agreements drawn up by the company. The clause can be removed only upon submitting proper justification and obtaining an approval of the Legal Office Director. For example, agreements with energy suppliers do not include an ethics clause, as they are drafted by suppliers. The company does not keep records of what percentage of agreements include an ethics clause. In 2011, no suppliers were rejected for failure to observe human rights.

Standing relations with suppliers	2010	2011
Long-term agreements	92.9%	93.7%
Other agreements	7.1%	6.3%

Building long-standing relations with suppliers.

We try to build our relations with suppliers on the basis of long-term contracts providing for transparent terms of co-operation. In 2011, no supplier exceed the 10% threshold in our overall purchase structure.

Transparent procedures for selecting suppliers

We follow a competitive and open procurement policy, which provides for direct electronic placement of orders with suppliers. Currently, over 50% of suppliers have been using this form or order placement.

In 2006, TP S.A. adopted the Procurement Organisation Code of Ethics. It is a set of rules, which should be followed by all procurement organisation employees in direct and indirect contacts with suppliers. According to the Code, relations with suppliers shall be based on the ethical rules which are commonly accepted in normal trade. The Code covers procurement procedures, which determine transparent rules of selecting suppliers and concluding agreements, as well as confidentiality procedures for protecting information both received from suppliers and concerning our company or the projects it implements. Furthermore, the Code addresses the conflict of interests and provides that any relations with suppliers and related actions shall be impartial. It also regulates the issue of gifts. It is allowed to occasionally accept gifts of moderate value, the annual limit being €100. Any breach or potential breach of the Code shall be reported by employees to their superiors or the Internal Audit Director. One of the most frequent problems reported to the Orange Polska Ethics Committee was the participation of the company's employees and partners in sponsored events or trips and lack of clear regulation of this issue. Responding to this problem, we have adopted a document which regulates the rules of participation of Orange Polska's employees and partners in such trips.

Transparent rules of co-operation with alternative operators.

The actual implementation of the requirement of non-discrimination of alternative operators (AO) vs. TP S.A.'s retail arm was subject to careful examination by UKE.
As a result of dialogue with other telecom operators and the regulator, we developed and implemented a model of functioning on the market which protects the interest of all parties, particularly end users. The settlements led to the conclusion of the Memorandum of Understanding between TP S.A. and UKE in 2009.
A model of inter-operator relations was developed and supporting IT tools and transparent reporting methods were prepared. The procedures for service provision, failure removal, customer migration between operators and providing information about the telecommunication infrastructure (also to local government bodies) and available wholesale services were determined in detail.

Penalties imposed on Orange Polska in 2011

Infringement of free competition	Penalties imposed	Final and binding rulings in appellate proceedings which upheld penalties
Total number of penalties	2	0
Total amount of penalties, in PLN mn	543.4*	0.0

* Out of which PLN 508.3 mn is the initial equivalent of the penalty of €127.6 mn.

Information on fines

On 22 June 2011, the European Commission imposed on TP S.A. a €127.6 million fine for abuse of dominant position on the wholesale broadband access market before October 2009. The company strongly disagrees with the decision and the disproportionate amount of the fine, particularly as it believes that the European Commission did not take into account several important factors. The situation on the wholesale broadband market has been systematically improving since 2007. By constructing and providing fixed broadband infrastructure, the company has been effectively remedying the difficulties on the Polish broadband market and it has been increasing the penetration rate of the broadband services. The irregularities pointed out by the European Commission were voluntarily removed by the company in the past.

The decision is not final and TP S.A., in liaison with its legal advisors, appealed against it to the General Court of the European Union on 2 September 2011. The European Commission responded to the appeal on 13 January 2012. Based on previous similar cases, the judgment of the General Court should be delivered within the next two or three years. This judgment could be appealed to the Court of Justice by any of the parties.

On 23 November 2011, UOKiK issued a decision imposing fines on PTK Centertel, Polkomtel S.A., Polska Telefonia Cyfrowa S.A. and P4 Sp. z o.o. (on PTK Centertel – PLN 35.1 mn) for alleged agreement restricting competition on the domestic retail and wholesale market for mobile television based on DVB-H technology. PTK Centertel did not accept the decision and did not pay the fine.

On 7 December 2011, PTK-Centertel appealed against that decision. The appellate proceedings are at the initial stage. PTK Centertel has not been yet notified about the hearing date.

Regulatory compliance	Penalties imposed	Final and binding rulings in appellate proceedings which upheld penalties
Total number of penalties	2*	0
Total amount of penalties, in PLN mn	7.5	0.0

Information on fines

*Both fines were imposed on PTK Centertel by UKE. In the first case, UKE has accused PTK Centertel of non-performance of informational obligations towards customers subscribing to the pre-paid Zetaphone offer (after increasing the price of calls to the call centre), while in the second case, PTK Centertel was accused of using automatic calling systems for direct marketing purposes without customers' consent. PTK Centertel appealed against the both decisions of UKE on imposing those fines. In the reported period, no other fines were imposed on Orange Polska in connection with the rules of marketing communication, i.e. promotion, advertising or sponsoring.

For a company which provides telecommunication services to millions of customers, ensuring the best products and satisfactory customer service in response to growing expectations remains the most important and the most difficult challenge. Good communications, proper security of equipment, high safety standards in use of services and reliable information about telecommunication terminals and portfolio are key issues in breaking barriers which prevent benefiting from the digital world. Therefore, we understand corporate social responsibility also as education of our customers how to use modern technologies in an easy and safe way.

5. Workplace

We have participated in a discussion about the social aspects of running a business in Orange Polska. For us, the social dialogue means mainly participation in the company's internal matters as well as employee relations. By attending a meeting on the corporate social responsibility we got an opportunity to look at social issues from a different perspective and to find out more about environmental or CSR initiatives.

Krzysztof Kościuk, Solidarity Trade Union

CSR Strategy:

To be a good employer.

Equal Treatment for Employees

The key to a company's success is its employees. Orange Polska employs over 24,000 people throughout Poland.
For us, social responsibility begins in the company and is based on relations with our employees.

Diversity in the workplace.

As we are part of a multinational corporation, diversity is an everyday practice for us. The effective achievement of our business goals requires full commitment of our employees, who differ in gender, education, ethnicity, life attitudes, beliefs, etc. We believe that the proper attitude to this diversity creates new opportunities for the company. We consider diversity as an asset which enables us to get the best from each employee. We are convinced that diversity of cultures and professional profiles in our teams is a benefit for both the company and our customers. We want to go beyond our statutory obligations in order to fully realise our values and implement high management standards in this respect.

The issue of diversity was initiated in Orange Polska in 2008. Our CSR and HR teams remain in touch with the Equal Opportunities Team in the France Telecom Orange Group. So far we have launched several projects in diversity management.

Development of culture of respect for diversity within the company is a key priority for us. Therefore we disseminate knowledge about it among our employees. Diversity issues are addressed in the Code of Ethics, which determines procedures enabling employees to notify any irregularities, particularly related to discrimination or mobbing.

In order to effectively prevent such cases and build friendly atmosphere at work we provide for proper managerial training. Each manager has to complete e-learning course in discrimination and mobbing prevention. Our staff portal explains what mobbing and discrimination behaviours are like, while presenting the related regulations and indicating how to report any violation of our rules (particularly through an application which guarantees anonymity of reports).

A major challenge for us is to promote professional activity and development of women and to increase their percentage in management. In 2011, we added a special clause to our recruitment procedure, under which our advisors have to recommend candidates of both sexes to managerial positions.

Our remuneration system promotes competence and commitment. We provide equal access to positions in the company for persons of all ages, both women and men. The France Telecom Orange Group also works on increasing the percentage of women in the management. Our goal is to ensure 35% of women in managerial positions by 2015.

We respect the rights of parent-employees in the same manner as we respect the gender equality at work. The France Telecom Orange Group has signed the Parent-Employee Charter, committing itself to support parents in the workplace through various actions. One of the related initiatives in Poland is rooms for nursing mothers, which have been established in selected locations.

Company's workforce by type of employment / type of employment contract

	2010	2011
Total workforce	25,080	23,560
Men employed	14,288	13,041
Women employed	10,792	10,519
People hired under employment contracts	24,913	23,286
People hired under other schemes	7,667*	7,201*
Full-time employees	21,622	22,974
Part-time employees	341	586
Employees of 30 or less years of age	4,082	3,793
Employees of 31–50 years of age	16,348	15,388
Employees over 50 years of age	4,650	4,379
Average age of employees	40	39.6
% of women in the workforce	43%	44.6%
Employees in managerial positions	3,732	3,605
Female managers	950	966
Male managers	2,782	2,639
% of women in managerial positions	25.5%	26.8%

* Personnel outsourcing (full time positions).

In order to promote equal access of women to managerial positions in Poland, our company initiated the EPWN (European Professional Women's Network) Warsaw project in 2011. EPWN Warsaw is part of an organisation with 3,500 members in 18 European cities. Its main purpose is to support the equality of women and men and promote the equality of chances through all stages of career. Networking is an important form of co-operation within the organisation. Together with representatives of other countries we want to share our knowledge and experience in equality issues. EPWN aims at supporting professional progress of women through career consulting and development programmes, promoting gender equality and related changes in corporate culture, stimulating the professional and social activity of women as well as disseminating and protecting women's rights.

Promoting feminisation of technical professions remains an important issue in our industry. The France Telecom Orange Group has signed a code of best practices for women in the ICT sector. In particular, it aims at encouraging high school and university female students to start working in the technology sector as well as to retain and promote women who already work there.

On 14 February 2012, Maciej Witucki, CEO of Orange Polska, signed the Diversity Charter on the company's behalf. The Charter is a form of commitment to promote diversity principles.

The Polish version of the Charter was developed by working groups composed of representatives of three sectors: business, administration and NGOs. A major element of this process was consultations with organisations representing various social groups, e.g. the handicapped, the elderly, parents, sexual minorities or religious communities.

The Diversity Charter was initiated in 2004 and the first Charter was signed in France. So far, the Charter has been developed in seven EU member states and signed by over 5,000 companies.

Transparent remuneration policy.

Orange Polska has followed a uniform and transparent remuneration policy based on equal treatment, fair assessment and non-discrimination. In 2011, the ratio of the basic salary of women to that of men was 95% in managerial positions and 81% in non-managerial positions. The overall ratio of female to male wages was 71%.

The remuneration policy sets the priorities and principles determining wages in Orange Polska. It has the following goals:

- to provide transparent and competitive principles of remuneration, increasing employees' involvement and responsibility for performance of the tasks and objectives assigned to them;
- to retain highly-competent employees and enable their further development;
- to attract people of the highest competence and professional qualifications from the external market;
- to set clear and transparent rules for determining basic salaries.

Our remuneration policy provides for salaries adequate to the market level of wages in Poland. The remuneration scale and wage analyses determine the remuneration policy and a salary range for different groups of positions and salary tables.

Employee's basic salary depends on the scope of responsibilities and a group to which the position is assigned. We also consider the quality of work, performance, experience and competence, as assessed by the employee's direct superior.

We account for changes in the labour market and Orange Polska's companies related to emergence of new positions and shifts in responsibilities. Positions are evaluated by the Evaluation Committee, which consists of representatives of HR, business and trade unions. In addition, owing to changing economic condi-

tions, wages are indexed on 1 June of each year, prior to the commencement of the salary rise process.

Fair evaluation and clear promotion criteria.

Ensuring transparent and competitive rules of evaluating and rewarding employees as well as implementing equal treatment principles are among the basic conditions to be met by any socially responsible company. For several years we have been following a comprehensive evaluation and development system.

It is a uniform process for multifaceted evaluation of employees based on tangible indicators, which facilitates planning their development and career path. The system covers three of Orange Polska's companies: TP S.A., PTK Centertel and OCS. Approximately 99% of their employees are evaluated each year (over 21,300 people were evaluated last year).

During an individual meeting, the superior evaluates the achievement of objectives set for the employee under MBO (Management by Objectives) scheme or bonus tasks as well as employee's work style, competence and skills.

As a result, an individual competence development plan is prepared for each employee and further career path is determined.

Work style is evaluated on a annual basis to determine how employees perform their tasks. It is evaluated by the employee's superior based on the following three main criteria:

- Focus on customer service quality;
- Active participation in the development of the company in line with its strategy;
- Concern about the quality of human relations and commitment to team work.

And competence has been defined as knowledge, skills and attitudes which affect one's behaviour and efficiency in task performance.

Business challenges we face are reflected in a management model that we want to follow. The 360° feedback model facilitates the development of a common culture of work, communication and management. The 360° feedback assessment of managers in Orange Polska is one of the biggest such processes in this part of Europe.

In the beginning of 2009, only top managers (about 400 people) were covered by the process, while in a subsequent edition at the turn of 2010/2011 all team leaders in TP S.A., PTK Centertel, Orange Customer Service and selected six other Orange Polska companies (a total of almost 3,000 people) were invited. The 360° feedback assessment of all managers was repeated at the turn of 2011/2012 and is to be carried out every two years.

The evaluation procedure is followed by succession planning, that is a process of identification and development of employees who are candidates for taking key positions in Orange Polska. The process aims at ensuring the continuity of management in key positions, while getting the best from the managerial potential inside the company. It focuses on the development of future managers and planning of their future career paths within the company.

The succession process is a major contributor to new managerial staff: people from the list of successors accounted for over 50% of all promotions to managerial positions last year.

Training and Development

Offering professional and personal development opportunities to employees.

In Orange we believe that strengthening what is the best in people is a guarantee of their professional and personal success. We offer numerous opportunities for development and education, depending on the employee's needs. We carry out a number of training programmes aimed at developing competence and preparing people to meet the strategic challenges faced by the company. Training is conducted by external companies or hired trainers. Our employees improve their language skills by attending English and French courses and are eligible for co-financing of university studies.

However, development is not only about training, but involves also one's own initiative and learning by experience on other positions, involvement in various, often interdisciplinary, projects, observation of best practices, work on solving particular cases, internal practices, mini-internship, e-learning or participation in conferences.

	2010	2011
Employees trained (in '000)	25.06	22.9
Hours of training (in '000)	528.3	637.1
Average number of training hours per employee per year	21.08	27.6

Providing professional training.

The Professional School is an incentive and development programme for our employees, which aims at facilitating development of their professional skills and competence as well as ensuring concrete benefits in the given business area. The programme has been designed to select the best employees and create promotion opportunities for them.

The teachers in the Schools are company's own employees who have gained expertise in their respective fields and, in addition to specialist knowledge, have good communication skills, which help them to prepare and conduct workshops effectively. The topics are chosen in consultation with experts, managers and training programme specialists. The programme is divided into stages and each stage ends with certification.

Currently, there are 16 Professional Schools with 90 experts. Over 5,000 people have completed training organised by them.

In addition, employees departing from the company are offered training in active job seeking, auto-presentation or preparation of application documents. Organisational changes within the company involve active participation of the Competence Development Centre advisors, who attend group informational meetings and individual meetings with employees leaving the company.

Interesting projects, engaging challenges, professional development opportunities.

We are looking for people with outstanding managerial potential, achievements within their business areas and the necessary abilities and skills, also in the international context.

To our managerial Talent Review project we invite people who have scored high in their annual evaluation, have worked with the company for at least two years, can communicate in English or French and stand out in their work. In addition, we consider whether they build good relations with other people and are able to co-operate with them towards common goals.

People from the Talent Group are considered first during recruitment to managerial posts. They can be covered by dedicated development programs and get a chance to participate in the company's key projects. We offer a two-year development program for our Talents.

Each participant has his own personal development plan, which provides for mini-internship in other business units, managing selected projects, involvement in the company's key projects, individual coaching, training, post-graduate courses or MBA studies. In addition, Talent Group members face social challenges in volunteering projects carried out together with the Orange Foundation. There were 299 people in the Talent Group as of the end of 2011.

In 2011, we launched an international development programme, Orange Campus, to promote uniform management standards across the France Telecom Orange Group. It is offered to all managers of the Group. The programme is based on a model of development through sharing experiences. Orange Campus has three international training centres in Poland, France and Spain. It offers training in Polish and English.

Training focuses on the preferred style of management, stressing concern for the quality of human relations, good communications, co-operation, orientation on the customer service quality and friendly atmosphere at the workplace. The underlying principle of all training courses is their distinctive style: interactivity and promotion of diversity.

Ensuring training availability.

In June 2011, we launched the On-line Educational Portal for the company's employees and partners. It is connected with the educational resources of the Development and Training System (SABA), which functioned on our intranet before. Owing to the new portal, www.e-learning.tp.pl, any employees and partners of our company with access to the Internet can use this training platform at any time and in any place.

One of the purposes of the new portal is to reach the staff of our partner companies with our training, as they had no access to it before. These companies perform tasks for TP S.A. related to the provision of regulated services being the subject of the Memorandum of Understanding with UKE.

We use the Development Products Library, a comprehensive tool for knowledge management within the company. The library gathers information on development products, including e-learning courses for various skills, both personal and professional. It provides descriptions of development tasks, titles and summaries of articles and books as well as information about e-learning courses, workshops and other proposals. Currently, the library contains 8,115 educational items.

As befits a telecommunication company, we broadly use e-learning tools for training. Our portfolio includes 3,560 e-learning courses, including interactive training in ethics, corporate social responsibility and non-discrimination principles.

Our employees are also invited to attend mini-internship, i.e. one- to three-day on-the-job training in another team of Orange Polska to get to know their work better. The programme is addressed to those for whom co-operation with other units of Orange Polska is a part of everyday responsibilities or those whose activities

support other employees and business processes. It is also intended for new joiners who should quickly get acquainted with the company as well as active people seeking new professional development opportunities.

Interesting initiatives to activate and integrate employees.

We also organise integration training. One of its options, which goes beyond typical team-building tasks and has been gaining popularity, is combining training with commitment to others. The Integration by Helping is one of the voluntary work proposals prepared by the Orange Community. To teams planning an integration event we propose co-operation with an NGO or a social institution.

Our educational offer to employees includes anti--stress training, "Catch the wind or how to make yourself feel comfortable at work".
The course presents information about stress as well as proven methods for coping with emotions and difficult situations at or outside work.
Our best employees can develop their professional skills within international structures of the France Telecom Orange Group by participating in important and interesting business projects.

Employees who are hired under an employment contract and have worked at least one year in TP S.A. are eligible for co-financing of their first- or second-degree graduate or post-graduate studies, including MBA. The programme of financing university education is aimed at increasing employees' motivation and loyalty and demonstrates the company's policy of investing in people and building long-term relations with them. In 2011, such co-financing was granted to over 124 employees, out of which 30 people graduated.

Concern for our future employees: students.

Orange has carried out its Student Training Program for more than ten years. In 2008, we launched the Your Perspective educational programme for students of technical and economic faculties. It has been carried out in conjunction with the Polish Human Resources Management Association and the Business for Society. Its fourth edition started in 2011 (for the academic year 2011/2012). The programme consists of five key elements: workshops, contest, ambassadorship programme, Orange Student Clubs and paid student training in Orange Polska. The fourth edition involved 52 workshops at 18 partner universities in Warsaw, Poznań, Wrocław, Gdańsk, Lublin, Olsztyn, Katowice, Kraków, Łódź and Bydgoszcz.

A major part of the programme is the nationwide Your Perspective contest addressed to young people who are fascinated by modern technologies and their use in new business areas and everyday life. The contest is held in stages and divided into three categories: telecommunications, information technology and marketing & management. Your Perspective is also an ambassadorship programme, which is based on the company's close co-operation with universities via Orange Polska ambassadors, that is students selected according to strict criteria. The fourth edition of the ambassadorship movement was joined by 64 students interested in the telecommunications industry.
The programme responds to labour market challenges faced by young people and helps students to expand their practical business knowledge. For the company, it is an opportunity to attract people well prepared for their profession. It is a unique programme within the telecommunications industry.

As the Official Partner of UEFA EURO 2012TM we offered an opportunity to participate in the "EURO-training 2012" programme to 600 students. This included 450 people in four Polish host cities, Warsaw, Wrocław, Gdańsk and Poznań, who supported fans in celebrating the European football festival, promoting the UEFA EURO 2012TM Official Mobile Application.
Other EURO-trainees underwent training in Orange Polska in ICT, Euro Programme Bureau, Internal Communications or Multimedia Service Marketing business units. As members of the Orange team, they were directly involved in the team work of Orange as the Official Partner of UEFA EURO 2012TM, learning the logistics

and organisation issues behind the tournament and gaining invaluable experience in one of the biggest corporations in Poland. We are also one of the permanent partners of the "Play for Internship" competition.

Development opportunities within the company's activities.

Mobility in Orange is one of the key issues in our long-term HR management strategy. It is instrumental in assuring development and retaining employees of high professional potential within the company. It also provides an opportunity to get higher qualifications and competence by those who seek new challenges.

Internal mobility in Orange Polska is supported by:

- Mobility Policy;
- System of allocation benefits;
- Agreement on the implementation of the Mobility Policy in Orange Polska;
- Internal labour market offers placed on the HR Portal;
- Transfers between Orange Polska companies.

Preference for the existing employees in recruitment for positions in Orange Polska.

The existing employees are preferred in the recruitment process. Offers addressed to the internal labour market are placed on the intranet, in the HR section, as well as distributed by corporate mail and communicated to Orange Polska companies. An additional source of information about vacant positions is career counsellors from our Competence Development Centre. Over 1,000 job offers appear in Orange Polska's internal labour market annually.

Departures and employee turnover ratio by age groups and sex in Orange Polska

	2010	2011
Departures – total	3,038	3,055*
Departures – men	1,401	1,023
Departures – women	1,637	2,032
Departures – up to 30 years of age	563	773
Departures – 31-50 years of age	1,596	1,584
Departures – over 50 years of age	879	698
Turnover ratio – aggregate	12%	13.6%
Turnover ratio – women	13%	10.4%
Turnover ratio – men	11%	16.1%
Turnover ratio – up to 30 years of age	14%	25.8%
Turnover ratio – 31-50 years of age	10%	10.5%
Turnover ratio – over 50 years of age	19%	15.9%

* 2011 departures include sales of Emitel (in June 2011) with the workforce of 936 people

We have also launched the Career Navigator programme to assist our employees in determining their strengths, development areas and further career paths in Orange Polska. Meetings with professional development advisors facilitate an objective assessment of competences gained so far in order to set reasonable goals to be achieved. As a result, an individual plan of further professional development is prepared.

Opportunity to work in an international environment, new and interesting challenges.

Our employees are also offered international career opportunities within the International Mobility programme. It aims at strengthening business collaboration and sharing best experiences in all areas of activity of our global organisation. The programme increases mobility of employees within the France Telecom Orange Group and facilitates identification and retention of people with high professional qualifications and great development potential. Through short-term (1–3 months) or long-term (9–18 months or more) visits to other countries, the programme promotes constant development and encourages employees to make use of their valuable abilities.

One of the underlying principles of the International Mobility programme is a guarantee of return to the home company. This enables us to benefit from the knowledge and skills of our employees returning from foreign trips.

Recognising and honouring good employees.

Orange Stars is a contest for employees from all business units of Orange Polska. Each unit can nominate a certain number of employees for the contest. The criteria of professional ethics and compliance with corporate values and management guide are common for all business units, while the rules for nominating candidates and selecting winners depend on the character of work and differ from one unit to another.

The purpose of the contest is to select employees who promote teamwork through their conduct, are ready for challenges and best performance, and act in line with the ethics and values of Orange, while their work, communication and management style is respected by their colleagues and associates.

So far, five editions of the contest have been held, in which 56 Orange Stars have been brought to light. The winners are an important opinion group. They are invited to carry out major projects and join the Orange Community or Orange Passion programmes.

Acknowledging employees' ideas, assuring an inspiring workplace.

We encourage people to be creative, seeking interesting solutions to streamline the company's activities.

The purpose of the Telecreator contest is to promote innovation and inventiveness among Orange Polska's employees and our partners, provided that the suggested ideas are of practical use. In particular, the contest supports the development of initiatives related to Orange Polska's market offer, image enhancement as well as technical and organisational improvements. A number of the solutions proposed in the contest is subsequently implemented within the company.

Work-life Balance

Ensuring balance between work and private life

Work-Life Balance means harmony between work and private life without limiting the need for self-fulfilment. New technologies can help to maintain this balance, e.g. by telecommuting. We also want to help our employees to follow their passions and interests and facilitate their social involvement.

Orange actively supports parent-employees. We understand how difficult it may be to combine parenthood with professional development, so at the end of 2011 we established a team to develop and implement dedicated parent-friendly solutions.

Telecommuting is regular performance of work outside the company by means of electronic communication devices, such as phone or the Internet. Work may be performed at home or in any other place to which the employee holds a title. This scheme may be also interwoven with the standard work system.

In 2008, TP S.A. concluded an agreement with trade unions on the terms and conditions of telecommuting, addressing the basic principles of this scheme. The agreement provides that while considering applications for a change to telecommuting, the employer shall give preference to employees in custody of children aged four or less or children with disabilitiesas well as pregnant women. We have an obligation to provide telecommuters with necessary equipment, particularly enable them to use the relevant applications. We also provide them with a company mobile phone.

Promotion of different forms of employment, including telecommuting, in Orange Polska will be one of our priorities in 2012 under our CSR strategy. In December 2011, the CSR Steering Committee established a task force to disseminate this scheme within the company.

Providing opportunity and support to follow passions and interests.

Orange Passion is an intragroup programme of the Orange Group which aims at enabling employees to share their passions and interests. On the intranet we have created a place where we can all promote our music, film, sport or photography passions. We also hold internal events to help employees follow their hobbies, organising photographic or music competitions.

In 2011, we organised a competition in which the winning projects were granted co-financing. Each year, there are auctions of paintings and photographs of our artists and the proceeds go to social causes.

Orange Community is a programme which supports the community involvement of Orange Polska's employees, particularly campaigns carried out together with the Orange Foundation, such as Fairy Tale Corners (refurbished common rooms for children in children hospitals), web safety lessons, reading in libraries or other projects carried out by our volunteers.

Apart from programmes for volunteers, the Orange Community participates in the organisation of social events, such as "Mass for Autism" (biking event to support autistic persons), concerts of our vocally talented employees with proceeds going to different charitable causes or exhibitions and auctions of paintings of our artists. We also organise environmental campaigns which promote healthy lifestyle.
Through the Orange Community we promote any individual or group social initiatives.

The programme website presents up-to-date information about offers and projects for volunteers, Orange Foundation's initiatives, blood donation campaigns or a "give/take" second-hand items centre. In addition, employees can post an appeal for help there, learn how the "Support one another" employee aid fund works or share information about their successful social initiatives. The Orange Community also publishes a special newsletter for those interested in such initiatives, which presents current offers for Orange Polska's volunteers and their families.

Additional life insurance, discounts at our partners.

For our employees and their families, we have launched the Offer for You programme, which offers discounts for products and services of our partners and our own, particularly Orange Polska's services on preferential terms, discounts on insurance and transport services as well as attractive offers in the area of education, tourism and sports.

Providing support to employees who want to assist their friends or family members in matters related to Orange Polska's services.

We have launched a special application, "3majmy z Klientem" (Let's side with customers), to enable our employees to report problems experienced by their friends or family members with services of Orange Polska.

Care and Safety

Assuring safe working conditions.

We do not forget about the fundamentals of creating a friendly workplace. We care about the safety of our employees as well as their health and decent old-age pension; we also help them in difficult moments. We provide preventive health care to our employees, enabling easy access to medical services not only in the field of occupational medicine, but also specialist medical examination and consultation. We promote sporting activities of our employees and provide access to sports facilities. In difficult life situations, we offer help and support.

We care about the safety of our employees. Compliance with the occupational-health-and-safety regulations and rules is monitored by a team of specialists from our OHS Department.

In 2011, Orange Polska's employees enjoyed constant assistance and supervision over occupational health and safety from OHS specialists as well as broad access to occupational-health-and-safety training. We provide a wide range of medical services to our employees. In addition to preventive screening, they have access to specialist consultation and various medical procedures. Our website contains articles and multimedia presentations which discuss work ergonomics and safety issues.

Analysis of work-related accidents in 2011 has shown that the number of accidents in TP S.A. has been falling. In 2011, 52 accidents at work were reported (vs. 74 in 2010), in which 53 employees were injured (there was one collective accident which involved two employees). Like in previous years, no fatal or serious accidents were reported.

In PTK Centertel, as a result of accident investigation procedures, 6 accidents were classified as work-related in 2011. As a result, six employees were injured. Like in previous years, no fatal or serious accidents were reported. The number of accidents fell by 10 (year-on-year), while the accident frequency rate fell to 2.7 (compared to 6.6 in 2010). The latter indicates the number of people injured in work-related accidents per 1,000 employees. In TP S.A., the accident frequency rate was 3.5, a slight improvement over 2010 (4.0).

In TP S.A., the number of days off work due to work-related accidents fell from 3,355 to 2,419, while the accident severity rate (i.e. the number of days off per accident) remained stable (46.5 in 2011 vs. 45.3 in 2010). In PTK Centertel, the number of days off work due to accidents

at work was 264 in 2011 (down 283 compared to 2010). The accident severity rate was 44 and was higher than in 2010 (29.8).

In OCS, 15 accidents were classified as work--related in 2011. As a result, fifteen employees were injured. No fatal or serious accidents were reported. The accident frequency rate was 3.01. One (former) employee was diagnosed with occupational disease due to using voice at work. The number of days off work due to work-related accidents was 620. The accident severity rate was 41.3. Most accidents occurred during walking or travelling along roads or other communication routes (traffic accidents).

In 2011, the number of days off work in Orange Polska due to sick leaves and due to accidents totalled 294,481 and 7,482, respectively.

Providing health care.

Our employees are offered full medical services at 60 clinics of the Lux Med Group and CM LIM as well as 647 partner medical facilities. Health care is available to all employees of TP S.A., PTK Centertel and OCS hired under employment contracts. We also offer a special leave for sanatorium treatment as an additional paid leave, which is considered the same as holiday leave.

Orange Polska's involvement in employee's problems: crisis assistance; providing access to support facilities: health and welfare.

The purpose of the Company Social Benefits Fund is to provide assistance to TP S.A.'s employees and pensioners as well as eligible members of their families who have been seriously affected by a random occurrence and are in need. The Fund offers:

- in-kind or financial assistance to people in difficult life, financial or health situations;
- loans for housing purposes;
- co-financing of organised or non-organised holidays;
- organisation and co-financing of sports, recreational, cultural or tourist events.

In 2011, non-repayable allowances were paid to 5,689 employees and totalled over PLN 7.2 million.

The Central Housing Fund offers housing loans with repayment terms of up to five years. The loan may be for up to 30% of the total cost, but not more than PLN 75,000. It is interest-free throughout the term of the agreement. On average, about 500 employees use this form of assistance every year.

The Central Recreation Fund offers co-financing of holidays in facilities owned by Orange Polska to TP S.A.'s employees and pensioners below the predefined income threshold. In 2011, almost 7,000 people received financing from the Fund, totalling approximately PLN 7 million.

In addition, we have created the Central Welfare Fund, which provides in-kind and/or financial assistance to persons in difficult life, financial or health situations due to accidents, serious diseases or natural disasters. The maximum one-off financial assistance cannot exceed the amount equal to fifteen minimum wages. On average, this form of assistance is provided to 200 people every year. In 2011, 174 people received aid totalling PLN 1.386 million.

Furthermore, if the company's aid is insufficient, Orange Polska's employees are eligible for assistance by the Orange Foundation under the Support one another programme. It has been established by the Orange Foundation to help people in need.

We encourage Orange Polska's employees to donate 1% of their income tax to selected public benefit organisations. The same amount which is donated by employees to the programmes indicated by the company is then donated by the Orange Foundation out of its budget to the "Support one another" fund. For six years since its establishment, the Fund has provided financial assistance to several dozen employees, totalling more than PLN 600,000. Owing to close co-operation with company's welfare departments we are informed on a current basis about cases where assistance has been insufficient

or impossible. Last year, we helped all people reported to the Orange Foundation.

Promoting and supporting employees' active lifestyle.

The purpose of the Central Sports, Tourism and Culture Fund is to finance sports and cultural events for TP S.A.'s employees. It aims at employee integration through participation in sports, recreational, tourist or cultural events. The Fund organises competitions in various disciplines, from athletics and swimming to sailing, motorcycle and car rallies, as well as tours, canoeing and outdoor photography and painting. Organisers of such events encourage employees and their families to spend time together in an active way. On average, 2,000–3,000 people use such an opportunity annually and about PLN 2 million is spent on this purpose every year. In 2011, our employees were offered the FitProfit card and the take-up exceeded 12,000 people.

Enabling employees to save for the future.

Since November 2001, all employees of TP S.A. have been eligible to participate in the Employee Retirement Plan (ERP). TP Employee Retirement Fund is the largest employee pension fund in Poland by both value of assets and number of participants. In 2011 (as of 31 December 2011), 81.9% of TP S.A.'s employees were covered by the scheme and had their basic premiums paid into their accounts. An additional premium was declared by almost 1,650 employees. The total value of assets of the Fund is now close to PLN 1 billion, while the accumulated profit totalled PLN 275 million (at the end of December 2011).

TP S.A.'s ERP payments had totalled almost 245 million by the end of December 2011. Furthermore, in 2011 also employees of Orange Customer Service began to pay premiums to the TP Employee Retirement Fund upon registration of their own Employee Retirement Plan by the Financial Supervision Commission.

Listening to Employees' Opinions

Employee surveys.

Orange Polska has conducted regular employee surveys, Me in my company. They aim at surveying the employee satisfaction, monitoring changes which occur between subsequent surveys, determining the importance of various areas of work as well as identifying strengths and weaknesses in the functioning of the company as an employer.

So far, three editions of the "Me in my company" survey have been conducted by Millward-Brown SMG/KRC. It is an independent research institute, which has guaranteed the anonymity of the survey. In 2011, the survey was addressed to all employees of TP S.A., PTK Centertel, Orange Customer Service and TP TelTech, that is a total of about 35,000 people. 58% of regular employees and 43% of outsourced staff invited to participate in the survey responded to it.

The confidence in the survey has grown with each subsequent edition. The survey has demonstrated that in 2011 employees' attachment to the company grew by impressive 8 percentage points, i.e. from 42% to 50%. We are also better perceived as an employer (61% positive answers; up from 47%) and so are our corpora-

te culture and values (60%; up from 46%). 62% of our employees would recommend our company as a good employer.

Open dialogue with employees.

We respect the right to associate and carry out a regular dialogue with trade unions.

The interaction between trade unions and TP S.A. is regulated by the Intragroup Collective Labour Agreement and additional agreements. This way the company has set a standard for mutual relations and information exchange. In addition, there is an employee relations unit and a position of social dialogue advisor within the organisation. Furthermore, the Employee Council has been established in TP S.A. pursuant to the Act on informing and consulting employees. In 2010, TP S.A.'s employees elected Council Members for the 2010–2014 term of office.

TP S.A. has an obligation to consult the Council on matters related to the level, structure and intended changes of workforce, actions aimed at maintaining the workforce level, as well as significant changes in work organisation or employment basis. In PTK Centertel, the rights of trade unions and their members are determined by Collectively Agreed Rules, which include regulations on interaction between trade unions and the employer, as well as by co-operation agreements signed by the employer with trade unions.

The social dialogue with trade unions in TP S.A. functions on two levels:

- 8 nationwide trade unions: on this level, the TP S.A. Management Board consults and negotiates general issues related to collective employment (e.g. Intragroup Collective Labour Agreement);
- 18 enterprisewide trade unions: on this level, detailed regulations (e.g. work regulations, remuneration policy) are negotiated.

As of the end of December 2011, trade unions in TP S.A. had a total membership of 4,045 people, i.e. 26.8% of all employees. The interests of TP S.A.'s employees are also represented on the France Telecom Orange Group's European Works Council, as the company's representatives sit there.

There are two trade union organisations in PTK Centertel. As of the end of December 2011, they had total membership of 79 people, i.e. 4.3% of all employees.

On 24 October 2011, TP S.A. Management Board and trade unions signed the new Social Agreement for the years 2012-2013, effective from 1 January 2012. The Social Agreement regulates issues related to employment policy (including the role of internal mobility, recruitment and outsourcing), wage rises and compensation for departing employees who cannot adapt their professional profile to the changing market needs.

Providing the same benefits to all employees of Orange Polska.

In TP S.A., employees benefit from clear and transparent privileges specified in the Intragroup Collective Labour Agreement (ICLA). In particular, it regulates matters related to the establishment and termination of employment relationship, working time, leaves, remuneration and other employee benefits policy, occupational health and safety as well as medical services. ICLA provides for rights and benefits which go beyond those resulting from mandatory regulations or are not addressed by them at all, including higher severance pay in case of termination of employment for reasons unrelated to the employee as well as higher gratuity payments to retiring or disabled employees.

