



BUILDING TRUST AND SHARING CONNECTIVITY

EE Responsibility Report 2012

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INTRODUCTION FROM OLAF SWANTEE, CEO, EE

**Welcome to EE's first responsibility report,
outlining our approach to running a responsible
and sustainable business.**

EE is the UK's most advanced digital communications company with over 26 million customers – almost half of Britain – using our services every day.

Our vision is to provide the best network and best service so our customers trust us with their digital lives. As the UK's reliance on digital services and the digital economy grows, it's a vision that's becoming ever more important and relevant.

That's why we have embarked on an ambitious and exciting journey to build a new 21st century digital infrastructure for the UK – one that is as important to future trade, travel and transportation as the roads, railways and airports are. We are building a digital backbone for the country that will allow the people and businesses of Britain and Northern Ireland to do more, trade more and communicate more. It will allow companies to compete with their UK and global rivals, and will give individuals more opportunities and access than ever before.

We have already made good progress on this journey. Following significant investment, we now run the UK's biggest and fastest mobile network in the UK, alongside our superfast fibre and broadband services for homes and

offices. We pioneered superfast 4G mobile services for the UK, and we are in the process of delivering the fastest technological rollout ever witnessed in Britain, with a plan to cover 98% of the population with superfast 4G by the end of 2014.

EE is a major employer in some of the UK's most challenging areas of unemployment, with over 15,000 people working for us directly and many thousands more working for our partners and suppliers. In 2013 we were ranked 18th in the Sunday Times top 25 Best Big Companies to work for by our employees – our people are proud to be the industry innovators.

As a business that sits at the heart of 21st century life, it is our ambition – and our responsibility commitment – to be the most trusted communications company that shares the power of connectivity with everyone in the UK. It's a commitment that has been agreed by EE's Leadership Team, and we've made significant steps in embedding it across our business.

This report gives you more detail about the progress we have made, and we've structured it around the two strategic priorities of our commitment – building trust, and sharing connectivity.

Building trust

In 2012 we identified areas we need to focus on to build trust with our customers and stakeholders. We knew we could do better in some of these areas, so we implemented a governance structure that ensures accountability from the top, and a clear process for reporting on progress. Areas of focus include child safety, supporting customers with disabilities and sustainability in our supply chain. We share our KPIs, current performance and future targets in this report for each of these areas, and we look forward to sharing our progress in the future.

Within building trust there are two main areas of focus where we believe we can make the most significant social, economic and environmental impact – developing the workforce of the future, and minimising our environmental impact.

Developing the workforce of the future is critical to the future success of our business, and is an area where we can make a significant contribution. There are nearly one million unemployed 16 to 24 year olds in the UK, and as a leading British business, we have a responsibility to provide skills development and

employment opportunities. To meet this goal, we have launched an extensive apprenticeship scheme and work programme. This not only supports communities, it also ensures we're building the local skills we need to provide excellent customer service now and in the future.

Secondly, we have put a robust environmental plan in place that seeks to significantly reduce our environmental impact. As part of our £2bn three-year network and spectrum investment programme, we are integrating and optimising our two mobile networks to improve coverage for our customers. This programme is already delivering significant reductions in our carbon output, which will continue in future years.

Sharing connectivity

Digital exclusion is a serious issue for the social and economic wellbeing of the UK. Most of us can think of a friend or relative who suffers from feelings of detachment and isolation, often because they're not online. There are 10 million people in the UK who aren't using the internet¹ and 6 million more who have limited digital skills². Research shows that being online has significant benefits for people, from improving educational outcomes of young people to countering social isolation and depression among the elderly³.

As the UK's largest communications company, we are committed to making a real difference to this issue. By building a 21st century digital infrastructure for the UK, we're ensuring that more people get the connectivity they deserve to live better lives. And, we're working to inspire people to get connected and improve their digital skills.

To support our goal to build digital skills, last year we became a founder partner of Go ON UK, a charity that

aims to make the UK the world's most digitally literate nation. I sit on the board, and we are actively involved in the development and delivery of Go ON UK's activities.

We are delivering a number of programmes, as part of our responsibility programme, to support the charity's – and our business's – aims. Last year, we launched the EE Digital Champions programme. EE Digital Champions are specially trained EE employees who go into the community to show people how the internet can make a difference to their lives. We expect to have 300 by the end of this year. We have also focused all our employee volunteering opportunities around helping people build digital skills.

Our commitment

To bring clarity and focus to our responsibility programme, we have established three primary goals, to achieve by 2015, in the areas where we believe we can make the biggest positive difference to the sustainability of Britain:

1. Improve the digital skills of one million people
2. Recruit 500 apprentices into our business
3. Reduce our carbon emissions and waste to landfill by 50% compared to our 2010 baseline

Thank you for taking an interest in our company – I hope that it has given you an overview of where we are today, and what we plan to do in the future.

As a UK company that sits at the head of 21st century life, we are in a unique position. Our core service gives people and businesses the opportunity to do things that they would otherwise not have been able to do. We help people to communicate, to trade and to

access the things they want, on the go, breaking down the barriers of distance and geography.

We want to build on this, and our responsibility plan is critical to supporting the social, economic and environmental wellbeing of Britain. It is also fundamental to the sustainability of our business.

You'll find more information in this report, and I look forward to sharing our progress with you in future editions.



Olaf Swantee
CEO
EE

April 2013

¹Ofcom, The Communications Market, July 2012

²Booz & co Go ON UK report, This Is for Everyone, November 2012

³Booz & co Go ON UK report, This Is for Everyone, November 2012

STAKEHOLDER REVIEW

We invited key stakeholders to review our report and provide a critique of our approach, activity and future plans.

We asked that our stakeholders share their views on our approach, our performance and where we need to focus in the future. We're taking their comments on board and will look to their recommendations as we develop our approach and deliver further activity.

We thank all of our stakeholders for their time and comments and see this as the first step in developing a more formal stakeholder engagement plan. We're currently establishing a stakeholder panel that will meet across the year to provide ongoing advice on our responsibility approach.



**Alasdair Marks,
Corporate Adviser,
Business in the Community**

I would like to congratulate EE on the publication of their first Responsibility Report. As a young company they are towards the beginning of their sustainability journey, but evidently a lot has already been achieved. Importantly EE's overarching approach to responsibility (building trust and sharing connectivity) is clearly aligned to the company vision and core business. A focus on core competencies and the fact that responsibility is

governed and managed at the highest level will facilitate full integration of responsible business practice across the organisation.

It is clear that a risk-based process is in place to identify priority areas, and EE understands and is tackling issues that are material to the company. Reference is made to the business benefits of implementing a responsibility strategy in some areas; I recommend that EE explores this further to develop a specific business case for all those identified. It is also encouraging to hear about the development of a more formal stakeholder engagement strategy as, crucially, this will allow for regular external evaluation and assessment of EE's responsibility activities. Furthermore I welcome the formation of a stakeholder panel onto which BITC is proud to have been invited, along with other experts in the field of responsible business. Since transparency and accountability are cornerstones of building trust, it is reassuring to see performance measures and targets throughout. These require strengthening in places but it is good to see that EE has focused on areas where it can make a real difference in its flagship 2015 goals. It will be important now for EE to continually measure the impact on their communities and benefits back to the business. It is useful to hear about EE's immediate plans, but I would

encourage the setting of more formal short, medium and long-term objectives and regular progress reports.

This is a solid foundation on which to build. As their strategy evolves, EE will also need to respond to emerging global challenges and set more stretching, long-term goals. Through sharing connectivity and building digital skills, EE has the potential to make their unique contribution to the '9 Billion Challenge' – quality and sustainable lives for the 9 billion people forecast to be living on this planet by 2050. We look forward to supporting them on this exciting journey.



**Baroness Lane-Fox,
Chair, Go ON UK**

EE's first Responsibility Report takes an innovative approach to building trust with its customers and is remarkable for its ambition to share the benefits of connectivity by improving the digital skills of a million people.

EE is a founder partner of Go ON UK, the UK's digital skills alliance, and were amongst the first organisations to sign up to the Digital Skills Charter that we launched in 2012. It's great that EE are planning to put that commitment into practice, developing

new content and tools to encourage people and businesses to improve their digital skills and recruiting 300 EE Digital Champions to take technology to non users on the high street. I am also pleased to see EE making a commitment to disability awareness training for 60% of staff by the end of 2013.

EE's approach is a good balance between learning from and working with other partners and being clear about the organisation's own commitments. The report is generally strong on how EE will measure its priority commitments. I am therefore confident that EE will apply the same rigour to measuring progress on its digital skills commitment. As part of that, and as Go ON UK and EE's plans progress, I hope that EE can commit to a specific target for the number of people and businesses it will help in the Go ON UK pathfinder region in 2013-14.

I congratulate EE; all of us at Go ON UK are looking forward to working with Olaf and his team to deliver the digital skills commitment.



**Hugh Jones,
Managing Director,
Advisory Services
Carbon Trust**

Successful corporate responsibility programmes address pressing societal issues, link to core business strategy and resonate with major stakeholders. EE's commitment to be the most trusted communications company that shares the power of connectivity with everyone in the UK ticks all three boxes.

As the leading mobile network in the UK with 26 million customers and a 4G network that will extend to 98% of the population by 2014, EE has the chance

to use its scale to drive real change across the UK. Its goal to reduce its carbon emissions and waste by 50% by 2015 against its 2010 baseline is ambitious and establishes EE as a genuine sustainability leader. By setting an absolute target, EE has ensured it will deliver reductions in real terms, and data from 2012 shows it is already making significant progress.

EE's 50% reduction goal is a great start, but is only the tip of the iceberg of what it can achieve. We would like to see EE broaden its ambition to address sustainability beyond its own operations. Examples include working with its suppliers to reduce supply chain emissions; and developing sustainable products and services that enable customers to reduce their energy consumption and lead more sustainable lifestyles. Grasping these opportunities has the potential to drive carbon reductions far in excess of its ambitious internal goals. Doing so would establish EE firmly in the vanguard of the UK's move to a sustainable, low carbon economy.

**Iain McKenzie,
Member of Parliament
for Inverclyde**

I welcome this opportunity to review this report and congratulate EE on their plans to build upon the trust already established while enhancing connectivity across the UK in 2013 and beyond. I will focus my review commentary on the areas of expertise and interest as a Member of the UK Parliament.

Connecting the UK has never been a more important goal. When many turn to online solutions for everything from shopping to information and communication, EE's drive to connect people and businesses across the country is vital. Greater connectivity throughout the country will enable us to become the most digitally capable nation in Europe.

EE's Digital Champion programme encourages employees to reach out beyond their desks into the community. This helps break down the generational imbalance of those now engaging in the digital world. Improving the digital skills of one million people across the UK is a challenging goal. I would like to see EE work with local education centres to encourage participants into certificated training.

