



Towards a sustainable future

SNCB Corporate Social Responsibility Report 2012

Destination better



About...

...the UN Global Compact Network

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption:

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights
- Principle 2: Make sure that they are not complicit in human rights abuses.
- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: The elimination of all forms of forced and compulsory labour;
- Principle 5: The effective abolition of child labour; and
- Principle 6: The elimination of discrimination in respect of employment and occupation.
- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: Undertake initiatives to promote greater environmental responsibility; and
- Principle 9: Encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against all forms of corruption, including extortion and bribery.

Endorsed by chief executives, the Global Compact is a practical framework for the development, implementation, and disclosure of sustainability policies and practices, offering participants a wide spectrum of workflows, management tools and resources — all designed to help advance sustainable business models and markets.

Overall, the Global Compact pursues two complementary objectives:

1. Mainstream the ten principles in business activities around the world.
2. Catalyse actions in support of broader UN goals, including the Millennium Development Goals.

With these objectives in mind, the Global Compact has shaped an initiative that provides collaborative solutions to the most fundamental challenges facing both business and society. The initiative seeks to combine the best qualities of the UN, such as moral authority and convening power, with the private sector's solution-finding strengths and the expertise and capacities of a range of key stakeholders. The Global Compact is global and local; private and public; voluntary yet accountable. (Source: UN Global Compact)



...a COP

When joining the Global Compact, companies make a commitment to issue an annual Communication on Progress (COP), a public disclosure to stakeholders (e.g., investors, consumers, civil society and governments) on progress made in implementing the ten principles of the UN Global Compact, and in supporting broad UN development goals.

The COP is the most important expression of a participant's commitment to the Global Compact and its principles. (Source: UN Global Compact)

...the scope of this report

This COP is limited to SNCB; it does not report on the activities of its sister companies Infrabel and SNCB Holding, nor its subsidiaries and its participations.

...the reporting year

All actions described in this report took place in 2012 (unless otherwise stated). The data also refer to 2012.

How to read this report?

The report is built around three sections. The first section describes the profile of SNCB, its strategic challenges and its Corporate Social Responsibility (CSR) strategy. You will also read about SNCB's corporate governance approach. The following sections explain our CSR efforts towards our four main target groups: our customers, our employees, our stakeholders and society. In the final part of the report you will find an overview of our fleet and the details of our reporting methodology.



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2012 highlights

PEOPLE

Operational safety (page 24)

98,2% of our trains are equipped with the automatic train control system TBL1+

Encouraging diversity (page 40)

Number of female employees has increased by 43% since 2012

PLANET

Sustainable mode of transport (page 28)

CO₂ emissions per passenger further reduced to 21.1 g (-60% compared to 1990)

Environmental management systems (page 45)

Merelbeke and Stockem traction workshops qualified for their ISO 14001 certificate

PROFIT & PERFORMANCE

Passenger growth (page 29)

231,2 million passengers transported

Productivity and efficiency (page 49)

BeLEAN project launched at the workshops in Monceau, Gentbrugge, Schaerbeek and Cuesmes

CEO's message

2012 was a fascinating year for SNCB, with many novelties taking shape. Our energy-efficient Desiro trains were put on the rails; we opened the new, fast connection to Brussels Airport; we launched a completely renovated, user-friendly website and we made progress in terms of punctual train traffic as well as customer satisfaction. We also managed to maintain our efforts towards increased safety at good levels; as a result, all of our trains will be equipped with the automatic stop system TBL1 as early as the second quarter of 2013.

So, can we say that SNCB is ready for the future? Yes, the projects launched in recent years will greatly enhance our position as a safe and high quality railway operator. Yes, we are watchful of our expenses and are streamlining our business processes so as to increase productivity and efficiency.

However, much more is needed if we want to make real progress in the future. To reshape transport in our country (fewer traffic jams; less car use; more sustainable transport) we need an integrated vision covering all the different modes of transport. A vision integrating local, regional and national ambitions; but one that also looks to the future and addresses the role we wish to play in Europe as a hub and supply and transit country. SNCB is ready to share thoughts and provide input – after all, our future depends on it.

In this second SNCB COP report you will learn more about the initiatives SNCB took in 2012 to guarantee a sustainable future, according to the commitment SNCB made when joining the UN Global Compact and its local Belgian Network in July 2011. SNCB supports the UN Global Compact principles and will continue to keep them in mind whilst implementing its business objectives.



Marc Descheemaeker
Chief Executive Officer of SNCB
President of the Passenger Forum of the International Union of Railways (UIC)

CHAPTER 1

ORGANIZATION

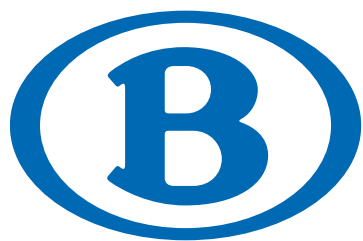


Corporate profile

The Société Nationale des Chemins de Fer Belges (SNCB) is the incumbent rail operator on the Belgian market. It is a company with limited liability (public law company). The company underwent a complete restructuring in 2005. As of 1 January 2005, the former Belgian railway was split into three autonomous public companies, each with their own structure and tasks:

- SNCB: train operator in charge of passenger and freight transport (national and international)
- Infrabel: infrastructure manager
- SNCB Holding: in charge of general services (ICT), real estate and historical estate and the HR management of the entire group

SNCB Group



INFRABEL



SNCB Mobility is SNCB's domestic passenger division. SNCB Mobility is expected to provide its passengers with a comprehensive range of national connections together with a number of destinations just across the Belgian borders. The fares are set up in such a way as to promote home/work travel, home/school travel and mobility of the socially underprivileged. Given the fact that passenger revenues cannot cover all costs, expenses for national passenger transport are co-financed by the government. The public service obligations SNCB has to fulfil in order to receive this government compensation are described in a management contract (the so-called 'contrat de gestion'). The domestic passenger rail market is currently not open to competition, so SNCB is the sole operator on the domestic passenger rail market in Belgium.

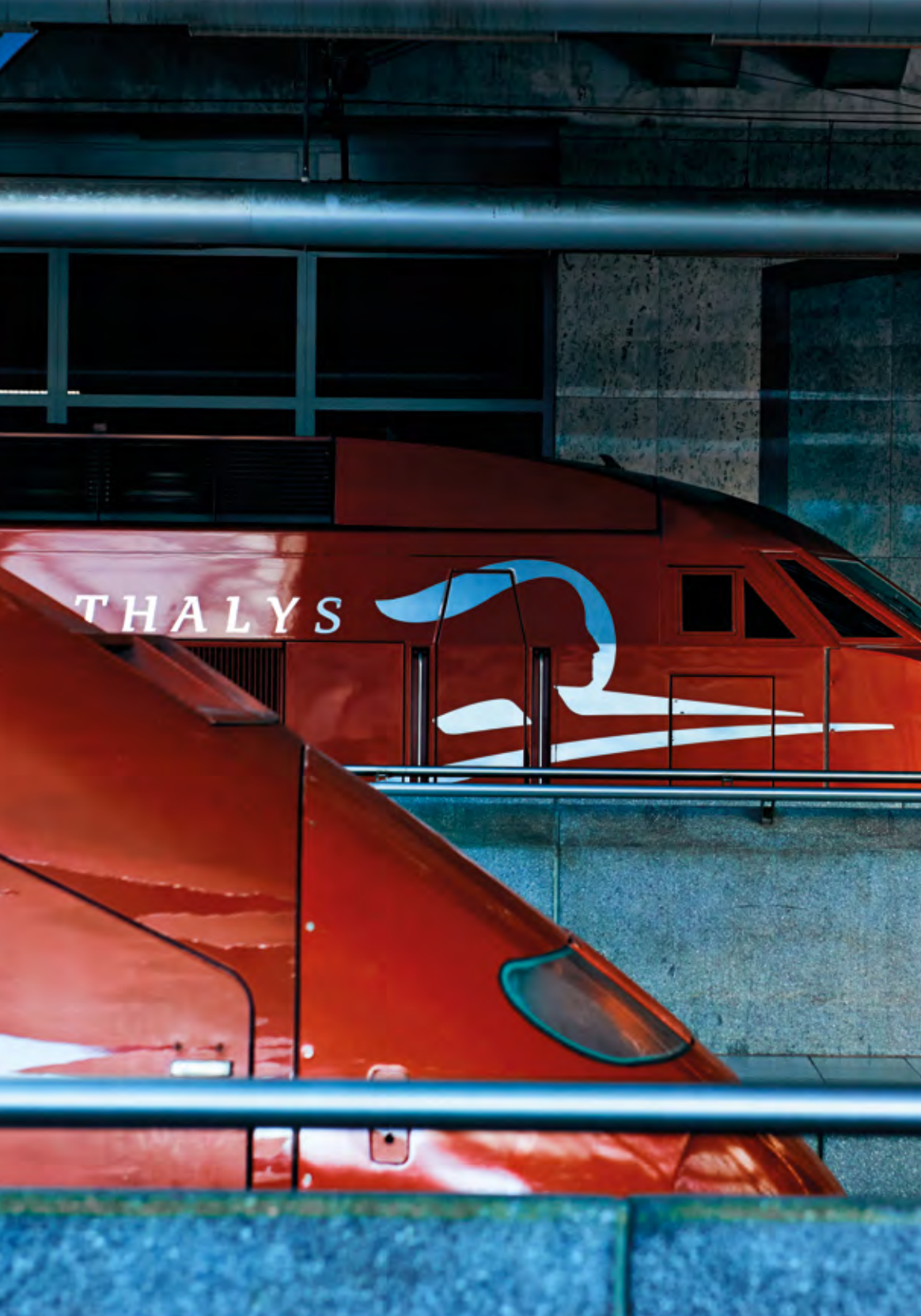
Find out more: www.b-rail.be



International passenger traffic and freight transport are SNCB's commercial services. SNCB does not receive government financing for its commercial activities (which are open to competition).

International trains are operated by SNCB Europe, SNCB's international passenger division. The high-speed trains Thalys, TGV (SNCF), ICE (DB) and Eurostar provide the international traveller with comprehensive service to the largest cities in our neighbouring countries. In the competitive international passenger traffic market, SNCB Europe cooperates with Thalys, DB and SNCF. Since September 2010, Eurostar has become an independent train operating company (Eurostar International Ltd.) which operates high speed traffic between Belgium and the United Kingdom.

Find out more: www.b-europe.com



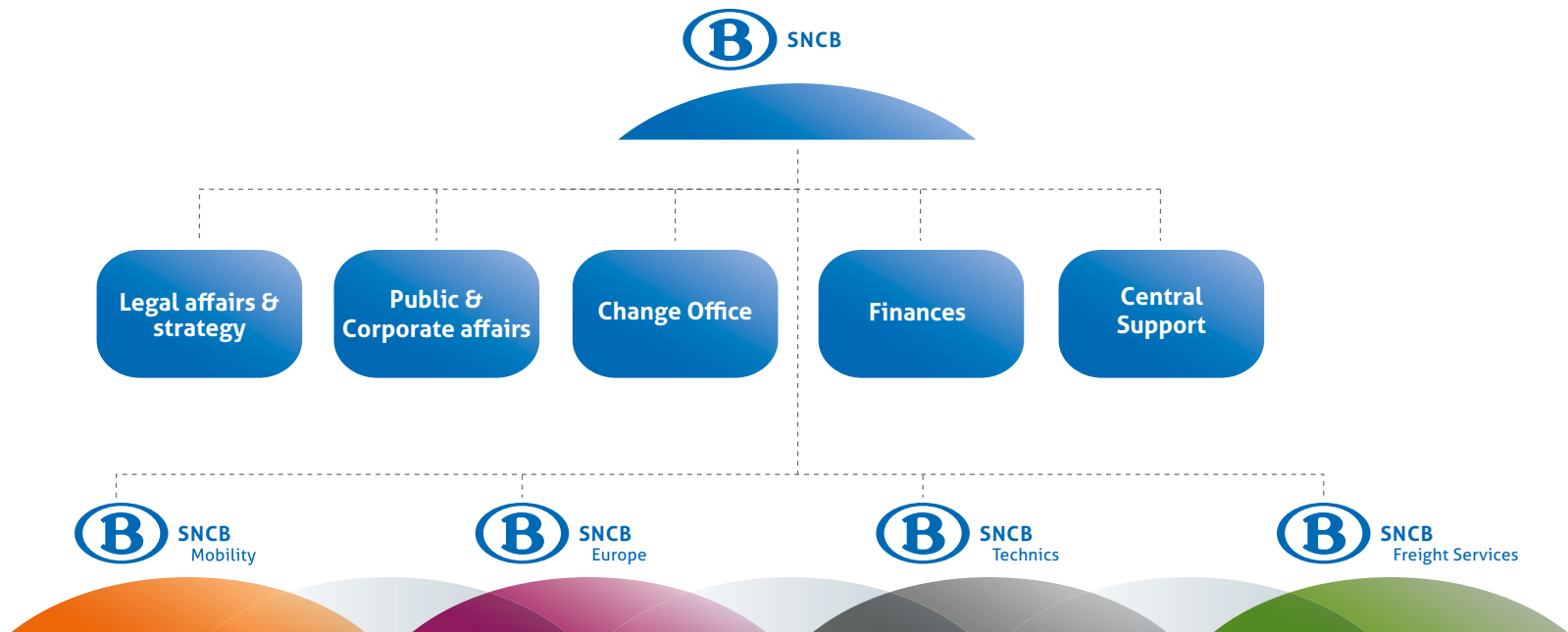


Freight Services and SNCB Logistics NV/SA are together responsible for conducting freight activities. Freight Services is SNCB's division that manages the freight stations. Freight Services conducts tasks such as shunting and marshalling in the freight stations. The other freight activities are provided by SNCB Logistics NV/SA. SNCB Logistics NV/SA has been an independent branch of SNCB and SNCB Holding, operational as railway operator for freight transport since 1 February 2011. SNCB Logistics and its subsidiaries offer services on freight axes and in market segments such as steel and container transport. The majority of the subsidiaries are responsible for commercializing freight transport. Their activities also include container transport, inland shipping and sea transport. The activities of SNCB Logistics and its subsidiaries are not covered in this report.

