Understanding your opinions

Listening to our stakeholders

A company that concentrates solely on the narrow business of business will soon lose touch with the very people it depends on for its prosperity. Successful businesses take full account of the fact that they operate within the context of wider society. We use stakeholder dialogue at mmO_2 as a way to talk, listen and learn from the groups and people who have a direct and indirect interest in the way we operate. Our aim is to promote a genuine understanding of how we operate as a company and of what we hope to offer through our products and our mobile services. By the same token, we also want to understand how we are perceived by society and what people expect of us. For that reason we are keen to stimulate dialogue with customers, employees, investors, community bodies and representatives, regulatory agencies, local and national government, international institutions and non-governmental organisations. We would like to engage in active dialogue with these groups and with any stakeholders who have a genuine desire to enter frank and open debate with us. We are determined to make this engagement useful to us and to them. It takes time to turn a desire for genuine dialogue into reality. Once established, the process must be a constant one if it is to be of real value. We have made good progress in opening the lines of communication with stakeholders but we are looking continuously for ways to further improve access and our responsiveness.

Who we are talking to

We have already established a dialogue with a wide range of groups and individuals so that we can engage in debates on social, environmental and ethical issues. We have extended our work with stakeholders by participating in a wide range of groups, including the Internet Watch Foundation, Business in the Community, the Mobile Operators Association, the Global e-Sustainability Initiative, the GSM Association, the Institute for Business Ethics, the Community Action Network (CAN), the Confederation of British Industry (CBI), the National Consumer Council (UK), the Communications Workers' Union, Connect, and many more. Through our community relations managers, we meet and hold discussions with thousands of people representing activist groups and national and local authorities. In the UK, we offer a dedicated help line for enquiries about the location of communications masts together with health related issues. The dialogue we have established guides us in trying to build our networks with the minimal amount of environmental and social intrusion.

Compiling this report has given us the opportunity to develop an additional external dialogue that specifically looks at corporate responsibility. It has allowed us to establish or broaden our existing contact with an initial group of 29 key opinion leaders representing 28 different organisations as listed below. We have canvassed their views in person, conducting telephone and face-to-face interviews. The dialogue we carried out helped shape the context of this report and the consequent sections will respond to most of the issues that were raised.

This group includes:
Campaigning and charitable organisations: Mast Action UK, Powerwatch, Childnet International, The Suzy Lamplugh Trust, The Royal Automobile Club (RAC), Deutsche Kinderschutzbund Bundesverband and Umweltinstitut, Munchen. Corporate responsibility specialists and academia: Tomorrow's Company, The Ashridge Centre, Roger Cowe (journalist), The New Economics Foundation and Warwick University. Investors: Jupiter Asset Management, HBOS and Morley Fund Management. Suppliers and industry partners: Nokia and Shields Environmental. Membership organisations: Business in the Community (BITC), The Confederation of British Industry (CBI), The Internet Watch Foundation (IWF), The GSM Association, The Irish Business and Employers Confederation (IBEC), The Mobile Operators Association (MOA), and Business in the Community, Ireland. National and Local Government agencies: The All-Party Mobile and Health Group, The Department of Health. Public sector organisations: The Police Federation and The Thames Valley Police.

As our programme of stakeholder dialogue develops, we aim to involve these groups and individuals more deeply in order to refine our policies and procedures, as well as to develop our reporting remit. But we would also like to expand the programme by bringing new groups and new people into our consultations.

How we are responding

An important first step in this dialogue was to get a clear understanding of the issues that most concern people who are affected by our operations. In the pages that follow we highlight some of the issues these stakeholders have said are most important to them and we set out the approach we are taking to deal with them. In some instances this exercise has allowed us to express more clearly than before our approach to contentious issues. Elsewhere, this exercise has revealed gaps in our approach, gaps that we now intend to fill.

We aim to extend our programme of external dialogue on corporate responsibility issues firstly in the UK, and then on the Isle of Man, in Ireland and in Germany.

Appropriate, considerate and safe use of mobile phones

What are you doing to make mobile phones safe and unobtrusive?

