



“All these different tariffs on the mobile market are confusing me. I would like to see things made simpler and more transparent.”

Eva Winkler, customer of O<sub>2</sub> Germany

## Marketplace

Our mobile services deliver clear social benefits. The mobile communications industry has created many thousands of jobs and widespread opportunities for training and development in what is a fast growing, high-tech sector of the economy. Our services are highly sought after by people of all different age groups, backgrounds and circumstances. As new services develop they will transform many of the established ways we live and interact, both at work and at home. Mobile telecommunications is already allowing people to work more flexibly with less need to travel extensively and enabling them to create a structure to their working lives which can be better balanced between work and home-life commitments. It is also one of the most inclusive technologies, with more than 50 million users in the UK alone. The wireless device is also increasingly becoming a powerful medium for information and entertainment, a trend that will accelerate as new, more sophisticated data services become widely available. We work hard to share our enthusiasm with customers and to understand what they would most like wireless applications to deliver.

Mobile services also pose some important social challenges and we are clear about these. While in the developed world mobile telecommunications is broadly available to people, pricing and poor infrastructure mean that it is not equally available to all. Even in our markets where this service is well established, like Ireland, the availability of access to broadband network outside the main cities is a priority for the Irish Government. In Ireland, O<sub>2</sub> is the only mobile operator to receive Government funding to conduct pilot trials to investigate if wireless is the best and least disruptive way to spread broadband access in more rural areas to bridge this digital divide. We are assessing the feasibility of installing wireless broadband services into civic offices in the West of Ireland to explore the role that mobile can play in the national broadband roll out programme.

The digital divide between the developed and developing world is most stark. In many countries, mobile is being adopted from scratch, avoiding the traditional first step of fixed line services. But the fact remains that as mobile markets develop at incredible pace in the developed world the gap between them and most developing countries is widening.

### Competition and regulation

mmO<sub>2</sub> operates across a footprint of four mobile communications markets in Western Europe: Ireland, the Isle of Man, Germany and the UK. Most of these markets are highly competitive and subject to strict regulation.

In three of our markets we face competition from between two and four other mobile operators. Yet the mobile telecommunications industry remains one of the most regulated sectors of the economy against a lingering perception that call charges are too high and that pricing is not transparent enough.

The mobile industry is still relatively new but is no longer in its infancy. The explosive rates of growth in mobile phone ownership have now slowed as penetration reaches saturation point. Independent estimates suggest that there are now more mobile phone subscribers around the world than fixed line phones – 1.4 billion against 1.1 billion.

But slowing growth does not mean we are facing less competition. If anything the reverse is true. Where operators once engaged in a fierce battle for subscribers, they are now competing strongly to offer the best customer service, the best solutions, and the best prices. The introduction of 3G services will only intensify this competition further. As mobile technology becomes more data-intensive, we will inevitably face competition from other sources as a whole range of technologies using internet-protocol-based systems, like messaging direct from personal computers to mobile phones, vie with each other for the attention of customers.

# Customers not only want to be sure that we operate in a responsible way, but that the companies that supply us are responsible too.



We seek a constructive relationship with regulatory authorities. But our belief is that regulation needs to evolve to meet the changing nature of the industry. We have argued strongly that too much emphasis is put on the micro-regulation of the industry, particularly by European agencies, and that this threatens to stifle inventiveness and investment in what is still a highly capital intensive industry. We believe regulators should look more at the overall competitiveness of the mobile market rather than at specific pricing issues. Regulation should be lighter and be about promoting competition, investment and innovation in the industry so that efficiencies can be realised and passed quickly on to the customer in the form of better services and lower prices. We believe that regulators should only intervene where it is clear that competition and consumer protection laws are too weak to offer safeguards for the consumer.

The industry is currently facing a range of regulatory investigations. The price of calling mobiles has been investigated in the UK and other EU member states. The European Commission is investigating roaming charges – the price callers pay when they are abroad and using another network, where they find themselves paying both to make and receive calls.

The UK Competition Commission has recently ruled that cuts proposed by the regulator, Oftel, to the cost of incoming calls onto all mobile networks – so-called termination charges – should be deeper. The Competition Commission proposed that O<sub>2</sub> UK's termination charges should fall by an initial amount of 15 per cent and a further 15 per cent per year for the next three years.

Our reaction to this determination reflects our generally pragmatic approach to regulation.

We decided not to follow our competitors in seeking a legal challenge to the decision. We believed it was more important for mmO<sub>2</sub> to move forward and remove further uncertainty over our future. However, we also made it clear that we needed to recoup lost revenues. We will do this by delaying other planned tariff reductions, reducing subsidies on new phones and by delaying the introduction of our 3G service until the second half of 2004.

#### Pricing our products clearly

Concern about the pricing of our services often stems from the complexity and profusion of mobile phone tariffs in the market as a whole, a factor that is at times beyond our control. We are aware that many customers find it difficult to distinguish between different service offerings and we are working on improving the information and advice we give to customers. Each of our operating businesses has been developing a new approach to segmenting our customers according to their pattern of usage. By understanding when and how much they use their phones, we are better able to offer them services that meet their needs and their budgets.

Customer service training at all of our call centres has been intensified to ensure that when a customer calls to seek advice or complain, our advisors will answer their calls promptly, have access to the right information or support from colleagues with more detailed knowledge. Call centre employees work in teams, led by a team leader and often also supported by a team coach to provide regular training and support. This is important work and we are seeking to improve our performance here. In a highly competitive market, we want excellent customer service to be one of the main things that sets us apart from other operators.

#### Customer service

We measure customer satisfaction in a number of ways. In the UK these include use of the Claes Fornell International (CFI) measure, which refers to an external benchmarking study covering the complete understanding of customer satisfaction; and the Event Driven Customer Satisfaction Measure (EDCSM).

Our call centre operations in Germany were commended during the year. O<sub>2</sub> Germany was voted top call centre operator in Germany in a poll by the consumer technology magazine, Tomorrow. By contrast our UK call centres became stretched early in the year after a period of employee reductions. Levels of service have since been restored and we are working on a number of initiatives, including IT solutions, to boost our performance and to ensure it improves continuously.

#### Catering for customers with special needs

The launch of the O<sub>2</sub> brand during 2002 involved intense advertising and promotion. We believe that successful companies are those that reflect the diversity of wider society. This drives our approach to diversity within the Company and is carefully reflected in the services we offer. The response to the launch of our brand has been extremely positive both from our employees and our customers. We believe this reflects a genuine view that the Company is seen as fresh and vital and has modern and inclusive values.

O<sub>2</sub> UK has made special provision for customers with special needs and disabilities. These include invoicing in braille, large text size and audio for people with visual impairments. Our network is used for numerous services supporting people with special needs, like text services for the deaf. A new accessibility UK web site 'O<sub>2</sub> Access for All' is being prepared to provide a guide to the services

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01 Customer service staff in Germany are becoming confident in selling to customers, as part of the Care and Sell campaign. The aim is to actively offer products and services to the right customers at the right time, which improves customers' satisfaction and increases revenue.