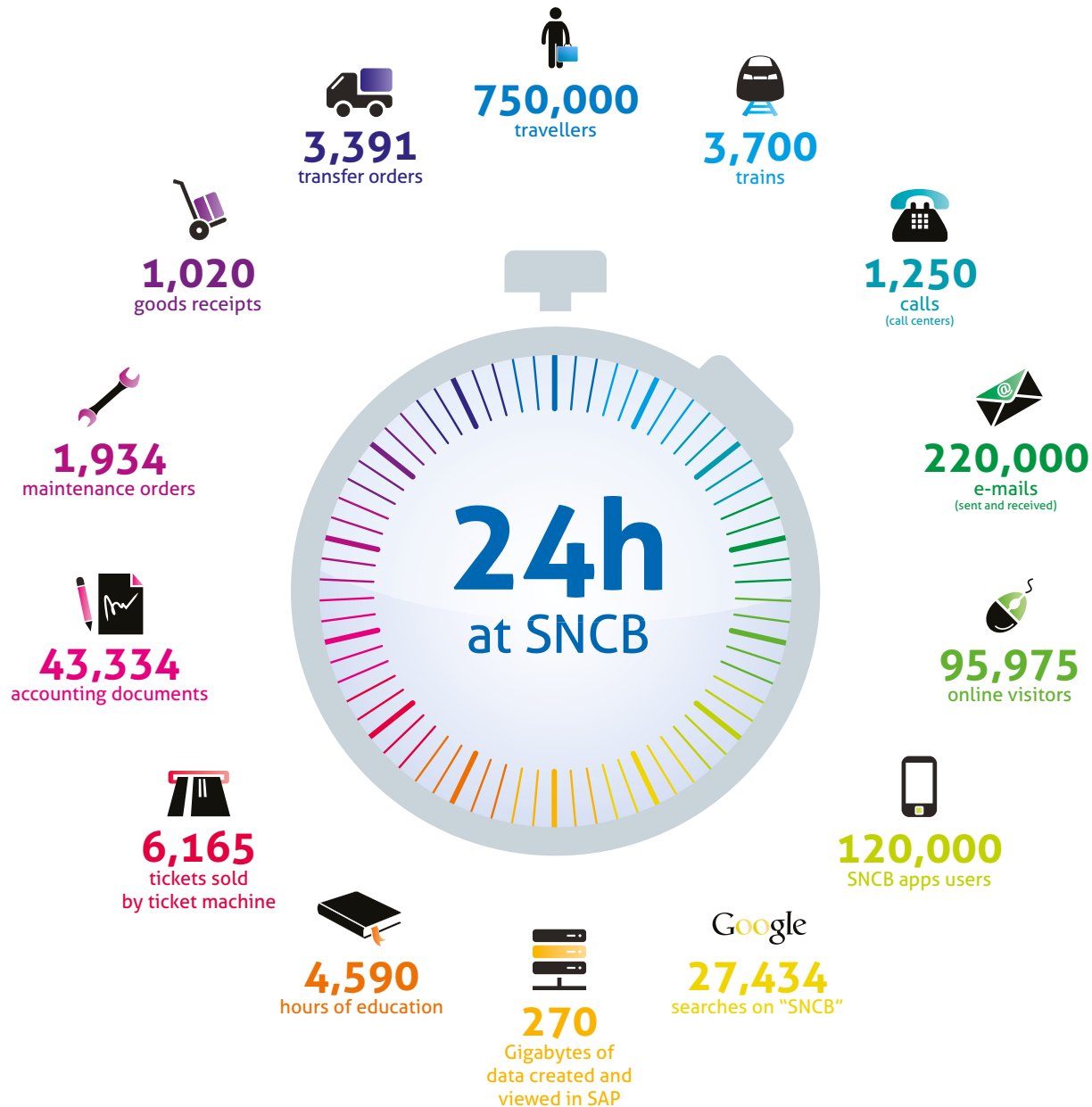
In order to ensure that its activities function effectively, SNCB is also responsible for purchasing, maintaining, managing and financing its rolling stock. The SNCB Technics department operates a range of workshops across the country for maintaining and managing rolling stock.

Find out more: watch our award winning corporate movie at www.SNCB.tv





24 hours at SNCB





Strategic challenges

Between 2000 and 2012, the number of domestic SNCB passengers increased by approximately 60%. This passenger increase is unique: no other European railway company managed to realize such impressive growth figures.

Unfortunately, this growth process had a negative impact on the quality of domestic train service. Punctuality figures dropped and customer satisfaction followed a negative trend. Therefore, one of SNCB's top priorities is to [restore the quality of train services](#), with special attention to punctuality and the overall quality of passenger service.

On 15 February 2010, two passenger trains collided near the Belgian town of Buizingen. 19 people lost their lives in this terrible accident. SNCB is determined to do the utmost in order to increase the level of operational safety

and to [restore confidence in railway safety](#) so that rail will continue to be the safest form of ground transport.

The 2008 financial crisis followed by an economic downturn had a major financial impact on SNCB. In the context of the European debt crisis, it is more than ever necessary to aim at an efficient use of government contributions. It is a strategic priority to [restore financial results in a sustainable way](#).

In recent decades, global demand for mobility has grown spectacularly. The price society pays for this increase is enormous: we are all faced with congestion, road accidents and the emissions of greenhouse gasses. Demand for mobility is also set to rise over the coming decades. We need to find sustainable solutions to meet this growth. Rail is just such a sustainable solution. Trains are a very eco-friendly mode of

transport. SNCB should therefore play a central role in [responding to the surging demand for mobility](#).

Since the start of the 1990s, the European regulator has striven to progressively open the market for rail transport. International freight transport (2003), domestic freight transport (2007) and international passenger transport (2010) have already been opened. The final piece of this progressive opening is European Regulation 1370/2007 which provides for the liberalization of domestic public passenger transport. Pressure for the liberalization of domestic public passenger transport is increasing under pressure from the major networks (DB, FS, SNCF) which see the possibility herein to conquer new markets. SNCB must therefore actively [prepare for the liberalization of domestic passenger transport](#).

Corporate Governance

Corporate Governance is an important challenge in today's world; it must be given special attention and encompass 100% transparent rules. As a public law company, SNCB fully endorses this endeavour to raise awareness and improve the effective management and control of its activities. In the framework of its public service tasks, SNCB must be accountable to the State and its customers, the train passengers.

In terms of Corporate Governance rules, SNCB concentrates on the reference code imposed by Royal Decree of 6 June 2010 (Belgian Statute Book of 28 June 2010), except for explicitly different definitions from the Act from 21 March 1991 regarding the reform of some economic governmental companies.



Board of Directors

The Board consists of eight members including the Managing Director. Linguistic parity is respected. At least one third of the members of the Board of Directors must be of the opposite sex than the other directors.

The directors are nominated by the Annual General Meeting for a renewable term of six years, and can be reappointed. They are chosen for the complementary nature of their skills.

The Chairman of the Board of Directors is chosen among the directors by Royal Decree following discussion by the Council of Ministers and is appointed by the King.

The Managing Director is appointed by the King for a renewable term of six years. The Managing Director has a different linguistic role from the Chairman.

The Board meets whenever the interests of the company require it, or when at least three directors request a meeting, and at least four times a year. The Board of Directors generally meets on the first Friday of each month.

The Board has the power to take all steps necessary or useful in the accomplishment of the company's objectives. It supervises the work of the Executive Committee.

The Board can only legitimately deliberate and take decisions if at least a majority of its members is present or represented. Decisions of the Board are taken by simple majority of the votes cast. If a vote is tied, the chairman's vote is decisive. Certain decisions are taken with a two-thirds majority (such as approval of the Management Contract and any modifications to it).

Committees created by the Board of Directors

In order to be able to fulfil the relevant tasks, SNCB is not only supported by its Board of Directors but also by two specialised committees, the Audit Committee and the Nomination and Remuneration Committee.

The Audit Committee takes on the tasks entrusted to it by the Board of Directors. It is also responsible for assisting the Board by examining financial information, such as the annual accounts, the management report and intermediate reports. It ensures the reliability and integrity of financial reports on matters of risk management. It provides the Board with an opinion on the annual accounts.

The Nomination and Remuneration Committee gives an opinion on candidates for nomination as members of the Executive Committee

and makes recommendations to the Board on remuneration and benefits granted to members of the Executive Committee.

In addition, the Board of Directors from SNCB is also supported by the Orientation Committee. The Orientation Committee gives recommendations on all measures that could have an impact on collaboration with regional transport companies.

Executive Committee

The Executive Committee consists of the Managing Director, who chairs the committee, and the Executive Directors. The number of Executive Directors is determined by the Board of Directors. They are appointed by the Board of Directors on the recommendation of the Managing Director and after consultation with the Nomination and Remuneration Committee. Their appointments can be revoked by the Board of Directors. The members of the Executive Committee have full power to carry out their roles within the SNCB. Linguistic parity is respected.

The members of the Management Committee are invited to meetings, together with the managers of the three departments under the responsibility of the Managing Director (Strategic and Legal Affairs, Central Support (Human Resources) and Public & Corporate Affairs).

The Executive Committee usually meets once a week.

In general terms, the Executive Committee is responsible for day-to-day management and for representing the company with regard to this management, as well as for executing Board decisions.

It also has responsibilities delegated to it by the Board and others imposed by law, such as negotiating the management contract.



** This Committee was created by decision of the Executive Committee on 4 January 2005. The Board of Directors, meeting on 16 April 2007, ratified its agreement with the Committee's composition and decided that the managers of the three departments under the responsibility of the Managing Director (Strategic and Legal Affairs, Human Resources and Public & Corporate Affairs) should attend its meetings.*

Monitoring bodies

In addition, SNCB also encompasses monitoring bodies such as the Government Commissioner and the College of Commissioners.

Government commissioner

The SNCB is subject to supervision by the Minister responsible for public enterprises. This supervision is exercised by a Government Commissioner appointed by the King, who can also revoke the appointment on the Minister's recommendation.

The commissioner is invited to all meetings of the Board of Directors and the Executive Committee, and sits on these committees in an advisory capacity. He also attends and advises meetings of the Audit Committee.

The Government Commissioner verifies that the law, the statutes and the management contract are observed. He makes sure that SNCB's policies do not hinder its public service vocation.

He reports to the Minister responsible for public companies. He also reports to the Minister for the Budget on all decisions by the Board of Directors or the Executive Committee that will affect the general budget for state spending.

College of Commissioners

In all independent public companies, control of the financial situation, annual accounts and compliance with the law and statutes in the operations to be described in the annual accounts is entrusted to a College of Commissioners with four members. The members of the College bear the title of commissioner. They are appointed for a renewable term of three years.

Board of Directors and Management Committees (on 1 January 2012)

	Number of men	Number of women
Board of Directors SNCB	5	3
Audit Committee	2	2
Nomination and Remuneration Committee	2	2
Executive Committee	4	-

CHAPTER 2 - SNCB'S APPROACH TO
**CORPORATE SOCIAL
RESPONSIBILITY** (CSR)



CSR Strategy

Committed towards customers, employees, stakeholders and society

SNCB has been working since 2005 on strategic integration of a triple bottom line approach in its business model (abbreviated 'PPP'). Its activities should generate economic, societal and ecological added value.

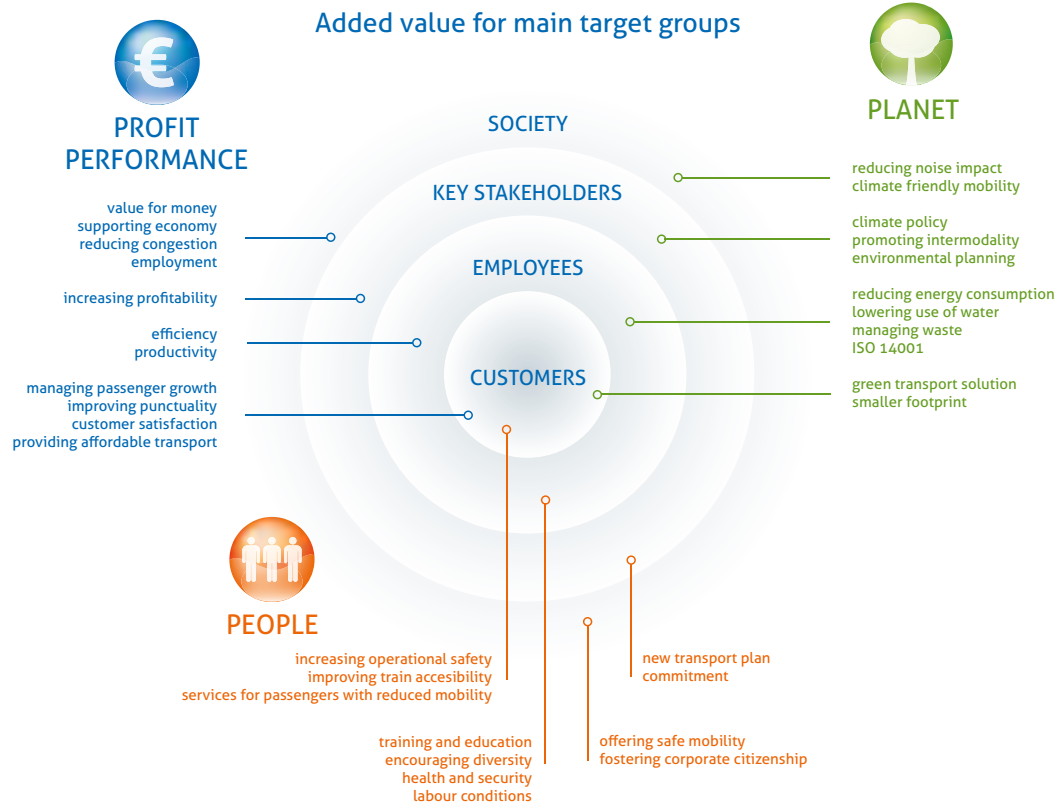
Together with the two traditional pillars, 'People' and 'Planet', the 'Profit' pillar is being expanded with the concept of 'Performance'. Within this slightly modified framework, answers to the strategic challenges facing SNCB can indeed

be better contextualized. The traditional triple bottom line is in this way broadened to 'People', 'Planet' and 'Profit & Performance'.

Within this triple 'P' framework, we have identified several added value indicators. We have attempted to formulate a (quantitative) target for as many added value indicators as possible so that progress in the coming years can be measured in an objective manner.

The added value indicators in turn are distributed across four target groups: at the core are our customers, followed by our employees, our stakeholders (associations and official bodies that influence SNCB policy) and society.

Corporate social responsibility means that we are committed to meeting our responsibilities towards our customers, our employees, our stakeholders and society.



UN Global Compact Membership

In early July 2011, SNCB submitted a request to become a member of the United Nations Global Compact. The UN approved this request so that SNCB is a fully-fledged member of the Global Compact Network. With this, SNCB underscores that it endorses the principles of the Global Compact and that these principles systematically constitute part of the business strategy.

Together with 62 other Belgian companies, SNCB forms part of the local Belgian Global Compact Network.

Find out more: www.globalcompact.be 



CHAPTER 3

RESPONSIBILITY TOWARDS OUR CUSTOMERS

IMPROVING THE QUALITY OF OUR SERVICE

Introduction

In recent years, SNCB has seen an enormous increase in the number of passengers and has invested heavily in new trains, better service and in its employees. This has not yet produced the desired results: the quality of service took an unacceptable step backwards and is currently insufficient for a number of essential indicators such as punctuality.

