BETTER BRITAIN

> Running a trusted business
> Increasing digital inclusion
> Helping young people into work

EE
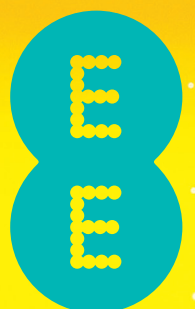
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Introduction and approach

Our priority issues

Report validation

Ernst & Young LLP has been engaged by EE to provide external assurance over specific elements of EE's Responsibility Report 2014. We have reviewed statements and data relating to the following topics:

> % reduction in absolute carbon emissions

> % reduction in waste to landfill

Our full assurance statement, with conclusions and observations can be found on page 32.

EY

Building a better working world

INTRODUCTION FROM OUR CEO

For EE, 2014 was a year of connecting more people in more ways than ever before, reaching out to help, and also making sure every one of our 13,000 employees understands our duty to be a responsible company.

I can say that at the very heart of our business lives a drive to connect people, to open up the possibility of mobile services and the mobile internet. That's a great place to start, and for the past few years, it's something we've been working hard to build upon so that we can be a truly sustainable and responsible business.

Service

EE is not perfect – few companies are – and the area we've acknowledged needs renewed focus is service. We've been investing millions in improving service, and will continue to, making sure that customers trust us with their digital lives. Yet we recognise there's still a gap between customer expectation and the service we provide.

A great example of our commitment to improving service is our on-shoring programme. Rapid expansion of UK telecoms firms saw them increasingly turn to overseas help for customer support as they tried to find the most efficient ways to grow their business. It is true that this both had an impact on customer service and also took jobs away from the UK. In 2014 we've sought to redress that by "on-shoring" 600 customer service roles and hiring more than 800 apprentices. We will accelerate this trend through 2015.

Our focus on service is paying dividends across the whole business. As we enter 2015 we are seeing a reduction in the number of complaints and call volumes are decreasing meaning our customers are having less problems in the first place. This has resulted in improved customer satisfaction, demonstrated by increasing net promoter scores.

Network

As the pioneer of 4G technology in the UK, we have expanded superfast connectivity across the country at unprecedented speeds, going from zero 4G customers to the largest 4G operator in Europe in just over two years. Because we recognise the importance of voice as well as mobile internet, we've used the rollout of 4G to also improve our 2G voice technology. It means people are less likely to drop calls on EE than any other operator in Europe, and it means our customers have access to world-leading mobile internet speeds. In addition, to further improve coverage for calls, we're also the first network in the UK to introduce WiFi Calling.

This 4G rollout has also brought connectivity to rural areas of the UK for the first time. These are areas that may have had no mobile signal, may have no broadband delivered to them through a fibre landline. At the end of 2014 we also introduced new Micro Network technology, which will provide both voice and internet access to communities that currently have no or little coverage. We aim to use this technology to provide coverage to 1,500 communities by the end of 2017. For families and businesses within that community, the promise of connectivity could be genuinely life-changing.

The effect of this investment in network technology is nationwide. We know, for example, that 4G, which EE pioneered in the UK, looks set to add an incredible 0.7% to UK GDP*. We know that our work with London's Air Ambulance is saving lives. We know that educating people who don't know about mobile technology can help them feel less isolated.

Sustainable and responsible

In all, we have been accelerating efforts across the business to become more responsible, whether that's reducing the number of customers getting unexpected high bills through alerts and methods to alleviate bill shock, or our efforts to provide more information and support to keep children safe online.

But we are also trying to build the UK's biggest and fastest network in a sustainable way. This year we've supported our whole supply chain to manage their carbon emissions. It's enabled us to reach new lows in carbon emissions overall, and exceed our reduction in waste to landfill target. We will keep progressing, and plan to cut CO2 by 30% by the end of 2015.

Closing the digital divide

Connecting people, making their everyday better, every day, is at the heart of our business.

So we are in a unique position where we can help reduce the so-called digital divide, and that's something we're committed to doing by improving the digital skills of one million people by the end of 2015. We work very closely with groups such as Go ON UK, the cross-sector digital skills charity, of which I am a board member, to devise ways of improving digital skills. And independently, our EE store staff are trained not only to help sell our products, but also to teach customers to make the most of their digital lives. We use these skills for a project that has grown very quickly from a localised way of encouraging the unconnected to get online to a national programme: Techy Tea Parties.

In September we shut down tills in stores and dedicated a morning to chatting with our customers about any technical issues or questions they may have had over some tea and biscuits. It was an unprecedented move for a company with a high-street presence as large as ours. We will repeat this in 2015.

Helping young people into work

One last area I want to briefly comment on is getting young people into work. At EE, we're passionate about getting Britain's young people working and learning new skills that can lead to them having a fulfilling and rewarding career.

Our key initiative is our apprenticeship programme. It launched in 2012 and initially focused on recruiting for our customer service operations, with a target of reaching 500 apprentices by the end of 2015. Our customer service operations are in some of the most economically deprived areas in the UK, and it enables us to make a positive contribution to the local economy and the communities in which we operate. So positive has the programme been, that we now aim to help 1,500 young people – including 1,300 apprentices – back into work by the end of 2015.

Looking forward

2015 is the final year of our four-year plan to make EE more responsible. That doesn't mean that we will be slowing down; in fact we plan to make even bigger strides forward this year.

I enjoy hearing from around the business all the great work we are completing in making EE a responsible business. It gives me pride to present it to you here, and I look forward to doing so again soon.

Olaf Swantee,
CEO, EE

We asked our External Advisory Board to provide us with their views on this Responsibility Report:

Roger Darlington,
Consumer affairs and communications industry specialist

"The existence of the EAB demonstrates a commitment to continuous improvement and the production of an annual Responsibility Report shows both transparency and accountability. I am passionate about digital inclusion and participations, so I welcome very much EE's backing for digital skills – especially the new National Techy Tea Party Day – plus the support for customers with disabilities. However, as the EAB member with a particular focus on customer service, I have been especially challenging on EE's poor complaints record in 2014 and I encourage the company to reduce its complaints in 2015 to at least the industry average ahead of the proposed merger with BT."

Hugh Jones,
Managing Director, Advisory, Carbon Trust

"This year EE has taken a big step towards understanding the environmental impacts of its business outside its direct control and should be recognised for this leading action. Whilst there has been positive work to improve energy efficiency and reduce carbon emission from its network and wider operations we would have liked to see a more detailed disclosure of the makeup of their carbon footprint to enable a better understanding of their largest impacts.

In the telecoms industry the best opportunities for a company to make a significant difference are by working with its supply chain and customers, enabling and supporting them to improve their own performance. We expect EE to make further progress in this area in the coming year and are encouraging them to accelerate their efforts across the value chain. In particular we would encourage EE to place a greater focus on working with network equipment manufactures on innovations to help deliver further energy reduction and resource use."

Justine Roberts,
CEO, Mumsnet and Gransnet

"At Mumsnet and Gransnet we know only too well the enormous benefits that connecting people digitally can bring so EE's focus on improving digital skills in 2014 has been admirable. But there is more that can be done to educate parents and children around online safety digital lifestyles. Our children are essentially taking part in a massive experiment – most parents know in their bones that too much screen time or exposure to porn is a bad thing, but unlike almost every other aspect of parenting we have no personal experience to draw on to discern how much is too much? The internet of things is here and the mobile phone is the perfect control mechanism. So in 2015 I would like to see EE do more empower its customers by providing easily accessible information, data and tools."

Rachel Neaman,
CEO, Go ON UK

"I am delighted to see the strong focus on improving digital skills in EE's Responsibility Report. Their position as a Go ON UK Board member gives EE a unique opportunity in the telecoms sector to help improve digital skills and close the digital divide in the UK. I welcome EE's decision to continue their Techy Tea Parties in 2015 and to develop accessible events for those with disabilities. It is encouraging to see EE presenting its responsibility activities so openly and proactively and I look forward to continuing to provide constructive support as a member of the External Advisory Board"

Joseph Tabone,
Director, Marketplace Sustainability Team, Business in the Community

"EE has opened its doors with the formation of an External Advisory Board to gain a view from key stakeholders and across the community. This approach builds transparency, engages a wider audience and encourages innovation. It is heartening to see a communications business linking good practice to profitability and healthier communities. With the encouragement of strong leadership, EE is proving that responsible business can be a force for positive change – and that tackling sustainability issues delivers long term prosperity."

OUR RESPONSIBILITY APPROACH

Better Britain

Through the connectivity we offer on our mobile and fixed networks we have the ability to transform the everyday lives of people up and down the country, every day.

