

03

Corporate Social
Responsibility (CSR)



A great place
to work

Corporate Social Responsibility (CSR)

Also in 2010, Corporate Social Responsibility and Sustainability continued to form an integral part of the corporate structure and strategy of Telefónica O2. During the whole course of 2010, the Company considered the impact of its activities on the external environment, strived to involve all stakeholders and satisfy all Company's needs which have arisen from the developments in the marketplace. Telefónica O2, as the leading provider of telecommunications services in the Czech Republic, tried to leverage its market position of the benefit of the needy. Building of trust, win-win partnerships and a dialogue with all stakeholders were the pillars of the Company's CSR policy. By joining all these pillars in its CSR policy, the Company tried to achieve maximum effectiveness, help and support.

Ernst & Young performed an audit across the Telefónica Group, which examined key CSR areas (environment, ethics, employee relations, customer relations, supplier relations and community relations). The audit conclusions were used in the planning of goals and action plans for the year ahead. CSR objectives were presented to the Company's Board of Directors and Ethics and Corporate Social Responsibility Committee, which supervises the process of execution of CSR activities.

A group-wide survey focused on the perception of Telefónica O2 in the eyes of the public, the so-called RepTrak, was carried out on an ongoing basis during the whole year. The survey helped to define CSR priorities and manage the Company's reputation.

Business Principles

Corporate culture and reputation are among the priorities of the Telefónica Group, and in 2010, too, Telefónica O2 paid a lot of attention to the development of an ethical environment and of its good reputation in this area. An online course on Business Principles, which was opened for the whole year, formed a part of the employee's curriculum; as at 31 December 2010, 89% of all employees, including a number of third-party personnel, have completed the course.

Employees have the duty to report unethical conduct which they may come across; the Company guarantees anonymity for the whistleblower. Telefónica O2 prepared an awareness raising campaign to promote available confidential help tools. Employees can report unethical conduct in several ways: they can choose between an online application, e-mail, letter, or make their report by calling (alternately, outside working hours, leaving a voice message) or a personal filing with the Corporate Governance Office. Employees have also the option to approach consultants, professionals from Human Resources, Security and Legal Affairs. The reports are investigated by Security or Internal Audit. There are also instruments of higher instance available: escalation of the report to the Business Principles Office of the parent Telefónica,

or the instruments available at the European division of the group, Telefónica Europe. Reporting suspected irregularities in accounting, internal control systems and accounting audit of the Company or the Group is made through a dedicated whistle-blowing channel leading directly to the parent Telefónica. Activities in the area of ethical conduct and business principles enjoy a full support from the governing bodies and the executive management; they are supervised by the Ethics and Corporate Social Responsibility Committee and, through this body, by the Supervisory Board. The effectiveness of the whistle-blowing instruments (and of the subsequent investigations) is regularly monitored by the Ethics and Corporate Social Responsibility Committee. The Internal Audit unit of Telefónica O2 regularly audits the compliance with the Business Principles.

The Business Principles are a fundamental policy of the Company, which is a part of the Work Rules and employees are required to comply. The brochure Business Principles is given to every new employee upon their commencement of employment and it can also be downloaded from the Company's intranet and website.

The Business Principles assert that Telefónica O2 is a company that is equally open, trustworthy and transparent towards its people and the customers. A natural move for the Company was therefore to join the Coalition for Transparent Business; by joining, Telefónica O2 publicly espoused its ethical values. In 2010, the Company was one of more than twenty founding members of the Coalition for Transparent business. By the end of 2010, the Coalition had more than thirty members from the ranks of Czech and multinational companies from all sectors. The Coalition will continue its close cooperation with the Platform for Transparent Public Procurement, which is an association of political parties, industry associations and public institutions, and is involved in the drafting of the amendment to the Public Procurement Act. This is yet another way in which Telefónica O2 wants to make a contribution, alongside other major businesses and institutions, towards the development of an environment built on ethical principles in the Czech Republic.