In 2011, PTK Centertel and trade unions in the company agreed to introduce the Collectively Agreed Rules into PTK Centertel's employee remuneration policy. In particular, the Rules regulate matters related to the establishment and termination of employment relationship, working time, leaves, remuneration and other employee benefits policy, occupational health and safety, training and welfare. The Collectively Agreed Rules provide for rights and benefits which go beyond those resulting from mandatory regulations or are not addressed by them at all.

The Collectively Agreed Rules have also been adopted in Orange Customer Service.

A total of 18,054 people or 76.6% of all employees are covered by collective agreements in Orange Polska.

Involvement of employees in business processes and improved communication.

In 2008, an ambassadorship movement was launched in the company. It invites employees to discuss the key challenges faced by the company and the intended strategies as well as to come up with new ideas for business development or organisational changes. More than 300 employees became ambassadors of key changes in the company. In addition to their everyday work, they prepare and conduct training related to corporate values and culture as well as strategic challenges. They have carried out a total of almost 1,700 workshops for over 25,000 people from more than 112 locations.

Employee relations are one of the most important aspects of corporate social responsibility. This is why we attach much importance to ensuring equal treatment, clear evaluation and promotion criteria, as well as professional and personal development opportunities. We properly respond to any breach of our Code of Ethics. A socially responsible company can only be built together with its employees by getting them involved in the process of developing the competitive edge in the market.

6. Social commitment

As a civic association, we have been collaborating with Orange Polska and the Orange Foundation for three years in educational projects for children and youth. Regular evaluation meetings are of two-fold importance for me. First, they enable me to see good practices followed by other stakeholders, thus extending our own bank of ideas. Second, they provide an opportunity for individual conversations and getting information on community activities of Orange Polska. Today, I learnt for the first time about an initiative to develop Orange laboratories. What differentiates the Orange Foundation and Orange Polska is direct contact on the different stages of project development and implementation. I highly regard this assistance, as we often get insightful suggestions. I am also glad that our proposals were addressed at today's meeting.

Łukasz Richert, Head of the Pomerania–Kashubia Association, participant of a dialogue panel

CSR Strategy:

To maintain high awareness of the company's social initiatives and voluntary work programmes.

Orange Foundation

In our social initiatives we try to focus on the social challenges related to the company's functioning in the market, that is modern technologies which support learning, relations with family and friends as well as participation in culture. However, we are not indifferent as to major social issues or current local or global developments. We try to help not only with our funds but, above all, with our knowledge, services and skills, as well as experience of our employees.

Choosing single priority of Orange Polska's social commitment.

Since the beginning, the company has allocated a portion of its profits to social purposes, providing grants to non-governmental organisations, such as foundations, associations and public institutions. Our corporate foundation, currently under the name Orange Foundation, was established in 2005. It is actively involved in community life, implementing its own original programmes or supporting valuable initiatives of other non-governmental organisations for the education of children and youth, culture and health care.

As we want to be involved in solving important social problems, all our programmes are based on long-term initiatives prepared upon public opinion surveys and consultations with authorities and experts in the relevant areas.

Our programmes focus on providing equal opportunities in access to modern education and on disseminating knowledge of how to use technologies for exploring the world, learning and building communities. We want to create opportunities for children to participate in community life and develop regardless of the financial status of their families or their background.

Most of the educational and social programmes carried out by the Orange Foundation are its own original nationwide initiatives; they are often implemented in collaboration with partners. The Orange Foundation also supports a number of programmes, projects, and social campaigns carried out by NGOs or public institutions, providing expert, organisational and/or financial assistance. The initiatives of the Foundation and its long standing partners often involve

Orange volunteers, who, with great dedication, support numerous local campaigns and projects.

Some of our programmes, such as "Education with the Internet", "Orange Academy" or "Orange Academy for Libraries", have been presented in previous chapters. Now, let us have a look at other things done by the Foundation.

Company's involvement in social campaigns for people in need (children, patients).

The "Phone to Mum" programme has been launched in response to sick children's need to contact their families. We have installed over a thousand colourful child-friendly phones in hospitals, which means that children from almost every hospital ward in Poland can call home any time. Free phone cards are regularly distributed in hospitals.

In addition, the programme involves the annual "Be a Santa Claus" campaign. All December, volunteers visit children, give them Christmas gifts and play with them. In 2011, 904 volunteers participated in the project. Thanks to the Foundation, over 14,000 little patients received gifts from Orange Polska's Santas.

Our volunteers refurbish common rooms and halls in hospitals, transforming them into friendly, safe and well-equipped "Fairy Tale Corners", that is places where children can play and learn. So far, 50 Fairy Tale Corners have been created in Lublin, Poznań, Łódź, Bydgoszcz, Gdańsk, Stalowa Wola, Wejherowo, Nowe Miasto Lubawskie, Gostynin, Otwock, Mielec, Cracow, Bartoszyce, Pułtusk, Wyszków and Warsaw. We also invite various companies (and their employees) to get involved in the development of Fairy Tale Corners, and they provide painting articles, finishing materials, furniture and toys required to create child-friendly sites.

We remain in contact with medical personnel and owing to surveys and interviews we receive information on the current problems of children's wards and the needs of little patients.
The results of a study of the situation of sick children in hospitals, which was conducted towards the end of 2009, constituted the basis for the development of the "Phone to Mum" programme and other social campaigns carried out by the Foundation for hospitalised children.

Extending the "Phone to Mum" programme to include Internet access.

In 2011, we launched a pilot project of installing educational multimedia stations in hospital common rooms. Fifteen selected children's wards received computer equipment, namely a touch screen with an integrated computer system, to enable little patients to spend time in an interesting way. In January 2012, the stations were equipped with games, educational applications, audio fairy tales and multimedia materials to be used by Orange volunteers in working with children.

Results of the programme in 2011:

- 1,050 phones installed in children's wards;
- 1.39 mn free cards distributed by the end of 2011;
- PLN 11.68 mn is the total value of all cards distributed during eight years of the programme implementation;
- 2.86 mn children have been able to use the "Phone to Mum" and call their relatives;
- 62 mn minutes have been used by little patients for calls to their relatives.

Help to the disabled.

"Sounds of Dreams" is Foundation's own nationwide programme for the rehabilitation of young children with hearing impairments. It is a unique programme at the European level and the largest non-governmental initiative to provide comprehensive support to children with hearing loss as well as their families and therapists. The programme aims at ensuring early rehabilitation of children at home and providing hearing aids to the youngest children (aged 0–3).

Children living in semi-urban and rural areas are visited at home twice a week by specialists, who carry out professional hearing and speech therapy. In 2011, 300 children attended by 180

therapists were covered by home rehabilitation therapy.

The Foundation has also founded 18 Hearing Aid Banks across Poland, which fit and lend hearing aids free of charge. At present, the Banks have a total of 480 hearing aids at their disposal. In 2011, these were used by 312 children.

Each year, the Orange Foundation organises free 14-day summer camps with hearing and speech therapy for children and their parents. Individual and group therapy is conducted by experienced speech therapists and adjusted to the needs of children of less than three years old. Caretakers attend meetings and workshops with psychologists and paediatricians. Specialists share with parents their knowledge and hands-on experience in rehabilitation and unique needs of young children with congenital hearing loss. In addition, participants exchange information and support one another in the process of rehabilitation of their children. In 2011, a total of 120 children with their caretakers and 32 therapists participated in summer rehabilitation camps.

We also organise free training courses for therapists and parents in specialist knowledge required to work with young children, such as the verbotonal method. In addition, the programme involves informational initiatives related to the development needs and the importance of early therapy in young children. The Orange Foundation prepares free publications and educational materials concerning these topics.

The Foundation raises additional funds through public collections using charity SMSs to Orange customers. A public collection in 2011 covered the costs of six-month rehabilitation of 167 children.

Results of the programme in 2011:

- 18 Hearing Aid Banks in medical centres across Poland, offering 480 hearings aids for gratuitous lease; in 2011, these were used by 312 children;
- A total of 300 children were covered by free home rehabilitation in 2011; it was carried out by 180 therapists, visiting children in small towns and villages;
- In 2011, 4 summer hearing and speech rehabilitation camps were organised for 120 children and their caretakers (since 2006, a total of 32 camps for 814 children have been held).

Concern for the safety of children.

The nationwide "School without Violence" programme was inspired by a grassroots movement of school communities concerned about the issue of school violence. The movement was supported by regional dailies and the Orange Foundation, which joined as a third partner. About 5,000 schools (or 15% of the total number) participate in the programme each year. Its purpose is to strengthen pro-social attitudes among young people and prevent violence by showing alternative behaviours to aggression.

Each school which enters the programme gets organisational support and a set of dedicated tools, including special brochures, guides and instructional films, as well as teaching aids and lesson scenarios. Teachers attend regional workshops to improve their qualifications and skills in violence prevention. In addition, there are psychologists on duty, who support teachers and students in responding to ad hoc situations.

For students, we organise competitions and hold classes to develop the alternative to aggressive behaviour and strengthen social attitudes of young people, encouraging them to co-operate, share and volunteer. We award the most active school volunteers every year.

The workshops we organised were attended by 550 teachers, psychologists and educators, who were trained as programme consultants. As a result of this initiative, about 200 professionals conducted training for students, parents and teachers (a total of 15,000 people).

In the 5th edition of the "School without Violence" programme (2010/2011), "Parents Are with Us", we focused on a great role of parents in proper functioning of schools and encouraged parents to get involved in school events. In addition, a special portal for parents, icotamwszkole.pl ("What's new at school"), was launched to facilitate their contact with teachers. 1,175 schools had logged on to the portal by the end of 2011.

The 6th edition of the programme, "Fair Play Fans", which is started in September 2011, aimed at promotion of safe fan activities and fair play behaviours among children, especially in the context of the UEFA EURO 2012 European Football Championship.

In 2011, the nationwide School without Violence Day was celebrated for the fourth time. School communities presented their own interesting and effective ideas for preventing violence and aggression among students. This time, also parents were invited to join some activities. Furthermore, another edition of the best class tutor contest was held.

In September 2011, the "School without Violence" programme was incorporated as a good practice to the "School with Passion" campaign carried out by the Ministry of National Education.

Results of the programme in 2011:

- 4,700 schools participating in the 5th edition of the programme;
- 2,000 schools celebrated the School without Violence Day;
- 200 teachers attended macroregional workshops and subsequently trained nearly 15,000 people in mini-workshops;
- 700 schools organised the Volunteering Week;
- 92 young volunteers participated in the Volunteering Leaders' Summer School;
- 300 projects were submitted in the volunteering project competition;
- The icotamwszkole.pl portal was launched.

Clear rules of supporting social projects and collaborating with other foundations, associations and organisations.

The Orange Foundation supports and finances valuable projects and initiatives for children and young people carried out by third sector organisations and public institutions in Poland as well as actively participates in community life, supporting initiatives of non-governmental organisations for the modern education of children and youth, culture and health care. The "Grants" section on the Foundation's website, www.fundacja.orange.pl, contains a grant application form and the grant rules.

As part of its grant policy, in 2011 the Foundation continued to collaborate with Poland's largest non-governmental organisations, including Academy for the Development of Philanthropy in Poland, Synapsis Foundation, ABC XXI All of Poland Reads to Kids Foundation, Friends of Integration Association in Warsaw, Volunteering Centre Association, Museum of the History of Polish Jews and a number of other foundations, associations and cultural institutions.
The Orange Foundation also supports organisations and associations which on the local level help children who are at risk of exclusion or need assistance.

The initiatives which received grants from the Orange Foundation in 2011 included the following:

- Development of a scholarships and competitions web service, mojestypendium.pl, managed by the Good Web Foundation, where high school and university students may find complete and up-to-date information about available scholarships;
- In conjunction with the ABC XXI All of Poland Reads to Kids Foundation we launched the Internet University of Wise Education educational programme, which aims at dissemination of psychological and educational knowledge among parents and people working with children through e-learning, lectures, scripts, recorded speeches, interviews, articles, debates, films and other educational materials by both Polish and foreign authors;
- Help to autistic children: regular therapy and rehabilitation of autistic children by the Synapsis Foundation;
- Support for educational initiatives of universities, including dissemination of culture among children and young people through Grand Recitals organised by the Adam Mickiewicz University in Poznań, grant for the organisation of lectures and educational presentations during the University of Wrocław Lower Silesian Science Festival and support for the Jagiellonian University in organising post-graduate information society studies;
- 6th Polish Forum for Non-governmental Initiatives: strengthening the potential of non-governmental organisations and their people as well as presenting the achievements and diversity of NGOs at an educational and integration meeting.

To learn more please visit
www.fundacja.orange.pl

Like every year, the Orange charity match was played. Together with our friends we played with the Polish journalists' team to help the "Koło" Children and Family Support Centre.

This time, the match was honoured with the presence of Slavek and Slavko, the official mascots of UEFA Euro 2012. There were also sports emotions and the match was accompanied by attractions for children, such as a meeting with Santa Claus, football juggling workshops and electronic games (FIFA). The event ended with Orange presenting a cheque for PLN 20,000 to representatives of the Centre. In particular, these funds have been used to finance winter camps for children.

Also Wirtualna Polska collaborates with the Orange Foundation and supports social and charity projects on a non-profit basis. Patronage over projects involves editorial assistance (publishing articles) and advertising campaigns in selected thematic lines ('News', 'Education and Science', 'Business', etc.). Mainly projects for children, natural environment, health and democracy promotion are taken under patronage.

In 2011, WP.PL carried out 22 campaigns to support charity projects carried out by various foundations (e.g. "I Have a Dream", "Ithaca", "Child's Fantasy", "Hospice is Life Too") and the "Be a Santa Claus" initiative; in addition, 9 other projects were promoted by coverage (e.g. "Plant a Tree", "Notebook for a Pupil", "Between Silence and Darkness").

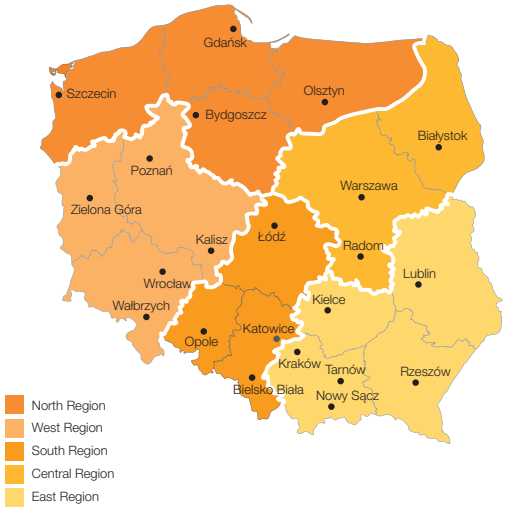
In our Regions

Involvement of Regions in building relations and positive image of the company by representing it in various social initiatives.

Our Regions collaborate with numerous institutions, non-governmental organisations and companies, getting involved into important social, cultural and economic initiatives, as well as support the implementation of Orange Foundation's programmes. They also participate in major regional events and attend conferences and meetings. They readily support institutions which aim at ensuring equal development opportunities, providing assistance and support to those in need or promoting special achievements. These efforts involve our

employees who as voluntary workers teach children how to use the Internet safely, develop Fairy Tale Corners in hospitals or organise Santa Claus events or Children's Day celebrations.

Map of Regions



In our North Region, in the "E-invoice for the Environment" project, we have revitalised the surroundings of the Arthur's Manahouse (in conjunction with a local community centre) as well as a piece of untended land in the Orunia District of Gdańsk (together with the Landscape Architecture Technical College and Gdańsk Foundation for Social Innovation). In a small school in the Village of Glinki, we have combined an educational campaign by volunteers with a sports integration event for telecommunication companies.

We maintain good relations with Orange Foundation's beneficiaries, often combining their projects with our voluntary work and promoting co-operation among social organisations supported by the Foundation. A good example is the "Half Time Score 0–1" tournament of the Gdańsk Charity Foundation: our volunteers helped to organise it and provided photo-coverage once again. In collaboration with the Hewelianum Centre we conducted classes about Frederic Chopin.

In the North Region, we celebrated the Children's Day together with the Heart and Reason mascots, holding meetings with kids in Bydgoszcz, Szczecin, Gdańsk, Gdynia and Olsztyn.

Our South Region together with the Foundation for Silesia supports young artists; we have organised art workshops using works from the Silesian Contemporary Art Collection since 2011. The project has been part of Katowice's efforts to be designated the European Capital of Culture. We also implement a project for teaching safe behaviour: together with a mascot of the Silesian Police, Shnoopek, we present the rules of right behaviour to children and young people. The project goes in line with the government programme for crime and asocial behaviour prevention, "Safer Together", as well as the nationwide "Reading Heals" campaign. Voluntary workers also carry out our own workshops for children, teaching them how to use the 112 emergency number. Over 1,500 children have been trained so far.

In conjunction with the Regional Police Headquarters in Katowice, the Silesian Region Marshal's Office, the Katowice Branch of the Polish Television, Polish Radio and Polskapresse (Dziennik Zachodni daily), we carry out the "No reaction means acceptance" campaign. We want to encourage witnesses to offences which negatively affect the public safety to report them to the Police. We promote civic attitudes, hold meetings in schools and residential estates and for senior citizens, and organise an art contest for children and young people.

As part of the campaign, we build the awareness of the problem of telecommunication infrastructure theft in Poland.

In our West Region, we collaborate with the Children's Art Centre in Poznań, which organises the 'Ale Kino!' ('What the cinema') International Young Audience Film Festival.
In a 'What a bus!' campaign, which is carried out every year, we helped children and young people from remote towns and villages to travel and see films during the Festival. We provided assistance to 26 organised groups from the Poznań vicinity and the whole Poznań region, that is a total of 1,103 children. In addition, we provided telephone communications and broadband Internet access in the Festival office.

For the fourth time we participated in the Lower Silesian Science Festival. Our Internet café enabled children and young people to surf the web safely.

We attended to the needs of little patients in the Clinical Hospital No. 5 in Poznań. We refurbished and painted 12 rooms. In our "Make Children Not Be Scared" project, nurse aprons were appliquéd with colourful motifs, colourful bed linens were sewn for the Haematology/Oncology Department and games and toys were purchased for children.

In addition, 2011 saw a number of our initiatives for handicapped children, including support for organising a rehabilitation camp for autistic children from the Education Complex No. 2 in Wrocław and two rehabilitation camps in the Patria Foundation's "Republic of Smile" project, as well as art workshops for children in care of the Patria Foundation and the Childcare Centre in Jawor. We also equipped a rehabilitation room in the 'Polana' Kindergarten No. 155 in Poznań and refurbished a number of rooms in integrated kindergartens in Poznań and common rooms in the Centre for Children with Neurological Speech Disorders in Wrocław. In the Family Support Centre in Kobylnica, we organised art workshops and we used proceeds from a charity auction of our employees' paintings to finance an educational trip for children. In the Children's Home in Oława, we provided for refurbishment and modernisation of a playground.

During a traditional pre-Christmas campaign we collected clothes, sweets, toys and books for those in care of the Municipal Crisis Intervention Centre in Poznań and the Akson Association's Crisis Intervention Centre for Women and Mothers with Children in Wrocław. We carried out two blood donation campaigns: special mobile blood donation stations were visited by over 100 people, who donated a total of almost 27 litres of blood. In addition, we promoted registration with the Central Registry of Unrelated Bone Marrow Donors and Umbilical Cord Blood.

In our East Region, we actively participate with the Municipality of Cracow in promoting the rules of safe Internet usage for kids and teenagers. The programme has covered around 3,000 students and over 100 teachers from 50 primary schools in Cracow.

In 2011, we provided donation to the SAPERE AUSO Małopolska Scholarship Foundation for its scholarship programmes for talented youth. We collaborated with the Kolping Family Day Care Centre in Jarosław, carrying out joint programmes ensuring equal educational opportunities for children. Together with the Cracow Spring Association we helped kids from children's houses with school work in the "Academy of the Future" project. In addition, we helped the New Bath Theatre Association to implement projects to stimulate the activity of elderly people.

In the East Region, we organised five blood donation campaigns, collecting over 73 litres of blood in 2011.

In addition, we organise numerous events for kids in children's homes and hospitals.
We celebrate the Children's Day and in the Christmas season our employees become Santas. Last year, our new initiative was the "Christmas Tree of Dreams" in the Children's Homes in Nowa Grobla and Wolica. We prepared gifts from Santa Claus on the basis of letters which children had written.

In our Central Region, we have collaborated with the Society of Children's Friends' Treatment, Education and Welfare Centre „Helenów".
Help of the Region's employees on a voluntary basis in the organisation of Children's Day celebrations, Santa Claus' parties or volunteer integration trips has become a permanent element of this collaboration. Last year we supported the Centre in celebrating the Handicapped Children's Day. We were also instrumental in obtaining a grant for the Society of Children's Friends for co-financing the "Creators – Producers from Helenów" project, which aims at ensuring equal educational opportunities for handicapped young people and enhancing their self-reliance.

For two years, we have collaborated with the "Home, Family, Human Being" Association by collecting plastic bottle caps (3.5 tonnes were collected in 2011). The collected caps are handed over to the Association, which uses the proceeds to purchase specialist rehabilitation equipment for handicapped children.

We also took part in celebrating the Children's Day with the participation of the handicapped and residents of the Residential Care Home in Międzylesie. In the pre-Christmas season we organised a gift collection for low-income families, which are in care of the Association. Furthermore, we supported the Bielany Educational Centre, organising Internet safety lessons for children, gift collections and Christmas presents.

In conjunction with the 'Stara 4' Association of Creative Educators and the Bielany Educational Centre we carried out an environmental project, "SOS for the Earth and People – Cork Campaign", for children from 11 educational centres from the Warsaw region. The project involved a series of educational workshops, development of a package of environmental materials, as well as an art contest followed by the exhibition of the winning works.

During the Volunteer Week we organised a collection of school equipment among our employees for kids from the Children's Home No. 3 in Warsaw. In addition, we have been carrying out the "Innovativeness for Children and Youth" programme, which encompasses educational classes in the "Innovation Gardens".

Corporate Volunteering

Getting our employees involved in social campaigns, developing a voluntary work programme.

The "Caring for Others" is a corporate volunteering programme, which aims at encouraging Orange Polska's employees to get socially involved and enabling them to participate in charity and educational projects.

Our corporate volunteering programme was launched in 2003. For over eight years, a total of over 7,000 volunteers have participated in various social campaigns.

Orange Polska's employees have worked over 27,000 hours in over 160 corporate volunteering projects proposed by volunteers themselves (60 projects were carried out in 2011 alone). Our voluntary workers take part in the "Phone to Mum" programme, providing support and assistance to selected hospitals or paediatric wards. They organise classes for young patients, read books to them, prepare educational games as well as distribute phone cards and monitor the programme implementation in hospitals.

In the "Fairy Tale Corners" project, 20 colourful and child-friendly hospital common rooms were created in 2011 with the input by over 400 volunteers from Orange Polska and a number of volunteers from partner companies invited to the project. Currently, children use a total of 50 Fairy Tale Corners all over Poland. During the Christmas season, 904 volunteers dressed as Santas visited children's hospitals, giving away gifts (books and stuffed animals) to 14,000 sick children.

In addition, more than 90 volunteers from Orange Polska participate in the "Education with the Internet" programme, giving lessons in the safe usage of the web. Such classes have been attended by a total of 7,000 students. Furthermore, our volunteers together with representatives of the Nobody's Children Foundation carried out Internet safety workshops for children in five Fairy Tale Corners and 150 selected hospital wards received CDs with animated cartoons and comic strips as well as other educational materials.

In 2011 we launched another initiative involving our volunteers: a campaign of reading books to children in hospitals and libraries. Three training sessions have been organised in collaboration with the ABC XXI All of Poland Reads to Kids Foundation for those interested to join the

initiative. Our volunteers prepare also their own projects and the Orange Foundation helps in their implementation. Since 2004, the company has organised contests for the best project proposed by voluntary workers; the winners receive a grant of up to PLN 3,000 for the project implementation. In 2011, our voluntary workers received funds for repairs of playgrounds and common rooms in children's homes or other welfare institutions, refurbishment of a dining room in the Regional Tuberculosis and Lung Disease Hospital in Kup, construction of a "Garden of Dreams" for children in the day care centre in Liszków, an environmental picnic and tree planting in the Celestynów Forest District, a charity lottery and an auction of children's art works for the National Autistic Society in Szczecin as well as a number of other initiatives.

Orange volunteers carried out educational workshops for children aged 10 to 14 using materials prepared together with the National Fryderyk Chopin Institute. The workshops used games and simple tasks to convey information about the life and works of the Polish composer. The lessons aimed at showing children that classical music could be exciting. In 2011, the workshops were attended by a total of 1,000 children.

Also employees of Wirtualna Polska readily get involved in volunteering initiatives. In 2011, together with the Orange Foundation, they collected crayons for kids. For each kilometre ridden by an employee on a special bike, the Foundation presented a box of crayons to paediatric wards in hospitals or day care centres in the Tricity. In addition, the company's employees organised educational workshops for children from the Regional Rheumatology Centre in Sopot and the Specialist Hospital in Gdańsk.

During the Christmas season, volunteers dressed as Santas visited children in hospitals, giving away gifts. They also participated in the "Santa's Helpers" campaign for low-income families. The information about the families in need were provided by the House on the Edge Association and the Noble Gift Foundation. The portal provided logistics and communication support, offering space for storing gifts and their transport to people in need.

Our corporate volunteering programme is not only about voluntary work but also social involvement of our employees. The corporate volunteering programme has been made part of human resources management and has become an excellent tool for team integration.

Development of an on-line social platform through which socially active employees of Orange could contact local activists from various institutions.

In 2011, a dedicated application for volunteers was developed on the corporate intranet. It facilitates participation in projects, monitoring of voluntary work offers (which are updated on a current basis), joining campaigns and designing one's own projects. The application simplifies the evaluation of the project outcome (current monitoring of the number of volunteers and hours of voluntary work, project reporting, etc.) and enhances volunteering project management.

Broader communication about volunteering campaigns to employees.

The Orange Foundation encourages volunteers to undertake regular activity for those in need. We have launched a volunteering dedicated website on our corporate intranet and a newsletter for volunteers. Each year, during the Orange Foundation Day, we honour the most active people with the "Together for Others" badge. In September 2011, we organised the Volunteering Week in Orange Polska for the first time. Both in Warsaw and in our Regions we reviewed volunteering efforts, presented initiatives which our employees could join and promoted a grant competition for the implementation of employees' own volunteering projects.

Supporting e-volunteering for people at risk of digital exclusion.

Since 2009, the Orange Foundation together with the Good Network Founda-

tion and other partners has been operating an e-volunteering portal, whose mission is to promote and popularise helping others via the Internet. In particular, e-volunteering involves free consultation, co-ordination of support and mutual help groups, language translations, assistance in foreign language learning, knowledge base development, on-line media administration, web portal editing, e-charity or co-operation in promoting social campaigns. On an annual basis we carry out the "Discover e-volunteering" competition in Poland for organisations working with e-volunteers. In addition, the first European edition of the "Discover e-volunteering" competition was held as part of the European Year of Volunteering celebrations. A total of 81 projects from 19 EU member states were submitted in the competition. The winners received monetary prizes funded by the Polish Orange Foundation, the French Orange Foundation and Intel Technology Ltd. The pool of prizes totalled €6,000 and the prizes were granted during the Volunteers Gala in December 2011.

Promoting volunteering in business.

In 2004, the company became a partner of the Volunteering Centre Association and participated in the development of the Business Volunteering programme. Currently, we are a patron of this programme, which involves sharing knowledge with businesses willing to introduce employee volunteering programmes. As a partner of the Volunteering Centre Association, the Orange Foundation was also involved in the Colours of Volunteering competition. The corporate volunteering programme growth is stimulated by the support and commitment of our top managers. The CEO of Orange Polska, Maciej Witucki, is a volunteer himself and gives lessons on the Internet safety.

In 2011, together with other companies and the Academy for the Development of Philanthropy, we established the "CEO Volunteers" coalition, whose members, presidents of companies, are volunteers and share their time and experience in order to support important social initiatives. They also promote employee volunteering and involvement in such campaigns within their business organisations.

Promoting the concept of volunteering.

In 2011, the Orange Foundation and our volunteers participated in a number of initiatives related to the European Year of Volunteering. In September, the EVY Tour pavilion was erected in front of the Palace of Culture in Warsaw and hosted various activities related to volunteering for a week. The Foundation was involved in the organisation of the Employee Volunteer Day and e-Volunteering Day in the pavilion for visitors and journalists. The company also supports volunteering through other activities. We have helped the Volunteering Centre to launch a website and we have provided a toll-free line, 0 800 300 594, for receiving applications from volunteers willing to join social initiatives. Another line, 0 800 444 131, has been provided for the PROJECTOR student volunteering programme.

Results of the programme in 2011:

- 904 volunteers dressed as Santas visited paediatric wards, giving presents to over 14,000 children in hospitals all over Poland;
- Our employees worked a total of 27,000 hours as volunteers; over 750 volunteers took part in the development of 50 Fairy Tale Corners;
- Over 250 volunteers were involved in the implementation of their own projects, for which they received grants from the Orange Foundation;
- So far, 90 volunteers have conducted workshops in the safe usage of the Internet, which have been attended by over 7,000 children in Poland;
- In 2011, over 1,000 children learnt interesting facts about the life of Frederic Chopin and were inspired to listen to classical music;
- The first European edition of the "Discover e-volunteering" competition was held with 81 submissions from 19 EU member states.

Other Social Initiatives

Co-operation with social welfare institutions and organisations.

Our social commitment is not limited to the activity of the Foundation. It involves also direct co-operation with various organisations, telecommunication services for social purposes (telephone lines and SMS numbers for charity fundraising), infolines or responding to major social issues, particularly helping victims of natural disasters.

On 5 March 2009, we launched the hotline number for missing children, 116 000, in Poland. It may be used by parents or guardians whose child has gone missing, police officers, journalists, children who have run away or got lost or any persons who may help to find them. The number is toll free and available on a 24 hours/7 days basis.

Poland was the sixth country in Europe to launch the 116 000 number in accordance with the relevant directive of the European Commission. Currently, this number is available in ten countries, namely Poland, Belgium, France, Greece, Hungary, Italy, Netherlands, Portugal, Romania and Slovakia, but only in five of them (Poland, Belgium, Greece, Hungary and Romania) it is operated on a 24/7 basis. The Polish hotline for missing children has been launched by the ITHACA Foundation – Centre for Missing People and Telekomunikacja Polska. We have provided, free of charge, a technological platform which makes it possible for those in need to call the number regardless of the network used. Our company provides technical maintenance and participates in the costs of operating the line.

In 2011, ITHACA specialists answering calls to the 116 000 number received 218 reports on missing under-age persons and 197 missing children or teenagers were found. In the same period, the specialists provided psychological counselling to 2,950 people and legal counselling to 450 people. Overall, 6,423 calls concerning missing children were handled.

Active participation of Orange Polska in major social campaigns.

Another expression of our commitment to important social events is provision of free services: telephone lines and SMS numbers for charity fundraising. The entire proceeds from these services go to social welfare organisations.

In 2011, we provided SMS fundraising numbers for 22 organisations as well as five fundraising lines. The proceeds, which totalled over PLN 9.5 mn, went to welfare organisations.
The organisations which we supported in the fundraising process included The Great Orchestra of Christmas Charity, Polish Humanitarian Action, Caritas Poland, Anna Dymna's "Despite Everything" Foundation", Ewa Błaszczyk's "Akogo" Foundation, TVN's "You Are Not Alone" Foundation, Polsat Foundation, "Work of the New Millennium" Foundation, Santa Claus Foundation and a number of other entities.

In addition, we operated eight 0-800 toll-free lines, which we provide free of charge to social welfare organisations and institutions (e.g. Ombudsman for Children) as well as organisations which co-ordinate voluntary work or prepare gift collections.

Every year Orange Polska participates in Great Finale of The Great Orchestra of Christmas Charity. In January 2011, an auction of 99 golden phone cards and a special telephone line as well as an SMS fundraising campaign organised by Orange Polska contributed almost PLN 1.3 mn to the 20 Great Finale of The Great Orchestra of Christmas Charity.

Involvement in major issues for Poland.

We got involved in the "Let's go voting" informational campaign of the Friends of Integration Association. The campaign aimed at informing as many handicapped people as possible about new voting opportunities.
In particular, TV ads and four radio ads as well as instructional films were developed. The campa-

ign was carried out under the patronage of the President of the Republic of Poland and the Ombudsman. Our contribution involved operating a toll-free infoline, 800 330 330, through which handicapped persons and their guardians could obtain information how to take part in the election.

We actively participate in events which are important for our country. In 2011, Poland took over the Presidency of the Council of the European Union. Orange became a partner of the Polish Presidency. Under the partnership agreement, Orange equipped Polish diplomats and officials supporting the Presidency with ICT equipment: mobile phones, wireless modems, and laptops with complete software. The company's personnel also provided hardware support: logistics, installation and technical support for end users. In addition, special hot spots where launched on Polish airports indicated by the Ministry of Foreign Affairs. As a result, diplomats and people participating in international meetings related to the Polish Presidency in the EU had Internet access while on the go. On behalf of Orange, the agreement with the Ministry was signed by Contact Center.

During the European Football Championships 2012, UEFA EURO 2012™, Orange Polska provided ICT infrastructure, fixed and wireless. Within the technology partnership framework, we created a communications system for EURO 2012, which linked the host cities, stadiums, hotels hosting UEFA's representatives and the Local Organisational Committee (UEFA's official EURO 2012 company) and provided communications with Ukraine. The system supported transmissions from all TV cameras in Polish venues to UEFA's official broadcast partners at the International Broadcasting Center. We also rendered data-transmission and Internet access services to UEFA's employees, journalists and commentators and provided voice communications and equipment.

It is our policy to have a responsible approach towards social issues, building long-term CSR programmes based on the company's competence profile. In addition, we carry out charity programmes, which respond to specific problems and important social issues. We also pay attention to major developments in our environment, particularly important events or natural disasters. Orange Polska remains one of the most socially responsible businesses in Poland.

Methodological Note

Workforce data

The workforce data presented in this Report have been collected using the HR-Info system, which accounts for variables such as employee's gender or position. The data fed to HR-Info are based on the data contained in the HR systems of the member companies of Orange Polska and are reported in line with the France Telecom Orange Group's standards.

Managers (employed under employment contracts as at the end of the reported period)

The management rate refers to middle to top managers employed under employment contracts. Employees are classified as "managers" on the basis of their employment groups, according to their competence profile, in line with the France Telecom Orange Group's standards.

Accidents at work

This rate corresponds to the number of occurrences that were classified as accidents at work during the reported period. Under Polish regulations, this is ultimately determined by the date of the employer's decision to recognise an occurrence as a work-related accident rather than the date of accident itself; e.g. if an accident occurs in December, but the accident report is not approved before January, it will not be accounted for in the given year, but rather in the following year. In statistical terms, until the accident investigation procedure is completed and the report is approved, an occurrence is not considered an accident at work.

Environmental Data

Environmental data are based on reporting to the INDICIA database. Orange Polska reports 100 environmental indicators on a semi-annual basis (as for 2011).

Energy

Electricity consumption in Orange Polska's buildings is determined using a statistical method devised by an Orange Labs' statistician and approved by both the France Telecom Orange Group and the external auditor. Fuel consumption refers to the total consumption of all fuels (heating oil, diesel oil, petrol and heavy fuel oil), excluding motor vehicles.

Transportation

All business trips of Orange Polska's employees are registered in the Optidoc system.
The distances travelled by train or plane are determined according to the Carlson Wagonlit Travel (for 80% of trips), which estimates them according to the orthodromic distance (the shortest distance between two points on the surface of the Earth). These distances are summed with the travel route data provided by travel agencies in countries where CWT does not operate. In case of air travel, CO_2 emissions are calculated according to the GHG Protocol (180 g CO_2 per passenger km), which is applied to all short and long distance flights. The CO_2 emissions from railway transport are determined using the Bilan Carbone® method, if it is available for the particular country; otherwise, a standard rate of 100 g CO_2 per passenger km is applied.

CO_2 emissions

For electricity consumption, the emissions are calculated according to the GHG Protocol (2006) with the most recent update (2010). Emission factors for fuels (gas, fuel oil, coal, petrol, diesel oil and LPG) are derived from the GHG Protocol (2007).

Electronic and electrical waste collection

The "E-waste collected from customers" corresponds to the total amount of handsets, desktop telephones and multimedia devices delivered to sale outlets, sent by mail or collected by service providers. This also accounts for waste mobile phones of Orange Polska's employees as well as batteries and chargers collected. This indicator is not used in the Group companies which do not have the relevant channel for e-waste collection and recycling.

Our Report

This Report has been developed with reference to the key opportunities and challenges presented by sustainable development in the ICT industry, which have been defined in a number of strategic documents, including Vision 2050 – World Business Council for Sustainable Development, Challenges for the ICT Sector according to SAM, Global e-Sustainability Initiative Report as well as Europe 2020 and Poland 2030 reports.