02 03 Siemens S55 and Nokia 7210 have huge colour screens that enable you to view colour images on your mobile.

04 Nokia 7650 has a built in camera so you can take, send and share your pictures.

05 xda from O<sub>2</sub>. It's a phone, a pda, web browser, and hand held PC all in one slim-line package.

and support we can offer customers with disabilities and special needs. The web site also makes clear our commitment to offer opportunities for disabled employees. However, we recognise that this is an area that we need to look at more closely as we develop new products and services. Our membership in the UK of the Employers Forum on Disability will assist us in learning more about the needs of the disabled.

#### Privacy and adult content

Customer privacy is an increasingly vexed issue. Although we are committed to respect and safeguard customer confidentiality, we are obliged by law to make customer records available to the police under certain circumstances. Heightened security fears in recent months have led the UK Government to rule that other emergency services should have access on demand to these records. We handle this issue with great care balancing individual rights to privacy and wider national security issues.

Camera phones are now becoming widely available and are already proving very popular. But we recognise that, in some circumstances, these pose a separate threat to individual privacy, particularly the privacy of vulnerable groups like children. We already publish advice on the safe and responsible use of phones on our web site [www.mmo2.com/cr](http://www.mmo2.com/cr).

Another issue of growing importance to customers and other stakeholders is adult content. They want to know what safeguards we are putting in place to ensure that children and young people do not get access to inappropriate material. As mobile phone technology advances it is expected to become a channel for services demanded by the public including pornography, gambling, financial services and other types of

push-marketing. We aim to protect vulnerable people, particularly children, from seeing or hearing unsuitable content. We are exploring the use of content filtration technology that will block access to certain types of content (page 20).

#### Supply chain

Customers not only want to be sure that we operate in a responsible way, but that the companies that supply us are responsible too. During the current year we have developed an ethical procurement policy which was adopted by the Executive Committee in February 2003. It has now been endorsed by the Board and plans for the implementation of the policy are currently under development. This policy spells out the standards we apply as a company and the standards we expect our suppliers to adopt. Our aim is to encourage suppliers to make similar demands of companies further along the supply chain. In implementing the policy, which is based on the Ethical Trading Initiative Base Code, we will work collaboratively with our suppliers and use the principle of continuous improvement to guide our relationships. We aim to do this directly with our suppliers as well as through industry bodies, such as the Global e-Sustainability Initiative that we have recently become members of. Our aim is to ensure that suppliers comply with all national and other applicable law and regulations relating to the standards, including health and safety, payment of living wages, and the use of child labour.

Among the issues that the newly created Corporate Responsibility Advisory Council has debated this year is the sourcing of mobile phones and equipment. The Council has concluded that we need to ensure that the products we sell are manufactured appropriately with consideration

to both the social and the physical environment. As a result we have entered into discussions with some of our suppliers to better understand this manufacturing process.

mmo<sub>2</sub> aims to pay all of its creditors promptly. The payment terms for major contracts are agreed at the same time as other terms are negotiated with individual suppliers. It is the Group's policy to make payments for other purchases within 30 working days of the invoice date, provided that the relevant invoice is presented in a timely fashion and is complete. The Group had 39 days' purchases outstanding as at 31 March 2003 based on the average daily amount invoiced by suppliers during the year.



“It’s an uncomfortable issue, but the mobile companies are going to have to tackle the way phones are used while driving.”

Nicola Thunhurst, External Affairs Manager, RAC, United Kingdom

## Health

Fears about the safety of our transmission masts and handsets and the radio frequencies that they emit are undoubtedly among the chief concerns people have about our operations.

The health and safety of our staff, our customers and members of the public is of paramount concern to us. We take precautions to ensure that the equipment we use and supply does not exceed international safety limits. But while such fears exist, we take them extremely seriously. We are determined to provide clear information about how our technology, which operates well within current internationally accepted safety standards, works.

A considerable amount of research is being done in this field and a range of independent international agencies devise the safety guidelines that we operate within based on this scientific research. These include the UK’s National Radiological Protection Board, the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and the European Commission. The World Health Organisation (WHO) maintains a database of research into electromagnetic fields which currently includes 764 studies on radio frequency, of which nearly half are directly concerned with exposure to signals from mobile phones. The European Commission uses this database to direct its own research through a variety of EU programmes.

### Independent research

The consensus of opinion among independent scientists is that mobile communications masts and mobile phones do not pose a threat to human health. But many studies have concluded that more research needs to be done. The WHO has itself said: “None of the recent reviews have concluded that exposure to RF fields from mobile phones or their base stations causes any adverse health consequences. However, there are gaps in knowledge that have been identified for further research to better assess health risks.”<sup>1</sup>

We fully support calls for further research, believing it is vital that this issue is subject to rigorous and up-to-date research and analysis. We are co-operating with and, in some cases, helping to fund a number of important studies.

Amongst these is the £7 million Mobile Telecommunications and Health research programme jointly funded by the UK Government and industry and set up on the recommendation of the Stewart enquiry in 2000. Apart from receiving this funding, the programme is being run entirely independently of the industry. It is looking into a range of issues including biology, epidemiology and dosimetry as they apply to both current and future mobile systems. It is also studying risk perception and communication. We are participating in a number of research initiatives in Germany including the Forschungsgemeinschaft Funk project involving industry, universities, manufacturers and government. We have committed with other operators to contribute to a separate government research initiative managed by the Federal Agency for Radiation Protection.

We do not carry out any research ourselves but we continually monitor international research and other issues in this field. We have set strict criteria for supporting research in this field. It must be:

- Unique, unless its stated objective is replication
- Subject to peer review
- Judged as being of good quality by an expert panel
- Intended to be published in reputable journals
- Independent of industry

Research must also address the research agenda drawn up by the WHO.

<sup>1</sup> WHO briefing fact sheet 193: Electromagnetic fields and public health, mobile telephones and their base stations.

# Measurements carried out by the NRPB and the Radiocommunications Agency have confirmed that our base stations transmit at levels many hundreds and even thousands of times below safety limits.

## How it works

It is just 17 years since mobile phones first became generally available. Use of them has grown rapidly to the point that, in many developed markets, a high percentage of people now have a mobile phone. In Western Europe there are around 311 million users<sup>1</sup>, including more than 50 million in the UK<sup>1</sup>, almost 60 million in Germany<sup>1</sup> and 3 million in Ireland<sup>1</sup>. Increasingly mobile telecommunications is transforming the way we communicate at home and in the workplace and new more advanced applications are making it possible to send and receive faxes and emails and to gain access to a whole range of internet services.

Mobile phones work by converting voice, text or multi-media messages into radio waves or radio frequencies (RF). Mobile base stations – often but not always distinguished by tall masts fitted with antennae – enable these calls to be transmitted to mobile phones and for callers to be connected to other phones and other networks.

