

Delivering our purpose – update on our progress in 2014/15

Using the power of communications to make a better world



Introduction from our Chairman and Chief Executive

At BT our purpose is to use the power of communications to make a better world. We are here to meet the needs of our customers, delivering the experience, products and services that matter to them.



Sir Michael Rake
Chairman

Millions of individuals connect through us to their friends and family, and have huge amounts of information and entertainment at their fingertips. The smallest companies right through to multinational corporations use our services every day to conduct their business and compete in the global marketplace. Many public services rely on our technologies, and in the UK the telecoms industry operates across our networks.

It is because we recognise how important connectivity is today that we also work to extend the value we can add to communities where we operate and to society at large, by finding new ways that our products and services can bring social and economic benefits.



Gavin Patterson
Chief Executive

The connectivity we provide every day plays an essential role in modern society and economies. Our core business represents a significant part of the social infrastructure in all the places where we operate and we are a signatory to the UN Global Compact principles.

This year we have demonstrated how we are bringing our purpose to life by:

- Bringing affordable internet access to low income residents of over 9,000 social housing properties across the UK – enabling people to make the most of the benefits the internet can bring. Our aim is to help 10 million people overcome social disadvantage by 2020.
- Launching BT's Parental Controls to all our BT Broadband customers – a free tool helping to protect families from inappropriate content, whether connected to a BT Home Hub or wi-fi

hotspot outside the home. And for our business customers, we introduced BT Assure Threat Defence to help them identify and react to sophisticated cyber security threats because recognise safety online is essential.

- Continuing to use our technologies to respond to the climate change challenge. For the sixth consecutive year we have reduced our UK net carbon emissions (CO₂e). By 2020 we aim to help customers reduce their emissions through the products and services we provide by at least three times the end-to-end carbon impact of our business. Our customer's carbon abatement potential is now over 1.5 times greater than our own end-to-end carbon impact.
- Supporting charities and communities by using the skills of our employees, our network and technology to help raise £1 billion for good causes by 2020. Against this target, thanks to the dedication of our people we have raised over £231million in support of charities and communities so far, and this year more than 1 in 4 of our people volunteered.
- Launching our ambition to build a culture of tech literacy in the UK – because people grow up surrounded by technology, but many do not understand the basic concept of how it works. Our aim is to help 5 million children receive teaching in basic coding and computational thinking by 2020. By improving education and creating more employment opportunities in this area, we can improve the outcomes for young people and for the competitiveness of the UK economy.

At BT we believe it's by creating value for our customers and society we will in turn satisfy the needs of our shareholders – and deliver our goal of sustainable profitable revenue growth.

We remain committed to using the power of communications to make a better world in the year ahead.

Sir Michael Rake
Chairman

Gavin Patterson
Chief Executive

18 May 2015

In this report

At BT our purpose is to use the power of communications to make a better world. We are proud our technologies have changed what is possible, allow people to do new things and that we play a meaningful role in society through the products and services we deliver every day.

This report details our progress in this area, how we are delivering against our 2020 ambitions and our performance in 2014/15.

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We want to use the power of communications to make a better world.

To transform beyond being a sustainable and responsible business leader, we must integrate our purpose – to use the power of communications to make a better world – into all that we say, do and deliver.

To help us achieve our goal of sustainable profitable revenue growth, we need to continue to build our brand, minimise risk, innovate and engage all our employees in delivering our purpose.

- Invested £32.5m in society, equating to 1.15% of our adjusted profit before tax (based on last year's profit figures).
- 94% of new competitive contracts with our suppliers considered energy consumption and/or environmental impacts in the bidding process.
- 'Right First Time' (RFT) our key measure of customer service has improved by 4.7% vs. 1.5% in 2013/14.
- Launched a new ambition to help 5m children receive better teaching in computing and tech skills by 2020.

To see our 2014/15 performance against all of our key performance indicators, see our [KPI overview table](#).

Being a purposeful company

How we are delivering our purpose

Our lives are increasingly built around connectivity. We want to use the power of communications to make a better world. That is our purpose.