This Report aims to address issues of particular relevance to our stakeholders which have been identified during a comprehensive dialogue with them. It covers the period from 1 January to 31 December 2011. It is the Company's fourth independent sustainable development report based on the G3 Guidelines of the Global Reporting Initiative (GRI.G3). It is also consistent with the Global Compact principles.

Last year's CSR Report covered the 2007–2010 period. In addition, Orange Polska develops annual summary reports together with other companies of the France Telecom Orange Group. Our next CSR Report will be released in 2013. The financial data contained in this Report are consistent with the data presented in the financial statements of TP S.A. and Orange Polska. Other quantitative data have been provided by the company's reporting units.

This Report covers Orange Polska's major companies: Telekomunikacja Polska, PTK Centertel and Orange Customer Service. The scope of the presented information has been clearly specified. Such a division results from the company's internal reporting regulations. There are no other limitations as to the data contained in this Report.

The compliance of the data contained in this Report with the actual state of affairs has been confirmed by the Management Board of TP S.A. In addition, all indicators derived from company's employees or internal calculation systems have been subject to an independent external review by the auditing company Deloitte.

Any changes in reporting related to the GRI guidelines result only from differences in the functioning of Orange Polska's in-house reporting system and are properly marked.

Deloitte

Deloitte Advisory Sp. z o.o.
z siedzibą w Warszawie
Al. Jana Pawła II 19
00-854 Warszawa
Polska

Tel.: +48 22 511 08 11
Fax: +48 22 511 08 13
www.deloitte.com/pl

Independent assurance report pertaining to the 2011 Orange Poland Corporate Social Responsibility Report

To the Management Board of Telekomunikacja Polska S.A.

We have reviewed the 2011 Orange Poland Corporate Social Responsibility Report ("CSR Report" or "Report") developed by Telekomunikacja Polska S.A. with the registered address in Warsaw, at ul. Twarda 18 ("Company"), with respect to indicators reported on the basis of G3 Sustainable Development Reporting Guidelines for B level issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2011 to 31 December 2011 with relation to quantity and quality of available evidence.

The Management Board of the Company is responsible for reliable, correct and fair information and for correct preparation of the documentation. Our task was to issue an independent assurance report based on the CSR Report.

Our procedures did not include assessment of the fairness, correctness and completeness of documents provided by the Company, nor did they constitute an audit of the internal control system implemented therein. Therefore, we do not express an opinion regarding correctness of the system. Our procedures did not constitute an audit of financial statements as defined in the Accounting Act. Therefore, we do not express an opinion concerning the auditor's Report nor do we make statements regarding the financial statements of the Company as determined in regulations applicable to certified auditors.

Planning and performing our works had the nature of a limited assurance engagement performed in line with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information), which requires us to plan and perform the engagement in a manner which allows for limited assurance that the CSR Report does not include significant misstatements. The scope and methodology of a review of the CSR Report significantly differ from those applied during an audit, which is aimed at expressing reasonable assurance. The purpose of the review is not to issue an opinion on correct, true and fair nature of the CSR Report, and therefore no such opinion has been issued. The procedures followed during the review of the CSR Report comprised:

- Identifying issues and results significant for the content of the Report from the viewpoint of the corporate social responsibility strategy followed by the Company and stakeholders' expectations;
- Comparing data included in the CSR Report to those presented in the Financial Statements of Orange Poland for 2011;
- Interviewing individuals in charge of the implementation of the corporate social responsibility strategy in the Company and of the preparation of Report;
- Verifying the information included in the Report for compliance with the internal documentation of the Company;
- Assessing the level of compliance with Sustainable Development Reporting Guidelines and GRI Reporting Framework.

Based on the scope of our work and the assurance procedures we performed, we have concluded that for the fully reported GRI indicators presented in the 2011 CSR Report of Orange Poland nothing has come to our attention to suggest that the data is materially misstated.

Deloitte Advisory Sp. z o.o.

Deloitte Advisory Sp. z o.o.

Warsaw, 6 September 2012

Sąd Rejonowy m. st. Warszawy, KRS 0000004728, NIP: 527-020-73-28, REGON: 006233202,
Kapitał zakładowy: 16 000 500 zł
Member of Deloitte Touche Tohmatsu Limited

Glossary

AA1000 Standards – a series of three international standards which have been designed to help organisations willing to operate in a socially responsible manner and concern stakeholder relations management.

Corporate Social Responsibility (CSR) – a concept according to which companies freely account for social and environmental issues in their business activity and stakeholder relations. This approach assumes that a company understands and reviews its impact, both positive and negative, on the environment, and acts in a responsible manner towards its stakeholders. It is a corporate management strategy, which accounts for social needs and expectations in order to achieve long-term business profits.

Corporate volunteering – a type of volunteering in which employee volunteers undertake initiatives for particular communities/NGOs, while the company supports them (e.g. by providing financial or in kind support or setting aside time for voluntary projects within working hours).

Dialogue with stakeholders – a process through which an organisation solicits opinions about its activities as well as the needs and expectations of its environment. The dialogue aims to build mutual understanding as well as to diagnose the stakeholders' needs and expectations and determine actions which will help the company to respond to them.

Diversity management – an approach to management practice which stresses the importance of human diversity for an organisation. It translates into organisation's initiatives aimed to account for and optimally use diversity at the workplace.

Global Reporting Initiative (GRI) – an international organisation which has initiated the development of the most common economic, social and environmental reporting guidelines as well as the related reporting indicators.

ISO 26000 (Guidance on Social Responsibility) – an international standard on social responsibility. It is intended for use by all types of organisations in the private, public and non-profit sectors. It provides the following:

- Concepts and definitions related to social responsibility;
- Key areas of social responsibility;
- Guidance on integrating social responsibility throughout an organisation.

ISO 26000 is a practical guide on corporate social responsibility; it is not a form of certification.

RESPECT Index – the first index of socially responsible companies in Central and Eastern Europe. The index comprises Polish companies listed on the main market of the Warsaw Stock Exchange (WSE) which operate in accordance with the best management standards in corporate governance, information governance and investor relations, while accounting for and respecting environmental matters, social responsibility and labour relations. The index was launched by WSE in November 2009.

Stakeholder – a basic CSR concept. It refers to any identifiable group or individual who can affect or is affected by a company. This influence may vary and may concern products, manufacturing processes, management systems and procedures, company's strategy, etc. According to this approach, stakeholders are not passive observers of the company's activity. They have means to influence the company's policy.

United Nations Global Compact – an initiative of UN Secretary-General Kofi Annan to encourage businesses worldwide to apply fundamental principles related to human rights, labour and environmental protection in all areas of their activity.

Notes

GRI index

GRI index					
No.	Guidelines	Was reported?	ISO 26000 index	Global Compact index	Page
1. STRATEGY AND ANALYSIS					
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	YES	6.2		4-5
1.2	Description of key impacts, risks, and opportunities	YES			24-25
2. ORGANIZATIONAL PROFILE					
2.1	Name of the organization	YES			10
2.2	Primary brands, products, and/or services	YES			10-11
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	YES	6.2		Consolidated Annual Report 2011, www.orange-ir.pl/results-centre/results/2012.aspx?sc_lang=en
2.4	Location of organization's headquarters	YES			121
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	YES			10
2.6	Nature of ownership and legal form	YES			10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	YES			12-13
2.8	Scale of the reporting organization	YES			11-12
2.9	Significant changes during the reporting period	YES			Consolidated Annual Report 2011, www.orange-ir.pl/results-centre/results/2012.aspx?sc_lang=en
2.10	Awards received in the reporting period	YES			15-16
3. REPORT PARAMETERS					
REPORT PROFILE					
3.1	Reporting period	YES			108
3.2	Date of most recent previous report (if any)	YES			108
3.3	Reporting cycle (annual, biennial, etc.)	YES			108
3.4	Contact point for questions regarding the report or its contents	YES			121

3.5	Process for defining report content, including: • Determining materiality • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report	YES			20-23
3.6	Boundary of the report	YES			108
3.7	State any specific limitations on the scope or boundary of the report	YES			108
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	YES			25 www.networks.pl
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	YES			106-108
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	YES			no adjustments
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	YES			no changes
GRI CONTENT INDEX					
3.12	Table identifying the location of the Standard Disclosures in the report	YES			114-119
ASSURANCE					
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	YES	7.5.3.		109
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT					
GOVERNANCE					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	YES	6.2		17-19, www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	YES			does not apply to Orange Polska
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	YES			18
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	YES			17, 88-89
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	YES			The remuneration of Board members is fixed but the bonus system depends on the economic performance of the Company
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	YES			18

4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	YES	6.2		17
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	YES			13, 16-17
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	YES		Rule 10	17-18
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	YES			The remuneration of the Supervisory Board is determined by the General Meeting of Shareholders. The remuneration is fixed
COMMITMENTS TO EXTERNAL INITIATIVES					
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	YES	6.2		www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	YES			14-15, 18-19
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies: • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	YES			18-19
STAKEHOLDER ENGAGEMENT					
4.14	List of stakeholder groups engaged by the organization	YES	6.2		20
4.15	Basis for identification and selection of stakeholders with whom to engage	YES			20-21
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	YES			21-23
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	YES			23, full report
ECONOMY					
ECONOMIC PERFORMANCE INDICATORS		YES	6.2, 6.8	Rule 1, 4, 6, 7	14, 24-25
	ASPECT: ECONOMIC PERFORMANCE				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	YES	6.8, 6.8.3, 6.8.7, 6.8.9		12

	ASPECT: INDIRECT ECONOMIC IMPACTS				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	YES	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9		12, 28-29
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	YES	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9		28-33
ENVIRONMENT					
ENVIRONMENTAL PERFORMANCE		YES	6.2, 6.5	Rule 7, 8, 9	14, 23, 42-45, 51
	ASPECT: MATERIALS				
EN1	Materials used by weight or volume	partially	6.5, 6.5.4	Rule 8	46
	ASPECT: ENERGY				
EN3	Direct energy consumption by primary energy source	YES	6.5, 6.5.4	Rule 8	47
EN4	Indirect energy consumption by primary source	YES		Rule 8	47
EN5	Energy saved due to conservation and efficiency improvements	YES		Rule 8, 9	47-48
	ASPECT: EMISSIONS, EFFLUENTS, AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight	YES	6.5, 6.5.5	Rule 8	45
EN17	Other relevant indirect greenhouse gas emissions by weight	YES		Rule 8	45
EN22	Total weight of waste by type and disposal method	YES	6.5, 6.5.3	Rule 8	50-51
	ASPECT: PRODUCTS AND SERVICES				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	YES	6.5, 6.5.4, 6.5.6, 6.7.5	Rule 7, 9	44-47
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	partially	6.5, 6.5.4, 6.7.5	Rule 7, 8, 9	44, 48
	ASPECT: TRANSPORT				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	YES	6.5, 6.5.4, 6.5.6	Rule 7	48-49
LABOR PRACTICES AND DECENT WORK					
LABOR PRACTICES AND DECENT WORK PERFORMANCE		YES	6.2, 6.4, 6.3.10	Rule 1, 3, 6	14, 23, 76-77
	ASPECT: EMPLOYMENT				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	YES	6.4, 6.4.3		77
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	YES		Rule 6	83
LA3	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	YES	6.4, 6.4.3, 6.4.4		86-88

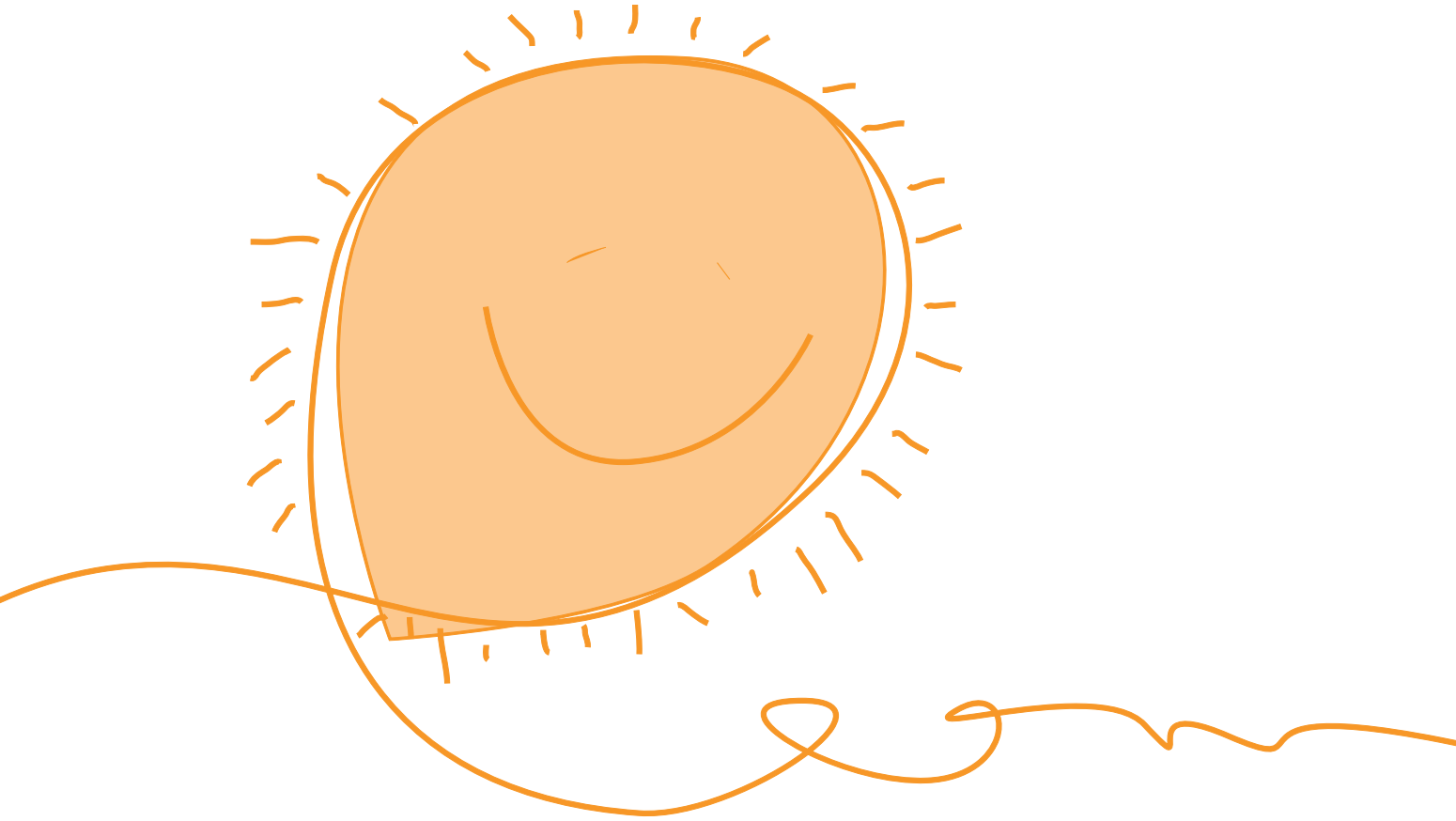
	ASPECT: LABOR MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements	YES	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	Rule 1, 3	90
	ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	YES	6.4, 6.4.6	Rule 1	86-87
LA9	Health and safety topics covered in formal agreements with trade unions	YES	6.4, 6.4.6		Health and safety topics are covered in Multi-establishment Collective Labour Agreement
	ASPECT: TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by gender, and by employee category	partially	6.4, 6.4.7		80
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	YES	6.4, 6.4.7, 6.8.5		80-83
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	YES	6.4, 6.4.7		79
	ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	YES	6.3.7,6.3.10, 6.4, 6.4.3	Rule 1, 6	www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	YES	6.3.7,6.3.10, 6.4, 6.4.3, 6.4.4		78
HUMAN RIGHTS					
HUMAN RIGHTS PERFORMANCE		YES	6.2, 6.3	Rule 1, 2, 3, 4, 5, 6	14, 16-17, 71-72
	ASPECT: INVESTMENT AND PROCUREMENT PRACTICES				
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	partially	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	Rule 1, 2, 3, 4, 5, 6	71
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	YES	6.3, 6.3.5		16
	ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	the company has not identified such activities	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	Rule 1, 2	
	ASPECT: CHILD LABOR				

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	indicator is not reported with due regard to the materiality principle	6.3, 6.3.3 6.3.4, 6.3.5 6.3.7, 6.3.10	Rule 1, 2, 5	
	ASPECT: FORCED AND COMPULSORY LABOR				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	indicator is not reported with due regard to the materiality principle	6.3, 6.3.3 6.3.4, 6.3.5 6.3.7, 6.3.10	Rule 1, 2, 4	
	ASPECT: INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	indicator is not reported indicator with dueregard to the materiality principle	6.3, 6.3.6 6.3.7, 6.3.8 6.6.7	Rule 1	
SOCIETY					
SOCIETY PERFORMANCE		YES	6.2, 6.6 6.8	Rule 10	9, 34-35, 36-37
	ASPECT: CORRUPTION				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	YES	6.6, 6.6.3	Rule 10	16
	ASPECT: ANTI-COMPETITIVE BEHAVIOR				
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	YES	6.6, 6.6.5, 6.6.7		72-73
	ASPECT: COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	YES	6.6, 6.6.7		72-73
PRODUCT RESPONSIBILITY					
PRODUCT RESPONSIBILITY PERFORMANCE		YES	6.2, 6.6 6.7	Rule 1, 8	14, 54, 64, 73
	ASPECT: CUSTOMER HEALTH AND SAFETY				
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	YES	6.7, 6.7.3 6.7.4, 6.7.5 6.7.6, 6.7.9	Rule 8	72-73
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	YES			54-55
	ASPECT: MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	YES	6.7, 6.7.3 6.7.6, 6.7.9		60-63
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	YES			72-73
	ASPECT: CUSTOMER PRIVACY				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	partially	6.7, 6.7.7		66
	ASPECT: COMPLIANCE				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	YES	6.7, 6.7.6		72-73

Company's address:
Orange Polska
ul. Twarda 18, 00-105 Warsaw, Poland
www.orange.pl

Report contact person:
Monika Kulik – CSR expert, Management Board's Office
Orange Polska
ul. Twarda 18, 00-105 Warsaw, Poland
Monika.Kulik@orange.com
odpowiedzialny.biznes@orange.com

Design
Agencja Reklamowa RADNA Sp. z o.o.
www.radna.pl



Corporate Social Responsibility Report

Orange Polska 2011

Orange Polska has been carrying out a number of Corporate Social Responsibility (CSR) initiatives for a long time. Still, plenty of your stakeholders are not aware of them. Do you intend to intensify your CSR communications?

In 2011 we published a CSR Report, which summarised our social responsibility initiatives in the years 2007 to 2010. In addition, we launched the www.orange-csr.pl website as well as a special CSR website for our employees. The current CSR Report, reviewing the year 2011, is a further proof that we make our best efforts to communicate our social responsibility.

Our commitment: Information on corporate social responsibility will be accessible from the home page of the www.orange.pl portal.

LEGEND

Our stakeholders ask

We answer

We commit ourselves

Dear Sirs,

We want our company to grow respecting the needs of our social environment. Therefore, we have incorporated the concept of corporate social responsibility not only into our strategy, but also our everyday business practice.

As Orange Polska we strive to ensure that everybody has access to the achievements of the digital revolution, understands its benefits and is able to use modern technologies safely on a daily basis. As part of building the information society, we not only develop the necessary infrastructure, but also undertake educational initiatives. At the same time we continue to enhance and provide innovative and safe solutions for those who reach for the new technologies for the first time, particularly the youngest net users. We also do not forget about elderly or handicapped people, whom we want to provide with convenient to use services, quality portfolio and education in the field of new technologies.

Orange Polska's business standards include environmental care. As a communication service provider we promote electronic forms of payment, while internally we introduce improvements reduce our impact on the climate.

Our employees are the key to our success. Therefore, we take every effort to provide them with the optimum conditions of work and development. One of the initiatives to further this goal is the Diversity Charter, which Orange Polska together with the Responsible Business Forum and representatives of other companies has introduced in Poland. We believe that this initiative, which supports the equal opportunities and diversity policy, will help us to improve our organisation and inspire others to implement the world's top standards in this respect.

In order to meet these social challenges we need to know the environment in which we operate, particularly its needs and expectations. The best tool to achieve this goal is a dialogue with our partners, both inside and outside the organisation. This is why we have made a dialogue with our stakeholders a major element of our approach to CSR management, as evidenced also by this Report, which responds to the expectations communicated to Orange Polska. In the Report we present our understanding of the concept of corporate social responsibility and demonstrate how we implement it in our business practice, as well as share our plans for the future.

We also remain open to your proposals or suggestions as to what else we can do to become an even more socially responsible company. Thus, I consider the Orange Polska CSR Report 2011 to be both a summary of our activities hitherto and an invitation to discuss the social responsibilities of our company.

Today changes with Orange.

Maciej Witucki

President and CEO of Orange Polska

contents

1. Innovative Thinking – Innovative Management

Orange Polska 10
Vision 13
Corporate Social Responsibility in Orange Polska 14
Ethics 16
Corporate Governance and Risk Management 17
Dialogue with Stakeholders 20

Role of the Telecommunications Industry in the Socio-economic Context 24

2. Building Information Society

Providing Infrastructure 28
Combating Digital Exclusion 30

3. Knowledge/Innovation and the Environment

Innovativeness in Orange Polska 40
Orange Polska for the Environment 42
Ecology in Orange Polska 45

1. Innovative thinking – innovative management

Orange Polska

Orange Polska*, formerly TP Group, is the largest telecommunications group in Central Europe. Its main members are Telekomunikacja Polska S.A. (TP S.A.), PTK Centertel Sp. z o.o. (PTK Centertel), Orange Customer Service Sp. z o.o. (OCS) and Wirtualna Polska S.A. (WP). We offer several hundred services and comprehensive telecommunication solutions to residential and business customers. We provide millions of Poles with access to the world of modern multimedia, voice, internet and digital television services.

The global Orange brand operates in 35 countries and has a customer base of 145 million people. It has been present in Poland for six years, serving 14.7 million customers. It offers voice, broadband and mobile TV services as well as access to an informational portal and musical content.

PTK Centertel, the Orange network operator, is the leader in Poland's mobile market. Its services were used by over 14.7 million customers in 2011. The company offers products providing customers with much more than telephone, particularly navigation, mobile TV and broadband services. PTK Centertel has been intensively expanding the coverage of its 3G network, including Poland's fastest HSPA+ DC technology, which offers wireless data transmission at speeds up to 42 Mbps.

Orange is one of the most recognisable and the most trusted telecommunication brands in Europe. Despite relatively short presence in Poland, it is recognised by over 90% of Poles. The brand is perceived as dynamic, innovative and trustworthy. Polish consumers give it very high ratings in terms of choice and quality of the mobile services and solutions offered.

Telekomunikacja Polska is the leader in Poland's fixed line voice and broadband market. The retail and wholesale services on its network were used by over 5.6 million telephone users and 2.4 million broadband users in 2011. As a business-to-business partner, it provides services to 900,000 companies. It has the most extensive business portfolio among all telecom operators in Poland.

In addition, in a bundle with broadband, we offer digital TV plus video-on-demand with a catalogue of over 1,000 films.

In 2011, the company extended its portfolio to include ultra fast VDSL broadband access at speeds of up to 80 Mbps. In the same year it signed a long-term co-operation agreement with the TVN Group. Pursuant to the agreement, TP S.A. is to provide broadband and other telecommunication services to the existing and prospective customers of the "n" satellite TV platform, while TVN has become TP S.A.'s main partner in terms of content. TP S.A. has been also a co-producer of a dozen or so films and operates its own TV channel, Orange Sport.

Shareholder structure of TP S.A.

as of 31 December 2011

France Telecom S.A.	**49,79%**
Capital Group International, Inc.*	**5,06%**
Other shareholders	**44,3%**
TP S.A. (treasury shares)**	**0,85%**

* The number of shares as of 15 October 2010 based on information provided by Capital Group International, Inc.

** In April 2012, TP Group decided to rebrand; consequently, it is referred as Orange Polska in this Report.

Orange Customer Service was established on 1 October 2010 as a result of integration of the customer service functions of Telekomunikacja Polska and PTK Centertel (the Orange network operator) in order to get the best from the potential and experience of both the companies. OCS employs over 5,000 people and operates nationwide. It provides comprehensive customer service for both residential and business customers of TP S.A. and PTK Centertel.

Another member company of the Orange Polska is Wirtualna Polska (WP), which was established in 1995 as Poland's first internet portal. WP is a comprehensive multimedia platform for information and communication, as well as an effective advertising tool. The portal, co-developed by its users, is one of the most frequently visited and best recognised sites on the internet in Poland. Currently, WP.PL offers around 200 specialised topical services.

For the detailed data on the structure of Orange Polska please www.orange.pl/ dla inwestorów

In the fourth quarter of 2011, Orange Polska's market shares by volume in different segments of Poland's telecommunication market were as follows*:

65,9%	in the fixed-line voice market
40,3%	in the broadband market
30,2%	in the mobile market

* Based on the company's own data.

Scale of operations: highlights* – Selected financial data of Orange Polska (in PLN mn)

	2010	2011
Revenue	15 715	14 922
Net operating costs, including	(14 807)	(12 705)**
– Labour expenses	(2 218)	(2 031)
Operating income	908	2 217
Income tax	(341)	133
Consolidated net income	108	1 918
Dividends and share buy-back	(2 003)	(2 203)
Total equity	14 634	14 334
Total assets	28 873	28 219
Total non-current liabilities	6 094	5 765
Weighted average number of shares (in millions) (basic and diluted)	1 336	1 334
Earnings per share (in PLN) (basic and diluted)	0,08	1,44
Investments in communities (donations)	23,5	13,4
Number of employees	25 636	23 805

* Data according to Orange Polska's annual financial statements, except for information on donations, which has been derived from the company's internal reports.

** Including income on sales of TP Emitel, amounting to PLN 1,183 mln.

Fixed line voice (in PLN mn)

	2010	2011
Revenue from fixed line voice services of which:	5 157	4 569
Subscriptions and voice traffic revenue	4 033	3 419
Interconnect	1 109	1 139
Other	15	11
Number of fixed lines, '000 (excl. WLR and VoIP; at the end of the reporting period)	6 346	5 623

Fixed line data (in PLN mn)

	2010	2011
Revenue from data services of which:	2 542	2 433
Broadband and TV	1 569	1 520
Data services	691	642
Leased lines	291	269
Other	5	2
Number of retail customers (at the end of the reporting period)	2 286	2 346

Mobile (in PLN mn)

	2010	2011
Revenue, of which:	7 711	7 706
Retail	6 112	6 265
Wholesale	1 599	1 441
Number of customers (at the end of the reporting period)	14 332	14 658

Vision

We strive to make Orange the telecommunication brand of choice. Our goal is to democratise the digital revolution. What others present only as technologies we want to be comprehensible, plain and human-friendly as much as possible. We want to show how our products and services, together with our people, change the everyday life of our customers to the better.

Orange core values

friendly
We treat everyone as individual and dedicate time for listening.
We look forward to working together and sharing successes.

honest
We are talking about what we intend to do and we do what we have promised.
We have nothing to hide, we are responsible for our actions.
We are always transparent and honest.

direct
We always try to speak in a manner understandable to everyone.
We are clear in our statements.

inspiring
Every time we try to view the world from a different perspective, to select the best manner of action. With us everything gains colour. We are ready to go beyond the boundaries and take risk.

dynamic
We are passionate about what we do and what we believe.
We want to actively change people's lives. Our optimism is contagious.

Corporate Social Responsibility in Orange Polska

Corporate social responsibility is a long-term management strategy that we use in our company and a way of improving our competitive advantage on the market. It is a process of constant pursuit of perfection in meeting the present and future challenges. For us, CSR is a way of doing business.

For several years we have been successfully implementing a policy of corporate business responsibility in all areas of our business. For six years we have been a partner of the Responsible Business Forum. When accepting a company as its partner, the Forum takes into consideration positive examples of business practices as well as company's willingness and readiness to implement rules of responsible business in its activity and to disseminate them in Poland.

In 2006, we committed ourselves to the Global Compact principles as the first Polish telecommunication company among its participants. Global Compact is the world's largest initiative for corporate responsibility and sustainable development. It is an appeal to businesses to align their operations with ten universally accepted principles in the areas of human rights, labour, the environment and anti-corruption.

We want social business responsibility to become part of our everyday business practice and plans for the future. Therefore, we have developed a CSR strategy, which accounts for social challenges faced by our company and the whole industry and is listed among the company's strategic goals.

Our CSR strategic goals are as follows:

- to be an active player in building the information society
- to provide safe products, services and technologies
- to be an innovator providing tools to build the "low carbon society"
- to be a reliable partner in an ethical supply chain
- to provide high quality services and customer service standards
- to be a good employer
- to maintain high awareness of the company's social initiatives and voluntary work programmes
- to reduce the company's negative impact on the natural environment (other than climate).

In order to achieve these goals, we strive for:

- strengthening the formal mechanism of dialogue with our stakeholders
- supporting the management mechanisms that build Orange Polska's position as the CSR leader

The development and implementation of the company's CSR strategy are a responsibility of the CSR Steering Committee, which is composed of managers responsible for different areas within the organisation.

The Committee's main task is to manage the CSR policy in Orange Polska by approving long-term plans, co-ordinating and supervising the CSR strategy, aligning it with the company's business goals and monitoring the implementation of the approved initiatives and projects. On a daily basis CSR activities are handled by the Corporate Analysis and CSR Division, which is positioned within the structures of the Management Board Office. The team also collaborates with CSR specialists from the France Telecom Orange Group.

Promoting CSR ideas.

We actively participate in a debate about CSR in Poland and readily share our experience and good practices with others. As a partner of the Responsible Business Forum we regularly participate in its task forces which develop informational and educational materials on important social issues, such as diversity, ethics and community involvement.

For five years we have been a partner of the Responsible Business League, a programme for disseminating CSR knowledge among students of Polish universities.

We have also initiated the "Coalition for Responsible Business" project, which is managed by the Employers of Poland and partner companies. The main task of the Coalition is to support companies in the implementation of CSR principles by developing and disseminating useful tools and standards. Together, we have developed the Responsible Business Code, a set of rules for responsible companies, as well as a guide with practical guidelines for CSR strategy implementation in six industries: information and communications technology, fuel and power industry, pharmaceutical industry, finance, construction and FMCG. The project has involved an opinion poll of company employees and business environment representatives from selected industries, including telecommunications, as well as the "Responsible Business Leaders" competition. We also participate in working groups of the CSR Team established by the Chairman of the Council of Ministers.

Our successes in 2011:

- Our CSR Report 2007-2010 received an award of distinction in the CSR Reports 2011 competition organised by the Responsible Business Forum, CSR Consulting and PwC. We were recognised for a comprehensive approach to dialogue with stakeholders.
- We were awarded the Leader of Philanthropy title for a company which in 2010 donated the highest share of its revenue for social purposes and a company which donated the highest amount for social purposes. We were also granted a special award by the Donors Forum for long and continuos support for community initiatives.
- In a competition organised by the Academy for the Development of Philanthropy we were nominated for the Benefactor of the Year award in the employee voluntary work programme category.
- TP S.A. was positively verified and for the fourth time included in the Respect Index of socially responsible companies on Warsaw Stock Exchange.
- We received an award of distinction in the Leader of Human Resources Management competition held by the Institute of Labour and Social Studies.
- The CRF Institute granted us the Top Employer certificate based on thorough market assessment, which is developed in conjunction with the leading HR partners.

- We won the first place in the "Employee for Engineers" poll organised by BEST, a student association of the Warsaw University of Technology.
- In the 5th ranking list of responsible companies prepared by Gazeta Prawna daily, Leon Koźmiński Academy and the Responsible Business Forum, we were ranked third among all the companies surveyed and first among companies in the telecommunications, technology, media and entertainment industries.
- Based on the relevant survey, the Management Observatory Foundation granted the Customer-Friendly Company certificate to us.
- We were among the companies nominated by IR Magazine for the Best Investor Relations by a Polish Company award.

Ethics

"In our activity we follow plain and commonly accepted values. They are fundamental for our work as well as the company's image and relationships that we build with customers, employees, shareholders and local communities. Our values constitute the basis for all decisions we make. We attempt to act in a modern, dynamic and friendly manner and assure the transparency and integrity of our actions. (…) We want to enjoy a reputation of a reliable company which cares for the needs of both current and future generations."

Orange Polska's Code of Ethics

Our Code of Ethics indicates the standards and values which are core for Orange, contributing to the performance of our business tasks and building good relations with our business environment. It also describes the attitudes and conduct which are most expected by our shareholders, customers and business partners.

The Code rules are consistent with fundamental standards, such as the Universal Declaration of Human Rights or the recommendations of the International Labour Organization. We also meet the anti-corruption guidelines of the Organization for the Economic Cooperation and Development. An e-learning course in "Business ethics" is mandatory in our company. So far it has been completed by 96% of Orange Polska's employees (TP S.A.: 96.4% or 7,824 hrs; PTK Centertel: 89.1% or 1,146 hrs; OCS: 97.3% or 3,927 hrs).

The course concerns human rights and equal treatment, particularly issues of discrimination, corruption and conflict of interests. Both company's employees and outsource personnel are covered by training. In addition, our employees can attend a special training course in corporate social responsibility, which also presents some issues related to business ethics. In 2011, anti-corruption training was held for 39 people (Management Board members and top managers), totalling 156 hours.

Adherence to ethical standards is scrutinised by the Ethics Committee. The Committee submits annual reports to the President of Orange Polska and the Audit Committee of the TP S.A. Supervisory Board, and annual reviews to all employees of the company. In addition, there are Ethics Advisors in regional branches of Orange Polska.

Any employee who has learnt of any unethical behaviour, fraud, abuse or another action detrimental to the company shall notify their immediate superior or, if it is not possible, their higher-level superior. When this is impossible as well, they should contact the Ethics Advisor, using the generally available email address * zapytaj_etyka (ask an ethicist), or the Ethics Committee. Violation of ethics rules may also be reported to the Chairman of the Audit Committee of the TP S.A. Supervisory Board.

The company has also implemented a system for anonymous reporting of unethical behaviour (whistleblowing).

The emails sent to * zapytaj_etyka are confidential. Any employee reporting an ethical problem cannot be subjected to any threats or discrimination either during or after the problem investigation. This is guaranteed by the Ethics Committee. Full confidentiality is observed in all investigations.

Corporate Governance and Risk Management

The Company, as an issuer of securities listed on the Warsaw Stock Exchange (WSE), is obliged to comply with the corporate governance practices set out in the Code of Best Practice for WSE Listed Companies, which is available at http://corp-gov.gpw.pl. Orange Polska has developed an internal control and risk management system with respect to the process of development of standalone and consolidated financial statements. The system of internal control and risk management has been designed and implemented by the Management Board to manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Further information about the internal control and risk management systems has been provided in the TP S.A. Management Board's Report on the company's activity in 2011.

TP S.A. convenes and holds Shareholders Meetings in accordance with the Polish Commercial Companies Code and best practices in shareholder communications. Shareholders are encouraged to take part in the Meeting, whether in person or by proxy. Our shareholders have the opportunity to communicate recommendations and suggestions to the supreme governance body of the company. Pursuant to the Polish Commercial Companies Code (article 401), shareholders holding at least 5% of the shares may submit draft resolutions, which is reflected in the TP S.A. Shareholders Meeting By-laws.

The duties and responsibilities as well as the requirements for qualifications and experience of the Supervisory Board members are specified in the Articles of Association. The document, which details the Supervisory Board's functions, is available at www.orange.pl/dlainwestorow/corporate-governance.

manner, but additionally it puts strong emphasis on investment attractiveness of companies that are characterised, among others, by reporting quality, level of investor relations or information governance.

The RESPECT Index comprises only the WSE--listed companies which operate in accordance with the best management standards in corporate governance, information governance and investor relations, as well as environmental matters, social responsibility and labour relations.

Currently, companies are reviewed on a semi-annual basis. TP S.A. has been in the Index since the beginning and in 2011 it was successfully verified for the Index for the fourth time.

We are also a member of many professional associations and organisations of employers, including:

Polish organisations:

- Employers of Poland (Orange)
- Polish Confederation of Private Employers "Lewiatan"
- Polish Chamber of Information Technology and Telecommunications
- French Chamber of Commerce and Industry in Poland
- American Chamber of Commerce in Poland
- Responsible Business Forum
- Business Centre Club (BCC)
- Foundation for Development of Radiocommunications and Multimedia Technologies
- Association of Stock Exchange Issuers
- Polish Academic-Business Forum

International organisations:

- Baltic Sea Cable Maintenance Agreement (BSCMA)
- Broadband Forum
- Civil Communications Planning Committee North Atlantic Treaty Organization (CCPC NATO)
- Clearcom
- European Network Planning Meeting (ENPM)
- European Telecommunications Network Operators' Association (ETNO)
- Forum for International Irregular Network Access (FIINA)
- Global Compact
- Global Settlements Carrier Group (GSCG)
- Global Signaling and Inter-working Forum
- Home Gateway Initiative (HGI)
- International Cable Protection Committee (ICPC)
- International Inbound Services Forum (IISF)
- International Telecommunication Union (ITU)
- Permanent Platform of Atomium Culture (AC)
- RIPE Network Coordination Centre (RIPE NCC)
- TeleManagement Forum (TM Forum)
- Forum of Incidents Response and Security Teams (FIRST)
- One Stop Shopping/Inter – Carrier Data Services Forum

Orange Polska's regional membership of various industry and professional organisations

The largest organisations of employers have their local branches (e.g. BCC has a system of lodges, while "Lewiatan" has branches). Only the membership of BCC is of individual character. Owing to the fact that TP S.A. or PTK Centertel are members of the largest organisations, officers and employees of the Group may actively participate in their activity on both the central and local level.

