

Why we are sponsoring the debate

Peter Erskine

Telefonica O2 Europe's business may be less harmful to the environment than those, for example, of manufacturing or mining, but nevertheless we do have an impact - in our energy and water consumption, our waste disposal and emissions, through our supply chain and network technology, and in the visual impact of what we do. More importantly, if we are to meet the environmental challenges facing our planet then every business needs to play its part.

And our customers, employees and communities all tell us they are worried about the environment. They are concerned about the world's energy resources, climate change, water reserves and ecological systems and expect us to find ways to meet the needs of the present without compromising the future.

At O2 we are committed to managing our environmental impact; being accountable for our environmental performance is an essential, and daily, business task. But we need to do more.

More to consistently improve our performance so that we protect and sustain the environment in the markets in which we operate, more to minimize any negative environmental impact we may have as a business, and more to contribute to the global environmental challenges which will effect every community and every business in some way.

As a first step, we have developed strict policies to guide our business behaviour and insist that all our operating companies introduce a strict environmental management system, externally verified, to the international recognised standard ISO14001.

We also insist, through our ethical and environmental procurement policies, that suppliers use sustainable sources for our products and components and follow safe and fair working practices throughout the supply chain.

And we invest in projects that encourage sustainability and environmental protection, such as our Fonebak recycling scheme, an annual tree planting initiative in Ireland and our partnership with WWF (World Wide Fund for Nature) in Germany.

In 2005 O2 made a commitment to become carbon neutral through a 3 step approach; reduce our carbon impacts, buy energy from green sources and offset the remainder. In 2007 O2 decided to further define that commitment by setting a 20% energy reduction target on each of the businesses to be achieved by 2020.

Such actions make environmental sense, but they also make business sense too by enhancing our reputation as a responsible business. In the highly competitive markets in which we operate that can make a difference, and increasingly environmental conscious consumers demand nothing less.

That is one of the reasons why our UK business has signed up as a member of the 'We're in this Together' campaign. A campaign that unites business, government, media and consumers behind a programme of action to make it easier for all of us to take steps to reduce carbon dioxide emissions.

The campaign intends to help every household in the UK reduce their CO2 emissions by at least one tonne over the next three years. That's a potential saving of 25 million tonnes in the UK - more than the combined household emissions of Scotland and Wales together.

Together, the ten companies who have signed up to the 'We're in this together' campaign engage 250 million consumers internationally, and as part of reaching out to our 17million+ UK customers we are providing a range of offers to make an environmental difference, for example;

- Delayed handset replacement: Each new handset contributes (approx) 7.5kg of CO2 emissions through its manufacture and if all those upgrading each year deferred such action then this would remove the equivalent of 187,000 cars being removed from the road.
- Rewards (£100 credit) for existing customers if they choose to keep their existing phone at contract renewal time.
- The O2 Energy Saver fund: O2 will match with £5 all customers who donate £5 to the Fund at time of contract renewal. The money raised through the O2 Energy Saver options will be used to help to turn communities green by ensuring they use less energy, pollute less, and create less waste.

In addition, we will continue to collect redundant handsets and accessories through our retail stores, offices, Corporate Customers and by post and include recycling envelopes in the packaging of phones sold online. In 2006 we recycled or refurbished a total of 303,615 returned handsets. For every phone received going forwards we will give around £5 to the O2 Energy Saver fund.

Across our operating businesses, we are establishing an 'Environment Resource Centre', to help share best practice and ensure that we continue to benchmark our environmental performance; and encourage the use of technology rather than carbon intensive business travel through the use of phone-conferences and video-streaming.

Mobile communications technologies have changed the way we live and people will continue to want new phones and the benefits they bring. However, there is an environmental impact from their use and with 70 million active mobiles in

the UK alone the collective carbon savings to be gained by keeping handsets longer is simply massive. We therefore want to give our customers an environmental choice and incentivize them to make the right one. For as the French environmentalist and Pulitzer Prize-winning author, Rene Dubos, once put it “Man shapes himself through decisions that shape his environment”.