EE's commitment to offering 500 apprenticeships by 2015 displays their commitment to youth employment. The demand for work from young people in Inverclyde, who would like to pursue a career and develop skills at the same time, has never been greater. Without businesses like EE offering apprenticeship places and employment opportunities, tackling youth unemployment in the long-term becomes increasingly difficult. I hope that EE will extend their apprenticeship programme beyond 2015, and commit to taking on more apprentices.

As an employer, EE has identified the need to constantly engage and develop its employees. Vitality, enthusiasm and commitment to the job are increasingly required skills which are evident when I visit the EE contact centre in my constituency.

I thank EE for the opportunity to review this document and believe it sets out their business direction.

OUR BUSINESS AT A GLANCE

EE is the most advanced digital communications company in Britain, providing mobile and fixed-line services to 26 million customers.

- > EE runs the EE, Orange and T-Mobile brands in the UK
- > We have 26 million customers across the UK
- > We have more than 600 stores, in over 200 towns and cities across the UK, that sell our brands
- > Group revenue for the year was £6.7 billion. Adjusted EBITDA, which excludes restructuring costs, brand and management fees, was £1,410 million. The loss after tax for the year ended 31 December 2012 was £191 million
- > We're investing £2bn from 2012-2014 on network infrastructure and spectrum to improve connectivity across the UK
- > Our head office sites are in London, Hatfield and Bristol and our contact centres are in Darlington, North Tyneside, Doxford, Merthyr Tydfil, Greenock and Plymouth
- > We are the biggest private sector employer in a number of our contact centre locations, including Merthyr Tydfil and Darlington. Four of our contact centres are in regions where unemployment is above the national average
- > At the end of 2012, our network had 25,035 network sites across the UK
- > We have 15,367 employees (permanent and fixed term employees as at 31 December 2012). This is made up of 55% male and 45% female employees. 1,883 male employees and 2,707 female employees work part-time. Our Senior Management Team is made up of 212 males and 110 females
- > EE is a 50:50 joint venture between France Telecom-Orange and Deutsche Telekom
- > In 2012 we won numerous awards including:
 - **Mobile News Awards:** Industry Personality of the Year for Olaf Swantee
 - **European Call Centre & Customer Service Awards:** Employer of the year for Merthyr Contact Centre
 - **Chartered Institute of Purchasing and Supply Awards:** Best Cross Functional Teamwork project
 - **International Business Awards:** Gold winner for Support Team of the Year and Silver for Support Department of the Year
 - **Guardian Awards or Digital Innovation:** Best New App for Do Some Good

ABOUT OUR REPORT

EE's first Responsibility Report covers our 2012 activity and future plans. It's aligned to the Global Reporting Initiative Framework.

Our report aims to provide detailed information on our responsibility strategy, our programmes and our future ambitions. We have included what we have planned for 2013 and, where possible, demonstrated our performance and published targets. As part of the assurance of this report, we asked a number of key stakeholders to review it as is detailed on page 4. We plan to publish responsibility reports annually.

The scope of the report covers 2012, spanning EE's entire operation in the UK. We cover how we influence and manage our suppliers but we don't report specifically on their performance. Our environmental performance, which can be found on page 18, covers all sites where we have operational control. It doesn't include masts that are shared with another telecoms operator where we are not the main operator or retail stores that are part of a larger site that we don't manage.

The issues that we cover in the report are those that we identified as material during the development of our strategy. They are the ones in which our business and stakeholders are most interested.

This report is aligned to the Global Reporting Initiative Framework 3.1, level B and includes relevant sector-specific indicators from the Telecoms Sector Supplement. You can find our GRI Index information on page 34 towards the end of this report. We also provide information on our community impact in page 40, following the London Benchmarking Group measurement tool for community investment.

If you have any questions about this report or would like to comment on its contents, please contact responsibility@ee.co.uk.

OUR APPROACH TO BEING RESPONSIBLE

We want to be the most trusted communications company that shares the power of connectivity with everyone in the UK.

The launch of the EE brand was an opportunity for us to take a fresh look at our responsibility strategy. We assessed our performance, our potential risks and the areas where we can make a difference. From this we developed our commitment which divides in to two themes: sharing connectivity and building trust. We have structured our report around these two areas.

We've set three goals in the areas where we believe we can make the biggest positive difference to Britain. By 2015 we will:

1. Improve the digital skills of one million people
2. Recruit 500 apprentices into our business
3. Reduce our carbon emissions and waste landfill by 50% against our 2010 baseline

We also have a series of KPIs and targets for each of our responsibility issue areas which we share in the building trust section.

Management and governance

Responsibility at EE is managed from the top and responsibility matters are integrated in the company's regular Leadership Team meetings as necessary.

Stephen Harris, Chief of Staff, EE, represents responsibility on the Leadership Team and oversees the company's responsibility performance. Activity is supported by a dedicated Responsibility Team which reports in to the Head of Corporate and Financial Affairs. Responsibility KPIs have been entered in to EE's central dashboard that tracks overall performance.

We've signed up to a number of voluntary codes including the Social Mobility Business Compact and the Mobile Operators Ten Commitments. Our EE codes of practice are listed on our website www.explore.ee.co.uk/ regulatory. Examples of EE policies that govern our responsibility activity include our Safety and Sustainability policy, our Supplier's Ethical Charter and our Code of Conduct. We are also members of the Global e-Sustainability Initiative, Business in the Community, the London Benchmarking Group, the Internet Watch Foundation, the UK Council for Child Internet Safety and the Mobile Operators Association.

We have a responsibility management system that documents this process and makes sure we maintain a transparent and rigorous approach to responsibility management. Responsibility risks are also reviewed by the Risk Team and if the risk meets the central company criteria, it is added to the company's business risk register. We plan to review our responsibility approach on an annual basis to make sure it aligns with our business and meets our stakeholders' expectations.

Stakeholder engagement

We communicate with our key stakeholders every day. These include the Government, customers and employees. Across 2012 we have been in constant dialogue with these groups but we also identified the need for a more formal engagement process. The first stage of this was to invite four of our key stakeholders to review our report. You can read the comments from our stakeholders on page 4.

We are now working on a stakeholder engagement plan that will map out who our most important stakeholders are and outline how we will communicate and work with them. Following this we will establish a stakeholder panel, which will meet across 2013 to provide strategic advice on our responsibility approach and the activity we deliver.

SHARING THE POWER OF CONNECTIVITY

We want to improve the digital skills of one million people in Britain by 2015.

In many ways, the UK is a leading digital nation – we're twice as likely as the OECD average to buy goods online and we've adopted smartphones faster than any other European nation. But the reality is millions of people in the UK, from all walks of life, aren't online. The current figure stands at 10 million adults not using the internet⁴ and a further 6 million who lack the basic online skills⁵ they need to get the most out of being online.

Digital exclusion is a massive social and economic issue that leaves people at risk of being left out of modern society. From the fun stuff like being able to Skype your grandchildren, to the useful stuff like shopping and banking online. But it's not just about the benefits; it's about the disadvantages of not being online.

Research shows being connected improves educational outcomes of young people and can play a major role in countering social isolation and depression among the elderly – one study found regular internet usage by people over age 50 reduced depression by up to 28%. It's also predicted that 90% of all jobs will require ICT skills by 2015. More information on the extensive social and economic benefits of digitalisation can be found in "This

Is for Everyone. The Case for Universal Digitisation," a report we supported through our Go ON UK partnership.

Lack of digital capability isn't just an issue for individuals. Only a third of small-to-medium-sized companies have a digital presence and just 14% sell their products online. But the more digitally enabled a company is, the faster it tends to grow.

We believe being connected offers endless benefits, which is why we're committed to helping everyone get online – and make the most of it. In fact we want to improve the digital skills of one million people beyond the thousands we help everyday as business as usual. We've set this as one of our flagship goals.

We're at the beginning of our journey to meet this goal. Below, we share some of the activity we're delivering and plan to deliver to meet it.

Go ON UK partnership

To support our commitment to building digital skills, we are a founder partner of the charity Go ON UK, a cross-sector organisation aimed at making the UK the world's most digitally capable nation. EE is the only UK mobile operator among the eight founder

partners, which include the BBC, Lloyds Banking Group, the Post Office and Age UK.

Our CEO, Olaf Swantee, is a member of the Go ON UK Board which is headed up by Baroness Lane-Fox. We also have a representative on the Go ON UK Operations Board, which inputs in to the development and delivery of Go ON UK strategy and programmes.

We are supporting Go ON UK through a range of activity, and have also committed to Go ON UK's Digital Skills Charter. You can read more about Go ON UK at www.go-on.co.uk.

Go ON UK Digital Skills Charter:

- > Everyone in the UK should have the Basic Online Skills to enjoy the full benefits of the web
- > Communities who don't have the skills to fully enjoy the benefits of the internet should not be left behind
- > Everyone deserves world-class digital services that meet their needs and are useable by all

⁴Ofcom, The Communications Market, July 2012

⁵Booz & co Go ON UK report, This Is for Everyone, November 2012

EE Digital Champions

EE Digital Champions are employees who are specially trained to go out in to the community and inspire people to give the internet a go. Research shows that a lack of interest in the internet and a feeling of 'it's not for me' is one of the biggest obstacles to getting online – our programme addresses this.

Through informal, community-based sessions, our champions share how the internet can benefit the individuals. The sessions aren't about technical training or computer skills. Instead our champions explore people's passions and interests and use tablet devices to show them how the internet can be relevant to them. The champions provide all participants with a simple

Libby Bowker, Digital Champion

"I had a fabulous time delivering a session in Southbank, Middlesbrough. I met with a group of 9 people whose ages ranged from 69-82 who had little or no experience accessing the internet. By the end of the session they had had a go on You Tube and Wikipedia. It was a brilliant experience, they were amazed with what was available and how easy it was to access the web."

booklet that supports the session and provides them with tips about getting online and information about what the internet offers.

We are delivering the programme in partnership with UK Online Centres, a network of 3,800 centres which deliver training to improve internet skills. In 2012 we trained 35 champions and by the end of 2013 we intend to have 300 active champions. Through our champions we plan to deliver over 500 community sessions in 2013, meaning we'll reach out to and inspire thousands of people across the UK.

Employee volunteering

As well as inspiring people to get online we want to help people build their digital skills – we do this through volunteering. All the volunteering opportunities we organise and promote to our employees have a digital skills element to them.

For example, spending time with guests from Age UK at an office-based 'Techy Tea Party' to help elderly people with their technical challenges. Or visiting a local community centre to help people with their online CV writing skills. In 2012 over 850 employees volunteered, giving 5,571 hours of their time. You can read more about our volunteering programme on page 32.