It is therefore essential that SNCB assumes its responsibility towards its customers by improving the quality of its service. One of the challenges for the coming years is to focus the operating structures even more on the needs of the customer and in this sense to streamline the level of quality the customer desires and the organization.

SNCB's vision concerning quality translates into the motto that the company launched in 2009 and on which all employees work day in day out to effectively achieve it: destination better!





People

Increasing operational safety

Safety, always a priority

Passenger safety is a top priority for SNCB. More than ever, SNCB is aware of the fact that operational safety is one of the most important policy areas.

SNCB's vision of safety

We consider safety as fundamental and as a vital element of the operation of the company. We are committed to guaranteeing the safety of customers, citizens, third parties and employees. We consider safety as an integral part of our business strategy and allow it to play a key role in all our daily activities. SNCB recognizes that the expectations of society concerning safety are continually increasing. In order to meet these expectations, SNCB will continue to develop its safety management intensively, with the objective of being recognized throughout Europe as a reliable railway company.

Since 2005, management has pursued a strategy which emphasizes the following fundamental objectives:

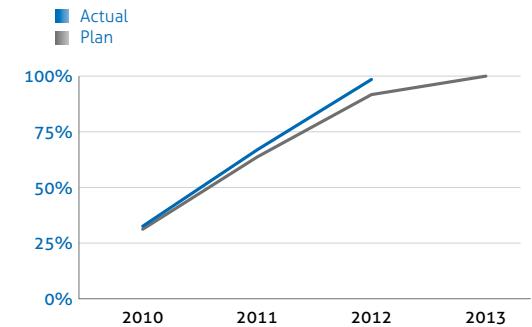
- Increasing the level of safety in the short-term
- Evolving towards an interoperable safety system

Increase the safety level in the short-term: TBL1+ on all trains by 2013

In order to provide the highest possible guarantee of safety on its trains, SNCB decided in 2005 to equip all rolling stock with the Belgian automatic stop system TBL1+ (Transmission Beacon Locomotive 1+). The TBL1+ system is based on a trackside beacon which sends an electromagnetic signal to an aerial located underneath the locomotive. The system detects a train 300m before a red signal and automatically stops it if it is travelling faster than 40km/h. The equipment used complies with the European ETCS system.

The train accident in Buizingen in 2010 confirmed the relevance of the choices SNCB has made in terms of safety technology. After the Buizingen accident, a decision was taken to accelerate installation of TBL1+ technology. SNCB's target is to ensure that 100% of rolling stock is equipped with the system by 2013. By the end of 2012, the TBL1+ system had been installed on 98.2% of the fleet.

Roll-out of TBL1+: plan vs. actual (% of fleet)



Short run target

all rolling stock equipped with TBL1+

Schedule

2013

Situation 2011

98,2% of all rolling stock equipped

Status



Towards an interoperable safety system: a European Train Control System (ETCS) on all trains by 2023

ETCS is an automated train control system that continuously displays the maximum allowed speed in the driver's cabin. Contrary to TBL1+, ETCS is a European safety system. Moreover, this system continuously monitors the train's speed and intervenes when necessary. SNCB aims at a 100% roll out of ETCS on its rolling stock by 2023. At the end of 2012, SNCB already disposed of 246 traction units equipped with ETCS.

Long run target

all rolling stock equipped with ETCS

Schedule

2023

Situation 2012

246 traction units equipped with ETCS

Status



Case: a new and safer departure procedure starting in 2015

Safety has top priority at SNCB and Infrabel. For this reason, in 2012 the companies have developed a new departure procedure. This new procedure eliminates any potential conflicting situation between passengers and the train guard at the last open door on the train. The procedure also will become more uniform for train guards, drivers and passengers.

Furthermore, with its introduction SNCB and Infrabel comply with the European Directive which requires train operators to ensure from 1 June 2017 onwards that all doors are locked before the train leaves the platform. A pilot project is ready for implementation in 2013. According to the plan, the required safety certificates will be issued by the end of 2014. Gradual rollout of the required IT system and technical adjustments on all of the platforms and trains can then start in 2015.

Improving train accessibility

The accessibility of rolling stock remains one of SNCB's constant focal points. This will become even more important in future because of population ageing. That is why in the long-term SNCB would like to enable passengers with reduced mobility (PRM) to use the train with no or limited external assistance.

In order to reach this goal, wheelchair accessibility to rolling stock should improve. In line with this, 76 multifunctional M6 double-deck carriages have been taken into service in the past few years. These passenger cars have lowered access doors and offer increased space. The new 'Desiro' carriages have been added to the network since the start of 2012. A low access step and wide door opening make these trains easily accessible for PRM. They are also equipped with a ramp for wheelchair users. In the multifunctional area, two seats are reserved for wheelchairs. The toilet, too, is accessible for persons with reduced mobility and equipped with an alarm at a low point for people who are unable to get up independently after a fall.

Trains that are easy to access are not only advantageous for passengers with limited mobility, but also for passengers who carry a child's pram, suitcase or bike with them. By the end 2012, 24.1% of all SNCB carriages/railcars were able to accommodate wheelchairs.

Target

gradually increase number of trains that can accommodate wheelchairs

Schedule

not defined

Situation 2012

24,1% of all SNCB trains can accommodate wheelchairs

Status



Expanding services for passengers with reduced mobility

Passengers with reduced mobility (PRM) are able to make use of a system of mobile teams which provide assistance in stations where no or insufficient numbers of staff are available. This service is called "B-for-You Assistance".

This assistance is provided in 114 stations, from the first to the last train of the day, seven days a week if a request is submitted to the Call Centre at least 24 hours in advance by internet or telephone. In addition, PRMs can be driven by taxi to one of these 114 stations from 17 stations where no assistance is available. In 2012, SNCB Mobility employees officially provided assistance about 100,759 times to PRMs. Furthermore, it is estimated that 'unofficial' assistance is provided to PRMs approximately 6,000 times each month (when no official request for this was submitted).

About stair climbers, assistance columns and induction loop devices for the hearing impaired

To further improve the accessibility of stations, SNCB purchased 24 stair climbers in 2012. Stair climbers ensure that in case of an elevator breakdown, works performed at the station or any other exceptional circumstances, passengers with reduced mobility still can take the train without any problems.

SNCB will also install assistance points in these 114 stations for anyone with reduced mobility. These points will allow less-able people to request assistance or wait for help. 75 assistance points were in use in 2012.

Finally, passengers with impaired hearing sometimes have a problem understanding the words of agents at the counter. For those passengers SNCB now provides induction loop devices that send the agent's spoken words directly to the passenger's hearing aid. 330 induction loop devices have been distributed among the stations that have counters.

Target

gradually expand and optimize services for passengers with reduced mobility

Schedule

not defined

Situation 2012

services provided in/from 131/552 stations (17 with taxi service)

Status





Planet

Staying a green transport solution

Nowadays, travelling with the train is equivalent to choosing a green way to travel.

In 2012, emissions for each SNCB passenger amounted to on average 21.1 g of CO₂ per kilometre. For a car passenger, CO₂ emissions amount to an average of 139 g of CO₂ per kilometre (European average, source: International Energy Agency). This is over 6 times higher.

CO₂ emissions for a train passenger on the Paris-Brussels route, for instance, are 27.9 kg less than for a person who makes the journey with the car; the difference in comparison to an aircraft passenger even runs up to 54 kg, or more than eleven times less CO₂.

Carbon footprint of an average journey from Paris to Brussels (CO₂ emissions in kg per passenger) (Data source: www.ecopassenger.com) (kg per passenger)



SNCB also scored well qua CO₂ emissions per passenger-km in comparison with other European train operators: in 2010 (most recent data available), SNCB emissions were approximately 30% lower than the European average.

When it comes to energy consumption, figures show that the average journey by car requires half as much energy as a similar journey by train. Its large transport capacity and limited rolling resistance make trains exceptionally energy efficient. At rush hour, when trains have on average a load factor which is 3 to 4 times higher than cars, taking a train even becomes 7 to 9 times more energy efficient.

It is not because the train is an extremely environmentally-friendly means of transport today that this will remain the case in future. SNCB therefore wants to make every effort to keep the train as green as possible. In 2011, SNCB commenced an eco-driving project in which all train drivers received advice about how they could drive the train in an environmentally-friendly way (see case study).

In addition, SNCB also started a project whereby in the coming years, all trains will be equipped with an energy metre. This will enable improved monitoring of energy use by trains.

These measures should make it possible to be more efficient with energy consumption of the trains. SNCB is in fact striving to use 1% less traction-energy per passenger-km annually between 2010 and 2020.

Case: green wave for train drivers

Since mid December 2011, train drivers' duty specifications include an energy efficient advisory speed per route section for each journey. Adherence to advisory speeds enables trains to meet the relevant timetable in the most energy efficient manner.

By observing the advisory speeds, train drivers contribute to lower energy costs and reduced CO₂ emissions. They also help towards more punctual train traffic by creating a so-called green wave: respecting the advisory speeds means more green signs on their journey, hence fewer waiting times.

Case: paperless tickets using the eID

In order to further green the customer journey, SNCB offers the option of ticketless travel using the Belgian electronic identity card (eID). The number of passengers using this travel option is growing: in 2012, 273,085 paperless tickets were sold using the eID. This is almost 3 times higher than the 2010 number!

Target

specific primary energy consumption of 1.130 kJ per passenger-km

Schedule

2020

Situation 2012

1,158 kJ per passenger-km

Status





Profit & Performance

Improving punctuality

For several years, the punctuality of train traffic has been under pressure. Despite strict follow-up of delays and an analysis of the problem, in recent years SNCB has made little progress. Punctuality is the result of a complex interplay of factors that have been put under pressure by the robust growth of the number of passengers, more intensive use of the railway network, infrastructure works and the age of the trains.

Punctual driving is a vital concern for SNCB. Delays are the greatest annoyance of the customers and do not benefit the image of the company. With the punctuality action plan, SNCB, in collaboration with Infrabel, wants to win the battle against the clock. The action plan contains more than 100 measures in 6 different areas such as transport planning and scheduling, rolling stock.... These measures should have positive impact on punctuality in the short and medium-term.



Case: Punctuality 2012: better, but not as good as was forecast

At 87.2% our train punctuality improved slightly compared to 2011 (87%). However, the punctuality objective for 2012 laid down in the 2010 punctuality plan was 87.9%. There are several reasons why we were unable to meet our target.

When these goals were set, nobody could have foreseen the sharp increase of several external factors, such as the substantial rise in the number of cable thefts in 2012, and the growing instances of people on the tracks and suicides, causing more delays than expected.

With the introduction of ETCS on a number of routes came a set of stricter procedures. Under the new rules, if a train driver spots a person on

the track, he is compelled to stop and no longer allowed to proceed 'carefully'. A solution to this problem is currently being sought. Meanwhile, the proposed actions from the action plan remain in effect.

The most important thing is that Infrabel's and SNCB's share of "attributed minutes based on the reports" in the delays has decreased. This shows that our actions are effective and that they contribute to a better performance. That is very encouraging for all our employees who make a daily commitment towards improved punctuality.

Find out more: www.sncb.tv



Target

punctuality rate
(before neutralization) of 90.0%

Schedule

2015

Situation 2012

87.2%

Status

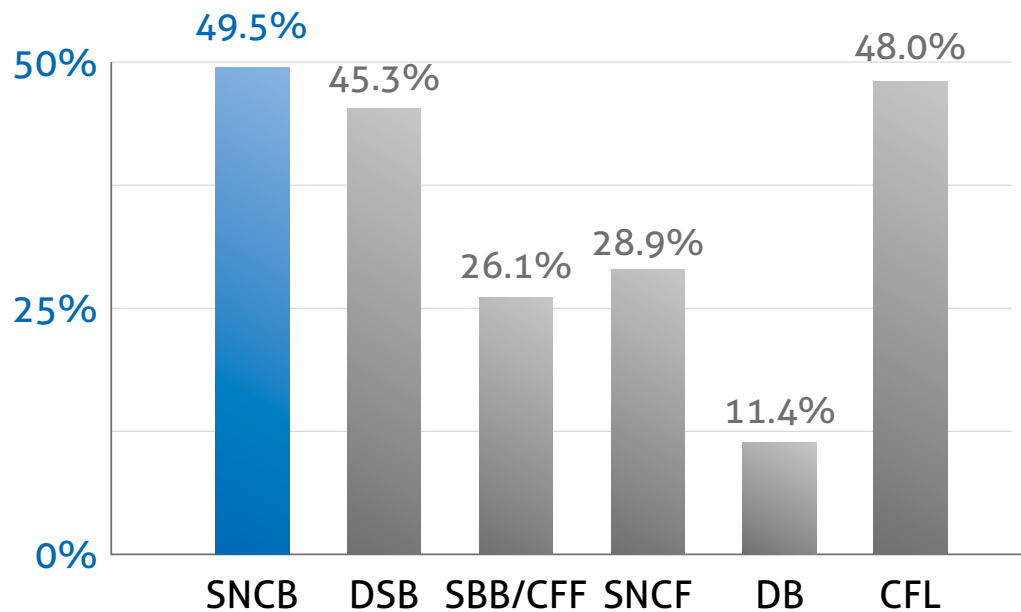


Managing passenger growth

Domestic passenger transport has experienced very strong growth since 2000. Between 2000 and 2012, SNCB Mobility transported up to 60% more passengers (from 139.9 mil. passengers in 2000 to 223.3 mil. passengers in 2012).

The increase in passengers in recent years was even so great that SNCB became the European leader by far.

Growth in the number of passengers transported 2000-2011 (incl. international)



The increase in passengers in recent years was even so great that SNCB became the European leader by far.

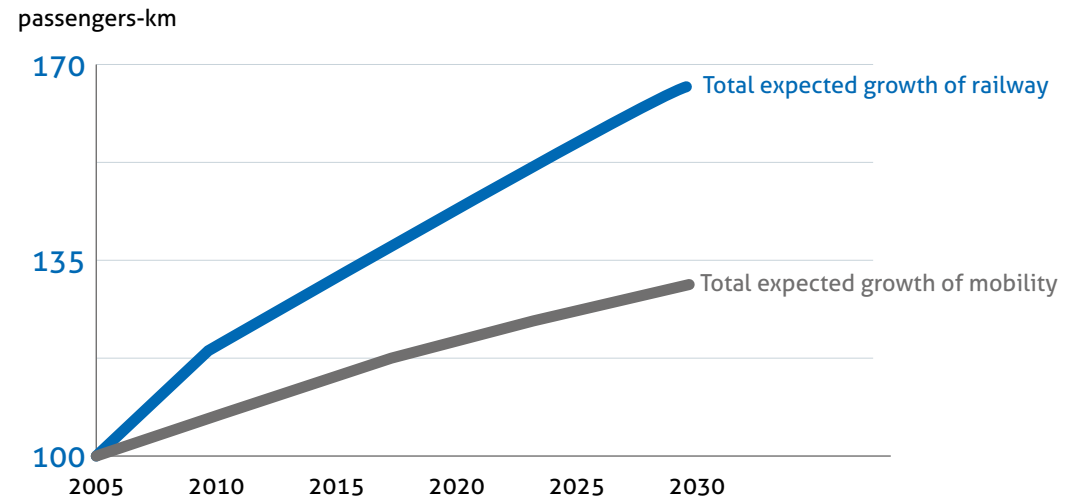
As well external factors such as increasing general mobility, congestion on the roads, the price of fuel and greater environmental awareness among many, tariff measures by the government also had a stimulating effect and contributed significantly to growth.