People are clearly worried about the anti-social effects of mobile technology. There are worries that mobile phones may, as they get more advanced, present a danger to young people by becoming a channel for adult content such as pornography or gambling. We are also aware that people worry that we are doing too little to educate our customers about using their phones in a responsible way and without causing a nuisance to others. They also ask if we are doing enough to promote the safe use of phones by car drivers.

Adult content

Mobile phones are popular with young people and can give them a sense of independence and security. For that reason parents are often keen for their children to have one. But they also worry that owning a phone will make young people vulnerable to inappropriate content, theft and bullying. Our aim is to help children use their mobile devices safely.

Consumer demand, as mobile telecommunications become more sophisticated, could mean that mobile devices increasingly become a channel for adult content such as pornography, gambling, financial services and other intensive push-marketing. Internet operators, broadcasters, regulators and governments have already wrestled with this issue with varying degrees of success. To date, this type of content has not been a significant issue in mobile communications, not least because voice and simple messaging services are poor channels for the delivery of adult content.

The emergence of data-rich services could change this situation. As the new 2.5G and 3G services, offering internet access and the transmission of sophisticated video and audio content, come to market, this issue will become ever more important.

Controls

Some commentators expect demand for adult content on mobile phones to increase significantly and they predict that it could be a source of considerable revenue for operators. At the same time, some stakeholders expect a proportion of customers to demand these services and, therefore, see it as a legitimate source of revenue and so expect us to offer adult content. This view needs to be considered alongside the view expressed by other stakeholders that to do so without adequate controls could expose vulnerable groups, particularly children, to inappropriate material. We think it is vital to balance these expectations and concerns in a responsible way.

Although we already have some billing and number barring controls in place, we are developing our policy on this important, emerging issue. But our starting point is clear. We will take all possible steps to protect children from access to inappropriate material including pornography, racism, violence and illegal gambling.

At the same time we want to give our customers the ability to make informed choices. One of the options we are exploring is the use of filtering technology, also referred to as 'enablers', similar to the filters available on family or school computers, which will block access to certain services. The technology is still at a relatively early stage of development and we will keep our customers and other stakeholders fully informed on the progress we make with it. We are also looking at the appropriate use of industry labelling and rating schemes for use in mobile content.

The UK Prison Service arranges crime and safety awareness days at schools throughout the UK. A team of O_2 employees has taken part in these events to discuss nuisance calls, hoax calls and SMS/WAP/internet chat rooms and dispelled the myths about not being caught. This activity started in January 2003 and will involve almost 70 school visits by the end of the year, where five to six workshops will take place each day addressing 25-30 youngsters aged between 11 and 15. An accompanying leaflet on this topic is available through the O_2 UK web site.

Policing illegal content

The very nature of the internet makes it difficult for any operator to control all content being accessed through its network. We do not believe we can effectively police all content transmitted through mobile devices, especially peer to peer messaging, control of which could in turn raise issues about individual privacy. Our hope is that the use of screening technology will allow customers to approach this issue carefully and will give parents and guardians the ability to help young people set up their phones safely.

As mobile phones are becoming an effective channel for internet access, mmO_2 is a member of the Internet Watch Foundation (IWF) and sits on its funding council. The IWF investigates reports from the public on internet sites that contain potentially illegal content, concentrating primarily on child pornography. It assesses content and passes information about illegal sites to the police via the National Criminal Intelligence Service.

mmO$_2$ text messages carried 2002/03

11.6 billion

Phone cited as the primary distraction in a car crash[1]

5%

Etiquette

We encourage our customers to use their phones in a sensible, considerate and responsible way. We have dedicated a part of our web site – www.mmo2.com/cr – to this issue about mobile phones and etiquette.

The convenience of using a mobile phone does not automatically give anyone the right to be a nuisance. Interrupting films and plays, breaking other people's enjoyment of a restaurant or a journey or disrupting meetings can all be a major cause of annoyance. We advise: "if in doubt, take control and turn your mobile off!"