Digital Living online resources

We've created pages on the EE website to help our customers live safe and rewarding digital lives. The pages provide advice, films and activity guides on child safety, e-security and wise social networking. We also encourage visitors to think about the people they know who aren't online and provide them with tools to help motivate their friends and family to get connected. Tools include an e-safety film for parents and a number of worksheets that focus around the benefits of being online.

These pages can be found at www.ee.co.uk/digital-living.

Future plans

We're really proud of what we've achieved in 2012 but we know we're just scratching the surface of the difference we can make. In 2013, we're growing our EE Digital Champions and volunteering programmes and promoting our web pages through our marketing channels. We'll also be launching new initiatives that will increase our reach and help improve more digital skills:

- In 2013 we're rolling out our EE Digital Champions programme to a number of our larger retail stores. The ambition is that members

of the community will be invited in to the retail store where the champion will deliver the sessions

- > We plan to launch a platform for our small and medium business customers that gives them access to a range of digital technology and tools and helps them develop the skills they need to build a successful business
- > We'll also continue to support Go ON UK and the activity it delivers across 2013

Delivering the UK a world-class network

As well as providing people with the motivation and skills they need to get connected it's also essential that we have a network that delivers a great customer experience. This is especially important for people who may be experiencing mobile connectivity for the first time.

Our 3G network covers 98% of the UK population and in 2011 we made the commitment to deliver 4G to the UK. We were given the approval to do so in August 2012. Before this, the UK was falling behind a number of our European and global counterparts because of a lack of 4G infrastructure. 4G is approximately five to ten times

faster than 3G, enabling customers to access the web in an instant, watch live TV on mobiles without buffering and make high quality video calls on the move.

By the end of 2012, we had already delivered superfast mobile connectivity to 18 cities and 20 million people, and we'll reach 98% of the UK population by the end of 2014. Already this has been the fastest rollout of mobile technology ever undertaken, meaning Britain will

have the network infrastructure it deserves.

4G doesn't just offer superfast connectivity on the move. It also enables people living in rural areas, who have previously suffered from slow broadband speeds, to benefit from high-speed broadband for the first time.

Case study

Bringing 4G to rural Cumbria

As part of the preparation for the national launch, EE delivered a live 4G customer trial in rural Cumbria, with several local businesses experiencing the benefits of faster and more reliable mobile broadband. Businesses and consumers in the Threlkeld area tested 4G using both dongles and routers and trialists achieved speeds of 20+Mbps. The area was selected as the location for the trial as it currently has insufficient or unreliable broadband and many of the trialists used the 4G connection as a home fixed-replacement service.

Corin Burdon, a small business owner and 4G trialist said: "The benefits to my business have been immediately

noticeable – with a large increase in consistent and useable connection speeds, which are typically three to four times faster than my existing landline broadband. On several occasions, file transfers I would have left overnight on my traditional broadband connection have been accomplished easily and quickly"

In March 2013, EE announced 4G coverage would be made available across a 100 square mile area in Cumbria, offering mobile and fixed-replacement services to customers in the Northern Fells from mid-2013. This service will offer a new solution to those who are unlikely to be ever covered by fibre broadband.

BUILDING TRUST

We're focusing on the areas that matter most to our customers, employees, communities and business.

Below we share the responsibility areas that we are focusing on and the process we used to identify these issues. In the following sections we provide detail on our 2012 performance and 2013 activity and targets for each area.

Issue prioritisation and management

We identified our responsibility issues through a structured assessment process. We created a list that included all potential issues our business faces from a responsibility point of view. We then categorised these issues as low, medium or high risk depending on the likelihood of the issue occurring, and the effect it would have on our customers, employees, broader stakeholders, reputation, and any legal or regulatory requirements. We then mapped this against our performance on the issue.

Our priority issues are the ones where the risk is high and our performance is low. The additional responsible business areas are other issues that we manage as we recognise these areas are key to building a responsible business.

Each priority issue has a Chief sponsor who is responsible for that issue. In 2012 each Chief assigned an issue lead in their team who, together with the

Responsibility Team, agreed an action plan and KPIs to improve performance around that issue. The Responsibility Team meet with these individuals on a regular basis

and deliver a performance report to the Chief of Staff on a quarterly basis.

Our responsibility issues and KPIs

Priority issues for EE	KPI summary
1. Improving sustainability in our supply chain	• % of highest risk suppliers with approved plans
2. Embedding responsibility into our culture	• Score in BITC CR Index
3. Developing a future workforce	• Number of apprenticeships recruited
4. Reducing our environmental impact	• Carbon reduction • Waste to landfill reduction
5. Keeping children safe	• No. of communication touchpoints messages delivered through
6. Clear marketing and pricing	• No. of pay monthly complaints • No. of ASA investigations
7. Supporting customers with disabilities	• % of frontline employees trained
Additional responsible business areas	KPI summary
8. Engaging and developing our employees	• Employee net promoter score
9. Ensuring employee health and wellbeing	• Level of employee absenteeism
10. Creating a diverse and inclusive workforce	• % of people managers trained
11. Delivering a responsible network	• Response rate to enquiries
12. Investing in our communities	• Participation in volunteering and fundraising

1. IMPROVING SUSTAINABILITY IN OUR SUPPLY CHAIN

We're committed to conducting business to the highest possible ethical standards and work with our suppliers to ensure they support our principles.

Ensuring an ethical supply chain is a priority to priority issue sponsored by Neal Milsom our Chief Financial Officer.

Our Supplier's Ethical Charter, which is part of our suppliers' contract with us, complies with internationally recognised norms, directives and standards – including the International Labour Organisation (ILO), OECD, the Global Compact and the Bribery Act 2010. It has been ratified by our CEO and it is included as a condition in our suppliers' contracts with us.

Our 2012 activity

In 2012, we published our Supplier's Ethical Charter on our responsibility website to share that this is important to us as a business and something that we expect from our suppliers. We also implemented a number of processes and procedures to support it. For example we ask questions regarding responsibility issues in a pre-qualification questionnaire.

When the Procurement Team are working with the EE Management Team on the specifications for a request for tender, there is always discussion on how to eliminate the social, ethical and environmental risks, such as where it is procured, and what is being specified. Responsibility issues are always included in evaluation of tenders.

We have an anti-bribery online training module that all of the Procurement Team are required to take. We also have a policy on Supplier Engagement with regards to bribery that meets the Bribery legislation of 2010. This is monitored monthly via a survey to the Procurement Team for them to declare any gifts/hospitality etc received and confirm appropriate authorisation.

In 2012 we also set about identifying the highest risk suppliers in our supply chain. We assessed the social, ethical and environmental risks typically involved in the production of any products we procure, and also the level of governance within the country for such issues. From this, we identified 50 high risk suppliers who we then audited against a number of ethical, social and environmental indicators. From this audit we were able to prioritise a number of suppliers as highest risk i.e. they were lacking transparency or didn't have an ethical trade policy in place.

We also became a member of GeSI – the Global e-Sustainability Initiative and will be working with them, through their working groups to make sure we are an active voice on e-sustainability.

Our 2013 activity

Our priority for 2013 is to work with those we identified as highest risk to support them in developing their own ethical and environmental improvement plans.

We will also audit our top 100 high risk suppliers, as we did with our top 50 suppliers in 2012, and work with those who are prioritised as the highest risk to create improvement plans.

We will also be training all procurement employees through specially designed ethical procurement, as part of the Chief Finance Officer Academy which has been developed in partnership with HR.

Our performance

What we're measuring	KPI	2012 performance	2013 target
Extent to which we work with suppliers to drive social and ethical improvements	% of highest risk suppliers who have EE approved improvement plans	N/A – new initiative	100%

2. EMBEDDING RESPONSIBILITY INTO OUR CULTURE

We want to enable everyone in our organisation to play a role in helping us be more responsible.

Being a responsible business needs to be part of who we are as a company and part of the culture of our organisation. Getting the cultural piece right is key to the success of the rest of our responsibility activity and it's one of our priority issues, sponsored by Ralf Brandmeier, our Chief Performance Officer. We want everyone in our organisation to play a role in helping us to be more responsible and we need to make sure the processes and governance are in place to help.

Governance and process

In 2012, we delivered a number of things to make sure we are managing responsibility from the core of our business:

- > We participated in the Business in the Community Corporate Responsibility Index in 2011 as a silent submission and used the recommendation report that BITC supplied to drive improvements. We had significant room for improvement in the 'Integration' section of the survey and focused on delivering the recommendations BITC made in this area. We participated again in 2012 and we're pleased to achieve a Silver ranking and a score of 82%

- > As highlighted in this report, we identified seven priority responsibility issues. Each issue has a Chief sponsor, an agreed action plan and KPIs which can be found in this report. The agreed KPIs for each issue have been entered into the company performance dashboard that tracks overall performance, meaning we are managing our responsibility performance as part of our overall company performance

- > We integrated responsible behaviour messages into our EE values that were launched in early 2013. For example, our value 'Be Clear' asks our people to be open and honest and to act with integrity. It encourages employees to build trust and to think about how individual tasks make a difference to the bigger picture
- > We are being more transparent about our activity and performance through our responsibility website and the publication of our first Responsibility Report

In 2013, we will integrate responsibility considerations in to our proposition development process and continue to report progress to the leadership team. We will also review the 2012 recommendation report following the BITC Corporate Responsibility Index results and implement the changes as required.

Integration in to the employee journey

To build a responsible culture, it's key that our employees know what it means to them and that they feel enabled to make the right decision. In addition to building responsibility into our employee values and communication, we are embedding responsibility into every step of the employee journey. We started this in 2012 and will be building on it in 2013. Here are some examples of how:

- > Joining EE
 - We've got information about being responsible on our corporate and careers web pages, so potential employees can read about our commitment
 - For new joiners, we include information on our responsibility commitment in our Welcome Pack which goes out to all new starters as part of our onboarding process. In 2013, we're making sure this is also part of our induction training

> Day-to-day

- We have responsibility pages on our intranet that enable our employees to find out about our activity and get involved in volunteering and fundraising
- In 2012, we launched 'Splash' – EE's own social media site. We have EE Digital Champions, volunteering and fundraising groups where we share the latest news and opportunities
- We work closely with EE's Engagement Champion network, which you can read more about in the 'Employee Engagement and Training' section. The Responsibility Team team meets with the Engagement Champions and presents at the group's events to make sure our engagement representatives are aware of our responsibility commitment
- Responsibility messaging is included in a number of our internal documents including our Safety and Sustainability guides for employees and managers and our Code of Conduct
- We regularly deliver communications around our responsibility activity through our Splash pages, and our internal communication channels and events. For example, we held 'EE Live' a brand experience event for our employees that pre-launch gave employees a taste of what the EE brand was about. At this event, Olaf Swantee, CEO, spoke about our responsibility commitment to all employees. For significant activity, such as announcing our partnership with the charity Go ON UK, employees receive an email from Olaf about the news
- We have a number of e-learning modules that cover responsibility issues including Diversity, Health and Safety and Bribery and Corruption

Our performance

What we're measuring	KPI	2012 performance	2013 target
Performance in how the business manages responsibility, using an external public benchmark	Score in Business in the Community Corporate Responsibility Index 2012	53%	Target 70% Achieved 82%

3. DEVELOPING THE WORKFORCE OF THE FUTURE

We're committed to providing opportunities to young people to ensure we're building skills and developing the best talent.