Despite strong growth in recent years, the extremely ambitious growth targets imposed on it by the government was not attained (25% more domestic passengers in the period 2006-2012, or 234.4 million domestic passengers in 2012).

The Belgian Federal Planning Bureau expects that demand for railway transport will also continue its strong growth in the coming decades. According to the Planning Bureau, this growth will even outstrip the total growth of mobility

Total expected growth of mobility vs. growth of railway

(Source: Federal Planning Bureau)



The long-term challenge for SNCB, therefore, will also consist of accommodating the expected growth of demand in a timely and effective manner.

Target

234.4 million domestic passengers
(+25% vs. 2006)

Schedule

2012

Situation 2012

223,3 million domestic passengers

Status



Improving customer satisfaction

In order to gauge subjective customer satisfaction, SNCB Mobility has developed its own tool: the quality barometer. The customer's perception of quality is evaluated on the basis of the quality barometer.

Between 2009 and 2011, the quality barometer revealed a sharp decline. For general customer satisfaction, the average score out of 10 decreased from 6.92 in 2009 to 6.28 in 2011. However, 2012 again saw an improvement of customer satisfaction to a score of 6.49 out of 10.

	Average score out of 10			
	2009 (n=13,994)	2010 (n=12,633)	2011 (n=12,366)	2012 (n=12,075)
General customer satisfaction	6.92	6.41	6.28	6.49

Various studies and surveys clearly demonstrate that information is a very important element of customer satisfaction. Customers want access to correct and current information always and everywhere. SNCB responded to this with the development of all sorts of applications via internet, sms, smartphone and mobile information stands. Further development of these applications continued in 2012. Smartphone apps have been downloaded more than 500,000 times since!

Case: a new website tailored to our customers' needs

September 2012 saw the launch of SNCB's new website. Despite a visual upgrade in 2009, the previous website was, in fact, past its use-by date. The new website not only looks better, it is also more user-friendly and offers several new options. More than before, the site has been built to meet our customers' needs and includes a new route planner, a more logical purchasing module, expanded leisure time offer, better search options, etc.

The technology used for the site allows SNCB to provide better responsiveness and also facilitates speedier content modifications and rapid problem detection.

SNCB also tries to improve customer satisfaction by introducing new, more reliable and more comfortable rolling stock. In 2012, modernization of the SNCB fleet was effectively accomplished. For instance: the M5-carriage modernization program reached completion in 2012: the 130th and last carriage was delivered in December of that year. Meanwhile, modernization works on the “Break” and “Four part” motor carriages continued.

As far as new rolling stock is concerned, more T18 locomotives were put into operation. 2012 also saw the introduction of the new ‘Desiro’ motor carriages on the Belgian railway network. These new trains are highly necessary in order to be able to offer a high-quality response to the rising passenger numbers.

Case: Desiro – the sustainable train of the future

In April 2008, SNCB decided to purchase 305 Desiro motor carriages from Siemens for use on the Regional Express Network (RER) around Brussels and other routes. Their energy efficiency was one of the allocation criteria included in the order. The Desiro trains offer the following benefits in terms of energy efficiency:

Efficient insulation

To minimize the possible escape of energy, insulation was a focal point in the design of the Desiro. Thanks to its limited global K-value it requires minimum heating or cooling. Tinted

windows help to reduce the heat in carriages exposed to sunlight. As a first in Belgium, the Desiro train doors close automatically after the last passenger has boarded and thus help to reduce pointless loss of energy. This was a vital point since the carriage is not divided into compartments.

Light-weight

The manufacturer paid particular attention to reducing the weight of the Desiro for the purpose of minimizing its energy consumption. The weight of the Desiro carriage has been limited to 146.8 tons. The MR96 three-part power cars, which are currently the most up-to-date power cars in use by SNCB, weigh 156 tons. Combined with its higher number of seats, this means that the Desiro delivers a ratio of 0.52 tons/seat compared to 0.74 tons/seat for an MR96.

Energy recovery

The Desiro is capable of generating its own electricity. When employing the electric brake, which brakes the engine directly, the engine functions as a generator. As a result, overall energy consumption drops by 15%. This braking system has other sustainable benefits: less brake fluid is released and wheels last longer.

Ergonomics

Ergonomics and comfort are important factors for train drivers. In this respect, the Desiro operator’s cabs offer the best of the best. The control table with all its controls and panels is built around the driver, giving him an excellent

overview. A driver’s display provides all the useful information about the train. Contrary to other trains, many things are computer-controlled on the Desiro, allowing the driver to focus even more on the actual driving. Other features include a very comfortable seat for the driver, air conditioning in the operator’s cab and a fridge to store food and beverages.

Target

120 T18 locomotives in operation

Schedule

end of 2012

Situation 2012

108 T18 locomotives in operation

Status 

Target

305 motor cars “Desiro” in operation

Schedule

end of 2015

Situation 2012

61 motor cars “Desiro” in operation

Status 

Providing affordable transport

As a public service provider, SNCB wants to offer all sections of society a chance to take the train for professional as well as leisure-time journeys. The policy is a product of history: from the very birth of the railways in Belgium, the intention of the government was to let all social classes pay according to their financial means. Thus, starting in 1854, children under the age of three could ride free of charge if they did not occupy a seat; children between the ages of three and eight received a 50% reduction; and soldiers travelled at half price. In 1865, student fares with reductions of up to 60% were introduced.

Today SNCB offers free travel opportunities for up to 4 accompanying children, the visually impaired and their carers, journalists, passengers with National Recognition, police officers (in uniform) and, last but not least, home to work commuters (when the employer pays 80%, the State settles the remaining 20%). Reduced prices are available for large families (50% discount), mothers-to-be (free 1st class upgrade), job seekers (€ 1/journey or 75% off in 2nd class), people with a lower income (50% discount), military personnel (50% discount), youth and students (Go Pass, Campus Card,...), over-65s (senior ticket) and leisure trips (50% discount during weekends...). SNCB is actually striving to simplify its discount formulas so that customers can find the most appropriate formula more quickly. This product simplification

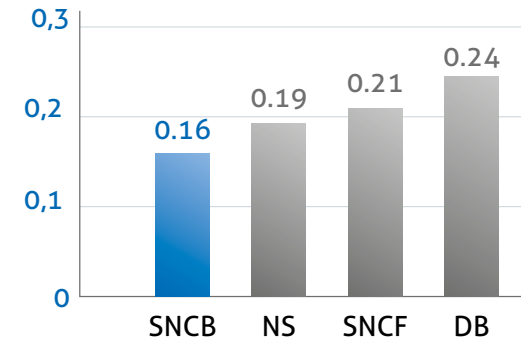
should also lead to curtailment of the number of instances of aggression against train guards (see *infra*).

As concerns pricing policy, SNCB is bound by what the management contract with the government requires. SNCB can revise prices one time annually (in February) within the limits stipulated by this management contract. In February 2012, fares increased on average by 2.38%.

In comparison to neighbouring networks, SNCB prices are inexpensive. In 2012, a SNCB customer paid € 0.16 per kilometre for a second-class ticket for a distance of 30 km. A customer of NS, on the contrary, paid € 0.19; at SNCF it was € 0.21; and at DB € 0.24 per kilometre. (Source of figures: SNCB Mobility).

Ticket Price (2012)

2nd class - 30 km (in €/km)



Progress indicators

Punctuality	2009	2010	2011	2012
Before neutralization (of external causes and major investment works)	88.9%	85.7%	87.0%	87.2%
After neutralization	92.9%	90.4%	91.9%	92.0%
Assessed according to passenger numbers	87.1%	82.9%	84.6%	85.8%
Measured over the entire journey	88.8%	85.7%	86.8%	87.0%
Including cancelled trains	n/a	84.2%	85.5%	n/a
% of delays caused by SNCB	46.4%	45.8%	42.1%	45.7%
Number of trains cancelled	21,556	25,192	22,154	18,969
% of total number of trains	1.7%	1.9%	1.7%	1.4%
% of train cancellations caused by SNCB	52.4%	50.7%	42%	43.9%
Operational safety	2009	2010	2011	2012
% of trains equipped with TBL1+	2.2%	32.2%	66.5%	98.2%
Number of passengers	2009	2010	2011	2012
SNCB Mobility (million)	210.1	215.1	221.3	223.3
SNCB Europe (million) (* Eurostar cut off as from September 2010)	10.3	9.2 ^(*)	7.9 ^(*)	7.9 ^(*)
Energy consumption (trains)	2009	2010	2011	2012
Primary energy use of electric passenger trains (TJ)	12,070	12,849	12,073	12,007
Primary energy use of diesel passenger trains (TJ)	513	481	568	570
Total primary energy use of passenger trains (TJ)	12,583	13,330	12,641	12,577
Specific primary energy use of passenger trains (kJ/passenger-km)	1,207	1,256	1,165	1,158

Quality barometer results	2009	2010	2011	2012
General satisfaction	6.92	6.41	6.28	6.49
Reception and services in the stations	7.17	6.96	7.00	7.10
Cleanliness in stations	6.74	6.58	6.62	6.69
Comfort on the trains	6.99	6.83	6.87	6.89
Cleanliness on the trains	6.76	6.53	6.52	6.53
Frequency of trains	6.52	6.23	6.17	6.25
Train punctuality	5.88	5.22	4.82	5.07
Information on the trains	6.68	6.40	6.22	6.45
SNCB personnel on the trains	7.60	7.42	7.38	7.43
SNCB personnel in the stations	7.28	7.08	7.09	7.17
Information in the stations	7.11	6.80	6.74	6.88
Purchase of a ticket	7.47	7.14	7.26	7.33
Price	6.78	6.60	6.68	6.71

Affordable transport	2009	2010	2011	2012
Average fare adjustment	+5.9%	+0.57%	+1.24%	+2.83

Accessibility / Services for passengers with reduced mobility	2009	2010	2011	2012
Number of stations with accessibility services for passengers with limited mobility	113	114	114	131
Number of assistance points in use	0	0	23	75
% of trains that can accommodate wheelchairs	n/a	18.3	22.5	24.1
Number of support interventions to passengers with reduced mobility (officially registered) (*) Only six months	54,311 ^(*)	104,056	81,384	100,749

New / refurbished rolling stock	2009	2010	2011	2012
Number of new locomotives	0	0	48	60
Number of new carriages	81	66	19	0
Number of new railcars	0	0	0	61
Number of refurbished railcars	9	6	7	10
Number of refurbished carriages	33	34	35	29

CHAPTER 4

RESPONSIBILITY TOWARDS OUR EMPLOYEES

ANCHORING SUSTAINABILITY IN THE CORPORATE CULTURE



Introduction

Anchoring sustainability in the corporate culture means establishing a culture in which employees hold common assumptions and beliefs about the importance of balancing social equity, economic efficiency and environmental accountability.

To this end, SNCB employees serve to formulate an answer to the challenges of tomorrow which are situated within each pillar of the triple bottom line. Against the background of increasing interculturalism, a crooked age pyramid (nearly half of SNCB employees will reach natural retirement age in the coming ten years) and onrushing liberalization, more and more attention will also have to be paid to increasing productivity and accentuating care for the environment.





People

Encouraging diversity

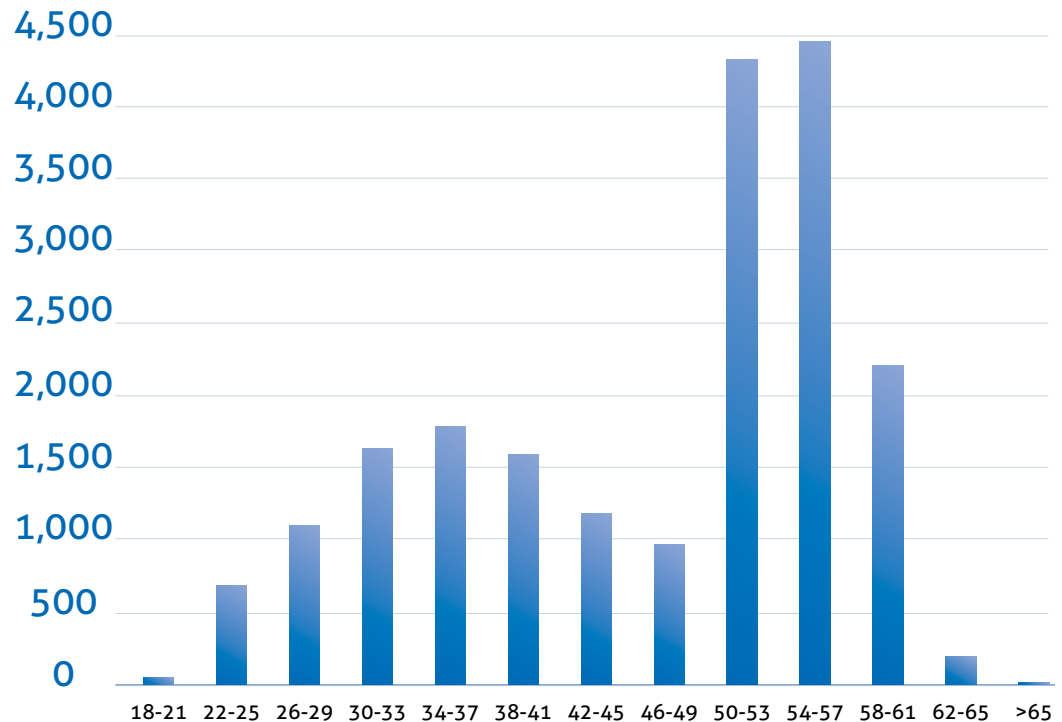
SNCB wants to profile itself as a company where diversity is important. Staff regulations do guarantee equal treatment of all employees, but in order to provide a better response to the changing social context, in 2006 the three companies of the SNCB Group implemented a diversity policy. This diversity is manifested at different levels: sex, origin, handicap, education level and age are criteria that SNCB wants to take into consideration. Respect for everyone and appreciation for every employee are important in this.

The importance of diversity is also clearly illustrated by the recruitment campaigns (at the level of the SNCB Group). The message is simple: every function is open to everyone who meets the requirements, irrespective of age, sex, origin...