These networks are divided into thousands of so called cells. Each cell has its own base station. The area covered and the number of calls and callers within it determines the size of each cell. When a caller is on the move, the call is handed from one cell to the next. If there are not enough base stations in a particular area or if the signal is interrupted, a call will be 'dropped'. Antennae have to be positioned high up on masts because radio waves travel in an approximate straight line and can be interrupted or deflected by buildings and terrain. It is only the antenna that transmits the radio frequencies. The masts themselves do not. Antennae vary in size and may not always be mounted on masts. Lower powered 'microcells' may be fixed to the side of buildings in urban areas. Very low power 'picocells' are often positioned in busy and crowded areas.

Radio waves are an every day part of modern life. They are what TV and radio stations emit as well as mobile phones. RF is a form of non-ionising

radiation and is not radioactive. It is not the same as the sort of radiation associated with X-rays or gamma-rays and its effect on humans is entirely different. Unlike these forms of radiation, RF is too weak to break the bonds that hold the molecules in cells together. But at high powers, RF can cause heating so their strength is strictly controlled. Current mobile systems operate in a range around 900MHz and 1800MHz but in the future more advanced equipment will operate up to frequencies of 2100MHz.

## Safety limits

Our transmitters and handsets operate well within safety guidelines set by ICNIRP. Mobile phone networks are designed so that the phone is, in most cases, operating at less than its maximum power. The closer a caller is to a base station, the lower the power a phone will operate at. The safety limit for mobile phones is called the Specific Absorption Rate (SAR), which is the unit of measurement for the amount of RF energy absorbed by the body when using a mobile phone. While operating, the actual SAR level of the phone can be well below the highest power. All handsets sold by O<sub>2</sub> operate well below safety guidelines and we now make a policy of including clear information on the SAR in the instructions for all new phones coming on to the market. Although few people enquire about the SAR of the phone they are buying, we have worked closely with manufacturers to make this information clearer and more widely available.

Measurements carried out by the NRPB and the Radiocommunications Agency have confirmed that exposure levels from our base stations are many hundreds and even thousands of times below safety limits where the general public has access. We strive to operate our network at low power levels where practical, something that key stakeholders, including the independent action group, Powerwatch, has commended us for in consultations carried out for this report.

<sup>1</sup> Source: Gartner (2003)

## Useful health information sources

The World Health Organisation  
[www.who.int/peh-emf](http://www.who.int/peh-emf)

National Radiological Protection Board  
[www.nrpb.org.uk](http://www.nrpb.org.uk)

Independent Expert Group on Mobile Phones  
[www.iegmp.org.uk](http://www.iegmp.org.uk)

Department of Health  
[www.doh.gov.uk/mobile.htm](http://www.doh.gov.uk/mobile.htm)

Radiocommunications Agency  
[www.radio.gov.uk](http://www.radio.gov.uk)

International Commission on Non-Ionizing  
Radiation Protection (ICNIRP)  
[www.icnirp.de](http://www.icnirp.de)

European Union  
[http://europa.eu.int/comm/health/ph\\_determinants/  
environment/EMF/emf\\_en.htm](http://europa.eu.int/comm/health/ph_determinants/environment/EMF/emf_en.htm)

Powerwatch  
[www.powerwatch.org.uk](http://www.powerwatch.org.uk)

Mast Action UK  
[www.mastaction.co.uk](http://www.mastaction.co.uk)

In the field, our masts are carefully cordoned off to protect the equipment and clear safety signs are posted to warn members of the public not to get close to the antennae. These signs have recently been reviewed through an industry initiative and are being updated for use on all new base stations and cell sites. On rooftops antennae will, wherever possible, be positioned carefully, often on the edge of the building or cordoned off and sign-posted so that no one can inadvertently stand or walk in front of the antenna. When maintenance work is carried out at any of our sites, strict safety procedures should be followed. This will often involve turning the antenna off while the work is done.

We are involved in a number of industry groups all of which aim to improve the level of information available to the public on the safety of phones and masts or that are looking at ways to make our approach to the siting of masts more responsible and accountable. Details of the Ten Commitments on responsible mast siting – a code drawn up by the UK Mobile Operators Association that we endorse and abide by – is included in the Environment and sustainability section of this report (page 32).

### Information sources

For all mmO<sub>2</sub> mobile technologies there are a number of places where independent information on the effects of radio frequency radiation can be obtained. These include:

The World Health Organisation.  
The National Radiological Protection Board.  
The Independent Expert Group on Mobile Phones.  
The Department of Health.  
The International Commission on Non-Ionizing Radiation Protection (ICNIRP).  
The European Union.  
Powerwatch.  
Mast Action UK.  
The Radiocommunications Agency.

Detailed information on the location of base stations in the UK can be found on [www.radio.gov.uk](http://www.radio.gov.uk) (base stations, site finder).

### Distraction driving

Another health related issue that worries many stakeholders is the use of mobile phones while driving, particularly the use of hand held devices. We have carried out external campaigns in the Isle of Man to advise drivers on the safe use of their phones. We have also produced leaflets on the topic, which are available through [www.mmO2.com/cr](http://www.mmO2.com/cr). The issue of distraction driving is covered in an earlier section of this report (page 21). Our web site includes tips on distraction driving as well as other aspects of phone etiquette.

### Repetitive strain injury

The popularity of text messaging has continued to grow with around 1.7 billion<sup>1</sup> text messages being sent each month in the UK (March 2003). However there has been some concern that too much texting or game playing on mobile phones may have possible health impacts such as repetitive strain injuries (RSI) or similar conditions and may affect the eyesight. mmO<sub>2</sub> takes these concerns seriously and is therefore developing advice for users.

There are already special features in handsets, such as message templates and predictive text, which minimise the number of buttons that have to be pressed and can help to reduce any possible health impacts. Information on these features, where they are available on a particular phone, can be found in the user guide that comes with every new phone.

<sup>1</sup> Source: Mobile Data Association ([www.text.it](http://www.text.it))

“Business is now moving towards balancing its aspirations for growth with care for the environment, by providing a responsible solution for the goods that it sells. The Fonebak scheme is a good step towards that goal in the mobile telecoms sector.”

Gordon Shields, Chief Executive, Shields Environmental, United Kingdom

# Environment and sustainability

We aim to operate in a sustainable way across mmO<sub>2</sub>, meeting the needs of the present without compromising those of the future. A programme of continual improvement underpins our Group-wide environment strategy. We aim to reduce the impact of our operations on the environment and to prevent pollution.

Ultimate responsibility for our environmental performance rests with Peter Erskine, our CEO. Dave McGlade, CEO of O<sub>2</sub> UK, has recently been appointed environmental champion for the business as a whole and it is his responsibility to see that each of the operating companies implements the environmental strategy effectively whilst complying with relevant national legislation. An environmental forum is held every six months where the environmental champions for each of the operating businesses meet to review progress and performance. The forum also reports twice a year to the Executive Committee and the Board.

