



Our 2011 Sustainability Review

Better Future



Customers, products and services

BT is one of the world's leading communications companies, providing voice and data services to customers in more than 170 countries. These customers range from single homes and businesses in the UK, to multinational corporations. Our products and services span all aspects of telecommunications:

- BT Global Services is a managed networked IT services business, serving customers in more than 170 countries worldwide.
- BT Retail provides communications products and services to the consumer market, and provides IT and communications services to small and medium-sized enterprises.
- BT Wholesale provides products and services to over 1,000 communications providers in the UK.
- Openreach is responsible for the 'last mile' of the UK access network and for the roll-out of super-fast broadband

We want to use our technology as a force for good, helping customers and communities to improve their productivity and quality of life – while growing our business. Investing in the research, development and deployment of the next generation of communications infrastructure is essential if we are to continue delivering these benefits.

All our customers deserve great service, whether a household or a multinational corporation. We aim to get things right first time whenever our customers contact us, and to be clear and honest in all our dealings with current and potential customers.

No-one should be excluded from the benefits of our technology. We are committed to increasing access to ICT for our customers and wider communities, in partnership with governments, other businesses and community organisations. Enabling the skills that will help bring about a more inclusive society is an important element of our CR strategy.

While the impacts of ICT are overwhelmingly positive, new technology also brings new challenges that we must work hard to address, such as privacy, piracy and data security.

Investing in the future

We are investing in our business to ensure we continue to meet the evolving needs and expectations of our customers. A key focus of this plan is to provide faster services with more features, including wireless connections and higher-speed broadband and Ethernet.

In the UK, our investment priorities are the roll-out of our fibre-based network and the growth of our broadband-based services.

Internationally, we are planning further investment in the Asia Pacific region, where 80% of our largest customers are expanding their operations.

To ensure our focus on being a sustainable and responsible business leader well into the future, we have a dedicated research team focused on developing opportunities for future gains in energy and carbon management and on using cutting edge technologies to improve accessibility and inclusion for the hearing, sight and physically impaired.

Investing in our network

We continue to invest in a connected and inclusive future. This includes a commitment to providing faster, better services such as super-fast broadband and higher speed Ethernet. Deploying these technologies will provide social and economic benefits by enhancing business competitiveness and opportunities for customers, improving the cost and quality of public services and giving more people access to the services available online.

Investment in the UK

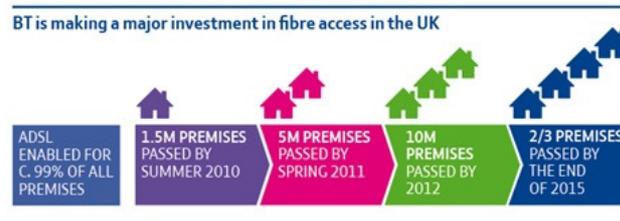
In the UK, we continue to invest heavily in upgrading our networks, with a focus on maximising the performance of our existing copper infrastructure while accelerating the roll-out of our fibre-based super-fast broadband network.

There is a risk that people in remote and rural areas may miss out on the benefits because of the high costs of deploying infrastructure in these locations. Public-private partnerships can address this problem, with public funding helping to make projects commercially viable. In 2010, we won a competitive tender to supply super-fast broadband to Cornwall and the Isles of Scilly. In partnership with the Northern Ireland Department of Trade, Enterprise and Investment we will complete roll-out to 85% of businesses in Northern Ireland by May 2011. We published a [white paper](#) that explains the different approaches public bodies can take and how to partner with the private sector.

We see the Government's creation of Broadband Delivery UK (BDUK) as a positive step in providing services to the 'final third' of premises in rural areas of the country where it is not currently economic to provide super-fast broadband services. We are committed to exploring ways to extend the footprint of super-fast broadband, and our deployments in Cornwall and Northern Ireland demonstrate that commitment.

Super-fast broadband

We have ambitious plans for super-fast broadband, which has the potential to reshape the lives of its residential and business users. We plan to invest £2.5bn in making super-fast broadband available to two thirds of UK premises by 2015. Our plans embrace both fibre to the cabinet (FTTC) and fibre to the premises (FTTP).



Fibre to the cabinet (FTTC) is a broadband cable that reaches a street-level cabinet. Additional copper cables connect individual homes to the cabinet, completing the high-speed connection. According to our current plans, FTTC will be the most widely deployed fibre-based broadband technology, as it provides a fast connection in the most cost-effective way.

Fibre to the premises (FTTP) extends fibre broadband cables directly into customers' homes or business. The added cost of deploying FTTP means that we are currently deploying the system in new build sites and in existing premises where it is economically viable to do so.

In spring 2011, we brought super-fast broadband to the 5 millionth property, up from 1 million in 2010. We are on track to pass 10 million premises by 2012, and are exploring opportunities to partner with others to bring super-fast broadband to additional harder-to-reach areas, such as some rural areas whose dispersed populations make them difficult to cover cost-effectively.

Other services

We have made ADSL2 technology – our 'second generation' broadband service – available to 63% of UK premises, up from 55% in 2010. We plan to increase this to 80% by December 2011.

We have also continued to extend our Ethernet footprint, from 600 nodes in 2009, and 800 in 2010 to over 1,000 nodes in 2011. Ethernet is a next generation data connectivity service for businesses, offering high-speed, lower cost connectivity for large volumes of data between sites

International investment

Outside the UK, we are extending our network coverage to better serve the needs of our managed network customers. We also continue to invest in innovation and new services.

We continue to invest in extending the geographic reach and technical capabilities of our Multiprotocol Label Switching (MPLS) network, which helps our business customers to keep their network secure between multiple sites. In 2011, BT extended its MPLS coverage, we now have over 2,400 points of presence (POPs).

New services

We are expanding our services to meet the needs of a wide range of customers, to remain competitive and to grow our business in a responsible and sustainable way. The following are examples of our ongoing commitment to delivering innovative solutions.

