RepTrak™ Belgium 2012
LET’S SET THE TONE!
25.04.2012
akkanto + the Reputation Institute

= A complete range of tools and services to support your reputation, from crisis management up to long term value creation

akkanto’s products and services
Reputation Institute tools
Introduction

What is reputation and why should we manage it?
In the new reputation economy, active reputation management is not optional

About 65% of a company’s market value is attributable to reputation

1% reputation increase results in 3% increase of market value

Perception of products and services explain 39% of purchase consideration. Perceptions of the enterprise behind them account for 61%

Measuring reputation is the new « balanced scorecard », (as brand-building was a proxy for corporate greatness before)

By 2015, more than 50% of Global 2000 companies will have set Reputation as a measurable strategic KPI, and defined a specific responsible for it (CRO)

Source: Reputation Institute 2011 Global RepTrak™ Pulse
Reputation is an emotional link securing measurable behaviours

A company doesn’t own its reputation, it receives it!
Reputation Predicts Stakeholders’ Support and therefore Business Results

Direct Experiences
- Products
- Customer Service
- Investments
- Employment

What the Company Communicates
- Branding
- Public Relations
- Marketing
- Social Responsibility

What Others Say
- MEDIA (Traditional, Social)
- Topic Experts
- Leaders
- Friends/Family

Perceptions
- Performance
- Reputation
- Leadership
- Governance
- Strategy

Behaviour
- Purchase
- Recommend
- Invest
- Recommend
- Work for

Business Results
Companies Interact with many Stakeholders but the Focus Here is Reputation in the General Public

Reputation is the consolidated image on a company from ALL of its stakeholders
Methodology of the Belgium RepTrak™ 2012

| **Total Sample** | • 14.087 respondents  
|                  | • representative of the Belgian population |
| **Sample per company** | • 300 respondents  
|                      | • on basis of familiarity about the company |
| **Field period** | • January and February 2012 |
| **Data collection method** | • 15 minutes on line interviews  
|                      | • Scores are adjusted to overcome cultural bias |
| **Criteria of inclusion in the assessment** | • predominantly Belgian ownership or have a significant Belgian history  
|                                               | • companies were ranked on the BEL20 index, revenue, profit and number of employees  
|                                               | • known by at least 40 % of general public  
|                                               | • already assessed in 2011 |
Mistrust in Belgium?
A difficult context
end 2011 – beginning 2012

Belgian political crisis

Belgian economic crisis, threat of austerity measures

Global economic crisis resulting in degraded notations for Belgium

Greek debt crisis, and threat on the Euro zone

A climate that decreases confidence in institutions
Trust in Belgium and its government

How do you personally feel now?

- 7.5% I have more trust in Belgium as before
- 54.7% I have the same trust in Belgium than before
- 37.8% I have less trust in Belgium than before

After more than one year of political instability, would you say that you now trust the government to do what is right for the country?

- 7.2% Yes, completely
- 3.8% Yes, somehow
- 27.3% No, not really
- 32.7% No, not at all
- 29.1% Don’t know
Trust in institutions: a decrease putting the individual and his/her close network at the center

Which are the 3 companies or institutions in Belgium that you most trust?

- 63% no mention
- 26% one mention only
- 5% two mentions only
- 6% three mentions

“I trust my mother!”

“My local contacts are the ones I refer to”

“They are all the same: cheating on us!”

“Only trust myself”
The growing impact of products and services and corporate governance

Belgium Drivers 2012

<table>
<thead>
<tr>
<th>Category</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products &amp; Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation</td>
<td>18.0%</td>
<td>20.0%</td>
</tr>
<tr>
<td>Workplace</td>
<td>14.2%</td>
<td>11.7%</td>
</tr>
<tr>
<td>Governance</td>
<td>14.2%</td>
<td>17.0%</td>
</tr>
<tr>
<td>Citizenship</td>
<td>14.5%</td>
<td>14.3%</td>
</tr>
<tr>
<td>Leadership</td>
<td>12.9%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Performance</td>
<td>12.5%</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

Sample: All respondents (14087)

n = 13,200
Adj-R² = 0.672

Refer to appendix for description of modeling procedure (Country Driver Analysis)
Zoom on key industries in Belgium

- Mobile Workforce
- Logistics
- Transportation
- Security
- Household
- Healthcare
- Construction
- Manufacturing
- Retail
- Hospitality
- Government
- Professional
Only industries with a minimum of 3 companies are included in this report.
Set the tone!