Our environmental commitment is spelt out on our website, [www.mmo2.com/cr](http://www.mmo2.com/cr). It commits us publicly to:

- meeting all relevant environmental legislation and to set our own high standards where no regulations exist.
- developing our environmental management system in line with business needs and with best practice.
- understanding relevant environmental science and supporting appropriate research.
- improving consumption of materials by promoting recycling and re-use.
- conserving energy and reducing harmful emissions.
- planning for the full life cycle of the equipment we use on our network.
- working with suppliers to reduce the impact of their operations.

- minimising the visual and noise impacts of our operations.
- working with communities, other industry bodies and our employees to promote environmental awareness.
- reporting annually on our performance.

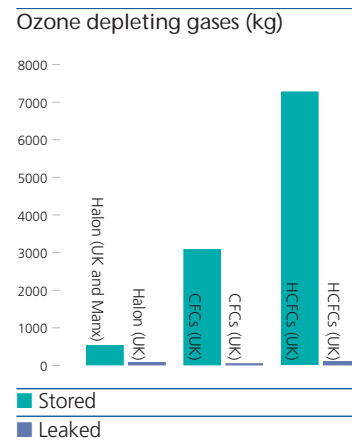
We have made good progress in implementing our strategy but have further to go.

A main focus for our work is certification to the international environmental management standard ISO14001:1996. We have won Group corporate and O<sub>2</sub> UK certification to this standard, which provides the elements to establish an effective and systematic approach to environmental management. We have set December 2004 as the target for all our other businesses across Europe to gain registration. The environmental management of our operating businesses is reviewed annually through third party audits that form part of the operational risk reviews conducted within our insurance programme.

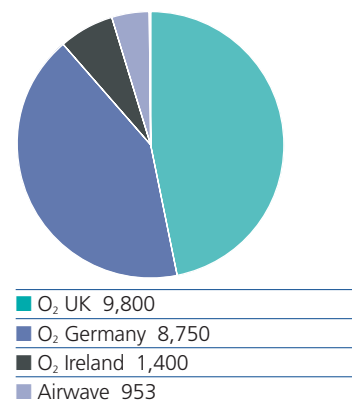
### Measuring our impact

During the year we developed a set of metrics to measure our environmental performance. This is the first major exercise we have undertaken across the entire Group to assess our performance in key areas like the reduction of emissions, water and energy consumption and the usage of renewable forms of power. The process of gathering data is at different stages in different parts of the Group but this initial exercise has been completed and provides us with a baseline from which to measure our future performance in reducing our environmental impact.

Our network accounts for more than 80 per cent of our energy consumption, with the remaining consumption associated with our offices, call centres and shops. We aim to manage our energy consumption efficiently and look to use increasing



O<sub>2</sub> Base stations in service (estimate)





Gordon Shields, Chief Executive,  
Shields Environmental, United Kingdom

CO <sub>2</sub> Emissions from energy and transport	Consumption	Estimated consumption	Total	Mwh	CO <sub>2</sub> Conversion factor	kg CO <sub>2</sub> per unit	Tonnes CO <sub>2</sub>	
<b>Buildings</b>								
Electricity	Kwh	47,104,213	2,670,001	49,774,213	50	0.43	21,402,912	21,403
Natural gas	Kwh	15,836,157		15,836,157	16	0.19	3,008,870	3,009
<b>Network (switching centres and cell sites)</b>								
Electricity	Kwh	257,896,239	31,851,248	289,747,487	290	0.43	124,591,419	124,591
<b>Road transport fuel use</b>								
					Litres 1000's			
Unleaded petrol	litre	666,110	1,516,744	2,182,854	2,183	2.31	5,042,393	5,042
Diesel	litre	2,379,290	5,174,837	7,554,127	7,554	2.68	20,245,062	20,245
Total distance travelled on O <sub>2</sub> business	km	217,888,201	12,350,522	230,238,723				
					km 1000's			
Total distance travelled by rail (UK, Ireland)	km	622,406		622,406	622	0.06	37,344	37
<b>Total</b>							<b>174,328,00</b>	<b>174,328</b>
<b>Water consumption</b>								
<b>Buildings (office and retail space)</b>								
Water	m <sup>3</sup>	118,307	22,209	140,516				
Waste		Waste generation	Estimated waste generation		Tonnes			
Total general waste	kg	1,844,290	560,716	2,405,006	2,405			

amounts of renewable energy. In the UK energy from renewable sources stands at 5 per cent while in Germany the figure is 7 per cent. We have a target to increase these levels in the UK by 1.5 per cent a year. The proportion of renewable energy used by O<sub>2</sub> Ireland is much higher thanks to a supply agreement with Eirtricity, which specialises in supplying power from renewable sources. Here 23 per cent of the power we use across our operations is renewable, while the proportion used by our remote base stations is even higher at 40 per cent. For the Group as a whole we have set ourselves the target of achieving 10 per cent renewable energy use by 2008.

This and greater energy efficiency will allow us to reduce our emissions of greenhouse gases in line with government commitments on global warming made in response to the Kyoto protocols. We will also look at the use of alternative gases as we work to achieve this objective and have also set ourselves a separate target of reducing refrigerant and CFC gases by 10 per cent per unit of turnover by March 2010.

We have introduced a waste recycling scheme at all of our major UK sites to include paper, cans and plastic cups and are aiming to increase the amount of material recycled by 10 per cent within the next two years. We also encourage our customers to recycle their handsets and accessories. Following our involvement in Fonebak, at least 20,000 phones have been refurbished for re-use with the remainder recycled for materials recovery, leaving only a very small amount destined for waste disposal via landfill. We are aiming to double the number of phones recycled under this scheme in the current financial year.

During the year we recorded no significant spills of chemicals, oils and fuels in our operations. There are no reports to mmO<sub>2</sub> of fines or enforcement actions imposed on the Company in relation to environmental performance.

We have set ourselves the target of ensuring all stored fuel has suitable secondary protection to reduce the risk of leaks and spills. We aim to have no spills of diesel from oil tanks by the end of this year and to continue to meet the requirements of environmental agencies.

One way we can improve our environmental performance is to cut down the amount of travelling our employees do in the course of their work. This will help us to cut fuel use, reduce emissions and lower any safety risks to employees. We plan to carry out a feasibility study on a variety of green travel options and to monitor high mileage employees to see if we can use other forms of communications to reduce their dependence on travel. In line with this effort we have set ourselves a target of increasing the amount of audio, video and web conferencing we do by 10 per cent by 2005 and to monitor the resultant reduction in mileage against figures for 2002/03.

#### Protecting bio-diversity

We take account of the impact the development of our network may have on sensitive flora and fauna. Work to develop our network in remote and wild areas of the Highlands and Islands, for instance, has involved a long process of consultation and negotiation with communities and key stakeholders, including Scottish National Heritage. Development was also preceded by a checklist used to provide a tool for considering environmental aspects of developments. This work illustrates the balance we have to strike between meeting people's desire for connection to our service and their equal desire to protect sensitive spaces.