Millions of people use our services to connect with friends, family and the things that matter most to them. Our communications technology underpins the essential services that people use every day.

The social benefits are clear. By helping businesses and people flourish and improve productivity, we are contributing to more inclusive growth in the UK and further afield.

At the same time, we are helping people and organisations respond to the global climate challenge by using our technology to cut their carbon footprint.

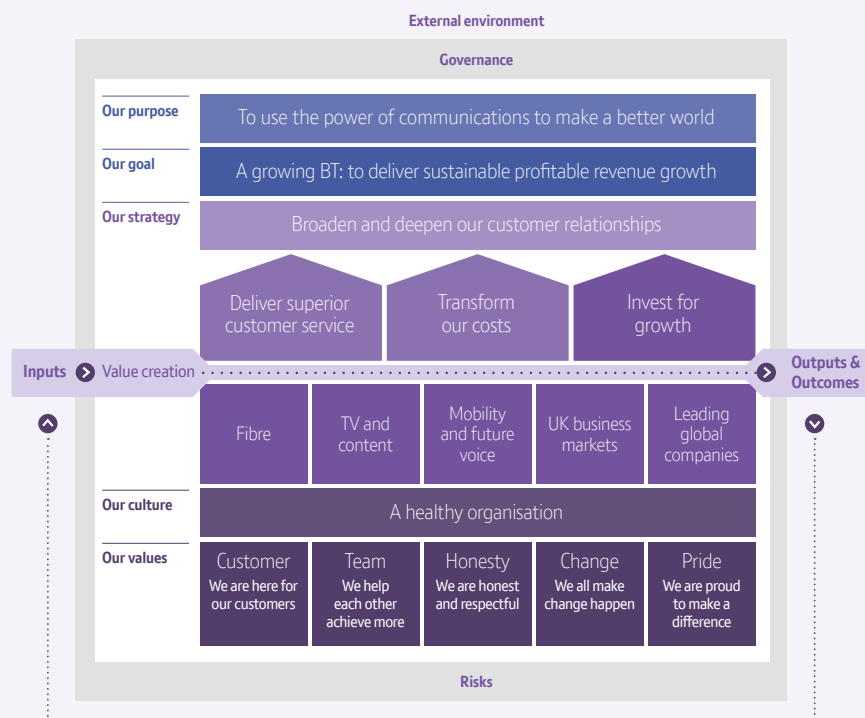
Our people play their part too, contributing their skills and enthusiasm to support communities and target areas of social need.

By doing all of this, we contribute to a better world and deliver sustainable profitable revenue growth.

By 2020, we want to:

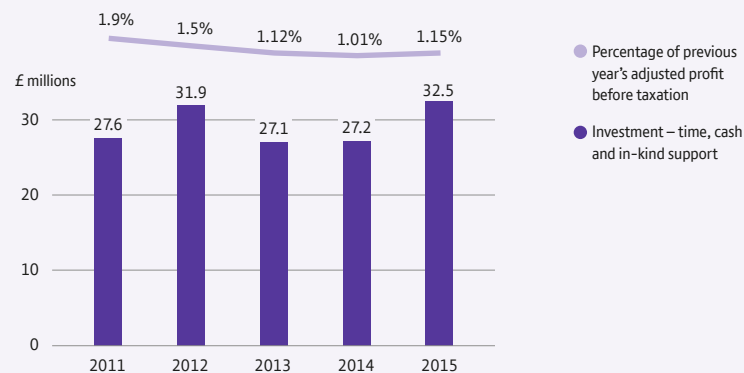
- give nine out of ten people in the UK access to fibre-based products and services;
- help 10m people overcome social disadvantage through the benefits of our products and services;
- reduce our customers' carbon emissions by at least three times the end-to-end carbon impact of our business;
- generate more than £1bn for good causes using our technology and inspire two thirds of our people to volunteer their time and skills; and
- help 5m children become more tech literate.