“A 10% change in CEO reputation results in an estimated 24% change in a company's market capitalization”.

Source : David Larcker, professor of accounting at the Wharton School

CEOs, you set the tone of your company’s reputation!

“40% of my time, I communicate our company’s credo”
Jim Burke – Johnson & Johnson CEO
A recognised role, but still an empty seat?

Would you say that the reputation of a company depends on the reputation of its CEO?

...but 84% of the respondents have no idea about the names of the CEO, hence highlighting a lack of positive visibility and footprint of Belgian CEOs.
....and a still not high enough level of trust

Do you trust the CEO of Company X to do what is right for his / her company ?

Average = 3.2

“CEO reputation represents 45% of a company's reputation”.
Source : CEO Capital Research
CEOs: a role yet to be taken, a platform to occupy

CEOs generate negative feelings because they are seen as:

- Not visible enough, hiding behind their organisation
- Selfish
- Driven by money and politics
- Not responsible enough
- Not human enough
A role to play urgently: bonding and aligning!

It is all about setting the tone, and making sure all the best people internally play their parts TOGETHER, with the same will and vision: creating meaning, and, as a consequence emotion and bonding.
The 2012 Reputation Ranking
35 Companies assessed in Belgium
An overall decrease of about 5 points

From 64.3 in 2011

To 59.1 in 2012
Would trust – an emotion – depend on the level of activity, information and education?

<table>
<thead>
<tr>
<th>RepTrak Pulse</th>
<th>Age group</th>
<th>Gender</th>
<th>Trust in Belgium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>18-24</td>
<td>25-34</td>
<td>35-44</td>
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<tr>
<td></td>
<td>61,1</td>
<td>57,9</td>
<td><strong>57,4</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Area</th>
<th>General education level</th>
<th>Brussels</th>
<th>Flanders</th>
<th>Wallonia</th>
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<tr>
<td></td>
<td>low</td>
<td>middle</td>
<td>high</td>
<td></td>
</tr>
<tr>
<td></td>
<td>59,8</td>
<td>59,3</td>
<td><strong>56,8</strong></td>
<td></td>
</tr>
</tbody>
</table>

Belgian companies will regain trust if and only if they give their stakeholders good reasons to believe – on a rational level – that there are direct benefits for them in dealing with these companies.
The highest Pulse score for 2012 is... 79.6
# Corporate Reputations in Belgium 2012 - Top 35