The launch of the O<sub>2</sub> brand during the year provided us with a way to celebrate the Company's new identity, our values and the environment. Employees came up with a scheme to create six new forests across Europe to mark the launch of the brand. Working with Future Forests, we have pledged to plant 15,000 trees in these new forests

providing new green spaces for some of the communities we work in to enjoy. The forests have been developed using native species to preserve local bio-diversity. More than half our employees are founding members of the forests and many have made personal dedications in an online register to mark their involvement in the project. At Christmas 2002 we invited UK customers to become involved in the scheme, adding a further 2,000 trees to our forests.

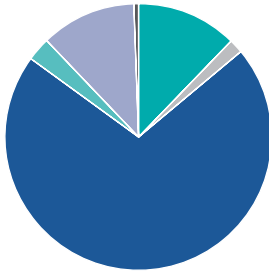
In Ireland, we worked with Future Forests again as part of our sponsorship of O<sub>2</sub> in the Park (2002), a free concert in Dublin's Phoenix Park that drew an audience of 80,000 pop fans. We wanted to make sure this event was carbon neutral and we will be planting a further 3,000 trees across Ireland to compensate for the concert's carbon impact. O<sub>2</sub> will continue to support this event in 2003.

#### Consulting with communities

The roll out of our network is a sensitive issue that we aim to handle with care and through early and detailed consultations with local authorities and communities. In the UK we adhere to the Ten Commitments drawn up by the Mobile Operators Association. These commit us to:

- develop with stakeholders clear standards and procedures to deliver significantly improved consultation with local communities.
- participate in obligatory pre-roll out and pre-application consultation with local planning authorities.
- publish clear, transparent and accountable criteria and cross-industry agreement on site sharing and publish regular results.
- establish professional development workshops on technological developments within telecommunications for local authority officers and elected members.

CO<sub>2</sub> Emissions (Tonnes)



Buildings

- Electricity 21,403
- Natural gas 3,009

Network

- Electricity 124,591

Road transport fuel

- Unleaded petrol 5,042
- Diesel 20,245
- Rail (UK, Ireland) 37

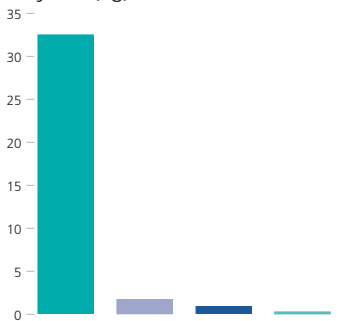
Total CO<sub>2</sub> 174,328



01 Ireland's biggest ever free music gig won plaudits for entertainment and minimising its environmental impact. More than 80,000 rock and pop fans attended O<sub>2</sub> in the Park at Phoenix Park in Dublin.

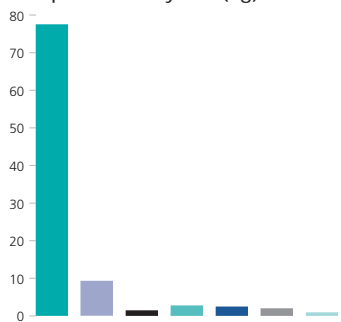
02 Shields Environmental operate the Fonebak recycling programme which is an end-to-end, fully managed recycling solution for handsets and accessories.

Mobile handset components recycled (kg)



- Copper 32.56kg
- Silver 0.79kg
- Gold 0.09kg
- Palladium 0.05kg

Mobile handset battery components recycled (kg)



- Lead Acid Cells 77.54kg
- Iron Nickel 9.35kg
- Aluminium 0.24kg
- Stainless Steel 0.46kg
- Cobalt 0.32kg
- Copper 0.14kg
- Lithium 0.04kg

- deliver, with the UK Government, a database of information available to the public on radio base stations.
- assess all radio base stations for international (ICNIRP) compliance for public exposure, and produce a programme for ICNIRP compliance for all radio base stations as recommended by the Independent Expert Group on Mobile Phones.
- provide, as part of planning applications for radio base stations, a certification of compliance with ICNIRP public exposure guidelines.
- provide specific staff resources to respond to complaints and enquiries about radio base stations, within ten working days.
- begin financially supporting the UK Government's independent scientific research programme on mobile communications health issues.
- develop standard supporting documentation for all planning submissions whether full planning or prior approval.

Each autumn we publish a schedule of our current network and the sites we hope to develop during the following 12 months in the UK, encouraging local planners and representatives to work with our community relations managers on our plans. We are required to work within local planning requirements and have been involved in the UK with the Government and the Scottish Executive, the Northern Ireland Assembly and the Welsh Assembly on the drafting of codes of practice for the industry.

We plan the life cycle of our network equipment carefully and where possible try to re-use equipment when we develop new infrastructure. Increasingly communities are keen, as we are, to see us re-use existing sites rather than build new ones and to

share sites with other mobile operators. While site sharing means less infrastructure and cost savings, the environmental impact can sometimes be increased. For example sharing a mast with another operator working on a different frequency requires us to put a 5m separation between antennae which means masts must be taller. The arrival of third generation (3G) mobile phone systems, where all operators will be in the same frequency band for the first time, means this may be less of a problem and could lead to greater site sharing. We are actively engaged in pursuing this whenever it presents a viable option. In particular, we have sought to maximise 3G site sharing in the UK and Germany by entering into a 3G infrastructure sharing deal with T-Mobile.

We have developed a range of ways to help blend our transmitters and masts into the natural and built environment, to minimise their visual impact. In an urban setting, antennae will often be sited on the top or sides of buildings. We have developed a range of masts operating at different power levels including microcells and picocells, the latter used in busy and crowded places. In rural locations, we attempt to work in partnership with local communities to minimise the impact of our masts. A novel design by a bursary student for our mast on the M42 at Tamworth, in the UK, has won a Royal Society of Arts award for industrial design innovation.

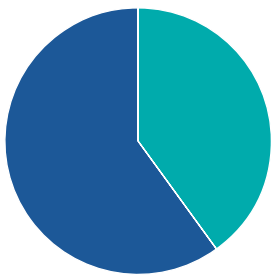


“The effort put into the quality of the working environment in our call centre led to our operations in Ireland winning ‘Call Centre of the year 2001’.”

Sheila King, Team Leader, O<sub>2</sub> Ireland Customer Services

# Workplace

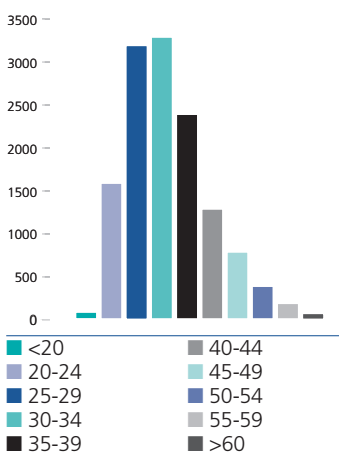
Gender (Group)



■ Women 40%  
■ Men 60%

Figures are for permanent employees only, People In Place (PIP)

Age profile (Group)



Figures are for permanent employees only, People In Place (PIP)

The success of mmO<sub>2</sub> depends, above all, on the people who work for the Company and we aim to create a working environment for them that matches our core values: to be bold, open, trusted and clear.