There are nearly one million unemployed 16-24 year olds in the UK. That's 20% of young people. We believe we have a responsibility to support them by providing skills development and employment opportunities.

We've worked with our local communities and education authorities to identify how we can provide opportunities. We've developed a number of initiatives including an apprentice scheme, a work inspiration programme, and an EE Fast Track programme to make sure we're helping to build the workforce of the future. We've also signed up to the Government's Social Mobility Business Compact.

Not only should this help young people, but it also enables us to recruit the best talent and develop the best people for our workforce – safeguarding for now and the future.

This is a priority issue sponsored by our Chief of HR, Francoise Clemes.

Our 2012 activity

Apprentice scheme

We launched our apprenticeship scheme in our Customer Team in early 2012 and by the end of the year had recruited 101 apprentices on to 15 month placements in three of our six contact centres. Around 90% of the apprentices are under 22 and 24 of them are aged 16 and 17. The majority of our contact centre sites are in areas where the percentage of young people on Jobseekers Allowance is above the national average of 7%. For example: in North Tyneside it stands at 15%, so we are directly addressing youth unemployment.

We chose local colleges as the training providers because of the quality of their service and the level of support they offer the apprentices. All apprentices in England spend one day per fortnight in college studying for a Contact Centre Operations Level 2 national qualification and receive a salary significantly above the national apprenticeship minimum wage. Applicants aren't required to have any qualifications. Instead, we recruit based on their potential, skills and personal qualities.

The results so far are incredibly positive. The performance of the 2012 apprentices is comparable to existing agents and they are even performing above average on some metrics. At the end of their 15 month placement, the vast majority who complete and pass their apprenticeship will be offered employment.

Work inspiration

We run a range of work inspiration programmes across our sites ranging from structured eight week work experience programmes to day-long visits from students to our contact centres.

For example across our contact centre sites we're inspiring young people to get in to work through our Business Basics Coaches. Our employees offer a range of support to help young people learn more about the world of work. For example they run mock interviews with students in secondary schools to give them valuable experience for when they start job hunting.

James Newman, Apprentice, EE Customer Team

"The structured learning of an apprenticeship and being part of a close-knit team has been great for me. Having a routine has helped me manage my time and money and I'm constantly learning new skills that help me both inside and outside of work. The thing I enjoy most about the job is the level of support that we receive, not only our direct line of support, but the whole community.

My best moment so far was in the first few weeks of actually talking to customers on the phone, I received an achievement award for 'Best in that moment'. I was presented with a little gift and a certificate by our Head of Site. It's been a great boost to my confidence and I'm excited about my future here at EE and where the scheme can take my career."

EE Fast Track

We realise that some of our employees may want to apply for other internal jobs but don't have the traditional educational requirements normally needed. As a response to this, we've developed the EE Fast Track scheme. It gives our current employees the chance to work in different functions and learn about different bits of the business. During the structured, two-year programme, they'll complete up to four six-month placements in their chosen business area.

There are currently ten individuals participating in the scheme who went through a rigorous application process to get a place.

Our 2013 activity

Following the success of the apprenticeship trial, we're providing 500 apprenticeships by 2015 across the business. We will achieve this by extending the scheme across all our contact centre sites and launching an apprenticeship scheme in retail, where we will take on 100 apprentices by the end of 2013.

We'll also be launching an EE graduate scheme and we have committed to supporting Plotr, the new Government-supported careers portal, which is set to launch this year. Plotr will provide advice and opportunities to help young people build a career. It will include geo-mapping for job searches and career zones, which will showcase the whole young talent programme.

We will also continue to build our relationship with local schools. For example: members of our HR team will be supporting ten week-long work experience placements at our Bristol office for students from a local secondary school.

In 2013, we'll be building on Business Basics Coaches initiative across our contact centre sites.

EE is signed up to the Government's Social Mobility Business Compact to:

- > Support communities and local schools
- > Improve skills and create jobs by providing opportunities for all young people to get a foot on the ladder
- > Improve quality of life and wellbeing by recruiting openly and fairly, ensuring non-discrimination

Our performance

Future workforce measure	KPI	2012 performance	2013 target
Commitment in supporting work employment in Britain	Number of apprenticeships in customer and retail team	101 apprentices in customer team	250 in customer team, 100 in retail

4. THE ENVIRONMENT

We're determined to reduce our environmental footprint and help our customers to do the same.

We're focusing on reducing our impact through absolute carbon reduction and by reducing the waste we send to landfill.

As part of our network investment programme, we are integrating and optimising our two mobile networks. This will result in significant reductions in our energy use, estimated at approximately 79,000 tonnes of CO₂, or 150,000 Mwh, across the three years. This programme is already delivering significant reductions in our carbon footprint, and these reductions will increase in future years.

As highlighted in the opening section of this report, our environment target is to reduce our carbon emissions and waste to landfill by 50% against our 2010 baseline.

Reducing our carbon footprint

Our 2012 activity

In 2012 we reduced our energy consumption by 37,843,159 Kwh, resulting in a 7.59% reduction in our energy use. Our total carbon emissions* for 2012 were 245,544 tonnes of CO₂e, which was a 5.19% reduction. This followed a 7.80% reduction in carbon emissions in 2011. The ongoing integration of our two legacy networks, T-Mobile UK and Orange UK, played a significant part in these reductions.

This achievement was recognised in the Government's Carbon Reduction Commitment performance league table, a public scheme that all organisations who meet a set qualification criteria are obliged to participate in. We jumped from last place amongst mobile

operators in 2011 to first place in 2012.

We also started the upgrade of all our 2G and 3G network equipment, some of which had been in place for more than 15 years. With the advance of technology and the efforts of network manufacturers, the new equipment is up to 40% more efficient than the existing kit and so uses a lot less energy.

During this restructuring, we considered the environmental impact of the redundant equipment and the environmental quality of the land left once the sites had been decommissioned. Old equipment is redeployed via our recycling partner and is often used in emerging markets to help bridge the digital divide.

Throughout 2012, we continued to work to reduce our energy consumption in our office and contact centre sites. We've managed to reduce our emissions from this area of our business by almost 7%. This has been achieved by consolidation within the buildings and investment in new equipment as part of building upgrades.

Our long-term challenge to sustaining carbon reduction is the growth of the business. As more customers send more data across our network, our energy use will increase. In the short term we have set an absolute carbon reduction target, rather than a one related to the growth of the company. This ensures we are reducing the amount of carbon we emit in real terms. However longer term we will need to look at more innovative energy solutions.

We currently source our energy via a green tariff to show our corporate support for renewable energy in the UK. As recommended by standard carbon reporting this does not count towards our carbon emission reductions.

Our 2013 activity

Our 2013 target is to reduce our CO₂ emissions by a further 10%. We are achieving this through further network consolidation and by continuing the refresh of our 2G and 3G equipment. We are continuing to monitor our energy use on the network with smart monitors which enable us to identify faulty sites that are using too much power. All of our buildings have half-hourly meters, and again the building management systems will identify any faults. We are continuing our review of corporate estate, powering down buildings that are not in use and also carrying out upgrade works to air conditioning which will drive energy efficiency.

We will also be using the Carbon Trust's carbon footprinting tool, which will enable us to calculate the carbon footprint of our customers making a 1 minute voice call and downloading 1MB of data. This will enable us compare our efficiency with other operators and share the results with our customers so they can understand the effect of using our network.

Reducing waste

In the last few years, we have focused on reducing the amount of waste created in our corporate offices; ensuring we reduce the amount of waste which ends up in landfill. We have worked with our waste management contractors to look at our waste streams and minimise the elements that end up in landfill. We have implemented a mixed recycling service across our corporate and contact centre sites to cover most of the materials we generate.

Our 2012 activity

We have markedly improved the level at which we divert waste from landfill through recycling. A number of our sites, including Hatfield, Greenock & Doxford, have been zero landfill since November 2009. This has been achieved through a mixture of reuse, recycling and incineration for energy recovery. We took the best practices from these sites and, through the consolidation of all waste contracts to one single supplier, made all our corporate sites operate in the same way. We have installed better recycling bins and signage in a number of our sites, educated the staff and managers and improved how we monitor the recycling levels of each bin.

Our 2013 activity

We are working to increase our recovery and recycling rate to 85% through consistent use of our recycling systems and by working with our suppliers to identify non-landfill opportunities for any residual waste. We're improving recycling in our retail stores and advancing the quality of our recycling data.

What we're doing for our customers

We offer SIM-only packages for customers who want to keep their phones for longer. To reduce the environmental impact of redundant mobile phones, we offer a mobile recycling scheme for our customers, which enables them to get cash for their old mobile phones. Where possible, our recycling partner will refurbish the phone and send it to a network of worldwide distributors and several charities.

Excessive product packaging is of concern to customers and our business. We're looking to minimise its use; whilst balancing the need for security and protecting the product.

Our environmental data

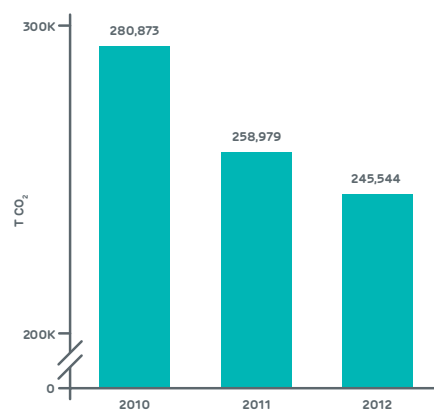
Environmental data has been measured to the GHG Protocol Corporate Standard methodology, while utilising the UK Government (DEFRA 2012) provided conversion factors. We have the externally verified environmental management standard ISO14001 across 100% of its sites. Our corporate estate is accredited to the Carbon Saver Standard (CSS) for energy management and we are members of the Global e-Sustainability Initiative. We will continue to make our annual Carbon Reduction Commitment legal report for our energy consumption and to purchase the required allowances.