Using our purpose to deliver our goal and business strategy



Total investment in society

Year ended 31 March



Source: BT Finance, LBG model

Performance in 2014/15

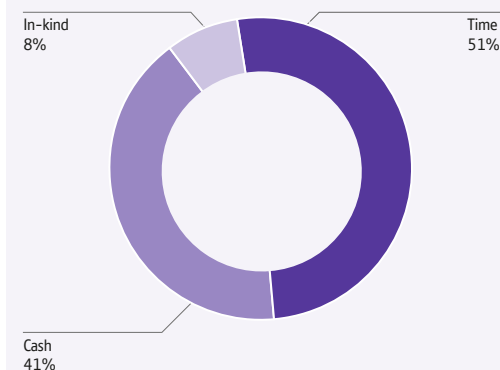
Our direct investment in society totalled more than £32.5m. This was made up of a mixture of cash, time volunteered and in-kind contributions, as shown in the chart.

This equates to 1.15 % of our adjusted profit before tax last year, bringing our total investment to over £197.5m over the past seven years (an average of 1.2% of profit before tax each year).

We estimate that 83% of this aligns with London Benchmark Group guidelines for reporting community investment.

How we deliver our investment in society

Year ended 31 March



Our governance and accountability

We want to achieve our goal of delivering sustainable profitable revenue growth, and fulfil our purpose to use the power of communications to make a better world.

Why it matters

To increase the positive economic, environmental and social impacts of our activities, we need a robust governance structure that helps us track our progress. This provides clear accountability, promotes best practice and supports improvements to our strategy to help us achieve our 2020 ambitions. For more information please see our Audit & Risk Committee Chairman's report in [BT's Group plc Annual Report and Form 20-F2015](#).

Our approach

The Committee for Sustainable and Responsible Business (CSRБ) is a Committee of the BT Group plc Board. Chaired by the BT Chairman, Sir Michael Rake, it sets the long term strategy and direction for how BT maximises its contribution to society and the environment, agrees our 2020 ambitions, monitors progress on behalf of the Board, and provides insights on best practice. We report at least annually to the BT Group Plc Board. The Disclosure Committee reviews and assesses our annual reporting to also provide positive assurance to the Board, as well as providing a key link with our annual reporting requirements. We reported no critical concerns in the past year.

CSRБ members include our Chairman, our Chief Executive, our Group Financial Director, BT Directors, other senior executives and independent members with experience of sustainable and responsible business practices.

This year, Dame Ellen MacArthur stepped down from the CSRБ after six years of service. Clare Chapman also stepped down from the Committee when she left BT.

BT's Operating Committee (OC) has collective responsibility for managing and operating the BT Group business and is chaired by Gavin Patterson, our Chief

Executive. It agrees environmental and societal targets for business units each year and is ultimately accountable for making sure we meet them. It also sets the budget we invest in society, on top of the investments we make in core business activities. This budget is then ratified by the CSRБ.

Niall Dunne is our Group Chief Sustainability Officer (CSO) is a member of the CSRБ and provides a formal report to the OC at least once a year. The CSO manages the central team that coordinates the activities which support BT's purpose and reports on performance. This central team works with business units and functions across BT who are responsible for delivering projects.

In addition the CSO chairs a Sustainable Business Leadership Team (SBLT), which meets quarterly. This is made up of senior managers from different parts of BT who champion sustainable business and community activities within their business unit, and share best practice.

Progress in 2014/15

The CSRБ met twice during the year to review our performance and ambitions relating to how we volunteer and support charities, seek to make a positive impact on the environment, and help bring greater societal benefit through digital connectivity. The chart shows how the CSRБ spent its time. It visited partner organisations in Manchester as part of its annual field trip to observe various initiatives in action.

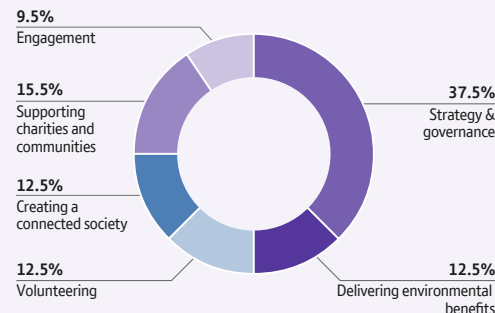
Our CSO met four times with the OC. This was to agree 2015/16 sustainability targets for business units and revised ambitions for how we will become a more sustainable and purposeful business by 2020.