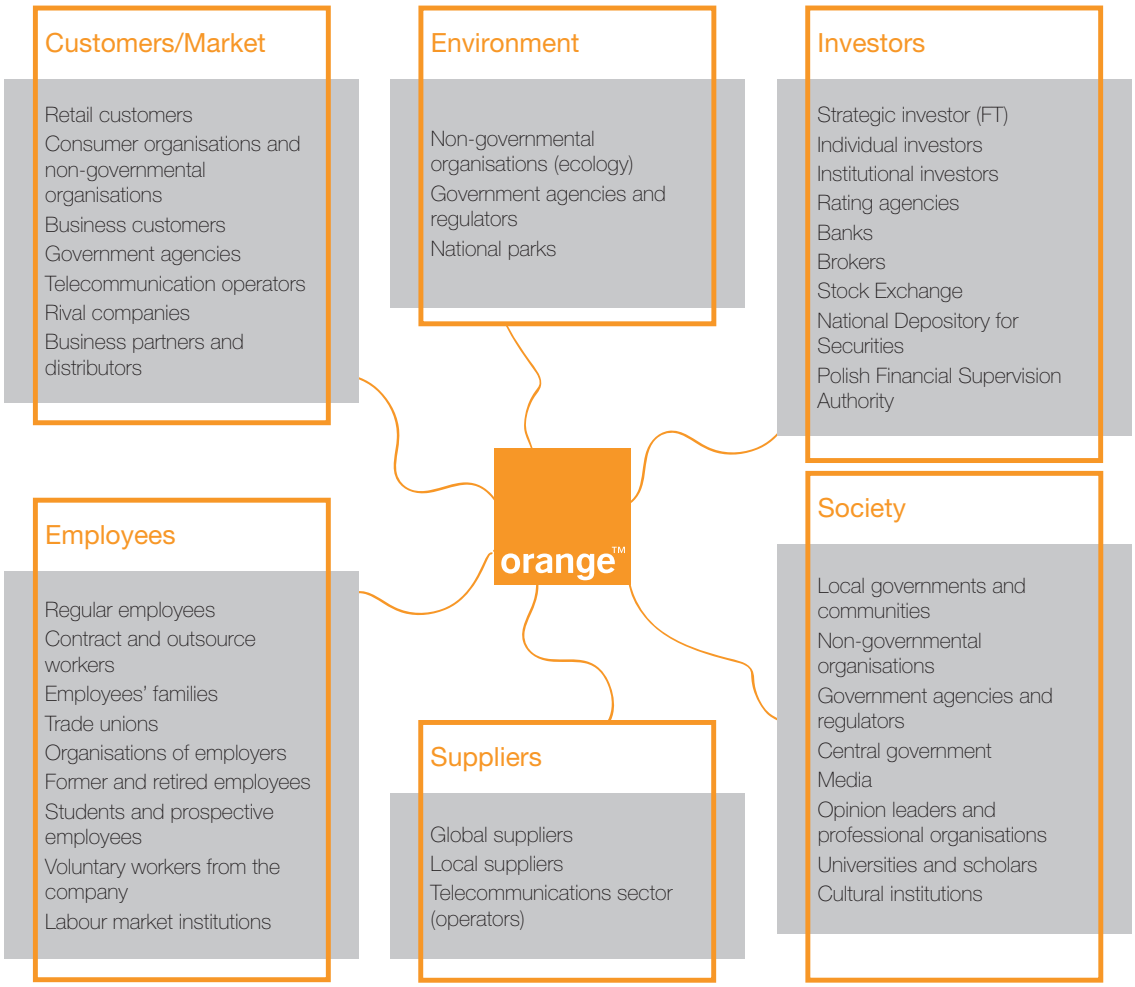
Dialogue with Stakeholders

CSR Strategy:

Strengthening the formal mechanism of dialogue.

For us, dialogue with stakeholders means talking openly about the issues which are important to our partners and responding to their expectations. Through this process we have decided to use the AA 1000 standard, which helps to streamline thinking about the dialogue and systematise the ways of management, implementation, evaluation and communication of the company's activities in the social and business area.

Map of Orange Polska's stakeholders



Our goal was to make use of the existing and proven communication channels, expand customer and employee research, attend regular meetings with consumer organisations and collaborate with spokespersons for customers. In addition, we wanted to launch new tools, such as topical debates, a series of individual meetings of the CEO with representatives of the institutions and agencies of key importance for functioning of the company, expert debates or stakeholder panels. All these discussions focused on key social challenges, which had been incorporated into our CSR strategy. Dialogue with stakeholders is a means of making this strategy a subject of public debate and, consequently, social verification.

We started the process in 2010 by analysing the existing forms of dialogue and communication tools and channels used by Orange Polska hitherto as well as reviewing good practices of other companies. Then, we identified the company's key stakeholders and determined their importance and impact, as well as their relations with the company hitherto.

The CSR Steering Committee and CSR co-ordinators were involved in the process. In this way we developed a map of Orange Polska's stakeholders and then assigned them specific forms of communications, from passive ones (i.e. informing, monitoring) to consultation, increasingly engaging in the process of changes in the company, and collaboration or task delegation.

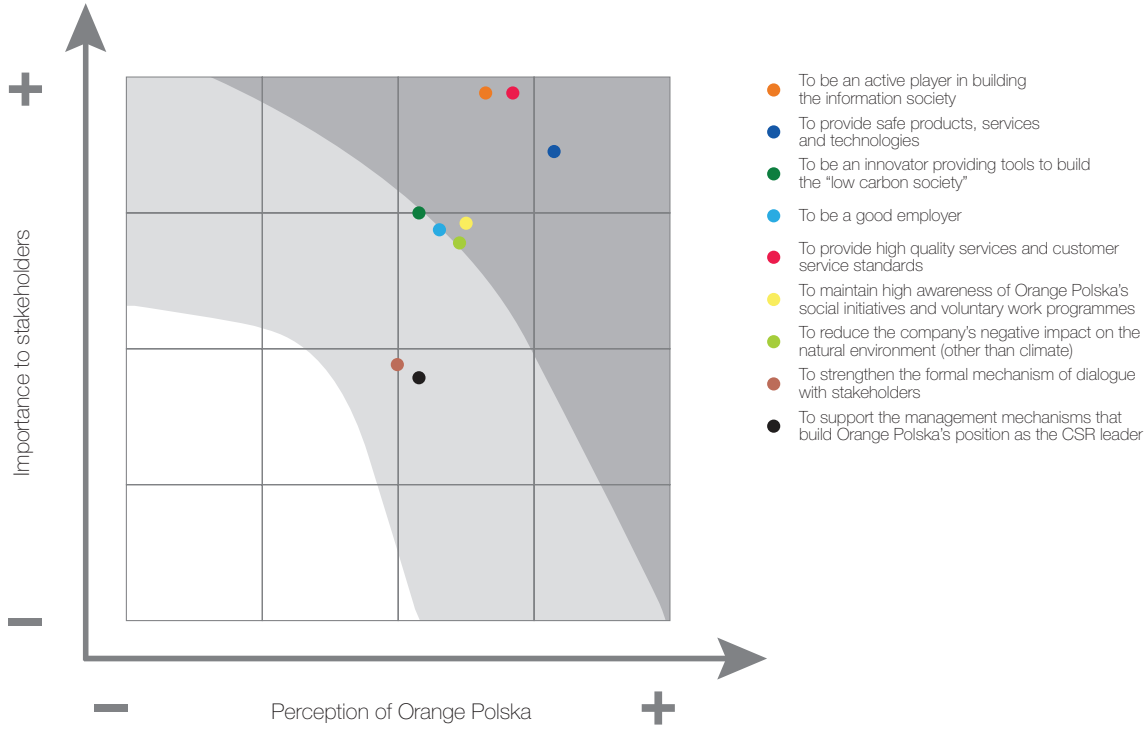
We also wanted the dialogue to concern matters relevant to our stakeholders. Therefore, we used sectoral studies as well as internal studies available within the company. During a workshop with CSR co-ordinators we determined to what extent the goals of our CSR strategy were relevant to our stakeholders now and in the future.

How	With whom	When
Qualitative and quantitative studies	In the "Coalition of Responsible Business" project	Nov–Dec 2010
Workshop	CSR Committee members and CSR co-ordinators	Mar 2011
Quantitative studies	Customer surveys	Mar 2011
Participation in meetings and questionnaires	Meetings with consumer organisations and spokespersons for customers A meeting with trade unions	Mar–Jun 2011
Questionnaires	Business partners Suppliers Sales agents and sub-agents	Apr 2011
Individual meetings of the CEO and top managers	Government officials Representatives of business organisations Office of Electronic Communications (UKE), Office for Competition and Customer Protection (UOKiK), Ombudsman	May–Aug 2011
Studies, questionnaires and workshop	Partners, beneficiaries, opinion leaders and Orange Foundation's sponsors	May–Jun 2011
Extended questionnaires	Representatives of government ministries	May–Aug 2011
On-line questionnaire	"Share your opinion" survey at the company's website	May 2011
Workshop	Representatives of key customers	Jun 2011
Stakeholder panels	External stakeholders: Gdańsk, Wrocław, Warsaw	Sep 2011

This CSR Report is one of our responses to the challenges mounted to the company by its stakeholders in the process of dialogue. Furthermore, three review sessions were held in 2012, in Gdańsk, Wrocław and Warsaw. We have decided to maintain such meetings in view of requests of our dialogue session participants and their positive opinions about this form of contacts.

74% of those surveyed admitted that this type of meetings was a good form of identification of the actual needs and expectations of the company's stakeholders, while 78% were ready to get involved in the co-operation with us in planning, execution or implementation of related initiatives in the future.*

* Based on questionnaires filled in by participants of three dialogue sessions in Warsaw, Wrocław and Gdańsk.



Orange popularises new CSR trends in the Polish market

In 2011, together with CSRinfo, we initiated the "AA1000 in Poland" project, which aimed at providing businesses and organisations with the Polish version of international AA1000 AccountAbility standards concerning a dialogue with stakeholders. The project was carried out in conjunction with the international AccountAbility think-tank under the honorary patronage of the Ministry of Economy. As part of the project, we translated the AA1000 standards into Polish. We also shared our practical experience in dialogue and our knowledge of the process with other companies. We held four open seminaries and a conference. In addition, we developed a dedicated website, AA1000.pl, as well as a related publication, AA1000 Standards. Tool of Corporate Social Responsibility.

It was the first such project in the market. We hope that it has contributed to increasing knowledge about dialogue with stakeholders among representatives of businesses, social organisations, universities and government administration, providing dedicated tools and solutions.

Our commitment: Organising a series of five meetings for companies and associations in five selected cities of Poland

In 2011, for the second time, we became a patron of the "CSR 2.0 Innovations, Trends, Challenges" conference organised by the Responsible Business Forum and the Responsible Business Institute. These meetings aim at popularising the Web 2.0 approach in the context of corporate social responsibility, which involves using social media in company's customer and employee relations as well as getting involved in developing new solutions in the area of sustained development.

Role of the Telecommunications Industry in the Socio-economic Context

The telecommunications industry plays a huge role in the economic and social development and provides the foundation for the activity of other sectors, being the engine of evolution and progress. Development of the telecommunication infrastructure, new technologies and services greatly contributes to growth in other sectors of the economy, providing modern ICT tools, reducing information flow and eliminating physical distance.

Our industry faces a number of challenges related to a rapid pace of technological developments. Growing demand for telecommunication services necessitates new infrastructure investments, network optimisation and development of innovative products. The user profile has also been changing, as technologies are becoming available to everyone regardless of age, education or residence. This is why it is so important to assure the functionality and user-friendliness of the solutions offered. As technology develops, the customers' expectations regarding products and services increase, which forces suppliers to seek new solutions.
The development of telecommunication services minimises the negative impact on the environment. ICT operators enhance the effectiveness of other companies by providing them with products and services that enable effective communications and, consequently, reduce the need for business trips and paper documents in their activity. However, telecom operators should not forget about their own responsibility for the natural environment due to marketing of electronic equipment and use of energy sources. A multitude of technical solutions and short product life necessitate more detailed analysis of environmental issues, such as power efficiency in the supply chain, maintenance, equipment recycling programmes and manufacturer's extended responsibilities. In addition, 'green' education of both employees and customers gains importance.

Challenges for the telecommunications industry in Poland in the context of CSR:

- Intensification of investments in the development of new and modernisation of the existing infrastructure – meeting the growing demand for new services, which requires the development of network infrastructure as well as hardware and software technologies.
- Constant improvement of the quality and safety of services – no adverse health effects and assurance that ICT products are not used in an inappropriate manner (e.g. for internet crimes, including exposure of minors to harmful content or abuse).
- Customer service improvement – adjusting customer service to the needs and expectations, accurate presentation of the information about products and terms of purchase and use as well as cost of services.
- Development of 'green' IT products – reducing the negative impact of products, technologies and services on the environment as well as decreasing the consumption of raw materials and promoting their eco-efficient use.
- Responding to the growing needs of the society – smooth flow of information and access to cutting-edge technologies which meet consumer expectations for safety, innovation and environmental friendliness of the telecommunications industry.
- Improvement of market regulations – stable regulatory and legislative environment contributes to adoption of long-term investment and development plans.

Our market strategy

According to Orange Polska's estimates the value of Poland's telecommunication market decreased by 0.4% (year-on-year) in 2011. The main factors which contributed to the decline were erosion of fixed-line voice revenues and MTR reductions. The broadband internet access market is gradually getting saturated, which is reflected in lower growth rates both by volume and by value.

Growing popularity and availability of smartphones as well as tablets and other units that use mobile internet access is a new, visible trend in the market development. The telecommunication market has entered a phase of concentration as well as establishment of co-operation between former rivals in selected business areas. Orange Polska has followed these trends, developing bundle offers and establishing co-operation with other operators. In 2011, a major development was an agreement between Orange and T-Mobile on reciprocal use of access networks. This is the first such alliance in the Polish market. For customers, this will bring wider coverage and improved network quality, as well as access to cutting-edge technologies.

Orange Polska's strategy is based on three pillars:

- Re-focus on core business, particularly based on a Memorandum of Understanding ("MoU") with the President of the Office of Electronic Communications ("UKE") through the implementation of investments in 1.2 mn broadband access lines. From the commencement of the MoU implementation to 31 December 2011, the company constructed and provided infrastructure enabling operation of a total of 859,205 broadband lines (including 402,300 in 2011 alone), which corresponds to 100.7% of the target for that period set in MoU. The investments were carried out also in rural areas, eliminating digital exclusion.
- Re-engage with key markets, where Orange Polska plans to achieve a commanding leadership position. This will be achieved on the back of a broad portfolio of highly innovative products, as well as best-in-class customer care and commercially powerful, proactive sales force. In terms of our portfolio, one of key developments in 2011 was the launch of the FunPack HD offer, that is a bundle of broadband access at speeds up to 80 Mbps, DTH or IPTV television and VoIP service for unlimited F2F calls in Poland. In addition, we launched Orange Combo, which offers additional discounts to customers who subscribe to more than one service on the Orange network.
- Re-balance the operating model through a number of saving initiatives to increase the cost effectiveness, accompanied by the intensification of customer-oriented efforts aimed at improving the customer satisfaction and building lasting relations with them.

It is also worth noting that 2011 brought a breakthrough in the volume of investments in fibre-optic networks by local governments and operators, which managed to secure co-financing from EU funds. The first to launch such an investment project was the Lubuskie Region, followed by the Pomeranian Region.

Another important element is Orange Polska's involvement in the UEFA EURO 2012 tournament. Our group became the official technology partner of the European Football Championship, providing transmission from all TV cameras installed on Polish stadiums as well as complete ICT solutions and the related infrastructure.

The ICT industry plays an important role in the development of information society, other sectors of the economy and community life. Therefore, it is of paramount importance for telecommunication service providers to respond to social needs and challenges, guaranteeing the availability of their services to all users, ensuring their safety and investing in innovative environmentally friendly solutions. The CSR strategy developed by Orange Polska responds to these social challenges, which, as far as growth of our industry in Poland is concerned, seem to be the key not only for the success of our business, but, above all, for building the social and economic capital of our country.

2 · Building information society

Personally, I pay much attention to the area of infrastructure which enables access to telecommunication network. This is why the co-operation of companies with the public or central/local government sector in providing the population of a city, region or the whole country with access to telecommunication network is of paramount importance. With great pleasure I learnt the plans of Orange Polska's involvement in the implementation of the government strategy to increase the network infrastructure density, which were presented today. I am glad that this issue has been noticed and that the company sees an opportunity for growth and co-operation in this field. Orange Polska clearly understands that meetings such as the one today are an element of a continuous process of finding its own place in the social sphere. This is a very honest approach and I am really satisfied as a participant of this dialogue.

Maciej Krupa, Councillor, City of Gdańsk, participant of a dialogue panel

CSR Strategy

To be an active player in building the information society.

Providing Infrastructure

The telecommunications industry is of key importance not only for the development of the information society but also the civic society. The accessibility and quality of the ICT infrastructure is becoming an increasingly important factor in stimulating the country's economic development and reducing developmental differences between regions. In addition, universal and easy access to the Internet contributes to equal life opportunities and activates the potential of various social groups.

Intensifying efforts aimed at the Internet development and building new infrastructure in line with modern standards and customer expectations. Increasing the presence of telecommunication infrastructure in poorer or rural areas, elimination of coverage gaps.

Our investments are largely determined by the Memorandum of Understanding (MoU) signed with the Office of Electronic Communications (UKE) in October 2009, pursuant to which we committed ourselves to investing in 1.2 million broadband accesses within three years, namely 0.5 million new lines, including 150,000 to fill coverage gaps, and 0.7 million to be upgraded. This infrastructure will be deployed not only in conurbations, but also in small towns and across rural areas. In January 2012, we agreed with UKE that the investments resulting from MoU would be completed by the end of March 2013 and that 220,000 broadband lines would be rescheduled in order to increase their bandwidth to 30 Mbps or more. These investments will provide people leaving within digitally excluded areas with internet access.

In addition, in 2011 we signed an agreement with Polska Telefonia Cyfrowa, the T-Mobile network operator, on reciprocal use of radio access networks. Joint management and expansion of the network infrastructure of both operators will quickly bring customers major benefits: wider coverage and improved network quality, as well as access to cutting-edge technologies. As a result of the co-operation, each operator will be able to make more effective investments and develop its network infrastructure more rapidly.

Co-operation with local governments in infrastructure development and educational initiatives related to the use of new technologies.

We offer local governments various forms of co-operation in the implementation of projects aimed at building the information society. These activities are a responsibility of the Broadband Network Development Programme team. The local government of the Lubuskie Region was the first to make a decision on organising a bidding procedure for co-financing an investment project in the Lubuskie Regional Operational Programme. TP S.A.'s project, "Broadband Lubuskie Region: construction of trunk and distribution network over coverage gaps in the Lubuskie Region", was chosen in an open tender procedure. The project involves the development of a 1,449 km long fibre-optic network in the Lubuskie Region. Owing to co-financing from EU funds, over 300 towns and villages will get access to the internet at speeds of 6 Mbps or higher. This is a chance to improve the competitiveness and attractiveness of the region as well as the quality of life of people. The network will be technologically neutral, guaranteeing "open access" by all interested operators. The total amount of the project is estimated at PLN 150 million, which includes an EU grant of PLN 50 million. TP S.A. will finance approximately two thirds of the project costs. Simultaneously with the project implementation we carry out an informational and educational campaign on the opportunities offered by the new network. The meetings and conferences held so far have been attended by a number of local government officials. In addition, the informational campaign will be addressed to local telecommunication operators, who will be updated about the infrastructure being developed and the opportunities it offers. People living in the region will be also reached by the campaign.

Another project being implemented by Orange is "Broadband Pomeranian Region: construction of trunk and distribution network in the Pomeranian Region". The project covers almost the entire region and will involve construction of a fibre-optic network of a total length of 1,614 km. It will expand broadband coverage to 253 towns and villages. In addition, the existing network will be upgraded in 58 towns and villages. The areas to be covered by the new network have been selected by the regional government based on the relevant survey.

In addition, Hawe, Alcatel-Lucent and TP Teltech have decided to co-operate in submitting bids in tender procedures for implementation of the "Eastern Poland broadband network" projects. These projects cover the Lublin Region, Subcarpathian Region, Podlaskie Region, Świętokrzyskie Region and Warmia-Mazuria Region, that is areas identified as being at risk of digital exclusion. Upon completion of the projects, at least 90% of households and 100% of public institutions and companies will have access to broadband services. The relevant agreement is unique in that it combines the competence and resources of companies which play the leading role in the Polish telecommunication market.

Modernisation of the existing infrastructure (particularly based on the constant monitoring of the failure rate).

We constantly monitor failures on our telecommunication network. We use a method for determining the failure rate for over 40,000 regions, which provides information about the most affected areas. Based on these data we develop our modernisation plans. In 2011, we launched the Network Quality Improvement Programme. It involves investments in upgrading the network elements which negatively affect the quality of our services. So far, we have completed 162 network modernisation tasks related to network elements for which a total of 25,000 failures were reported in 2011.

We also try to adequately protect against theft. We launched an electronic network monitoring programme and installed mechanical protection devices in 2011. In 2012, we intend to start approximately 130 tasks to protect over 5,900 network elements at high risk of theft.

Combating Digital Exclusion

Combating digital exclusion means mainly eliminating social barriers in access to knowledge, culture and education gained through modern forms of communications. Those at high risk of digital exclusion include low-income, disabled, elderly or less educated people as well as people living in rural areas. In addition to economic barriers, access to the digital society may be significantly hindered by social issues, such as lack of competence and skills, poor motivation for change or negative attitude towards modern technologies.

Services for economically challenged people.

Since 2008 we have been offering the cheapest access fee on the market, Friendly Plan. It is for people in a difficult economic situation and costs PLN 18.45 (including VAT). As the price of the Friendly Plan does not cover the costs of service, TP S.A. has obtained UKE's approval for addressing the offer to a limited group of customers. Only people dependent on permanent benefits granted by Welfare Centres are eligible for the service.
In addition, the Friendly Plan may be used on special terms by people with impaired sight, speech or hearing.

Assuring safe bills by introducing caps.

A common barrier preventing the use of telecommunication services by low-income people is their concern that the related costs are out of control. The solutions which facilitate cost planning include a call cap, that is blocking paid calls after the pre-defined cost limit per call is reached, as well as a bill cap, that is blocking any outgoing calls when the monthly cost limit is reached.
In addition, Orange offers the "Say how much" service, which enables customers to check the remaining pool of minutes embedded in the subscription and free services available as of the given day and time. The "Say how much" service is one-off and free.

Transparent communication and proper settings of Internet enabled phones to assure the economic safety of customers.

Users of technologically advanced mobile phones (smartphones) do not always know how to use them properly. In order to increase the awareness of our customers we have introduced a new marking system for our handsets. We have also furnished additional information to distributors and established relations with handset suppliers. We have offered free data transmission for one week to new users of smartphones. Upon expiration of that period, customers are informed by an SMS about the data transfer consumed to enable them to decide whether they want to use this service in the future and, if yes, to determine their needs in terms of data transmission packages.

Development of a dedicated offer of fixed line voice and broadband services for social institutions or organisations.

Telekomunikacja Polska as a provider of publicly available telecommunication services and an operator having significant market power has to meet the regulatory obligations imposed on it under the Telecommunication Law and pursuant to the President of UKE's decisions. In particular, TP S.A. shall not use underpricing or apply undue preferences. The prices of TP S.A.'s telecommunication services should be set on the basis of transparent, objective and non-discriminative criteria, and each offer containing services in the relevant market on which the company has a dominating position is subject to the President of UKE's approval. Under the existing regulatory obligations TP S.A. is not allowed to freely set its prices or prepare special offers for social entities. Any special offers dedicated to low-income segments of the society or other groups in need of support would require provision of services below costs, which means that the resulting deficit would have to be reimbursed from the state budget or by other operators active in the market.

Combating digital exclusion of elderly or disabled people.

Combating digital exclusion of elderly or disabled people is one of the priorities of our CSR strategy.

In 2010, we joined the Coalition for Digital Inclusion of the 50+ Generation, "Maturity in the Web". This initiative was launched by UPC Polska and the Academy for the Development of Philanthropy to unite companies, NGOs, state agencies and institutions in their efforts against technological exclusion of senior citizens. The Office of Electronic Communications took patronage over this initiative. In 2011, in the 50+ Coalition, we organised the "Maturity in the Web: Best Practices" competition to promote model initiatives in the area of digital education of people over 50. The competition was addressed to organisations, institutions and companies undertaking various initiatives for the digital education of mature Poles.

In 2011, in conjunction with Agora, we launched a web service with educational materials for elderly people. We also organised the "The Internet connects generations. The Internet and libraries: complementary or mutually exclusive worlds?" contest.

Development of a special offer of terminals for elderly or disabled people.

Our portfolio includes telephone sets and equipment which facilitate the use our services. For those with impaired hearing, these include ringtone enhancers, receiver volume controllers or phones compatible with hearing aids. People with impaired sight may use phones featuring large keys and backlit screens, an SOS button, picture keys and other visual effects as well as voice presentation of the calling number.

Blinker – a prototype application for mobile phones with the Android system, which is intended for deaf or hear-impaired people.
The application replaces standard incoming call and SMS/MMS ringtones with visible and palpable signals.

The application assigns to each directory contact a selected type of incoming call/message signalling, e.g. vibration (for blind or sight-impaired people), display colour coding or flash effects (for deaf or hear-impaired people).

Ardoise – a prototype application for mobile phones with the Android system, which facilitates communication between non-disabled and deaf/hear-impaired persons. Voice information is displayed on screen and a disabled person may type a reply, which will be read out by a speech synthetiser. In addition, the application offers a number of easily available standard replies, which facilitates quick communication.

Development of customer contact channels which remove barriers faced by disabled or elderly people.

In co-operation with "The Visible" Foundation we started an audit of our website to verify its accessibility by elderly or disabled persons. In 2012, based on the audit findings, we will take steps to better adjust our website to the needs of such people. We also intend to create a special section for quick access to the dedicated offer for elderly and disabled persons, e.g. information about special phones or other equipment.

Education of elderly people.

In March 2011, as part of our involvement in the 50+ Coalition and the Orange Academy for Libraries project, we carried out the "Get Online Week" campaign, the Polish edition of the Paneuropean initiative aimed at encouraging people to use the Internet, which debuted in Poland. The campaign meetings were addressed primarily to people over 50 years of age.

They were held in libraries or local e-centres (municipal offices, schools, community centres, day-care facilities) in rural areas nationwide. The meetings were attended by a total of more than 6,780 people, 60% of which were persons over 55 years of age, mainly old-age or disability pensioners..

In 2011, in conjunction with the Scientific and Academic Computer Network (NASK), we launched the "Seniors for Seniors" project, which is aimed mainly at coping with the digital exclusion of majority of Poles over 60 years of age. It is based on the idea of using senior citizens who have mastered the new media and are willing to share their knowledge and experience as trainers and advisors.

Our commitment: Launching training courses in the "Seniors for Seniors" project; preparing the "Internet without Borders" pilot project, including a training module for elderly people purchasing broadband access services.

Education of rural population and low-income people in the ways and opportunities of using the Internet.

A number of our initiatives aimed at building the information society are addressed to public institutions, so that we can disseminate knowledge of new technologies and present the ways of using them in learning, working or building local communities.

We want to demonstrate the potential role of the Internet in rural communities, particularly in building the sense of community, disseminating knowledge or promoting the regional culture.

Between 2006 and 2008, we carried out a nationwide grant programme, "The Internet Republic". It aimed at activating rural communities in using the Internet as a working tool for the development of their region. In 2009, we launched a new programme to get Polish libraries on-line, "Orange Academy for Libraries", pursuant to an agreement between TP S.A., the Ministry of Culture and National Heritage, the Ministry of

Interior and Administration and the Information Society Development Foundation.

The programme aims at building the information society by disseminating Internet access among users of libraries, thus turning them into multi-functional information centres. The public libraries involved in the programme receive a grant for connecting the main facility plus a branch to the Internet. The Orange Foundation provides support in getting on-line as well as education in use of modern technologies, including training, workshops and other initiatives.

The programme covers 3,536 public libraries all over Poland and 1,079 of them received grants in 2011. The Orange Foundation has provided libraries with professional teaching tools and e-learning courses. Using these materials, library staff can learn how to use the Internet in a safe way. Orange Polska's volunteers have been involved in these efforts since 2011.

Our commitments: Continuation of the "Orange Academy for Libraries" programme.

In 2012, we intend to develop 50 Orange Internet multimedia labs in cultural life centres, like community centres, libraries, fire stations or parish offices, in small towns (with population of 20,000 or less) throughout Poland. We will provide for both lab adaptation and equipment: multimedia sets (3 computers, TV, consoles), free Orange Internet access and funds for refurbishment. A precondition for developing such an Orange lab is involvement of the local community in its development (securing space, refurbishing, painting and furnishing) and functioning. Local communities will be supported by the Orange Foundation as well as our volunteers.

Investing in knowledge and skills.

Since 2004, we have been carrying out the "Education with the Internet" programme, which aims at providing Polish schools with broadband Internet access on preferential terms.

So far, 14,500 schools, serving over 4 million young people, have been covered by the programme. In our "Turn Your School On" promotion, we offer Internet access on preferential terms: access activation fee of PLN 1.23 (incl. VAT) and monthly subscription fee of PLN 29.24 (incl. VAT).

In co-operation with the Civic Education Centre we have conducted a series of e-learning courses for secondary school teachers to improve their ability to use the new media and the Internet as an indispensable tool in modern education.

Currently, the Orange Foundation is involved as a partner in the "First-class School 2.0" programme, which aims at stimulating teachers and students to carry out projects which use modern technologies. This is an introduction to broader use of modern tools in school education. The programme is managed by the Civic Education Centre and Gazeta Wyborcza daily and supported by the Polish-American Freedom Foundation and the Agora Foundation.

Program effects in 2011:

- 14,500 shools registered for the programme, which accounts for approximately 45% of all schools in Poland;
- In 2010/2011, "First-class School 2.0" was successfully completed by almost 300 schools, which corresponds to a total of 1,200 trained teachers, around 25,000 pupils and over 700 active pupil blogs. A further 500 schools signed up for the subsequent edition in 2011/2012.

New technologies for culture.

Today, thanks to the web, we can not only be the recipients of culture, but also its creators. This is why we believe that combating cultural exclusion includes providing ICT tools for co-creation and co-operation in the implementation of cultural projects.

Orange Academy is a programme of modern cultural education of children and young people. It has a grant formula, and non-governmental organisations, cultural institutions, schools and libraries are eligible for grants of up to PLN 50,000. The total pool of financing is PLN 1.5 million per edition. The Orange Academy supports projects which use modern technologies in cultural education. Young people become not only participants but also creators of cultural events held in their local communities.

In addition, the projects have an important social mission, as they integrate disabled children with their able-bodied counterparts, get young people involved in local initiatives and present the regional culture to them. The projects include drama classes, urban games, medialabs, audio descriptions, workshops on journalism, photography, filmmaking and puppetry, development of interactive maps of regions, etc.

Each project is a joint venture of at least two organisations and the resulting content is available for use by other organisations under a Creative Commons Polska 3.0 free licence (recognising the authorship).

As a result, the authors retain full copyrights, while sharing their works and ideas with other organisations. All materials are available at the www.akademiaorange.pl portal.

In addition, the Orange Academy has a module addressed directly to animators of culture. They can attend two-day workshops, during which they learn more about the Creative Commons idea and share experience in implementing their cultural initiatives. Such workshops are held in partnership with the National Audiovisual Institute in Warsaw.

Program effects in 2011:

- 42 cultural education projects were completed between January and June 2011;
- 6,000 children from 14 regions attended the winning projects;
- 90 organisations and 204 animators of culture were involved in the implementation of the projects;
- 100 animators of culture participated in two-day workshops held in March/April 2011;
- The www.akademiaorange.pl portal presents descriptions of 80 model projects completed in the first and second edition. The portal serves as a source of best practices and ready-to-use model projects for other organisations, educators and animators of culture; dla innych organizacji – edukatorów i animatorów kultury.
- 448 projects were registered for the third edition and 46 initiatives from 15 regions (including 8 projects inspired by previous editions) were selected.

Four years ago, we completed the "System 7/24" project, an application for knowledge base management and a web portal for the regional labour office and district labour offices in the Podlasie Region. Thanks to the new system labour offices can now professionally manage information about the unemployed for both the unemployed and employers via telephone, email and Internet channels, whereas customers have gained 7 days/24 hours access to labour offices throughout the region without the need to visit them in person. It was the first such solution in Poland and it gained a recommendation of the Ministry of Labour and Social Policy.

A follow-up of this project is "Green Line – Employment Service Consultation and Information Centre", which aims at improving accessibility of labour office services and their enhancement, so that both employers and employees can get information quickly and easily via technical means of communication. The Green Line provides information about the labour market services, benefits and assistance offered by labour offices as well as answers questions related to the Employment Promotion Act, labour market institutions or key provisions of the Labour Code. By calling 19524, people can get up-to-date information from all labour offices in Poland. The Green Line is not only a step towards a modern office operating in line with principles of the information society, but also a future-oriented solution which may be implemented in other sectors of public administration. No European Union member country uses such a comprehensive system in similar facilities.

Apart from development of the telecommunication infrastructure, a huge social challenge faced by our industry is to break mental barriers based on a belief that new technologies are too complex, dangerous or inaccessible to be used by everyone. Together, we can build the information society, provided that nobody is left out of its reach.

3. Knowledge /innovation and the environment

I remember no other case of a large company carrying out such an open dialogue in its home market, not only with customers, but with stakeholders as a whole. In its business relations with Orange Polska, Relacom has obviously lots of opportunities to talk about us and our commitments or agreements we have made. Yet stakeholder meetings held in a social dialogue enable talks in a broader context of not only customers, but, say, environmental impact. I believe this is a good direction and I am glad that in our region Orange has decided to carry out such an open dialogue. I think that it is time for Orange Polska to make use of the trust enjoyed in our society and set new standards for business functioning, as a number of large brands in Poland have launched no such social involvement programmes yet.

Piotr Gehrmann, Sales Director and Management Board Member, Relacom Sp. z o.o., participant of a dialogue panel

CSR Strategy:

To be an innovator providing tools to build the low carbon society.

Innovativeness in Orange Polska

Development based on new technologies is a key precondition for the existence of the ICT industry. On one hand, it offers a great opportunity for using new technologies in the development of social or economic life; on the other hand, due to rapid development products quickly become obsolete, which raises problems of recycling of the equipment withdrawn from use and stimulates concern for eco-efficiency.

To be an innovator.

Innovativeness is an indispensable element in the development of the telecommunication industry. In order to develop new technologies and provide them to people we need to not only quickly respond to changes in the market, but also work on new solutions and inventions. In order to better monitor the on-going changes and set trends in new technologies we have established Orange Labs.

Polish Orange Labs is a part of an international network comprised of 15 Orange research and development facilities and laboratories on four continents. Polish laboratories account for 15% of the aggregate research potential of the network. The role of Orange Labs is to generate innovative solutions to support the development of Orange.

Orange Labs actively participates in European research projects and the work of international standardisation organisations, such as ITU, CENELEC, Broadband Forum, TeleManagement Forum or Home Gateway Initiative. It closely collaborates with a number of universities and research centres in Poland and abroad.
Our partners include the Warsaw University of Technology, Gdańsk University of Technology, Wrocław University of Technology, Łódź University of Technology, AGH University of Science and Technology, Poznań University of Economics, Poznań Medical University, University of Warsaw Interdisciplinary Centre for Mathematical and Computational Modelling and Polish-Japanese Institute of Information Technology.

Collaboration with universities for innovation.

In 2011, together with Huawei, we provided the students of the Warsaw University of Technology (PW) with the Long Term Evolution (LTE) network for developing modern services. Co-operation in an open innovation scheme between the market's leading technology partner (Huawei), leading research partner (PW) and leading telecom operator (TP S.A.) provides development opportunities for both students and partner companies.