In 2012, we built a tool to measure the carbon footprint of products as they are transported from the production factory in our supply chain, to our distribution centre in the UK. The tool looks at packaging, transport and location. In 2013, we are using this tool to highlight products that have a high carbon footprint during this phase of their lifecycle, often because of the packaging size of material. This information can then be used to drive improvements in packaging size in partnership with manufacturers.

As shared above we are we are launching a carbon footprinting tool that will enable customers to better understand the environmental impact of their phone use.

We're also working with manufacturers to remove chargers from the box. The majority of products use the same charger so it's likely customers will already own it. Removing the charger from the box means we can reduce packaging size and transport weight, therefore reducing waste and the carbon footprint of the product.

Annual carbon emissions



Our performance

What we're measuring	KPI	2012 performance	2013 target
Carbon emissions*	Year-on-year absolute carbon reduction	5.19%	10%
Waste to landfill	Year-on-year waste to landfill reduction	4.4%	10%

*Scope of data covers all sites where we have operational control, calculated using 2012 Guidelines to DEFRA / DECC's GHG Conversion Factors for Company Reporting, scope 1 and scope 2. Ricardo-AEA has assured EE energy data within the scope CRC.

5. KEEPING CHILDREN SAFE

We're committed to providing products, education and awareness to help families lead safe digital lives.

From games and videos, to chatrooms and internet access, connectivity offers our customers more and more services. But as young people use more of the services on offer, we're aware that parents and carers have concerns about what their children are viewing on the internet. From accessing unsuitable content, to cyberbullying, to 'stranger danger' and most recently 'sexting', we provide the tools and education that enable families to lead safe and secure digital lives.

Children spend more and more time online, but simply blocking and banning isn't the solution. We can't be sure filters are in place on all devices the child may use and this doesn't tackle online safety issues such as strangers in online forums or cyberbullying.

We believe a combination of technological solutions and education and awareness for children, parents and carers is required. This is the focus of our 'Keeping children safe' priority issue area that is sponsored by Pippa Dunn, Chief Marketing Officer.

We have content filters available on all our devices and are the only mobile operator to offer different levels of filtering. We offer three options – off, light or on. 'Off' allows full access to the internet, 'light' blocks over 18s content but allows the user to access social media, forums and chatrooms and 'on' blocks all over 18s and unmoderated social media sites. This allows parents to make the right choice for their children.

The 'light' filter setting is available to all customers on EE, Orange and T-Mobile and is the default setting for new customers. On our fixed broadband, we offer McAfee parental control software to all customers.

We are also working as a sector and with the Government to support a number of self regulatory initiatives on this issue. We are members of cross-sector industry and governmental working groups including:

- > The Internet Watch Foundation
- > The UK Council for Child Internet Safety (UKCCIS)

And we've signed up to:

- > The UK Code of Practice for the Self Regulation of New Forms of Content on Mobiles

We have also been actively involved in discussions about active choice which you can read more about on the following page.

Our 2012 activity

With the launch of the new EE brand we launched Digital Living web pages www.ee.co.uk/digital-living which have a dedicated 'Keeping children safe' section. This area has a range of tools to enable parents to gain information about the issues and engage with their children through interactive resources. These include an Advice for Parents guide and e-safety films.

Our EE Digital Champions, who go out in to the community to inspire people to get online, are also trained on e-safety and are able to provide tips on keeping people safe as they start their online journey.

In 2012, we also introduced McAfee protection on all fixed broadband – this product is available free to customers for the first year and includes anti-virus and anti-spam filters as well as further parental controls. It allows users in the home to have different levels of control depending on their age and preferences.

Our 2013 plans

We are focusing on increasing awareness of the issue among our customers, especially parents and carers, and increasing the uptake of the tools and resources available.

We are achieving this by promoting e-safety tools and information in the retail environment and making our 'Advice for Parents' guide available in all our stores. We're launching an e-safety e-learning programme for our frontline staff that will explain the issue and the tools available, to ensure our people are able to better support our customers.

Despite the common availability of parental control software for fixed broadband, only 5% of households with children have installed it. We're determined to increase this and have committed to delivering monthly communications to our fixed broadband customers to remind them about the McAfee control tool and educational resources that are available to them.

We will also be rolling out an update to the EE Broadband filter aimed at improving the level of protection we offer families by actively encouraging parents to use the filters.

EE's involvement in the child safety debate

EE is involved in discussions at a government and industry level regarding child safety. We participate in the UKCCIS working groups and have participated in several Ministerial roundtables, led by the Department of Culture Media and Sport and the Department of Education.

In 2011, the Prime Minister commissioned an independent report by Reg Bailey, Chief Executive of the Mothers Union, into child safety. He recommended effective parental controls for fixed and mobile ISPs 'making it easier for parents to block adult and age restricted material', meaning customers have to make an 'active choice' at point of sale or during set up.

In 2012 the Government issued a statement requesting that all ISPs offer easy to use parental controls and encourage people with children to switch them on. We are working to make sure all our consumer devices and services meet these requirements.

Our performance

Child safety	KPI	2012 performance	2013 target
Extent to which we engage our customers in online safety across our channels including retail and online	Ensure messaging on online safety is delivered through five communication touchpoints including email, customer website, online shop, in our stores and print literature	2	5

6. CLEAR COMMUNICATION AND PRICING

It's critical that the marketing and communication we deliver to our customers is clear and honest.

We want our customers to understand the products and services that they receive from us. It's also fundamental that our customers understand their price plans and get the services they need.

Pricing, billing and communication in the mobile phone industry can seem complicated. Across our industry, operators offer an extensive range of tariff options, at a range of prices, to enable customers to choose a plan that offers value and meets their needs. This can sometimes be confusing for customers and lead to complaints.

Ofcom opened an investigation into Orange on mobile mis-selling in September 2011 because of the high number of Orange complaints compared with other networks. We responded by establishing an internal steering group, chaired by Jackie O'Leary, Chief Customer Officer. Through this group, we audited the business against Ofcom's requirements related to sales and marketing practices and we have given Ofcom assurances about improvements in a number of areas. A number of these recommendations have already been implemented, and we are making more progress this year. The Ofcom investigation closed in October 2012, and the regulator decided not to take any further action.

It's fundamental to us that we're acting responsibly towards our customers so they trust us, join us and stay with us. Clear communication and pricing is a priority issue, co-sponsored by Marc Allera, Chief of Sales and Stephen Harris, Chief of Staff.

Our 2012 activity

In 2012, we established a project team to work together and develop a 2013 action plan to drive improvement in this area. We also implemented a number of the recommendations of the Ofcom audit including better monitoring and reporting of sales processes, training on responsible selling and improved point of sale information.

In 2012, we launched a number of new price plans under our EE brand. We made sure that these plans were straightforward and clear and had minimal risk of customers being surprised by their bill. All our EE plans include unlimited calls and texts and a choice of data options for a set monthly price. If a customer is close to reaching their data limit (80%) they receive a text message alerting them that they have used 80% of their data and giving them the option to buy further data for a fixed price per bundle. If they choose not to buy more data, we send them a text when they reach 100% data usage. This lets them know they have hit their data limit and we will be disabling data, meaning they are always in control of their price plan.

On T-Mobile we offer 'Full Monty' plans, all of which include unlimited UK internet and texts, and the top option also includes unlimited calls.

Our 2013 plans

Our focus for 2013 is to continue to implement the recommendations that Ofcom made following the audit.

We are also building responsibility checks in to our proposition and products development processes to make sure social and ethical considerations are included at the development stage. This will ensure all new propositions are assessed at an early stage and amended if there are any concerns.

We have already made significant progress in improving our complaints handling process. We have aligned the process across our three brands and are carrying out detailed analysis of our customer complaints to understand and improve the priority areas.

In 2013, we are carrying out a pricing audit to make sure all our pricing plans are clear and transparent. We are also looking into how we can prevent fraud, and protect our customers from fraud and we are exploring ways of alerting customers if they go out of bundle on our T-Mobile pricing plans.

Our performance

Clear communication and pricing	KPI	2012 performance	2013 target
Customer perception of our practices	Number of pay monthly complaints to Ofcom	Q4 average performance 0.2/1000	Quarterly target 0.14/1000
Customer / stakeholder perception of our advertising transparency	Number of ASA investigations	0	0

7. SUPPORTING CUSTOMERS WITH DISABILITIES

We recognise the importance of providing products and services to support customers with disabilities.

We know there are approximately 10 million people in the UK who have some form of disability. That's 18% of the population. These people often need additional support or tailored products to get the most out of what we offer.

We are at the early stage of our journey to provide products and services for those with disabilities. We made significant progress in this area in 2012 and have laid a strong foundation for activity in 2013.

This is a priority issue, sponsored by Jackie O'Leary, our Chief Customer Officer.

Our 2012 activity

Key activity in 2012 included increasing participation in the Disability Awareness training which was developed in 2011 for our customer and retail teams. The training covers the challenges customers with disabilities face and how we can best support these customers. This training was completed by 6000 members of our customer-facing teams in the last 18 months.

All of our stores are fitted with hearing loops, clear signage and have a testing facility in place. A member of our Safety and Sustainability team also sits on the 'National Let's Loop' Group – an organisation that works to ensure best practice and excellence in this area.

In launching the new EE web pages we created a dedicated 'Digital for All' section on the Digital Living website www.ee.co.uk/digital-living which provides tips and information on the best device and support for people who

have a specific accessibility need. The pages are categories in to 'Helping you see', 'Helping you hear' and 'Dexterity' to make it easy to access the relevant information.

We have available a number of devices which are suitable for customers with disabilities, including the iPhone which has a number of accessibility tools. We also offer a Doro device on our Orange brand, which has been designed specifically with the needs of disabled and elderly customers in mind.

In 2012, we launched EE phone simulators that let you explore the phone online and learn about its capabilities. You can try out the iPhone 5, HTC One XL and Samsung Galaxy S III 4G. The simulators are like having an expert in the room to show you how to use all of the phone's great features.

Our 2013 activity

We have developed a roadmap of initiatives to tackle accessibility issues at every stage of the customer journey. Planned 2013 activity includes:

- > Working with the Business Disability Forum and our Employee Voice Group on Disability (an internal group which discusses employee disabilities matters) to refresh our disability training
- > Training of all of our frontline teams to ensure they are able to offer specific support to customers with accessibility requirements
- > Conducting a full audit of retail stores accessibility including store layout, design, services, facilities and employee knowledge
- > Developing a close working relationship with the Employee Voice Group on Disability to gain their views and develop our activity in this area
- > Raising awareness of the services on offer to our customers for example providing bills in accessible formats
- > Participating in the Business Disability Forum Benchmark to enable us to measure our performance and identify areas of improvement

Our performance

Supporting customers with disabilities	KPI	2012 performance	2013 target
The level of training our frontline employees receive on supporting customers with disabilities	% of frontline employees who undergo Disability Awareness e-learning	39%	60%

8. ENGAGING AND DEVELOPING OUR EMPLOYEES

We're committed to making EE a great place to work and believe having happy and motivated employees plays a big part in this.