For UK consumers

We are aiming to grow the number of services we provide customers by building on our broadband network. TV is a growth area for us and one that will benefit from the roll-out of super-fast broadband. On-demand TV is becoming more popular and TV services will become increasingly personalised and interactive. Over the coming years we expect to see the emergence of a range of broadband-based consumer services building on new and existing services, there will also be new opportunities in the entertainment and networked home space, for instance energy usage management and home automation.

In January 2011 we launched our new Home Hub 3, including Smart Wireless which looks for the best wireless channel to ensure the strongest possible connection at all times. It uses 39% less power and its smaller design typically uses 25% less plastic than previous models. See our [Product design](#) section.

In 2011 BT Directories released the compact Phone Book, reducing its size by 15% to fit into letter boxes, saving an estimated 2,000 tonnes of paper each year.

We also provide the tools and services that help parents to limit their children's access to age-appropriate content. For more information, see [Internet security and child protection](#). We're also conscious of our products' energy consumption, and have worked to reduce the energy use of products like our BT Vision boxes. See [Product stewardship](#).

For international businesses

We have invested in growth areas such as multi-protocol label switching (MPLS), Ethernet, unified communications, security, customer relationship management, mobility and cloud services. Last year we identified the Asia Pacific region as a target for investment and we are strengthening our ability to support new and existing customers in this growing market.

We have also launched a range of products and services which help our customers reduce their environmental footprint including:

- our sustainability practice and carbon impact assessment offer
- a professional services smart grid offering in the US.

We manage these data centres in an energy efficient way on behalf of our customers. See [Supporting the low carbon economy](#) for more information.

For UK small and medium enterprises

We are the leading provider of fixed-line communications services for SMEs in the UK and we are well-placed to grow our revenue from IT and mobility services.

Our opportunities for growth include selling new services to our existing customer base and helping customers migrate to cloud based services, which allow customers to access IT services on a more flexible basis.

For communications providers

We are the UK's largest wholesale provider of broadband nationally measured by reach and revenue. This includes sales to CP customers with their own broadband infrastructure but which choose our services outside their own network footprints, as well as the BT Group.

Our commercial satellite services are also helping NGOs (nongovernmental organisations) provide critical aid services in hard to reach locations and support the delivery of education services in developing countries. Our satellite services are helping to improve the accuracy of European GPS services and are being used by UK energy suppliers to link remote wind farms in the UK to centralised monitoring systems.

Targets

Start	End	Description	Update	Target Status
April 2011	March 2012	100% of replacement products sourced in the year will have improved energy efficiency and/ or reduced environmental impact.		New
April 2011	March 2012	85% of competitive contracts in the year will include energy use/ environmental impacts as part of adjudication criteria.		New

Case Study

Building a Better Future at BT US

and Canada

BT offers networked IT services to businesses in the United States and Canada, and is firmly committed to our strategy for a Better Future.

The office-based nature of our operations and geographical spread of customers in the region mean business travel forms a bigger portion of our carbon footprint than in other parts of BT Group. To address this, we have increased our use of immersive videoconferencing systems – at our hub offices in New York; Irving, Texas; and El Segundo, California. Our other sites also use video and audio conferencing extensively.

Our facility in El Segundo operates a network operations centre and data centre, accounting for around 8% of BT Americas' carbon footprint. The site has installed photovoltaic solar panels with an output of around 1,000 MWh of power each year, harvesting the California sun to provide 15-20% of the site's energy needs and avoid 300 tonnes of carbon dioxide annually.

Our commitment to reducing our carbon footprint led us to devise a unique way of encouraging employees to get involved – at home as well as work. With our partner, SunPower®, we hosted informational events in our offices and online to promote the use of photovoltaic solar panels at home. Over 200 people have attended in total, and roughly a third of these signed up for a free home assessment. SunPower provides up to a 10% discount to any BT employee who chooses to install SunPower solar at home.

We encourage customer-facing employees to promote the sustainability benefits of our products and services during conversations with customers. In 2011, we introduced a six-part training programme to better equip them for this role. Employees receive a certificate after completing the three webinars and three internet-based modules, and to date 10% of eligible employees have participated in the program.

Our 3,800 employees are also helping us to build stronger communities. We encourage all our people to volunteer time to a good cause of their choice, or to one that BT supports, such as the American Red Cross. We are helping the Red Cross to implement its Ready When the Time Comes disaster response programme. Teams of BT people in New York and El Segundo volunteered to be trained in disaster response techniques, and now participate in drills to keep their skills sharp and extend the reach of this important programme.

BT Americas supports our Group-wide focus on tackling digital exclusion through our US charity partner, One Economy Corporation. In 2010, we committed to providing One Economy with \$200,000 over two years, to fund the development of Net Connectors (<http://pic.tv/netconnectors/>) a website similar to BT's successful Internet Rangers programme in the UK that encourages young people to teach adults how to use the internet. Our employees are also volunteering to help One Economy provide digital literacy training in local communities.

Global research and development

Creating attractive and competitive products and services for customers is critical to our future success. Our research and development team works directly with customers, partners and universities around the world. In 2011, this 'open innovation model' helped our dedicated teams in the US, Asia, Europe and the Middle East to identify more than 400 new technologies, business propositions and market trends.

We have global development centres in the UK, USA, Europe and India, bringing our research teams closer to our customers in each market so we can more effectively deliver the opportunities we uncover.

In 2011, we invested £684m in global research and development, from £789m in 2010. This investment comprised of capital software development costs of £295m and research and development operating costs of £389m, from a respective £345m and £444m in 2010.

This year, we have applied that research and innovation on a number of strategic areas for the business, but in particular

- Enhancing BT Vision and the delivery of other networked entertainment services
- Supporting BT's wi-fi service
- Supporting the deployment of super-fast broadband in the UK.

We routinely seek patent protection in countries including the US and China, and currently maintain around 6,500 patents and applications. In 2011, we filed patent applications for 62 inventions from 63 in 2010.