Committee for Sustainable and Responsible Business

Member	Eligible to attend meetings	Meetings attended
Sir Michael Rake (chairman)	2	1
Clare Chapman ^{ab}	2	1
Tony Chanmugam	2	2
Niall Dunne ^a	2	2
Phil Hodgkinson	2	1
Baroness Margaret Jay ^c	2	2
Dame Ellen MacArthur ^{bc}	2	2
Gavin Neath ^c	2	2
Gavin Patterson	2	2
Jasmine Whitbread	2	2

^a BT employee ^b Stepped down on 31 March 2015 ^c Independent member.

Allocation of time



In addition, individual project leads gave specific updates on human rights policy development, our new tech literacy ambition, and our new connected society ambition to help 10m people overcome social disadvantage through the benefits that our products and services bring.

For more information on our governance structure, please visit our [website](#).

What matters to BT and our stakeholders

Our success depends on strong relationships with a wide range of stakeholders. We use our materiality review to help make our reporting more relevant to them.

Why it matters

Listening and responding to feedback from our customers, employees, government bodies, investors, non-governmental organisations and suppliers, helps us to build trust and develop stronger relationships with groups that contribute to BT's success.

We use what we learn from our stakeholders to help us prioritise the actions we will take to deliver sustainable profitable revenue growth. It also helps us make sure that the information we share in this report, as well as the [BT Group plc Annual Report and Form 20-F 2015](#), meets their expectations.

Our approach

Since 2006, we have gathered data on stakeholders' views throughout the year and used it to produce our annual materiality review. We use a wide range of channels to communicate with, and learn from, our stakeholders. These include day-to-day interactions by phone, in meetings, through online discussion forums, focus groups, social media, and participation in industry collaborations.

The findings from our materiality review inform our business decisions and help us to refine our strategy.

For more detail on our methodology, download our [2014/15 Materiality Review Summary](#).

Progress in 2014/15

In July 2014, our [second Better Future Forum](#) brought together some of the world's leading thinkers to explore how data can be used to tackle societal and environmental challenges. Building on the findings from this discussion, we are engaging with other experts through the [World Economic Forum](#) to further explore data-driven sustainable development.

Stakeholder materiality analysis 2014/15

Year ended 31 March



Key ● Creating a connected society ● Delivering environmental benefits ● Supporting charities and communities ● Foundation

We improved the accuracy of our social media monitoring, and expanded inputs from small and medium-sized enterprises (SMEs) and non-governmental organisations (NGOs) to enrich our data and analysis.

The key findings of our materiality review were:

- Increased interest among all stakeholder groups in issues relating to sustainable and responsible business.
- Privacy, online safety and data security are issues that have become significantly more important among all groups, but particularly investors, NGOs and consumers.
- Public trust in institutions, particularly multi national companies and governments, is at the lowest level for over a decade.
- Against the backdrop of declining trust in institutions, people increasingly judge responsible businesses on the quality of their products and services.
- Global public apathy about environmental issues suggests we need to find new ways to engage people in the topic.

We are using this feedback to refine our strategy and reporting. For example this year, we are disclosing more information about our approach to data privacy and security. We are also participating in high profile collaborations, influencing policy at a global level to encourage the public and business community to take action against climate change. [Read more in Delivering environmental benefits.](#)

Material issues by stakeholder group

The grid below shows the specific issues that were most important to our stakeholders. ■ Areas in dark shaded cells are those we consider are the most material issues overall.