Market conduct and customer care

Customer Experience

In 2010, Customer Experience became the key pillar of the Bravo! Programme. In Telefónica O2, customer experience translates into four customer promises:

1. **People make the difference** – we want our customers to know that we try our best to address their needs.
2. **The best online experience** – we give our customers a comprehensive, affordable and serious offer of internet at home, on the road, at work and in the mobile phone.
3. **Being an O2 customer always pays off** – all our offers deliver real value.
4. **We build on trust** – we offer a reliable service and the experience that O2 delivers on its promises and gives the customer the care he truly deserves.

In 2010, the above became a yardstick by which new and existing products and services were measured; existing products and services were modified to reflect our philosophy. Its execution, and the overall quality of customer experience, was monitored by the Company using a number of regular or one-off surveys. The main one, Customer Satisfaction Index (CSI), showed a positive trend in all segments.

The consumer segment showed a marked improvement in the quality of customer care at call centres. The priority was to ensure a high availability of the call centre and that the customer's request is adequately resolved at the first call. Customers who could not reach the call centre during the time when the call centre was handling an increased volume of traffic could opt for a call-back. To improve the quality of care for small business customers, Telefónica O2 implemented the so-called 'virtual agent', to accelerate targeted referral to qualified operators. During the year, SOHO and medium business segments were merged, and the corresponding service model was modified, which occurred without any negative impact on customer experience. The medium business segment enjoyed an innovation of the so-called 'business partners', personal account managers giving medium businesses individual care.

The Company also focused on reducing the wait times in its brand stores. The installation of Queue Management Systems and the scaling of capacities to the traffic and other operating considerations delivered a reduction in the number of people leaving without service. At the beginning of the year, a system to measure feedback from customers served by our retail network was implemented, and the results were used to improve the quality of care and the effectiveness of customer care, and to eliminate the causes of dissatisfaction of customer, which related, for example, to the accuracy of order taking. The Company also introduced a concept of the so-called 'in-store SME specialists' who gave this customer segment specialised care.

With regard to fixed service delivery and repair, the Company focused on keeping the promised installation dates and on active communication with the customer during the process of handling of the request. Telefónica O2 implemented a new process of fixed service delivery, which included a specialised back office team which took over the responsibility for the end-to-end handling of the request, while the sales channels now focus mainly on the taking of the order. Telefónica O2 also implemented a new simplified claims handling process at the front office level. At the same time, the year 2010 saw the elimination of some of the causes of frequent complaints, which produced a reduction in the number of unwanted calls to the call centre and a drop of approximately 30% in the number of claims. In the area of online services, the Company debuted its new website www.o2.cz and held an active presence in social networks (Facebook, Twitter).

In the corporate segment, the Company phased out its IVR system and the live operators were able to answer more than 95% of calls within 15 seconds.

The lead time of service delivery, especially of mobile services, was shortened to 'next-day delivery' based on the feedback from corporate customers.

The POTR project, a part of the BRAVO programme, reviewed the causes of the frequent errors in invoices. The result was a change in the work procedures, modifications of systems, reduction of claim handling lead times, implementation of quality assurance processes and more information for the customer. At the same time, the product portfolio was simplified and many customers were migrated from old tariffs to the new ones.

The satisfaction of corporate customers has been rising steadily every month since the beginning of the year; the biggest improvement could be seen in claims handling and service delivery. The customers were also much more satisfied with the quality of commercial relations and the quality of contact with the call centre.

Products and services for people with special needs

In 2010, Telefónica O2 focused on helping and supporting people with special needs, especially senior citizens and people with disabilities, by making their communication easier.

The Company launched Aligator, a new version of special handset for senior citizens. Aligator is exceedingly simple to operate, especially for senior citizens and people with disabilities who find it challenging to operate regular mobile devices. The handset had side buttons to facilitate access to the main functions of the telephone, and the control keys were robust, big, and the display of a considerable size is well lit for better recognition of characters and digits. The price, too, was lower compared to the predecessor product.

Telefónica O2 improved its offer and marketed this device to customers at a special promotional price. The pre-paid offer contained the handset Aligator A400 and a SIM card with a credit of CZK 100. Every such set also came with a gift – the brochure The Internet School for Senior Citizens. The post-paid option offered the handset for the symbolic price of CZK 1 together with the purchase of O2 Neon Senior tariff.