Age

SNCB has a disproportionately large number of older employees in service, many of whom will leave the company in the coming years. In the coming five years, approximately 22% of the staff will leave; in the coming 10 years that is even 56%. About 60% of all staff is older than 45.

Number of employees/age



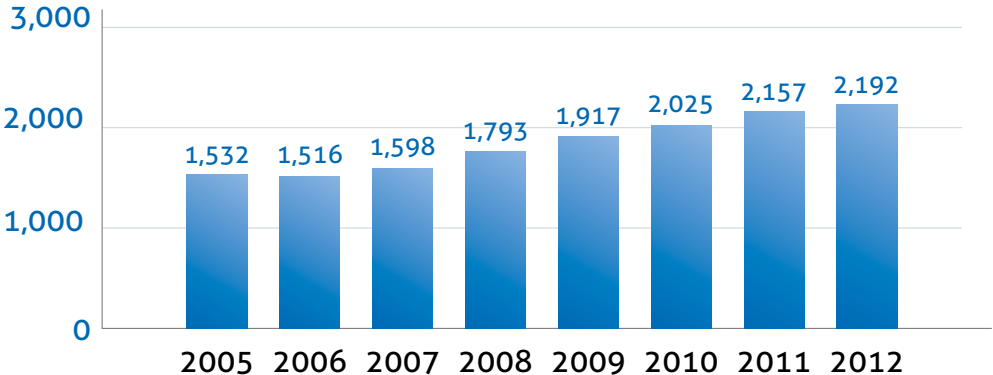
This situation creates a double challenge: attracting a sufficient number of recently educated and motivated staff, and at the same time ensuring the transfer of knowledge from the old to the new generation. The new generation will also have to work in a different context: with increasing liberalization, it is not unthinkable that new players will come forward for

train maintenance. For freight cars, competition has been active for a few years, but evolution is also likely for passenger equipment. It suffices to look at the Netherlands, where various train companies are already active: the newcomers contract out to specialized private companies or handle it themselves.

Women

At the end of 2012, SNCB employed 2,192 women, representing 11.3% of all staff. The railways used to be a male bastion (explained by the fact that some rather technical jobs have long been regarded as jobs for men), but female employees are gaining ground. Their numbers have increased by 43.08% since 2005.

Number of female employees



In conclusion, it is not insignificant to mention that SNCB makes no distinction between men and women when it comes to remuneration of its employees.

Case: Ladies' Day, edition 2012

On 26 March 2012 the seventh edition of SNCB's Ladies' Day took place. On that day, 120 participants had the chance to meet some of their female colleagues – all with different backgrounds. One third of the participating ladies were field workers. For them it was an ideal opportunity to exchange experiences. The morning's interactive workshops led by professional coaches on themes such as communication, assertiveness and conflict management, were followed by an afternoon presentation of the various workshops, ending in a debate on the themes discussed.

Laurence Bovy, Chair of the Board of Directors of SNCB, is a great supporter of Ladies' Day: "I wish to support all the women in our company by organizing a day dedicated entirely to them. I encourage all our female staff to realize their professional ambitions."

Foreigners

The number of foreign employees is very difficult to ascertain. This is due to the fact that, on the one hand, an exact definition of 'foreign' has yet to be provided and, on the other hand, personnel data must be obtained without breaching the law on personal privacy.

Even though it is difficult to make a reliable estimate of the number of foreigners recruited by SNCB, it can be said with some certainty that it is quite low. Belgian nationality used to be a condition for access to a statutory position. Amendments to the Personnel Statute in 2007, however, formalized accessibility to statutory roles for any member of the European Economic Area and Swiss subjects. There are no restrictions at all regarding nationality for non-statutory positions.

At the end of 2012, SNCB employed 120 people of non-Belgian nationality.

Reclassification

People who can no longer carry out their regular role for medical reasons can continue to work within SNCB thanks to a reclassification system for personnel within the company. In this event, the person who has been declared temporarily or permanently unfit can agree to re-employment. SNCB then looks for a position that suits the capacities of the person concerned in a role and at a scale that is suitable for that member of staff. At the end of 2012, 407 employees were declared medically unfit for their normal roles.

Fighting against aggression

Increasing aggression, verbal or physical, is a societal trend which SNCB has not escaped. Train guards are the primary victims of aggression (two-thirds of incidences). In 2012, 1,178 train guards became victims of aggression. Although this indicates a fall in cases of aggression against train guards by 8.9% compared to 2011, the figure is still higher than it was in 2009 and 2010.

In approximately 70% of instances, an invalid ticket is at the root of the problems. Another 10% has to do with train passengers who try to get on board after the departure signal has sounded. Furthermore, it sometimes has to do with conflicts between passengers or gratuitous violence.

A third of the number of instances of aggression concern physical violence. In many instances it remains limited to pushing and shoving, but in recent years the violence has taken on more intense forms. But all forms of aggression leave their traces.

For ten years now, train guards can call upon a 'buddy' after an instance of aggression. This is a trained conductor who offers emotional assistance after the fact and assists the person involved in the subsequent administrative tasks or accompanies him or her to the police or hospital. Buddies work on a volunteer basis. SNCB currently has 180 individuals who are

ready to support their fellow train guards. The system works exceptionally well and was also quickly introduced for train drivers and station staff.

Case: master plan against aggression

SNCB works together with all partners to fight the phenomenon. A master plan was drawn up by the security services with a list of measures. SNCB will also always take the necessary legal steps in order to recuperate the damage they suffer.

The following new measures were introduced in 2012:

- new conflict recognition training for train guards: the purpose of this additional course (started in 2011) is to help train staff recognize conflict situations faster and better;
- product simplification: since almost two thirds of aggression attacks involve invalid tickets, SNCB itself can contribute to limiting the problems by simplifying its formulas and rules;
- increased number of inspections carried out by "Ticket Control Teams": teams of train guards performing additional inspections on board the trains most affected by fraud;
- closer and continuous cooperation with the Securail safety agents;
- more checks by Securail on trains early in the morning and late at night.

Stimulating training and education

SNCB invests heavily in training its staff, and in particular train drivers. Train drivers play an essential role in the safety and continuity of train traffic. A good education is thus of crucial importance.

SNCB Technics uses the most modern training resources for this, such as simulators and computer-supported training, adjusted to the changing safety systems (ETCS). SNCB's two full-scale simulators (in Salzinnes and Mechelen) were completely renewed in this sense. The training centre for SNCB Technics train drivers already obtained an ISO 9001 certificate in 2010 and is recognized as an independent institute. The training is open for all potential drivers, also those from other operators.

In 2012 1,193,574 training hours were organised for SNCB employees. This is an increase of about 11% in comparison to 2011. On average, SNCB staff joined 4,590 hours of training and education every working day. This comes to about 65 hours per FTE on an annual basis.



Facilitating employee relations

Social dialogue and the unions

Social relationships play an important role in terms of sustainability. The directors and representatives from the recognized unions periodically negotiate sector-based conventions. These primarily apply to issues that directly involve the staff. Discussions result in a social accord protocol and generally relate to a defined period of time.

All SNCB employees are able to join a union of their choice. All SNCB employees are covered by collective bargaining agreements.

The joint bodies

The joint bodies each have a defined competency and the National Joint Commission works on personnel issues on a national level. The Personnel Statute may only be amended with its permission and there must be a two-thirds majority for this to occur. Each amendment of personnel regulations must also be presented for recommendation. It also issues recommendations relating to the management contract and checks the SNCB Group's economic and financial information.

The National Joint Sub-Commission is tasked with preparing questions that must be presented to the National Joint Commission.

Finally, the Regional Joint Commission is responsible for the issue in terms of local personnel. They monitor the evolution of employment at a regional level and also consider local conditions in terms of performance and break times, holidays and special employment schemes. They investigate proposals and complaints from personnel in relation to prevention and protection at work and the organization of work in general.

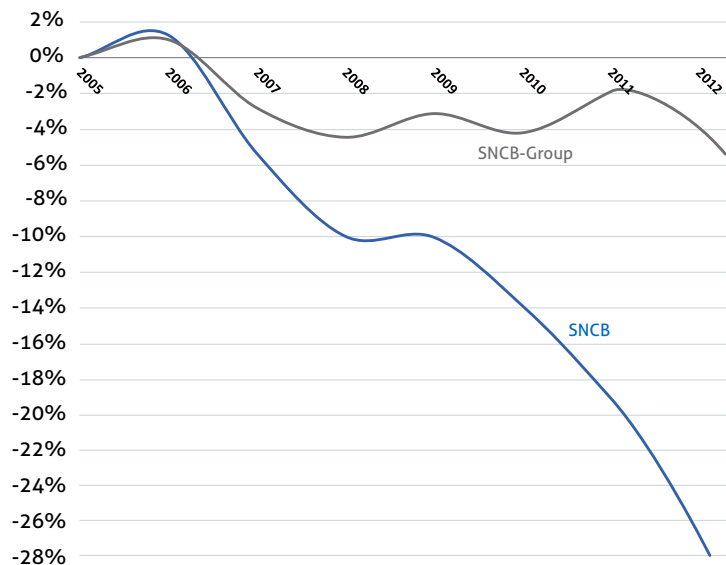


Planet

Reducing energy consumption in our workshops

The rising demand for energy and the need to limit CO₂ emissions requires that more attention is paid to energy efficiency. In its management contract with the State, SNCB is committed to help ensure that energy consumption in the buildings of the entire SNCB Group is reduced by 7.5% by 2012 and no less than 20% by 2020. SNCB has a good number of projects running in order to reach this objective. All workshops are subjected to an energy audit. These audits lead to an action plan for each workshop to limit energy consumption. Specific measures which have arisen from this are, for example, installation of air curtains, renewal of lighting and heating, implementation of combined heat and power... And it has been a big success, as between 2005 and 2012 the company already succeeded in using approximately 28% less energy in its workshops! Consumption of fuel oil and gas (weather corrected) even decreased by 31% in this period.

Reduction of non-traction energy consumption (weather corrected)



* Figures for 2012 include SNCB Logistics NV/SA to enable a correct comparison with base year 2005.

Some of the measures taken by the Mechelen workshop

Machines using steam switched to gas (heating, drying areas at painting sites, washing machines for bogies); systematic replacement and insulation of roofs; optimization of heating management. Other contributing factors include more efficient mapping of electricity consumption; optimizing the timers for outdoor lighting; converting fluorescent tubes to electronic ones, etc.

Some of the measures taken by the Salzinnes workshop

Renovating roofs and glass domes in several areas; installing an airlock at the entrance of some halls; placing air screens on the doors of locomotives; relighting several halls; modernizing hot water production in washing areas; replacing hot air generators; installing a lighting system including a presence sensor in common areas; etc.

Target

reduce energy consumption of workshops by 7.5% by 2012 and 20% by 2020 (vs. 2005)

Schedule: 2012

Situation 2012

-28% (vs. -4.8 SNCB-Group)

Status



Reducing water use in our workshops

Water is a precious resource, for nature as well as humanity. It must therefore be used sensibly. SNCB is striving to reduce the use of mains water, to use more rainwater, to limit discharge of hazardous waste products into the waste water and improve recuperation of waste water after treatment.

The maintenance centres for the trains, including the 'train-washers', are the greediest consumers of water. In the maintenance centres, water is mainly used for sanitary facilities, showers, cleaning workshops, train-wash installations and filling the train water reservoirs. Rainwater is also increasingly being used for flushing toilets, cleaning workshops and washing the trains. Given the significant rise in water prices, the capture and use of rain water is economically interesting, however it is not free. Investments must be made in the infrastructure in order to capture it, and an internal distribution network with pipes and pumps must be installed.

Case: water recovery at the train wash unit of the Ostend workshop

The traction workshop (TW) in Ostend took a covered train wash unit into operation in 2005. The main advantage of covered train wash units is that trains can be washed regardless of the weather circumstances, whereas in uncovered units, washing is impossible at temperatures below zero. But TW Ostend goes even further: it catches the wastewater and filters it for renewed use in train washing, saving up to 80% of the mains water per unit.

How does the filtering work? The filthy washing water is caught in a tank and subsequently pumped to the oil separator. More tanks then serve to remove the waste through flocculation. The flakes sink to the bottom and are removed separately; the water is then pumped through a sand filter after which it is ready for use.

The cycle obviously is not unlimited, which is why TW Ostend uses measuring systems that check how many times the water can be reused. As soon as the water quality no longer meets certain conditions, it is discharged.

Target:

reduce mains water use – promote rainwater use (no quantitative target defined)

Schedule:

not defined

Situation 2012:

figures not available

Status:

not available

Managing waste in our workshops

Waste prevention and improved sorting: these are the two cornerstones of SNCB’s waste policy. A distinction is made between waste that is created in stations and trains, and waste that is produced by the workshops.

Case: efficient waste management at the Salzinnes workshop

The workshop in Salzinnes (Namur) has 720 employees. In 2005, the workshop was awarded an ISO 14001 certificate for environmental management; this targets issues such as economical use of natural raw materials, limiting hazardous emissions and waste management.

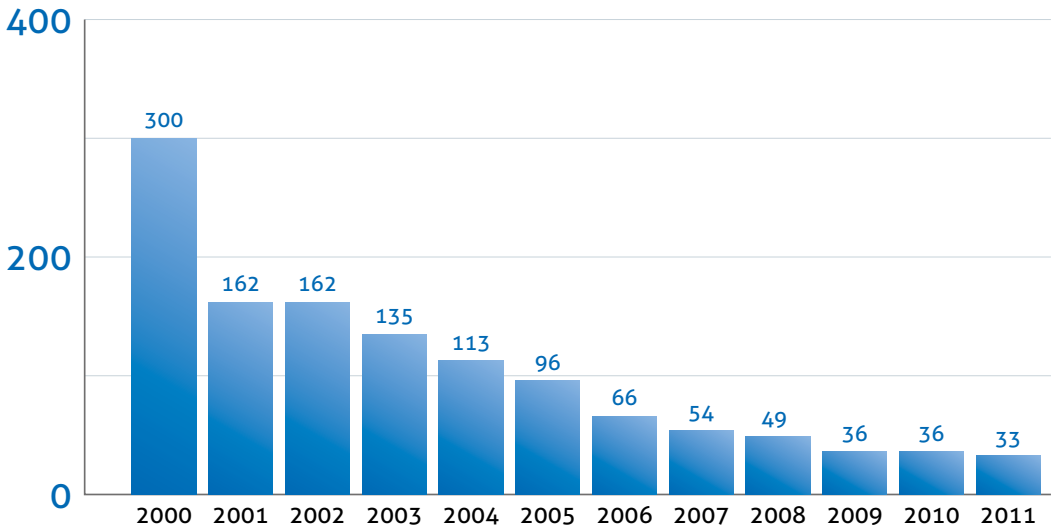
Waste management must comply with a vast range of parameters. Respecting existing legislation is the first priority, but there are many other objectives alongside this: reducing costs (recycling options, compacting waste), ensuring that sorting processes are improved, raising awareness among employees, checking (certificate of non-conformity), researching and developing new recycling methods.