Its why our corporate vision is to provide the best network and the best service so our customers trust us with their digital lives. It's what drives our corporate responsibility approach which we established in 2012 called "Better Britain".

Our approach focusses on supporting individuals and communities in two ways that are relevant to our business:

1. Improving people's digital skills and enabling them to reap the benefits of being connected.

2. Boosting youth employment so we can help young people get the skills they need for a long and successful career.

At the heart of our responsibility approach is the way we operate as a company – with our suppliers, the industry and our customers – to build trust.

OUR GOALS

In this report you can read about the solid progress we made against our 2014 goals, which are on track to be achieved by the end of 2015, the end of our four year program:

DIGITAL SKILLS

Improve the digital skills of 1 million people through:

> Community-led activities like Techy Tea parties

> Customer-focussed support both online and via our call centres

> Our partnership with Go ON UK

> Improving rural connectivity

ENVIRONMENTAL IMPACT

Ensure we actively manage our impact on the environment.

> In 2014 we revised the reduction in our Carbon Emissions target by 30% against our 2010 baseline

> By the end of 2014 we already achieved our goal of reducing our waste to landfill by 50% against our 2011 baseline

YOUTH EMPLOYMENT

Boosting youth employment with the aim to help 1,500 young people back into work through:

> Our award winning apprenticeship program

> Graduate placements

> Work experience and inspiration programmes

BUILDING TRUST AND SUSTAINABILITY

Each year we pinpoint the most important areas and concerns through our issue management and stakeholder engagement progress. In this way, we ensure continuous monitoring and deliver improvements that benefit everyone we do business with:

Issue Management
> Priority Issues
> Horizon Scanning

Stakeholder Engagement
> External Advisory Board
> Bi-annual newsletter

Reporting and Benchmarking
> Responsibility Report
> BITC CR index

IMPROVING DIGITAL SKILLS

In the UK there are still 10.5 million people who lack basic digital skills and it's also an issue that effects 31% of SMEs and charities. As a board member of Go ON UK we play a key role in inspiring more people to get connected and make the most of the digital world.

In 2012, we stated the ambition to help one million people by the end of 2015 to improve their digital skills and make the most of the technology and connectivity that's available today.

We help people in a variety of ways: our community programmes where we offer dedicated one-to-one advice, online resources or printed materials, and on a daily basis through our customer advisors.

Community programs

Our high impact community activities like Techy Tea Parties (which launched in 2013) are where EE volunteers share their passion and knowledge with those who lack digital skills through one-to-one sessions.

Our staff build people's confidence in using tech; from using tablets to social media, using apps or keeping in touch through Skype – all with a cup of tea and biscuit. We make sure we avoid jargon and keep it really straightforward and simple. It means attendees understand the benefits of technology and can then use what they learn at a party to feel more confident about doing more online.

The concept really works. Our surveys show that after attending a Techy Tea Party, 9 out of 10 attendees say they've learnt something new and that we've given them the inspiration and motivation to use technology in their day-to-day life.

National Techy Tea Party Day

9 September 2014 saw the first ever EE National Techy Tea Party Day which we ran in partnership with Age UK. With over 530 events taking place in EE stores and offices across the UK, it helped raise awareness on the issue of digital exclusion on a mass scale, and more importantly, helped thousands of people take their first steps in improving their digital skills.

Age UK ambassador June Whitfield joined guests at the flagship EE store at Westfield, White City.

1966 World Cup legends Sir Geoff Hurst and George Cohen attended a special Techy Tea Party at Wembley Stadium.

The Houses of Parliament held a riverside event, attended by the Minister for the Cabinet Office, Francis Maude, who is responsible for the Government's digital agenda.

In addition to National Techy Tea Party Day, we held a further 80 events in 2014 across our offices to help a further 1,000 people improve their digital skills.

What's equally positive about the Techy Tea Parties initiative is that it provides a clear focus for company volunteering activities. We saw a rise from 500 individual acts in 2013 to just over 3,000 by the end of 2014, meaning 23% of our employees are now involved in volunteering activities.

On the day:

> Over 5,000 people were supported by 2100 volunteers
> Over 500 people sent their first text
> Over 1,000 set up their first email account
> 400 made their first Skype call and over
> 1,200 went online for the very first time

And...

> 44,000 cups of Tetley Tea were drunk
> Everyone chomped through more than 50,000 biscuits supplied by Asda
> Over 2.7 miles of bunting was used

National Techy Tea Party Day will be happening again in 2015 and we plan to make this year's event bigger and better, helping over 10,000 people take their first steps to getting online.

Go ON UK

EE is a founder member of Go ON UK and we continue to work with them and our other board partners on digital inclusion initiatives as well supporting the Government's Digital Inclusion taskforce. In 2014 we supported its Go ON North West initiative with the supply of 4GEE WiFi for connectivity enabling volunteers to carry out digital skills training all over the region.

New community activities for 2015

Techy Time in schools

In 2015 we're introducing Techy Time, a new volunteering scheme through which employees can support Year 3 and 4 children (and their parents) in their local primary school.

Over a four-week period our staff will work with teachers and their assistants to educate children about being safe online. Teachers will be empowered to support children in learning new digital skills for tablets, as well as explaining to them what competencies they will need to enter a career in the world of technology. The scheme will culminate in a Techy Tea Party that the kids themselves host.

Connectivity in rural communities

For individuals and businesses based in rural areas, the benefits of connectivity can be genuinely life changing. Our existing 4G roll out is already extending coverage to lots of rural communities delivering the benefits of superfast connectivity, in a number of cases, for the very first time.

However, due to the nature of normal network infrastructure (also called our 'Macro Network), there have always been issues such as topography preventing the roll out of connectivity to a number of communities. To help overcome this barrier, in 2014 we introduced our first trial of 'Micro Network' technology that removes the requirement to build large masts and install sub-ground cables.

Micro Network technology is perfect for connecting communities of around 100-150 homes and businesses with just three or four small antennas that connect to our Macro Network. The first community to be connected through with our new Micro Network technology was the small village of Sebergham in Cumbria. EE staff helped members of the community learn about their new coverage and improve their digital with a special event at the village hall.

Following further trials of the technology in the first half of 2015, we are planning to offer communities the chance to nominate their location as a site for a Micro Network, with the ambition of connecting and improving the digital skills of 1,500 communities by the end of 2017.

Online and print support

There's nothing quite like one-to-one advice to help someone learn new digital skills, but it's also a massive help to have the back up of information and advice that you can use when you've forgotten something.

It's why we offer a wide range of support resources like the digital living section on our website, or printed materials like the Connected Booklet which we give out at our Techy Tea Parties. We also make the booklet and our online resources available for third parties like Go ON to use at their own digital skills events.

In 2014 we had a fourfold increase in traffic to online support content with 279,700 unique visits on:

ee.co.uk/digital-living
Support and top tips for people looking to improve their digital skills or for individuals looking to help friends and family.
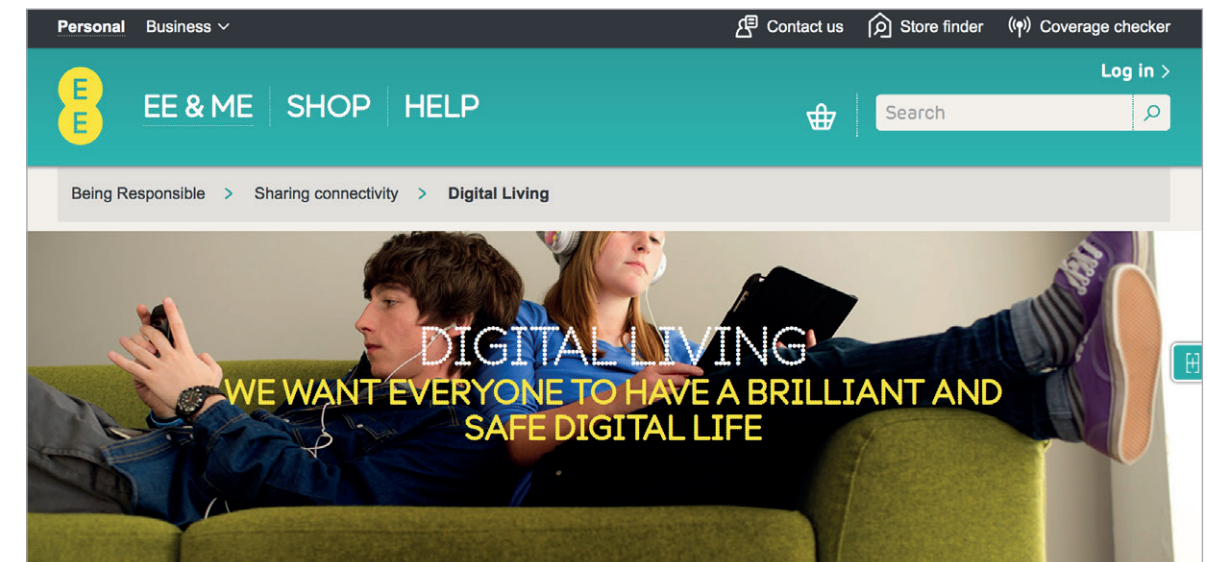
ee.co.uk/digital-skills
Research shows that only a third of SMEs have an online presence so we provide toolkits and advice covering everything from e-commerce to safety and security that businesses can use to help them reap the benefits of being online.
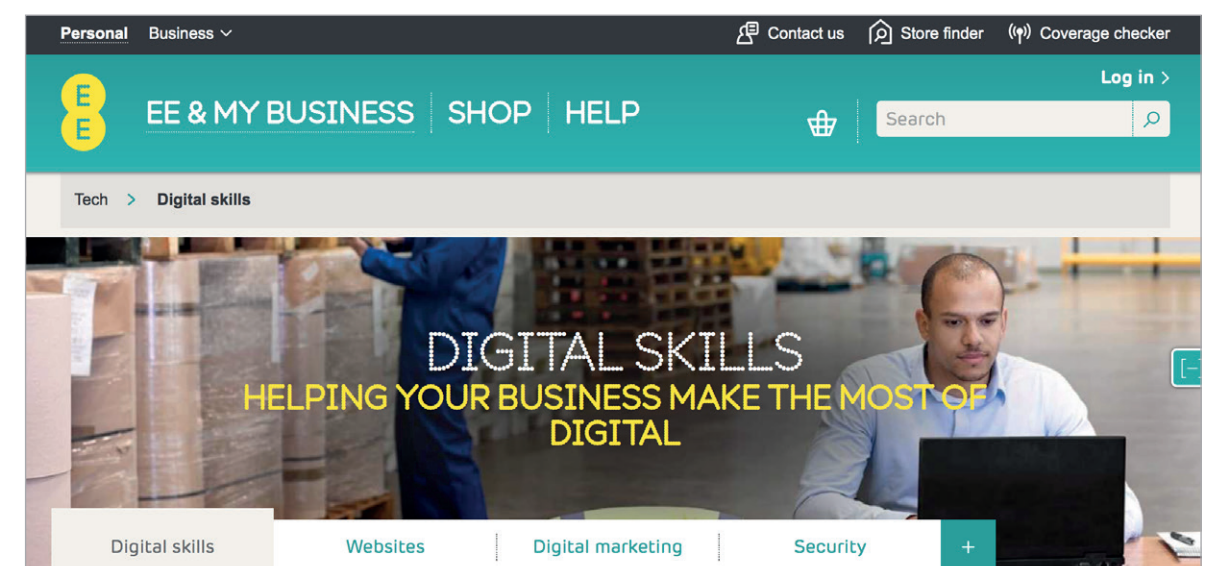
In 2015 we will be refreshing all our content, online and printed to make sure we have the most up-to-date advice for all our customers' needs.

Advice for parents

Being digitally connected is really important to young people and brings lots of benefits. But we also know there can be downsides as children can access inappropriate content or give away personal data.

Our parental advice booklet is available in our stores and it contains lots of helpful hints and tips on how to keep children safe online. We also have additional content and resources that parents and schools can use to help educate children about the dangers of being online at ee.co.uk/keeping-children-safe-online.

To support this, we ensure our devices and network settings have parental settings as defaults. All customers have a choice of three settings within the parental controls: Strict, Moderate and Off and the strict setting is now based on PG guidelines set by the British Board of Film Classification (BBFC).

Customer support and advice

We're investing millions of pounds to improve our customer service. This investment is in both the systems our customer service advisors use, and in training to help them support our customers to get the most out of their devices and connectivity.

It means all our staff our focussed and empowered to support our customers in improving their digital skills on a day to day basis, across our stores and in our call centres.

It's often those who don't have digital skills that need their support the most. So whether someone needs help setting up an email account, or simply learning how to

set-up their phone or tablet for the first time, our staff are ready to help. In a survey of over 2,000 customers, 19% told us that they learnt something new about the internet or their device during their most recent interaction with staff in-store or over the phone.

In 2015 we're introducing "Bookable Appointments" where customers can choose to have a session with one our customer service advisors in a store at a time that's convenient for them and be assured our staff will have the time needed to help them. It's just another example of how we're committed to helping to improve the nations digital skills in as many ways as possible.

Measuring improvements in digital skills

Our bold goal of helping 1 million people to improve their digital skills by the end of 2015 was never going to be easy. One of the key issues we need to manage is how we effectively measure our performance against this goal.

In 2015 we are working with Corporate Citizenship to benchmark our methodology for measuring digital skills improvements. It will take account of all the actions and outputs we deliver and will cover our community activities, customer service support through to online and printed resources.

Our aim to is both effectively measure the initial benefits from our activities and to understand the longer-term impacts.

Initial results are encouraging, since 2012 our own analysis shows we've:

> Helped over 7,000 people through Techy Tea Parties and volunteering

> Reached over 400,000 people through our online resources

> Printed and distributed over 200,000 brochures for both helping children stay safe online and our connected booklets that we give out at Techy Tea Parties

> Helped over 1 million people improve their digital skills through direct interactions with our customer service teams and retail advisors

In 2015 we will start a new programme aimed at getting those who are not only digitally excluded, but also financially excluded. By using the power of our network and our 4GEE WiFi pay as you go products we can help the financially excluded get online in a cost effective way, opening up the benefits of connectivity to those who've never had it before.

When assessing the achievements of the activities it delivers to improve digital skills, EE recognises that it has to go beyond simple measures of people reached. It needs to better understand the nature, and degree, of the benefits experienced by these people, in order to establish the extent to which it is making a difference. Corporate Citizenship is delighted to be supporting EE in this work; So far we have helped EE to better define what it means by digital skills and to align this with external standards. We are now developing measurement frameworks to enable information on the achievements of each area to be gathered in-line with its objectives. We're encouraged by the steps that EE is taking to move beyond assessing outputs and on to measuring impact and thereby better understand the social value that it adds.

Jon Lloyd, Head of LBG,
Corporate Citizenship

CORPORATE CITIZENSHIP
Part of The Good Relations Group

BOOSTING YOUTH EMPLOYMENT

At EE, we're passionate about getting Britain's young people into work and helping them to learn new skills which can lead to them having a fulfilling and rewarding career.

Our key initiative is our apprenticeship scheme. It launched in 2012 and initially focused on recruiting for our customer service operations with a target of reaching 500 apprentices by the end of 2015. Our customer service operations are in some of the most economically deprived areas in the UK, and it enables us to make positive contribution to the local economy and the communities in which we operate.

We soon realised the positive impact apprentices could make to our business in terms of performance, and equally how positive the apprentices were about working at EE.

As a result we rapidly expanded our scheme into our retail stores and corporate functions, benefiting the whole of the UK. We now aim to reach 1,300 apprentices by the end of 2015.

We will continue to invest significantly in the UK, and help drive down the numbers unemployed 16 to 24 year olds. We're giving opportunities to a generation which has digital skills as a natural part of their make-up. Our people are key to achieving our publically stated ambition to be number one for service, our apprenticeship scheme can play a vital role in supporting this.

APPRENTICESHIP SCHEME RECOGNITION

In 2014 we were proud to win the Business in the Community (BITC) award for Inspiring Young Talent. Senior Judge Sarah Caplan, Partner at PricewaterhouseCoopers, said,

"Not only are EE transforming the lives of the young people living in and around their contact centres, the programme has also changed their whole approach to developing talent, resulting in lower attrition rates for EE."

We were also recognised by the National Apprentice Service winning the award for the "Best Macro Employer in the North East of England" and placed amongst the top 100 apprenticeship employers by the Cities and Guilds.

