We use the power of communications to make a better world. We bring together the best networks and technology with the expertise of our people to help businesses grow, communities flourish, and individuals to get more out of life.

Being a responsible and sustainable business leader remains at the heart of our strategy and underpins BT’s purpose. It supports our aim to drive profitable revenue growth, whilst ensuring we maximise the positive contribution we make to society and the environment. Our Better Future programme helps us achieve this – through our people, products and operations. We demonstrate good business practice and maintain high ethical standards in our supply chain.

We have made good progress towards our ambitious 2020 goals in our three focus areas: Connected Society, Net Good and Improving Lives. We increased coverage of fibre broadband and provided free programmes to help people develop their digital skills. We reduced our own energy use and carbon emissions, while enabling our customers to reduce theirs. We helped charities raise millions for good causes with huge support from BT volunteers.

Materiality review
We continue to review the different ways we can affect society and the environment. We do this with a comprehensive materiality review with our diverse groups of stakeholders and this helps us to prioritise the right issues and make our Better Future programme a success. We continue to find new ways to broaden our perspective and incorporate stakeholder views.

This year, our materiality study revealed a rising interest in sustainability across all stakeholder groups. In particular, all groups are becoming more interested in issues raised by society’s increasing reliance on ICT, such as privacy and data security – and we respond to this in our reporting.
### Better Future - performance update 2013/14

**BT’s responsible and sustainable business performance indicators\(^{(1)}\)**

<table>
<thead>
<tr>
<th>Our 2020 goals</th>
<th>2013/14 target</th>
<th>2013/14 result</th>
<th>Target status</th>
<th>2014/15 target</th>
<th>Financial indicators and results</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Better Future programme 2020 goals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Connected Society</strong></td>
<td>More than 9/10 people in the UK will have access to fibre-based products and services</td>
<td>5.8/10 people can access fibre-based products and services</td>
<td>6.6/10 people can access fibre-based products and services</td>
<td>Continue to deliver against 9/10 target</td>
<td>To be developed</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Net Good</strong></td>
<td>Help our customers reduce carbon emissions by at least 3 times the end-to-end carbon impact of our business</td>
<td>1.1:1 achieved against our goal of 3:1</td>
<td>1.3:1 achieved against our goal of 3:1</td>
<td>Continue to deliver against 3:1 target</td>
<td>Value of products and services with a calculated carbon abatement benefit for our customers</td>
<td>n/a</td>
<td>£3.1bn</td>
</tr>
<tr>
<td><strong>Improving Lives</strong></td>
<td>Use our skills and technology to help generate more than £1bn for good causes</td>
<td>Over £63m raised for good causes</td>
<td>Over £85m raised for good causes</td>
<td>Continue to deliver against £1bn target</td>
<td>Cumulative total against £1bn target</td>
<td>£61m</td>
<td>£146m</td>
</tr>
</tbody>
</table>