We embed sustainability into our current innovation and design approach by including energy usage as a design criteria in our network and service architectures both for BT internal use and to enable our lines of business to offer low carbon products and services to customers. For example, in 2011 we developed an ADSL technology called 'Cool Broadband' that configures ADSL lines to be 'always available' rather than 'always fully on' and has the potential to reduce energy consumption by around 30% per line without affecting the customer's experience. During 2011 we successfully conducted customer trials and we are working with suppliers towards a development plan.

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Wireless broadband

Demand for wireless access is growing at a record rate, we've have added more hotspots in the last twelve months and will continue to meet the demand as more and more smart-phone, laptop, tablet, iPod and e-reader users choose wi-fi to stay connected when they are out and about.

BT now provides more than two million wireless hotspots at UK locations. Well-known brands offering access include Hilton, Thistle, Ramada Jarvis and Macdonald hotel chains, Caffè Nero and Starbucks coffee stores, Welcome Break and Road Chef Costa service stations, British Airways, Star Alliance, American Airlines and Sky Team airport lounges plus other UK transport hubs. We have also installed hotspots in major city centres including Liverpool, Westminster, Glasgow, Newcastle and Birmingham.

[BT Openzone](#) customers can get online at an additional 65,000+ locations worldwide through our agreements with roaming partners.

Our BT Total Broadband customers have free and unlimited access to the largest wi-fi network in the UK included in their broadband package.

Through [BT FON](#), customers who agree to share a small, secure section of their home broadband connection with other people signed up to the service can access high speed wireless broadband at over 2 million BT wi-fi hotspots in the UK, plus around 400,000 additional hotspots around the globe.

For more information visit www.bt.com/freewifi.



Customer experience

Our Group strategy starts with customer service and we continually work to improve the level of customer experience. In practice this means keeping our promises, being easy to contact and straightforward to deal with; it means keeping our customers informed and taking prompt action to put things right if they have cause to complain; above all it means trying to do things 'right first time'.

'Right first time' is our key measure for customer service. It measures how often we get things right the first time for our customers: this is important as failure increases our costs. In 2011 we achieved a 3% improvement in this measure which compares with a 10.5% improvement in 2010. This shows that we made further progress this year but the scale was less than in previous years due to a number of issues, particularly a large increase in provision volumes requiring engineer visits. These were up over 25% in the year. In addition, the very poor winter weather both increased repair demand and reduced our ability to deploy engineers effectively. In order to meet these challenges we recruited additional engineers.

We will learn from what went wrong and will work more closely with our CP customers to ensure that together we provide better volume forecasts and we have a more flexible resource that can meet peaks of demand more effectively.

All parts of BT have plans in place to make sure we get things right first time, supporting the Group measure.

For example, our Retail business is training its customer service teams and expanding its online presence with two aims: to reduce the number of queries it receives each year, and to resolve the remaining queries as thoroughly and efficiently as possible.

Our priority is to avoid problems and queries by making information clear, consistent and easily accessible.

BT Retail - resolving customer complaints 'right the first time'

BT is the leading provider of fixed-line voice and broadband services in the UK consumer market.. When customers contact us, we aim to address their queries 'right first time'. No one should need to contact us twice about an issue, or be passed around our organisation to find the right team to deal with a problem.

We introduced several initiatives in 2011 to improve our ability to resolve issues in a single contact. For example, priority care teams within each service function now case-manage difficult customer issues. These teams receive additional training and coaching on how to spot potential problems and avoid the need for the customer to contact us again. 'One contact resolution' aims to deal with customer queries in one call. We saw the number of queries dealt with in one contact increase by 15% in BT Consumer and 9% in BT Business.

To resolve customer complaints we need to understand and eliminate the causes. We have invested in process improvements, made policy changes and provided additional training for advisors to prevent complaints from arising and to improve our handling of those which do. As a result, we reduced the volume of complaints by over 42% over the past two years. Our improved complaint handling has increased the number of customers who would recommend us, and reduced the number who would like to leave BT and take service elsewhere.

Expanding our online presence

We are making it easier for customers to contact us and get help in the way that best suits them, including via our website and social media. This includes Twitter, YouTube, BT Community Forums, external forums, our [BT Life](#) blog and Facebook. We also respond to over 5,000 customer service queries each week via live chat on our websites.

We also provide service via our [BT Community Forum](#), which receives over 300,000 customer visits each week. The forum was set up in 2010 and traffic increased by 550% in the first year. Customers can interact with BT representatives and other customers to ask questions, leave comments and help each other to resolve problems. We also contact customers via external forums such as Money Saving Expert, Digital Spy and Think Broadband.

At the end of 2011, BT had over 11,200 followers on [Twitter](#), an increase of over 70% from 2010. Many discovered our presence on the site after tweeting about a problem with their service and being contacted by BT Care, who resolved their problem before they picked up the phone or visited BT.com.

In 2011, we launched our [Facebook](#) page, where customers can learn about BT products and services, provide feedback, engage with each other, join our marketing campaigns, and access service and support from BT Care. In the first week, we attracted 16,285 fans, which grew to almost 60,000 by the end of the year.

Through YouTube, we provide simple 'How To' videos to help customers with a wide range of issues, from downloading and using our BT Fon iPhone app, to setting up BT Vision. Around 16,000 customers view our videos each week, saving them the effort of contacting BT for help.

Our social media presence gives us a new way to engage with our customers and provide information and solutions when issues arise. For example:

- Posts on the BT Community forum from customers in the Scottish Highlands alerted us to a problem with broadband speed in the area. Our moderators passed the feedback directly to the service operations team, who quickly investigated and resolved the problem. At the same time, we used the forum to keep affected customers informed of progress in real time.
- In December, a fire and flood at an exchange building disrupted service for some customers in London. Within a couple of hours of the incident, we posted a picture of the fire damage on Twitter which was viewed by over 15,000 people. The photo was 'retweeted' by many customers and led to a 65% jump in new followers during that week.