AWARD WINNER 2014
BUSINESS IN THE COMMUNITY

2014 initiatives

> Recruited 835 apprentices since 2012, with over half successfully gaining permanent roles with the company

> Introduced 25 apprentice roles in our corporate functions such as marketing and human resources

> Delivered Access scheme, supporting 10 young people to gain vital job experience in our commercial teams

> Doubled the number of places on our graduate scheme to 22 places

> Our current apprentices are three times more engaged in their work in comparison to other employees, and have 50% less churn and 50% lower sickness rates

CASE STUDIES

Our apprenticeship scheme puts staff through their paces, mixing real-life business experience with classroom learning. It is a 12 to 15 month programme which allows apprentices to gain an accredited qualification relevant to the business area they've been working in, for example a Diploma in Customer Service. Jobs are offered to all apprentices who:

> Complete the scheme

> Pass a number of behaviour measures

> Pass a number of performance measures

Here are just two stories from EE Apprentices, one who has completed their apprenticeship and another who is just starting out.

Shaun Hashemi-Rahni, Age 22, Customer Service
After personal circumstances forced him to drop out of his dream music course, Shaun was unsure how to rebuild his confidence. The apprentice scheme has given him "an alternative to the standard education process, and a great platform for growth". After nearly two years as a customer service advisor these are words he has put into action, presenting the benefits of apprenticeships to more than 100 students and serving as an active member of the local engagement committee in Darlington. Shaun has accepted awards on behalf of EE at the Regional Apprentice Awards. His achievements are a far cry from the uncertain future he previously faced.

Georgia Milkins, Age 18, Human Resources
The EE Human Resources department is home to Georgia who joined the HR Administration team towards the end of 2014 knowing that university wasn't the right way for her to kick-start her ambitions for a career in HR - "gaining experience whilst learning all I need to be skilled in HR seemed an obvious choice". Coming straight from sixth form college was daunting for Georgia but, in her own words, she's "part of such a close and friendly team that I've really grown and become highly motivated to stay and learn as much as EE can offer. You're in a real-life work environment where you have responsibility. It's fun and challenging and you need to use this fully or you won't get very far".

Looking forward to 2015

> Introduce a number of higher level apprentice roles within our technology teams including a Level 4 qualification which is the equivalent of a foundation degree course

> Introducing permanent contracts for apprentices and improved bonus scheme to align with other employees

> Expand our graduate scheme from 22 to 36 places

> Double the number of places on our access scheme to 20

> Launch a brand new engagement programme with schools and further education, to inspire and develop a bigger talent pool of technology and digital employees

> Enter the Brathay Apprentice Challenge for apprenticeship team of the year in 2015. In this our apprentices to promote the benefits of apprenticeship schemes both internally and with other businesses, as well as talking directly to young people through school and college visits
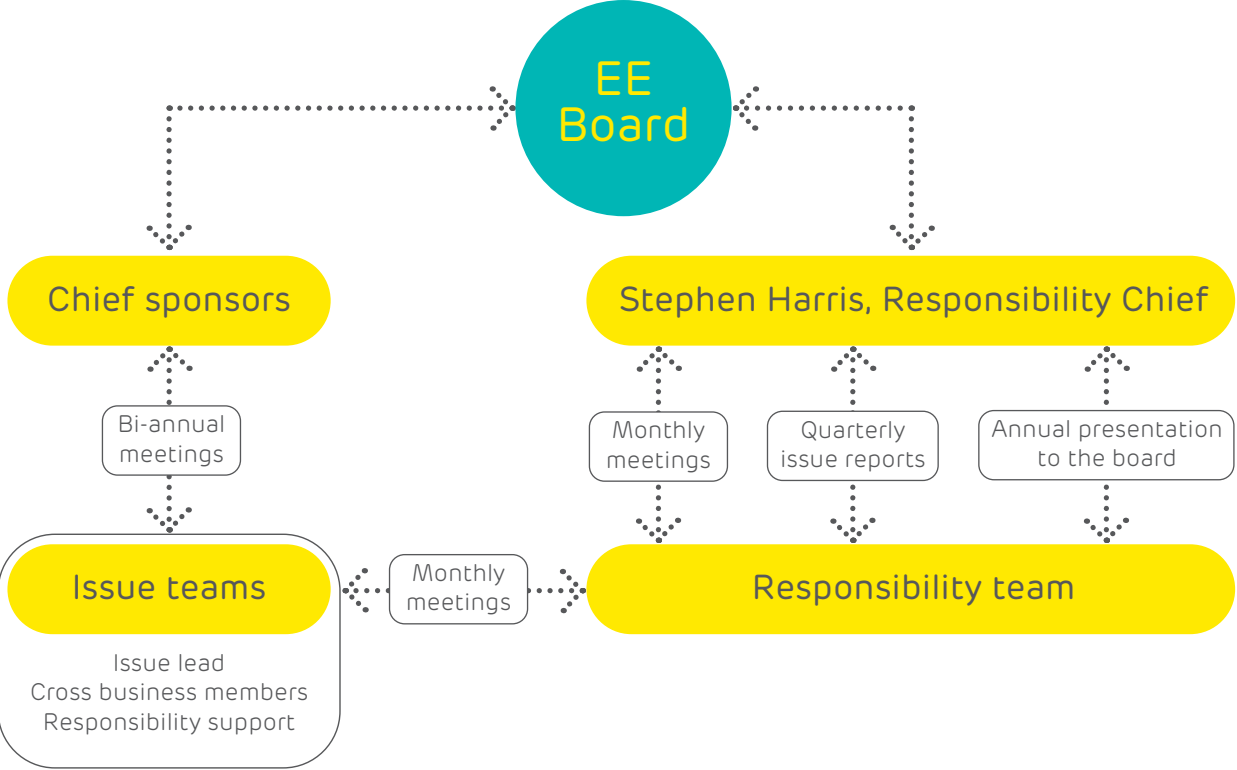
RESPONSIBILITY MANAGEMENT

At EE we have a formal process and structure for managing responsibility. Each year we proactively make sure we are addressing the most important responsibility issues for the business.

Governance of EE's responsibility strategy

The Responsibility Strategy is delivered by a team across all EE departments. Stephen Harris is the Chief Corporate and Strategy Officer, overseeing the entire strategy. Each element of the strategy is assigned to an Issue Lead, who works with the Responsibility Team to implement programmes and present quarterly updates on EE's progress towards our targets.

Responsibility topics and issues are discussed at company Management Team meetings and placed on the company performance dashboard as necessary. All Responsibility issues identified as significant are managed through a formal governance system, shown in the diagram below.

Issue management structure

EE Board

Chief sponsors

Stephen Harris, Responsibility Chief

Bi-annual meetings

Monthly meetings

Quarterly issue reports

Annual presentation to the board

Issue teams

Monthly meetings

Responsibility team

Issue lead
Cross business members
Responsibility support

External Advisory Board

Our External Advisory Board is comprised of senior business leaders and sustainability specialists who meet twice a year to help us develop and improve our responsibility strategy and activity. We invite the board to provide feedback on what we do well and the areas where we can improve and their comments on this report are on page 6.

We're committed to integrating the views of the board into our activity and will also use the board as a forum where we can share our ideas for the future. The board is chaired by Marc Allera, Chief Commercial Officer, and Stephen Harris, Chief Corporate and Strategy Officer.

GO ON UK Founder

mumsnet By parents for parents

BUSINESS IN THE COMMUNITY

CARBON TRUST
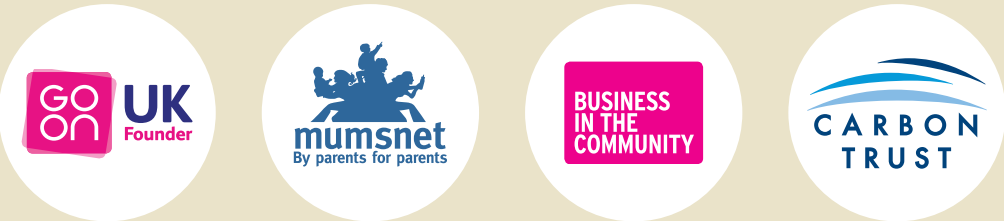
Embedding responsibility

To be truly responsible, we need to embed responsibility throughout the culture of the company so that all employees know what we stand for as a business, how they can make a difference by being responsible in their own job, and what they can get involved with in the community in order to give something back.

We made further progress in 2014 by adding more information and guidance through employee touch points. Our Techy Tea Party programme has successfully engaged people in thinking about giving something back. This means we've seen an increase in how people view 'doing the right thing' and there are more activities on the roadmap for 2015 to take these initiatives even further.