It is one of few open innovation projects in Poland and a further step in our collaboration with the Warsaw University of Technology. Last year we launched a joint project, "Test Campus", which provides free broadband infrastructure based on FTTH, VDSL2 and radio technologies for the purpose of research projects and sharing experience related to the latest trends in research and technology. The network is used mainly by students, whose task is to assess its quality as well as enhance or develop new services.

Orange Labs also works on the development of new services to integrate Internet and telecommunication technologies. In the Orange Labs Telco 2.0 University project, workshops are organised for students interested in modern ICT systems in selected universities, including the University of Warmia-Mazuria, Warsaw University of Technology and Łódź University of Technology. Such projects aim to stimulate the development of new ideas for provision of telecommunication services.

Promoting innovations.

Orange Labs is also a place of promotion of new technologies and innovations. Together with its business partners, we regularly organise Innovation Days, Innovative Technology conferences as well as workshops and prototype presentations in order to promote innovation inside and outside the company, share experience and build positive partnerships. Orange's solutions may be seen at the "Innovation Gardens". In 2011, in co-operation with other business units, the France Telecom Orange Group and our suppliers, Orange Labs presented about 50 prototype and commercial solutions at the Gardens and organised 250 meetings with almost 6,500 guests, including 60 or so events attended by representatives of the France Telecom Orange Group, universities, suppliers and government administration. During the holiday season, also children and young people are invited to the "Innovation Gardens", where our employees talk about new technologies and demonstrate new services.

Developing innovative solutions.

In 2011, we developed Poland's first interactive audiobook, "1812: Heart of Winter". It is an innovative game based almost exclusively on sounds. Graphics have been kept down to minimum, so that the player can focus on the story line. It is one of the first products of this type in the Polish market. The Polish Association of the Blind has conducted tests to verify the game accessibility, which have confirmed that the application can be used by sight-impaired persons on their own.

Innovations for the environment.

New technologies may serve the environment, helping to manage energy and other natural resources more efficiently. Therefore, Orange Polska also works on projects aimed at saving energy. As part of our energy saving initiative (Green Initiative) we have got involved in the DSLAM Power Savings project. We have also prepared a GreenBox application, which automatically turns off unused ports on DSLAMs*. Turning off the ports reduces energy consumption by access devices as well as heat emission, which leads to a decrease in A/C costs. GreenBox has introduced a new logic in broadband network management. Reduced energy con-

* Port – a socket on the operator's side, as opposed to a socket (port) on the customer's side. DSLAM (Digital Subscriber Line Access Multiplexer) – a network device on the operator's side which transfers traffic from the operator's network directly to customers.

sumption translates directly into a reduction in network maintenance costs, as well as greenhouse gas emissions. The solution has made the network more 'green'. The pilot project demonstrated the immense potential of the solution. Consequently, in 2009 we decided to implement it on the entire network operated by TP S.A. In December 2010, GreenBox was permanently integrated into our network management systems and processes.

GreenBox results (estimated)	2011
Energy savings	453,000 kWh
CO_2 reduction	430,000 kg
Cost savings	PLN 192,000

Which is equivalent to:	
Trees planted	6,450
Km driven by car	2,460,000 km

Developing new eco-efficient solutions.

Climate changes and depletion of natural resources have made us realise the need to develop smart energy networks which could effectively manage both traditional and renewable energy sources as well as prepare electric vehicles using green energy. 35 leading power and ICT companies, research institutes and universities have established the FINSENY (Future INternet for Smart ENergY) international consortium. Being part of the European initiative Future Internet Public Private Partnership, it is co-financed by the European Commission. Orange Polska has been involved in this project. The consortium will identify requirements for an ICT system for smart energy networks, develop a reference architecture and participate in intersectoral standardisation initiatives. This will enable the adaptation and implementation of smart power solutions in Europe and elsewhere.

Orange Polska for the Environment

We are not indifferent to global challenges related to protection of the natural environment and natural resources. As a provider of telecommunication services we can significantly contribute to reducing the negative impact of business on the environment. We also introduce improvements inside the company to the same purpose.

Green services.

The key environmental issue seems to be the positive impact which the whole industry may have on a reduction in greenhouse gas emissions by offering services which replace traditional forms of communication or document flow. Thanks to tele- and video-conferences, electronic document flow, on-line shopping, e-services, e-invoices and comprehensive ICT systems for business and administration, we make ecology and environmental protection part of everyday life.

Owing to our services also other companies, institutions or organisations may become more "green". A number of them have successfully used video-conferences to enable home-working via Internet or phone and replaced paper documents with electronic ones. Communication may involve either face-to-face or virtual meetings; naturally, at the time of general focus on savings and effective use of resources, tele- and video-conferences are becoming the most reasonable solution. The implementation of a video-conference system within a company saves time and money spent on business trips, while increasing the frequency of personal contacts with customers and partners.

Promoting e-documents and e-payments.

In Orange Polska we promote electronic forms of invoice distribution.

For four years since the introduction of e-invoices we have carried out advertising and social initiatives and marketing campaigns in order to popularise this form of invoices on the market. Education has been a major element of these efforts, as we have been informing customers about the functioning of e-invoices and their environmental impact. So far, e-invoices have been used by over 2 million of our customers.

In 2011, we launched a special website, www.zyskajzefaktura.pl, where customers can find all information about e-invoices and learn about the benefits from using this form of settlements. They can choose from free minutes, lower activation fee for Neostrada, free e newspaper subscription, PAYBACK points or discount vouchers of various service providers. In addition, we started a dedicated portal on the Facebook: www.facebook.com/zyszkjazefaktura.

Orange's customers receive SMSs whenever an invoice is issued (indicating the due date of payment) and after the relevant payment is recorded on the operator's account. Fixed line service users receive notices with invoices to their email address. In addition, any amendments in rules or price sheets or other communications from the company may be sent in the electronic form upon customer's consent.

We also promote electronic payments among our customers, primarily direct debit, which is a modern and safe form of paying bills. Those, who choose this form of payment are offered extra points in the PAYBACK programme.

Direct debit ensures timely payment of bills directly by the bank by a transfer to Orange Polska's account. If direct debit is used, customers do not waste their time, while retaining full control over payments owing to an option to cancel any transaction that has been effected in this scheme.

Customers who use e-invoices are offered a free, easy and quick payment method: e-payment. TP S.A.'s e-invoices contain hyperlinks which enable customers to effect payments from their on-line bank accounts in a quick and safe manner.

Lobbying for e-invoices as a business solution and co-operation with other companies.

Responding to the aforementioned need communicated during a meeting with our key customers, we have decided to intensify promotion of e-invoices. Together with other companies (Netia, ING, Radio Zet, Polish

Ecology in Orange Polska

CSR Strategy:

To reduce the company's negative impact on the natural environment.

We are increasingly focused on minimising our environmental impact by reducing energy consumption, introducing waste segregation and encouraging more efficient paper management. We want Orange Polska to be a company which promotes eco-friendly attitudes and has its employees involved in reducing the negative impact on the environment.

Making the company more environmentally friendly.

We reduce our negative impact on the natural environment. As part of our environmental policy we monitor our operations for compliance with laws and other regulations, control the negative impact of our processes on the environment and take initiatives aimed at reducing it. We reduce the consumption of energy and resources, especially water and paper, as well as carbon dioxide emission related to our activity.

		2010	2011
CO_2 emissions excluding transport*	in '000 tonnes	424	365
Total CO_2 emissions during transport	in '000 tonnes	18.3	18.1
Total CO_2 emissions	tonnes	442	383
Electricity consumption/customer	KWh/customer	25.3	22.0
CO_2 emissions during electricity consumption/customer	kg/customer	16.7	14.4
Total electricity consumption/1000 customers	toe**/1000 customers	7.2	6.6
CO_2 emissions (all energies)/customer	kg/customer	18.2	16.0

* CO_2 emissions excluding transport is the total amount of emissions resulting from combustion of indirect fuels and electricity purchases. Total CO_2 emissions during transport refers to petrol consumed by company cars/trucks during business trips. The amount of emissions has been estimated with the GHG Protocol, a tool used throughout the France Telecom Orange Group.

** Toe, Tonne of Oil Equivalent, is a unit of fuel, which enables comparing total energy consumption in different countries. 1 toe corresponds to the amount of energy released by burning one tonne of crude oil. By convention, 1 toe = 41.87 GJ = 11.63 MWh.

The greatest contributor to CO_2 emissions is the consumption of electricity and indirect energy sources: gas, coal and oil. Our efforts to reduce the consumption of electricity and fuels are in line with our policy aimed at reducing CO_2 emissions.

Introduction of eco-friendly solutions and education of employees.

We are focused on the environment protection both at work and at home. There is the Environmental Protection Service on our intranet, which provides information on the environmental initiatives taken by the company. In addition, through dedicated campaigns we encourage our employees to adopt eco-friendly lifestyle and behaviour.

In the "Second Life of Paper" campaign, we have provided containers for documents and waste paper to our employees in 21 locations. This solution not only enables us to segregate paper waste but also retain control over safety of documents. Containers for waste paper have been put also at TP S.A.'s headquarters at Twarda 18, Warsaw.

		2010	2011
Waste paper, cardboard boxes: internally and externally	in '000 tonnes	2.5	1.9

There are also containers for used batteries in 6 locations. In 2011, we put containers for segregated waste (paper, glass, plastics) in all conference halls in our head office at Twarda 18, Warsaw. Another initiative related to rational use of paper and printout safety is "Safe printing at TP S.A.". In 2011, we also launched the "No paper" project.

We have posted the "Code of Good Practices" in our Environmental Protection Service. It contains guidelines on 'green' behaviours at home and at work. Furthermore, we develop informational materials, such as "Save energy, protect the environment" or "Save water, protect the environment" stickers.

We also organise a competition for our employees for the most interesting green idea. One of the winners has been the "Biking to work" project, which has involved installing bike stands in 43 locations and bathrooms with showers for bikers in selected locations. We have also launched a forum for bikers, where they can share experience, advice and information about biking events organised by cities. One of such events is "Biking Ride for Autistic People", which we promote among our employees each year, providing financing to the Synapsis Foundation, which helps autistic people, for each kilometre ridden by bike. We are working on the implementation of further ideas which won in the second edition of the competition, including "Orange Polska Green Code" and the "Together we drive farther" project, which promotes car-pooling (i.e. travelling together by car).

Since 2009, we have participated in the Earth Hour organised by WWF, which promotes the need to take action on global warming. We also remind our employees about the Sustainable Transportation Week and the European Day without a car, encouraging them to use public transport or bikes.

In 2011, we held a green picnic for our employees and their families in our Central Region. Together with foresters we planted about 2,000 seedlings in a 1 ha plot of land near Warsaw. The event combined an eco-friendly initiative with employee voluntary work, which has been successfully promoted within the company for several years.

We want to get our employees involved in a dialogue on environmental issues. To this end we have provided a special mailbox, *ekologia (ecology), to which they can send any inquiries or suggestions related to the environmental protection or green initiatives within the company.

		2010	2011
Direct energy consumption, primary sources			
Fuel (all buildings, all uses)	in '000 tonnes	3.5	2.9
Gas	in '000 m³	3,444	4,085
Coal	tonnes	119	87
Energy produced during combustion, primary sources	GWh	77.04	76.62
Indirect energy consumption, primary sources			
Electricity	GWh	619	535

Popularisation of e-documents in our work.

We use e-documents in Orange. We use no paper to request and settle business trips or set holiday leaves. We can also submit income tax returns electronically.

Since 2010 we have been using a special application for holding video-conferences, Telepresence, which has enabled us to significantly reduce time- and money-consuming foreign business trips. A total of 159 video-conferences were held in 2011.

E-documents are also used in business relations with our suppliers. Orders can be placed through a dedicated electronic system. The same applies to invoices, which are sent in the electronic form. We have also introduced a tool for confirming courier delivery electronically. In addition, our company has been using electronic invoice archiving, so that they do not need extensive storage space but rather virtual space on servers.

In 2011, we succeeded in reducing paper consumption by 28% in TP S.A. and by 36% in PTK Centertel (year-on-year). All companies which supply paper materials to us are required to hold an FCE certificate, i.e. a certificate of good forest management, which confirms that the material had been obtained from sustainable forests, where care is taken to plant new trees and wasteful exploitation is not performed.

Eco-efficient use of telecommunication infrastructure.

Since 2009, we have been implementing the Green IT project, which is aimed at increasing efficiency of our IT function, while reducing pollution and consumption of natural resources.

The project is an element of Orange Polska's pursuit of its strategic goal of combining saving initiatives with a reduction in the negative impact on the environment.

The key elements of the project include:

IT infrastructure

- consolidation, centralisation and virtualisation of the IT infrastructure;
- identification and elimination (or qualification for reuse) of the IT infrastructure which due to various circumstances, e.g. system migration to another platform, does not play any major role any more, yet is still on in the server room;
- used computer equipment disposed by companies which hold the relevant certificates and licences;
- purchases which, apart from financial considerations, account for the environmental protection as an additional criterion.

Server room technical environment

- optimisation of A/C settings in server rooms;
- adjustment of cooling power in server rooms to the current needs;
- modification of ventilation and lighting systems;
- adjustment of agreements with electricity suppliers to the current needs;
- optimisation initiatives in Orange Polska's server rooms: audit follow-up or implementation of IT infrastructure best practices (confirmed through the relevant tests and analyses).

Office space

- popularisation of 10 rules of economical printing among employees and promoting a habit of turning off computers before leaving work; all our printers have been automatically set to two-sided black-and--white printing mode;
- "Computers at night" campaign aimed at reducing the number of office computers being on at off-work time (nights, weekends, holidays) by using remote switching off tools; this initiative alone produced energy savings of 3,161,076 kWh in 2011, which corresponds to a reduction of approx. 3,128 tonnes in CO_2 emission;
- initiatives in customer relations: electronic documents, using recycled paper envelopes for correspondence, reducing the volume of mail.

The Green IT project is a good example of combining economic and environmental goals. For the company it means lower electricity or water bills. In the Data Centre alone, Green IT savings have totalled almost PLN 4.82 million (PLN 2 million in 2011), while electricity consumption fell by almost 11 million kWh (4.7 million kWh in 2011).

For the environment, the project means less CO_2 released and less water and paper consumed. As a result of the Green IT project, CO_2 emissions fell by almost 11,000 tonnes (4,600 tonnes in 2011).

Eco-efficient use of company cars.

Petrol powered company cars are gradually withdrawn and replaced with diesel cars. A reduction in the vehicle fleet and modification of its structure have resulted in a 12.6% decrease in fuel consumption in 2011 (year-on-year).

		2010	2011
Company cars: petrol + GPL	in '000 litres	2,073	1,265
Company cars: diesel fuel	in '000 litres	4,875	4,804
Business trips: plane	in '000 km	7,084	7,150
Business trips: train	in '000 km	6,822	5,553

In 2011, we launched the "Green Driving Academy" educational project to promote eco--efficient driving among our employees, thus generating savings on company car costs and reducing CO_2 emissions.

The "Green Driving Academy" involves dissemination of knowledge about environmentally friendly driving as well as hands-on training in an autodrome in cars equipped with indicators of various driving parameters.

During a few months after completion of training, participants record each refuelling in a special on-line application. This clearly shows how a change in driving habits affects the fuel consumption rate.

Each project participant has his own profile in the application and can compare his results any time. A total of 1,155 employees of Orange Polska registered for a qualification test and 130 employees took part in pilot training.
In this group, fuel consumption fell by an average of over 6%.

Efficient waste management.

The Company's activities generate industrial waste, such as waste electronic and electrical equipment (WEEE), batteries and storage cells, cables and telegraph poles. The recycling thereof is closely controlled.

Waste		2010	2011
Industrial waste	tonnes	289.1	n/a*
Internal WEEE (network & tertiary)	tonnes	255	284
Wooden poles	tonnes	43.3	24.0
Cables	tonnes	374.3	324.6
Batteries	tonnes	83.6	20.6
Fluorescent lamps	tonnes	0.0	0.0
Paper / cardboard	tonnes	122.4	237.4
Printer cartridges	tonnes	0.3	0.1
Other hazardous waste (including PCB)	tonnes	2.6	0.1
Other non-hazardous waste	tonnes	505.6	619.6
Waste recycled internally	tonnes	1,676	1,510
Waste recycling	tonnes	0.43	0.42

* These data used to be reported by TP Emitel. Since the sale thereof in 2010, we have not been classifying these data.

Wooden telegraph poles are considered hazardous waste due to petroleum derivatives used for wood preservation. Their disposal is a responsibility of a specialised company. In 2011, over 24,000 tonnes of poles (i.e. 100% of those withdrawn from service) were discarded. Copper cables withdrawn from use are delivered to non--ferrous metal recycling centres. Those which due to a type of insulation pose a potential hazard to the environment are handed over for disposal by professional companies. Copper from wires is 100% recovered. In 2011, almost 328 tonnes of waste copper cables were recycled.

Also 100% of network batteries are neutralised by qualified companies. TP S.A. has concluded agreements with battery suppliers under which they pick up and dispose of any waste elements as part of maintenance services.
A similar scheme has been introduced under framework agreements with suppliers of consumable materials for photocopiers, printers and facsimile machines.

We have introduced uniform waste classification rules in line with the Regulation of the Minister of Environment of 27 September 2001 on the catalogue of waste (Journal of Laws of 2001, No. 112, item 1206) as well as uniform waste recording rules in line with the Regulation of the Minister of Environment of 8 December 2010 on templates of documents used for waste records (JoL of 2010, No. 249, item 1673).
We also hold the necessary administrative permits for waste generation.

We co-operate only with suppliers which take responsibility for further processing of the received waste (collection, transport, recycling or neutralisation) and can document the subsequent stages of waste handling between the waste producer and the waste neutraliser.

In line with the Act on waste electronic and electrical equipment (WEEE*), such unwantedand unusable equipment is transferred as waste to licensed waste management companies (since 1 October 2006, such companies also have to be registered by the Chief Inspectorate for Environmental Protection).

		2010	2011
WEEE collected from customers	tonnes	0.3	0.2
WEEE collected from customers	kg/1000 customers	0.01	0.01
EMS**: ISO 14001	%	27	30

** Environment Management System.

We follow procedures aimed at reducing our impact on the natural environment. Dedicated teams have been established within the company to assure the progress in environmental protection by inspecting infrastructure, monitoring emission levels and providing the related training. We co-operate with regional inspectors for environmental protection on a constant basis, being subject of their audits and following their recommendations. We also maintain relations with the Ministry of the Environment with respect to interpretation of regulations as well as training.

In the process of implementation of environmentally friendly projects we also co-operate with organisations dedicated to the environmental protection.

In pursuit of our environmental policy objectives, we regularly participate in the international exchange of best practices across Orange. We also take part in environmental projects endorsed by the Responsible Business Forum and co-operate with foundations which promote sustainable development and environmental care.

Innovativeness is important for our industry, so we seek new functional solutions for our customers. New technologies may be eco-efficient, helping to save both time and natural resources.
We monitor environmental indicators within our company on a current basis. In INDICIA, a dedicated CSR database used across the France Telecom Orange Group, we report 122 environmental indicators on a semi-annual basis, monitoring the use of natural resources and our impact on the natural environment.

* Waste of Electrical and Electronic Equipment – The WEEE Directive 2002/96/EC (Directive on waste of electrical and electronic equipment) was adopted by the EU in January 2003 in order to minimise the negative environmental impact of electronic waste. Pursuant to it, producers, suppliers and importers are responsible for collection, reuse, recycling and recovery of electronic waste. This waste has been divided into several categories and different recycling rules have been determined for each of them.

4.

Response to customer and market expectations

As the Head of the Pomerania Employers, that is the biggest and the oldest organisation of employers with the membership of over 700 companies, I am often invited to meetings on corporate social responsibility or public relations of companies. A dialogue with Orange Polska's representatives is carried out in an open and vibrant manner. A face-to-face round-table debate facilitates moderated discussions between various stakeholders. It seems to me that Orange evaluates according to the need, adjusting its procedures and PR policies, which in a short time will certainly be reflected in its business results as well.

Zbigniew Canowiecki, President of Pomerania Employers, participant of a dialogue panel

CSR Strategy:

To provide high quality services and customer service standards.

Our priority is to increase the customer satisfaction from our products and services and to build good relations in every area, from quality of services and customer service standards to widely understood safety and responsible communications.

We know how much is yet to be done to make our customers more satisfied from our services and customer care. Therefore, in 2010 we decided to launch a programme whose strategic goal is to transform Orange Polska into a customer-oriented company guided by the needs and satisfaction of its customers.

Learning Customer Expectations

We make every effort to identify the needs of our customers in order to respond to their expectations in the best way. We put a lot of attention to customer opinion and satisfaction surveys, which enable us to better plan changes in our service portfolio or customer service procedures.

Identifying customer needs to adjust the portfolio.

Our customer satisfaction surveys are among the largest such surveys in Poland. Each month, we conduct a total of around 20,000 interviews, analyse calls from over 500,000 infoline customers and review handling of complaints from over 30,000 residential customers and 2,500 business customers. Apart from regular monthly customer satisfaction surveys, through which we monitor the customer satisfaction rate, we carry out in-depth surveys of customer expectations, particularly to determine how the portfolio matches customer needs, as well as tests of specific offers. Our research also includes analysis of customer needs in a process of sales and agreement renewal. In addition, we have introduced the Net Promoter Score (NPS), which is currently one of customer satisfaction measures. The key purpose of this indicator is to listen and respond to customer opinions.

Based on surveys conducted by independent agencies, we identify causes of customer dissatisfaction and define areas for improvement and further actions. As a result, we are able to better adjust the time and manner of our sale and customer service processes to customer expectations. We have conducted a series of training courses in offer customisation skills for our front-line personnel. We gradually increase the number of sales people who work according to the established standards,

which contributes to an increase in customer satisfaction. Moreover, after each contact we approach our customers to learn what we could improve or change. Such feedback helps us to define areas for improvement.

Our commitment: A dedicated survey of customers with sight or hearing impairments as well as elderly people to better identify their needs and expectations of the company.

Learning the causes of service discontinuation.

We identify the causes of churn through market research, monitoring of customer experience in relations with our salesforce and consultants, as well as proactive campaigns, in which customers are offered contract renewal before the previous promotion ends. As a result of these initiatives, the churn rate for our broadband services was down 20% last year (compared to 2010). Investigation of churn causes is two-fold. While informing about service discontinuation customers indicate its cause. In addition, we conduct regular phone surveys among departing customers and, based on their results, undertake the relevant corrective actions.

Concern about both existing and prospective customers.

For existing customers we have the ProPosition offer. Choosing from among Dolphin II, Pelican II or Panther II tariff plans (subscription or mix), customers receive, depending on the time they have been with the company, 20% or 40% minutes more than new customers get. Customers receive additional packages if they sign up via company's website, and the package size depends on the time spent with the company. Customers of Orange Polska's fixed line services can participate in the biggest multipartner bonus programme on the Polish market, PayBack, in which they earn points for the following:

- Timely payment of invoices for selected voice services;
- Conclusion of a new agreement or renewal of an existing agreement, e.g. for broadband access or FunPack;
- Migration to a higher speed under an existing agreement for broadband plus TV or FunPack.

PayBack points may be subsequently redeemed for attractive items from the gift catalogue.

Customers who renewed their agreements under the Orange for Business offer in 2011 were eligible for the "More Optimum Benefits" promotion.

Development of special offers in response to business customer needs.

In 2011, Orange became the first operator in Poland to introduce a tariff solution enabling flexible choice of the amount of subscription fee and the pool of minutes and value-added services embedded in the subscription. In the Customised Offer for Business, customers can determine the subscription volume and price themselves.

In 2011 we also launched a new "IT for Business" service, which is addressed mainly to small to medium enterprises. This is an offer of comprehensive IT system support, including an option to rent computers, peripheral equipment, accessories and software. There is a professional support department to help customers, who pay a fixed monthly fee for the service. The "IT for Business" service is our response to customers' growing expectations with respect to IT infrastructure management and increasing interest in outsourcing.

Quality Service

Since October 2010, our customer service has been a responsibility of Orange Customer Service. The company is an integral part of Orange Polska. It was established by combining customer service functions of TP and PTK Centertel to get the best from the potential and experience of both companies. Orange Customer Service aims at setting new quality standards based on long-term relations with customers and their trust.

Enabling consultants to review the status of customer's order or complaint.

Our consultants have access to all systems required for proper customer service, and each communication or change in the case status is recorded. In case of fixed line services we used to operate several different systems. In 2011, in order to make it easier for our consultants to access up-to-date information about customers, we implemented an application which retrieves data from a number of systems used in customer service.

Our commitment: To enable our consultants to consolidate all the necessary information on a single screen, which will facilitate customer service. The project will be implemented in 2012.

Preparing consultants for acting as advisors.

We try to best prepare our consultants for contacts with customers. During the initial training they learn our portfolio and get acquainted with customer service systems and standards. As for in-service training, the ratio of sales competence to customer service competence development is about 50/50. Customer service remains our priority and our consultants are to ensure its quality.

Our commitment: Implementation of a SmartPad application in 2012, enabling offer customisation together with the customer. The customers will see visualisations on screen and will be able to create a customised offer with the consultant.

Training of infoline consultants in interpersonal skills.

The training programme for our consultants includes good communications, problem solving and relation management skills. It is a fixed element of the "Professional Customer Service" module.

Consultants are assessed for proper and effective communication with customers, simplicity and clarity of statements and attitude towards customers. The assessment may constitute the basis for referring a consultant to additional training.

Regional management of customer relations (e.g. including the regional area code in the infoline number).

We have decided to depart from a regional model of customer service due to higher costs of such a solution. Customers are connected with the first available consultant who has the competence to handle the matter. As a result, we are able to meet customer expectations quickly, respond to incoming traffic growth and optimise operating costs. However, the area code recognition functionality has been retained, so as to enable the infoline system to play messages to customers calling from the given area (e.g. in case of network failure).

Reducing the infoline Menu and assigning "0" to speaking directly to a consultant.

In our infoline for mobile users, "0" has been defined as speaking to a consultant. Customers choose from among three primary topics and then are automatically connected to a consultant. Thus, in order to reach a consultant, customers need to make just two selections: first "0" from the main menu, then a topic of interest. Elimination of the topic selection stage would increase call switching between consultants according to their competences, which is negatively received by customers. In case of our infoline concerning fixed line services, we have introduced a new simplified menu and clear division between new and existing customers. It enables precise selection of a menu depending on the type of customer as well as automatic retrieval of the status of the last reported case. In addition, we have simplified a verification procedure for customers calling from their terminals.

Shortening the time to respond to failures.

For reported technical problems (failures, faults), which cannot be solved during a call, we use effectiveness indicators which correspond to the time to repair. In 2011, the rate of fixed line or broadband network failures repaired within 24 hours was around 80%. For the mobile segment, the time limit has been set at 48 hours (end to end), and the rate of such repairs exceeded 80%. Information about the expected time to repair and the manner of response are specified in the consultant/customer interaction standard. Customers are notified about solving the problem in the way they have chosen (by phone or SMS).

Our commitment: We intend to reduce the time to repair in the mobile market and to introduce an obligation to inform by phone about problems solved within 12 hours.

Quick and simplified handling of complaints and ensuring uniform standards in this respect across Poland.

There is a uniform standard for handling complaints all over Poland and it is constantly adjusted to customer expectations. To accelerate the procedures we have introduced an option that a complaint may be examined during a call or in Orange own or premium outlets without the necessity to refer it to second-line consultants. These changes have been preceded by training for outlet managers and sales personnel. In addition, we have prepared new information clearly describing the procedure for our salesforce, which has further simplified and shortened complaint handling. Moreover, we have systematised procedures for handling and editing written replies to complaints filed by Orange customers. We have introduced the Code of Good Practices for Complaint Processing for the fixed line and mobile markets, which is available to customers on our website.

Our commitment: To increase the number of replies to complaints sent by email and to develop new guidelines describing how to handle difficult and most frequent complaints.

Enabling customers to monitor the status of an order or complaint filed.

Customers can check the status of their orders by texting STATUS.order_no* to 6505. To check the status of complaints or other reported problems they can text STATUS. complaint_no* to 6505. The status information can be also checked upon logging in to our website.

Providing full and reliable information to customers seeking network connection (terms, possibility, time, costs).

We have adopted a rule that we indicate all parameters to customers who want to be connected to our network. Such data should be provided to customers on a current basis by our salesforce. In case of a negative technical survey, an alternative solution is developed.

Reducing the time to connect.

If possible, we carry out a technical survey together with the installation during a single visit. If during a survey a technician determines that connection is possible, it is promptly effected, so that the customer does not have to wait for another visit.

It is also possible to carry out a technical survey by phone, which reduces the time to connect by one to three working days. In addition, we are implementing the "Technician's Itinerary" project to enable customers to choose convenient time of technician's visit.

Ensuring high efficiency of technical personnel's performance.

We make efforts to closely link remuneration to performance not only among our own employees but also the personnel of external companies to which Orange Polska outsources installation or other services. Under our contracts, the remuneration depends on the timeliness and quality of services. We have also introduced certification procedures for Partner Companies and FP Maintenance Technicians.

Clearly presenting the conditions of withdrawal from or termination of an agreement and the consequences thereof; informing customers about the effects of migration to another operator and financial consequences with respect to loyalty agreements.

Customers who have concluded an agreement at a distance or outside the company's premises may withdraw from it (in writing) within 10 days. In such case, no service fees are charged. Upon withdrawal, the customer returns to the services he had used prior to the conclusion of the agreement. Moreover, we have introduced the Try&Buy offer

for selected services. Customers can try out our services and then discontinue them within the predetermined time limit with no financial consequences. Outside this scheme, service discontinuation during the loyalty period results in a penalty fee specified in the terms of the offer unless the terms of service provision and promotion indicate otherwise or the company's fault or some other circumstances occur (e.g. technical problems on the company's part preventing the use of the service; random events). Naturally, there are no financial consequences of service discontinuation in case of agreements for an indefinite period of time. In each case of withdrawal from a loyalty agreement, customers are informed about the consequences.

Quality Portfolio

Telecommunication products and services are becoming increasingly complex in technological terms and their functioning is getting less and less comprehensible to their users. We will not stop progress in this area, but we can try to make it easier for customers to handle modern telecommunication technologies.

Developing simpler systems for customers, particularly for operating new equipment.

Prior to the launch of any new services or functionalities, we test their ergonomics and usefulness. We have been implementing the Simplicity+ programme, which aims at making life easier for customers in every aspect of customer relations, particularly through portfolio information in plain language, transparent tariffs and user-friendly products, as well as smooth service installation, easy to use and practical channels of communication and transparent customer service procedures. Simplicity+ involves testing the customer experience with the company from the portfolio information, through service purchase, installation and invoicing to after-sale service and even service discontinuation procedure.

As part of the project, our consumer research centre carries out tests, which result in modifications in the newly developed products to make them even more user friendly. We have adopted a rule that users should have no difficulty using a product regardless of their technical knowledge.

Introducing and extending service trial-up offers.

At present, our fixed line broadband portfolio includes a 30-day trial-up offer for Neostrada. In 2012, we intend to carry out a customer survey on the service trial-up in order to optimise the sales model. Trial-up options are also available to customers subscribing to Orange Free and Orange Freedom services as well as smartphone users, who are offered free weekly Internet trial-up. Owing to the try & buy scheme, customers can evaluate product functionalities and parameters before making the purchase decision.

Offer customisation (e.g. for SME companies or for innovative and technologically sophisticated products and services).

We strive to make our portfolio best meet business needs of our customers. In 2011, Orange introduced the first tariff solution in the Polish market that enables flexible selection of the monthly subscription fee and the pool of minutes and value-added services embedded in the subscription. In the Customised Offer for Business, customers can determine the size and price of their subscription themselves.

For small to medium enterprises we have launched the Negotiated Offer, that is a comprehensive tool used by our salespeople to analyse customer's needs and develop a flexible and customised offer by selecting best suited services, discounts and promotions.

Since 2011, our business customers have been offered the Optimum Discount, that is a solution which involves granting a discount on the subscription fee at the time chosen by the customer, e.g. during a low season in the industry or in case of a non-standard expense or investment borne by the company.

In 2011, Orange launched the Business Everywhere Day-by-Day mobile broadband offer. It is the only offer in the market in which customers pay no monthly subscription fee; they pay only for the days when they actually use the Internet access service.

To companies which use standard tools, such as fixed line broadband and voice, in their business, we offer bundled services in the Business Package.

In 2011, we launched the "IT for Business" service, becoming the first telecom operator in Poland to offer IT support services. Business customers can choose from among four packages: basis, optimum, prestige and mobile, which combine hardware, software and IT support. It is a modular offer, which enables customers to choose a package and type of services they need, getting cost-effective support for their IT systems.

A new company, Integrated Solutions, was formed in 2011 to expand Orange's portfolio to include IT and telecommunication system integration services as well as data centre dedicated solutions.

The company was established to respond to growing customer demand for consistent and comprehensive management of the ICT infrastructure.

Responsible Communication

Increasing the participation of consumer organisations and spokespersons in disputes between Orange Polska and its customers.

We carry out a regular dialogue with consumer organisations. Together with local spokespersons for consumer rights, these organisations represent groups of customers who experience problems in relations with telecom operators; thus, they are a good source of information about the problems of our customers. We in turn inform consumer organisations and spokespersons on a current basis about our actions and changes to be introduced, making it easier for them to solve problems with which they are approached by customers.

We have collaborated with consumer organisations for over nine years, particularly through the following:

- Dedicated teams for handling customer cases referred to us via spokespersons for consumer rights;
- Regular meetings to enable clarification of contentious issues;
- Monthly communications to spokespersons for consumers, containing information about major changes in our portfolio or customer service.

In addition, we organise occasional topical meetings, which are attended by local spokespersons for consumers and Orange Polska's managers. The purpose of these meetings is to present customer issues to people planning the development of service systems, gather opinions concerning solutions to be implemented by Orange Polska and identify the areas which require changes in customer service.

Giving a particularly high priority to interventions by consumer organisations.

In 2011, Orange Polska established a team to examine issues reported by consumer organisations or spokespersons and related to wholesale service procedures, regulated services or relations with alternative operators.

Providing information in sales outlets about consumer organisations to which customers can report their problems.

Each problem reported by a customer is handled on an individual basis. In line with the procedures in force, while responding to complaints our consultants consider both the results of technical tests and the mandatory regulations.

Upon completion of a complaint handling procedure, the customer is informed about the right to initiate court action, mediation proceedings before the President of the Office of Electronic Communications or proceedings before a permanent court of arbitration attached to the Office of Electronic Communications.

Dialogue and good communication with customers.

We also implement other solutions which build our relations with customers and provide inspiration for further initiatives. We want our customers to broadly share their observations, remarks and ideas with us. In Orange Polska we have the Spokesperson for Customers, who supports the development of customer-oriented strategies, promotes improvements in sales and customer service standards and maintains a dialogue with customers. In addition, he conducts analyses of media opinions and market environment, collaborates with consumer organisations and communicates with customers via websites and social media.

A blog of our Press Spokesperson was launched in 2008 and in 2009 we created Poland's first corporate blog platform, which, in addition to the Spokesperson's blog, hosts our corporate, technology and sports blogs. Around 30 people are involved in running the blogs; these are specialists in their respective fields, sharing their knowledge with readers. On average, the website attracts 150,000 unique visitors per month.

The blog platform is a major element of our communication strategy and a modern communicator, which provides multimedia materials, video reports, original film materials and live broadcast.

It is a place of interaction between the company and its customers, open to comments and criticism. One of the topics discussed on our blog www.blog.orange.pl is corporate social responsibility.

In November 2011, Orange Polska profile on Facebook was launched. It includes the "Help" tab, which is another way for customers to reach our consultant team. There are also a technical assistance forum and a video help centre with instructional films concerning various services. As the only telecom operator in Poland we provide full service on Facebook. Over 2,000 requests have been received through this channel so far.

Our commitment: To expand the role of social media in our customer relations.

Carrying out ethical marketing and promotional activities.

We want to better communicate with our customers, in a clear, friendly and responsible manner. In 2010, we introduced the Code of Responsible Communication. The purpose of this document is to apply our social and environmental commitments to all forms of marketing communication as well as to develop best communication practices. Each year we talk to hundreds of customers, suppliers and partners, so we need to ensure that all our conversations are conducted ethically.

Our rules:

- Showing respect by involving customers in the communication process;
- Earning trust through honesty in communication;
- Responsible behaviour during conversations;
- Accepting responsibility for the environment;
- Disseminating similar rules of communication among our partners.

Our Code has been consulted with Polish and international experts, including representatives of the Polish regulator, consumer organisations, the marketing industry and environmental organisations. The Code has been made available to our employees and business partners, e.g. advertising agencies. We aim at applying our commitments, both social and related to environmental protection, in all areas of operations, particularly marketing.