Every hall in the workshop has a mini-recycling centre with a range of recycled goods that can then be resold, including cards, hazardous plastics, empty paint pots, used filters, ink cartridges, batteries from the locomotives, spray cans, containers, brake discs, polystyrene.... The sorting team collects the waste every day.

In order to encourage effective sorting among the staff, the workshop employs the “5S-method” which raises awareness in the workshop by means of posters. A sorting guide has also been produced. The 5S method, like many other quality systems, has been imported from Japan and encompasses a method of labour organisation that focuses on order and neatness (and maintaining this).

The results are staggering: in 2000, before implementation of the 5S method, the Salzinnes workshop produced approximately 300 tons of non-sorted waste. In 2011, only 33 tons – or almost 10 times less - were produced!

Production of non sorted waste at Salzinnes workshop (tons/year)



Introducing environmental management systems

An environmental care or environmental management system is targeted specifically at managing performance in the environmental sector. Such a system includes a set of measures taken by an organization so that in all aspects of business operations, the 'environment' is systematically taken into account. In addition to compliance with extensive environmental legislation, the ISO 14001 environmental care system requires the organization to continuously have an eye for possibilities to improve its own environmental performance.

The Central Workshops in Mechelen, Salzinnes and Cuesmes and the Traction workshop in Antwerp have been ISO 14001 certified since the end of 2007. The Merelbeke and Stockem traction workshops qualified for their ISO 14001 certificate in 2012.

The SNCB management contract stipulates that all the workshops need to be certified by the end of 2012. The deadline was not met. SNCB now expects all the workshops to be ISO 14001 certified by 2014.

Target

all workshops ISO 14001 certified

Schedule

2012

Situation 2012

6/12 workshops ISO 14001 certified (CW Gentbrugge will not be certified due to the construction of a new workshop in Melle)

Status



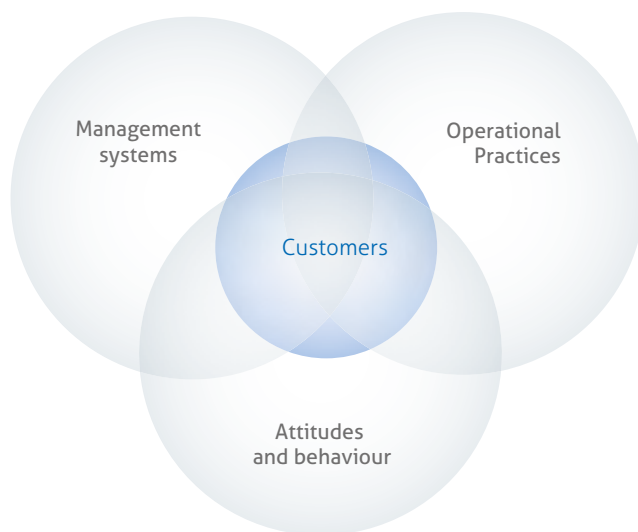


Profit & Performance

Increasing productivity and efficiency

Maintenance and repair workshops form the heart of SNCB. Without the daily efforts of more than 6,000 employees, no train can ride safely and comfortably. These workshops are facing a revolution. The Taylorian, strongly hierarchical approach of the working organization is being completely revised in order to provide an answer to the challenges of tomorrow. That is the commitment of the ambitious BeLEAN project: the introduction of lean management principles should lead to a more horizontal organization, empowerment of the employees on the shop floor, inspirational coaching instead of strict leadership and assertive teams. The final commitment: satisfied customers.

BeLEAN places the customer at the centre of the working organization. The focus is on what the customer considers to be added value. Operational practices and management systems are examined based upon this. The whole process is supported by the staff, so that their attitude and behaviour also play an important role in implementing the lean methodology.



The introduction of BeLEAN is done in phases and with clearly defined project groups in the various workshops. The Ostend and Salzennes workshops got things rolling in March 2011. In Ostend, a pilot project started with the electro-mechanics for electric traction. In Salzennes, the logistics department, which is responsible for distributing replacement parts and components to the various workshops, was the first to take part.

Meanwhile, projects have been started up in the Mechelen, Antwerp, Gentbrugge, Cuesmes, Charleroi, Vorst Merelbeke, Monceau and Schaarbeek workshops.

Case: Exchanging experiences with BeLEAN

In 2011 SNCB Technics launched the BeLEAN program. An informative session was organized for the management on 18 October 2012 at the Mechelen central workshop. 300 workshop and central services members came to Mechelen to listen to a presentation about the results of the BeLEAN program. They were able to exchange their experiences at workshops led by teams from different sites. The day ended with drinks

and chat. Georges of TW Antwerp and Isabelle of CW Salzennes share their opinions on the session.

Georges: "It is always interesting to meet colleagues with the same ambitions. For me, this day offered another opportunity to exchange information about BeLEAN with the other workshops. I will get in touch again shortly with my colleague from the Ostend traction workshop. We intend to compare our ways of organizing the daily production meetings (synchro meetings) in our own workshops. It will give us an opportunity to learn from each other and improve our own organization methods."

Isabelle: "We have made quite some progress with the BeLEAN project already. It allowed us to solve a few small problems. We were able to convince our colleagues at other workshops of our positive experience. We also concluded that some work methods are applied differently elsewhere. This is the case with the white board, which is used by colleagues to write down suggestions for improvement. Only if it is used daily can this communication tool be effective. We all agree on that."

Target

increase productivity by 4% annually

Schedule

2015

Situation 2012

further rollout of BeLEAN project as planned

Status



Progress indicators

Part time labour (situation end of year)	2009	2010	2011	2012
Number of part time employees (head count)	4,413	4,471	4,242	3,949
% of part time employment	21.04%	21.9%	21.51%	20.37%

Diversity (situation end of year)	2009	2010	2011	2012
Number of female employees (head count)	1,917	2,025	2,157	2,192
% of women newly recruited	16%	30%	26%	27%
Number of employees with other than Belgian nationality (head count)	95	94	107	120
% of employees with other than Belgian nationality	0.45%	0.46%	0.54%	0.62%
Number of employees with disabilities (head count)	297	328	325	407
Number of employees older than 45 (head count)	13,458	12,766	11,704	10,946
% of employees older than 45 (FTE)	64.15%	62.54%	59.34%	65.74%

Employment safety	2009	2010	2011	2012
Number of instances of aggression against train guards	987	1,085	1,230	1,178

Absenteeism	2009	2010	2011	2012
Average days of leave per employee for non-work related illness or injury (of other indicator for absenteeism)	18.85	17.77	17.2	17.94

Waste management	2009	2010	2011	2012
Sorted waste from trains and stations (tons)	6,098	8,039	7,795	8,411

Emissions (non traction)	2009	2010	2011	2012
CO ₂ emissions from heating buildings with fuel oil (tons)	9,529	11,083	9,433	n/a
CO ₂ emissions from heating buildings with natural gas (tons)	20,117	22,831	15,665	n/a
CO ₂ emissions from use of electricity in buildings and installations (tons)	9,094	8,841	3,070	n/a
CO ₂ emissions from vehicle fleet (tons)	1,339	1,357	1,303	n/a
Total CO₂ emissions from buildings, installations and vehicle fleet (tons)	40,079	44,112	29,472	n/a

Energy (non traction)	2009	2010	2011	2012
Primary energy use for heating buildings with fuel oil (GJ)	130,540	151,825	129,222	n/a
Primary energy use for heating buildings with natural gas (GJ)	365,768	415,109	284,821	n/a
Primary energy use for use of electricity in buildings and installations (GJ)	440,322	431,132	382,648	n/a
Primary energy use for vehicle fleet (GJ)	18,523	18,863	18,060	n/a
Total primary energy use for buildings, installations and vehicle fleet (GJ)	955,153	1,016,928	814,751	n/a

Water use (workshops)	2009	2010	2011	2012
Mains water use (m ³)	391,923	407,923	460,127	n/a
Rainwater use (m ³)	17,777	16,559	21,832	n/a
Groundwater use (m ³)	10,308	5,492	2,632	n/a
Industrial water use (m ³)	850	1,185	4,970	n/a
Surface water use (m ³)	3,186	2,987	12,877	n/a
Total water use (m³)	424,044	434,146	502,438	n/a
% of grey water compared to mains water	8.2%	6.4%	9.2%	n/a

Environmental management	2009	2010	2011	2012
Number of ISO 14001 certified workshops	4	4	4	6

CHAPTER 5

RESPONSIBILITY TOWARDS OUR STAKEHOLDERS

OPERATE COST-EFFECTIVE SERVICES



Introduction

A public company such as SNCB has a duty to pay special attention to its interested parties or stakeholders. Associations and official bodies which influence the policy of the railway operator are among the key stakeholders of SNCB.

Our stakeholders constitute an important target group in this report. Through its financing mechanisms via the government, the railway in our country requires substantial financial contributions from the community. It goes without saying that it is expected from a company like SNCB that in exchange for this, it provides a balanced and high-quality offering of train services and in this pays great attention to adequate management of operational costs.





People

Developing a new train offer

In 2012, SNCB Mobility ran approximately 3,700 domestic passenger trains on every workday and approximately 1,900 every weekend day.

- trains that ensure punctual and fast intercity/interregional connections (IC/IR trains);
- trains that ensure local connections (L);
- rush hour trains or extra trains (P)
- trains on suburban connections in and around Brussels, as an intermediate step towards realization of a regional express network or RER (CR);
- tourist trains which must accommodate season-related needs (T).

The existing transport plan dates from 1998. Since then, the number of passengers has sharply increased. Adjustments are made annually (new trains and adjusted compositions), but a comprehensive renewal operation is necessary. Such an operation takes several years of preparation and must, among others, take into account the new railway infrastructure provided by the infrastructure manager, Infrabel.



A substantial part of the new railway infrastructure was taken into operation in June 2012 with the Diabolo or northern railway access to Brussels Airport. Diabolo will ensure a much better connection between train traffic and air traffic and also greatly improve access to Brussels Airport from all the corners of our country. Also, it connects our national airport to the HST network, providing a direct connection to Paris, Amsterdam and Frankfurt.

SNCB Mobility is currently developing a new transport plan which will be introduced end 2014. In 2012 the introduction of the new transport plan was postponed with one year. The priorities of this plan are increased robustness, better connections (also with other modes) and a clear, punctual timetable. This plan will offer solace in the short to medium-term for accommodating the increasing number of passengers.

For the longer term, SNCB has conducted a strategic orientation study which maps out the future mobility demand and outlines the main points for a 2020-2030 offering. The fundamental principles of the 2014 transport plan continue to apply, but receive a much stricter interpretation. The plan assumes a minimal service of two trains per hour and in each direction for all stations and stops (provided sufficient demand). The trains travel every half hour or every fifteen minutes, which significantly decreases the need for additional rush hour trains. Currently, 31% of trains in the primary scheduling do not travel according to the punctual scheme, which increases the risks of disturbances in the train service and thus has a negative influence on punctuality.

Engaging stakeholders

SNCB attaches great importance to providing information to its stakeholders: key stakeholders such as TreinTramBus, ACTP (Association des Clients des Transports Publics), the ombudsmen, RCG/CCU (Raadgevend Comité van Gebruikers/Comité Consultatif des Usagers) and FOD M&V/SPF M&T (Federale Overheidsdienst Mobiliteit & Vervoer/Service public fédéral Mobilité & Transports) are invited about four times per year for an informational meeting which presents projects which are about to be realized. SNCB is also ready to enter into dialogue with local authorities or clients in order to, for instance, discuss the consequences of a change to the timetable or to provide more explanation about recurring problems on certain connections.

Target

engage stakeholders through informational meetings

Schedule

yearly about 4 meetings with key stakeholders

Situation 2012

3 meetings organised

Status





Planet

Promoting intermodality

SNCB focuses on new technologies in order to address the challenges of intermodality.

The SNCB 'route planner' informs passengers about the timetable upon arrival in and departure from stations and stops, and proposes 'door-to-door' routes. The route planner has been launched via the official SNCB website and via a mobile website (m.sncb.be). For the coming years, SNCB is aiming at further development of all travel information during the entire route of the customer, from door to door. More and more, information will be available in tailor-made fashion, personalized for every customer. In doing so, SNCB is playing the hand of the newest technologies: mobile (smartphone, tablets...), on social networks, via instant messaging and Bluetooth.

In 2011, SNCB took significant steps in preparing the introduction of a chip card. The card works on the basis of MoBIB technology used by the MIVB/STIB transport company in Brussels, and developed together with them. SNCB season ticket holders will receive the first instalment by early 2013. Starting in mid-2013, season tickets will only be created and renewed as a chip card. It is estimated that some

520,000 season ticket holders (commuting train tickets and school train tickets) will make use of the new chip card.

In function of experience, in the near future the chip card can also be used for other SNCB products, such as tickets. There is an array of advantages of the 'MoBIB' card: the chip cards are sturdier, safer, smaller and fit perfectly into the customer's wallet.

The card offers a great many future possibilities: all public transport companies in Belgium share the technological platform. TMIVB/STIB is the first partner for combined season tickets. De Lijn and TEC are to follow. The chip card can thus develop into an actual multi-modal transport ticket, which can also offer other services in addition to public transport (parking, bicycle rental...).

Steering environmental planning

Transport by train holds multiple ecological advantages. One of the less commented trump cards of the railway system is the use of space. In comparison to car transport, rail needs three times less space to transport an equal number of passengers. This makes railways particularly interesting for densely populated areas. Railways are a perfect tool in the development of a sustainable environmental planning. Urban planners can take into account the presence of

stations to concentrate industrial sites or new city areas, avoiding the use of open space for new constructions.

SNCB can stimulate the development of industrial or living areas by creating new services or stations. Good examples are the new station at Koksijde/Coxyde and the reopening of stops Beringen and Zonhoven in the province of Limburg. Koksijde prones an innovative

approach: the construction of the building was financed and managed by the municipality, whilst SNCB is in charge of commercial exploitation (ticket sales). One of the goals is to give a boost to coastal tourism. The stops Beringen and Zonhoven in the province of Limburg were closed years ago, but now reopened to promote durable mobility in an area largely dominated by car use.





Profit & Performance

Increasing profitability

SNCB suffered heavily between 2008 and 2010 under the consequences of the economic crisis and under the sharp increase of a number of significant costs, such as energy costs. It is of essential importance to SNCB to reduce these losses as quickly as possible in order to guarantee a sustainable future for the company.

For this reason, the Board of Directors of SNCB in October 2011 approved a plan to achieve a positive operating cash flow (EBITDA). In this period, SNCB will implement a number of reorganization measures, all with a view to the social importance of its activities and without unconditional dismissals.