**Our foundations for being a responsible and sustainable business**

<table>
<thead>
<tr>
<th>Our foundations</th>
<th>2013/14 target</th>
<th>2013/14 result</th>
<th>Target status</th>
<th>2014/15 target</th>
<th>Financial indicators and results</th>
<th>2012/13</th>
<th>2013/14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Our investment</strong></td>
<td>Investment in responsible and sustainable business activities</td>
<td>1% of PBT invested in responsible and sustainable business activities</td>
<td>1% of PBT invested</td>
<td>Maintain 1% of PBT invested in responsible and sustainable business activities</td>
<td>Investment in society of cash, time volunteered and in-kind contributions</td>
<td>£27.1m</td>
<td>£27.2m</td>
</tr>
<tr>
<td><strong>Our customers</strong></td>
<td>Customer service: a measure across our entire customer base</td>
<td>Improve RFT to more than recover the decline in performance seen in 2012/13</td>
<td>1.5% improvement</td>
<td>Improve RFT from 2013/14 performance</td>
<td>Total revenue Average revenue per UK consumer household</td>
<td>£18,339m £365</td>
<td>£18,287m £391</td>
</tr>
<tr>
<td><strong>Our employees</strong></td>
<td>Employee engagement index: a measure of our relationship with our employees</td>
<td>Maintain or improve from 2012/13 performance, outcome was 3.69/5</td>
<td>3.82/5 achieved</td>
<td>Maintain or improve from 2013/14 performance</td>
<td>Number of employees</td>
<td>89,461</td>
<td>87,700</td>
</tr>
<tr>
<td></td>
<td>Sickness absence rate: % of calendar days lost to sickness absence</td>
<td>Maintain or reduce 2.13% calendar days lost in sickness</td>
<td>2.10% calendar days lost in sickness</td>
<td>Maintain or improve from 2013/14 performance</td>
<td>BT sick pay costs</td>
<td>£84.6m</td>
<td>£72.3m</td>
</tr>
<tr>
<td></td>
<td>Ethical performance: a measure of our employees’ awareness and training</td>
<td>Maintain or improve from 2012/13 performance, outcome was 4.19/5</td>
<td>4.29/5 achieved</td>
<td>Maintain or improve from 2013/14 performance</td>
<td>Employee costs</td>
<td>£4,785m*</td>
<td>£4,703m</td>
</tr>
<tr>
<td><strong>Our suppliers</strong></td>
<td>Ethical trading: a measure of our supply chain review; with specific focus on Human Rights</td>
<td>100% follow-up within three months, for all those suppliers identified as high/medium risk</td>
<td>97% follow-up within three months</td>
<td>100% follow-up within three months, for all those suppliers identified as high/medium risk</td>
<td>Value of procurement contracts where suppliers agree we’ll work with them to improve sustainability impacts</td>
<td>89% of suppliers agree</td>
<td>85% of suppliers agree(^{(2)})</td>
</tr>
<tr>
<td><strong>Our environmental impact</strong></td>
<td>CO(_2) emissions: a measure of our climate change impact</td>
<td>By December 2020 reduce our net CO(_2)(e) emission intensity by 80% against 1996/97 levels</td>
<td>79% reduction in net CO(_2)(e) emission intensity against 1996/97 levels</td>
<td>By 2020 reduce our net CO(_2)(e) emission intensity by 80% against 1996/97 levels</td>
<td>Total energy costs (Fleet fuel + gas + oil + diesel for back-up generators) UK/ EIRE only.</td>
<td>£275m</td>
<td>£296m(^{(3)})</td>
</tr>
</tbody>
</table>

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1. * indicates numbers restated from 2012/13. All targets have an end date of 31 March 2014 unless otherwise indicated.
2. % of suppliers who agree with the statement: “BT works with its suppliers to ensure its purchases are made, delivered, used and disposed of in a socially and environmentally responsible manner.”
3. Increase from last year reflects higher energy prices. Even though business volumes have increased we have reduced energy consumption by 3%, achieving our target for a fifth consecutive year to reduce energy usage across the group.

To find out more about our Better Future 2020 goals, our methodologies and how our results are calculated, take a look at our Better Future report at [www.bt.com/betterfuturereport](http://www.bt.com/betterfuturereport)
Our vision is to help improve society through the power of digital connections. Connected Society is about providing access to the internet and helping people develop the skills and confidence they need to use it to make a difference to their lives.

2020 goal: 9/10

### Broadband network
BT is investing £2.5bn to extend its network of fibre broadband cable to deliver more information, more quickly and more reliably to our UK customers. We support the UK Government’s Broadband Delivery (BDUK) programme, which aims to increase broadband access in remote rural locations.

### Access to products and services
Our products and services help everyone use technology, regardless of their age, background or ability. Collaboration with external disability experts and other organisations helps us to better understand the issues our customers face, and improves our ability to respond.

### Digital skills
Run in partnership with the charity Citizens Online, we run Get It Together regional programmes to provide training to help people become confident and competent internet users. We also encourage internet-savvy young people to pass on their knowledge and advice to friends and family and become BT Digital Champions.

### Global projects
This year we launched our flagship programme, Connecting Africa, that uses the skills and expertise of BT people and our technology to put in place the infrastructure needed to connect remote communities to the internet. We are also working with charities to support smaller local initiatives that improve IT education worldwide, including in Benelux, Colombia, India, Indonesia and Ireland.