	ONLINE LIVING	ETHICS	EQUALITY	HEALTH AND SAFETY	HUMAN RIGHTS	ECONOMIC IMPACTS	INVESTMENT IN SERVICE	COMMUNITY INVESTMENT	CLIMATE CHANGE	ENERGY	REDUCING WASTE
Consumers	Online safety		Support for elderly and disabled	Employee wellbeing	Privacy and data security	Pricing and jobs	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction		Sustainable products and services
Employees			Equality and flexible working	Health and wellbeing		Pay and benefits	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction	Operational use of renewable energy	
Suppliers	Digital inclusion and literacy	Ethical behaviour		Compliance and standards		Prompt payment	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction	Energy efficiency of products	
Investors	Online safety	Transparency in reporting	Diversity and equal opportunities	Electro magnetic fields and health	Human rights Privacy and data security and freedom of expression	Pensions	Network investment, Customer service		Carbon emissions reduction	Energy security through renewables	
Governments and Regulators	Internet policy, security and protection				Human rights Privacy and data security and freedom of expression	ICT as driver for growth in rural economy	Network investment, Customer service	Universal service obligations	Policy supporting emissions reduction	Policy supporting renewables	

Health concerns and electromagnetic fields

Some of our stakeholders are concerned about the potential health impacts of electromagnetic fields (EMF) used to transmit information wirelessly.

Recently, The World Health Organisation acknowledged that operating EMF equipment within the recognised standards for exposure limits set by the International

Commission on Non-Ionizing Radiation Protection (ICNIRP), does not harm people's health. Our products and operations meet UK and European standards, as well as those of the ICNIRP.

As our business operations change to meet our customers' growing needs for mobile and wireless communications, we will

continue to monitor the latest research and best practice of our peers. Our membership of the GSM (Global System for Mobile Communications) Association also helps us to continuously improve the quality of our health risk assessments.

Respecting human rights

We believe that everyone is entitled to basic rights and freedoms, wherever they are and wherever they live.

Why it matters

Our business can impact a broad range of human rights. We have a responsibility to respect the human rights of employees, customers, workers in our supply chain and communities in which we operate. Impacts on human rights may be felt directly through a person's interactions with BT, or indirectly through the way people use our products and services.

Telecommunications enable millions of people around the world to share information and ideas. We believe in the power of communications to make a better world, for example by promoting greater transparency and accountability, improving access to health and education and stimulating economic development.

But telecommunications can also put human rights at risk. For example, sharing information about a person's use of their telecommunications service could impact on their right to privacy. Similarly if we are asked to block access to content which is available using our services, that blocking action may impact people's rights to freedom of expression.

Our approach

Our statement of business practices, **The Way We Work**, gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to

behave and on our values. It states our commitment to respecting the dignity, liberty and equality of everyone we work with and to implementing the UN Guiding Principles on Business and Human Rights.

We implement our commitment to respect human rights through our policies on:

- anti-corruption and bribery ([see page 11](#));
- conflict minerals ([see page 15](#));
- diversity and inclusion ([see page 18](#));
- health, safety and wellbeing ([see page 20](#));
- privacy ([see page 12](#));
- security ([see page 13](#)); and
- sourcing with human dignity ([see page 14](#)).

We support human rights and create socio-economic benefits through our products, services and community investment programmes. Find out more in our section on how we are creating a connected society [page 23](#) and how we are supporting charities and communities on [page 41](#).

We engage with key stakeholders, such as governments, NGOs and suppliers to share knowledge and improve our understanding of the human rights impacts of our business.

Progress in 2014/15

We carried out a detailed assessment of how our operations impact human rights. We also looked at how our current practices align with the UN Guiding Principles with support from an international law firm, Linklaters LLP, and BSR, a global non-profit consultancy with human rights expertise.

We identified that we could improve our policy commitment with more detailed guidance, and develop our governance with deeper engagement across the business and more formal processes.

In 2015/16, we will bring together our approach to human rights into a single overarching human rights policy and

establish a steering group chaired and sponsored by a member of our Operating Committee. The group will involve senior leaders from across our lines of business and functions in how we manage human rights. This will help create a more consistent and integrated approach and improve decision-making on higher risk issues.

We also identified areas where we can be more transparent in our public reporting. Our policies and practices on human rights have been published online at the [Business and Human Rights Resource Centre](#). And we will take further steps in 2015/16 to be more transparent on how we navigate the difficult balance between the rights to privacy, freedom of expression and government requirements relating to matters of national security.