During tender procedures for services of advertising agencies, we are guided by the market opinion about them. Moreover, the agreements we conclude contain ethical clauses and ethical issues are an element of our evaluation of the performance of the agency and its employees.

In 2010, we signed the Memorandum of Understanding promoting the use of the European tendering standards in the marketing industry. The relevant rules have been specified in the "Pitch Guidelines" announced jointly by the World Federation of Advertisers (WFA), of which Orange is a member, and the European Association of Communications Agencies (EACA). The document describes in detail good practices of responsible business in the context of tender procedures and relations with business partners.

Rearranging telemarketing activities.

We want to minimise the situations when customers are approached through different sales channels, which may result in an excessive number of calls. Currently, the standard is that direct contact with customers is done exclusively through the telesales channel.

We have launched an outgoing contact co-ordination project. Customers can be approached by salespersons with the same offer not more frequently than every three months. The same customer my be included in several marketing campaigns at the same time; in such case, contacts should not be more frequent than once a month.

Each contact with customers is recorded in a database and each contact retrieved for the purpose of one campaign is automatically blocked for other campaigns for a pre-defined period.

Providing an opportunity to reduce telemarketing offers.

A customer who definitively refuses telemarketing contacts may apply for

unlisting his number and is informed about the relevant procedure. Requests for number unlisting should be submitted in writing.

Orange customers may also use a free service of Anonymous Call Blocking. It blocks incoming calls from unlisted phone numbers, that is numbers which are not displayed on the phone screen.

Transparent and imaginative presentation of current tariff plans to make them more understandable for customers.

We want our offer to best meet the needs of our customers and to be best communicated to them.

A good example of these efforts was the introduction in 2010 of the first segmentation-based offer in the Polish market, which is tailored to the needs of various groups of customers.

Dolphin – for those who like to talk much;
Pelican – for those who like texting and activity on web social portals;
Panther – for those who want to be constantly on line.

In case of any questions, customers can always contact our consultants.

Furthermore, in 2011 we launched FunPack, a package of multimedia services offered by TP S.A. It bundles fast Internet access, digital TV and fixed line voice with unlimited calls to fixed line networks. Customers can easily select one from the packages offered.

Providing customers with access to our current offer.

We strive to communicate our offer to customers as broadly as possible. We are present in traditional media, such as press, radio and television, as well as social media. The "Heart and Reason" profile on Facebook has over 1 million "likes" and is one of the most popular corporate profiles in Poland. We prepare leaflets and posters for our sales outlets and salesforce. We also organise attractive competitions and promotions for our customers. Once a year, we develop a catalogue of fixed terminals, which is then available in our sales outlets. It contains the portfolio of major terminals and other pieces of equipment offered by the company. Since 2011, all terminals and other equipment are presented in the catalogue in a handicapped-friendly manner.

In addition, customers are offered a Mobile Internet Spot, which provides broadband Internet access and is used for service presentation. We have also introduced a special 6500 number for text messages: if an SMS is sent to this number by a customer, they will be called back by a consultant.

We inform about any changes in price lists, agreements or service rules on a current basis by enclosing regulatory letters with invoices for telecommunication services. In addition, the information contained in regulatory letters is always published in two nationwide newspapers.

Our website, www.orange.pl, offers a chance to check the technical availability of our services, e.g. Neostrada, and presents all available infolines and contact numbers for text messages, as well as sales outlets, price lists and complaint procedures.

Safety

CSR Strategy:

To provide safe products, services and technologies.

Safety of customers is a profoundly important issue for all telecommunications companies. It involves proper protection of our technical devices and provision of safe products and services to our customers on one hand, and careful protection and security of their personal data on the other.

Care for safety on the Internet.

Although the Internet has already become a common tool of communications, which is used by a dozen or so million people in Poland, the knowledge about the basis safety rules is still scarce. As a provider of telecommunication services we cannot ignore this problem. For us, customer education, ensuring safety of use of our services and providing proper tools for handling problems are a natural consequence of the development of modern technologies.

The safety of users of our services is ensured by a team of specialists, who have been responding to any hazards and supporting Internet users since 1997. In 2006, TP S.A., as the only telecommunication operator in Poland, received the prestigious CERT (Computer Emergency Response Team) certificate, which confirms the highest quality of the organisation in the area of ICT security incident management. At present, up to 3 billion incidents are processed by TP CERT systems. Owing to automation and standardisation of responses, our capacity to handle security hazards have been steadily growing. This is directly reflected in the enhanced safety of our Internet services and of the Polish Internet in general.

Co-operation with other telecom operators in development of common safety standards.

The TP CERT team has worked with other telecom operators not only in the area of current struggle against cyber security hazards (to contain and mitigate their occurrence), but also on development of standards for such collaboration and sharing information (e.g. about means of communication, hazard classification and methods of responding) both on the national and international level.

In August 2011, TP CERT joined FIRST (Forum of Incident Response and Security Teams), the leading association of such teams from all over the world. As a result of participation in the work of FIRST, TP CERT will be able to mitigate risks on our network and, consequently, more effectively help users to respond to hazards, which in turn will further improve the quality of our services.

Increasing the safety of networks.

In 2011, we signed an agreement with Sourcefire Inc., which provides for hazard identification as well as protection against third party's attacks on the network infrastructure of the company and its customers. The agreement has brought increased competence in identification of and defence against attacks on ICT networks of our business and residential customers owing to close co-operation in security incident response. The agreement involves active know-how transfer and analysis of network traffic risks.

Offering adequate protection to customers.

For many years, the users of Neostrada or bundled services (e.g. broadband + TV) have been able to use our protection packages. Depending on a package they choose, they receive anti-virus, anti-spam and anti-fraud solutions, firewall, communicator and data protection, parental control function, blocking access to harmful websites as well as protection of their entire home network. In addition, customers using services based on Livebox routers can use a built-in firewall and their Wi-Fi connections are protected with strong encryption keys. Business customers are offered Intrusion Prevention Systems (IPS), which detect and block hacker attacks.

Educating customers about network safety.

We educate and support Internet users, including the young ones, in active approach towards their safety on the net. Our website presents information and advice about safe computer set-up, rules of using the Internet, as well as descriptions and references to tools and software related to safety. Customers can use them to check the safety status of their computers as well as select and install a number of useful applications (anti-virus, anti-spam or firewall) or learn how to recover the lost data or protect data against unauthorised access. Furthermore, Orange technology blog,www.blog.orange.pl/technologiczny, features articles which describe various aspects of the ICT security.
More on www.orange.pl/tpcert

In 2011, WP.PL carried out the "Don't accept, don't connect, don't enter..." social campaign, which had been initiated by the Scientific and Academic Computer Network (NASK).

The purpose of the campaign was to attract people's attention to the need to respond to on-line materials presenting child sexual abuse or racist and xenophobic content coupled with hate speech.

Protection against Internet hacking.

In our fixed line network we use blackholing, that is blocking communication with the IP addresses of botnet zombie computers, i.e. computers compromised by hackers (with owners being unaware) and used for illegal tasks. This solution not only eliminates unnecessary traffic on the network, but also protects customers from having their computers used for cybercrime (e.g. to spread spam or viruses or launch denial-of-service attacks).

In 2011, Orange introduced unique offers which protect customers against the effects of handset or netbook theft or damage. By buying a piece of equipment together with new activation or agreement renewal, customers can sign up for insurance programmes: New Safe Phone or Safe Laptop. Orange is the first telecom operator in the market to offer such services.

Development of crisis management systems to support customers in case of emergency.

We strive to respond to the need of securing communication in case of system failure. This service is offered mainly to all emergency services (112), for which it is of the utmost importance to maintain communication. Customers can sign a Service Level Agreement (SLA) with our company, which guarantees the delivery of the pre-defined service standard.

Spam reduction.

In December 2009, we switched communication for Neostrada users from port 25 to other ports. Port 25 is the default port for communication between mail servers and is often used for spamming. This helped to mitigate problems resulting from a large amount of emails sent by unaware users. After the measure was introduced, the amount of spam generated in our country immediately fell by more than 90% and Poland left a "shameful list" of top spamming countries for good. In addition,

we automatically block connections with Netbios ports for users of our Internet access services. These ports are usually not used for network transmissions, but network wrongdoers frequently use them for attacks on computers of unaware users.

Ensuring adequate personal data protection .

We are a controller of personal data of our customers, employees and business partners. There is the Coordinator for Personal Data Protection within the company, who is responsible for co-operation with the General Inspector of Personal Data Protection (GIODO) as well as for ensuring compliance with our data protection policy and monitoring of processes related to management of personal data processing systems.

We have developed the Personal Data Security Policy and the Personal Data Processing Rules. We ensure that our employees and partners have full knowledge of the current mandatory regulations as well as our internal procedures related to personal data processing.
Since 2007, we have been operating a system for registering personal data sets, which enables us to effectively control access to the personal data processed within the company.
In 2011, pursuant to the Memorandum of Understanding between TP S.A. and UKE, we further enhanced the security of our personal data management system.

In 2011, a total of 25 internal audits of personal data processing were conducted within the company. It enabled us to identify irregularities in data processing and promptly undertake clarifying and corrective actions. We also streamlined a process of providing data to the authorised agencies. Data transfer to our partner companies is effected on the basis of outsourcing agreements for data processing. When the co-operation ends, the data are returned to our company or destroyed. Last year, none of GIODO 's decisions issued in administrative proceedings to which our company was a party either challenged or questioned the way we processed data. Due to trade secrets and data confidentiality, we do not disclose detailed information about the number of privacy violation or data loss complaints filed by our customers.

Adequate quality and security is also required in case of other information we manage. PTK Centertel has implemented an Information Security Management System (ISMS), which complies with the ISO 27001 international standard. PTK Centertel was Poland's first mobile operator to obtain this certificate.

Ensuring customer privacy.

All our customers have the right to privacy protection. In particular, they can block selected incoming calls, e.g. from unlisted phone numbers. They can also request that their number be not identified and their address and phone number be not published in directories and that no advertising offers be sent to them by our company.

Customer education about personal data protection.

Both during data collection and at the subsequent stages of their processing, we comply with the obligation to inform customers about the purpose and scope of data processing, the source of data as well as the right of access and the right to rectify data.
In addition, customers are informed about the scope of data disclosed and the data recipients and advised about their right to object to data processing for marketing purposes or to the transfer of data to another controller.

Our commitment: To carry out an informational campaign concerning the security of personal data and content placed on the web by adults and children, through forms enclosed with phone bills and co-operation with the media.

Ensuring safety of customers with respect to unfair practices of other entities.

We try to eliminate fraud by people posing as our employees. In 2011, we carried out an active prevention campaign concerning fraudulent sales. It was addressed to low-income fixed line service subscribers, who, after change of our social plan to basic plan, were exposed to intensified activity of our competitors, including dishonest salespersons.
We informed customers how to act in case of contact with fraudulent forms of sales or what to do in case of a risk of it. We respond to reports about unfair activity of our competitors.
We inform customers that if they have any doubts whether a salesperson is really a representative of our company they can check it.
We have launched a toll-free number for reporting malpractice or suspected fraud.

Our commitment: To carry out an informational campaign, through the media and using informational materials sent to customers with bills, about fraudulent sales.

Ensuring safety of customers faced with unfair practices over phone (e.g. phone fraud).

Phone or the Internet can be used for multiple purposes, including evil.
We cannot eliminate such risks, but we can educate or warn customers. Elderly people are most vulnerable to deception. In response to a growing number of fraud using the "grandparent scam", we decided to support a campaign of the Police Headquarters in Warsaw.
A special leaflet was prepared to warn senior citizens against calls from con men posing as their relatives to get money. It was enclosed with TP and Orange's bills in the Warsaw region, where the problem was most frequent. This initiative was accompanied by an informational campaign carried out by the Police.

Launch of the data backup service for mobile and broadband.

Orange offers the "Your Backup" service, which enables customers to copy contacts, calendar and tasks to the Your Backup section on the www.orange.pl website.
Since April 2012, the service is free.

Our commitment: In 2012, we intend to launch a data backup service for smartphones. We have also begun initial works on the Cloud Computing offer for different segments, which will enable customers to store data on the Internet and work on line, while being protected against hacking, data loss, etc.

Education of children about safe use of the Internet. Education of parents and teachers about the security of children on the net and the ways of talking about it with them.

One of the most important goals of our "Education with the Internet" social programme is to enhance the security of children and youth on the Internet and prepare young people to use the new media consciously.
We join social campaigns which build the awareness of hazards related to using the Internet: we are the main partner of the "Child on the Net" programme carried out by the Nobody's Children Foundation. Together with the Foundation we have developed the www.sieciaki.pl ('net pets') service, where children can find plenty of useful information about the safe and effective ways of using the Internet.
In 2011, we launched the Necio.pl ('Netty') portal for pre-school children as well as developed new lesson scenarios and a set of materials for primary school teachers as part of our educational campaign. As part of our efforts for the security of kids on the Internet, each summer holiday season we carry out the "Net pets on holiday" project, which involves organisation of educational picnics for children in tourist resorts in conjunction with local governments and community centres. Each year, our workshops on the rules of the safe use of the Internet are attended by about 4,000 children,

while we distribute the Safe Media guide concerning the same issues among parents.

Since May 2009, secondary school students and teachers have been able to use the resources from our e-learning platform, which, among other materials, contains training courses on how to use the Internet safely.

By the end of December 2011, 150,000 users had registered on the platform. For a few years now, in conjunction with the Nobody's Children Foundation, we have been operating a free telephone line, 800 100 100, and a website, www.helpline.org.pl, where children and their guardians can get help and advice if faced with hazards on the net.

Results of the programme in 2011:

- 45,000 children attended 38 "Net pets on holiday" educational picnics;
- 9,500 interventions via the www.helpline.org.pl website;
- Over 150,000 primary and secondary school students used e-learning courses on how to use the Internet safely;
- 190,000 registered users of the Sieciaki.pl portal;
- Over 1,200 initiatives submitted as part of the Safe Internet Day celebration. 7,500 children attended lessons conducted by almost 100 Orange's volunteers across Poland.

We have developed the Safe Media guide for parents, which gives a comprehensive picture of the hazards faced by kids in the digital world and discusses how to prevent them and where to seek help. The guide discusses the safe use by children of modern media, such as fixed and mobile phone or TV. The guide has been developed in collaboration with organisations and institutions dealing with on-line safety of children. It can be downloaded from the www.bezpiecznemedia.pl website; it is also distributed by the Orange Foundation, the Nobody's Children Foundation and the Kidprotect.pl Foundation. The guide will also reach schools thank to Orange Polska's voluntary workers holding meetings on the safety on the net. In 2009, together with the Kidprotect.pl Foundation, we launched the "School of the Safe Internet" prevention and educational programme. The aim of the programme is to increase the knowledge of teachers, parents and students on the widely understood safety on the net and, consequently, to mitigate the hazards related to young people's access to inappropriate content, cyber-violence, technological hazards, psycho-manipulation (including paedophilia) and Internet addiction.

In the programme, we organise prevention meetings for parents and teachers as well as lessons for children. Each school can obtain the Safe Internet Certificate. In 2010, the Office of Electronic Communication granted us a certificate confirming that we guarantee the highest level of safety to users of our Internet services, especially children and youth. Also Wirtualna Polska carries out dedicated campaigns through its dzieci.wp.pl service, promoting safe behaviour on the net, identifying certain undesirable behaviours and encouraging due caution in disclosing one's data.

Monitoring of the content posted on the Internet by children.

As an Internet provider, we have no right to monitor the content posted on the net. However, Wirtualna Polska has taken efforts to protect children against inappropriate content. An example of such initiatives is the AMULET programme, which protects young users against content and images which are inappropriate for their age. To achieve it, WP.PL has introduced user segmentation by age groups: 0+, 7+, 12+, 16+ and 18+. Any materials posted on the portal bear information to which age group they are addressed. In case of a conflict between the user age and the age profile of a material, a window is displayed with information on "Why you have not seen the site" and two pushbuttons: "Take me away" and "Go to the website". The WP website permanently displays the "Report illegal content" box linked to pomoc.wp.pl, which can be used to inform administrators about any content which violates the law.

Furthermore, chat rooms for underage users have priority and are moderated not only by WP's employees, but also representatives of the Kidprotect.pl Foundation collaborating with the portal. Moderators react to any "suspicious" posts by chat users. They can block users' access to the chat room, if they are aggressive or vulgar. In addition, posts which might indicate dissemination of paedophile content are secured (to be used as potential evidence in criminal cases related to breach of mandatory regulations or rules of community life). Users can use an option to report the content which they consider indecent to moderators through a form on the home page of the chat room. Children may also seek help from the "moderator room", where website operators respond in real time.

In addition, WP has introduced some functionalities to enable its employees to report any content of pornographic nature or safety-related (e.g. information about suicide attempt contemplated by an adult or underage person) directly through the portal intranet.

The activity of the Information Security Department (DBI) is one of the key elements of WP's efforts to prevent hazards within the portal. The business unit responsible for these issues has been operating in Wirtualna Polska for ten years, and is still being expanded. The most important hazards which trigger immediate action by DBI include: information that user's life is in danger, phishing, pharming or attacks on the company's systems. In addition, actions countering pornography or other illegal content (e.g. related to racism or xenophobia), breach of copyright or privacy rights are considered a matter of urgency. DBI collaborates on a permanent basis with organisations and institutions responsible for the safety of users.

Repositioning of the link to the children's zone on the WP portal.

The position of the link For Children was changed upon reports that it was too close to the adult zone. Currently, the link to the children's zone is first in the menu and is clearly separated graphically.

Introduction of the child positioning service.

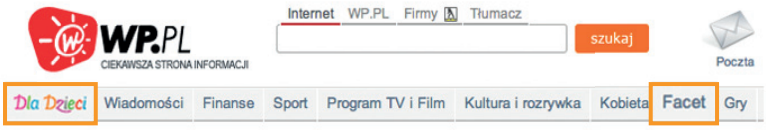
Orange has launched the "Where is my child" service, which enables customers to locate their children using their mobile phones. The service is rendered upon prior consent as well as identification of a parent entitled to learn the child's location. The service is available via a secure connection with the www.orange.pl website.

Co-operation with other entities for the safety of children on the net.

A major element of our efforts is encouraging other companies and institutions to adopt self-regulatory measures related to the safety of children with respect to the media. Upon our initiative, the Children's Safety on the Internet Agreement has been developed. So far, it has been signed by twenty partners: Internet providers, web portals and non-governmental organisations dealing with these issues.
The initiative has been supported by the Office of Electronic Communication and the Government Plenipotentiary for Equal Treatment.

The parties to the Agreement have committed themselves to carry out, individually or jointly, communication and educational activities, develop and implement similar procedures for handling illegal content as well as support international initiatives related to the safety of children with respect to the electronic media.

Orange is also a member of an alliance of mobile operators against child sexual abuse.
The alliance was formed to contain the use of mobile phones by persons or organisations deriving profits from materials which containing illegal content involving children. In particular, the alliance determines the mutual rules of co-operation in applying mechanisms which block access to websites that have been identified by the relevant agencies as providing content related to children sexual abuse.



had been initiated by Neelie Kroes, Vice-President of the European Commission and the European Commissioner for Digital Agenda. This initiative is a perfect vehicle to mobilise all the key players in the ICT industry and facilitate the adoption of consistent solutions in the area of safety of the youngest Internet users.

Protection against harmful emissions from mobile phones and antennas.

We ensure that all subscriber terminals undergo the relevant tests. The safety of use is verified in tests of conformity with essential requirements. We meet all the strict standards concerning electromagnetic fields (EMF) from base and transmission stations. The technical measures related to environmental protection against EMF emitted from base stations of wireless communication systems which we build and operate conform with the Regulation of the Minister of Environment on the maximum admissible environmental EMF intensities and methods to verify that the intensities are not exceeded (Journal of Law of 2003 No. 192, item 1882/83), which is ensured by the following:

- Assessment of the EMF impact on the environment as part of design work on new or modernised radiocommunication stations;
- Measurements of electromagnetic field levels and reporting the results to the relevant environmental protection agencies, which decide whether to initiate public consultation or not.

All handsets offered by Orange meet the emission standards set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP). In addition, PTK Centertel has the Environmental Safety Lab, which has been measuring electromagnetic field intensities for over eight years. Furthermore, we have implemented a management system compliant with the PN-EN ISO/IEC 17025:2005 standard, as confirmed by the AB 419 certificate issued by the Polish Centre for Accreditation.

Development of safe technologies.

We carry out research on limiting the human exposure to electromagnetic radiation. The International Telecommunication Union (ITU) has adopted an official recommendation in this area, ITU-T K.70: Mitigation techniques to limit human exposure to EMFs in the vicinity of radiocommunication stations, to which our research has greatly contributed. We have also had considerable input into the development of the following recommendations: ITU-T K.90: Evaluation techniques and working procedures for compliance with limits to power-frequency (DC, 50 Hz and 60 Hz) electromagnetic field exposure of network operator personnel, ITU-T K.91: Guidance for assessment, evaluation and monitoring of human exposure to radio frequency electromagnetic fields, and ITU-T K.83: Monitoring of electromagnetic fields.

A valuable supplement to the ITU-T K.70 recommendation is the EMF-estimator application for determining the electromagnetic field levels near intended base stations, while for the K.90 recommendation, there is the EMFACDC application, which determines the EMF levels near power lines supplying telecommunication or radiocommunication systems. Both applications are free and are available to all on ITU's website.

Owing to these projects, we have an opportunity to directly contribute to the assessment and reduction of environmental hazards related to excessive human exposure to electromagnetic fields emitted by base stations either in Poland or abroad. ITU-T continues to work on human protection against non-ionizing electromagnetic radiation under the leadership of our representative.

We plan to publish the "Human Exposure to Electromagnetic Fields" guide, which will answer the most frequently asked questions and clarify the most frequent misconceptions and doubts formulated by people who are afraid of the electromagnetic radiation impact on human health.

Partner in Business

CSR Strategy:

To be a reliable partner in an ethical supply chain.

Social responsibility should be present in the entire supply chain. Therefore, we want the relations with our suppliers and business partners to be based on transparent principles and mutual obligations to abide by ethical standards. We want to build good and long-term relations with our suppliers.

Building good relations with local suppliers.

We gradually work on effecting all payments to suppliers in due time. Owing to an electronic invoice flow system, the timely payment rate has reached 92%.

We take active part in the implementation of the France Telecom Orange Group's global supplier assessment programme, QREDIC. Periodical assessment is performed on the basis of all information about suppliers available across the Group. In doubtful cases, suppliers are is requested to provide explanation and remove irregularities.

The results of assessment are used in a process of negotiations and selection of suppliers on the global level.

A definitely negative assessment with respect to compliance with ethical and environmental standards (particularly lack of actions aimed at elimination of the identified irregularities) disqualifies the supplier. Local suppliers are required to include an ethics clause in agreements with our company. The clause specifies the supplier's obligation to respect ethical and environmental rules, particularly international conventions on human rights and special protection of children's rights. Pursuant to the ethics clause, we have the right to conduct regular audits of the supplier's compliance with the rules.

The ethics clause is a standard element of agreements drawn up by the company. The clause can be removed only upon submitting proper justification and obtaining an approval of the Legal Office Director. For example, agreements with energy suppliers do not include an ethics clause, as they are drafted by suppliers. The company does not keep records of what percentage of agreements include an ethics clause. In 2011, no suppliers were rejected for failure to observe human rights.

Standing relations with suppliers	2010	2011
Long-term agreements	92.9%	93.7%
Other agreements	7.1%	6.3%

Building long-standing relations with suppliers.

We try to build our relations with suppliers on the basis of long-term contracts providing for transparent terms of co-operation. In 2011, no supplier exceed the 10% threshold in our overall purchase structure.

Transparent procedures for selecting suppliers

We follow a competitive and open procurement policy, which provides for direct electronic placement of orders with suppliers. Currently, over 50% of suppliers have been using this form or order placement.

In 2006, TP S.A. adopted the Procurement Organisation Code of Ethics. It is a set of rules, which should be followed by all procurement organisation employees in direct and indirect contacts with suppliers. According to the Code, relations with suppliers shall be based on the ethical rules which are commonly accepted in normal trade. The Code covers procurement procedures, which determine transparent rules of selecting suppliers and concluding agreements, as well as confidentiality procedures for protecting information both received from suppliers and concerning our company or the projects it implements. Furthermore, the Code addresses the conflict of interests and provides that any relations with suppliers and related actions shall be impartial. It also regulates the issue of gifts. It is allowed to occasionally accept gifts of moderate value, the annual limit being €100. Any breach or potential breach of the Code shall be reported by employees to their superiors or the Internal Audit Director. One of the most frequent problems reported to the Orange Polska Ethics Committee was the participation of the company's employees and partners in sponsored events or trips and lack of clear regulation of this issue. Responding to this problem, we have adopted a document which regulates the rules of participation of Orange Polska's employees and partners in such trips.

Transparent rules of co-operation with alternative operators.

The actual implementation of the requirement of non-discrimination of alternative operators (AO) vs. TP S.A.'s retail arm was subject to careful examination by UKE.
As a result of dialogue with other telecom operators and the regulator, we developed and implemented a model of functioning on the market which protects the interest of all parties, particularly end users. The settlements led to the conclusion of the Memorandum of Understanding between TP S.A. and UKE in 2009.
A model of inter-operator relations was developed and supporting IT tools and transparent reporting methods were prepared. The procedures for service provision, failure removal, customer migration between operators and providing information about the telecommunication infrastructure (also to local government bodies) and available wholesale services were determined in detail.

Penalties imposed on Orange Polska in 2011

Infringement of free competition	Penalties imposed	Final and binding rulings in appellate proceedings which upheld penalties
Total number of penalties	2	0
Total amount of penalties, in PLN mn	543.4*	0.0

* Out of which PLN 508.3 mn is the initial equivalent of the penalty of €127.6 mn.

Information on fines

On 22 June 2011, the European Commission imposed on TP S.A. a €127.6 million fine for abuse of dominant position on the wholesale broadband access market before October 2009. The company strongly disagrees with the decision and the disproportionate amount of the fine, particularly as it believes that the European Commission did not take into account several important factors. The situation on the wholesale broadband market has been systematically improving since 2007. By constructing and providing fixed broadband infrastructure, the company has been effectively remedying the difficulties on the Polish broadband market and it has been increasing the penetration rate of the broadband services. The irregularities pointed out by the European Commission were voluntarily removed by the company in the past.

The decision is not final and TP S.A., in liaison with its legal advisors, appealed against it to the General Court of the European Union on 2 September 2011. The European Commission responded to the appeal on 13 January 2012. Based on previous similar cases, the judgment of the General Court should be delivered within the next two or three years. This judgment could be appealed to the Court of Justice by any of the parties.

On 23 November 2011, UOKiK issued a decision imposing fines on PTK Centertel, Polkomtel S.A., Polska Telefonia Cyfrowa S.A. and P4 Sp. z o.o. (on PTK Centertel – PLN 35.1 mn) for alleged agreement restricting competition on the domestic retail and wholesale market for mobile television based on DVB-H technology. PTK Centertel did not accept the decision and did not pay the fine.

On 7 December 2011, PTK-Centertel appealed against that decision. The appellate proceedings are at the initial stage. PTK Centertel has not been yet notified about the hearing date.

Regulatory compliance	Penalties imposed	Final and binding rulings in appellate proceedings which upheld penalties
Total number of penalties	2*	0
Total amount of penalties, in PLN mn	7.5	0.0

Information on fines

*Both fines were imposed on PTK Centertel by UKE. In the first case, UKE has accused PTK Centertel of non-performance of informational obligations towards customers subscribing to the pre-paid Zetaphone offer (after increasing the price of calls to the call centre), while in the second case, PTK Centertel was accused of using automatic calling systems for direct marketing purposes without customers' consent. PTK Centertel appealed against the both decisions of UKE on imposing those fines. In the reported period, no other fines were imposed on Orange Polska in connection with the rules of marketing communication, i.e. promotion, advertising or sponsoring.

For a company which provides telecommunication services to millions of customers, ensuring the best products and satisfactory customer service in response to growing expectations remains the most important and the most difficult challenge. Good communications, proper security of equipment, high safety standards in use of services and reliable information about telecommunication terminals and portfolio are key issues in breaking barriers which prevent benefiting from the digital world. Therefore, we understand corporate social responsibility also as education of our customers how to use modern technologies in an easy and safe way.

5. Workplace

We have participated in a discussion about the social aspects of running a business in Orange Polska. For us, the social dialogue means mainly participation in the company's internal matters as well as employee relations. By attending a meeting on the corporate social responsibility we got an opportunity to look at social issues from a different perspective and to find out more about environmental or CSR initiatives.

Krzysztof Kościuk, Solidarity Trade Union

CSR Strategy:

To be a good employer.

Equal Treatment for Employees

The key to a company's success is its employees. Orange Polska employs over 24,000 people throughout Poland.
For us, social responsibility begins in the company and is based on relations with our employees.

Diversity in the workplace.

As we are part of a multinational corporation, diversity is an everyday practice for us. The effective achievement of our business goals requires full commitment of our employees, who differ in gender, education, ethnicity, life attitudes, beliefs, etc. We believe that the proper attitude to this diversity creates new opportunities for the company. We consider diversity as an asset which enables us to get the best from each employee. We are convinced that diversity of cultures and professional profiles in our teams is a benefit for both the company and our customers. We want to go beyond our statutory obligations in order to fully realise our values and implement high management standards in this respect.

The issue of diversity was initiated in Orange Polska in 2008. Our CSR and HR teams remain in touch with the Equal Opportunities Team in the France Telecom Orange Group. So far we have launched several projects in diversity management.

Development of culture of respect for diversity within the company is a key priority for us. Therefore we disseminate knowledge about it among our employees. Diversity issues are addressed in the Code of Ethics, which determines procedures enabling employees to notify any irregularities, particularly related to discrimination or mobbing.

In order to effectively prevent such cases and build friendly atmosphere at work we provide for proper managerial training. Each manager has to complete e-learning course in discrimination and mobbing prevention. Our staff portal explains what mobbing and discrimination behaviours are like, while presenting the related regulations and indicating how to report any violation of our rules (particularly through an application which guarantees anonymity of reports).

A major challenge for us is to promote professional activity and development of women and to increase their percentage in management. In 2011, we added a special clause to our recruitment procedure, under which our advisors have to recommend candidates of both sexes to managerial positions.

Our remuneration system promotes competence and commitment. We provide equal access to positions in the company for persons of all ages, both women and men. The France Telecom Orange Group also works on increasing the percentage of women in the management. Our goal is to ensure 35% of women in managerial positions by 2015.

We respect the rights of parent-employees in the same manner as we respect the gender equality at work. The France Telecom Orange Group has signed the Parent-Employee Charter, committing itself to support parents in the workplace through various actions. One of the related initiatives in Poland is rooms for nursing mothers, which have been established in selected locations.

Company's workforce by type of employment / type of employment contract

	2010	2011
Total workforce	25,080	23,560
Men employed	14,288	13,041
Women employed	10,792	10,519
People hired under employment contracts	24,913	23,286
People hired under other schemes	7,667*	7,201*
Full-time employees	21,622	22,974
Part-time employees	341	586
Employees of 30 or less years of age	4,082	3,793
Employees of 31–50 years of age	16,348	15,388
Employees over 50 years of age	4,650	4,379
Average age of employees	40	39.6
% of women in the workforce	43%	44.6%
Employees in managerial positions	3,732	3,605
Female managers	950	966
Male managers	2,782	2,639
% of women in managerial positions	25.5%	26.8%

* Personnel outsourcing (full time positions).

In order to promote equal access of women to managerial positions in Poland, our company initiated the EPWN (European Professional Women's Network) Warsaw project in 2011. EPWN Warsaw is part of an organisation with 3,500 members in 18 European cities. Its main purpose is to support the equality of women and men and promote the equality of chances through all stages of career. Networking is an important form of co-operation within the organisation. Together with representatives of other countries we want to share our knowledge and experience in equality issues. EPWN aims at supporting professional progress of women through career consulting and development programmes, promoting gender equality and related changes in corporate culture, stimulating the professional and social activity of women as well as disseminating and protecting women's rights.

Promoting feminisation of technical professions remains an important issue in our industry. The France Telecom Orange Group has signed a code of best practices for women in the ICT sector. In particular, it aims at encouraging high school and university female students to start working in the technology sector as well as to retain and promote women who already work there.

On 14 February 2012, Maciej Witucki, CEO of Orange Polska, signed the Diversity Charter on the company's behalf. The Charter is a form of commitment to promote diversity principles.

The Polish version of the Charter was developed by working groups composed of representatives of three sectors: business, administration and NGOs. A major element of this process was consultations with organisations representing various social groups, e.g. the handicapped, the elderly, parents, sexual minorities or religious communities.

The Diversity Charter was initiated in 2004 and the first Charter was signed in France. So far, the Charter has been developed in seven EU member states and signed by over 5,000 companies.

Transparent remuneration policy.

Orange Polska has followed a uniform and transparent remuneration policy based on equal treatment, fair assessment and non-discrimination. In 2011, the ratio of the basic salary of women to that of men was 95% in managerial positions and 81% in non-managerial positions. The overall ratio of female to male wages was 71%.

The remuneration policy sets the priorities and principles determining wages in Orange Polska. It has the following goals:

- to provide transparent and competitive principles of remuneration, increasing employees' involvement and responsibility for performance of the tasks and objectives assigned to them;
- to retain highly-competent employees and enable their further development;
- to attract people of the highest competence and professional qualifications from the external market;
- to set clear and transparent rules for determining basic salaries.

Our remuneration policy provides for salaries adequate to the market level of wages in Poland. The remuneration scale and wage analyses determine the remuneration policy and a salary range for different groups of positions and salary tables.

Employee's basic salary depends on the scope of responsibilities and a group to which the position is assigned. We also consider the quality of work, performance, experience and competence, as assessed by the employee's direct superior.

We account for changes in the labour market and Orange Polska's companies related to emergence of new positions and shifts in responsibilities. Positions are evaluated by the Evaluation Committee, which consists of representatives of HR, business and trade unions. In addition, owing to changing economic condi-

tions, wages are indexed on 1 June of each year, prior to the commencement of the salary rise process.

Fair evaluation and clear promotion criteria.

Ensuring transparent and competitive rules of evaluating and rewarding employees as well as implementing equal treatment principles are among the basic conditions to be met by any socially responsible company. For several years we have been following a comprehensive evaluation and development system.

It is a uniform process for multifaceted evaluation of employees based on tangible indicators, which facilitates planning their development and career path. The system covers three of Orange Polska's companies: TP S.A., PTK Centertel and OCS. Approximately 99% of their employees are evaluated each year (over 21,300 people were evaluated last year).

During an individual meeting, the superior evaluates the achievement of objectives set for the employee under MBO (Management by Objectives) scheme or bonus tasks as well as employee's work style, competence and skills.

As a result, an individual competence development plan is prepared for each employee and further career path is determined.

Work style is evaluated on a annual basis to determine how employees perform their tasks. It is evaluated by the employee's superior based on the following three main criteria:

- Focus on customer service quality;
- Active participation in the development of the company in line with its strategy;
- Concern about the quality of human relations and commitment to team work.

And competence has been defined as knowledge, skills and attitudes which affect one's behaviour and efficiency in task performance.

Business challenges we face are reflected in a management model that we want to follow. The 360° feedback model facilitates the development of a common culture of work, communication and management. The 360° feedback assessment of managers in Orange Polska is one of the biggest such processes in this part of Europe.

In the beginning of 2009, only top managers (about 400 people) were covered by the process, while in a subsequent edition at the turn of 2010/2011 all team leaders in TP S.A., PTK Centertel, Orange Customer Service and selected six other Orange Polska companies (a total of almost 3,000 people) were invited. The 360° feedback assessment of all managers was repeated at the turn of 2011/2012 and is to be carried out every two years.

The evaluation procedure is followed by succession planning, that is a process of identification and development of employees who are candidates for taking key positions in Orange Polska. The process aims at ensuring the continuity of management in key positions, while getting the best from the managerial potential inside the company. It focuses on the development of future managers and planning of their future career paths within the company.

The succession process is a major contributor to new managerial staff: people from the list of successors accounted for over 50% of all promotions to managerial positions last year.

Training and Development

Offering professional and personal development opportunities to employees.

In Orange we believe that strengthening what is the best in people is a guarantee of their professional and personal success. We offer numerous opportunities for development and education, depending on the employee's needs. We carry out a number of training programmes aimed at developing competence and preparing people to meet the strategic challenges faced by the company. Training is conducted by external companies or hired trainers. Our employees improve their language skills by attending English and French courses and are eligible for co-financing of university studies.

However, development is not only about training, but involves also one's own initiative and learning by experience on other positions, involvement in various, often interdisciplinary, projects, observation of best practices, work on solving particular cases, internal practices, mini-internship, e-learning or participation in conferences.

	2010	2011
Employees trained (in '000)	25.06	22.9
Hours of training (in '000)	528.3	637.1
Average number of training hours per employee per year	21.08	27.6

Providing professional training.