Targets

Start	End	Description	Update	Target Status
April 2011	March 2012	The Group customer service measure will consist of continuing Right First Time and the new measurement of customer issue reduction. We will publish the result in our 2012 report.		New
April 2010	March 2011	To improve customer service based on getting things Right First Time (RFT) in line with the corporate scorecard.	In 2011 we achieved a 3% improvement in this measure which compares with a 10.5% improvement in 2010. This shows that we made further progress this year but the scale was less than in previous years due to a number of issues, particularly a large increase in provision volumes requiring engineer visits.	Completed

Case Study

BT's contribution to charity fundraising

Uniquely, BT supports all the UK fundraising telethons and engages all its lines of business, both in the delivery and support functions. This includes telethons for BBC Children in Need; Disaster Emergency Committee (DEC); Soccer Aid; and Comic Relief's appeals, Red Nose Day and Sport Relief.

Although each of these telethons has its own corporate partners, BT is the only one that works across each and every telethon. BT is a core operational partner helping make the appeal happen, helping the process of donation to be as easy and efficient as possible. Quite simply, a major telethon couldn't happen in the without BT's expertise and support.

BT has supported Comic Relief since the very first Red Nose Day in 1988 (and also launched Sport Relief in 2002). And the support that BT gives keeps growing.

To say it's a big job to set up and manage the telephone network needed on Red Nose

Day is a massive understatement. BT's senior engineers and thousands of staff in call centres up and down the country volunteer their time to ensure everyone can make vital donations on the big night.



For Red Nose Day 2011, BT hosted call centres in: Belfast; Blackburn; Cardiff; Doncaster; Glasgow; Newcastle; Sheffield; Warrington and BT Tower.

For the Comic Relief Red Nose Day 2011 we handled over 760,000 calls to the donation line, helping to raise a record £74.3 million. Over 1,100 employees took part at BT call centres.

With our fundraising target of £350,000 surpassed before the day even began, the 2011

Comic Relief Red Nose Day was our most successful one yet. BT people embraced the challenge enthusiastically, donning themed fancy dress, baking cookies and participating in various athletic activities. In London, a team of six BT Innovate & Design employees completed a lunchtime Comic Relief challenge of visiting five London BT buildings in under 5,000 seconds, pedalling their way to their £5,000 fundraising target. BT Chief Executive Officer, Ian Livingston, cheered the team on at the finish point.

Following the successful 2010 BT Sport Relief Million Pound Bike Ride and 2009 BT Red Nose Climb, this year we raised money by sponsoring the BT Red Nose Desert Trek, in which nine celebrities covered 100km in five days to raise over £1.3 million.

The impact of all of this on our key audiences :

Consumers	All BT's research shows that consumers are positively influenced by its CR/ charitable commitment – and telethons are right at the top of customers' recall; BT provides the mechanisms that most of the public use to donate to Red Nose Day, giving BT positive contact with thousands of donors; Additionally, BT engages consumers directly through cause-related marketing initiatives. In 2011, the BT Red Nose Desert Trek attracted large scale publicity and BT encouraged customers to help raise hundreds of thousands of pounds by making calls from BT landlines on Chat for Change Day in February).
Business customers	Supporting the telethons is a tremendous showcase for BT's capabilities. For example, BT actually set a Guinness World Record for the "most lines connected to one telephone number" when it connected the Red Nose Day donation line to 14,368 call centre volunteers simultaneously! No other telecoms provider has this capability;
Employees	BT relies on employees to make Red Nose Day happen; awareness of BT's support of telethons is over 90% amongst staff with 98% saying they take pride in supporting these events;
Analysts	BT's support of Comic Relief demonstrates its core capabilities, skills and values which has a positive impact on reputation, which is increasingly important to share price; Analysts accept that companies with thorough corporate responsibility programmes perform better over time. During the 2010 Children in Need campaign Ian Livingston, our Chief Executive, received a positive reaction from industry analysts when he introduced Pudsey Bear at our quarterly results presentation. But there are very practical impacts for BT, as involvement in telethons has led to technical innovations which have benefits for business and residential customers, such as the development of new platforms;
Partners and suppliers	BT encourages its partners and suppliers to support these telethons, looking at how costs can be reduced or how delivery can be more efficient. This has helped develop more positive relationships with partners and suppliers. For example, BT has been able to work with Computacenter to supply laptops for the BT Tower call centre at no cost to the charity, which allows staff to enter donations directly to an online system that speeds the process up.

Ensuring consistent customer service

We provide many customers worldwide with a wide range of products and services, which we must sell, deliver and maintain reliably. Our strategy is to deliver excellent service in all circumstances, providing 24/7 support through a global team of well-trained advisors.

Flexible services

We aim to provide consistently high levels of service at all times. To achieve this, we are training some of our advisors to provide more than one service. This enables us to meet changes in demand while maintaining quality and consistency. Over 100 service advisers have been trained so far and we are continuing to expand our flexible contingency model, and aim for at least one in ten of our advisors across all functions to be dual-skilled by the end of June 2011.

International sourcing

We provide elements of our customer service from countries as diverse as Brazil, Hungary, China and India. We ensure consistent service by applying the same processes, systems, monitoring and performance measures.

Most of BT Retail's call centres are in the UK, and we also have several centres in India. Representatives at all our centres are recruited to provide the technical and service skills needed to support our broadband and BT Vision customers. The centres are provided by our partners Infosys in Bangalore, HCL in Noida and Chennai, and Wipro in Mumbai and Kolkata.

999 continuity

In the UK, we operate the 999/112 emergency service line which connects callers to the Fire, Police, Ambulance and Coastguard Emergency Authorities (EAs). As part of our License Obligations, we give callers reliable 24/7 telephone access to the EAs and provide their location to the EAs.