HELLO NEW JOINER GUIDELINES FOR CORPORATE MANAGERS

HELLO WELCOME TO EE
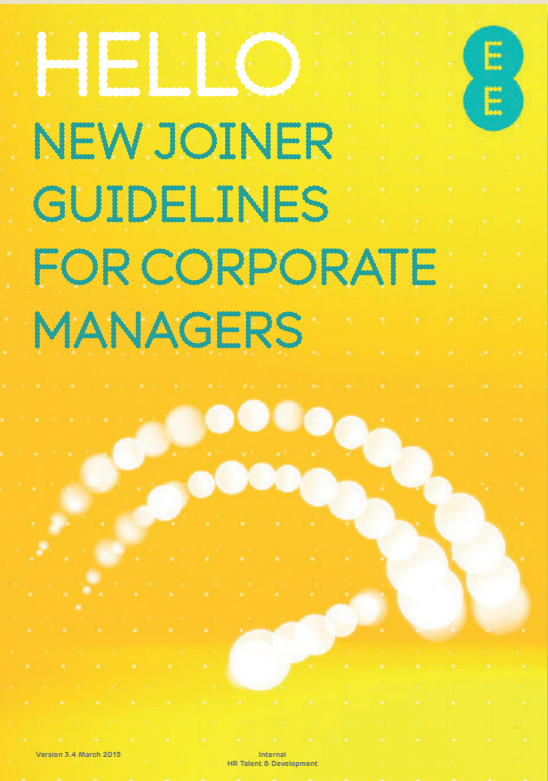
IDENTIFYING RESPONSIBILITY ISSUES

On a day-to-day basis, we engage with a wide range of stakeholders including customers, employees, government departments, consumer groups, NGOs and local community representatives. This enables us to uncover, understand and act on any issues as they arise and make sure we are integrating best practice into our day-to-day operations.

In 2014 we conducted a materiality review to validate our existing responsibility issues, and to help us understand if there were any new issue to focus on. The review was undertaken by an independent consultancy and included a series of stakeholder interviews, desk top research, and a check of issues discussed by the External Advisory Board.

Interviews were conducted with consumer groups, Government representatives, sector associations and with our shareholders. In addition, news sites, social media and specialist web pages were systematically reviewed over four weeks. Over 40 responsibility issues were identified as important to our stakeholders and relevant to EE, some which we had previously identified as horizon issues.

Following best practice, we used an assessment matrix to determine which of these issues was the most significant and should be addressed by EE in 2015. The assessment considered the level of risk against the business, the likelihood and severity of that risk, the importance of the issue to stakeholders, and EE's current performance on the issue.

The output of this review is covered in our priority and monitored issues, and we have dedicated information on all our priority issues in other sections in this report.

Monitored responsibility issues

A further seven issues were identified for monitoring in 2015. While these issues are also considered to have a significant impact, they are already being addressed through programmes across the business and are not a current priority for action. These are:

1. Major loss of network
2. Long term sustainability of EE
3. Supporting vulnerable customers
4. Fraud and theft
5. Pay and working conditions
6. Employee well-being
7. Contribution to public finances

Priority responsibility issues

Priority issue	Board sponsor	KPI	2013 performance	2014 performance	2015 target
Environmental impact	Stephen Harris, Chief Corporate & Strategy Officer	Year-on-year absolute carbon reduction[1]	9%	3% (Target 5%)	6.0%
		Year-on-year waste to landfill reduction	45%	51%[2] (Target 8%)	5% reduction compared to 2014 baseline
Customer complaints and policies	Francois Clemes, Chief of Customer Service	No. of complaints received	N/A	New benchmark	<10,000/month
		Time taken to handle complaints	New programme	86% in 48hours	95% in 48hours
Ethical supply chain	Neil Milson, Chief Financial Officer	% of high risk suppliers who have completed EcoVadis survey	64%	84% (Target 100%)	100% Complete
		% of bronze (low performing)/non ranked suppliers with improvement plans	N/A	100% of Non-ranked suppliers have had improvement plans set	100% of bronze suppliers to have improvement plans set
Responsible marketing & selling	Marc Allera, Chief Commercial Officer	No. of ASA investigations upheld	1	1	0
		No. of selling-related complaints to EE (all products/ services)	N/A	New benchmark	<350/week
Network information	Fotis Karonis, Chief Technology Officer	Launch of network status tool	N/A	Launch postponed due to re-prioritisation	Launch live status checker
		Response rate to community enquires	100% in 10 days	100% in 5 days	100% in 4 days
Customer data protection	Fotis Karonis, Chief Technology Officer	% of frontline employees who undergo Customer Data Protection e-learning[3]	37%	49.9% (Target 70%)	70%
Customers with disabilities	Patrick Bradley, Chief HR Officer	% of frontline employees undertaking compliance training	N/A	0% due to training postponement (Target 60%)	60%
		Score in Business Disability Forum benchmark	24%	47% (Target 35%)	55%
Customer privacy	Gerry McQuade, Chief Marketing Officer – Non Consumer Service	Permissions dashboard live on MyEE app/ EE website	N/A	Launch delayed due to technical resource	New Technical solution to be developed
		No. of engagement meetings with interested stakeholders	N/A	10	12
Unexpected high bills	Neil Milson, Chief Financial Officer	No. of billing related complaints to EE (all products/services)	N/A	New benchmark	<900/week

[1] Aligned to GHG Protocol Corporate Standard Concepts of Scopes of Emissions. Carbon footprint includes scope 1: direct GHG, scope 2: electricity and indirect GHG.
[2] Following a change in contractor for our retail sites during 2014, our reported figures now account for waste that is diverted from landfill through off-site waste sorting. Using our previous accounting approach, our waste to landfill for the year is 418 tonnes, representing a year-on-year reduction of 35.1%.
[3] In our EE Responsibility Report 2013 this target should have referred to frontline employees only rather than all employees.

NEW PRIORITY ISSUES FOR 2015

We have also identified two new issues for 2015:

1. Gender diversity

EE is working to support the empowerment and promotion of women in the workplace, and we need to make sure that we are doing everything we can to ensure women are not only fairly represented, but also fairly paid. As one of the UK's leading technology companies, we also have a responsibility to ensure that we have women represented in technical roles, and at a senior level.

In 2015 we will benchmark our current standing on the following issues:

> Number of women in senior roles across all of EE

> Gender pay (including ensuring that we comply with new regulatory requirements)

> Women in technology roles

As with any priority issue, we will make sure that we create effective reporting and action plans to make progress against any areas where we can improve.

2. Connectivity risks

While this is not a completely new issue (we already monitor issues like keeping children safe online and safe driving) we must continue to evaluate any risks associated with the role connectivity plays in people's lives today. For example, we need to stay alert in case any new risks arise, such as the impact of connectivity on obesity, or cognitive development in children. The External Advisory Board has also identified this an important area for EE to focus on.

By the end of 2015 we will create a process and framework for identifying new connectivity risks and have a full governance process in place to then manage those issues.

Child safety in focus
For most children, their phone or tablet isn't just a piece of technology – it's a necessity. So it's more important than ever we help them stay safe online.

The idea of living without social media and instant messaging is alien to most young people. Nevertheless, no matter how technically adept children have become, they simply don't possess the wisdom that comes with experience. It's vital, then, that we enable them to explore in a safe environment. EE have a whole host of tools to help children and parents navigate

the digital world, ranging from parental controls on our home broadband, content locks on mobile phones, advice booklets for parents in our stores as well as videos and classroom activities for children.

> We delivered a training module for our front line employees on all the tools we have available to help parents and children

> We installed a default screen on our home broadband router set up where users have to make an active choice about parental controls

> We worked with the British Board of Film Classification (BBFC) to develop an independent classification framework for content, resulting in a clear, standardised approach to viewing over-18 content

Safe driving in focus
Being connected on the go is something we've come to rely on. However, it is important to recognise that sometimes it's good to switch off, and being behind the wheel is one of those occasions. It's illegal to use a handheld device while driving but many people continue to break the law and even text at speed. We're actively working to encourage people not to use their phones when they're behind the wheel:

> In 2014 we launched 'in-car' WiFi, but we were very clear in our communications that this is for passengers and not the driver

> EE is the single largest network provider for telematics systems used in cars to monitor driving behaviour and reduce insurance premiums

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COMMUNITY INVESTMENT

Investing in our Communities

We've had a great year working with our local communities and we've taken extra steps to look at the impact our work is having. Through our community investment programme, we aim to make a positive contribution to society.

As with 2013, our focus has been on sharing the social, cultural and economic benefits of digital communication. We therefore focus our community investment on building digital skills, and on the back of our successful apprenticeship scheme we are also using volunteers to inspire students and school children in their future careers.