Deaf Call

Also in 2010, Telefónica O2 continued to operate Deaf Call, a service which lets deaf or partially-deaf customers really communicate in the case of emergency or in various life situations – when making a medical appointment, ordering a repairman or consulting directory services. The service helps people who are deaf or hard of hearing communicate with the hearing and the vice versa. Specially trained operators are available 24/7. The Company has been offering this service free of any charge from the beginning of 2010. During the course of the year, the operators handled 13,438 calls; fax, e-mail, ICQ, SMS and the fixed line were the most popular options for communication.

Discounts

In 2010, Telefónica O2 continued to provide a discount on O2 fixed line service to people with a dependency of the 1st degree – in spite of the fact that the Czech government no longer subsidises the discount. The Company also preserved the option for people with disabilities to rent a special telephone set.

INSPO 2010 conference and the competition Internet and My Handicap

In 2010, Telefónica O2 became the general partner of the 10th INSPO conference Internet and Information Systems for Persons with Special Needs, the only event of its kind in the Czech Republic. The Company's representatives presented Deaf Call and Emergency Care services for people with disabilities and senior citizens, which they followed up with a demonstration. In addition to financial support to the conference, the Company also donated gifts for the speakers and the winners of the writing competition Internet and My Handicap, whose results were announced at the INSPO conference.

Floods in 2010 – emergency response

In the summer of 2010, Telefónica O2 responded to the emergency brought on by floods and, again, decided to provide relief to people stricken by the disaster. The Company prepared special programmes and services to help them address the situation: a free-of-charge issue of a new SIM card with the same telephone number; a discount of up to CZK 1,000 against the purchase of a new mobile handset or fixed line telephone set, ADSL or ISDN modem or a set-top box for O2 TV. Furthermore, customers could arrange for a postponement of the due date for their bills for contract mobile and fixed-line services, by up to a quarter of a year. The collection of receivables, which existed prior to the floods, was also suspended, and the numbers with restrictions on service due to non-payment were restored to full service.

Telefónica O2 also offered a 50% discount on mobile calls within the Czech Republic for the duration of two billing cycles. Pre-paid customers could claim an extra CZK 100 credit for a period of 6 months. Telefónica O2 at the same time organised an employee fundraiser to help the victims of floods, and match the total amount of employee donations with an equal amount from its own pocket. The O2 Foundation presented the total donation of CZK 1,423,706 to the People in Need Foundation, which is its longstanding partner in emergency relief operations in the event of natural disasters, etc.

We help to guide children through the world of communication technology

As a provider of communications services, Telefónica O2 is committed to using all available means to help eliminate potential risks that come with modern technology. Protecting children and creating a safe environment for them in the world of information and communication technology has always been a key priority with regard to the Company's customers. Several specific actions were taken in the area of child protection.

Telefónica O2 continued to observe its policy on the marketing to children, which summarises the principles respected in all the Company's marketing activities and which had been adopted previously. In 2010, the Company also started blocking websites with child pornographic content. All websites that were made illegal in all EU countries were blocked in the O2 network.

Supporting campaigns to benefit children

In February 2010, the Company joined the celebrations of the International Safer Internet Day, together with the National Centre for Safer Internet, gave its support to the pan-European campaign, which focused on identity protection in online environments and which was called 'Think B4 U Post'. Telefónica O2 was also member of an advisory committee of the Saferinternet project.

In June 2010, Telefónica O2 gave its support to an expert conference organised in the seat of the Senate of the Czech Parliament by the National Centre for Safer Internet. The conference focused on the issues of cybercrime prevention, especially with regard to children. The event was organised under the auspices of the 1st Vice-chair of the Senate PaedDr. Alena Gajdůšková, JUDr. Miroslav Antl, Vice-chair of the Constitutional Law Committee of the Senate and RNDr. Igor Němec, President of the Personal Data Protection Office.

In September 2010, the Company prepared and had printed, on recycled paper, a brochure to inform and warn parents '(Teach Your Children) Surf Safely', which explained the risks of children surfing online and gave tips to parents how to effectively mitigate those risks. The brochure was distributed via the network of O2 brand stores and as a supplement to the employee bulletin O.open; it was also available from the Safety Line.