In 2011, BT's 999 teams answered 28,363,041 calls – around 84% of all UK emergency calls. On average, our people answered calls in less than one second.

Our people go to great lengths to ensure that 999 service levels stay high, regardless of the circumstances. December 2010 was an exceptionally challenging month, with extreme weather conditions resulting in unusually high call volumes. As temperatures dropped below -10° at the worst affected sites in Wales, several of our advisors walked over five miles to get to work. Additionally, BT Operate supplied 4x4 vehicles to collect and drop off advisors in Newport and Bangor. All of our centres remained open 24/7 throughout this difficult time, despite many other business units in the same buildings closing down. Employees in Scotland and the Republic of Ireland stayed overnight in nearby hotels when travel home became too difficult, and work centre managers took on desk duties, organised replacement security and even ran tea trolleys to keep agents fed and comfortable. The 999 service did not fall below its performance threshold target of 95% of calls answered in five seconds or less.

People development

To ensure our customers receive helpful, relevant service, we invest in developing the skills of BT people at every level. We aim for all our customer service employees to be able to share the benefits of our products and services, and to help customers find the solution best suited to them.

Introduced in December 2009, our Retail Apprenticeship Programme is designed to equip our people with the professional customer service skills that ensure our customers remain at the heart of everything we do. This supports our goal to be number one for customer service and professionalises the skills and qualifications of our front line people. By the end of 2011, around 3,200 team members across the UK had completed the programme, gaining accreditation at level 2 in customer service through a series of UK qualifications, including:

- The National Vocational Qualification (NVQ)
- Business and Technical Education Council (BTEC).

In September 2010, BT Retail created an acceleration programme for its 100 most promising team members. The programme aims to develop a strong succession pipeline for line manager roles within customer service, and to retain and motivate our team members by drawing from internal candidates.

We have also introduced a Leadership Development Journey Programme (LDJ) which will enable 327 managers to gain the 'Apprenticeship in Management Level 3' qualification by July 2011. Throughout the LDJ, managers receive personalised training to give them the skills and knowledge to help them improve our businesses performance.

For more information on how we train our people, see [Training and Development](#).

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Customer access to ICT

The ability to communicate is a basic human need. Information and Communications Technologies (ICT) can improve productivity and quality of life, with benefits for both individuals and society.

We believe that no-one should miss out on the benefits of technology, and work to increase digital inclusion in many countries around the world. Understanding why some people do not use ICT is an important first step to addressing the various obstacles, which can range from disability to financial hardship.

In this section we discuss how we increase access to our ICT products and services, through:

- Providing affordable products and services
- Inclusive communications
- Designing inclusive products
- Working with others to widen access to ICT.

We discuss our efforts to improve skills and increase confidence in the wider community [here](#).

Our offers

For consumers, cost is a factor affecting the uptake of technology, so we strive to keep our bundled services affordable, making the benefits of phone and internet access available to as many people as possible. In the UK, we have a legal duty – known as the Universal Service Obligation – to make basic telephone services available to all consumers at affordable prices.

Affordable telephony and internet services

We provide a low-cost telephone service called BT Basic to UK customers who receive income support, income-based jobseeker's or employment support allowance or guaranteed pension credit. Full details of BT Basic can be found at www.bt.com/btbasic. BT Basic also helps customers to manage what they spend through an automated 'Call My Bill' phone service and 'View My Bill' online service. BT Basic also offers a free call-barring option to block certain costlier types of calls, and the option to have broadband access.

[Plusnet](#), a BT business in the UK, provides a low-cost broadband service. Plusnet's success has been driven by a combination of competitively priced packages, self-care tools for customers, referral discounts and a country-wide marketing campaign.

Disconnections

We recognise the importance of internet and telephone services and make every effort to avoid disconnecting customers. We offer flexible payment options to help people budget for their bills and work with customers having temporary payment difficulties to agree on payment over a longer period than usual. See our [Codes of Practice](#) for further detail on our procedures for requesting payment and the help customers can expect if they have problems paying.

Inclusive communications

We think that everyone should be able to benefit from the opportunities that digital communications bring, regardless of any disability, impairment or level of technical familiarity.

Including You

In October 2010, BT launched [Including You](#), our new inclusive communications website offering a range of accessible products and services for those who need extra help. 'Including You' builds on our existing accessibility web pages, combining helpful products and services, the latest news, advice and

information to make communications easier for all our customers.

Designed and developed in partnership with AbilityNet, the national charity that enables people with disabilities to access technology and the internet, the site is the first to achieve the new AbilityNet accreditation mark, which recognises businesses whose web presence observes and maintains accessibility best practice. The site includes many accessible features, including:

British Sign Language

BT is the first major UK company to embed [British Sign Language](#) content on its website. We also offer 'Browse Aloud' software which highlights and reads text aloud for customers with visual impairment or reading challenges.

Live Chat

This is an instant-messenger style service function. This helps customers to get information and advice, resolve queries or make purchases, and is especially useful for customers who have difficulty communicating via the telephone.

Jargon Buster and Plain language guides

To help our less tech-savvy customers understand our products and services, we offer a '[jargon buster](#)' glossary page explaining terms in easy-to-understand language.

It is sometimes easier to read things on paper rather than a computer screen and for this reason we also provide a selection of [plain language guides](#) for customers to download. We offer guides on a range of subjects, including:

- Communications Solutions – our guide to the full range of BT products with accessibility features.
- Sound Connections Guide - our guide to hearing better on the phone.
- The Internet: It's easier than you think – our guide encouraging people to get online.
- Communication Choices – We offer two guides, one which gives help and advice for people who are deaf or hard of hearing while the other provides advice on getting the best deal on telephony packages for those who are managing on a budget.

Other Services we provide aimed at helping our customers gain the maximum benefit from our products and services include:

Text Relay

Text Relay service enables deaf or speech-impaired textphone users to communicate directly via telephone. When a consumer using a voice phone wants to communicate with another person using a textphone or vice versa, Text Relay will automatically bring a relay assistant into the call to translate voice to text or vice-versa. The service can be used with or without the help of an assistant, depending on the equipment used by the customer and the person they call.