While we offer a number of ways to support employees to carry out our community investment programmes, we also understand that employees may have specific causes or charities close to their hearts. We therefore encourage and support fundraising schemes beyond our own programme.

Volunteering

We encourage employees to get actively involved in delivering our digital skills ambitions. All employees can take up to two paid working days per year to volunteer for a charity or community organisation.

Over 3,000 employees were involved in our Techy Tea Party activities in 2014 – around 20% of our workforce.

(Above) Employees from our Merthyr Tydfil contact centre delivered workshops on Service, Sales, Creativity and Leadership to 140 students as part of 'Trading Places'. A series of Skills and Employability workshops have since been created with the Further Education sector in South Wales.

Fundraising

Supporting our people
Our employees raised considerable sums of money for charities in 2014, and we helped them get started by offering a range of support options such as paying for entry fees to races and challenges, goody bags and raffle prizes for monthly lotteries, and a 25% top up on fundraising (up to £250 per person).

During 2014, employees fundraised over £115,000 for a variety of causes close to their hearts, and payroll-giving topped £166,000.

Furthermore, each of our six contact centres nominated a local Charity of the Year, raising over £16,000 for these through a variety of fun activities.

Supporting during a disaster
2014 saw the tenth anniversary of our partnership with UNICEF, which began in 2004 with Orange's appeal for the tsunami. Since then, we have helped UNICEF to raise over £3.6 million.

In November 2014, EE made an appeal on behalf of UNICEF to support aid for children in areas of Africa affected by Ebola. Our customers raised over £450,000 through an SMS appeal, with EE adding an additional £10,000. This was further topped up by the Government to achieve a grand total of almost £1 million. A fantastic result!

UNICEF UK is our current international disaster and emergency response partner.

ENVIRONMENTAL IMPACT

We care about the environment and are actively managing our impact on it. We're reducing the footprint we leave on the planet – and with the benefits of connectivity, we're helping our customers to do the same. As a business, we are working towards two bold environmental targets[1]:

1. **Carbon Reduction:** Our target to reduce our carbon emissions by 30% by 2015, based on our 2010 baseline[2]. In our 2013 report, this target was re-stated from a 50% reduction, which still remains a long term ambition.

2. **Waste Reduction:** Achieve a 50% reduction in waste to landfill, based on our 2011 baseline[3]

We are pleased to confirm that we have already achieved, and in fact surpassed our waste reduction goal, and we are continuing to make strong progress against our carbon reduction goal.
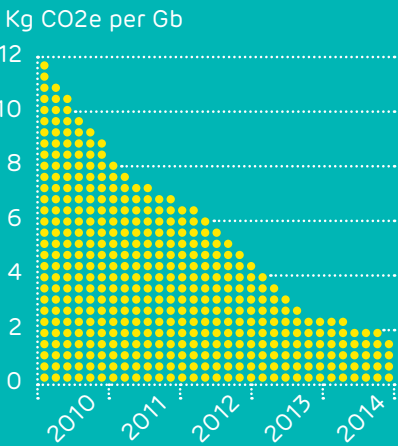
OUR CARBON GOAL

Our carbon reduction goal is a significant target, especially as we are seeing a large growth in the amount of data on our network which requires a large amount of energy.

Data on EE Network between 2010 and 2014 measured in Gigabits.
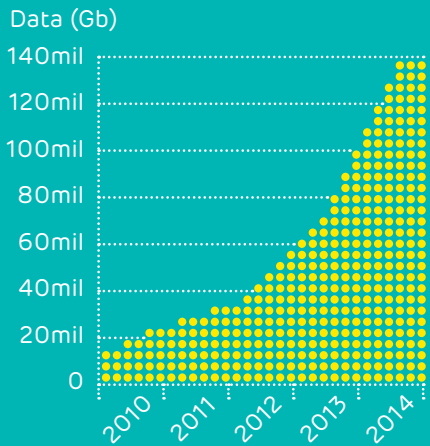
Kilograms of Network Carbon Emissions per Gigabit of data on EE network between 2010 and 2014.

Data (Gb)

Kg CO2e per Gb

The graph on the left shows how despite a major increase in the amount of data used across our network, we have significantly reduced the amount of CO_2e we produce through energy efficient equipment and network consolidation activities.

Annual carbon emissions

Actual
Target
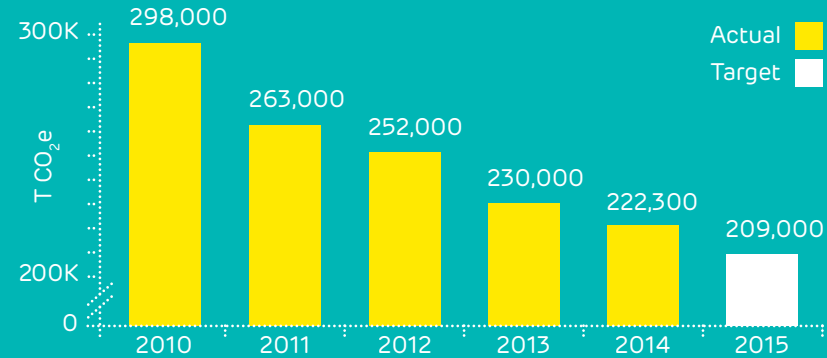
In 2014 we reached a 26% reduction in our carbon emissions since 2010, supported by a 13% overall reduction in the energy we used in 2014. We are also confident that with the initiatives we have in place for 2015 we will achieve our overall carbon reduction target.

OUR WASTE GOAL

We are pleased to confirm that in 2014 we achieved a 71% reduction in waste going to landfill since 2011, exceeding our target[4] by a considerable amount and a year ahead of schedule.

The target (which relates to waste from our corporate offices, contact centres and retail estate) has been reached ahead of schedule largely due to an improved and simplified recycling approach. We worked with our facilities managing agent, ISS, our Office Services team from Carillion and the waste sub-contractor SITA to move the waste we generate up the waste hierarchy. We have simplified the internal collection regime across all sites including the communications with our staff diverting more materials for recycling.

The result is that while our December 2013 figure was an 11% landfill rate, for December 2014 it had reached less than 2% with the majority of our Corporate and Contact Centres being zero to landfill.

We have also been making substantial improvements in our waste management as a result of our network consolidation projects. Although the total waste for our network more than doubled from 1,001 tonnes to 2,014 tonnes, the amount going to landfill fell to just 3 tonnes in 2014 from 187 tonnes in 2013. This means that just 0.15% of our total network waste goes to landfill with 98.8% being recycled and remainder being recovered through waste to energy plant.

2014 initiatives

> Completed the first stage of assessing our Scope 3[5] carbon emissions. This was a desktop review using country-wide indicators to identify the most significant areas of emissions in our supply chain. This information will help us to identify the best opportunities to further reduce our carbon footprint

> Conducted research via the Carbon Trust to identify which of our products and services offer the highest potential for carbon abatement, such as machine to machine and remote working

> As featured in our "waste goals" section, we introduced a simplified recycling regime to increase recycling rates and reduce waste to landfill

> Conducted audits in conjunction with our Ethical Supply Chain programme to survey the safety and environmental health of all our supplier sites that provide network consolidation services and handset recycling services

Looking forward to 2015

> We have two key activities to help set our Carbon Emissions goals for the next 3 to 5 years:

> > Complete our analysis and work with the Global e-Sustainability Initiative (GeSI) to quantify the carbon abatement opportunities of EE's products and services

> > Use the data gathered in 2014 against scope 3 carbon emissions to agree and target the areas we think can make the biggest benefit in reducing our carbon emissions across our supply chain

> Complete energy audits in line with the "Energy Savings Opportunities Scheme" and ensure we comply with the schemes requirements

> We continue to work to reduce the amount of waste material generated no matter if it goes for recycling, recovery or disposal, and use learnings from our current waste management programmes to also identify our goals for the next 3 to 5 years

CUSTOMER COMPLAINTS AND POLICIES

We recognise that that we need to continue to focus on improving the service we offer our customers, and resolve any complaints quickly and effectively.

In 2014 we had the highest number of Ofcom customer complaints out of any UK operator and we are working with them on an investigation for the reasons behind this. We are putting a huge focus on improving our processes, systems and frontline training and it is our number one priority to increase satisfaction with our customer service.

We know it's essential to have an efficient complaints handling process and since we launched a new plan to address this in 2013, we've seen significant improvements. We will continue to focus relentlessly on improving more in 2015.

