

Business principles and compliance

In 2009, Telefónica O2 continued to implement ethical business principles which have always been a part of its philosophy. Business Principles apply across the whole Telefónica Group; their role is to ensure that all employees and routine activities of the Company observe the corporate values and principles. The compliance with Business Principles is regularly monitored by Internal Audit. In case of a suspected violation of the Business Principles, employees could contact specially trained advisors from Human Resources, Security and Legal Affairs, or to use the confidential helpline. The Ethics and Corporate Social Responsibility, which is a supervisory body for CSR, was kept regularly informed of how the Company handled reports of suspected violations of the Business Principles.

An information campaign in relation to the Business Principles continued also in 2009.

An online course in the area of competition law, which was launched in March 2008, and another covering the Business Principles, were available to employees for training and education purposes in the area of ethics and compliance. The Business Principles course was mandatory for designated employees; as at 31 December 2009, the completion rate among those, for which the course was mandatory, was 73.95%. A new course in the area of privacy protection was put online in September 2009, again as mandatory for designated employees, and as at 31 December 2009 the completion rate was 65.97% of the obligated participants.

The Business Principles brochure was given to every new employee as part of the induction training; its full text was also available online on the Company's intranet and website.