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<table>
<thead>
<tr>
<th>Our Connected Society 2020 goal</th>
<th>2013/14 performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than 9/10 people in the UK will have access to fibre-based products and services</td>
<td>6.6/10 people can access fibre-based products and services</td>
</tr>
</tbody>
</table>
We face two key challenges in broadening access to the internet - extending digital inclusion and child online safety.

**Connecting Africa**

We work with the charity SOS Children’s Villages to provide internet connections via satellite to remote locations. To date, we have connected 19 villages in nine African countries. The project has improved access to critical services for around 95,000 people and we expect that up to 570,000 people living in the villages and surrounding areas could indirectly benefit.

**The Right Click: Internet Safety Matters**

This year we launched a three-year partnership with UNICEF UK, to provide face-to-face online safety training to parents, teachers and children. We will run workshops in 600 schools across the UK reaching up to 35,000 teachers, parents and children by 2017.

**Future plans**

As part of our commitment to expanding our superfast broadband network, we’ll bring fibre-based broadband to more than 360,000 homes and businesses in Staffordshire by the end of spring 2014, and a total of 472,000 premises by spring 2016.

Following the success of our work with SOS Children’s Villages to help health centres in Africa use ICT to operate more efficiently, we’ll continue to work together to identify other regions in the country that could benefit from our expertise.

BT will join forces with the UK’S leading ISPs to launch Internet Matters, a world-leading child internet safety organisation.

<table>
<thead>
<tr>
<th>Key Figures</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>44.2m</strong></td>
<td>We rolled out fibre-based products and services to more than 19 million UK premises, providing access to around 44.2 million people. This is equivalent to 6.6 out of ten people.</td>
</tr>
<tr>
<td><strong>26,600</strong></td>
<td>Our digital skills projects helped 26,600 people go online.</td>
</tr>
<tr>
<td><strong>24/7</strong></td>
<td>We launched a new cyber security centre to monitor and respond to cyber threats protecting customer data, all day, every day.</td>
</tr>
<tr>
<td><strong>95,000</strong></td>
<td>We connected 19 villages in Africa to broadband internet via satellite, giving access to critical services, such as health care, for around 95,000 people directly.</td>
</tr>
</tbody>
</table>
Our vision is to help society live within the constraints of our planet’s resources through our products and people. By 2020, our goal is to help customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business.

Customers
By offering more products that help our customers cut carbon and resource use, we can help them achieve their own environmental goals and grow our revenues. From systems that manage energy use in buildings to video conferencing that helps avoid air travel, our customers can cut their carbon emissions by using technology to live and work in smarter, more efficient ways.

Suppliers
We aim to use our sizeable spending power and influence to shape a more resource-efficient, low-carbon supply chain. Our suppliers use large amounts of natural resources and energy to provide us with what we need - accounting for 66% of the total carbon we are responsible for. We set clear environmental standards for our suppliers, and assess their compliance using questionnaires on environmental impact, climate change and product stewardship.

Products
From the materials our products are made from to the energy they consume when plugged in, 29% of the total carbon emissions our business generates comes from customers using our products. We continually try to reduce our environmental impacts by using fewer materials and resources to make products in the first place, and designing them to use less power and be recyclable when no longer needed.

Operations
If we expect our customers, suppliers and partners to work with us to achieve our Net Good goal, we need to lead by example. Carbon emissions from our global operations represent 5% of BT’s total carbon impact. Our environmental management systems help us to comply with environmental legislation. We are continually working to improve our performance, for example, by minimising the energy we use to run our network, data centres and buildings.
Future plans
We have joined the World Business Council for Sustainable Development in 2013/14 and also worked with a consortium including WWF-UK, Forum for the Future, The Climate Group and leading UK and multinational companies to launch the Net Positive Movement. Working together with this diverse group, we will continue to promote the Net Positive approach and encourage other businesses to do more than simply reduce their environmental impact.

We will continue to actively encourage policy-makers to create clearer incentives for companies to purchase renewable energy and stimulate demand. We will extend our efforts to improve energy efficiency, as well as shifting our energy use away from peak times to help ease pressure on national supplies.

In 2014/15 and beyond, we hope to turn the research and pilot projects we are involved in into commercial propositions that will help customers further reduce their emissions. We also plan to increase the scale and reach of the Better Future Supplier Forum.