<table>
<thead>
<tr>
<th>Rank</th>
<th>Company</th>
<th>Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Colruyt</td>
<td>79.6</td>
</tr>
<tr>
<td>2</td>
<td>Spadel</td>
<td>74.4</td>
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<tr>
<td>3</td>
<td>Neuhaus</td>
<td>74.3</td>
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<tr>
<td>4</td>
<td>Delhaize</td>
<td>73.2</td>
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<tr>
<td>5</td>
<td>Tiense Suiker raffinaderij</td>
<td>71.6</td>
</tr>
<tr>
<td>6</td>
<td>Janssen Pharmaceutica</td>
<td>70.0</td>
</tr>
<tr>
<td>7</td>
<td>Bekaert</td>
<td>69.7</td>
</tr>
<tr>
<td>8</td>
<td>D'leteren</td>
<td>69.7</td>
</tr>
<tr>
<td>9</td>
<td>Omega Pharma</td>
<td>66.4</td>
</tr>
<tr>
<td>10</td>
<td>Solvay</td>
<td>65.6</td>
</tr>
<tr>
<td>11</td>
<td>Brussels Airlines</td>
<td>65.4</td>
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<tr>
<td>12</td>
<td>Makro</td>
<td>64.0</td>
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<tr>
<td>13</td>
<td>Mestdagh</td>
<td>63.6</td>
</tr>
<tr>
<td>14</td>
<td>Nationale Loterij</td>
<td>61.7</td>
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<tr>
<td>15</td>
<td>Alken Maes</td>
<td>60.7</td>
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<tr>
<td>16</td>
<td>UCB</td>
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<tr>
<td>17</td>
<td>bPost</td>
<td>59.1</td>
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<tr>
<td>18</td>
<td>Carrefour</td>
<td>57.9</td>
</tr>
<tr>
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<td>KBC/CBC</td>
<td>56.8</td>
</tr>
<tr>
<td>20</td>
<td>Umicore</td>
<td>56.4</td>
</tr>
<tr>
<td>21</td>
<td>Telenet</td>
<td>56.0</td>
</tr>
<tr>
<td>22</td>
<td>Tessenderlo Group</td>
<td>56.0</td>
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<tr>
<td>23</td>
<td>Ablnbev</td>
<td>55.7</td>
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<tr>
<td>24</td>
<td>VOO</td>
<td>54.6</td>
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<td>25</td>
<td>ING</td>
<td>53.3</td>
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<td>26</td>
<td>Belgacom</td>
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<td>27</td>
<td>Electabel</td>
<td>52.1</td>
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<td>28</td>
<td>Mobistar</td>
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<td>29</td>
<td>BNP Paribas Fortis</td>
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<td>30</td>
<td>Distrigas</td>
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<td>MIVB/STIB</td>
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<td>34</td>
<td>NMBS/SNCB Group</td>
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<td>35</td>
<td>Dexia Bank Belgium</td>
<td>28.3</td>
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</table>
Decrease almost everywhere

<table>
<thead>
<tr>
<th>1 - 12</th>
<th>13 - 24</th>
<th>25 - 35</th>
</tr>
</thead>
<tbody>
<tr>
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<td>17 bPost</td>
<td>29 BNP Paribas Fortis</td>
</tr>
<tr>
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<tr>
<td>12 Makro</td>
<td>na</td>
<td>35 Dexia Bank Belgium</td>
</tr>
</tbody>
</table>
Reputation Dimensions – Highest ranked companies in Belgium

Products & Services
- Colruyt: 82.3
- Neuhaus: 77.7
- Bekaert: 77.2
- Tiense Suiker Raffinaderij: 76.3
- Delhaize: 74.8

Innovation
- Janssen Pharmaceutica: 72.8
- Colruyt: 71.9
- Omega Pharma: 70.3
- Bekaert: 69.9
- Solvay: 67.3

Workplace
- Colruyt: 72.9
- Janssen Pharmaceutica: 70.1
- Omega Pharma: 65.8
- Spadel: 65.5
- Bekaert: 64.3

Governance
- Colruyt: 76.4
- Spadel: 66.5
- Neuhaus: 66.3
- Delhaize: 65.5
- Janssen Pharmaceutica: 65.1

Citizenship
- Colruyt: 74.0
- Janssen Pharmaceutica: 68.8
- Spadel: 67.9
- Omega Pharma: 65.2
- Delhaize: 65.2

Leadership
- Colruyt: 77.6
- Omega Pharma: 74.1
- Janssen Pharmaceutica: 73.3
- Delhaize: 69.6
- Bekaert: 69.6

Performance
- Colruyt: 79.7
- Janssen Pharmaceutica: 74.5
- Nationale Loterij / Loterie Nationale: 73.4
- Delhaize: 71.9
- Omega Pharma: 71.8
Key takeaways
Conclusions 2012

- Decrease of 5 points
- Colruyt: winner for the second time
- Banking sector: almost 15 points decrease

**Decreasing reputations**

- Mistrust in Belgium
- Mistrust in government
- Mistrust in institutions

**In a context of mistrust**

- Recognised role of CEO in reputation
- CEOs are unknown to general public

**CEO ? An empty seat**

- A new intent: align all their internal and external stakeholders
- An new attitude: transparency, proximity, humanity

**CEO Alignment: the new challenge**
Are you ready to:

...make decisions using a common lens for understanding stakeholders and how they impact each other.

...listen to what key stakeholders expect and align activities with stakeholder expectations globally and locally.

...define, develop and track KPI’s constantly to understand strategic position and inform action.

...make reputation an individual responsibility and manage it across functions.
Are you ready to set the tone?