In November 2010, Telefónica O2 gave its support to the International Safer Internet Conference, this time headlined 'Safer Cyberspace: European Inspiration and Czech Experience'. Fourteen speakers (including a representative from Telefónica O2), of which five were international guests, spoke at the conference. The conference provided a common platform for the public sector and business to discuss the issues of computer security and online safety.

The end of 2010 saw already the 8th Cyberspace International Conference, which explored the effects of the internet on the society and which was organised by the Faculty of Law, Masaryk University, in collaboration with the Faculty of Social Studies of the same institution. Telefónica O2 was the general partner of the event.

Caring for employees and the workplace environment

It is the Company's long-term strategy in the area of human resources to make O2 'a place which is a pleasure to work at'. In autumn 2010, a new 'charter' between the Company and its employees was agreed, which describes in detail what the Company plans to achieve in various areas and what should be the contribution of employees towards the goal. Some areas are already well underway, whereas others are scheduled for the next few years, as per the work plans.

Employee structure

	As at 31 December 2010
Employees total	6,936
of which women	36.2%
of which men	63.8%
of which employees with physical handicap or disability	1%

Employees by division

Organisation unit	As at 31 December 2010
Business Division	957
Consumer Division	2,028
Operations Division	2,647
Corporate Affairs	13
Strategy and product development	301
Human Resources	73
Support Units	312
Finance Division	297
Legal and Regulatory Affairs	42
Internal Audit & Risk Management	15
Marketing Division	201
Office of the CEO	4
DHL	46
Total	6,936

Employee engagement

Reflect

The interest and motivation of employees to participate in the employee satisfaction survey stayed at 90%, as was the case in the previous year. The overall Reflect index stayed at the level of the year 2009. The management considered the outcome as good, especially with regard to the fact that many important changes occurred during the year. Several surveyed areas showed a positive trend, including the Top Management index, which however remains an area with the biggest room for improvement, especially in terms of effectiveness. My Manager, My Work and Atmosphere indices remain among the strong points of Telefónica O2.

Getting closer to the customer

In 2010, the Company introduced a new programme called 'One Day with the Customer', to give managers a direct experience of the customer, which should lead to a higher awareness of the needs of our customers. A total of 240 managers took part in the programme; each manager spent one day in a brand store, at a call centre or went on call together with a sales representative or engineer.

Improving internal cooperation

The Company wants its internal teams to engage in effective cooperation. Telefónica Team is a new tool for bolstering cooperation – a short structured questionnaire gives an opportunity to team leaders to improve their service to internal customers. This feedback channel was piloted in several divisions during 2010, and the roll-out to all units will continue in 2011.

Spirit of O2 Awards

As every year, also in 2010 Telefónica O2 recognised the best employees at its annual Spirit of O2 Awards. Employees could either nominate themselves or their colleagues whose accomplishments distinguished them from the rest and who helped keep Telefónica O2 at the forefront of the telecommunications market. A new category Employees' Choice, was introduced in 2010; employees voted for the best one from their midst.

Global Bravo Awards

Telefónica's global Bravo strategy introduced Bravo Awards, a model of non-financial reward for employees' contribution towards the achievement of corporate goals.

Work-life balance programmes

Telefónica O2 realises that giving the employees an option to work from home is a win-win situation for all involved – the employees, the Company and its customers. Any employee, whose job character allowed for this option, could talk to their manager about working from home. The communication tools (fixed and mobile internet connection and a company mobile telephone) meant that not all activities had to be done from the office. The Company also allowed employees, conditional on the relevant manager's consent, to work part-time. Parents of children of pre-school age could also use employee bonuses from the so-called cafeteria, which were redeemable against pre-school care.

Education and personal development

Orientation training for new employees

In 2010, all new employees attended Welcome Day, a one-day seminar at which they learned a lot of useful information for getting to know and finding their way within the Company.

Basic management skills

The course Management of People helped newly appointed managers to orientate in their role of supervisor or line manager. It gave an insight into the work of a manager and an opportunity to improve existing management skills. The five-day course, spread over two months, was attended by 84 participants in 2010.