We are also integrating the Designing Our Tomorrow checklist into product development processes throughout BT.

Better Future Supplier Forum
In 2013/14, three participating suppliers in the Better Future Supplier Forum, Huawei (network products), Sagemcom (BT Home Hub) and SGW Global (handsets), have saved a combined 250,000 tonnes of CO₂e across their whole operations, not just in their work for BT. Carbon-cutting initiatives included reducing packaging and energy consumption in products such as our Home Hub wireless routers, and significant material reductions in printed circuit boards used in phone bases and handsets. Our efforts to disclose and reduce emissions in our supply chain earned BT a place in the first CDP Supplier Climate Performance Leadership Index, in addition to the 2013 Climate Performance Leadership Index.

Find out more about the Better Future Supplier Forum
www.bt.com/betterfuturesupplierforum

1.3:1
We helped our customers avoid carbon emissions by 1.3 times (6.4 Mt CO₂e) the end-to-end carbon impact of our business (4.8 Mt CO₂e).

£3.1bn
Those products and services which we have identified as having a carbon abatement benefit for our customers, generated £3.16bn of revenue globally.

£25m
Emissions due to our supply chain during 2013/14 were 2.8 Mt CO₂e and we reduced operational carbon emissions from our global business by 25.5%, delivering a saving of £25m.

82%
Total UK emissions remained 82% below our 1996/97 baseline. All our UK energy now comes from renewable sources.

2.8%
Our overall energy usage has decreased by 2.8% compared with last year.

For more info
Find out more about Net Good
www.bt.com/betterfuture

Find out more about how our products contribute to our Net Good goal
www.bt.com/netgood

Find out more about the Designing Our Tomorrow initiative checklist
www.bt.com/DOTchecklist

Follow BT Better Future on Twitter
@BTBetterFuture
Our vision is to help improve hundreds of millions of lives globally through our products and people. We will use our skills and technology to help generate more than £1bn for good causes.

### Charity partners
We have longstanding partnerships with BBC Children in Need, Comic Relief, ChildLine and the Disasters Emergency Committee (DEC), providing the communications technology, time, skills and enthusiasm to help them raise funds quickly and efficiently. Enabling them to do what they do best - help people who really need it.

### The Supporters Club
We believe that sport has the unique ability to bring young people together and make a positive difference. Working with our charity partner Comic Relief, we aim to improve lives by bringing people together through sport, in the UK and internationally.

### Services for charities
BT offers unique services that help charities grow by enabling them to save vital resources, operate more efficiently and fundraise more effectively. We can make a big difference to communities by offering support in three main categories: sharing our skills, support for fundraising and providing technology.

### Disaster response
BT people use our equipment and expertise to help those affected by crises around the world, while our MyDonate for Telethons and Appeals platform helps our charity partner, the DEC, raise money through emergency appeals. BT’s Emergency Response Team works to restore vital communications links.

### 2013/14 target and Performance

<table>
<thead>
<tr>
<th>Key performance indicator</th>
<th>2013/14 target</th>
<th>Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Our goal is to help generate £1bn for good causes by 2020</td>
<td>To use our skills and technology to help generate £63.08m</td>
<td>Used our skills and technology to help generate £85.53m</td>
</tr>
</tbody>
</table>

Davina McCall, UK TV presenter, taking part in the BT Sport Relief Challenge which raised £2.4m

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<table>
<thead>
<tr>
<th>Amount</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>£9m</td>
<td>We generated £9m for Sport Relief by powering the telethon fundraising appeal and through our celebrity sporting challenge.</td>
</tr>
<tr>
<td>£11.6m</td>
<td>We helped raise over £11.6m for the annual BBC Children in Need appeal.</td>
</tr>
<tr>
<td>£24m</td>
<td>We enabled the DEC to respond rapidly to Typhoon Haiyan and the Syria crisis – our MyDonate for Telethons and Appeals and other technology helped to raise over £24m.</td>
</tr>
<tr>
<td>£2m</td>
<td>Our new charitable initiative, The Supporters Club, raised over £2m to improve lives by bringing people together through sport.</td>
</tr>
<tr>
<td>60%</td>
<td>60% increase in the number of charities and the number of donations made on our MyDonate for Fundraising platform.</td>
</tr>
</tbody>
</table>

**Future plans**

In 2014/15, we plan to work more closely with all of our strategic charity partners. We will also enhance our MyDonate for Telethons and Appeals platform which underpins our support for both organisations. We will continue to develop our services for charities, to continue to help them operate efficiently and effectively.