2014 initiatives

> Launched a new web area for customer queries which provides a direct online complaint route that's easy to find

> Implemented a new call coding methodology to improve our monitoring, understanding and reporting of complaints

> Brought over 600 customer service roles back to the UK from abroad

> We aim to reach 100% call recording across all telephone based sales teams, and we now cover 75% of our teams being recorded, up from 21% in 2013

> Conducted a service process review for issues relating to complaints. This is to ensure policies for each issue exist, are appropriate and are consistent for all customers. This makes it easier for customer advisers on the frontline to resolve complaints. This process review will continue into 2015

> Improved customer service capabilities in EE stores and invested £50 million in improving service-related IT systems

> All EE employees are now targeted on delivering improved customer service

Looking forward to 2015

> Bring a further 400 customer service roles back to the UK from abroad

> Continue to review our service processes and policies making improvements on a continuous basis

> Prioritise the top three reasons to complain for process improvements: Disconnections; "Out of plan charges"; Charges unrelated to usage

> Introduce new single complaints handling tool

> Introduce a dedicated complaints capture for direct retail stores

> Finalise and implement 100% call recording in all areas of telephone based sales activity by Autumn 2015

ETHICAL SUPPLY CHAIN

We want our ethical, social and environmental values to extend beyond our operations and into our supply chain.

All our suppliers have signed up to these values, as set out in our EE Supplier Ethical Charter, and we now embed these principles into our relationships with our suppliers.

Our complex global supply chain presents challenges when it comes to assessing responsible performance and behaviours. It's why we work EcoVadis Sustainability which gives us the tools we need to drive performance improvements throughout the supply chain in relation to labour practices, health and safety, ethics and environmental activity.

2014 initiatives

> Completed the EcoVadis Sustainability Assessment, scoring an overall of 68/100, ranking us as gold. We've always requested that our strategic suppliers complete this assessment, and our score demonstrates that we are a transparent company leading by example

> Formed an agreement with our parent companies to enable us to access audit information for our high-risk suppliers. We are also now able to put forward any suppliers we would like to be audited to the Joint Audit Co-operation

> Launched our Sustainability and Corporate Responsibility online training module in December 2014 for all EE procurement managers to complete

ecoVadis
SUSTAINABLE SUPPLY MANAGEMENT

Looking forward to 2015

> Review our suppliers with EcoVadis to identify those that are classed as medium/high-risk. These will be invited to participate in the EcoVadis assessment and we build plans with any suppliers who need to close any gaps

> Ensure all EE Procurement managers have completed the Sustainability and Corporate Responsibility online training module

¹ The Joint Audit Co-operation (JAC) is an industry initiative made up of 10 telecom operators (Belgacom, Deutsche Telekom, KPN, Orange, Swisscom, Telecom Italia, Telenor, Telia Sonera, Verizon, Vodafone) with the common objective of raising social, environmental and ethical standards within the ICT supply chain.

RESPONSIBLE MARKETING AND SELLING

We aim to deliver the best customer service in our sector. And to achieve this, we need to focus on how we market and sell to customers as much as we focus on offering great after-sales service.

With such a wide range of price plans and home broadband offers, we recognise that we need to make sure that our all our sales information is transparent, easy to understand and delivered in a straightforward way.

2014 initiatives

> We aim to reach 100% call recording across all telephone based sales teams, and we now cover 75% of our teams being recorded, up from 21% in 2013

> We have created a new sales validation process and a created a dedicated team to manage it. This ensures that the customer gains the right products and services at the right price by cross-referencing sales to avoid mis-selling

> Implemented a new process to manage marketing messages that are sent through our "EE Recommends" service. As part of an 'ethics checkpoint', we've removed marketing messages around gambling and alcohol, and now have a formal process in place to ensure campaigns don't breach our responsible codes of practice

> Reviewed the compliance of our sales training modules ahead of rolling out new ethical training module

> Built a responsibility checkpoint into processes for ideas generation and product and service development plans – this means we can embed considerations for responsible practices into plans from the beginning

Looking forward to 2015

> Continue to focus on making our plans simple and straightforward to understand providing reassurance to our customers that they will not get unexpected high bills

> Introduce a reduced phone unlocking fee of £8.99 to cover our administration costs

> Launch a new commissions platform to ensure customers are sold the right products for the right reasons to avoid mis-selling

> Finalise and implement 100% call recording in all areas of telephone based sales activity by Autumn 2015

NETWORK INFORMATION

Having more customers connected on our network means there are more people than ever before benefiting from using their phone or tablet to carry out everyday tasks. So when our network develops a fault, or if we're carrying out maintenance, our customers need to be able to find out what's happening quickly and simply.

Our network continues to grow providing connectivity for more and more people especially in rural areas, bringing superfast connectivity to people in the UK for the very first time. And our focus on delivering a great network experience won't stop. Its why we're investing £1.5 billion between now and 2017.

2014 initiatives

> Increased availability of local and national network performance information via social media and our EE Community pages

> Improved the accuracy of our online Coverage Checker

> Signposted Coverage Checker directly from the homepage on our website, making it easier for our customers to find what their coverage is like

> We targeted customers with a text to inform them of any routine network maintenance

> Updated the MyEE app so it provide our engineers with data when customers experience a loss of coverage so we can better plan network coverage in the future

> Increased availability of Signal Boxes to provide coverage to customers who have no indoor network coverage

Looking forward to 2015

> Following technical delays in 2014, launch an online 'real-time' network status tool that allows customers to see if there's a temporary network fault or planned disruption in their area, and the status of the issue

> Launch WiFi calling, which will enable customers with compatible handsets to make calls over WiFi when they have no mobile network coverage - a great solution for people who lack indoor coverage

> Complete our network integration programme reducing the amount of planned network maintenance we need to carry out

DATA PROTECTION

We're committed to providing a secure service that our customers can trust, so it is of the utmost importance that we store, handle and protect personal data to the highest standards.

Data protection is managed through technical solutions and coupled with policies and procedures to ensure its security. We also deliver staff training and awareness programmes to ensure that all our employees handle customer data in line with our company policies.

2014 initiatives

> Ran the Project SAFE (Security Awareness For Everyone) campaign in November 2014 across all EE contact centres. This included a roadshow and a six-episode video campaign, giving employees further guidance around customer verification, data protection, passwords and safe surfing

> Reviewed and refreshed existing IT Security and data protection modules, and ensured that frontline staff continued to complete these training courses

> Completed laptop refresh, which means that all EE laptops now have encrypted hard drives. Removable Media encryption is also being deployed across the estate to end users that need to write content to removable media

DATA PROTECTION
WHAT YOU NEED TO KNOW

Looking forward to 2015

> Further improve the percentage of employees completing the mandatory data protection training module. We will also improve reporting on completion of data protection training for staff in third party contact centres

> Roll out of Project SAFE to the retail environment

> Introduce extra data protection training for specialist roles which are considered a higher risk due to their involvement in how personal data is handled or shared; or where IT applications are developed that process personal data

> Introduce a new identity management system to ensure that users are automatically given access when they join and that these rights are removed when they move or leave the organisation

> Introduce a new capability that will prevent third parties from accessing personal data when unnecessary

SUPPORTING CUSTOMERS WITH DISABILITIES

We want our customers with disabilities to make the most of our products and services to overcome communication challenges wherever possible.

We have a Board-approved improvement plan and a dedicated team to ensure we meet this commitment. For a third year running, we are measuring our performance using the Business Disability Forum benchmark, and each year we are making more and more improvements. Following extensive delivery and resource planning that has been completed in 2014, in 2015, we are committed to launching Next Generation Text Relay, account flagging and priority fault repair services.

2014 initiatives

> We have increased our British Disability Standard score from 24% to 47%, surpassing our target of 35%

> Launched a 'Charter' signed by our CEO and Chief Sponsor on our commitment, goals and plans and this was communicated to all EE employees

> Launched Video Relay services with Sign Solutions online to provide users of British Sign Language with more communication options

> EE's website achieved 90% compliance of AA standard Web Content Accessibility Guidelines

> Published new information and guidance on our Customer Service support site for frontline employees detailing what services are available and how best to look after customers with accessibility needs

> Launched built-in subtitling and accessibility options on EE TV

Business Disability Forum

Building disability-smart organisations

Looking forward to 2015

> After completing content review in 2014, we will deliver a new employee e-learning course for all frontline employees helping them to support customers with disabilities

> Trial the role out of Next Generation Text Relay and Video Relay in our retail stores and priority fault repair service, providing hard of hearing or speech impaired customers with a broader range of service options

> Finalise launch of customer flagging project to better identify and manage our customers with disability requirements

> Deliver a number of accessible 'Techy Tea Parties' to link in with our digital skills strategy. As part of this, we'll work with charities to help people with disabilities make the most of these specialist events

CUSTOMER PRIVACY

We offer a number of value added services to our customers based on using limited personal data. We want to make sure that when providing these services, we do so in a responsible way that protects their privacy.