Our employment policies are designed to achieve this goal. mmO<sub>2</sub> is a relatively new company and the businesses that make up our operations are from diverse traditions and national cultures. We aim to offer genuine equality of opportunity to employees wherever they work.

The Breathe O<sub>2</sub> programme was launched across the Group during the year. In the first phase, Breathe used training sessions and specially created brainstorming workshops, leaflets and internal communications, plus an interactive CD-Rom, to help our employees understand and embrace our new brand and the values it evokes. The programme guided them through the market position and the commercial goals of the mmO<sub>2</sub> Group as a whole and emphasised the importance of employees addressing problems proactively.

The second phase of the programme – Breathe 2 – was launched in March 2003 and is focused on making all parts of mmO<sub>2</sub> customer centric. We believe this work is of vital importance and will distinguish us from all other operators in a highly competitive market. The second phase of the programme is being led by Danuta Gray, CEO O<sub>2</sub> Ireland, and a lead coach for the programme has been appointed in each of the operating businesses.

Breathe O<sub>2</sub> is supported by ‘Reflect O<sub>2</sub>’, our channel for regular feedback from employees on their thoughts about the Company and the way they are led. The vast majority of employees have engaged enthusiastically in both of these initiatives and we regard them as highly successful. It is clear that employees are excited by the O<sub>2</sub> brand and energised by the values we are trying to instill in the business. We expect both programmes to remain important tools in promoting those values.

## Human rights

One of the most important tests of our commitment to our employees lies in the sort of environment we have created in the Company. Our employment policies respect the UN Universal Declaration of Human Rights and the International Labour Organisation declarations. We aim to treat all employees fairly, impartially and without prejudice, regardless of their gender, age, ethnic origin, religion, sexual orientation or physical ability. We do not tolerate harassment of any sort. We support flexible working arrangements and family friendly policies for our employees.

We have recently carried out a human rights audit across the entire Group to ensure that all the operating companies and our headquarters conform to the relevant declarations and accepted standards. The audit showed that all parts of the Group were fully compliant in areas such as wage setting, redundancy and dismissal procedures, health and safety, freedom of association and general industrial relations policy. Some of the areas that were highlighted for improvement through the audit will be included in the next phase of our work. We will commence by increasing the breadth of data we collect and monitor.

## Diversity

Diversity is a focus for concerted action. We believe that a company is most likely to serve its employees, its customers and stakeholders effectively if it reflects society at large. We are determined to ensure that everyone who works for mmO<sub>2</sub> benefits from real equality of opportunity. During the year we launched an increased focus on diversity across the Group. Kent Thexton, a member of the Executive Committee and the Board, has been appointed diversity champion for the Group supported by a steering group of senior directors and managers. He is responsible for driving the diversity work through the Group, identifying risks in our current provision and recommending remedies to the Board. The steering group held its first meeting in April 2003.



## O<sub>2</sub> is committed to learning and development for all employees.

We plan to create structures to manage the diversity project in all the operating businesses and local managers are being made responsible for spreading best practice in their own teams. The project involves detailed analytical work. A diversity diagnosis for each of the operating businesses and for the UK headquarters is being carried out using face-to-face interviews, focus groups and surveys to find out how people in each of the businesses feel about diversity issues. O<sub>2</sub> UK has also joined the Race for Opportunity and Opportunity Now initiatives, which are external diversity benchmarks for companies.

In common with the human rights work, the results of the diversity initiative are showing that there are some important weaknesses that we must address in different parts of the Group. For example, women are poorly represented in senior management positions (24.3 per cent) even though they make up 40 per cent of the total workforce and are fairly well represented at junior and middle management levels. We recognise this needs to improve. People from ethnic minorities in the UK represent 10 per cent of our workforce. We want to encourage further development here as well.

We are a member of the Employers' Forum on Disability, the UK organisation set up to help companies employ and offer genuine opportunity to disabled employees. We also make every effort to help an employee who becomes disabled to stay in employment. In the UK, we are also a member of the Two Ticks Disability Symbol scheme. This means we honour commitments such as interviewing all candidates with disabilities who meet the minimum criteria for a job vacancy and consider them on their abilities. We recognise that there is more we can do to ensure we optimise the skills and abilities of our disabled employees.

A key challenge in the current year is to establish our vision for diversity and inclusion, translate this

into effective policies and make a genuine impact on the day-to-day behaviours of our people. This is a business imperative and our aim is to encourage employees at every level to see this as an important operational issue.

### Training

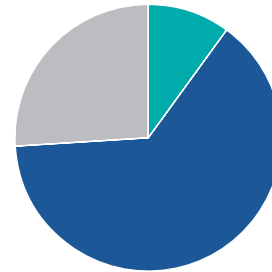
mmO<sub>2</sub> is committed to learning and development for all employees. Our focus is on promoting a culture of continuous learning and knowledge sharing, which maximises personal performance and growth within the context of our business.

Employees are required to agree a development plan with their line manager as part of their annual performance review, and progress with development is regularly reviewed during the year. We expect our people to constantly update and extend their skills and knowledge. While the key focus is experiential 'on-the-job' development, a range of training options is available including e-learning and, throughout our operating businesses, traditional classroom training for skills development. Employees are given time away from their normal work to complete training.

### Communications

We communicate with employees regularly through a number of channels, not least the company-wide intranet, Vital O<sub>2</sub>, and our employee magazines. We encourage them to engage with the work they do, the people they work with and with the customers we serve. The Breathe and 'Reflect O<sub>2</sub>' programmes play a vital role in encouraging greater involvement as well as facilitating regular feedback from employees. Employees are also consulted through trade unions, works councils and elected employee representatives. Approximately 67 per cent of our permanent employees are covered by collective bargaining agreements. These agreements are kept under review, with changes being made through discussion with the relevant representative body as required.

Ethnicity (UK)

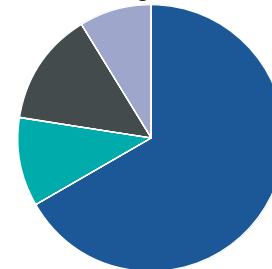


■ Non White 10%  
■ White 64%  
■ Not declared 26%

O<sub>2</sub> Germany, O<sub>2</sub> Ireland, O<sub>2</sub> Netherlands and Manx Telecom are not able to provide ethnicity data due to legal restrictions or because the data is not recorded

Figures are for permanent employees only, People In Place (PIP)

Number of women in senior management (Group)



■ UK 266  
■ Germany 43  
■ Ireland 55  
■ Manx 35



01 O<sub>2</sub> UK employees and their families had a chance to relax and have fun on the O<sub>2</sub> UK fun day at Stanford Hall in Lutterworth, Leicestershire.