Leadership

Also in 2010, the long-term programme Leading to Excellence continued to build leadership skills of middle and higher managers. The course participants (more than 500 in the four years of the programme's existence) could opt to continue with an additional module, Feedback – the Pathway to Success, which was launched participating managers in 2010 and already had 24. Top managers had a choice of courses at Telefónica Corporate University.

Job Model

A new Job Model, which was the product of several years of intensive work, was implemented by Telefónica O2 in 2010. The Job Model introduced consistency and presented a solid platform for the base salaries in the Company – employees, depending on their job, were assigned to one of six groups and the corresponding salary class, which is tied with a particular rate of bonus, and may have other consequences for the remuneration. The content of the job, i.e. the work that the employee is expected to perform and their job-related responsibilities, is the principal factor for the classification.

Employee shares

In 2010, Telefónica O2 launched a scheme that offers a unique opportunity to invest in the Company's shares and qualify for a bonus if the employees hold the shares for a specified period of time and meet other conditions of the scheme.

Employees may purchase the shares of Telefónica, S. A., every month throughout the year up to the annual limit of EUR 1,200. If the shares are held for a minimum of 12 more months starting from the end of the twelve-month acquisition period, the Company will match every share purchased with one share, subject to the rules of the scheme.

Motivation programmes and benefits

Despite the challenging economic reality in the marketplace, Telefónica O2 continued the tradition of offering its employees a wide choice of employee benefits – for example financial products, O2 products and services, benefits promoting health, education and the work-life balance of employees. Employees with reduced work capacity also received a voucher for restorative physiotherapy holiday in the value of CZK 10,000 per year.

Employer of the Year

The Company came fifth in the main category of the 2010 Employee of the Year Awards, and the achieved the highest placement of all IT/Telco companies.

Caring for the environment

Environmental policy

The commitment of Telefónica O2 to keep the footprint of its operations on the environment minimal in 2010 was anchored in the Company's long-term strategy and Environmental Policy. The Environmental Policy focuses on the elimination, or at least the mitigation, of damage to or degradation of the environment – in its whole or in part and with regard to the Company's sphere of activity; in doing so, the company uses the latest research. Telefónica O2's fundamental principles of environmental protection were coordinated across the Telefónica Group and helped to deliver on both the group and local objectives and meet the statutory and other conditions.

Green Company

Telefónica O2 continually worked with its suppliers, gradually raising the bar they have to meet, in order to promote the ideas of environmental protection in its external environment. The Company continued to lead by example in 2010 - its Green Company programme involved employees in protecting the environment

Reducing our environmental footprint

The Company continued in its successful campaign to reduce its negative footprint on the environment. In providing for its operations, Telefónica O2 in 2010 consumed more than 2.5% less electricity, and 7% and 50% less natural gas and water, respectively compared to 2009. Also compared to 2009, the total volume of polluting emissions released into air from heat and power generating sources and from vehicles was also reduced; for instance the consumption of fuel was down more than 20% year on year. The Company also successfully managed its waste generation and again achieved a year-on-year reduction in the volume of generated waste.

The way the Company cares for the environment showed also in other areas – for instance, recycled materials and environmentally friendly materials continued being used for packaging.

Certification

The Company's activities in the environmental area were regularly audited, both internally and with respect to suppliers. The standard of environmental protection is certified according to ISO 14001 international standard. Telefónica O2 was the only telecommunications operator in the Czech Republic to have this certificate.

Supporting sustainability events

Also in 2010, Telefónica O2 worked to promote principles of active care for the environment within the social area. One of the major campaigns in this respect was the social project Let Your Old Cell Phone Help, the proceeds of which went for the benefit of the Safety Line.

In 2010 Telefónica O2 became the general partner of Open Air Festival, a new all family multicultural project. The organizer Abaton Production and the sustainability partner Bioplaneta organised, together with the Company, the first year of the event. The all-encompassing environmental concept of the festival also meant that 90% of all waste was recycled after the event, and the waste was collected throughout the event, not after it ended as usual.