Engagement

We believe that having employees who feel happy about working here plays a big part in this. This is not only great for the employee, but also good for the company's performance, through lower attrition and fewer absences, as well as improved customer engagement and consequently improved business performance.

We have a strong engagement strategy and delivery plan. The strategy focuses on eight different elements of the employee experience, including My Manager, My Team, Giving Something Back and Leadership. The strategy is led by the Heads of Engagement in retail, corporate and customer areas and overall accountability sits with our Chief of HR, Francoise Cledes.

To implement the plan, we have an Engagement Forum which is made up of Engagement Champions who are senior directors representing the ten EE directorates. This group meets on a monthly basis to review performance and to drive activity.

Each of the Engagement Champions then holds monthly meetings with their Local Engagement Committee which is made up of a number of individuals from that business area. These committees decide which of the eight elements they wish to focus on and work together to develop and implement improvement plans. Members of the committees are then required to engage their own teams meaning that a dialogue is in place with all employees.

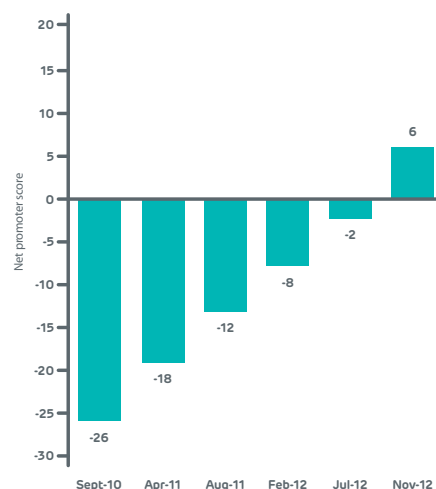
We hold a bi-annual employee survey to assess employee perception. The results are presented to the Leadership Team with scores broken down by directorate. The scores are then discussed in depth with each Chief and the Local Engagement Committees and used to develop the individual directorate engagement plans.

We measure our success in two ways:

1. We use the Sunday Times Best Companies to work for survey to benchmark our journey to being a best place to work. We are proud to have come 18th in the 2013 list.
2. We carry out bi-annual employee surveys to enable our employees to share their views with us and use the net promoter score as a key measure in this. The net promoter score is a measure of an employee's likelihood to recommend the company to friends and family. We wanted to achieve a positive net promoter score by the end of 2012 and are delighted to say that we hit this target.

We will continue to deliver the engagement strategy through the implementation of 2013 directorate engagement plans.

Employee survey results



Case study
Engaging our people
in the EE brand

In launching the EE brand we had a huge task – to engage our 12,000 employees in a new brand in the weeks running up to the external launch. We achieved this by taking over the NEC in Birmingham and running 20 shows that offered an immersive, hands-on, informative experience for our people.

The show started with a dynamic theatre presentation using holograms of our Chiefs speaking to the audience. The stage then split to reveal 'EE Land' which employees were invited to enter. The hall became an exploratory space to experience the new values and proposition of EE, featuring gaming at bus stops, taking calls from the future, sprinting against 4G, a silent disco and a commitment wall.

Feedback from employees was fantastic. Tweets from delegates included: "What a fantastic day! So proud to be a part of this." "A brilliant event. Never been to anything like it! Conferences have been brought into the 21st century!"

Development

One of our eight engagement areas is Personal Growth and we're committed to developing our people. In 2012 we launched a number of new training approaches that were tailored to the needs of employees and teams. We deliver slightly differing training approaches across our business areas to ensure our employees are developing the specific skills they need to support our customers.

Corporate employees

In our corporate areas, two of the key programmes introduced were Functional Academies and Talent Mapping. Functional Academies are specialised training that is tailored to a function and employee levels within the function. In 2012, we launched academies in our Human Resources, Finance and Communications, and Marketing functions.

We also launched our Talent Mapping programme. It is designed to identify the training needs of each employee and produce a structured personal development programme. Managers map their team members on the talent map, and then worked with employees to develop their own personal development programme.

For example, for our 'top talent', this could be being mentored by one of the senior management team. To support the delivery of this, we held personal development plan clinics across our key sites. In 2013 we will review the impact of the new training approach, make improvements where necessary and ensure we launch Functional Academies for all areas.

Our frontline employees

In our frontline we initiated a £50 million investment programme to overhaul our service approach, designing it around operating systems i.e. iOS and Android, and the devices that use them. A huge part of this programme is to train our people to become specialist agents who are experts on specific devices and related operating systems. Following a tiered e-learning programme, employees can receive Operating System Accreditation for each of the four main operating systems. The outcome is our people are better skilled and able to deliver an increased level of service to our customers.

Our performance

What we're measuring	KPI	2012 performance	2013 target
Level of employee engagement	Employee net promoter score	Positive score of 6	Maintain positive score

9. ENSURING EMPLOYEE HEALTH AND WELLBEING

A healthy business needs healthy employees so we're focused on improving wellbeing across our company.

Wellbeing is one of the eight areas of our engagement strategy, and we know from our employee surveys that it of high importance to our employees.

In response, we've developed a strategic approach to promoting employee health and wellbeing. We've set the goal to reduce absence by 25% over five years and we're delivering lots of activity to make sure we meet it.

Our strategy is backed by company policy and procedures, monthly monitoring and regular progress reports to the Leadership Team.

Our 2012 activity

In 2012, we introduced a new occupational health supplier, employed a specialist nutritional adviser and enhanced our health and wellbeing training programmes.

To support this, we ran Health and Wellbeing roadshows across each of our sites. This gave employees the opportunity to have blood pressure checks, understand and complete stress questionnaires, learn about posture and have health checks. The health checks looked at height, weight, genetics, blood pressure and family history to calculate their body age and highlight any health issues they need to watch out for.

Our specialist nutritional adviser developed a programme to offer food at our company canteens that is wholesome and nutritious. This resulted in the removal of trans-fats from our kitchens and offering lower cholesterol options. To support this, catering teams have been informed about healthy eating guidelines and healthy cooking techniques.

In 2012, we also launched face-to-face training and e-learning on topics such as resilience, nutrition and managing under pressure, and on site sessions covering topics such as diabetes awareness, cardiac risk, smoking cessation and mental health. We even run osteopath, physio, podiatry, yoga and zumba sessions across our offices. We've created a quarterly newsletter that shares upcoming events and the support that's available to our employees.

Our 2013 activity

In 2013 we're assessing the success of the nutritional information provided in Doxford and Merthyr by surveying employees at these sites to find out what they think about the changes. If the feedback is positive we will roll out similar ideas to other sites. We're also looking at further ways to improve our food and health education to make the workplace as healthy as possible.

Following analysis of our occupational health referrals, we're focusing on equipping people managers with a mental health toolkit to support their teams. The toolkit will be available online and will contain guides, assessments and training to help people managers balance their team's needs.

The Wellbeing Team are continuing with onsite events, delivering eight days of activities across the sites each month on a variety of topics. We are also introducing the body check service to team meetings.

Case study

Providing nutritional information in our canteens

In 2012, we launched nutritional information profiling in our canteens at our Doxford and Merthyr contact centres. This provides nutritional information for every food item, from a piece of toast to a portion of a main meal. This was a huge undertaking, but it now means our employees have information on calories, sugar, fat saturates and salt they need to make informed choices.

Our performance

What we're measuring	KPI	2012 performance	2013 target
Overall employee health and wellbeing	Level of employee absenteeism	3.6%	3.4%

10. CREATING A DIVERSE AND INCLUSIVE WORKFORCE

We believe our employee mix should reflect our wider communities and we recognise and celebrate diversity within our company.

Research⁶ shows that improved diversity leads to higher employee engagement and improved company performance. Having a diverse employee base will also help us to understand our customers better and give them truly brilliant service.

We monitor diversity to understand the make-up of our workforce and identify any barriers which could affect the recruitment, progression or experience of any group of employees. We also monitor engagement levels by diversity characteristic to identify trends and opportunities for improvement. The results of our monitoring are entered in to the HR dashboard which is presented to the Leadership Team on a half-yearly basis.

To help us keep up to date with best practice and the latest research, and help us benchmark our organisation, we work with charity organisations who are leaders in various areas of diversity, including Employers Network for Equality & Inclusion, Business Disability Forum, Stonewall and Business in the Community which covers Opportunity Now and Race for Opportunity.

We believe it's vital to provide training and guidance to our managers to enable them to support our people.

We have a Managers' Guide to Disability and a Managers' Guide to Belief and are currently reviewing our portfolio of training to meet the needs of the business.

Our 2012 activity

In 2012, we carried out a number of activities to enable us to improve the support we provide around diversity and inclusion. We focused on training and upskilled our HR helpdesk, the first port of call for employees on HR issues, on. We also trained the entire HR team on diversity through an intensive training initiative.

We also improved the Muslim prayer facilities, introduced halal food in staff canteens and implemented a manager's guide on religion and on belief.

Our 2013 activity

In 2013, we plan to run Unconscious Bias and Non-Visible Disability training for all HR team members and will develop mandatory Equal Opportunities training for all managers. We also plan to analyse the diversity of our employees compared to the UK 2011 Census data at a local level.

We will also take part in the Disability standard benchmark compiled by Business Disability Forum.

Case study Employee Voice Groups

We have four Employee Voice Groups related to diversity: one focused on disability, another on gender, and two in areas of belief – a Christian group and a Muslim group. The Head of Corporate Engagement meets with the Chair of the group once a quarter to discuss forthcoming programmes and to ensure they meet the requirements of each of the Employee Voice Groups.

A great example of EE working with and responding to one of these groups is with the Muslim Employee Voice Group. This group raised a concern regarding the lack of food in staff canteens meeting the requirements of their faith. The Head of Corporate Engagement met with the Chair and EE's catering company to find a suitable solution. The result was all EE canteens now have Halal meat available once a week and daily fish and vegetarian options.

Our performance

What we're measuring	KPI	2012 performance	2013 target
The extent to which our managers are aware of and encouraging diversity	% of people managers participating in Equal Opportunities e-learning	N/A – new training	Deliver new training programme

⁶Richard Taylor, April 2011, White Paper - Diversity and Engagement Go Hand in Hand, Excellence in Motivation

11. DELIVERING A RESPONSIBLE NETWORK

We manage our network in a safe and responsible manner and work with local communities to address any concerns they may have.

Mobile telecommunications are vital for the UK's economic competitiveness and in promoting social inclusion. To provide a reliable signal we have a comprehensive network of masts across the UK.

We understand that some people have concerns over the safety of the network equipment and its visual impact. As a responsible company, we take these concerns seriously and are keen to address them where we can.