Modern mobile phones are set up to be both convenient and unobtrusive. It is not difficult to use a handset in a responsible way. There are obvious places where it is best to 'switch to silent' or to turn the phone off. These include cinemas, theatres, restaurants, sporting events, concerts, in hospitals, at weddings and funerals and at business and social meetings. Answer machine services mean that people can still stay conveniently in touch. For those people who can't bear to hit the off button, quiet, mute, and vibration settings can make the phone far more discreet.

We advise our customers to be careful what they say when using a phone in a public place. Speaking quietly can not only prevent annoyance it can also protect the caller's privacy. Text messaging is more private and can be more secure. This is particularly important for business calls. Our guidance advises people to be aware that the convenience of being constantly in touch can become an annoyance to others if they are busy, engaged in a meeting or on the move. We advise customers to start a call with a simple enquiry – "is this a good time to talk?"

Distraction driving

As roads get busier and busier, it is vital for drivers to concentrate all the time they are on the road. Yet many still use their mobile phones while at the wheel. We have carried out a campaign on the use of mobile phones whilst driving in the UK, which has involved distributing leaflets and providing driving training to employees. A dedicated leaflet is also available on our website www.mmo2.com/cr. Targeted promotion was also undertaken in the Isle of Man, where using a phone while driving carries a maximum penalty of £1,000, run with the Manx Department of Transport road safety unit and the police. We include tips on safe driving on our web site.

We advise drivers never to use hand held mobile devices while driving. If they need to make or receive a call the best option is often to pull over, but drivers still need to be careful how and where they stop. We advise them to choose a safe place to stop and to be careful not to impede traffic or create a blind spot for other motorists.

Our campaigns urge drivers to make use of voicemail services while driving and to pick up messages and return calls when breaking their journey. Any calls made while driving should be kept brief and drivers should always cut short distressing calls that might disrupt their concentration.

[1] A pilot study conducted by Virginia Commonwealth University (2003) involving nearly 4,500 distracted drivers

Crime
Are you doing enough to cut mobile phone crime?

Number of mobile phones stolen in 2002 (UK)[1]

470,000

Robberies in 2000/01 involved a mobile phone[2]

28%

A growing proportion of crimes is associated with the theft of mobile phones – in the UK alone hundreds of thousands of handsets are stolen each year. People have expressed concerns that mobile operators are doing too little to prevent a rising tide of crime that often leaves vulnerable people, particularly children, exposed to mugging and theft.

Mobile phone crime is of great concern to us and we have made good progress in this area. Our own crime prevention initiatives, and those we are working on with other operators, start by concentrating on the deterrence of phone crime.

Blocking stolen mobiles

In July 2002 O_2 UK launched a new scheme that allows it to identify stolen phones being used on its network by tracing the phone's IMEI (International Mobile Equipment Identity) number. This is a 15-digit number, unique to every phone. Previously O_2 UK had only been able to block stolen SIM cards that had their own, unique identity. But now, by checking the IMEI against an Equipment Identity Register (EIR) – a list of phones reported stolen – O_2 UK can bar a phone even if the SIM card has been changed. In October last year, O_2 UK began working with the other mobile operators on this scheme. The IMEI blocking system now works on all networks through a shared central EIR that logs all phones reported stolen. Today the combined number of barred IMEIs totals 640,000 for the UK operators.

O_2 Ireland is currently building an EIR of its own to cover its network there. The scheme, costing O_2 Ireland 1.1 million Euros, will be in place by the Summer, 2003. Discussions are also underway with other Irish operators to create a central database of the IMEI numbers of stolen phones that will work across all networks.

In the UK the mobile industry is working together through the Mobile Industry Crime Action Forum (MICAF), a body which co-operates closely on anti-theft initiatives with the Home Office and the police. O_2 UK is a founding and active member of MICAF. In March this year, MICAF launched the £1.5 million 'Immobilise' advertising campaign to get the message across that "stolen phones don't work". A web site – www.immobilise.com – and a help line tell victims of phone crime how to report stolen phones.

O_2 UK is also working on a scheme to provide information to the police about the usage of stolen phones on the register so that they can track down phone thieves. In addition O_2 UK is providing help on the assessment of insurance claims and we have supported the Government's introduction of new legislation making it illegal to tamper with a phone's IMEI number.