Throughout this year, we have responded to questions from stakeholders, including at our 2014 Annual General Meeting and through the [UK National Contact Point for complaints](#) under the OECD Guidelines. These questions are challenging us to articulate how we respect human rights, particularly how we consider, and try to mitigate, the risks that may arise from the use of our products and services.

We continued to engage with key stakeholders and participated in events on human rights issues, such as those hosted by BSR, Chatham House (an international affairs think tank), the UN Global Compact, Whitehall Industry Group, the government review of the National Action Plan and the Global Network Initiative (GNI), an ICT and telecommunications industry group supporting companies to address human rights impacts. These discussions focused on how businesses can best implement the UN Guiding Principles. We note the recent introduction of the [UN Guiding Principles Reporting Framework](#) and will continue to get involved with constructive multi-stakeholder engagement on best practices.

Being an ethical business

We expect our employees and partners to operate with integrity and behave in line with our statement of business practices, [The Way We Work](#).

Why it matters

We want to make sure that we work ethically to fulfil our responsibilities to our stakeholders and play a positive role in society. It makes good business sense too. It means customers and investors trust us with their business, and we avoid reputational damage, financial penalties, and legal action.

Our approach

As a global company, we must comply with a wide range of laws, regulations and taxation policies. Some of the markets where we operate or source products from have attitudes and business practices that may differ from ours. Our statement of business practices, **The Way We Work**, guides employees, suppliers and anyone working on behalf of BT on how to behave in different situations. It covers a wide range of policies including our approach to receiving gifts and hospitality, charitable donations and sponsorship, and includes our zero-tolerance policy on corruption and bribery.

Our comprehensive training and communication programme makes sure everyone at BT shares a common understanding of our expectations. As well as topic-specific courses, every employee completes training on **The Way We Work**, and our Chief Executive, Group Finance Director and senior finance managers sign up to a supplementary code of ethics.

Our quarterly Compliance Programme Panel (CPP) is chaired by The Group General Counsel and Company Secretary. An annual review of the maturity of BT's compliance programmes was presented to a joint meeting of the Audit and Risk Committee and The Nominating Governance Committee.

We focus on countries and operations that pose the greatest risk of non-compliance.

The Way We Work

[The Way We Work](#), our statement of business practices, encourages our people to ask themselves the following questions to help them make the right judgements and understand when they need to ask for help:

- Is it legal?
- Is it in line with our values and **The Way We Work**?
- Would I be happy reading about it in the newspapers?
- Am I comfortable with this decision?
- Could I explain my decision to my colleagues or to my family?

For example, by using our anti-corruption and bribery risk map, which draws on data such as the Transparency International Corruption index, stakeholder views and the maturity of local controls, we can identify areas where we need to target our compliance programmes.

Progress in 2014/15

Updating our compliance programme

To help us strengthen our compliance programme, we asked independent experts to evaluate our approach. The Institute of Business Ethics told us that **The Way We Work** is a comprehensive code of ethics with numerous examples of good practice.

The CPP met four times during 2014/15 to review and update our focus areas including conflict minerals, data governance, environment, broadcast compliance and data security. We also created a more consistent global governance framework and approach to compliance.

Engaging and training employees

In the UK, 264 employees were subject to disciplinary action for ethical misconduct and 87 people left the company as a result. These mostly related to falsification of records such as employee timesheets, or the misuse of BT credit cards, vehicles and IT. Outside the UK we dismissed six people for ethical misconduct, mostly for conflicts of interest.

The improvement in employees' awareness of ethical issues was reflected in our ethical engagement performance score¹, which increased to 4.33 out of 5, from 4.29 in 2013/14. This is one of non-financial **KPIs**. We are reviewing our approach to enhance this measure and will reflect this in next year's report.



Our annual culture survey also confirmed greater employee awareness of **The Way We Work**. But it also revealed that some employees think that complying with **The Way We Work** makes doing business more difficult. In response, we are reinforcing the importance of compliance with ethical business practices. For example, our new [video animation](#), shared globally via the internet, shows employees how ethical behaviour should be integral to their day-to-day work.