The Professional School is an incentive and development programme for our employees, which aims at facilitating development of their professional skills and competence as well as ensuring concrete benefits in the given business area. The programme has been designed to select the best employees and create promotion opportunities for them.

The teachers in the Schools are company's own employees who have gained expertise in their respective fields and, in addition to specialist knowledge, have good communication skills, which help them to prepare and conduct workshops effectively. The topics are chosen in consultation with experts, managers and training programme specialists. The programme is divided into stages and each stage ends with certification.

Currently, there are 16 Professional Schools with 90 experts. Over 5,000 people have completed training organised by them.

In addition, employees departing from the company are offered training in active job seeking, auto-presentation or preparation of application documents. Organisational changes within the company involve active participation of the Competence Development Centre advisors, who attend group informational meetings and individual meetings with employees leaving the company.

Interesting projects, engaging challenges, professional development opportunities.

We are looking for people with outstanding managerial potential, achievements within their business areas and the necessary abilities and skills, also in the international context.

To our managerial Talent Review project we invite people who have scored high in their annual evaluation, have worked with the company for at least two years, can communicate in English or French and stand out in their work. In addition, we consider whether they build good relations with other people and are able to co-operate with them towards common goals.

People from the Talent Group are considered first during recruitment to managerial posts. They can be covered by dedicated development programs and get a chance to participate in the company's key projects. We offer a two-year development program for our Talents.

Each participant has his own personal development plan, which provides for mini-internship in other business units, managing selected projects, involvement in the company's key projects, individual coaching, training, post-graduate courses or MBA studies. In addition, Talent Group members face social challenges in volunteering projects carried out together with the Orange Foundation. There were 299 people in the Talent Group as of the end of 2011.

In 2011, we launched an international development programme, Orange Campus, to promote uniform management standards across the France Telecom Orange Group. It is offered to all managers of the Group. The programme is based on a model of development through sharing experiences. Orange Campus has three international training centres in Poland, France and Spain. It offers training in Polish and English.

Training focuses on the preferred style of management, stressing concern for the quality of human relations, good communications, co-operation, orientation on the customer service quality and friendly atmosphere at the workplace. The underlying principle of all training courses is their distinctive style: interactivity and promotion of diversity.

Ensuring training availability.

In June 2011, we launched the On-line Educational Portal for the company's employees and partners. It is connected with the educational resources of the Development and Training System (SABA), which functioned on our intranet before. Owing to the new portal, www.e-learning.tp.pl, any employees and partners of our company with access to the Internet can use this training platform at any time and in any place.

One of the purposes of the new portal is to reach the staff of our partner companies with our training, as they had no access to it before. These companies perform tasks for TP S.A. related to the provision of regulated services being the subject of the Memorandum of Understanding with UKE.

We use the Development Products Library, a comprehensive tool for knowledge management within the company. The library gathers information on development products, including e-learning courses for various skills, both personal and professional. It provides descriptions of development tasks, titles and summaries of articles and books as well as information about e-learning courses, workshops and other proposals. Currently, the library contains 8,115 educational items.

As befits a telecommunication company, we broadly use e-learning tools for training. Our portfolio includes 3,560 e-learning courses, including interactive training in ethics, corporate social responsibility and non-discrimination principles.

Our employees are also invited to attend mini-internship, i.e. one- to three-day on-the-job training in another team of Orange Polska to get to know their work better. The programme is addressed to those for whom co-operation with other units of Orange Polska is a part of everyday responsibilities or those whose activities

support other employees and business processes. It is also intended for new joiners who should quickly get acquainted with the company as well as active people seeking new professional development opportunities.

Interesting initiatives to activate and integrate employees.

We also organise integration training. One of its options, which goes beyond typical team-building tasks and has been gaining popularity, is combining training with commitment to others. The Integration by Helping is one of the voluntary work proposals prepared by the Orange Community. To teams planning an integration event we propose co-operation with an NGO or a social institution.

Our educational offer to employees includes anti--stress training, "Catch the wind or how to make yourself feel comfortable at work".
The course presents information about stress as well as proven methods for coping with emotions and difficult situations at or outside work.
Our best employees can develop their professional skills within international structures of the France Telecom Orange Group by participating in important and interesting business projects.

Employees who are hired under an employment contract and have worked at least one year in TP S.A. are eligible for co-financing of their first- or second-degree graduate or post-graduate studies, including MBA. The programme of financing university education is aimed at increasing employees' motivation and loyalty and demonstrates the company's policy of investing in people and building long-term relations with them. In 2011, such co-financing was granted to over 124 employees, out of which 30 people graduated.

Concern for our future employees: students.

Orange has carried out its Student Training Program for more than ten years. In 2008, we launched the Your Perspective educational programme for students of technical and economic faculties. It has been carried out in conjunction with the Polish Human Resources Management Association and the Business for Society. Its fourth edition started in 2011 (for the academic year 2011/2012). The programme consists of five key elements: workshops, contest, ambassadorship programme, Orange Student Clubs and paid student training in Orange Polska. The fourth edition involved 52 workshops at 18 partner universities in Warsaw, Poznań, Wrocław, Gdańsk, Lublin, Olsztyn, Katowice, Kraków, Łódź and Bydgoszcz.

A major part of the programme is the nationwide Your Perspective contest addressed to young people who are fascinated by modern technologies and their use in new business areas and everyday life. The contest is held in stages and divided into three categories: telecommunications, information technology and marketing & management. Your Perspective is also an ambassadorship programme, which is based on the company's close co-operation with universities via Orange Polska ambassadors, that is students selected according to strict criteria. The fourth edition of the ambassadorship movement was joined by 64 students interested in the telecommunications industry.
The programme responds to labour market challenges faced by young people and helps students to expand their practical business knowledge. For the company, it is an opportunity to attract people well prepared for their profession. It is a unique programme within the telecommunications industry.

As the Official Partner of UEFA EURO 2012TM we offered an opportunity to participate in the "EURO-training 2012" programme to 600 students. This included 450 people in four Polish host cities, Warsaw, Wrocław, Gdańsk and Poznań, who supported fans in celebrating the European football festival, promoting the UEFA EURO 2012TM Official Mobile Application.
Other EURO-trainees underwent training in Orange Polska in ICT, Euro Programme Bureau, Internal Communications or Multimedia Service Marketing business units. As members of the Orange team, they were directly involved in the team work of Orange as the Official Partner of UEFA EURO 2012TM, learning the logistics

and organisation issues behind the tournament and gaining invaluable experience in one of the biggest corporations in Poland. We are also one of the permanent partners of the "Play for Internship" competition.

Development opportunities within the company's activities.

Mobility in Orange is one of the key issues in our long-term HR management strategy. It is instrumental in assuring development and retaining employees of high professional potential within the company. It also provides an opportunity to get higher qualifications and competence by those who seek new challenges.

Internal mobility in Orange Polska is supported by:

- Mobility Policy;
- System of allocation benefits;
- Agreement on the implementation of the Mobility Policy in Orange Polska;
- Internal labour market offers placed on the HR Portal;
- Transfers between Orange Polska companies.

Preference for the existing employees in recruitment for positions in Orange Polska.

The existing employees are preferred in the recruitment process. Offers addressed to the internal labour market are placed on the intranet, in the HR section, as well as distributed by corporate mail and communicated to Orange Polska companies. An additional source of information about vacant positions is career counsellors from our Competence Development Centre. Over 1,000 job offers appear in Orange Polska's internal labour market annually.

Departures and employee turnover ratio by age groups and sex in Orange Polska

	2010	2011
Departures – total	3,038	3,055*
Departures – men	1,401	1,023
Departures – women	1,637	2,032
Departures – up to 30 years of age	563	773
Departures – 31-50 years of age	1,596	1,584
Departures – over 50 years of age	879	698
Turnover ratio – aggregate	12%	13.6%
Turnover ratio – women	13%	10.4%
Turnover ratio – men	11%	16.1%
Turnover ratio – up to 30 years of age	14%	25.8%
Turnover ratio – 31-50 years of age	10%	10.5%
Turnover ratio – over 50 years of age	19%	15.9%

* 2011 departures include sales of Emitel (in June 2011) with the workforce of 936 people

We have also launched the Career Navigator programme to assist our employees in determining their strengths, development areas and further career paths in Orange Polska. Meetings with professional development advisors facilitate an objective assessment of competences gained so far in order to set reasonable goals to be achieved. As a result, an individual plan of further professional development is prepared.

Opportunity to work in an international environment, new and interesting challenges.

Our employees are also offered international career opportunities within the International Mobility programme. It aims at strengthening business collaboration and sharing best experiences in all areas of activity of our global organisation. The programme increases mobility of employees within the France Telecom Orange Group and facilitates identification and retention of people with high professional qualifications and great development potential. Through short-term (1–3 months) or long-term (9–18 months or more) visits to other countries, the programme promotes constant development and encourages employees to make use of their valuable abilities.

One of the underlying principles of the International Mobility programme is a guarantee of return to the home company. This enables us to benefit from the knowledge and skills of our employees returning from foreign trips.

Recognising and honouring good employees.

Orange Stars is a contest for employees from all business units of Orange Polska. Each unit can nominate a certain number of employees for the contest. The criteria of professional ethics and compliance with corporate values and management guide are common for all business units, while the rules for nominating candidates and selecting winners depend on the character of work and differ from one unit to another.

The purpose of the contest is to select employees who promote teamwork through their conduct, are ready for challenges and best performance, and act in line with the ethics and values of Orange, while their work, communication and management style is respected by their colleagues and associates.

So far, five editions of the contest have been held, in which 56 Orange Stars have been brought to light. The winners are an important opinion group. They are invited to carry out major projects and join the Orange Community or Orange Passion programmes.

Acknowledging employees' ideas, assuring an inspiring workplace.

We encourage people to be creative, seeking interesting solutions to streamline the company's activities.

The purpose of the Telecreator contest is to promote innovation and inventiveness among Orange Polska's employees and our partners, provided that the suggested ideas are of practical use. In particular, the contest supports the development of initiatives related to Orange Polska's market offer, image enhancement as well as technical and organisational improvements. A number of the solutions proposed in the contest is subsequently implemented within the company.

Work-life Balance

Ensuring balance between work and private life

Work-Life Balance means harmony between work and private life without limiting the need for self-fulfilment. New technologies can help to maintain this balance, e.g. by telecommuting. We also want to help our employees to follow their passions and interests and facilitate their social involvement.

Orange actively supports parent-employees. We understand how difficult it may be to combine parenthood with professional development, so at the end of 2011 we established a team to develop and implement dedicated parent-friendly solutions.

Telecommuting is regular performance of work outside the company by means of electronic communication devices, such as phone or the Internet. Work may be performed at home or in any other place to which the employee holds a title. This scheme may be also interwoven with the standard work system.

In 2008, TP S.A. concluded an agreement with trade unions on the terms and conditions of telecommuting, addressing the basic principles of this scheme. The agreement provides that while considering applications for a change to telecommuting, the employer shall give preference to employees in custody of children aged four or less or children with disabilitiesas well as pregnant women. We have an obligation to provide telecommuters with necessary equipment, particularly enable them to use the relevant applications. We also provide them with a company mobile phone.

Promotion of different forms of employment, including telecommuting, in Orange Polska will be one of our priorities in 2012 under our CSR strategy. In December 2011, the CSR Steering Committee established a task force to disseminate this scheme within the company.

Providing opportunity and support to follow passions and interests.

Orange Passion is an intragroup programme of the Orange Group which aims at enabling employees to share their passions and interests. On the intranet we have created a place where we can all promote our music, film, sport or photography passions. We also hold internal events to help employees follow their hobbies, organising photographic or music competitions.

In 2011, we organised a competition in which the winning projects were granted co-financing. Each year, there are auctions of paintings and photographs of our artists and the proceeds go to social causes.

Orange Community is a programme which supports the community involvement of Orange Polska's employees, particularly campaigns carried out together with the Orange Foundation, such as Fairy Tale Corners (refurbished common rooms for children in children hospitals), web safety lessons, reading in libraries or other projects carried out by our volunteers.

Apart from programmes for volunteers, the Orange Community participates in the organisation of social events, such as "Mass for Autism" (biking event to support autistic persons), concerts of our vocally talented employees with proceeds going to different charitable causes or exhibitions and auctions of paintings of our artists. We also organise environmental campaigns which promote healthy lifestyle.
Through the Orange Community we promote any individual or group social initiatives.

The programme website presents up-to-date information about offers and projects for volunteers, Orange Foundation's initiatives, blood donation campaigns or a "give/take" second-hand items centre. In addition, employees can post an appeal for help there, learn how the "Support one another" employee aid fund works or share information about their successful social initiatives. The Orange Community also publishes a special newsletter for those interested in such initiatives, which presents current offers for Orange Polska's volunteers and their families.

Additional life insurance, discounts at our partners.

For our employees and their families, we have launched the Offer for You programme, which offers discounts for products and services of our partners and our own, particularly Orange Polska's services on preferential terms, discounts on insurance and transport services as well as attractive offers in the area of education, tourism and sports.

Providing support to employees who want to assist their friends or family members in matters related to Orange Polska's services.

We have launched a special application, "3majmy z Klientem" (Let's side with customers), to enable our employees to report problems experienced by their friends or family members with services of Orange Polska.

Care and Safety

Assuring safe working conditions.

We do not forget about the fundamentals of creating a friendly workplace. We care about the safety of our employees as well as their health and decent old-age pension; we also help them in difficult moments. We provide preventive health care to our employees, enabling easy access to medical services not only in the field of occupational medicine, but also specialist medical examination and consultation. We promote sporting activities of our employees and provide access to sports facilities. In difficult life situations, we offer help and support.

We care about the safety of our employees. Compliance with the occupational-health-and-safety regulations and rules is monitored by a team of specialists from our OHS Department.

In 2011, Orange Polska's employees enjoyed constant assistance and supervision over occupational health and safety from OHS specialists as well as broad access to occupational-health-and-safety training. We provide a wide range of medical services to our employees. In addition to preventive screening, they have access to specialist consultation and various medical procedures. Our website contains articles and multimedia presentations which discuss work ergonomics and safety issues.

Analysis of work-related accidents in 2011 has shown that the number of accidents in TP S.A. has been falling. In 2011, 52 accidents at work were reported (vs. 74 in 2010), in which 53 employees were injured (there was one collective accident which involved two employees). Like in previous years, no fatal or serious accidents were reported.

In PTK Centertel, as a result of accident investigation procedures, 6 accidents were classified as work-related in 2011. As a result, six employees were injured. Like in previous years, no fatal or serious accidents were reported. The number of accidents fell by 10 (year-on-year), while the accident frequency rate fell to 2.7 (compared to 6.6 in 2010). The latter indicates the number of people injured in work-related accidents per 1,000 employees. In TP S.A., the accident frequency rate was 3.5, a slight improvement over 2010 (4.0).

In TP S.A., the number of days off work due to work-related accidents fell from 3,355 to 2,419, while the accident severity rate (i.e. the number of days off per accident) remained stable (46.5 in 2011 vs. 45.3 in 2010). In PTK Centertel, the number of days off work due to accidents

at work was 264 in 2011 (down 283 compared to 2010). The accident severity rate was 44 and was higher than in 2010 (29.8).

In OCS, 15 accidents were classified as work--related in 2011. As a result, fifteen employees were injured. No fatal or serious accidents were reported. The accident frequency rate was 3.01. One (former) employee was diagnosed with occupational disease due to using voice at work. The number of days off work due to work-related accidents was 620. The accident severity rate was 41.3. Most accidents occurred during walking or travelling along roads or other communication routes (traffic accidents).

In 2011, the number of days off work in Orange Polska due to sick leaves and due to accidents totalled 294,481 and 7,482, respectively.

Providing health care.

Our employees are offered full medical services at 60 clinics of the Lux Med Group and CM LIM as well as 647 partner medical facilities. Health care is available to all employees of TP S.A., PTK Centertel and OCS hired under employment contracts. We also offer a special leave for sanatorium treatment as an additional paid leave, which is considered the same as holiday leave.

Orange Polska's involvement in employee's problems: crisis assistance; providing access to support facilities: health and welfare.

The purpose of the Company Social Benefits Fund is to provide assistance to TP S.A.'s employees and pensioners as well as eligible members of their families who have been seriously affected by a random occurrence and are in need. The Fund offers:

- in-kind or financial assistance to people in difficult life, financial or health situations;
- loans for housing purposes;
- co-financing of organised or non-organised holidays;
- organisation and co-financing of sports, recreational, cultural or tourist events.

In 2011, non-repayable allowances were paid to 5,689 employees and totalled over PLN 7.2 million.

The Central Housing Fund offers housing loans with repayment terms of up to five years. The loan may be for up to 30% of the total cost, but not more than PLN 75,000. It is interest-free throughout the term of the agreement. On average, about 500 employees use this form of assistance every year.

The Central Recreation Fund offers co-financing of holidays in facilities owned by Orange Polska to TP S.A.'s employees and pensioners below the predefined income threshold. In 2011, almost 7,000 people received financing from the Fund, totalling approximately PLN 7 million.

In addition, we have created the Central Welfare Fund, which provides in-kind and/or financial assistance to persons in difficult life, financial or health situations due to accidents, serious diseases or natural disasters. The maximum one-off financial assistance cannot exceed the amount equal to fifteen minimum wages. On average, this form of assistance is provided to 200 people every year. In 2011, 174 people received aid totalling PLN 1.386 million.

Furthermore, if the company's aid is insufficient, Orange Polska's employees are eligible for assistance by the Orange Foundation under the Support one another programme. It has been established by the Orange Foundation to help people in need.

We encourage Orange Polska's employees to donate 1% of their income tax to selected public benefit organisations. The same amount which is donated by employees to the programmes indicated by the company is then donated by the Orange Foundation out of its budget to the "Support one another" fund. For six years since its establishment, the Fund has provided financial assistance to several dozen employees, totalling more than PLN 600,000. Owing to close co-operation with company's welfare departments we are informed on a current basis about cases where assistance has been insufficient

or impossible. Last year, we helped all people reported to the Orange Foundation.

Promoting and supporting employees' active lifestyle.

The purpose of the Central Sports, Tourism and Culture Fund is to finance sports and cultural events for TP S.A.'s employees. It aims at employee integration through participation in sports, recreational, tourist or cultural events. The Fund organises competitions in various disciplines, from athletics and swimming to sailing, motorcycle and car rallies, as well as tours, canoeing and outdoor photography and painting. Organisers of such events encourage employees and their families to spend time together in an active way. On average, 2,000–3,000 people use such an opportunity annually and about PLN 2 million is spent on this purpose every year. In 2011, our employees were offered the FitProfit card and the take-up exceeded 12,000 people.

Enabling employees to save for the future.

Since November 2001, all employees of TP S.A. have been eligible to participate in the Employee Retirement Plan (ERP). TP Employee Retirement Fund is the largest employee pension fund in Poland by both value of assets and number of participants. In 2011 (as of 31 December 2011), 81.9% of TP S.A.'s employees were covered by the scheme and had their basic premiums paid into their accounts. An additional premium was declared by almost 1,650 employees. The total value of assets of the Fund is now close to PLN 1 billion, while the accumulated profit totalled PLN 275 million (at the end of December 2011).

TP S.A.'s ERP payments had totalled almost 245 million by the end of December 2011. Furthermore, in 2011 also employees of Orange Customer Service began to pay premiums to the TP Employee Retirement Fund upon registration of their own Employee Retirement Plan by the Financial Supervision Commission.

Listening to Employees' Opinions

Employee surveys.

Orange Polska has conducted regular employee surveys, Me in my company. They aim at surveying the employee satisfaction, monitoring changes which occur between subsequent surveys, determining the importance of various areas of work as well as identifying strengths and weaknesses in the functioning of the company as an employer.

So far, three editions of the "Me in my company" survey have been conducted by Millward-Brown SMG/KRC. It is an independent research institute, which has guaranteed the anonymity of the survey. In 2011, the survey was addressed to all employees of TP S.A., PTK Centertel, Orange Customer Service and TP TelTech, that is a total of about 35,000 people. 58% of regular employees and 43% of outsourced staff invited to participate in the survey responded to it.

The confidence in the survey has grown with each subsequent edition. The survey has demonstrated that in 2011 employees' attachment to the company grew by impressive 8 percentage points, i.e. from 42% to 50%. We are also better perceived as an employer (61% positive answers; up from 47%) and so are our corpora-

te culture and values (60%; up from 46%). 62% of our employees would recommend our company as a good employer.

Open dialogue with employees.

We respect the right to associate and carry out a regular dialogue with trade unions.

The interaction between trade unions and TP S.A. is regulated by the Intragroup Collective Labour Agreement and additional agreements. This way the company has set a standard for mutual relations and information exchange. In addition, there is an employee relations unit and a position of social dialogue advisor within the organisation. Furthermore, the Employee Council has been established in TP S.A. pursuant to the Act on informing and consulting employees. In 2010, TP S.A.'s employees elected Council Members for the 2010–2014 term of office.

TP S.A. has an obligation to consult the Council on matters related to the level, structure and intended changes of workforce, actions aimed at maintaining the workforce level, as well as significant changes in work organisation or employment basis. In PTK Centertel, the rights of trade unions and their members are determined by Collectively Agreed Rules, which include regulations on interaction between trade unions and the employer, as well as by co-operation agreements signed by the employer with trade unions.

The social dialogue with trade unions in TP S.A. functions on two levels:

- 8 nationwide trade unions: on this level, the TP S.A. Management Board consults and negotiates general issues related to collective employment (e.g. Intragroup Collective Labour Agreement);
- 18 enterprisewide trade unions: on this level, detailed regulations (e.g. work regulations, remuneration policy) are negotiated.

As of the end of December 2011, trade unions in TP S.A. had a total membership of 4,045 people, i.e. 26.8% of all employees. The interests of TP S.A.'s employees are also represented on the France Telecom Orange Group's European Works Council, as the company's representatives sit there.

There are two trade union organisations in PTK Centertel. As of the end of December 2011, they had total membership of 79 people, i.e. 4.3% of all employees.

On 24 October 2011, TP S.A. Management Board and trade unions signed the new Social Agreement for the years 2012-2013, effective from 1 January 2012. The Social Agreement regulates issues related to employment policy (including the role of internal mobility, recruitment and outsourcing), wage rises and compensation for departing employees who cannot adapt their professional profile to the changing market needs.

Providing the same benefits to all employees of Orange Polska.

In TP S.A., employees benefit from clear and transparent privileges specified in the Intragroup Collective Labour Agreement (ICLA). In particular, it regulates matters related to the establishment and termination of employment relationship, working time, leaves, remuneration and other employee benefits policy, occupational health and safety as well as medical services. ICLA provides for rights and benefits which go beyond those resulting from mandatory regulations or are not addressed by them at all, including higher severance pay in case of termination of employment for reasons unrelated to the employee as well as higher gratuity payments to retiring or disabled employees.

In 2011, PTK Centertel and trade unions in the company agreed to introduce the Collectively Agreed Rules into PTK Centertel's employee remuneration policy. In particular, the Rules regulate matters related to the establishment and termination of employment relationship, working time, leaves, remuneration and other employee benefits policy, occupational health and safety, training and welfare. The Collectively Agreed Rules provide for rights and benefits which go beyond those resulting from mandatory regulations or are not addressed by them at all.

The Collectively Agreed Rules have also been adopted in Orange Customer Service.

A total of 18,054 people or 76.6% of all employees are covered by collective agreements in Orange Polska.

Involvement of employees in business processes and improved communication.

In 2008, an ambassadorship movement was launched in the company. It invites employees to discuss the key challenges faced by the company and the intended strategies as well as to come up with new ideas for business development or organisational changes. More than 300 employees became ambassadors of key changes in the company. In addition to their everyday work, they prepare and conduct training related to corporate values and culture as well as strategic challenges. They have carried out a total of almost 1,700 workshops for over 25,000 people from more than 112 locations.

Employee relations are one of the most important aspects of corporate social responsibility. This is why we attach much importance to ensuring equal treatment, clear evaluation and promotion criteria, as well as professional and personal development opportunities. We properly respond to any breach of our Code of Ethics. A socially responsible company can only be built together with its employees by getting them involved in the process of developing the competitive edge in the market.

6. Social commitment

Orange volunteers, who, with great dedication, support numerous local campaigns and projects.

Some of our programmes, such as "Education with the Internet", "Orange Academy" or "Orange Academy for Libraries", have been presented in previous chapters. Now, let us have a look at other things done by the Foundation.

Company's involvement in social campaigns for people in need (children, patients).

The "Phone to Mum" programme has been launched in response to sick children's need to contact their families. We have installed over a thousand colourful child-friendly phones in hospitals, which means that children from almost every hospital ward in Poland can call home any time. Free phone cards are regularly distributed in hospitals.

In addition, the programme involves the annual "Be a Santa Claus" campaign. All December, volunteers visit children, give them Christmas gifts and play with them. In 2011, 904 volunteers participated in the project. Thanks to the Foundation, over 14,000 little patients received gifts from Orange Polska's Santas.

Our volunteers refurbish common rooms and halls in hospitals, transforming them into friendly, safe and well-equipped "Fairy Tale Corners", that is places where children can play and learn. So far, 50 Fairy Tale Corners have been created in Lublin, Poznań, Łódź, Bydgoszcz, Gdańsk, Stalowa Wola, Wejherowo, Nowe Miasto Lubawskie, Gostynin, Otwock, Mielec, Cracow, Bartoszyce, Pułtusk, Wyszków and Warsaw. We also invite various companies (and their employees) to get involved in the development of Fairy Tale Corners, and they provide painting articles, finishing materials, furniture and toys required to create child-friendly sites.

We remain in contact with medical personnel and owing to surveys and interviews we receive information on the current problems of children's wards and the needs of little patients.
The results of a study of the situation of sick children in hospitals, which was conducted towards the end of 2009, constituted the basis for the development of the "Phone to Mum" programme and other social campaigns carried out by the Foundation for hospitalised children.

Extending the "Phone to Mum" programme to include Internet access.

In 2011, we launched a pilot project of installing educational multimedia stations in hospital common rooms. Fifteen selected children's wards received computer equipment, namely a touch screen with an integrated computer system, to enable little patients to spend time in an interesting way. In January 2012, the stations were equipped with games, educational applications, audio fairy tales and multimedia materials to be used by Orange volunteers in working with children.

Results of the programme in 2011:

- 1,050 phones installed in children's wards;
- 1.39 mn free cards distributed by the end of 2011;
- PLN 11.68 mn is the total value of all cards distributed during eight years of the programme implementation;
- 2.86 mn children have been able to use the "Phone to Mum" and call their relatives;
- 62 mn minutes have been used by little patients for calls to their relatives.

Help to the disabled.

"Sounds of Dreams" is Foundation's own nationwide programme for the rehabilitation of young children with hearing impairments. It is a unique programme at the European level and the largest non-governmental initiative to provide comprehensive support to children with hearing loss as well as their families and therapists. The programme aims at ensuring early rehabilitation of children at home and providing hearing aids to the youngest children (aged 0–3).

Children living in semi-urban and rural areas are visited at home twice a week by specialists, who carry out professional hearing and speech therapy. In 2011, 300 children attended by 180

therapists were covered by home rehabilitation therapy.

The Foundation has also founded 18 Hearing Aid Banks across Poland, which fit and lend hearing aids free of charge. At present, the Banks have a total of 480 hearing aids at their disposal. In 2011, these were used by 312 children.

Each year, the Orange Foundation organises free 14-day summer camps with hearing and speech therapy for children and their parents. Individual and group therapy is conducted by experienced speech therapists and adjusted to the needs of children of less than three years old. Caretakers attend meetings and workshops with psychologists and paediatricians. Specialists share with parents their knowledge and hands-on experience in rehabilitation and unique needs of young children with congenital hearing loss. In addition, participants exchange information and support one another in the process of rehabilitation of their children. In 2011, a total of 120 children with their caretakers and 32 therapists participated in summer rehabilitation camps.

We also organise free training courses for therapists and parents in specialist knowledge required to work with young children, such as the verbotonal method. In addition, the programme involves informational initiatives related to the development needs and the importance of early therapy in young children. The Orange Foundation prepares free publications and educational materials concerning these topics.

The Foundation raises additional funds through public collections using charity SMSs to Orange customers. A public collection in 2011 covered the costs of six-month rehabilitation of 167 children.

Results of the programme in 2011:

- 18 Hearing Aid Banks in medical centres across Poland, offering 480 hearings aids for gratuitous lease; in 2011, these were used by 312 children;
- A total of 300 children were covered by free home rehabilitation in 2011; it was carried out by 180 therapists, visiting children in small towns and villages;
- In 2011, 4 summer hearing and speech rehabilitation camps were organised for 120 children and their caretakers (since 2006, a total of 32 camps for 814 children have been held).

Concern for the safety of children.

The nationwide "School without Violence" programme was inspired by a grassroots movement of school communities concerned about the issue of school violence. The movement was supported by regional dailies and the Orange Foundation, which joined as a third partner. About 5,000 schools (or 15% of the total number) participate in the programme each year. Its purpose is to strengthen pro-social attitudes among young people and prevent violence by showing alternative behaviours to aggression.

Each school which enters the programme gets organisational support and a set of dedicated tools, including special brochures, guides and instructional films, as well as teaching aids and lesson scenarios. Teachers attend regional workshops to improve their qualifications and skills in violence prevention. In addition, there are psychologists on duty, who support teachers and students in responding to ad hoc situations.

For students, we organise competitions and hold classes to develop the alternative to aggressive behaviour and strengthen social attitudes of young people, encouraging them to co-operate, share and volunteer. We award the most active school volunteers every year.

The workshops we organised were attended by 550 teachers, psychologists and educators, who were trained as programme consultants. As a result of this initiative, about 200 professionals conducted training for students, parents and teachers (a total of 15,000 people).

In the 5th edition of the "School without Violence" programme (2010/2011), "Parents Are with Us", we focused on a great role of parents in proper functioning of schools and encouraged parents to get involved in school events. In addition, a special portal for parents, icotamwszkole.pl ("What's new at school"), was launched to facilitate their contact with teachers. 1,175 schools had logged on to the portal by the end of 2011.

The 6th edition of the programme, "Fair Play Fans", which is started in September 2011, aimed at promotion of safe fan activities and fair play behaviours among children, especially in the context of the UEFA EURO 2012 European Football Championship.

In 2011, the nationwide School without Violence Day was celebrated for the fourth time. School communities presented their own interesting and effective ideas for preventing violence and aggression among students. This time, also parents were invited to join some activities. Furthermore, another edition of the best class tutor contest was held.

In September 2011, the "School without Violence" programme was incorporated as a good practice to the "School with Passion" campaign carried out by the Ministry of National Education.

Results of the programme in 2011:

- 4,700 schools participating in the 5th edition of the programme;
- 2,000 schools celebrated the School without Violence Day;
- 200 teachers attended macroregional workshops and subsequently trained nearly 15,000 people in mini-workshops;
- 700 schools organised the Volunteering Week;
- 92 young volunteers participated in the Volunteering Leaders' Summer School;
- 300 projects were submitted in the volunteering project competition;
- The icotamwszkole.pl portal was launched.

Clear rules of supporting social projects and collaborating with other foundations, associations and organisations.

The Orange Foundation supports and finances valuable projects and initiatives for children and young people carried out by third sector organisations and public institutions in Poland as well as actively participates in community life, supporting initiatives of non-governmental organisations for the modern education of children and youth, culture and health care. The "Grants" section on the Foundation's website, www.fundacja.orange.pl, contains a grant application form and the grant rules.

As part of its grant policy, in 2011 the Foundation continued to collaborate with Poland's largest non-governmental organisations, including Academy for the Development of Philanthropy in Poland, Synapsis Foundation, ABC XXI All of Poland Reads to Kids Foundation, Friends of Integration Association in Warsaw, Volunteering Centre Association, Museum of the History of Polish Jews and a number of other foundations, associations and cultural institutions.
The Orange Foundation also supports organisations and associations which on the local level help children who are at risk of exclusion or need assistance.

The initiatives which received grants from the Orange Foundation in 2011 included the following:

- Development of a scholarships and competitions web service, mojestypendium.pl, managed by the Good Web Foundation, where high school and university students may find complete and up-to-date information about available scholarships;
- In conjunction with the ABC XXI All of Poland Reads to Kids Foundation we launched the Internet University of Wise Education educational programme, which aims at dissemination of psychological and educational knowledge among parents and people working with children through e-learning, lectures, scripts, recorded speeches, interviews, articles, debates, films and other educational materials by both Polish and foreign authors;
- Help to autistic children: regular therapy and rehabilitation of autistic children by the Synapsis Foundation;
- Support for educational initiatives of universities, including dissemination of culture among children and young people through Grand Recitals organised by the Adam Mickiewicz University in Poznań, grant for the organisation of lectures and educational presentations during the University of Wrocław Lower Silesian Science Festival and support for the Jagiellonian University in organising post-graduate information society studies;
- 6th Polish Forum for Non-governmental Initiatives: strengthening the potential of non-governmental organisations and their people as well as presenting the achievements and diversity of NGOs at an educational and integration meeting.

To learn more please visit
www.fundacja.orange.pl

Like every year, the Orange charity match was played. Together with our friends we played with the Polish journalists' team to help the "Koło" Children and Family Support Centre.

This time, the match was honoured with the presence of Slavek and Slavko, the official mascots of UEFA Euro 2012. There were also sports emotions and the match was accompanied by attractions for children, such as a meeting with Santa Claus, football juggling workshops and electronic games (FIFA). The event ended with Orange presenting a cheque for PLN 20,000 to representatives of the Centre. In particular, these funds have been used to finance winter camps for children.

Also Wirtualna Polska collaborates with the Orange Foundation and supports social and charity projects on a non-profit basis. Patronage over projects involves editorial assistance (publishing articles) and advertising campaigns in selected thematic lines ('News', 'Education and Science', 'Business', etc.). Mainly projects for children, natural environment, health and democracy promotion are taken under patronage.

In 2011, WP.PL carried out 22 campaigns to support charity projects carried out by various foundations (e.g. "I Have a Dream", "Ithaca", "Child's Fantasy", "Hospice is Life Too") and the "Be a Santa Claus" initiative; in addition, 9 other projects were promoted by coverage (e.g. "Plant a Tree", "Notebook for a Pupil", "Between Silence and Darkness").

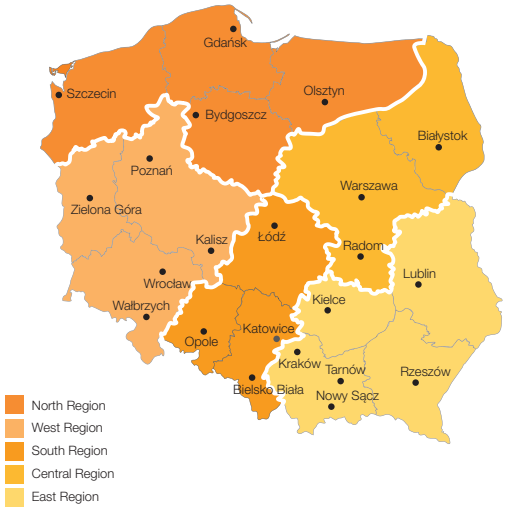
In our Regions

Involvement of Regions in building relations and positive image of the company by representing it in various social initiatives.

Our Regions collaborate with numerous institutions, non-governmental organisations and companies, getting involved into important social, cultural and economic initiatives, as well as support the implementation of Orange Foundation's programmes. They also participate in major regional events and attend conferences and meetings. They readily support institutions which aim at ensuring equal development opportunities, providing assistance and support to those in need or promoting special achievements. These efforts involve our

employees who as voluntary workers teach children how to use the Internet safely, develop Fairy Tale Corners in hospitals or organise Santa Claus events or Children's Day celebrations.

Map of Regions



In our North Region, in the "E-invoice for the Environment" project, we have revitalised the surroundings of the Arthur's Manahouse (in conjunction with a local community centre) as well as a piece of untended land in the Orunia District of Gdańsk (together with the Landscape Architecture Technical College and Gdańsk Foundation for Social Innovation). In a small school in the Village of Glinki, we have combined an educational campaign by volunteers with a sports integration event for telecommunication companies.

We maintain good relations with Orange Foundation's beneficiaries, often combining their projects with our voluntary work and promoting co-operation among social organisations supported by the Foundation. A good example is the "Half Time Score 0–1" tournament of the Gdańsk Charity Foundation: our volunteers helped to organise it and provided photo-coverage once again. In collaboration with the Hewelianum Centre we conducted classes about Frederic Chopin.

In the North Region, we celebrated the Children's Day together with the Heart and Reason mascots, holding meetings with kids in Bydgoszcz, Szczecin, Gdańsk, Gdynia and Olsztyn.