The festival was entered for the Greener Festival Awards and received the mark 'Commended' (2nd best). Telefónica O2 also received an award for Best Partnership of 2010 in the Top Corporate Philanthropist Awards organised by the Donors' Forum in collaboration with Czech Top 100.

Supporting communities

Community-oriented and philanthropic projects were deeply rooted in the Company's CSR. Telefónica O2 strived to put its technology to use in helping to improve the quality of life. Already for the ninth year running, O2 Foundation was the key instrument in transparent and systemic corporate donorship.

In 2010, the Company took part in the 7th edition of TOP Corporate Philanthropist, awards given by the Donors' Forum to businesses excelling in the field of CSR. Telefónica O2 ranked in the TOP 10 companies in the Czech Republic; in the quantitative category TOP 10 Corporate Philanthropist measured by the volume of philanthropic investment it stood in the sixth position. Philanthropic activities are measured using the LBG (London Benchmarking Group) Standard Responsible Company, which is a comprehensive and standardised system for the assessment of corporate philanthropy. The Personality of the Year sponsored by O2 was presented on the same occasion, already for the second year running. The award recognises individuals who had made an outstanding contribution to the development and promotion of Corporate Social Responsibility, for personal engagement in the non-profit or philanthropy sector in the Czech Republic.

The total value of donations, gifts and telecommunications services provided by Telefónica O2 to or for the benefit of community projects in 2010 exceeded the mark of CZK 33 million.

Regional grants and the O2 Foundation Award

In the 9th year of its regional grant programme, the O2 Foundation continued the tradition and distributed more than CZK 10 million among 54 NGO projects, from which more than 7 thousand children and young people benefited. The grants for amounts ranging from CZK 50,000-400,000 were awarded to projects in aid of socially and physically disadvantaged children and youth, their leisure activities, education and to projects aimed improving mobility and reducing barriers in communication. The 2010 O2 Foundation Award went to APLA (Association in Aid of People with Autism), specifically to its Prague, Central Bohemia, South Bohemia and South Moravia branches, for projects helping the development of children with autistic spectrum disorders. The O2 Foundation Award of CZK 1 million expresses a special recognition to a project that the Board of Trustees of the Foundation has found appealing for its effort to change the established social habits and open tabooed social topics.

Safety Line 116 111

Already for 16 consecutive years, the O2 Foundation was the general partner of this only national free and anonymous helpline for children in difficult life situations. In 2010, the O2 Foundation was also the general partner of the concert benefit for the Safety Line. Television viewers sent donor SMS, raising more than CZK 800,000. The benefit yielded over CZK 8.6 million with Telefónica O2 becoming the largest donor with CZK 4.65 million donated through the O2 Foundation.

Senior Line

The O2 Foundation continued in its support to Senior Line operated by Elpida Plus. Senior citizens could dial the number 800 200 007 and share their concerns and joys, consult on various issues – health, legislation, psychology and welfare. In 2010, the helpline answered more than 27,000 calls, of which more than 3,500 were of serious nature. The funding from the O2 Foundation helped to keep the service free of charge. The O2 Foundation, in partnership with Elpida, ran an outreach campaign Let's Talk about the Elderly – Leave My Grandmother Alone to stimulate dialogue between generations and to draw the public attention to the frequent stereotyping of age in the society.

Stop Bullying!

The programme has been successfully ongoing in more than 60 schools, where teachers are systematically trained for several months to acquire skills that will come useful in recognizing and fighting bullying. The programme is funded from several sources; for the most part from European Social Fund. In 2010, the O2 Foundation focused mainly on awareness raising and cyberbullying was the main subject. In collaboration with Aisis, the main implementer of the programme, O2 Foundation executed a nationwide awareness raising campaign in all elementary schools in the Czech Republic. Teachers, parents and pupils received information about how to fight cyberbullying and what can be done against it.

O2 Duck Race

In 2010, O2 Foundation ran a fundraising project to benefit the Safety Line and the Senior Line, and to raise awareness of these two organisations among the Company's customers. Anybody could come to an O2 brand store and buy a yellow duck for CZK 60 – Telefónica O2 did not take a cut of the proceeds and CZK 60 for every duck went to help the Safety Line and the Senior Line. The Safety Line and the Senior Line received CZK 548,448 and CZK 137,112, respectively.

