



O<sub>2</sub> UK review

# Looking into the UK



## A message from David McGlade, CEO O<sub>2</sub> UK

### Good corporate citizenship is embedded in the way we run our business in the UK.

Whether it operates in the background – such as supply-chain management and environmental policies – or in the form of better-recognised community investment activities, our corporate responsibility programme delivers social and business value in equal measure.

Much of that value comes from the inspiration of our employees and, increasingly, our customers and other stakeholders. The level of engagement by our employees in our chosen national and community projects is terrific. It shows how much they value working for a company that wants the vast untapped potential of mobile to work as a force for wider social good.

Our support for Milly's Fund, our current charity of choice in the UK, is an example of how powerful the results can be

Front cover: Mark James, beneficiary of the 'Me, Myself, I' scheme run by the Foyer Federation, that addresses homelessness amongst young people.

when we combine with dedicated partners to tackle tough issues where mobile could make a powerful contribution. The 'Teach UR Mum 2 TXT' campaign is one of several initiatives we are involved in to promote greater safety for young people.

It's also great that our sponsorships of the England rugby team and the Arsenal soccer club are offering young people new opportunities through community-based sport activities.

Customers are pleased that we take care to act responsibly. The growing strength of our brand shows this is exactly what they expect of us.



David McGlade, CEO O<sub>2</sub> UK

# Protecting young people

We believe in addressing safety concerns proactively and were amongst the first to raise the issue of child safety and mobile phones. We highlighted the potential hazards children and young people may be exposed to like bullying, theft and, with the introduction of data-rich services, pornography.

To raise awareness among parents and children we have published a series of leaflets giving advice to people, particularly parents and carers, on how children can use their phones safely. These cover issues like the sensible use of camera phones, safety in chatrooms, dealing with nuisance calls and bullying. The leaflets have been made available in our stores, on our website and at various public meetings. They have proved popular in helping parents understand mobile technology.

We have also introduced moderation of all our chatrooms. Public text chats, such as our TXT Chat service, are moderated before messages are published, and WAP Chats are moderated after messages

are published. The moderators also keep an eye out on our chat services for any young people in distress and will refer them on to organisations that can help, such as the Samaritans.

Our dedicated Nuisance-Call Bureau, a team of 17, help

customers who have received malicious calls or who are being bullied by text message. Employees from the Nuisance-Call Bureau also visited 52 schools as part of the Prison Service's 'Prison, me no way' campaign.



## Teach UR Mum 2 TXT

Sally and Bob Dowler's world was turned upside down when their daughter Milly went missing. But they knew they had to let her older sister, Gemma, go out and about like other 16 year-olds and wanted to find a safe and unobtrusive way to stay in touch with her. Text messaging was their solution. It meant they could keep each other posted but save Gemma the embarrassment of always being called by her parents.

Not all adults know how to text. Together the Dowlers and O<sub>2</sub> came up with the idea of the 'Teach UR Mum 2 TXT' campaign. With Milly's Fund we

produced a phone card-sized leaflet with simple hints on texting and personal safety tips.

The national response was huge and we have had requests for the leaflets from schools, teacher training and nursing colleges, youth organisations and the police. To spread the campaign, O<sub>2</sub> shop employees ran text clinics across the UK and it was further promoted through a week-long campaign with BBC Regional Radio.

## Personal safety

Mobile phones have helped to improve personal safety by making it easier for people to call for assistance when in trouble. Unfortunately, however, there is a problem with the theft of mobiles. O<sub>2</sub>'s approach is to address the problem of mobile phone theft whilst promoting the personal safety benefits of mobile phones. Working closely with the police, the Home Office and the other mobile phone operators, we have tackled mobile phone-related crime. Following the introduction in 2002 of the national system to bar lost and stolen mobiles, O<sub>2</sub> has been actively involved in efforts to promote the message that "lost and stolen mobiles don't work any more". This included a joint advertising campaign.

Our community programmes link in with this agenda. We are working with Milly's Fund on personal safety campaigns aimed at 11 to 17 year-olds. Our work with the Suzy Lamplugh Trust is targeted at young adults over the age of 18.

## Extending sport sponsorship

As a company we derive huge benefits from sponsoring sports teams, and they do not come much bigger or more successful than the England Rugby Team and Arsenal Football Club.

We are working with the Rugby Football Union to develop schemes that will promote rugby among young people. The Rugby Class, supported by O<sub>2</sub>, aims to spot young talented players at an early age and give them the support they need to make it to the top. We hope this scheme will help the Jonny Wilkinsons of tomorrow.



## Crime

Along with other companies O<sub>2</sub> encounters occasional problems with fraud. Earlier in the year there were press reports of members of the public being billed by O<sub>2</sub> for services they had not received. Fraudsters had used names and addresses – taken from publicly available sources – to order mobile phones and intercepted them before they were delivered. When the victims of this fraud reported it to us we corrected our records, closed the fraudulent accounts, and helped the individuals to register with a credit rating body to make it harder for their addresses to be used by fraudsters in the future.

## Focus on youth

The International Youth Foundation (IYF) is the charity of choice for the whole of the O<sub>2</sub> Group, and each operating business is pursuing its own project through the local branch of the IYF to target areas regarded as most important locally.

We are concentrating our efforts to address homelessness by working with the Foyer Federation. We are supporting a number of schemes. These include 'Me, Myself, I', which offers peer mentoring, family mediation and training in life skills.