The measures are aimed at more rational and more productive functioning. A limited number of staff members who are made redundant in a natural manner will not be replaced. Furthermore, a number of general costs such as consultancy, ICT, publicity, rent and cleaning of buildings will be reduced. Finally, the train offering will also be streamlined: in 2012, 193 trains with a very low covering cost were removed (approximately 5% of the total offering). An alternative is offered for affected passengers.

Target

positive EBITDA

Schedule

2015

Situation 2012

EBITDA of -45.1 mil. €

Status



Progress indicators

Stakeholders	2009	2010	2011	2012
Number of annual informational meetings with key stakeholders	3	4	3	3

Profitability	2009	2010	2011	2012
EBITDA (mil. €)	-288	-126	-107.7	-45.1

CHAPTER 6

RESPONSIBILITY TOWARDS THE COMMUNITY

CONTRIBUTE TO A SUSTAINABLE MOBILITY



Introduction

As one of the country's largest employer, we make a vital contribution to the economy, investing millions of euros. We keep employees and families moving and we provide an essential public service for many people. We also play an essential role in contributing to sustainable mobility: the train is a safe, climate friendly, increasingly quiet and congestion-free mode of transport.





People

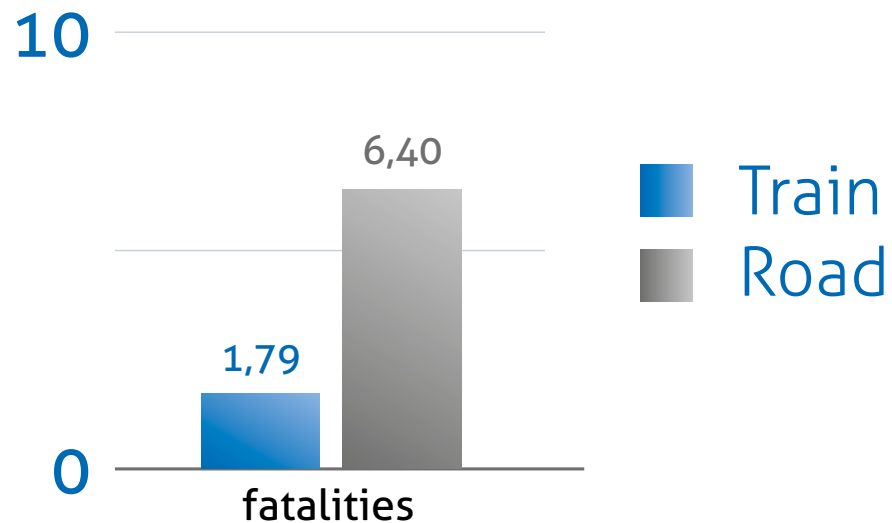
Offering safe mobility

The train is intrinsically a very safe means of transportation. In 2008, 2009, 2011 and 2012, no passengers died in accidents of which SNCB was at the cause. In 2010, 19 people lost their lives in a tragic train accident near Buizingen. The worst accident prior to Buizingen was the one in Pécrot in 2001, where regrettably 8 people died.

These figures do not take into account collisions at level crossings, suicides or accidents to be blamed on one's own carelessness. Suicides, for instance, take a great toll: an average of 90 people every year take their own lives by committing suicide on the tracks.

The train's high level of safety is even more apparent from a comparison with road traffic. In 2010 (the most recent year for which figures are available), there were 6.40 deaths per billion passenger kilometres (source: FPS Economy). In that same year, for the train there were 1.79 deaths per billion passenger km.

Fatalities and seriously injured per billion passenger km in Belgium
(Source: FPS Economy, 2010)



Fostering corporate citizenship

As a public enterprise, SNCB is committed to serving the community. The company supports several social initiatives every year.

11/02/2012

SNCB supports European 112 Day

Imagine the following scenario: you are visiting a European state and urgently need to call an ambulance, the fire brigade or the police. It's impossible to memorize all the emergency numbers for every state! Fortunately, you now need to remember only one number: emergency number 112! This is a unique emergency number that can be used at no cost from any land line or mobile phone in the European Union.

Together with other transport companies SNCB has joined this initiative and through its communication channels provides information to citizens about the use of emergency number 112.

05/05/2012

Train of the 1,000

On 5 May 2012 an exceptional train left from Brussels to Auschwitz-Birkenau. SNCB arranged the Train of the 1,000, carrying on board 1 000 young people. This extraordinary project (initiated by the Veterans Institute – National Institute of Disabled War Veterans, Veterans and Victims of War; the Auschwitz Foundation; and the International Resistance Federation) was organized to commemorate the 25 267 people who were deported from Mechelen to Auschwitz between 1942 and 1944.

The majority of the youngsters boarded the train at Schaerbeek station, the point of departure of those deported during WWII. The 1,000 students visited the camp together with survivors and witnesses. They also visited the Museum of Auschwitz and the termination camp Birkenau.

28-29/06/2012

Pictures of reading passengers

At the end of June, just before the start of the summer break, at the stations of Gent-Sint-Pieters, Antwerp Central, Ostend and Brussels-National-Airport, train passengers were given the opportunity to have their picture taken while reading their favourite book. A photographer, professional photo lighting, hundreds of enthusiastic readers and the overwhelming decor turned train stations into an exciting photo studio.

The summer holiday usually is the period when people read most. The Reading Foundation (Stichting Lezen) and SNCB joined forces to put the spotlight on that enthusiastic group of readers and to ring in the summer season.

25-28/08/2012

Oxfam Trailwalker: walking for a better world

Oxfam Trailwalker is a unique team challenge to rid the world of poverty and injustice. It is a 100 km hike through the High Fens, traversed by teams of four people in a maximum of 30 hours. Each team collects at least € 1,500 for the Oxfam projects in the South and North. SNCB displayed its social engagement by offering participants a train journey free of charge to the departure point.

16-22/09/2012

Mobility Deal during Mobility Week

As in previous years in 2012 SNCB again strongly supported Mobility Week. This year the company issued a special ticket, the Mobility Deal, offering passengers second class travel between two Belgian stations at the fixed price of € 9.90. At the Delta station in Brussels, train guards handed out 200 breakfasts to train passengers. 200 seven-day rail passes were handed out to companies and schools participating in the action "To school/to work but not by car".

In Flanders, SNCB supported the new mobility website Smove (www.s-move.be), which stands for "Smart Move", in its pursuit of original novelties about sustainable transport. Furthermore, the railway company cooperated in the photo competition organized on the occasion of the car-free Sunday with 25-euro train travel vouchers to be won. Last but not least, on Sunday 16 April, texts and poems on mobility were being read aloud in the trains between Antwerp Central and Antwerp Berchem.

15/10/2012-15/11/2012

Sustainable Mobility Expedition

From 15 October to 15 November the Union for a Better Environment organized the so-called Sustainable Mobility Expedition. One hundred people who use their car at least five times a week accepted the challenge of reducing their car use by one third. SNCB lent the Expedition a helping hand by offering free train tickets.

10/2012

Pink ribbon: raising breast cancer awareness via the train

With 10,000 new cases per year, breast cancer is the most common form of cancer in Belgium. Establishing the disease in a woman also greatly affects the people around her. Consequently, communication and dialogue are of primary importance, both to encourage women to undergo preventive check-ups and to support the women affected and their families. Women and men, anyone may be affected directly or indirectly.

In October 2012 SNCB supported the Pink Ribbon action. During the entire month the train guards and counter staff, in their role as ambassadors of SNCB, wore a pink ribbon on their uniforms. SNCB also supported Pink Ribbon by organizing an information meeting for its staff which was held on 25 October at its premises in Brussels. During the presentation by a physician on prevention and ways of detecting the illness, participants were given the opportunity to gather information and ask questions.

3/12/2012

Commitment to children's rights

The Federal Public Service Foreign Affairs and the Global Compact Network Belgium hosted the first Belgian Children's Rights and Business Principles Forum on 3 December 2012 at the Egmont Palace in Brussels. The Forum is a result of the commitment to His Secretary General Ban Ki Moon of two Belgian participants of the Global Compact Network Belgium at the LEAD meeting at the World Economic Forum in Davos, Telenet and Rosy Blue, to promote children's rights and business principles in Belgium and abroad.

Marc Descheemaeker, CEO of SNCB, talked about SNCB's role in the public transport sector to respect and support children's rights. Three important platforms in a child's development were discussed: education, protection and fun. SNCB focuses on education by providing schools with access to transportation. With regards to protection, the company collaborates with the European Center for Missing and Sexually Exploited Children, and trains their employees on how to identify and help children who have run away from home. To engage in the fun platform, SNCB offers special discounts for groups and families in the weekends to encourage more outings and excursions for children.



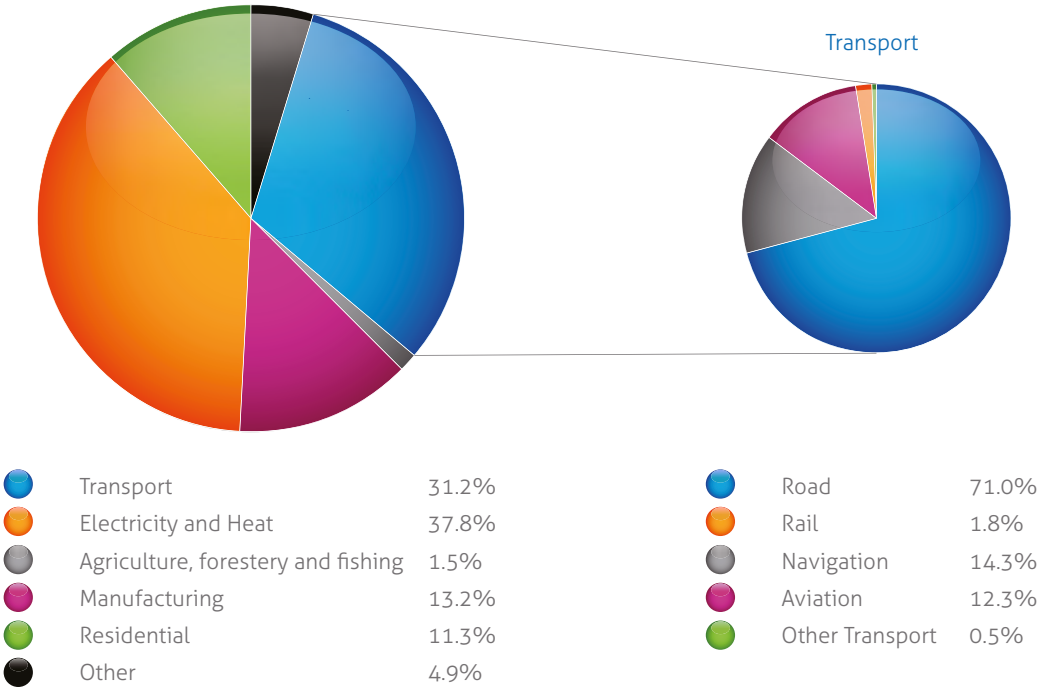
Planet

Delivering climate-friendly mobility

In 2009, the European transport sector (EU27) was responsible for approximately 31% of total CO₂ emissions from fuel combustion in Europe. Road transport accounted for 71% of all CO₂ emissions from European transport, railways for only 1.8%. Between 1990 and 2009, CO₂ emissions from European transport grew by nearly 28%: all transport modes – except railways – have increased their total emissions. (Source: International Energy Agency – International Union of Railways, 2012)

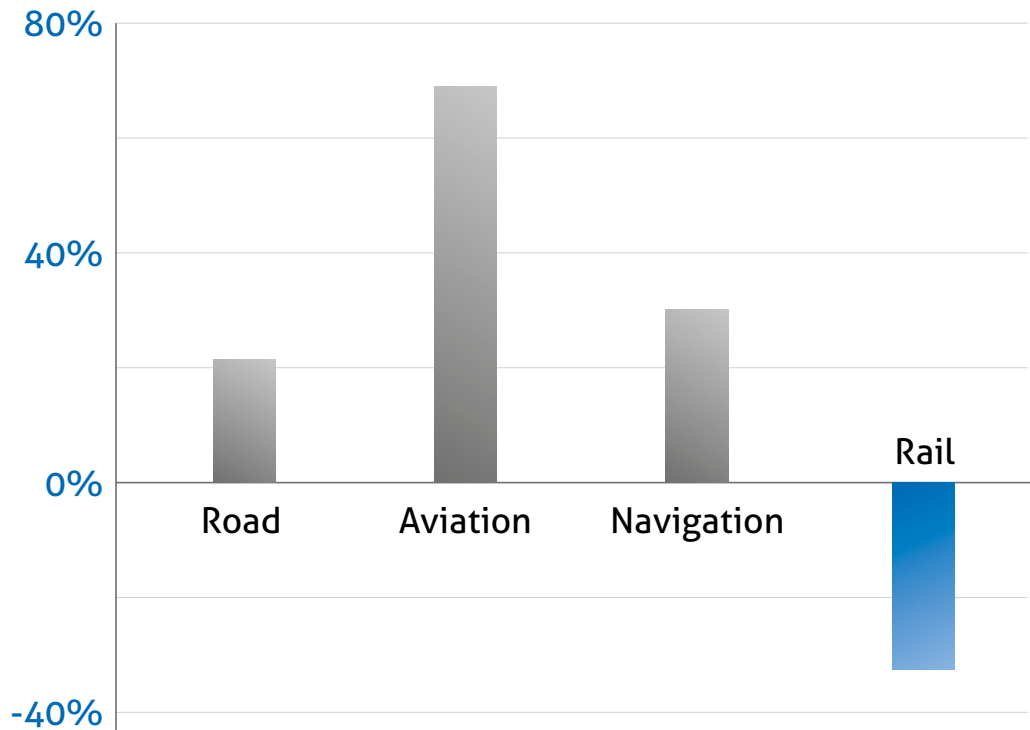
EU27 CO₂ emissions from fuel combustion by sector

(Source: IEA – UIC, 2012)



Change in CO₂ emission from fuel combustion per mode between 1990 and 2009

(Source: IEA – UIC, 2012)



In Belgium, passenger rail has a market share of 7% but accounts for only 1% of all CO₂ emissions of road transport.

But it is not because the train is today a very CO₂-friendly means of transport that we can rest on our laurels tomorrow. The European Commission wants to have a sustainable system of transport in Europe by 2050 and with this is aiming at a massive reduction of emissions of greenhouse gasses. The train can

play a major role in this. That is why the railway sector has set ambitious long-term targets for CO₂ reduction:

- **target 2020:** European railways have committed to the reduction of specific CO₂ emissions from train operations by 30% compared to 1990;
- **target 2030:** European railways have committed to the reduction of specific CO₂ emissions from train operations by 50% compared to 1990;

- **vision 2050:** European railways will strive towards carbon-free train operation by 2050

SNCB actively contributes to help realize these objectives. Between 1990 and 2012, specific CO₂ emissions in passenger transport decreased by no less than 60%. The decline is even so strong that the European target of -30% was already reached in 2005 and the target of -50% in 2008.