02 Irish O<sub>2</sub> employees have set up a sports and social club to encourage interaction outside work. The club has been set up as a stand-alone company. Committee members from across the business give up some time to make sure the fun factor is maintained.

Our employee grievance procedure spells out the informal and formal procedures in place for employees who want to escalate a complaint against the Company.

We have a code of Business Principles (detailed on pages 46 and 47 of this report) and demand that all employees act ethically in all their dealings with each other and with people and organisations outside the Company at all times.

#### Health and Safety

The health and wellbeing of our employees and all those that work for the Company are of paramount concern. We have an established, Group-wide health and safety strategy agreed at Board level that is kept under constant review and commits us to seeking continuous improvement. Ultimate responsibility for health and safety rests with Peter Erskine, CEO mmO<sub>2</sub>. Dave McGlade, CEO O<sub>2</sub> UK, has been appointed health and safety champion for the business as a whole. As an absolute minimum we aim to comply with all EU and UK safety legislation and relevant industry standards. Our stance is uncompromising. We expect zero-tolerance of injury and ill health arising from work activities.

Our accident reporting arrangements are in line with the ILO Reporting Code of Practice 1995. We have systems in place to report and record the details of all accidents occurring within the Company. These systems will allow us to report any notifiable incident to the relevant national authority, to their stated time scales. The data from these systems allow us to analyse our accidents, identify trends and issues and develop robust solutions.

A formal consultation process exists across each of our Business Units engaging Trade Union representatives and other employee representatives in dialogue with managers about our occupational health and safety arrangements. In addition the Company is represented at the European



03 O<sub>2</sub> Breathe is an initiative to get employees to learn more about customer experience and attracting new customers. More than 300 employees received the latest handsets as a reward for taking part in customer challenges as part of the next phase of O<sub>2</sub> Breathe. Pictured is Germany's first prize winner, Klaus Kuntze with Rudolf Gröger and lead coach Nicholas Georghiou.

Commission Social Dialogue Committee (Telecommunications Sector) Health and Safety Working Group where discussions between the employers and European Telecommunications Trade Unions (UNI Europa) address opportunities for pan-European solutions to sector specific health and safety issues.

Our health and safety arrangements have all of the key elements contained in the ILO Safety and Health Management System 2001, the UK's HSG65 and the guidelines documented in OHSAS18001, in terms of policy, organisation, planning and implementing, evaluation and action for improvement. Our main UK based operation, O<sub>2</sub> UK, is accredited to the OHSAS18001 Standard by the British Standards Institute and O<sub>2</sub> Ireland is currently engaged in achieving accreditation to the same system. The management of the health and safety procedures of every operating business is annually reviewed through external audits, which are carried out as part of our insurance programme.

In the year to March 2003 mmO<sub>2</sub> had 210 accidents resulting in 575 days lost in subsequent sick absence. Based on a population of 12,476 full-time equivalent (FTE) employees this represents 16.8 accidents per 1,000 FTE and 46 days sick absence resulting from sick absence per 1,000 FTE. We have set ourselves a target of reducing the number of sick absences arising from work-related injury or illness by 10 per cent by March 2005. We also have a target of zero enforcement actions by health and safety enforcement agencies.

#### Responding to changing market conditions

The re-organisation of the businesses that make up mmO<sub>2</sub> into one company has inevitably involved restructuring and, in the last year, there was a reduction in the number of people we employ as we worked to eradicate duplication and sought to boost efficiency. During the year the total number employed in the Group fell from 14,300 to 12,476. Where possible we make

reductions in the workforce through voluntary redundancies. When compulsory redundancies are necessary, efforts are made to help people find alternative employment.

The management of our call centres in the UK is undergoing considerable change as we seek to make them more efficient and effective in dealing with calls from our customers. There are some considerable challenges to overcome in this area, including improving the support and training our advisors receive in dealing with customers. We are beginning to manage our call centres by work streams rather than as separate geographic units. Many of our call centres in the UK, where we employ up to 1,400 on our biggest sites, have a high proportion of temporary employees and higher levels of staff turnover, although this is below industry norms for our employees. We are seeking to increase the number of permanent employees in call centres progressively. Pay and conditions for our permanent employees are above industry norms.

We work hard to take account of the diversity of people working in these relatively large units and to provide ways for employees to become involved in the local community. Details on our employee volunteering can be found in the community section of this report (page 40). In the UK we employ a number of people from a diverse range of cultures. We make provision for the different religious beliefs of our employees by allowing them to book meeting rooms should they wish to pray during their working day.

“O<sub>2</sub>'s funding of the internet café has shown they are keen to listen to the local community and local police in order to help young people.”

Mike Mullins, Centre Manager, The Haymill Centre, United Kingdom

# Community

Community involvement and investment is a vital part of our approach to corporate responsibility. We believe we have a positive role to play in the development of communities and can help to tackle real social needs. At the same time we know that such projects, if developed carefully and carried through with real energy and commitment, can bring benefits to mmO<sub>2</sub>. These include protecting and enhancing our reputation with key stakeholders, helping to motivate and retain good employees, improving community relations where we work and making mmO<sub>2</sub> a more secure and successful business for the long-term.

Community investment activity is going on throughout the Group and in each of the markets we operate in. Our approach is guided by a Group-wide strategic framework and a set of objectives, but the individual business units have the necessary freedom to decide the projects they support and the level of investment they want to make.

The main focus of our community investment work is the 'Can Do in the Community' programme launched in December 2002 and which is funded to the tune of over £1 million a year. The objective is to support sustainable projects that bring tangible and enduring benefits to the communities we serve. We particularly look to support initiatives where mobile or other advanced technologies can be used to tackle social needs and where our own employees can become directly involved.

A prime example of our new Can Do in the Community programme is the trial of a new asthma monitoring solution in the Thames Valley region of the UK, details of which are included in the 'What mobile can do' section of this report (pages 4 and 5). This important project for which we are providing funding, technical support, xda

devices – combined mobile phones and computers – and network capacity, is already showing some exciting benefits in the treatment and care of asthma sufferers. Most notably, children are now recording their breathing more accurately using the electronic peak flow meter attached to the xda.

While Can Do in the Community is the main focus of our community investment our overall community efforts take several different forms including targeted charitable donations, sponsorship of community projects, direct involvement by O<sub>2</sub> employees, fundraising and community volunteering. In the UK and Ireland we operate Give as You Earn schemes and we have launched a Match Funding scheme across the Group to help support employees in their fundraising for charitable and voluntary organisations.

## Charitable donations

Each year we select an area to target for charitable donations. The Group selects a specific charity it wants to support each year and some of the operating businesses do the same based on their overall operating circumstances.