Phone safety

There are a number of things mobile phone users can do to protect themselves from crime. For our UK customers we have produced a leaflet to remind people how best to use a phone safely in public places and we believe that increasingly people are taking this issue seriously.

Although these initiatives will not wipe out mobile phone theft overnight, we are sure that they will begin to make a big impact on the number of phones stolen each year and the number of phone owners subjected to crime. Our aim, essentially, is to make phone theft a waste of time.

[1] Source: Mobile Industry Action Forum (www.micaf.co.uk) [2] Source: www.immobilise.com

Airwave
What is it and how does it work?

Airwave, a subsidiary of mmO_2, is creating a new state-of-the-art mobile communications network for police forces and potentially other emergency services across England, Scotland and Wales. This network will, for the first time, provide complete national coverage offering police forces much better communications and communities greater security.

As of April 2003, 10 police forces had been equipped with the new system and are benefiting from the secure and unbroken communications that the technology offers. Two fire services and one ambulance service have also begun to use this new system. All police forces should be using Airwave by the end of 2005.

Airwave is being developed under a £2.9 billion private finance initiative project – the largest of its kind – that runs for 15 years. The security of the system will allow officers to operate in the field more securely and the National Audit Office has estimated that efficiency savings associated with the introduction of Airwave could be the equivalent of up to an extra 1,200 police officers. Should more fire and ambulance crews begin to use the system too, it will offer real inter-operability between the emergency services for the first time.

These are the benefits to society of the new network. But as with other mobile phone systems, the roll out of Airwave's network has raised concerns about the environmental impact of infrastructure and worries that the technology that Airwave uses could pose a threat to the health of staff, customers and the public. We take these issues seriously and are keen to address them directly.

National coverage
Once complete, it is estimated that the network will comprise some 3,500 masts, transmitting over relatively small areas. Masts will be necessary in all parts of the country, including some remote areas where there may not currently be any other radio infrastructure, to enable us to provide complete unbroken coverage everywhere. Understandably, some fear that the need for masts in areas of particular sensitivity as well as elsewhere will scar the environment.

We aim to develop the network with care and sensitivity by making masts as unobtrusive as possible and, wherever possible, co-locating transmitters on existing sites. Our network construction programme is designed to comply with the Ten Commitments on responsible mast siting drawn up by the UK Mobile Operators Association. These commit us to additional consultation with local communities at an early stage where a site may cause concern in the community and to aim to minimise the environmental impact of the network. Full details of the Ten Commitments are included in the Environment and sustainability section of this report (page 32). In the roll out of the network we are seeking comments from communities and continue to consult widely and more deeply than normal planning procedures demand.

Masts and handsets
In common with other mobile communications systems, there are concerns about the safety of the Airwave transmitters and radio handsets.

It is commonly accepted that radio frequencies can be harmful to human health above a certain level of exposure. International exposure guidelines – laid down by the independent International Commission on Non-Ionizing Radiation Protection (ICNIRP) – are set at well below risk levels. Our masts and handsets are designed to comply with these guidelines. Currently, the masts operate at many hundreds and even thousands of times below the agreed safety limits where the general public have access.

But there are further concerns about the Airwave network because it uses a technology called Terrestrial Trunked Radio (TETRA). These have focused specifically on the 17.65Hz component of the kind of radio signal it uses. Airwave handsets pulse at this frequency, although its transmitters do not.

Concerns about this frequency originated in a reference in the Stewart report[1] into mobile telephony in 2000, which advised precaution in relation to frequencies that were amplitude modulated at around 16Hz. The concern was that these frequencies were close to those in the human brain and that some studies carried out in the 1970s had suggested there might be an effect on brain function.

However, the most recent research has shown no effects on cognitive brain function, and the consensus within the scientific community gives us great reassurance that employees, customers and the public's health is not at risk. We continue to support research in this area and we have fully supported further work by the UK's National Radiological Protection Board and other independent experts as part of the Mobile Telecommunications and Health research programme in the UK.

[1] Independent Expert Group on Mobile Phones: Mobile Phones and Health – Chairman Sir William Stewart (2000)