BT funds the service to support deaf, hard of hearing, and speech-impaired people in the UK as part of the requirements of our Universal Service Obligation.

In 2009, we launched www.textrelay.org to help consumers find out more about relay and other accessibility services.



'Try before You Buy' Centres

BT operates a network of over 200 '[Try Before You Buy](#)' centres in the UK, allowing customers to try out our phones to make sure that the one they purchase exactly matches their communication needs. The centres are set up in disabled living centres or disability organisations, enabling customers to benefit from the advice of knowledgeable staff.

Tailored customer service

BT is currently in the early stages of developing a system to identify and assist customers who need additional support as a result of a disability – such as visual, hearing, speech, physical or cognitive impairment. When a disabled customer dials in, an automated system recognises their telephone number and transfers the call to our accessibility customer service team. Our customer service advisors are provided with information and approaches that help them give the right support and advice. For example, a visually impaired consumer reporting a broadband issue would not be asked whether the lights are illuminated on their equipment.

Inclusive Design

Inclusive design can help more people to benefit from communications technology, particularly older people and those with disabilities. Making sure these customers can use our products also increases our potential customer base.

We aim to improve access right across our core product range, including internet, phone and telephone services. To do this, we developed an [inclusive design toolkit](#) in partnership with i~design, a business and academic alliance. The toolkit explains the benefits of inclusive design and provides guidance for product designers within BT and other businesses. It includes helpful guidance, such as a calculator that helps designers understand how they can increase the potential market for a product by making sure it is suitable for customers with reduced capabilities. We enhanced the toolkit in 2011 to include a "getting started" section which helps businesses to adopt inclusive design principles. The site has received nearly 5.5 million hits since its launch, and is incorporated into design courses at a number of universities around the world.

Examples of our recent efforts to incorporate accessible features across our product range include:

- The **BT Big Button 100**, one of our best-selling corded phones. It is a development of the original phone launched in 1998, with an easy-grip handset and larger keys that help older customers and those with limited mobility.
- The **Converse 2200** business or home office corded phone, which has a flashing light for incoming calls and a speech amplifier for people who are hard of hearing. Quick speed dials are prominently positioned for people with poor eyesight and a hands-free function helps those with dexterity problems.
- Our cordless phone, the **Freestyle 710**, has an easy-grip handset, large and well-spaced buttons, a feature that reduces background noise for users with hearing aids, an easy-to-use speed dial and a back-lit screen with large characters. These features improve accessibility for people with a range of visual, hearing and dexterity problems.

BT will co-sponsor 'Include 2011', the international conference of inclusive design which is due to be held at the Royal College of Art in London in April 2011.

Working with others

BT works with consumer, age and disability organisations to gain a better understanding of customer needs and to ensure these are reflected in our products and services. We work hard to raise awareness among employees in a number of ways, such as our 'Including You' intranet site.

We maintain long-standing relationships with many consumer advocacy groups, including [Consumer Focus](#), [Citizen's Advice](#), and the [Communications Consumer Panel](#). We also work with specialist age and disability organisations. These collaborations help to incorporate customer feedback on accessibility requirements into our product design processes.

Since 2009, we have run a dedicated helpdesk for the Citizens Advice Bureau, giving their advisors in England and Wales direct access to a BT team who can help with complex customer issues.

In 2011, BT created the Customer Inclusion Leadership Panel, an advisory group made up of external experts on the needs of older or disabled people. They scrutinise BT's activities and challenge practices which could potentially exclude customers.

BT has helped disability charity AbilityNet to set up the first-ever UK [Technology4Good awards](#). These awards celebrate and share the success of individuals and organisations that use technology to help make their communities a better place.

We also work with partners to help older and disadvantaged people develop information and communication technology (ICT) skills. See [community ICT and skills](#) for more information.

Marketing practices

We aim to communicate openly and honestly with our current and potential customers and sell our products fairly. This includes setting and communicating our prices clearly. Through our sales and marketing practices, we aim to not only grow our business, but also gain the long-term trust and support of our customers.

This section explains our approach to advertising and pricing our products and services.

Advertising and selling

BT is one of the UK's largest advertisers. Our spending of £108m in the 2010 calendar year places us as the seventh largest according to the [Daily Telegraph](#).

We aim to uphold the highest standards of advertising, and have a great deal to gain from adopting such standards. By promoting a culture of openness and transparency, we can avoid adverse publicity and the risk of prosecution, and attract the respect and business of more customers.

We share our guiding values in this area in the [BT Statement of Business Practice](#) and our [sales and marketing practices](#).

The Statement of Business Practice commits us to being truthful and accurate in all our communications with customers, and helpful and honest in all our dealings with them.

Our sales and marketing practices aim to ensure our sales people follow the rules and regulations, so customers are sold the right product for their needs and know exactly what they're buying.

In the UK, the Advertising Standards Authority (ASA) regulates advertising practices. In 2011, 21 complaints were made to the ASA about BT and 1 of these was upheld. BT made 10 complaints to the ASA, of which 1 was upheld.



Mis-selling

Sometimes, customers tell us they've been transferred to another phone company without their knowledge or consent. This unacceptable practice is known as 'mis-selling' or 'slamming'. We train our people to make sure customers buy the right product and know exactly what they're getting. BT also works with the industry and Ofcom to establish better protection for customers who switch suppliers.

We have published general advice on mis-selling including tips on prevention and what to do if it happens. This is available to all customers on our [website](#).

Pricing

Across our businesses, we aim to make our prices as clear as possible so customers know what they will pay to use our services.

UK Consumers

We publish a [tariff guide](#) explaining the costs for residential customers' telephone lines and calls, discount plans, broadband internet and BT Vision. We try to ensure that customers don't pay more than they need to or buy unnecessary services.