We also support the Safe Moves scheme, which aims to build independence and skills. A pilot project in four areas in the UK is testing the scheme and we hope to involve employees increasingly in these. As part of the scheme we are also offering work apprenticeships in our Leeds office.



## Listening to community needs

Our employees are actively involved in many ways, supporting schemes in and around the communities where we are located. These include the Leeds Cares and Manchester Cares projects, both run as part of a wider Business in the Community scheme. Other initiatives include Adopt a School in Bury, Reading Buddies and Children in Need.

Eighteen months ago we set up and equipped an internet café in Slough, close to our UK headquarters.

Initially the scheme was aimed at young people who were involved in or vulnerable to crime. Although we consulted closely with the community and local agencies before opening the centre, the number of young people using it was less than we hoped.

We asked the community how to improve the site. As a result the focus has changed to IT

and education. The café is now being used by local teachers to teach information and communication technology skills and deliver the national curriculum to children who are excluded from school, the victims of bullying or who have special needs.



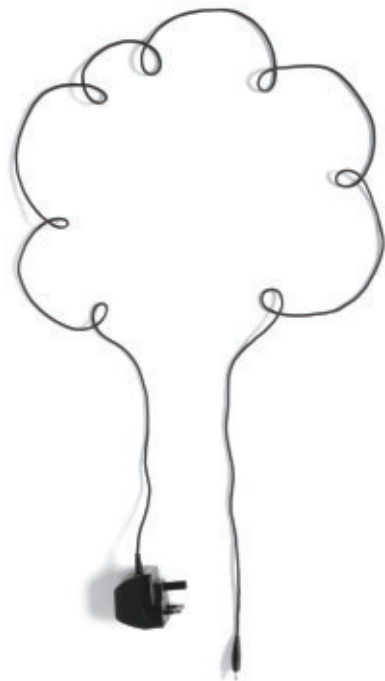
Students at the internet café in Slough.

## Recycling – rapid growth

We encourage our customers and employees to send us their old mobile phones and accessories for recycling, refurbishment and re-use. Working with Shields Environmental, our Fonebak scheme has accelerated rapidly this year. We set a target of recycling 40,000 phones during the year but in the end put 111,262 through the scheme.

The benefit of Fonebak is that phones are often sold for re-use. A proportion of the funds generated are donated to charities. This year we supported Rainforest Concern, a charity working to protect endangered rain forests and raise awareness of global warming, and Milly's Fund. We are particularly pleased that a number of our business customers have adopted Fonebak, including the Co-op and AT&T.

We know that the equipment we use in our networks is often suitable for re-use and recycling, and we have signed a new contract with Shields Environmental to help us improve our performance as we roll-out our 3G network.



## Mobile and health

We recorded excellent results from our trial to help asthma patients improve the monitoring of their breathing and to cut down chronic attacks, using an O<sub>2</sub> Xda combined phone and computer equipped with an electronic peak flow meter.

Working with our partners e-San, we piloted the technology with 94 asthma sufferers, aged 12 to 55. Patients simply had to breathe into the meter to make an accurate record of their breathing and send the results to their doctor, particularly when worried that an acute attack might threaten.

The most important part of the trial was to see if patients improved their own monitoring. The results showed that 65 per cent of the patients monitored their breathing regularly, compared with less than 50 per cent using conventional methods. Some 78 per cent said they were satisfied or very satisfied with the system, and nearly 60 per cent said their condition had improved as a result. These results are to be published in medical journals in due course.

## Responsible network development

According to latest figures, four in five of the UK population now own mobile phones. To deliver good-quality coverage, mobile phone transmitters need to be close to where our customers use their phones. Invariably this is where people live, work and travel. At times it can therefore be difficult to balance the needs of our 13.3

million customers with the views of residents who do not want to have masts in their neighbourhoods.

All of O<sub>2</sub>'s base stations comply fully with international guidelines and emissions are hundreds, if not thousands, of times below the internationally agreed recommendations of the International Commission

on Non-Ionising Radiation Protection (ICNIRP). We do, however, recognise that many people have concerns and we work hard to ensure we are sensitive to them. O<sub>2</sub> UK has five full-time Community Relations Managers, who are responsible for communicating and consulting the public about local masts.

# Key data for 2003/04

## General

- Number of customers: **13.3 million**

## Environment

- CO<sub>2</sub> emissions: **111,637 tonnes<sup>1</sup>**
- Electricity sourced from renewable sources: **20%**
- Number of mobile handsets recovered: **111,262**

## Workplace

- Number of employees: **7,576<sup>2</sup>**
- Women in senior management: **23%<sup>2</sup>**
- Ethnicity: white: **81%**, non-white **11%**, not declared: **8%<sup>2</sup>**
- Reflect O<sub>2</sub> employee engagement survey: **72.7%** (+1.8%)

## Community

- Total community contribution: **£1,131,268**
- Main areas of involvement: education **18%**, health **66%**, other **16%**
- Type of contributions: cash: **86%**, in-kind: **14%**

### O<sub>2</sub> UK Awards

- The National Business Awards 2003 – Advertiser of the Year Award for the 2 Minute Challenge
- The Utility Industry Achievement Awards 2003 – Marketing Initiative of the Year Award – 2 Minute Challenge
- The Thames Valley Business Awards 2003 – Business of the Year
- 3GSM Awards 2004 – Best Use of Mobile Accessibility Award for 'Teach Ur Mum 2 TXT'

<sup>1</sup>This figure includes CO<sub>2</sub> emissions from buildings and networks, excluding transport related CO<sub>2</sub> emissions.

<sup>2</sup>Consolidated figure for all UK operations