Addressing health concerns

Mobile phones work using a network of masts that use radio waves – also known as electromagnetic fields (EMF). We understand that some people are concerned that these signals can have negative effect on human health.

We are addressing this concern by ensuring we are up to date on the latest scientific information; always complying with international and national standards and contributing to a government fund which finances research studies into the long term health effects of EMFs.

Scientific research

Over the 70 years in which radio waves have been used commercially, there has been a lot of scientific research into their effects on human health. The World Health Organisation's fact Sheet No 304 on Electromagnetic Fields and Public Health concludes "Considering the very low exposure levels and research results to date, there is no scientific evidence that weak radio frequency signals from base stations and wireless networks cause health effects".

However we recognise research regarding longer term use of mobiles is necessary and so we support the UK Cohort study of mobile phone use and health (COSMOS). The study is being led by the Mobile Telecommunications and Health Research Programme, jointly supported by the Department of Health and the telecoms industry. It monitors a large group of people to identify any possible health issues linked to using mobile phones over a long period of time. The UK cohort will follow the health of approximately 68,000 mobile phone users (18+ years of age) for 20 to 30 years. The international COSMOS study now has approximately 160,000 participants across five partner countries in Europe.

Despite the evidence, we recognise some people will continue to have concerns and have a dedicated Community Affairs Team who are available to respond to enquiries and meet local communities and hear their concerns.

Further health information

Details of independent research being carried out can be found at www.mthr.org.uk. The Department of Health has also published a series of leaflets, which can be found at www.dh.gov.uk. Further details of the COSMOS study at www.ukcosmos.org.

Guidelines and Codes of Conduct

International health and safety guidelines, set by the International Commission on Non-Ionizing Radiation Protection (ICNIRP) and supported by the UK Government, are in place to limit public exposure to radio waves base stations and mobile phones. These guidelines are fully adopted by the UK's four mobile phone network operators.

To ensure that EE and other operators keep to these standards, an Ofcom audit programme was established in 2001. The aim of this programme is to confirm that radio wave emissions from mobile phone base stations are below the ICNIRP guidelines. These audits, which are publically available on the Ofcom website, have shown that emissions are significantly below these guidelines.

When siting or building a new base station, EE conforms to the Communications Act 2003 and planning regulations.

We are also signatories of the Mobile Operators Ten Commitments, a voluntary code of best practice for our industry that ensures transparency and responsible network deployment. It means that we engage communities before network equipment is installed in addition to the public consultation required under planning regulations.

Visual impact

We understand that not everyone likes the appearance of base stations, but we also know that most residents would like good mobile reception.

Advances in mobile technology have enabled us to develop base stations which are smaller, and discreet enough to blend in with their surroundings. Examples include specially designed trees and flagpoles, and even decorative features on churches. We also work to share sites with other operators to reduce the actual number of base stations needed in the UK.

Working safely on our network

Installing and maintaining network equipment is essential to operate and improve our network. Most of the work on our network is undertaken through one of our managed service partners, and we strive to make sure all engineers are kept safe and incidents are kept to a minimum.

As part of EE safety management system (OHAS18000), we put standards in place to meet legal and industry best practice. We ensure that we and our partners meet these standards and we regularly audit performance.

EE is also a founding member of the Mast and Tower Safety (MATS) group, which consists of organisations that own or manage masts and towers and publishes industry standards for network build, operation and maintenance.

Our performance

What we're measuring	KPI	2012 performance	2013 target
Transparency and responsible management of network deployment	Response rate to complaints and enquiries about base stations	94% response within 10 days	100% respond within 10 days

12. INVESTING IN OUR COMMUNITIES

We focus our community activity on building digital skills and encourage our employees to get involved through volunteering and fundraising.

We want to make a positive contribution to the local communities in which we work and to UK society as a whole. In alignment with our broader responsibility strategy, we believe the best way to do this is by sharing the social, cultural and economic benefits of digital communication. We therefore focus our community investment on building digital skills.

We enable our employees to do this in a number of ways but we also realise that employees may want to support specific causes that are close to their hearts and we have schemes to support that too.

In 2012, we focused on making sure we have solid volunteering and fundraising programmes and improved how we measure and report our results.

Volunteering

All of our employees can take up to two paid working days per year to volunteer for a charity or community organisation. They can use these 15 hours split across the year or all in one go. This is supported through our Volunteering Policy.

We launched a number of new volunteering initiatives in 2012 resulting in 854, nearly 6% of our employees, participating in volunteering. This included EE Digital Champions, our flagship volunteering programme that trains employees to go out in to the community and inspire people to get online.

As well as this, we launched new pages on the intranet that promote a mix of volunteering opportunities that help build digital skills. We've got a range of roles to support our broad employee base. Opportunities range from helping charities with their social media strategies, to helping people create online CVs to teaching older people how to text.

In 2013, we'll continue to create volunteering opportunities for our people including the roll out of 50 Techy Tea Parties across all of our contact centre sites, offices and retail regions. Techy Tea Parties offer an easy way for our people to help someone from their local community improve their digital skills.

Techy tea parties in partnership with Age UK

In 2012 we trialled our first Techy Tea Party in our Paddington office. Techy Tea Parties see EE teaming up with Age UK to host sessions, bringing together the themes of technology and tea. In our Paddington trial, more than 20 employees spent a couple of hours helping a group of older people with their technical challenges, over tea and cake!

The Age UK guests are invited to bring their own pieces of technology, such as mobile phones and digital cameras, and any questions they have. The volunteers then work one-to-one with the guests helping them learn more about their device.

Feedback from the trial was incredibly positive with one participant saying "I can't thank EE enough for their help and advice that day. The fact that it was organised on a 'one to one' basis made the experience even more personal" and one of the volunteers sharing "I believe that being a part of this one hour has not only helped the lady I spoke to with technology and the benefits it offers, but also reinforces a more positive idea of the younger generation."

Fundraising

Supporting our people

Our people are enthusiastic when it comes to fundraising and we support their efforts in a number of ways:

1. Getting started – to kick-start our people's fundraising activity we cover any registration fees and set-up costs associated with taking part in a race or other fundraising events, up to a maximum of £50
2. Monthly lotto and branded goodies – if employees are planning to organise a raffle or a competition to raise money we've got things like iPhones and branded goodies for them to give away as prizes. We've also got a range of branded T-shirts that our people can wear to help promote their event
3. Company top-up – we add an extra 25% to the amount an employee raises, up to a maximum of £250 and pay it directly to the charity under their name

During 2012 more than 1,400, nearly 10%, of our employees, fundraised over £215,000 for a variety of causes close to their hearts. Activities included mountain climbing, moustache growing and zip wire challenges. In 2012, our company top up meant we increased our employees' fundraising by a £38,668.

We also support payroll giving which enables employees to donate to the causes their care about in a regular and tax efficient way. In 2012, we ran payroll giving roadshows across nine sites, which added 210 new employees. In total, employees gave £115,202 to a variety of charities through payroll giving.

Supporting during a disaster

As the UK's largest digital communications company, we are uniquely positioned to generate funds quickly through text donations – which is critical during a disaster.

In 2012, we formalised our policy for how we respond in the event of a humanitarian disaster and created an Emergency Response Committee. The committee is made up of the Head of Corporate and Financial Affairs, Chief of Brand and Communications, Chief Marketing Officer and Chief of Staff. If a disaster is declared, this group will convene and decide if we respond and what level of assistance we provide.

UNICEF UK is our current international disaster and emergency response partner. In 2012, no appeals met our criteria so weren't asked to deliver any campaigns. We've been partners with UNICEF since 2003 and have raised more than £2.3m for a variety of disaster appeals.

Measuring community investment inputs and benefits

During the development of the new responsibility strategy, we identified that the measurement of community investment inputs and outputs needed improvement. After a review of possible methodologies, we found the London Benchmarking Group Standard Methodology was best for EE.

This allows us to measure EE's overall contribution to the community, taking account of cash, time and in-kind donations, as well as management costs. It sets out a standard way to record the outputs and longer-term community and business impacts of our community investment.

In the future, we'll be able to better demonstrate the benefit our community investment programmes have on our business and local communities, enabling us to develop and grow our initiatives.

Our performance

Community investment	KPI	2012 performance	2013 target
Level of participation in volunteering	% employees participating in volunteering	5.7%	10%
Level of participation in fundraising	% of employees participating in fundraising	9.4%	15%

GLOBAL REPORTING INITIATIVE CONTENT LIST AND INDICATORS

This year EE has chosen to report according to the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, using GRI-G3.1, the third version of the guidelines. We have done this to make it easier for us and for our stakeholders to understand our performance in relation to other companies inside and outside our industry. We have self-assured at Level B.

Global Reporting Initiative Content

Indicator	Location within Report	Status of reporting	
1. Strategy and Analysis			
1.1	Statement from the most senior decision-maker of the organization	Introduction from Olaf Swantee, CEO, EE	Fully
1.2	Description of key impacts, risks, and opportunities	Introduction from Olaf Swantee, CEO, EE	Fully
2. Organisational Profile			
2.1	Name of the organization	Our business at a glance	Fully
2.2	Primary brands, products, and/or services	Our business at a glance	Fully
2.3	Operational structure of the organization	Our business at a glance	Fully
2.4	Location of organization's headquarters	Our business at a glance	Fully
2.5	Number of countries where the organization operates	Our business at a glance	Fully
2.6	Nature of ownership and legal form	Our business at a glance	Fully
2.7	Markets served	Our business at a glance/ www.explore.ee.co.uk/our-company/our-brands-and-services	Fully
2.8	Scale of the reporting organisation	Our business at a glance	Fully
2.9	Significant changes during the reporting period regarding size, structure, or ownership	Introduction from Olaf Swantee, CEO, EE	Fully
2.10	Awards received in the reporting period	Our business at a glance	Fully
3. Report Parameters			
3.1	Reporting period	Our business at a glance	Fully
3.2	Date of most recent previous report	First report	N/A
3.3	Reporting cycle	Our business at a glance	Fully