For some people, price can be a barrier to accessing the benefits of ICT. To share the benefits as widely as possible, we offer affordable versions of telephone and internet services. For example, [PlusNet](#), a BT business, provides a broadband service for price conscious customers in the UK. Similarly, our [BT Basic](#) service is a low-cost phone package designed to help people receiving certain benefits.

UK businesses

Connectivity is an important part of doing business today. Our [business packages](#), which can include telephone, broadband, wi-fi minutes and other IT support services, help UK companies to plan their costs.

Large customers and wholesale services

Because we tailor our services to meet the needs of our large customers, the price of these services varies. Information on how to build a sustainable organisation can be found [here](#).

We are the primary source of wholesale access and backhaul (the transport of voice and data traffic between access points) services in the UK. Pricing for these services are agreed with the UK regulator and published on www.openreach.co.uk and www.btwholesale.com.

Privacy and security

As technology rapidly advances, information is increasingly accessible. The internet makes it possible to learn, share and communicate an unprecedented amount. It also means that the information users share can be accessed by others – sometimes with permission, but unfortunately sometimes without. In addition, some websites and television programmes aren't appropriate for vulnerable groups including children.

Our business is based on accessing, sharing and processing information. This brings a great deal of responsibility. BT handles huge amounts of information as part of daily business, including personal and financial data for our employees, customers and suppliers. We take the responsibility to protect their privacy and data security very seriously.

We believe adults should be free to access the legal content they choose to, but that parents need the ability to block inappropriate content so children can't view adult material.

BT also works with the authorities as necessary to counter efforts to access illegal content such as images of child abuse or copyright infringing websites.

In this section, we explain the policies, products and processes we have in place that ensure our customers and employees are protected and secure.

Managing privacy and data security

BT has robust structures in place to ensure its businesses can anticipate and adapt to the ever-changing challenges technology presents.

In 2009, we introduced a new governance structure for data protection, with a Group-level committee guiding company policy and strategy and directing major risk mitigation programmes.

As a multinational business, we are subject to many different laws and regulations around data protection. Because ICT evolves so rapidly, legal systems often struggle to keep up. Our regional committees aim to ensure our businesses comply with current legal requirements and also guard against emerging risks.

Internet security and child protection

Our services provide access to a world of information and content, online and on television. This enables people to learn, share and communicate.

BT provides services in its UK market that help prevent inadvertent access to illegal or inappropriate content, and works with authorities to stop deliberate abuse.

This section outlines our approach to both.

Keeping the internet safe for children

We want all our customers to be able to use the internet safely. This means giving families the tools to control what their children can see on the internet and television. And providing spam-prevention, anti-virus, and data back-up services to keep all our customers safe. BT was the first European company with a dedicated e-Crime and Internet customer security team.

BT provides free software tools to help our customers do this at www.bt.com/childsafety, and offers advice and guidance at <http://www.blife.bt.com/safety-and-security>, which we re-launched on 'Safer Internet Day', on 8th February 2011. We've made it easier for parents to benefit, by simplifying the

download process. This software allows parents to filter out websites unsuitable for children by age range or category. It also enables them to block or monitor programs such as Instant Messenger, restrict the times of day children can access the Internet, and alerts parents when their child tries to view a blocked site, for example. We have pledged to remind our customers that this software is available at least once a year, and we supply a child internet safety booklet with every new broadband order.

Says Jon Brown, head of strategy and development at NSPCC: "The internet has huge educational and social benefits. Children are often expected to research their homework online, as well as entertain themselves and socialise. However, the risks to their privacy and safety are very real. The NSPCC recommends filtering software and we welcome BT's investment in providing advice and simplifying the way in which parents can control how their children use the internet."

We have been involved from the start in the campaign to make children's online experience as safe as possible. We are a founding member of the [Family Online Safety Institute \(FOSI\)](#) and the [Internet Watch Foundation](#). We are members of the Association for Television On-Demand ([ATVOD](#)), UK Council for Child Internet Safety ([UKCCIS](#)) and [Get Safe Online](#).



The Internet Green Cross Code – is available for download [here](#).

Through our involvement with the Internet Watch Foundation, BT receives a daily list of child abuse sites which are then blocked, preventing customers from accidentally accessing them.

BT and its peers in the internet TV markets have worked with the [Broadband Stakeholder Group](#) to launch good practice principles for providing information about audio-visual content. Building on existing practice, these [principles](#) promote common sense, simplicity and transparency, ensuring that providers give their users the information and tools to make safe and informed choices about commercially-provided content.

Preventing deliberate misuse

Unfortunately, some internet users knowingly seek illegal content. Law-enforcement agencies may contact us to help identify and prosecute these people. When these requests are made properly and legally, we provide information according to our legal obligation. We may also assist with legal requests that may help safeguard national security. In both cases we comply with the Data Protection Act and other relevant legislation in the country concerned.

Over the year we continued to engage in public debate about how online copyright infringement might be reduced in a fair and balanced way. Our activities included applying (along with another UK ISP) for judicial review of the new UK Digital Economy Act's provisions in this area and proposing a new approach to so-called Norwich Pharmacal orders under which copyright owners can seek the identity via a court order of internet subscribers they believe are infringing their copyright. This is a turbulent area of law and public policy in which BT consistently seeks to ensure that the rights and responsibilities of all parties – internet users, subscribers, ISPs and copyright owners – are respected.

Privacy and data protection practices

Every day, BT collects, processes, stores and transfers a great deal of customer, employee and supplier data, including credit card, bank account and identity details. It is essential that we handle this information with care.

Keeping data secure requires both technological solutions such as disk encryption, and changes to the way we work, such as continued strengthening of due diligence and risk mitigation activities. Investing in both aspects has strengthened our ability to protect sensitive data.

We are subject to a range of international standards and requirements regarding data security, and aim to carefully adhere to these to ensure data is protected wherever and however it is used.