Our South Region together with the Foundation for Silesia supports young artists; we have organised art workshops using works from the Silesian Contemporary Art Collection since 2011. The project has been part of Katowice's efforts to be designated the European Capital of Culture. We also implement a project for teaching safe behaviour: together with a mascot of the Silesian Police, Shnoopek, we present the rules of right behaviour to children and young people. The project goes in line with the government programme for crime and asocial behaviour prevention, "Safer Together", as well as the nationwide "Reading Heals" campaign. Voluntary workers also carry out our own workshops for children, teaching them how to use the 112 emergency number. Over 1,500 children have been trained so far.

In conjunction with the Regional Police Headquarters in Katowice, the Silesian Region Marshal's Office, the Katowice Branch of the Polish Television, Polish Radio and Polskapresse (Dziennik Zachodni daily), we carry out the "No reaction means acceptance" campaign. We want to encourage witnesses to offences which negatively affect the public safety to report them to the Police. We promote civic attitudes, hold meetings in schools and residential estates and for senior citizens, and organise an art contest for children and young people.

As part of the campaign, we build the awareness of the problem of telecommunication infrastructure theft in Poland.

In our West Region, we collaborate with the Children's Art Centre in Poznań, which organises the 'Ale Kino!' ('What the cinema') International Young Audience Film Festival.
In a 'What a bus!' campaign, which is carried out every year, we helped children and young people from remote towns and villages to travel and see films during the Festival. We provided assistance to 26 organised groups from the Poznań vicinity and the whole Poznań region, that is a total of 1,103 children. In addition, we provided telephone communications and broadband Internet access in the Festival office.

For the fourth time we participated in the Lower Silesian Science Festival. Our Internet café enabled children and young people to surf the web safely.

We attended to the needs of little patients in the Clinical Hospital No. 5 in Poznań. We refurbished and painted 12 rooms. In our "Make Children Not Be Scared" project, nurse aprons were appliquéd with colourful motifs, colourful bed linens were sewn for the Haematology/Oncology Department and games and toys were purchased for children.

In addition, 2011 saw a number of our initiatives for handicapped children, including support for organising a rehabilitation camp for autistic children from the Education Complex No. 2 in Wrocław and two rehabilitation camps in the Patria Foundation's "Republic of Smile" project, as well as art workshops for children in care of the Patria Foundation and the Childcare Centre in Jawor. We also equipped a rehabilitation room in the 'Polana' Kindergarten No. 155 in Poznań and refurbished a number of rooms in integrated kindergartens in Poznań and common rooms in the Centre for Children with Neurological Speech Disorders in Wrocław. In the Family Support Centre in Kobylnica, we organised art workshops and we used proceeds from a charity auction of our employees' paintings to finance an educational trip for children. In the Children's Home in Oława, we provided for refurbishment and modernisation of a playground.

During a traditional pre-Christmas campaign we collected clothes, sweets, toys and books for those in care of the Municipal Crisis Intervention Centre in Poznań and the Akson Association's Crisis Intervention Centre for Women and Mothers with Children in Wrocław. We carried out two blood donation campaigns: special mobile blood donation stations were visited by over 100 people, who donated a total of almost 27 litres of blood. In addition, we promoted registration with the Central Registry of Unrelated Bone Marrow Donors and Umbilical Cord Blood.

In our East Region, we actively participate with the Municipality of Cracow in promoting the rules of safe Internet usage for kids and teenagers. The programme has covered around 3,000 students and over 100 teachers from 50 primary schools in Cracow.

In 2011, we provided donation to the SAPERE AUSO Małopolska Scholarship Foundation for its scholarship programmes for talented youth. We collaborated with the Kolping Family Day Care Centre in Jarosław, carrying out joint programmes ensuring equal educational opportunities for children. Together with the Cracow Spring Association we helped kids from children's houses with school work in the "Academy of the Future" project. In addition, we helped the New Bath Theatre Association to implement projects to stimulate the activity of elderly people.

In the East Region, we organised five blood donation campaigns, collecting over 73 litres of blood in 2011.

In addition, we organise numerous events for kids in children's homes and hospitals.
We celebrate the Children's Day and in the Christmas season our employees become Santas. Last year, our new initiative was the "Christmas Tree of Dreams" in the Children's Homes in Nowa Grobla and Wolica. We prepared gifts from Santa Claus on the basis of letters which children had written.

In our Central Region, we have collaborated with the Society of Children's Friends' Treatment, Education and Welfare Centre „Helenów".
Help of the Region's employees on a voluntary basis in the organisation of Children's Day celebrations, Santa Claus' parties or volunteer integration trips has become a permanent element of this collaboration. Last year we supported the Centre in celebrating the Handicapped Children's Day. We were also instrumental in obtaining a grant for the Society of Children's Friends for co-financing the "Creators – Producers from Helenów" project, which aims at ensuring equal educational opportunities for handicapped young people and enhancing their self-reliance.

For two years, we have collaborated with the "Home, Family, Human Being" Association by collecting plastic bottle caps (3.5 tonnes were collected in 2011). The collected caps are handed over to the Association, which uses the proceeds to purchase specialist rehabilitation equipment for handicapped children.

We also took part in celebrating the Children's Day with the participation of the handicapped and residents of the Residential Care Home in Międzylesie. In the pre-Christmas season we organised a gift collection for low-income families, which are in care of the Association. Furthermore, we supported the Bielany Educational Centre, organising Internet safety lessons for children, gift collections and Christmas presents.

In conjunction with the 'Stara 4' Association of Creative Educators and the Bielany Educational Centre we carried out an environmental project, "SOS for the Earth and People – Cork Campaign", for children from 11 educational centres from the Warsaw region. The project involved a series of educational workshops, development of a package of environmental materials, as well as an art contest followed by the exhibition of the winning works.

During the Volunteer Week we organised a collection of school equipment among our employees for kids from the Children's Home No. 3 in Warsaw. In addition, we have been carrying out the "Innovativeness for Children and Youth" programme, which encompasses educational classes in the "Innovation Gardens".

Corporate Volunteering

Getting our employees involved in social campaigns, developing a voluntary work programme.

The "Caring for Others" is a corporate volunteering programme, which aims at encouraging Orange Polska's employees to get socially involved and enabling them to participate in charity and educational projects.

Our corporate volunteering programme was launched in 2003. For over eight years, a total of over 7,000 volunteers have participated in various social campaigns.

Orange Polska's employees have worked over 27,000 hours in over 160 corporate volunteering projects proposed by volunteers themselves (60 projects were carried out in 2011 alone). Our voluntary workers take part in the "Phone to Mum" programme, providing support and assistance to selected hospitals or paediatric wards. They organise classes for young patients, read books to them, prepare educational games as well as distribute phone cards and monitor the programme implementation in hospitals.

In the "Fairy Tale Corners" project, 20 colourful and child-friendly hospital common rooms were created in 2011 with the input by over 400 volunteers from Orange Polska and a number of volunteers from partner companies invited to the project. Currently, children use a total of 50 Fairy Tale Corners all over Poland. During the Christmas season, 904 volunteers dressed as Santas visited children's hospitals, giving away gifts (books and stuffed animals) to 14,000 sick children.

In addition, more than 90 volunteers from Orange Polska participate in the "Education with the Internet" programme, giving lessons in the safe usage of the web. Such classes have been attended by a total of 7,000 students. Furthermore, our volunteers together with representatives of the Nobody's Children Foundation carried out Internet safety workshops for children in five Fairy Tale Corners and 150 selected hospital wards received CDs with animated cartoons and comic strips as well as other educational materials.

In 2011 we launched another initiative involving our volunteers: a campaign of reading books to children in hospitals and libraries. Three training sessions have been organised in collaboration with the ABC XXI All of Poland Reads to Kids Foundation for those interested to join the

initiative. Our volunteers prepare also their own projects and the Orange Foundation helps in their implementation. Since 2004, the company has organised contests for the best project proposed by voluntary workers; the winners receive a grant of up to PLN 3,000 for the project implementation. In 2011, our voluntary workers received funds for repairs of playgrounds and common rooms in children's homes or other welfare institutions, refurbishment of a dining room in the Regional Tuberculosis and Lung Disease Hospital in Kup, construction of a "Garden of Dreams" for children in the day care centre in Liszków, an environmental picnic and tree planting in the Celestynów Forest District, a charity lottery and an auction of children's art works for the National Autistic Society in Szczecin as well as a number of other initiatives.

Orange volunteers carried out educational workshops for children aged 10 to 14 using materials prepared together with the National Fryderyk Chopin Institute. The workshops used games and simple tasks to convey information about the life and works of the Polish composer. The lessons aimed at showing children that classical music could be exciting. In 2011, the workshops were attended by a total of 1,000 children.

Also employees of Wirtualna Polska readily get involved in volunteering initiatives. In 2011, together with the Orange Foundation, they collected crayons for kids. For each kilometre ridden by an employee on a special bike, the Foundation presented a box of crayons to paediatric wards in hospitals or day care centres in the Tricity. In addition, the company's employees organised educational workshops for children from the Regional Rheumatology Centre in Sopot and the Specialist Hospital in Gdańsk.

During the Christmas season, volunteers dressed as Santas visited children in hospitals, giving away gifts. They also participated in the "Santa's Helpers" campaign for low-income families. The information about the families in need were provided by the House on the Edge Association and the Noble Gift Foundation. The portal provided logistics and communication support, offering space for storing gifts and their transport to people in need.

Our corporate volunteering programme is not only about voluntary work but also social involvement of our employees. The corporate volunteering programme has been made part of human resources management and has become an excellent tool for team integration.

Development of an on-line social platform through which socially active employees of Orange could contact local activists from various institutions.

In 2011, a dedicated application for volunteers was developed on the corporate intranet. It facilitates participation in projects, monitoring of voluntary work offers (which are updated on a current basis), joining campaigns and designing one's own projects. The application simplifies the evaluation of the project outcome (current monitoring of the number of volunteers and hours of voluntary work, project reporting, etc.) and enhances volunteering project management.

Broader communication about volunteering campaigns to employees.

The Orange Foundation encourages volunteers to undertake regular activity for those in need. We have launched a volunteering dedicated website on our corporate intranet and a newsletter for volunteers. Each year, during the Orange Foundation Day, we honour the most active people with the "Together for Others" badge. In September 2011, we organised the Volunteering Week in Orange Polska for the first time. Both in Warsaw and in our Regions we reviewed volunteering efforts, presented initiatives which our employees could join and promoted a grant competition for the implementation of employees' own volunteering projects.

Supporting e-volunteering for people at risk of digital exclusion.

Since 2009, the Orange Foundation together with the Good Network Founda-

tion and other partners has been operating an e-volunteering portal, whose mission is to promote and popularise helping others via the Internet. In particular, e-volunteering involves free consultation, co-ordination of support and mutual help groups, language translations, assistance in foreign language learning, knowledge base development, on-line media administration, web portal editing, e-charity or co-operation in promoting social campaigns. On an annual basis we carry out the "Discover e-volunteering" competition in Poland for organisations working with e-volunteers. In addition, the first European edition of the "Discover e-volunteering" competition was held as part of the European Year of Volunteering celebrations. A total of 81 projects from 19 EU member states were submitted in the competition. The winners received monetary prizes funded by the Polish Orange Foundation, the French Orange Foundation and Intel Technology Ltd. The pool of prizes totalled €6,000 and the prizes were granted during the Volunteers Gala in December 2011.

Promoting volunteering in business.

In 2004, the company became a partner of the Volunteering Centre Association and participated in the development of the Business Volunteering programme. Currently, we are a patron of this programme, which involves sharing knowledge with businesses willing to introduce employee volunteering programmes. As a partner of the Volunteering Centre Association, the Orange Foundation was also involved in the Colours of Volunteering competition. The corporate volunteering programme growth is stimulated by the support and commitment of our top managers. The CEO of Orange Polska, Maciej Witucki, is a volunteer himself and gives lessons on the Internet safety.

In 2011, together with other companies and the Academy for the Development of Philanthropy, we established the "CEO Volunteers" coalition, whose members, presidents of companies, are volunteers and share their time and experience in order to support important social initiatives. They also promote employee volunteering and involvement in such campaigns within their business organisations.

Promoting the concept of volunteering.

In 2011, the Orange Foundation and our volunteers participated in a number of initiatives related to the European Year of Volunteering. In September, the EVY Tour pavilion was erected in front of the Palace of Culture in Warsaw and hosted various activities related to volunteering for a week. The Foundation was involved in the organisation of the Employee Volunteer Day and e-Volunteering Day in the pavilion for visitors and journalists. The company also supports volunteering through other activities. We have helped the Volunteering Centre to launch a website and we have provided a toll-free line, 0 800 300 594, for receiving applications from volunteers willing to join social initiatives. Another line, 0 800 444 131, has been provided for the PROJECTOR student volunteering programme.

Results of the programme in 2011:

- 904 volunteers dressed as Santas visited paediatric wards, giving presents to over 14,000 children in hospitals all over Poland;
- Our employees worked a total of 27,000 hours as volunteers; over 750 volunteers took part in the development of 50 Fairy Tale Corners;
- Over 250 volunteers were involved in the implementation of their own projects, for which they received grants from the Orange Foundation;
- So far, 90 volunteers have conducted workshops in the safe usage of the Internet, which have been attended by over 7,000 children in Poland;
- In 2011, over 1,000 children learnt interesting facts about the life of Frederic Chopin and were inspired to listen to classical music;
- The first European edition of the "Discover e-volunteering" competition was held with 81 submissions from 19 EU member states.

Other Social Initiatives

Co-operation with social welfare institutions and organisations.

Our social commitment is not limited to the activity of the Foundation. It involves also direct co-operation with various organisations, telecommunication services for social purposes (telephone lines and SMS numbers for charity fundraising), infolines or responding to major social issues, particularly helping victims of natural disasters.

On 5 March 2009, we launched the hotline number for missing children, 116 000, in Poland. It may be used by parents or guardians whose child has gone missing, police officers, journalists, children who have run away or got lost or any persons who may help to find them. The number is toll free and available on a 24 hours/7 days basis.

Poland was the sixth country in Europe to launch the 116 000 number in accordance with the relevant directive of the European Commission. Currently, this number is available in ten countries, namely Poland, Belgium, France, Greece, Hungary, Italy, Netherlands, Portugal, Romania and Slovakia, but only in five of them (Poland, Belgium, Greece, Hungary and Romania) it is operated on a 24/7 basis. The Polish hotline for missing children has been launched by the ITHACA Foundation – Centre for Missing People and Telekomunikacja Polska. We have provided, free of charge, a technological platform which makes it possible for those in need to call the number regardless of the network used. Our company provides technical maintenance and participates in the costs of operating the line.

In 2011, ITHACA specialists answering calls to the 116 000 number received 218 reports on missing under-age persons and 197 missing children or teenagers were found. In the same period, the specialists provided psychological counselling to 2,950 people and legal counselling to 450 people. Overall, 6,423 calls concerning missing children were handled.

Active participation of Orange Polska in major social campaigns.

Another expression of our commitment to important social events is provision of free services: telephone lines and SMS numbers for charity fundraising. The entire proceeds from these services go to social welfare organisations.

In 2011, we provided SMS fundraising numbers for 22 organisations as well as five fundraising lines. The proceeds, which totalled over PLN 9.5 mn, went to welfare organisations.
The organisations which we supported in the fundraising process included The Great Orchestra of Christmas Charity, Polish Humanitarian Action, Caritas Poland, Anna Dymna's "Despite Everything" Foundation", Ewa Błaszczyk's "Akogo" Foundation, TVN's "You Are Not Alone" Foundation, Polsat Foundation, "Work of the New Millennium" Foundation, Santa Claus Foundation and a number of other entities.

In addition, we operated eight 0-800 toll-free lines, which we provide free of charge to social welfare organisations and institutions (e.g. Ombudsman for Children) as well as organisations which co-ordinate voluntary work or prepare gift collections.

Every year Orange Polska participates in Great Finale of The Great Orchestra of Christmas Charity. In January 2011, an auction of 99 golden phone cards and a special telephone line as well as an SMS fundraising campaign organised by Orange Polska contributed almost PLN 1.3 mn to the 20 Great Finale of The Great Orchestra of Christmas Charity.

Involvement in major issues for Poland.

We got involved in the "Let's go voting" informational campaign of the Friends of Integration Association. The campaign aimed at informing as many handicapped people as possible about new voting opportunities.
In particular, TV ads and four radio ads as well as instructional films were developed. The campa-

ign was carried out under the patronage of the President of the Republic of Poland and the Ombudsman. Our contribution involved operating a toll-free infoline, 800 330 330, through which handicapped persons and their guardians could obtain information how to take part in the election.

We actively participate in events which are important for our country. In 2011, Poland took over the Presidency of the Council of the European Union. Orange became a partner of the Polish Presidency. Under the partnership agreement, Orange equipped Polish diplomats and officials supporting the Presidency with ICT equipment: mobile phones, wireless modems, and laptops with complete software. The company's personnel also provided hardware support: logistics, installation and technical support for end users. In addition, special hot spots where launched on Polish airports indicated by the Ministry of Foreign Affairs. As a result, diplomats and people participating in international meetings related to the Polish Presidency in the EU had Internet access while on the go. On behalf of Orange, the agreement with the Ministry was signed by Contact Center.

During the European Football Championships 2012, UEFA EURO 2012™, Orange Polska provided ICT infrastructure, fixed and wireless. Within the technology partnership framework, we created a communications system for EURO 2012, which linked the host cities, stadiums, hotels hosting UEFA's representatives and the Local Organisational Committee (UEFA's official EURO 2012 company) and provided communications with Ukraine. The system supported transmissions from all TV cameras in Polish venues to UEFA's official broadcast partners at the International Broadcasting Center. We also rendered data-transmission and Internet access services to UEFA's employees, journalists and commentators and provided voice communications and equipment.

It is our policy to have a responsible approach towards social issues, building long-term CSR programmes based on the company's competence profile. In addition, we carry out charity programmes, which respond to specific problems and important social issues. We also pay attention to major developments in our environment, particularly important events or natural disasters. Orange Polska remains one of the most socially responsible businesses in Poland.

Methodological Note

Workforce data

The workforce data presented in this Report have been collected using the HR-Info system, which accounts for variables such as employee's gender or position. The data fed to HR-Info are based on the data contained in the HR systems of the member companies of Orange Polska and are reported in line with the France Telecom Orange Group's standards.

Managers (employed under employment contracts as at the end of the reported period)

The management rate refers to middle to top managers employed under employment contracts. Employees are classified as "managers" on the basis of their employment groups, according to their competence profile, in line with the France Telecom Orange Group's standards.

Accidents at work

This rate corresponds to the number of occurrences that were classified as accidents at work during the reported period. Under Polish regulations, this is ultimately determined by the date of the employer's decision to recognise an occurrence as a work-related accident rather than the date of accident itself; e.g. if an accident occurs in December, but the accident report is not approved before January, it will not be accounted for in the given year, but rather in the following year. In statistical terms, until the accident investigation procedure is completed and the report is approved, an occurrence is not considered an accident at work.

Environmental Data

Environmental data are based on reporting to the INDICIA database. Orange Polska reports 100 environmental indicators on a semi-annual basis (as for 2011).

Energy

Electricity consumption in Orange Polska's buildings is determined using a statistical method devised by an Orange Labs' statistician and approved by both the France Telecom Orange Group and the external auditor. Fuel consumption refers to the total consumption of all fuels (heating oil, diesel oil, petrol and heavy fuel oil), excluding motor vehicles.

Transportation

All business trips of Orange Polska's employees are registered in the Optidoc system.
The distances travelled by train or plane are determined according to the Carlson Wagonlit Travel (for 80% of trips), which estimates them according to the orthodromic distance (the shortest distance between two points on the surface of the Earth). These distances are summed with the travel route data provided by travel agencies in countries where CWT does not operate. In case of air travel, CO_2 emissions are calculated according to the GHG Protocol (180 g CO_2 per passenger km), which is applied to all short and long distance flights. The CO_2 emissions from railway transport are determined using the Bilan Carbone® method, if it is available for the particular country; otherwise, a standard rate of 100 g CO_2 per passenger km is applied.

CO_2 emissions

For electricity consumption, the emissions are calculated according to the GHG Protocol (2006) with the most recent update (2010). Emission factors for fuels (gas, fuel oil, coal, petrol, diesel oil and LPG) are derived from the GHG Protocol (2007).

Electronic and electrical waste collection

The "E-waste collected from customers" corresponds to the total amount of handsets, desktop telephones and multimedia devices delivered to sale outlets, sent by mail or collected by service providers. This also accounts for waste mobile phones of Orange Polska's employees as well as batteries and chargers collected. This indicator is not used in the Group companies which do not have the relevant channel for e-waste collection and recycling.

Our Report

This Report has been developed with reference to the key opportunities and challenges presented by sustainable development in the ICT industry, which have been defined in a number of strategic documents, including Vision 2050 – World Business Council for Sustainable Development, Challenges for the ICT Sector according to SAM, Global e-Sustainability Initiative Report as well as Europe 2020 and Poland 2030 reports.

This Report aims to address issues of particular relevance to our stakeholders which have been identified during a comprehensive dialogue with them. It covers the period from 1 January to 31 December 2011. It is the Company's fourth independent sustainable development report based on the G3 Guidelines of the Global Reporting Initiative (GRI.G3). It is also consistent with the Global Compact principles.

Last year's CSR Report covered the 2007–2010 period. In addition, Orange Polska develops annual summary reports together with other companies of the France Telecom Orange Group. Our next CSR Report will be released in 2013. The financial data contained in this Report are consistent with the data presented in the financial statements of TP S.A. and Orange Polska. Other quantitative data have been provided by the company's reporting units.

This Report covers Orange Polska's major companies: Telekomunikacja Polska, PTK Centertel and Orange Customer Service. The scope of the presented information has been clearly specified. Such a division results from the company's internal reporting regulations. There are no other limitations as to the data contained in this Report.

The compliance of the data contained in this Report with the actual state of affairs has been confirmed by the Management Board of TP S.A. In addition, all indicators derived from company's employees or internal calculation systems have been subject to an independent external review by the auditing company Deloitte.

Any changes in reporting related to the GRI guidelines result only from differences in the functioning of Orange Polska's in-house reporting system and are properly marked.

Deloitte

Deloitte Advisory Sp. z o.o.
z siedzibą w Warszawie
Al. Jana Pawła II 19
00-854 Warszawa
Polska

Tel.: +48 22 511 08 11
Fax: +48 22 511 08 13
www.deloitte.com/pl

Independent assurance report pertaining to the 2011 Orange Poland Corporate Social Responsibility Report

To the Management Board of Telekomunikacja Polska S.A.

We have reviewed the 2011 Orange Poland Corporate Social Responsibility Report ("CSR Report" or "Report") developed by Telekomunikacja Polska S.A. with the registered address in Warsaw, at ul. Twarda 18 ("Company"), with respect to indicators reported on the basis of G3 Sustainable Development Reporting Guidelines for B level issued by Global Reporting Initiative (GRI). The assurance works covered the period from 1 January 2011 to 31 December 2011 with relation to quantity and quality of available evidence.

The Management Board of the Company is responsible for reliable, correct and fair information and for correct preparation of the documentation. Our task was to issue an independent assurance report based on the CSR Report.

Our procedures did not include assessment of the fairness, correctness and completeness of documents provided by the Company, nor did they constitute an audit of the internal control system implemented therein. Therefore, we do not express an opinion regarding correctness of the system. Our procedures did not constitute an audit of financial statements as defined in the Accounting Act. Therefore, we do not express an opinion concerning the auditor's Report nor do we make statements regarding the financial statements of the Company as determined in regulations applicable to certified auditors.

Planning and performing our works had the nature of a limited assurance engagement performed in line with ISAE 3000 (Assurance Engagements Other than Audits or Reviews of Historical Financial Information), which requires us to plan and perform the engagement in a manner which allows for limited assurance that the CSR Report does not include significant misstatements. The scope and methodology of a review of the CSR Report significantly differ from those applied during an audit, which is aimed at expressing reasonable assurance. The purpose of the review is not to issue an opinion on correct, true and fair nature of the CSR Report, and therefore no such opinion has been issued. The procedures followed during the review of the CSR Report comprised:

- Identifying issues and results significant for the content of the Report from the viewpoint of the corporate social responsibility strategy followed by the Company and stakeholders' expectations;
- Comparing data included in the CSR Report to those presented in the Financial Statements of Orange Poland for 2011;
- Interviewing individuals in charge of the implementation of the corporate social responsibility strategy in the Company and of the preparation of Report;
- Verifying the information included in the Report for compliance with the internal documentation of the Company;
- Assessing the level of compliance with Sustainable Development Reporting Guidelines and GRI Reporting Framework.

Based on the scope of our work and the assurance procedures we performed, we have concluded that for the fully reported GRI indicators presented in the 2011 CSR Report of Orange Poland nothing has come to our attention to suggest that the data is materially misstated.

Deloitte Advisory Sp. z o.o.

Deloitte Advisory Sp. z o.o.

Warsaw, 6 September 2012

Sąd Rejonowy m. st. Warszawy, KRS 0000004728, NIP: 527-020-73-28, REGON: 006233202,
Kapitał zakładowy: 16 000 500 zł
Member of Deloitte Touche Tohmatsu Limited

Glossary

AA1000 Standards – a series of three international standards which have been designed to help organisations willing to operate in a socially responsible manner and concern stakeholder relations management.

Corporate Social Responsibility (CSR) – a concept according to which companies freely account for social and environmental issues in their business activity and stakeholder relations. This approach assumes that a company understands and reviews its impact, both positive and negative, on the environment, and acts in a responsible manner towards its stakeholders. It is a corporate management strategy, which accounts for social needs and expectations in order to achieve long-term business profits.

Corporate volunteering – a type of volunteering in which employee volunteers undertake initiatives for particular communities/NGOs, while the company supports them (e.g. by providing financial or in kind support or setting aside time for voluntary projects within working hours).

Dialogue with stakeholders – a process through which an organisation solicits opinions about its activities as well as the needs and expectations of its environment. The dialogue aims to build mutual understanding as well as to diagnose the stakeholders' needs and expectations and determine actions which will help the company to respond to them.

Diversity management – an approach to management practice which stresses the importance of human diversity for an organisation. It translates into organisation's initiatives aimed to account for and optimally use diversity at the workplace.

Global Reporting Initiative (GRI) – an international organisation which has initiated the development of the most common economic, social and environmental reporting guidelines as well as the related reporting indicators.

ISO 26000 (Guidance on Social Responsibility) – an international standard on social responsibility. It is intended for use by all types of organisations in the private, public and non-profit sectors. It provides the following:

- Concepts and definitions related to social responsibility;
- Key areas of social responsibility;
- Guidance on integrating social responsibility throughout an organisation.

ISO 26000 is a practical guide on corporate social responsibility; it is not a form of certification.

RESPECT Index – the first index of socially responsible companies in Central and Eastern Europe. The index comprises Polish companies listed on the main market of the Warsaw Stock Exchange (WSE) which operate in accordance with the best management standards in corporate governance, information governance and investor relations, while accounting for and respecting environmental matters, social responsibility and labour relations. The index was launched by WSE in November 2009.

Stakeholder – a basic CSR concept. It refers to any identifiable group or individual who can affect or is affected by a company. This influence may vary and may concern products, manufacturing processes, management systems and procedures, company's strategy, etc. According to this approach, stakeholders are not passive observers of the company's activity. They have means to influence the company's policy.

United Nations Global Compact – an initiative of UN Secretary-General Kofi Annan to encourage businesses worldwide to apply fundamental principles related to human rights, labour and environmental protection in all areas of their activity.

GRI index

GRI index					
No.	Guidelines	Was reported?	ISO 26000 index	Global Compact index	Page
1. STRATEGY AND ANALYSIS					
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	YES	6.2		4-5
1.2	Description of key impacts, risks, and opportunities	YES			24-25
2. ORGANIZATIONAL PROFILE					
2.1	Name of the organization	YES			10
2.2	Primary brands, products, and/or services	YES			10-11
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	YES	6.2		Consolidated Annual Report 2011, www.orange-ir.pl/results-centre/results/2012.aspx?sc_lang=en
2.4	Location of organization's headquarters	YES			121
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	YES			10
2.6	Nature of ownership and legal form	YES			10
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	YES			12-13
2.8	Scale of the reporting organization	YES			11-12
2.9	Significant changes during the reporting period	YES			Consolidated Annual Report 2011, www.orange-ir.pl/results-centre/results/2012.aspx?sc_lang=en
2.10	Awards received in the reporting period	YES			15-16
3. REPORT PARAMETERS					
REPORT PROFILE					
3.1	Reporting period	YES			108
3.2	Date of most recent previous report (if any)	YES			108
3.3	Reporting cycle (annual, biennial, etc.)	YES			108
3.4	Contact point for questions regarding the report or its contents	YES			121

3.5	Process for defining report content, including: • Determining materiality • Prioritizing topics within the report; and • Identifying stakeholders the organization expects to use the report	YES			20-23
3.6	Boundary of the report	YES			108
3.7	State any specific limitations on the scope or boundary of the report	YES			108
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	YES			25 www.networks.pl
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report	YES			106-108
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/ acquisitions, change of base years/periods, nature of business, measurement methods)	YES			no adjustments
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	YES			no changes
GRI CONTENT INDEX					
3.12	Table identifying the location of the Standard Disclosures in the report	YES			114-119
ASSURANCE					
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s)	YES	7.5.3.		109
4. GOVERNANCE, COMMITMENTS, AND ENGAGEMENT					
GOVERNANCE					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	YES	6.2		17-19, www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement)	YES			does not apply to Orange Polska
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	YES			18
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	YES			17, 88-89
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	YES			The remuneration of Board members is fixed but the bonus system depends on the economic performance of the Company
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	YES			18

4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	YES	6.2		17
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	YES			13, 16-17
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles	YES		Rule 10	17-18
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance	YES			The remuneration of the Supervisory Board is determined by the General Meeting of Shareholders. The remuneration is fixed
COMMITMENTS TO EXTERNAL INITIATIVES					
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	YES	6.2		www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	YES			14-15, 18-19
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: Has positions in governance bodies: • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues; or • Views membership as strategic	YES			18-19
STAKEHOLDER ENGAGEMENT					
4.14	List of stakeholder groups engaged by the organization	YES	6.2		20
4.15	Basis for identification and selection of stakeholders with whom to engage	YES			20-21
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group	YES			21-23
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	YES			23, full report
ECONOMY					
ECONOMIC PERFORMANCE INDICATORS		YES	6.2, 6.8	Rule 1, 4, 6, 7	14, 24-25
	ASPECT: ECONOMIC PERFORMANCE				
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments	YES	6.8, 6.8.3, 6.8.7, 6.8.9		12

	ASPECT: INDIRECT ECONOMIC IMPACTS				
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement	YES	6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9		12, 28-29
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts	YES	6.3.9, 6.6.6, 6.6.7, 6.7.8, 6.8, 6.8.5, 6.8.6, 6.8.7, 6.8.9		28-33
ENVIRONMENT					
ENVIRONMENTAL PERFORMANCE		YES	6.2, 6.5	Rule 7, 8, 9	14, 23, 42-45, 51
	ASPECT: MATERIALS				
EN1	Materials used by weight or volume	partially	6.5, 6.5.4	Rule 8	46
	ASPECT: ENERGY				
EN3	Direct energy consumption by primary energy source	YES	6.5, 6.5.4	Rule 8	47
EN4	Indirect energy consumption by primary source	YES		Rule 8	47
EN5	Energy saved due to conservation and efficiency improvements	YES		Rule 8, 9	47-48
	ASPECT: EMISSIONS, EFFLUENTS, AND WASTE				
EN16	Total direct and indirect greenhouse gas emissions by weight	YES	6.5, 6.5.5	Rule 8	45
EN17	Other relevant indirect greenhouse gas emissions by weight	YES		Rule 8	45
EN22	Total weight of waste by type and disposal method	YES	6.5, 6.5.3	Rule 8	50-51
	ASPECT: PRODUCTS AND SERVICES				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation	YES	6.5, 6.5.4, 6.5.6, 6.7.5	Rule 7, 9	44-47
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	partially	6.5, 6.5.4, 6.7.5	Rule 7, 8, 9	44, 48
	ASPECT: TRANSPORT				
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	YES	6.5, 6.5.4, 6.5.6	Rule 7	48-49
LABOR PRACTICES AND DECENT WORK					
LABOR PRACTICES AND DECENT WORK PERFORMANCE		YES	6.2, 6.4, 6.3.10	Rule 1, 3, 6	14, 23, 76-77
	ASPECT: EMPLOYMENT				
LA1	Total workforce by employment type, employment contract, and region, broken down by gender	YES	6.4, 6.4.3		77
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region	YES		Rule 6	83
LA3	Benefits provided to full-time employees that are not provided to temporary or parttime employees, by significant locations of operation	YES	6.4, 6.4.3, 6.4.4		86-88

	ASPECT: LABOR MANAGEMENT RELATIONS				
LA4	Percentage of employees covered by collective bargaining agreements	YES	6.4, 6.4.3, 6.4.4, 6.4.5, 6.3.10	Rule 1, 3	90
	ASPECT: OCCUPATIONAL HEALTH AND SAFETY				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	YES	6.4, 6.4.6	Rule 1	86-87
LA9	Health and safety topics covered in formal agreements with trade unions	YES	6.4, 6.4.6		Health and safety topics are covered in Multi-establishment Collective Labour Agreement
	ASPECT: TRAINING AND EDUCATION				
LA10	Average hours of training per year per employee by gender, and by employee category	partially	6.4, 6.4.7		80
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	YES	6.4, 6.4.7, 6.8.5		80-83
LA12	Percentage of employees receiving regular performance and career development reviews, by gender	YES	6.4, 6.4.7		79
	ASPECT: DIVERSITY AND EQUAL OPPORTUNITY				
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	YES	6.3.7,6.3.10, 6.4, 6.4.3	Rule 1, 6	www.orange-ir.pl/corporate-governance.aspx?sc_lang=en
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	YES	6.3.7,6.3.10, 6.4, 6.4.3, 6.4.4		78
HUMAN RIGHTS					
HUMAN RIGHTS PERFORMANCE		YES	6.2, 6.3	Rule 1, 2, 3, 4, 5, 6	14, 16-17, 71-72
	ASPECT: INVESTMENT AND PROCUREMENT PRACTICES				
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken	partially	6.3, 6.3.3, 6.3.5, 6.4.3, 6.6.6	Rule 1, 2, 3, 4, 5, 6	71
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	YES	6.3, 6.3.5		16
	ASPECT: FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights	the company has not identified such activities	6.3, 6.3.3, 6.3.4, 6.3.5, 6.3.8, 6.3.10, 6.4.3, 6.4.5	Rule 1, 2	
	ASPECT: CHILD LABOR				

HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	indicator is not reported with due regard to the materiality principle	6.3, 6.3.3 6.3.4, 6.3.5 6.3.7, 6.3.10	Rule 1, 2, 5	
	ASPECT: FORCED AND COMPULSORY LABOR				
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	indicator is not reported with due regard to the materiality principle	6.3, 6.3.3 6.3.4, 6.3.5 6.3.7, 6.3.10	Rule 1, 2, 4	
	ASPECT: INDIGENOUS RIGHTS				
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken	indicator is not reported indicator with dueregard to the materiality principle	6.3, 6.3.6 6.3.7, 6.3.8 6.6.7	Rule 1	
SOCIETY					
SOCIETY PERFORMANCE		YES	6.2, 6.6 6.8	Rule 10	9, 34-35, 36-37
	ASPECT: CORRUPTION				
SO3	Percentage of employees trained in organization's anti-corruption policies and procedures	YES	6.6, 6.6.3	Rule 10	16
	ASPECT: ANTI-COMPETITIVE BEHAVIOR				
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes	YES	6.6, 6.6.5, 6.6.7		72-73
	ASPECT: COMPLIANCE				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations	YES	6.6, 6.6.7		72-73
PRODUCT RESPONSIBILITY					
PRODUCT RESPONSIBILITY PERFORMANCE		YES	6.2, 6.6 6.7	Rule 1, 8	14, 54, 64, 73
	ASPECT: CUSTOMER HEALTH AND SAFETY				
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	YES	6.7, 6.7.3 6.7.4, 6.7.5 6.7.6, 6.7.9	Rule 8	72-73
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction	YES			54-55
	ASPECT: MARKETING COMMUNICATIONS				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship	YES	6.7, 6.7.3 6.7.6, 6.7.9		60-63
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	YES			72-73
	ASPECT: CUSTOMER PRIVACY				
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	partially	6.7, 6.7.7		66
	ASPECT: COMPLIANCE				
PR9	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services	YES	6.7, 6.7.6		72-73

Company's address:
Orange Polska
ul. Twarda 18, 00-105 Warsaw, Poland
www.orange.pl

Report contact person:
Monika Kulik – CSR expert, Management Board's Office
Orange Polska
ul. Twarda 18, 00-105 Warsaw, Poland
Monika.Kulik@orange.com
odpowiedzialny.biznes@orange.com

Design
Agencja Reklamowa RADNA Sp. z o.o.
www.radna.pl