Volunteer programmes for employees

Creating opportunities for employees to actively engage in activities for public good, including helping out with O2 Foundations projects, is an integral part of the Company's own CSR, through which it aims to develop corporate volunteering.

In 2010, a record 3,048 employees, which is 54% more than in 2009, got involved in the projects of the O2 Foundation. As for employee volunteering, Telefónica O2 Czech Republic achieved the highest level of engagement among Telefónica Europe companies.

In 2010, employees also participated in successful fundraising campaign; a total of CZK 2,135,058 was raised from 2,371 employees. The most successful fundraiser was the one for the benefit of the victims of August 2010 floods in North Bohemia with a total CZK 703,153 raised; second, with CZK 631,655, came the fundraiser to benefit Haiti, which had been stricken by a catastrophic earthquake. Telefónica O2 matched both of these amounts by almost 100% and donated the funds to the needy families by way of the People in Need relief organisation. During 2010, employee donations turned around the lives of eighteen people who were able to buy necessary health aids. Customers also gave support to the Safety Line, Senior Line and helped children in Latin America.

Employees regularly participated in volunteer events and helped with their time, knowledge and skills.

Corporate teambuilding events turned into volunteer events – managers and their teams worked in non-profit organisations. In 2010, 725 employees (17 teams) donated 5,800 hours of work to non-profit organisations. Seven times more employees volunteered in 2010 than in 2009. 81 employees donated their personal free time: they spent 700 hours organising leisure activities for children from children's homes; 238 helping out in Thomayer Hospital in Prague; and 194 hours organising and helping out at swimming competitions for severely disabled athletes. They also spent 1,680 hours assisting the O2 Foundation's principal grant programme – they sat on regional committees and selected the best projects from NGOs, among which the foundation distributed CZK 10 million.

The O2 Foundation also recognised those employees of the Company who were active volunteers in their personal free time. Their service to the community earned CZK 400,000 to 22 employees in 2010, which was in turn donated to the non-profit organisations they worked with on a long-term basis.

Easter and Christmas markets, which were organised by the O2 Foundation in twelve of the Company's buildings in the Czech Republic, products hand-made by people with disabilities in sheltered workshops were sold to employees. In 2010, employees spent close to CZK 550,000 on products from sixty sheltered workshops.

Proniño international volunteer programme

Volunteer activities of employees in 2010 again transcended the limits of the Czech Republic as six employees of the Company participated in the international volunteer programme Proniño implemented by Telefónica in Latin America. Altogether thirty volunteers hailing from all countries where Telefónica operates were sent to Ecuador, Brazil, Guatemala, Argentina and Colombia. After arriving to their destination their role was to add meaningful content to the free time of children who, once their school finishes, either roam the streets or have to work. Employees volunteered their personal vacation time, each donating more than 252 hours of their free time.

Give Blood with O2

Also the project Give Blood with O2, continued in 2010, seeking to promote voluntary blood donorship in the Czech Republic. During the year, 140 employees participated and collectively donated more than 113 litres of blood. Blood donations took place in Company premises.

Fair Trade

The project Be Fair with O2, which focused on promoting Fair Trade products and services, continued also in 2010. Employees, customers and the general public could help the people in the poorest countries on the planet by buying Fair Trade products at a number of events organised by Telefónica O2 in 2010: Christmas and Easter markets of products made in sheltered workshops and Fair Trade products, Employee Blood Donation Days or the Open Air Festival, where people could learn about Fair Trade and help by buying them. In 2010, employees of Telefónica O2 purchased Fair Trade products in the value of CZK 100,000 and helped in the fight against poverty and child labour. A total of 5 thousand employees were involved in supporting Fair Trade. Fair Trade products were also used as courtesy gifts for conference participants and as Christmas gifts for business partners. In 2010, employees could also buy Fair Trade products at cut-rate prices through the e-shop, and order Fair Trade and ethnic catering for various corporate events.