

# Report assurance statement

## To the Management of O2 plc

We have been asked to review O2 plc's (O2) 2005 Corporate Responsibility Report (the Report) in order to provide assurance on its contents. O2 is responsible for the collection and presentation of information within the Report.

Our responsibility in performing this work is to the management of O2 only and in accordance with the terms of reference agreed with them. We do not therefore 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 we did to form our conclusions

There are currently no statutory requirements in the UK in relation to the independent review of corporate responsibility reports. The AccountAbility AA1000 Assurance Standard sets out principles for social and environmental report assurance and we have been asked by O2 to set out our conclusions by reference to the assurance principles described in the AA1000 Assurance Standard.

We have also reviewed the Report against whether in our opinion the Report is in accordance with the Global Reporting Initiative's 2002 Sustainability Reporting Guidelines (GRI).

Our review consisted of the activities outlined below:

**1. Interviews with a selection of O2 management and functional staff** at O2 plc headquarters in Slough to understand the current status of corporate responsibility activities and progress made during the reporting period.

**2. Visits to selected O2 operating businesses** to review the systems and processes in place for managing and reporting corporate responsibility issues and to review evidence in support of claims made in the Report regarding O2's corporate responsibility performance.

The operating businesses visited were:

- Airwave
- O2 UK
- Manx Telecom

## 3. Testing the scope and balance of the information contained in the Report against:

- **Internal documents** such as Board papers, Executive Committee papers and Corporate Responsibility Forum minutes and papers.
- **A selection of external media sources** relating to O2's management of corporate responsibility issues.
- **Outputs of internal and external stakeholder engagement** on O2's corporate responsibility performance and on the 2004 Corporate Responsibility Report.
- **Outputs of a 2005 review of O2's stakeholder dialogue activities** conducted by an external agency.

## 4. Review of the Report as to whether it is in accordance with the GRI 2002 Sustainability Reporting Guidelines.

We assessed whether the report:

- a) Contains all information required in Sections 1-3 of Part C of the GRI guidelines (Vision and Strategy; Profile; and Governance Structure and Management Systems).
- b) Contains a GRI content index.
- c) Contains information regarding performance against each of the GRI core indicators or explanations for their omission.
- d) Is consistent with the 11 principles by reviewing O2's own assessment of these principles.
- e) Contains a statement signed by the Board or the CEO confirming that the Report has been prepared in accordance with GRI.

## 5. Testing statements made in the Report regarding O2's corporate responsibility performance

by reviewing evidence provided by O2. This excluded all statements made throughout the report regarding O2's community investment activities and testing the commentary provided in the GRI Content Index provided on O2's website.

## Level of assurance

There are currently no final guidelines from AccountAbility on agreed definitions for levels of assurance when using the AA1000 Assurance Standard. We planned and performed our review to obtain information and explanations that we considered necessary to form the conclusions on the Report against each of the AA1000 Assurance Standard's assurance principles (materiality, completeness and responsiveness) within the terms of reference agreed with O2 management.

## The limitations of our review

Our review did not include:

- Testing the processes for gathering or reporting the various data presented in the Report. Therefore, we provide no assurance on the completeness, quality and accuracy of the data included in the Report.
- Conducting stakeholder dialogue activities. Therefore, our conclusions on materiality and responsiveness are based on the review of outputs of stakeholder dialogue provided to us by O2.
- Testing the scope of the Report against issues reported on by O2's peers.
- Testing statements made throughout the Report (including the five operating business reports) regarding O2's community investment activities, nor testing the accuracy of the references to the BITC reporting guidelines.
- Testing the commentary provided in the GRI Content Index provided on O2's website.

### **Our conclusions**

Based on the scope of our review our conclusions are outlined below:

#### **Materiality**

Has O2 provided a balanced representation of material issues concerning O2's corporate responsibility performance?

- The Report provides a balanced representation of material aspects concerning O2's corporate responsibility performance.
- O2 has undertaken a series of research activities which have informed the selection of issues reported. O2 has also developed a process for determining material issues, as described under 'What We Report On' in the 'Engaging' section of the Report. We understand from O2 that this process will be used in determining the content of future corporate responsibility reports.
- The Report covers the core GRI indicators or explains the reasons for any omissions.

#### **Completeness**

Does O2 have complete information on which to base a judgement of what is material for inclusion in the Report?

- We are not aware of any material issues excluded or misstatements made in relation to the information provided to the Corporate Responsibility Forum on which judgements are made in respect of progress against corporate responsibility and the content of the Report.
- The processes for reporting progress in corporate responsibility activities in each of the operating businesses have been revised. Corporate responsibility reports are now provided by the CR Forum to the O2 Executive Committee each quarter for review. However, the corporate responsibility key performance indicators have yet to be implemented against which each operating business will report progress.
- We have tested claims and statements made in the Report regarding O2's corporate responsibility performance by obtaining supporting evidence from O2.

### **Responsiveness**

Has O2 responded to stakeholder concerns?

- We consider that the Report's scope and content addresses issues expressed in the stakeholder dialogue outputs provided to us by O2.
- O2 has developed a method to track the identification, management and mitigation of corporate responsibility issues in response to stakeholder dialogue. We understand from O2, that this method will be implemented in the financial year 2005/06 and it has therefore not been included in our review.
- We have observed policies, programmes and discrete activities aimed at addressing a range of issues raised through stakeholder dialogue. It is recognised that the response is based on O2's judgement.

#### **Has the Report been prepared in accordance with the GRI?**

Based on our review we consider that the report has been prepared in accordance with the GRI 2002 Sustainability Reporting Guidelines.

#### **Areas of progress since 2003 and areas for improvement**

Our observations regarding progress made since 2003 and areas for improvement will be addressed in our report to O2 management.

#### **Our independence**

This is the third year Ernst & Young LLP have provided independent assurance services in relation to O2's corporate responsibility reporting. With the exception of this work, we have provided no other services relating to O2's approach to corporate responsibility or any of the business processes relating to the management of the issues discussed in the Report.

#### **Our assurance team**

Our assurance team has been drawn from our UK corporate responsibility team. All members of the team are experienced in social, ethical and environmental assurance having worked on similar engagements for a number of significant UK and international businesses.

**Ernst & Young LLP**

London, 24 June 2005

### Cautionary statement regarding forward-looking statements

This document contains certain forward-looking statements. We may also make written or oral forward-looking statements in:

- our periodic reports to the US Securities and Exchange Commission, also known as the SEC, on Forms 20-F and 6-K;
- our annual report and accounts and half-yearly reports;
- our press releases and other written materials; and
- oral statements made by our officers, directors or employees to third parties.

We have based these forward-looking statements on our current plans, expectations and projections about future events. These forward-looking statements are subject to risks, uncertainties and assumptions about us. Forward-looking statements speak only as of the date they are made.

Statements that are not historical facts, including statements about our beliefs and expectations are forward-looking statements. Words like 'believe', 'anticipate', 'expect', 'intend', 'seek', 'will', 'plan', 'could', 'may', 'might', 'project', 'goal', 'target' and similar expressions often identify forward-looking statements but are not the only ways we identify these statements.

These statements may be found in this document generally. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors.

If any one or more of the foregoing assumptions are ultimately incorrect, our actual results may differ from our expectations based on these assumptions. Also, the sector and markets in which we operate may not grow over the next several years as expected, or at all. The failure of these markets to grow as expected may have a material adverse effect on our business, operating results and financial condition and the market price of our ordinary shares.

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