In 2003/04 our chosen Group theme is helping young people overcome disadvantage, escape crime and gain access to better educational opportunities. Following voting across the Group, employees selected as its Charity of the Year for 2003/04 the International Youth Foundation, a charity working to improve the conditions and prospects for children and young people, often through educational programmes aimed at giving them a better chance in life. Projects addressing this area are being delivered this year across the countries we operate in.



Mike Mullins, Centre Manager,  
The Haymill Centre, United Kingdom

# In Ireland our community work is particularly focused on working with disadvantaged young people.

During the year ended 31 March 2003, the Group made donations to charitable and community organisations totalling £444,000. It is estimated that donations through our community sponsorship schemes and in-kind contributions totalled almost £1.8 million. Education and employment related projects accounted for 27 per cent and 22 per cent respectively of this amount. We are currently reviewing the way we measure the in-kind contributions we make and will be reporting in the current year on our progress with this.

Last year's donations included contributions to charities across Europe selected through a Group-wide competition. The competition took the form of a corporate responsibility quiz and was designed to mark our first anniversary and to raise awareness among employees about corporate responsibility and our community investment programme. The winners in each business nominated a charity to receive £5,000 (7,800 Euros). Chosen charities were Aktion Mensch, a German charity supporting people with disabilities and chronic illness; Crossroads Isle of Man, which supports the carers of people who are disabled, elderly or chronically ill; Stichting Weeskinderen, a Dutch organisation supporting three orphanages in Kenya; the NSPCC's full stop campaign; and two small animal welfare charities in the North East of England and in Ireland.

## Sponsorship schemes

We sponsor both charitable and non-charitable schemes focusing on projects that offer sustainable improvements to people's lives and that enhance learning, education and self-development. We are particularly keen to participate in projects where our mobile services can be used to address social need and that offer a chance for our employees to become involved in the communities we work in.

Slough, the home of the mmO<sub>2</sub> headquarters and O<sub>2</sub> UK, is currently the focus of a number of exciting projects. Following our donation of specially equipped bicycles to the local police to help improve community policing, we have now extended our involvement in work to tackle youth crime.

Following a spate of attacks on our employees as they travelled to and from work, we consulted with the local authority and voluntary organisations and decided to focus on the prevention of crime among young people excluded or at risk from exclusion from school. We have equipped an internet café in a local community centre close to O<sub>2</sub> offices. The café – which includes 12 broadband internet PCs, printers, a plasma screen and a video/DVD recorder – is open to young people enrolled in the local authority's pupil referral unit or involved in the local Youth and Play Team. Many have an involvement in crime and the idea is to discourage criminal behaviour, offer them access to digital technology to support their education and eventually to provide training and employment opportunities. The facility was handed over by our Chairman, David Varney, on March 17, 2003, and we hope in future to involve employees in mentoring and supporting young people using the centre.

In Ireland our community work is particularly focused on working with disadvantaged young people, reflecting the fact that 38 per cent of the Irish population is under the age of 25 and that many are growing up in areas of social deprivation. We aim to offer young people access to wider education opportunities and self-development projects. We are active supporters of Common Purpose, a not-for-profit organisation which runs a variety of leadership programmes to raise

awareness of the responsibility each of us has to society. A number of employees in Ireland have participated in Junior Achievement Ireland programmes that aim to build partnerships between the business community and education sector. O<sub>2</sub> Ireland has embraced community investment enthusiastically and plans are in place to increase our activities in this area.

O<sub>2</sub> Germany is concentrating its sponsorship work on education and culture. The business is a sponsor of the new Pinakothek der Moderne art museum in Munich. It also sponsors a professorship at Munich's Technology University and intends to partake in a number of technology studies there. Manx Telecom has also devoted much of its community investment in the education sector with projects like the telecomputer bus, a travelling communications suite which tours local primary schools to support technology classes and special topic work. In a recent first in Europe, the 20 computers on the bus were linked to the internet via one 3G mobile phone giving children access to wireless broadband internet rather than the slower ISDN connection they normally use.

## Community volunteering

Not all of our community projects are based in local markets. In early 2003 our recently sold business, O<sub>2</sub> Netherlands led a project to help build houses for needy families in the Konongo region of Ghana. The project involved 42 volunteers from across the Group travelling to Ghana for a week to work with Habitat for Humanity, a charity providing housing in some of the world's most deprived regions. The team worked on a block of seven houses over the course of the week and also got involved in other community activities while there.



01 School children on the Manx Telecomputer Bus recently saw a routine lesson turn into a first in Europe. All 20 computers on the bus were connected to the internet through one 3G mobile phone.



02 Ghana. An international group of O2 employees went to Ghana with Habitat for Humanity to build houses for poor families.

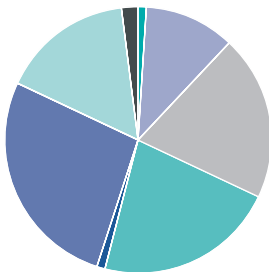


03 O2 UK sponsored Nordoff Robbins Music Therapy's annual Silver Clef awards for the second time this year. The charity uses the power of music to bring hope and healing into the lives of disabled and traumatised children and adults.

Community investment categories

Contributions

estimated monetary and in-kind contributions



- Children and Youth 11%
- Culture and the Arts 20%
- Employment and Entrepreneurship 22%
- Sports 1%
- Education and Science 27%
- Emergency relief 16%
- Environment and Health 2%
- Other 1%

Volunteering by mmO<sub>2</sub> employees  
estimated hours during office hours

**5,464**

Estimated number of individuals  
that benefited directly from  
mmO<sub>2</sub>'s community investment

**145,768**

Ahead of the trip, we debated whether it would be a better use of resources to provide only funding for the project. We decided it was important to give O<sub>2</sub> employees the chance to volunteer as well as this would help to create a culture of volunteering within the Company. The project gave us a unique opportunity to demonstrate at Group level our determination to be actively involved on the ground in community investment projects.

The Leeds Cares scheme – part of a Business in the Community UK initiative to broker co-operation between companies and local voluntary organisations and projects – is now well established and provides a range of opportunities for our employees to do volunteering work, for instance in schools and old people's homes. Thanks to the success and popularity of this scheme, we have recently become involved in Manchester Cares. Employees are also actively involved in schools that we support in Slough and Bury.

Employees at the Limerick call centre in Ireland have been actively involved for many years in supporting children who are suffering due to the Chernobyl nuclear power plant catastrophe. Numerous other community activities take place at the call centre every year.

Research and measuring success

We are determined to make our community investment programme effective and genuinely useful. We are at an early stage in the majority of our projects and intend to put in place ways of measuring outcomes to ensure these are carefully assessed. During the year we were informed through, among other things, research carried

out by MORI that surveyed people's attitudes towards corporate responsibility and mobile phone operators. This study helped us to define the scope and direction of our Can Do in the Community programme. To follow this up we plan to carry out some research on whether our community investments have improved the perception of the Company as a good community neighbour.