3.4	Contact point for questions regarding the report	Our business at a glance	Fully
3.5	Process for defining report content	Our approach to being responsible	Fully
3.6	Boundary of the report	Our business at a glance	Fully
3.7	State any specific limitations on the scope or boundary of the report	Our business at a glance	Fully
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations	Our business at a glance	Fully
3.9	Data measurement techniques and the bases of calculations	Throughout report	Fully
3.10	Explanation of the effect of any re-statements of information provided in earlier reports	Not relevant to first time reporters	
3.11	Significant changes from previous reporting periods	Not relevant to first time reporters	
3.12	Table identifying the location of the Standard Disclosures in the report	Global Reporting Initiative content list and indicators	Fully
3.13	Policy and current practice with regard to seeking external assurance for the report	This report	Fully
4. Governance, Commitments, and Engagement			
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	http://explore.ee.co.uk/our-company/our-team	Partially
4.2	Indicate whether the Chair of the highest governance body is also an executive officer	http://explore.ee.co.uk/our-company/our-team	Fully
4.3	For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members	http://explore.ee.co.uk/our-company/our-team	Fully
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	Engaging and developing employees	Fully
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance)	Our approach to being responsible	Fully
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided	(Not in the public domain)	Not
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity	(Not in the public domain)	Not
4.8	Internally developed statements of mission or values, codes of conduct, and principles	Introduction from Olaf Swantee, CEO, EE Our approach to being responsible	Fully
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance	Our approach to being responsible	Fully
4.10	Processes for evaluating the highest governance body's own performance	Our approach to being responsible	Fully
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization	Delivering a responsible network	Fully
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses	Our approach to responsibility	Fully
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: *	Our approach to being responsible/ Introduction from Olaf Swantee CEO/ Keeping children safe/ Supporting our customers with disabilities/ Improving sustainability in our supply chain/ Creating a diverse and inclusive workforce/ Delivering a responsible network	Fully
4.14	List of stakeholder groups engaged by the organization.	Stakeholder review/ Our approach to being responsible	Partially
4.15	Basis for identification and selection of stakeholders with whom to engage		Not
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group		Not
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting		Not
G3.1 Disclosures of Management Approach			
DMA EC	Disclosure on Management Approach Economic	Our business at a glance/ Sharing the power of connectivity	Fully

DMA EN	Disclosure on Management Approach Environment	Reducing our environmental impact	Fully
DMA LA	Disclosure on Management Approach Labour	Developing a future workforce/ Engaging and developing our employees/Ensuring employee health and wellbeing/Creating a diverse and inclusive workforce	Fully
DMA HR	Disclosure on Management Approach Human Rights	Improving sustainability in our supply chain	Fully
DMA SO	Disclosure on Management Approach Society	Delivering a responsible network/ Investing in our communities	Fully
DMA PR	Disclosure on Management Approach Product Responsibility	Keeping children safe/ Clear marketing and pricing	Fully

GRI Performance Indicators

Economic performance				
EC1	Direct economic value generated and distributed	Direct economic value generated: revenues. (£)	£m	6657
		Direct economic value distributed: operating costs	£m	5110
		Direct economic value distributed: employee wages and benefits	£m	462
		Direct economic value distributed: payments to providers of capital	£m	814
		Direct economic value distributed: payments to governments	£m	651*
		Direct economic value distributed: community investments	£m	0.84
		Economic value retained (=Economic value generated less (=minus) Economic value distributed)	£m	-380

*Made up of :-
 Corporate tax Nil
 Business rates £93m
 Employer taxes £47m
 Employee taxes £114m
 VAT £397m

Environmental Performance				
Energy				
EN3	Direct energy consumption by primary energy source.	Total energy consumption*	Kilowatt-hour	460,646,664
		Total direct energy consumption by renewable primary source	Kilowatt-hour	0
		Total direct energy consumption by non-renewable primary source	Kilowatt-hour	26,871,776
EN4	Indirect energy consumption by primary source	Total amount of indirect energy used by indirect non-renewable sources and indirect renewable sources in terms of intermediate energy.	Kilowatt-hour	433,777,768
EN5	Energy saved due to conservation and efficiency improvements	Total energy saved by efforts to reduce energy use and increase energy efficiency	Kilowatt-hour	37,843,159
Emissions, effluents and waste				
EN16	Total direct and indirect greenhouse gas emissions by weight	Total greenhouse gas emissions as the sum of direct and indirect emissions in tonnes of CO ₂ equivalent**	Tonnes of CO ₂ equivalent	230,701
EN17	Other relevant indirect greenhouse gas emissions by weight	The sum of indirect GHG emissions identified in tonnes of CO ₂ equivalent.	Tonnes of CO ₂ equivalent	225,725
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved	The extent of greenhouse gas emissions reductions achieved during the reporting period as a direct result of the initiative(s) in tonnes of CO ₂ equivalent	Tonnes of CO ₂ equivalent	19,306
EN19	Emissions of ozone-depleting substances by weight	The emissions of specific ozone-depleting substances in tonnes and tonnes of CFC-11 equivalent	Tonnes	1,268
EN22	Total weight of waste by type and disposal method***	The total amount of waste (hazardous & non-hazardous) in tonnes for recycling	Tonnes	2,357
		The total amount of waste (hazardous & non-hazardous) in tonnes by type for incineration (or use as fuel)	Tonnes	457
		The total amount of waste (hazardous & non-hazardous) in tonnes for landfill	Tonnes	1,340

Products and services				
EN27	Percentage of products sold and their packaging materials that are reclaimed by category	Reclaimed products and their packaging materials for each category of products	Number of phones recycled	94,553 devices
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	Total monetary value of significant fines.	£k	0
		Number of non-monetary sanctions.	Number	0
		Cases brought through dispute resolution mechanisms	Number	0

* Scope of data covers all sites where we have operational control.

** Calculated using 2012 Guidelines to Defra / DECC's GHG Conversion Factors for Company Reporting, Scope 1 and 2.

*** Waste data based on more than 65% of waste directly weighed and the remaining based on industry estimates. Zero measured waste was sent for composting, reuse, recovery and for on-site storage. EN6 and EN7 are reported in section "Reducing our Environmental Impact"

Labour Practices and Decent Work Performance				
Employment				
LA1	Total workforce by employment type, employment contract, and region broken down by gender	The total workforce broken down by gender at the end of the year	Number of male employees*	8455 (55%)
			Number of female employees*	6912 (45%)
		The total number of employees broken down by type of employment contract and gender at the end of the year	Part Time male	1883
			Full Time Male	6572
			Part Time Female	2707
			Full Time Female	4205
		The total number of permanent employees broken down by employment type and gender at the end of the year	Senior Management (male)	212
			Senior Management (female)	110
			Head of (male)	210
			Head of (female)	90
			Senior Professional (male)	1163
			Senior Professional (female)	568
			Junior Professional (male)	2014
Junior Professional (female)	1270			
Front Line (male)	4856			
Front Line (female)	4874			
Occupational health and safety				
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees	The percentage of the total workforce represented in formal joint management-worker health and safety committees	%	100%
		The level at which the committee typically operates		Facility level

LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and gender	Injury rate (IR) for total workforce (total employees plus supervised workers) by gender	IR	3.29 total, female 1.61**
		Injury rate (IR) for independent contractors working on-site to whom the reporting organization is liable for the general safety of the working environment by gender	IR	Included in above figure
		Occupational diseases rate (ODR) for total workforce by gender	ODR	nil
		Occupational diseases rate (ODR) for independent contractors working on-site	ODR	nil
		Lost day rate (LDR) for total workforce by gender	LDR	1.39***
		Lost day rate (LDR) for independent contractors working on-site to whom the reporting organization is liable for the general safety of the working environment by gender	LDR	not available - including in above
		Absentee rate (AR) for total workforce by gender	AR	7199***
		Absentee rate (AR) for independent contractors working on-site	AR	Included in above figure
		Absolute number of fatalities for total workforce by gender	Number	nil
		Absolute number of fatalities for independent contractors working on-site	Number	nil

* Employees refers to all permanent and fixed term workers as at 31/12/2012

** Minor (first-aid level) injuries are included and in calculating lost days, means 'calendar days' from the start.

*** Gender split not available.

Human Rights Performance				
Investment and procurement practices				
HR2	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening and actions taken	Percentage of contracts with significant suppliers and contractors that included clauses or screening on human rights	%	100*
		Percentage of contracts with significant suppliers, contractors and other business partners that were either declined or imposed performance conditions, or were subject to other actions as a result of human rights screening	%	0
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	Total number of hours in the reporting period devoted to training on policies and procedures concerning aspects of human rights that are relevant to operations. (Training of procurement team on ethical supply chains)**	Hours	0
		Percentage of employees in the reporting period trained in policies and procedures concerning aspects of human rights that are relevant to operations.(i.e. only include a percentage of staff trained in procurement team)	%	0

* This covers all contracted suppliers processed through the Procurement department.

** This is planned for 2013.

Local communities Performance				
SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Percentage of operations with implemented local community engagement, impact assessments, and development programs	% of new and modified sites	100*
SO6	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country	The total monetary value broken down by country for those countries where the organization has major operations and/or sales, the organization holds a significant share of the market in comparison to other organizations, or the sums contributed are significant compared to the amount contributed globally	£	0

* % of network sites where community consultation has taken place using Mobile Operators Association Ten Commitments in the reporting period

Society Performance				
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes	The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with regulations resulting in a fine or penalty	#	0
		The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with regulations resulting in a warning	#	0
		The total number of incidents of non-compliance with regulations concerning marketing communications, broken down by incidents of non-compliance with voluntary codes	#	47*

* Complaints/incidents from customers who have complained to external bodies such as ASA / Trading Standards.

GRI Telecommunications Sector Supplement (Pilot Version 1.0)

Providing Access				
PA4	Quantify the level of availability of telecommunications products and services	Percentage of network coverage for 4G of UK population	%	43
		Percentage of network coverage for 3G of UK population	%	98
Internal Operations				
IO 1	Capital investment in telecommunication network infrastructure	Please state the capital investment in telecommunication network infrastructure	£ (million)	446
IO 8	Number and percentage of stand-alone sites, shared sites, and sites on existing structures	Please state the number and percentage of stand-alone sites, shared sites, and sites on existing structures (Network)	#/%	25,035*

* Data currently not available broken down into type of site.

COMMUNITY INVESTMENT PERFORMANCE

We have reported on our community investment performance using the London Benchmark Group performance indicators, using the LBG measurement tool which is set out below.

Community Investment Inputs	Cash donated	£	347,270
	Time costs	£	331,591
	In-kind costs	£	20,064
	Management costs	£	136,745
	Total value of contribution	£	835,670
Community Investment Outputs	Community Benefits <ul style="list-style-type: none"> • We estimate we have helped more than 10,600 beneficiaries • Leverage e.g. extra funds raised as a result of EE input 	£	506,577*
	Business Benefits <ul style="list-style-type: none"> • More than 11% of employees involved in community activities • Employees donated more than £115,000 to a variety of charities via payroll giving 		
Longer Term Impacts	The longer term impacts of community investment will be seen in subsequent years		

* Made up of:
 Employee fundraising £215,177
 Payroll Giving contributions £115,200
 Customer contributions £176,197

For further information please contact
responsibility@ee.co.uk

www.ee.co.uk/being-responsible
www.ee.co.uk/digital-living