Maintaining high standards

BT is committed to upholding high standards for data security and protection, and expects the same from our partners. When we outsource customer service or other functions that involve the use of personal data, we work with our partners to make sure they meet the same high standards. We embed our requirements in our contracts with partners and this is supplemented by ongoing checks and audits over compliance.

Call centres – both our own and those that we contract with – are a major interface between our business and our customers, and handle a great deal of personal information. We are reducing the risk of this data being compromised through measures such as eliminating USB ports on call centre computers so files cannot easily be downloaded, and barring the use of electronic goods such as private laptops and mobile phones.

All BT operations maintain a strict incident reporting system, noting incidents in which data could be compromised. These include incidents such as lost papers or unencrypted USB sticks, or callers to our call centres attempting fraud.

We encourage employees to seek advice or raise data security concerns through our Help Desk. In

2010, we launched an internal 'Think Privacy' campaign to remind employees about our approach to protecting private information and to promote the use of the Help Desk. This successful campaign ran twice during 2010 and attracted continued interest across the business; the second phase included a particular focus on the international aspects of data protection, reflecting the global nature of our business.

Processing online payments safely

The ability to make secure online payments is critical for global commerce. BT has developed proprietary technology for securely processing and storing credit card data. Known as Thistle, this multi-million pound tokenisation system aims to ensure BT plc is compliant with the Payment Card Industry (PCI) Data Security Standard version 1.2, no later than September 2011. In addition to processing our customers' credit card payments, we also use Thistle to make payments on behalf of our major business customers, to help them achieve PCI compliance. Our systems are certified annually to ensure they comply with the PCI standards. All online payment forms are also inspected and scanned quarterly by third party approved scanning vendors (ASVs) to identify potential vulnerabilities and certified annually by an external Qualified Security Assessor Company (QSAC).

Keeping data secure across borders

As a global business, we often transfer personal data to partners in other countries. BT is in the first wave of companies working to achieve ratification of our data governance framework under an European Commission approved system known as Binding Corporate Rules (BCRs). Currently some 15 companies have achieved BCR status. Achieving BCR status allows companies to transfer personal data to affiliates located outside the European Economic Area (EEA) in compliance with UK and European data protection regulations. We are currently preparing an application for ratification of our controls over employee data, and hope to be able to broaden the scope of data covered in the future.

Customer privacy services

In the UK, [BT Privacy](#) brings together a range of free and paid-for services to protect our residential customer's privacy. These include:

- Blocking unwanted sales calls through the UK [Telephone preference service](#).
- Caller display services that show the telephone number of the person calling
- Advanced calling features including 'choose to refuse', which blocks calls from customer-designated numbers
- [Protection software](#) to help keep dial-up modems safe from rogue diallers - secretly installed software that calls international or premium rate services using customers' modems
- Text messages to alert customers to any unusual activity in their account
- Operating a Nuisance Call Bureau to support customers receiving malicious or nuisance calls. Customers can reach the hotline (open Monday to Friday, 8am to 10pm, and Saturday, 9am to 6pm) on 0800 661 441.

Embedding secure practices

Even the most sophisticated data security systems rely on people to implement them. We have rigorous policies which outline our requirements of all those who handle personal data. Ensuring our people understand and apply these policies remains a critical element of our approach, and all employees and contractors who work for BT receive regular training appropriate to their roles.

Policies

Underlying our systems and practices are a robust set of security policies, which are designed to align with and fulfil all the requirements of ISO27002 – the International Code of Practice for Information Security Management. BT sites also hold over 30 ISO27001 certificates, signifying our adoption of data protection systems which ensure data security.

We think that everyone has the right to know how their personal and private information is treated, so we make our privacy policy publicly available [online](#). Customers can also request the policy by telephone.

We update our policies regularly, to reflect changes in the law and technology. This year, we simplified the language in our encryption policy to make it clearer for employees to understand and follow.

Training and awareness

BT people with responsibility for handling customer or employee data as well as employees in other key roles must undergo compulsory data protection and security training every two years. These online sessions familiarise employees with technical requirements such as data encryption. BT's 'Data protection; handling data with care' course recently won a Brandon Hall bronze award for the videos in the course which were described as "very engaging because they depicted realistic, real-world situations and dilemmas related to data handling, data security, and privacy".

Some employees – such as those in human resources and customer service – handle sensitive information as a part of their day-to-day jobs. The training contains supplementary messages to help these people take the additional measures necessary to protect data in the situations they face e.g. customer validation. To make sure BT people remain up to date on current practices, this specialised training is changing from a three to a two year refresh cycle

This year, we introduced an information protection campaign called 'Be ready to... protect information'. An intranet site supports the campaign, teaching BT people how to protect the information they handle and serving as a helpful resource to consult if they are unsure. The site enables people to:

- Learn how to use four steps to protect information by classifying, securing, storing, then disposing sensitive data
- Ask an expert questions on handling information appropriately
- Watch videos on data protection
- Read our policies and download our quick guide to protecting information

Human error at BT or one of our partners represents the greatest data security risk– hence the importance we give to training and awareness activities. In 2010, BT complied with a court order to provide a law firm with details of internet users suspected of breaking copyright law. Although our policy is to encrypt data of this kind, the data was sent unencrypted to the law firm, who saved it on their own server, which was not secure. Their server was subsequently hacked and the customers' data compromised.

This incident was extremely disappointing, as we pride ourselves on maintaining the highest level of standards of data protection. It also underlines the importance of embedding secure practices among employees and third-party partners. As a result, we have issued communications reminding our people of when and how they should encrypt data.

Thank you

for reading what we have to say – now we want to listen to you. Email us at yourviews@bt.com and tell us what you think of this review and sustainability at BT.

If you'd like more details about our corporate responsibility and sustainability activities and performance please visit our website where you can:

- Search our full sustainability report
- Download our free educational resources
- Check out our latest information
- Join in on our blogs

all at www.bt.com/betterfuture



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