Case: collecting green points at SNCB Europe

GreenPoints is the new loyalty scheme from SNCB Europe for businesses that prioritize 'green' transport, namely train travel. This scheme enables passengers to save points when purchasing an international train ticket (via SNCB or an SNCB accredited travel agent). Every euro spent means one point saved and these points are valid for two years from the purchase date. For example: starting from 3 500 points, beneficiaries can obtain a free ticket for the IC to Amsterdam; 5 000 points earns them a free ticket Brussels-Paris.

Businesses that want to take part in the loyalty program are issued a unique number, which they have to state at every booking. March 2012 was the first occasion when companies were allowed to redeem their points. At this moment about one third of the business customers of SNCB Europe participate in GreenPoints.

Target

-50% CO₂ emissions per passenger-km from train operations compared to 1990

Schedule

2030

Situation 2012

-60%

Status

Reducing noise impact

Noise disturbances as well as vibrations are important issues when it comes to sustainable transport. Across Europe, millions of people are affected by noise, especially traffic noise. The impact of railway noise however tends to be limited to people living along rail network routes, and so affects far fewer people. Furthermore, a study by the European Commission (2004) has shown that the railway disturbs fewer people per unit of noise than road and air traffic.

Nevertheless, noise is still a key environmental issue for railways, and the European Union is introducing more stringent noise requirements for railway operations. Together with European Directive 2002/49/EC relating to the management of environmental noise, the theme of noise is also addressed in various Technical Specifications for Interoperability (TSIs). A TSI has been in force since 2006 which imposes noise standards for new or converted rolling stock. The noise standard from the TSI applies as a legal standard.

In 2006, approximately 12% of SNCB train stock for passenger traffic met the European noise standard for new or converted train stock. In 2012 that was already the case for 23% of trains. The target is that by 2015, 38% of the rolling stock must be in compliance with the standard.

Target

38% of rolling stock in compliance with TSI Noise

Schedule

2015

Situation 2012

23% in compliance with TSI Noise

Status



Profit & Performance

Fighting congestion

Traffic delays cost vast financial sums in lost productivity, not to forget wasted fuel.

Furthermore, due to the anticipated growth in road traffic, the congestion problem in Belgium will inevitably continue to increase.

Rail clearly offers solutions to traffic congestion: the train is the preeminent alternative to traffic jams for the commuter. Without the train, the flow of traffic to and from Brussels would indeed come to a standstill.

SNCB thus offers employers ready-made formulas with which they can convince their employees to opt for the train, thereby avoiding daily traffic jams on the roads.

Railease

Railease combines advantages of the train with those of the car. With this formula, employees can combine use of their leased car with the train, always in function of travelling. A journey from city centre to city centre, for example, is much more efficient with the train than with the car. In 2012, 79,901 people made use of Railease.

Third-party payer agreement

If companies agree to close a third-party payer contract with SNCB, their employees can then travel with the train at no charge. The employer commits to pay 80% of the journey railcard and the federal government contributes the remaining 20%. This formula has existed since 2005 and is a great success. The number of third-party payer agreements more than doubled between 2008 and 2012!

Contractual ticket on line

Thanks to this formula, companies can purchase and print their own tickets for their employees. It is an easy way to have tickets available quickly. And it is the ideal formula for occasional train trips by employees or clients. At the end of the month, the employer receives a detailed invoice of all tickets ordered. In 2012, 187,973 tickets were sold.

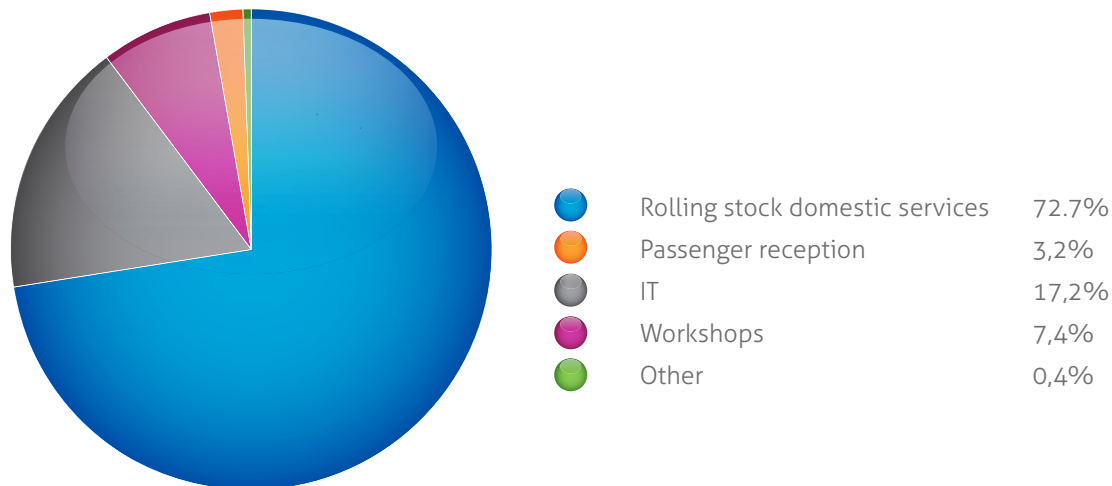
Providing value for money

In 2012, SNCB invested 423.0 million euros. That money went primarily for new trains (72.7%). In terms of new stock the new Desiro power cars take the biggest share of the expenditure, followed by the T18 locomotives. Furthermore, in the area of passenger equipment, modernization (Break-power cars and M5 carriages) and installation of TBL1+ and ETCS are important investment items.

For future rolling stock purchases, SNCB is currently developing a project in which the entire life cycle cost is taken into consideration as an award criterion. The life cycle cost of the rolling stock will hereby be divided into different cost categories in which energy consumption and environmental cost (e.g. noise) are given a place.

SNCB continues to work on a thorough renewal of its management tools with the introduction of ERP-related applications. These include information management, customer relations management (CRM) as well as personnel applications, such as more optimal registration of activities in the workshops. The workshops also receive more resources, on the one hand for renovation works, on the other hand for investments in new workshops. Last but not least, an investment of almost € 10 million was made into passenger reception (e.g. new vending machines).

SNCB investments in 2012



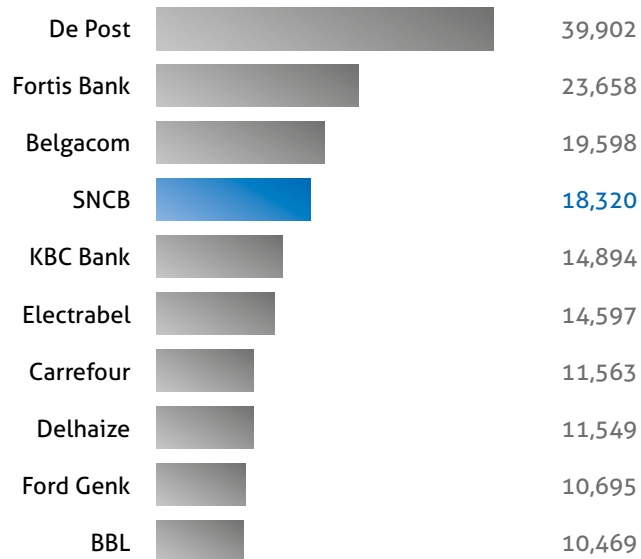
Rendering stable employment opportunities

Employees are the greatest asset of our company as they enable the growth and development of the railways.

On 1 January 2013, SNCB employed 18,320 full-time equivalents. This makes SNCB one of Belgium's largest companies in terms of number of employees. In 2012, a total of 920 new employees were recruited.

About 98% of all SNCB employees work on a permanent basis (statutory basis). An employee that is recruited on a statutory basis does not sign an employment contract but falls under the remit of the personnel statute that sets out the legal terms and conditions of the statutory employee. The personnel statute encompasses definitions which relate to recruitment, remuneration, holidays, various rights and obligations, social advantages and pensions etc.

Non-statutory or temporary employees (about 2% of all SNCB employees) are recruited in order to meet extraordinary and temporary demands, to carry out tasks that require specific knowledge or requirements, to replace other staff during periods of absence or to conduct specific, additional tasks.



Progress indicators

Climate friendly mobility	2009	2010	2011	2012
Specific CO ₂ emissions from passenger trains (g/passenger-km)	26.5	26.6	22.8	21.1
CO ₂ emissions from electric passenger trains (tons)	238,244	264,876	205,188	179,152
CO ₂ emissions from diesel passenger trains (tons)	37,661	35,263	41,695	45,509
Total CO₂ emissions from passenger trains (tons)	275,905	282,139	246,883	224,661

Safe mobility	2009	2010	2011	2012
Fatalities per 100 million passengers	0	8.1	0	0

Noise	2009	2010	2011	2012
% of rolling stock in compliance with TSI noise	17%	18%	21%	23%

Congestion	2009	2010	2011	2012
Numbers of Rorelease users (*) product launched mid 2008	108.084	61.238	93.691	76.901
Number of third-party payer agreements	3.954	5.391	5.907	6.667
Number of contractual tickets online	151.133	172.263	230.317	187.973

Investments	2009	2010	2011	2012
Amount invested (Mil. €)	432	407	687	423

Workforce (situation end of year)	2009	2010	2011	2012
Total number of employees (FTE)	20,118	19,542	18,896	18,320
Permanent employees (FTE)	19,701	19,116	18,493	17,925
Temporary employees (FTE)	417	426	403	395
Breakdown by job category (FTE)				
Train guards	2,618	2,552	2,480	2,784
General services	2,956	2,955	2,863	1,883
Station staff	4,195	4,008	3,670	3,616
Train drivers	4,414	4,170	4,063	3,915
Workshops	5,935	5,857	5,820	6,118
Total number of recruited employees	948	659	948	920

CHAPTER 7

FLEET OVERVIEW



Electric locomotives



T11

Construction year: 1985-1986

Max. speed: 140 km/h



T13

Construction year: 1997-2001

Max. speed: 200 km/h



T18-19

Construction year: 2011-2013

Max. speed: 200 km/h



T20

Construction year: 1975-1977

Max. speed: 160 km/h



T21

Construction year: 1984-1988

Max. speed: 160 km/h

**T23**

Construction year: 1955-1957

Max. speed: 130 km/h

**T26**

Construction year: 1964, 1969-1971

Max. speed: 130 km/h

**T27**

Construction year: 1981-1984

Max. speed: 160 km/h

**T28**

Construction year: 2007-2009

Max. speed: 160 km/h

Electric railcars



Thalys "PBKA"

*Construction year: 1997-1999
Max. speed: 300 km/h
Number of seats first class: 120
Number of seats second class: 257*



AM00

*Construction year: 1962-1966
Max. speed: 130 km/h
Number of seats first class: 28
Number of seats second class: 152*



AM05-06

*Construction year: 1966-1979
(refurbished between 1999 and 2011)
Max. speed: 140 km/h
Number of seats first class: 28
Number of seats second class: 150*



AM "Quadruple"

*Construction year: 1975-1979
(refurbishment starts in 2012)
Max. speed: 140 km/h
Number of seats first class: 56
Number of seats second class: 302*



AM03 "Break"

*Construction year: 1980-1985
(being refurbished since 2009)
Max. speed: 160 km/h
Number of seats first class: 32
Number of seats second class: 221*



AM09 "Sprinter"

Construction year: 1986-1989

Max. speed: 120 km/h

Number of seats first class: 40

Number of seats second class: 137



AM96

Construction year: 1996-2000

Max. speed: 160 km/h

Number of seats first class: 45

Number of seats second class: 167



AM08 ("Desiro")

Construction year: 2011-2015

Max. speed: 160 km/h

Number of seats first class: 32

Number of seats second class: 248

Diesel Railcars



AM41

Construction year: 2000-2002

Max. speed: 120 km/h

Number of seats first class: 12

Number of seats second class: 138

Carriages



I11

Construction year: 1996-1997

Max. speed: 200 km/h

Number of seats first class: 60

Number of seats second class: 80



I6

Construction year: 1977-1978

Max. speed: 160 km/h

Number of seats first class: 54

Number of seats second class: 66



I10

Construction year: 1987-1988

Max. speed: 160 km/h

Number of seats first class: 66

Number of seats second class: 86



M4
Construction year: 1979-1984
(refurbished between 1996 and 2009)
Max. speed: 160 km/h
Number of seats first class: 72
Number of seats second class: 104



M5
Construction year: 1986
(being refurbished since 2009)
Max. speed: 140 km/h
Number of seats first class: 142
Number of seats second class: 146



M6
Construction year: 2001-2011
Max. speed: 150 km/h
Number of seats first class: 124
Number of seats second class: 140

CHAPTER 8

REPORTING METHODOLOGY



SNCB established a Corporate Social Responsibility report in line with the ten principles of the United Nations Global Compact. This overview indicates where the information regarding respecting and implementing these principles can be found in the report.

Issue area	Global Compact Principle	Report references
Human Rights	<ul style="list-style-type: none"> • Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights. • Principle 2: Businesses should make sure that they are not complicit in human rights abuses. 	<ul style="list-style-type: none"> • Customers – People – Increasing operational safety • Employees – People – Fighting against aggression • Employees – People – Facilitating employee relations • Employees – Progress indicators (diversity, employment safety, absenteeism)
Labour	<ul style="list-style-type: none"> • Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining. • Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour. • Principle 5: Businesses should uphold the effective abolition of child labour. • Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation. 	<ul style="list-style-type: none"> • Employees – People – Facilitating employee relations • Employees – People – Encouraging diversity • Employees – People – Encouraging diversity • Employees – Progress indicators (diversity)
Environment	<ul style="list-style-type: none"> • Principle 7: Businesses should support a precautionary approach to environmental changes. • Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility. • Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies. 	<ul style="list-style-type: none"> • Customers – Planet – Staying a green transport solution • Customers – Progress indicators (energy consumption (trains)) • Employees – Planet – Reducing energy consumption in our workshops • Employees – Planet – Reducing water use in our workshops • Employees – Planet – Managing waste in our workshops • Employees – Planet – Introducing environmental management systems • Employees – Progress indicators (emissions (non traction), energy (non traction), water use (workshops), waste management, environmental management) • Stakeholders – Planet – Promoting Intermodality • Stakeholders – Planet – Steering environmental planning • Community – Planet – Delivering climate-friendly mobility • Community – Planet – Reducing noise impact • Community – Progress indicators (climate-friendly mobility, noise)
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	No relevant report references

Colophon

Text

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Design

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Photos

SNCB Corporate Communication / SNCB Holding

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This report is established in line with the ten principles of the United Nations Global Compact

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