The services we provide are:

1. **EE Recommends** – This is a service where customers receive marketing messages about products or offers that are relevant to them.

2. **EE Market Research** – Using aggregated and anonymised network information (also known as mData), we can develop insights on people's behaviour. These insights can be used by both public and private sector organisations to improve their products or services.

We continually monitor and evaluate how these services are offered. Our detailed Privacy Policy is published on our website which explains how we use, share and protect customers personal information and we committed to using our customers data in a responsible manner. As highlighted in our Data Protection section, all our customer data is stored in a safe and secure way.

2014 initiatives

> We launched a formal process for reviewing potential ethical issues raised as part of EE Recommends – this means we can ensure we're sending out appropriate messages to the right customers

> In 2014 we planned to launch a Permissions Dashboard which makes it easier for customers to choose their privacy settings online. This was reprioritised to ensure delivery of other customer service initiatives

> Our networks team is able to use data provided by the MyEE app that shows where customers signal drops which can then be used to improve our network coverage

> Increased awareness and understanding of our mData service. We did this by promoting a case study on our web site explaining how a company called Posterscope used this anonymous data to better plan their outdoor advertising campaigns so they can achieve stronger results for their clients

Looking forward to 2015

> Continue to monitor the requirement for an online "Permissions Dashboard" and evaluate alternatives

> Speak to a wide range of stakeholders to discuss views on the positive and negative use of data, with a special focus on consumer rights groups

UNEXPECTED HIGH BILLS

Pricing and billing in the mobile phone sector can seem complicated, but we're committed to delivering clear and transparent information to customers. By doing this, we reduce the risk of them being surprised when they receive their bill.

In many cases, the reason customers are surprised when they receive a bill that's more than they expected is that they are unsure how our bills are calculated or how charges are applied. We're serious about identifying and tackling the causes behind unexpected high bills. We're continuing to simplify and improve our communication around billing, as well as putting in more controls and introducing new plans and bundles.

2014 initiatives

> Introduction of the new roaming bundles and roaming data bill caps for customers on an Orange plan

> Further reduction in roaming costs – with roaming-inclusive extra tariffs and new £2/day EU talk and text options and data refreshes on all brands

> Launch of a proactive customer communications trial – if a bill is particularly high, we'll make contact with the customer to let them know about the problem and discuss it

> Introduction of a £10 tariff plan for customers in financial difficulty and who are paying off debt – this means they still have basic use of their phone as a lifeline

> EE signed a voluntary code of practice on 'bill shock'
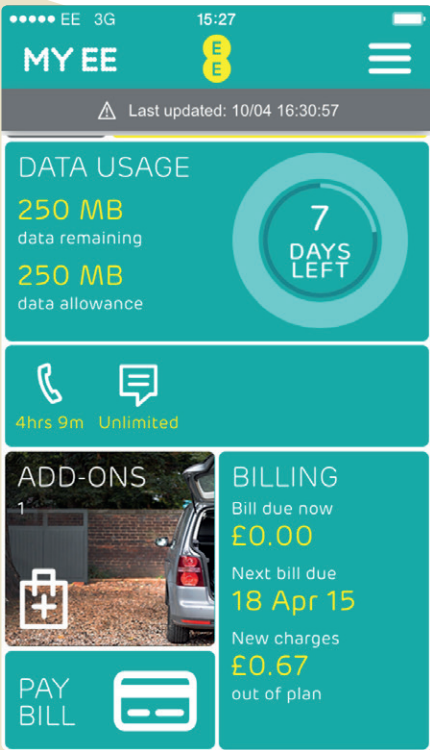
Looking forward to 2015

> We are voluntarily signing up to a financial cap for lost and stolen phones if the customer gives us notice within 24 hours of the loss and limiting exposure to the customer at £100

> Improve the paper bill format to provide additional explanations of 'out of allowance charges' and other complex scenarios

> Make all consumer calls to 0800 "Freephone" numbers free from mobiles and landlines

> Improve the transparency of charges for calls to 08, 09 and 118 numbers. We will do this by splitting these charges into an "Access Charge" set by EE, and a "Service Charge" set by the provider of the service

INDEPENDENT ASSURANCE STATEMENT FROM EY

EE's Responsibility Report 2014 (the Report) has been prepared by the management of EE Limited (EE) who are responsible for the collection and presentation of the information within it. Our responsibility, in accordance with EE management's instructions, is to carry out a 'limited level' assurance engagement on the 2014 performance data (Selected Data) as listed below.

Topic	Selected Data
Carbon reduction	% reduction in absolute carbon emissions
Waste management	% reduction in waste to landfill (corporate offices, contact centres and retail estate, excluding retail fit-out waste)

We do not accept or assume any responsibility for any other purpose or to any other person or organisation. Any reliance any such third party may place on the Report is entirely at its own risk.

What did we do to form our conclusions?

Our assurance engagement has been planned and performed in accordance with ISAE3000[1].
The Selected Data have been evaluated against the following criteria:

Completeness

Whether all material data sources have been included and that boundaries have been appropriately defined and reported.

Accuracy

> Whether the data from the reporting units has been accurately collated to company-level.

> Whether there is supporting information for the data submitted by the reporting units.

In order to form our conclusions we undertook the steps outlined below:

1. Interviewed the environment team to understand the current status of environmental performance.

2. Carried out the following activities to review the Selected Data.

   a. Interviewed a selection of 'data owners' responsible for managing, collating, and reviewing data.

   b. Reviewed and challenged supporting evidence from a sample of the reporting unit data.

   c. Tested whether the data has been collected, consolidated and reported appropriately at company-level.

3. Reviewed the Report for the appropriate presentation of the Selected Data including the discussion of limitations and assumptions relating to the data presented.

Level of assurance

Our evidence gathering procedures have been designed to obtain a sufficient level of evidence to provide a limited level of assurance in accordance with ISAE3000.

Limitations of our review

We have only sought evidence to support the Selected Data (as set out above) we do not provide conclusions on any other data.

We have not provided assurance over any qualitative statements made by EE.

Our conclusions

Based on our review:

Completeness

Have all material data sources been included and boundaries appropriately reported?

> We are not aware of any reporting units which have been excluded from the scope of the Selected Data.

Accuracy

Has the site-level data been accurately collated to company-level?

> Nothing has come to our attention that causes us to believe that the Selected Data have not been properly collated from the information reported by reporting units.

> We are not aware of any errors that would materially affect the reported Selected Data.

Our observations

Our observations and areas for improvement will be raised in a separate report to EE's management. Selected observations are provided below. These observations do not affect our conclusions on the Report set out above.

> EE has undertaken various initiatives to deliver significant progress on reducing waste to landfill. Having achieved its target this year, we encourage EE to consider setting more stretching goals to help drive further improvements in waste management. For example, it could extend the scope of the 'reducing waste sent to landfill' target to other areas of the business and set further targets on minimising waste.

> Our work identified a number of errors in the waste to landfill and CO2 data sets, all of which were addressed prior to publication of the Report. EE could reduce the risk of errors in the data by implementing a more structured process for the review and sign off of the data, improving documentation and defining accountability more clearly.

Our independence

As auditors to EE, Ernst & Young are required to comply with the requirements set out in the Auditing Practices Board's Ethical Standards for Auditors. Ernst & Young's independence policies apply to the firm, partners and professional staff. These policies prohibit any financial interests in our clients that would or might be seen to impair independence. Each year, partners and staff are required to confirm their compliance with the firm's policies.

We confirm annually to EE whether there have been any events including the provision of prohibited services that could impair our independence or objectivity. There were no such events or services in 2014.

Ernst & Young LLP

London

23 April 2015

EY
Building a better working world

Global Reporting Initiative

EE has chosen to report in accordance with Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, GRI-4.0 Core. 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.

GRI-4.0 core general standard disclosures, specific standard disclosures and performance indicators are contained within a separate downloadable document, available at **ee.co.uk/being-responsible**. London Benchmarking Group data regarding community investment is also included within this document.

THANK YOU

Visit us at **ee.co.uk/being-responsible**
Email us at **responsibility@ee.co.uk**