We are aiming to increase customer donations to The Supporters Club in 2014/15, and raise awareness of its work by filming five more documentaries that showcase the projects we are funding, to be shown on BT Sport.

We will share our disaster response experience with charities to pool our knowledge and expertise, so that we can better help communities in times of crisis.

For more info:
- Find out more about Improving Lives at [www.bt.com/betterfuture](http://www.bt.com/betterfuture)
- Find out more about The Supporters Club at [www.thesupportersclub.org](http://www.thesupportersclub.org)
- Find out more about our services for charities at [www.bt.com/charityportfolio](http://www.bt.com/charityportfolio)
- Follow BT Better Future on Twitter @BTBetterFuture
BT actively encourages its people to get involved in their communities and helps them by running a comprehensive set of volunteering programmes.

All BT people can use up to three working days to volunteer to support causes they feel passionate about. We are proud of what they do; these volunteers support more than 1,300 different charities and community groups across the globe. Not only is this a great source of pride, BT benefits from the promotion of volunteering opportunities because this increases employee engagement with its culture and its values, as well as helping people develop new skills and greater awareness about the communities we work in. Organisations supported by our volunteers benefit from access to skilled individuals at no cost to their organisation.

<table>
<thead>
<tr>
<th>Volunteering</th>
<th>Number of BT volunteers during 2013/14</th>
<th>Number of days volunteered in 2013/14</th>
<th>Number of charities benefited</th>
</tr>
</thead>
<tbody>
<tr>
<td>As a team, using our skills</td>
<td>13,600</td>
<td>Over 46,000</td>
<td>1,300 charities</td>
</tr>
<tr>
<td>Through fundraising</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Through sport</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>In my community</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Skills for work</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Volunteering

As a team, using our skills
Allows individuals to use their expertise (or energy) to improve lives and give charities vital support.

Volunteering

Through sport
Our people also regularly volunteer through sport, by offering support where it’s needed to make a real difference.

Volunteering

In my community
Our volunteers are also able to give back to their community by taking a proactive civic role; such as magistrates, school governors or special constables.

Volunteering

Getting people online
By helping get people online, our volunteers are able to make our Connected Society vision a reality for everyone.

Volunteering

Skills for work
Getting people ready for employment; by work experience, mentoring or coaching to help provide skills for the workplace.

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Restoring vital communications in an emergency

When Typhoon Haiyan devastated the Philippines in 2013, seven members of our Emergency Response Team (ERT), a dedicated band of highly skilled engineers, were on the ground in the Philippines within just two weeks. The team, comprising four volunteers, restored vital communications, including access to broadband services.

BT Troubleshooter

Through BT Troubleshooter, charities can ‘borrow’ a small team of BT volunteers with relevant skills and experience for a half or full day – for free. Charities simply let us know what the problem is in advance, and we put together a team of talented people who know what to do. The charity can then decide how best to use their time. In 2013/14, over 250 of our employees took part in BT Troubleshooter, helping charities of all shapes and sizes, including The Bobby Moore Cancer Fund, One Foundation, NSPCC and Changing Faces.

Future plans

In 2014/15, BT volunteers will deliver workshops in 100 schools as part of The Right Click: Internet Safety Matters, in partnership with UNICEF, to help parents and children understand internet safety better. The scale of the programme will grow each year – we plan to visit 200 and 300 schools in the second and third years, respectively.

Our Energy Champions

Volunteering is also crucial to supporting our environmental and energy-saving initiatives. Our target is to get 85% of our people involved by 2020. By 31st March 2014, we already had more than 10,000 energy champions. Our energy dashboard means anyone in BT can compare the energy use in their building on a weekly, monthly or annual basis to check whether performance is improving.

For more info

Find out more about using BT Troubleshooter volunteers, visit www.bt.com/troubleshooter

Find out more about BT’s volunteering www.bt.com/charityportfolio

Find out more about our Better Future programme www.bt.com/betterfuture

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