More than 99% of BT people completed the mandatory ethics and compliance training assigned to their role in 2014/15. We also updated five training courses to keep the content up-to-date and to better reflect the scenarios employees are likely to face in different roles and locations.

¹ Combines scores from our employee survey on employee commitment to complying with our statement of business practice, the level of integrity displayed by senior managers and the success of our ethics training.

Our Speak Up channel – a confidential and independent telephone and online service – is now available to all BT employees, contractors, sub-contractors and suppliers globally to report concerns about ethical business practices. Following a campaign to promote its use across the business, we received 273 reports in 2014/15, nearly double those received last year. More than half of the reports related to employment relations and grievances, such as unfair treatment by managers. A quarter were follow up reports linked to existing cases. The Director of Ethics and Compliance reviews all cases.

Being a responsible content provider

At BT Sport, our production and commercial teams complete training on Ofcom regulations and BT's editorial policy, which outlines our position on fair dealing, product placement and competitions run on our channels.

Our website teams from BT.com comply with regulations through clear editorial guidelines, which cover third-party

moderation of user-generated content, and by training our journalists on media law, including libel, contempt of court and defamation.

Fines

This year, due to technical problems, we were fined £800,000 by Ofcom for missing a deadline to implement an improved text-to-voice service for customers with hearing or speech impairments due to technical problems. We have fixed this and the service is now fully operational.

Tax

We contribute to the health of the UK by providing jobs, working with suppliers and paying tax. We are proud to be a major contributor to the UK economy and have paid over £16bn of UK corporation tax since privatisation in 1984. This year we paid UK corporation tax of £225m (2013/14: £299m). Our effective corporation tax rate was 19.9% compared with 21.7% in 2013/14. This is slightly lower in both years than the UK corporation tax rate of 21% (2013/14: 23%).

Our UK corporation tax liabilities for the year were reduced by tax deductions on our all-employee share option plan maturities in the summer of 2014, as well as the tax deductible pension deficit payments. Both these factors will also affect our UK corporation tax payments in 2015/16.

We paid non-UK corporate income taxes of £84m (2013/14: £48m). In addition to paying UK corporation tax, we pay other taxes, such as Employer's National Insurance and Business Rates, that represent a significant cost to our business. We are also a major collector of taxes, directly paying income tax and National Insurance due on our people's wages, and

VAT, to the UK Exchequer. We describe the total of the taxes that are a true cost to our business and those that we collect and pay on behalf of our people and customers as our 'Total Tax Contribution'.

This year our Total Tax Contribution for the UK was £3.0bn (2013/14: £3.0bn). The Hundred Group Total Tax Contribution Survey for 2014 ranked us as the sixth highest UK contributor. We also contributed £0.4bn (2013/14: £0.4bn) in our largest non-UK jurisdictions.

The way we approach tax is set centrally at a group level and is agreed by the BT Group plc Board. Our main focus is to comply with the tax laws and regulations in each of the countries in which we do business. Our group tax team supports regional management to meet local tax regulations and reviews potential tax exposures regularly.

We take the benefit of widely claimed tax incentives, reliefs and exemptions in order to reduce the tax cost to our business. Transactions between group companies are paid for as if between unconnected companies, applying OECD principles. We have an open and effective working relationship with HM Revenue & Customs and are committed to this approach with local tax authorities around the world. This includes discussing the tax impact of major business decisions with the tax authorities when they happen.



BT is one of only 16 companies worldwide to have been included in the Dow Jones Sustainability Index since its inception 15 years ago.

Protecting privacy

To build trust, we are open, honest and transparent about our approach to data protection and privacy.

Why it matters

Data is at the heart of BT's business today, and will continue to be critical to our future success.

To deliver our products and services to our millions of customers in the UK and around the world, we need to process vast amounts of personal data. We expect this to increase significantly as further innovations create a more connected society.

While these technological advances promise exciting possibilities for our business and society, they also come with responsibilities. As concern about privacy and data protection increases among consumers and our business customers, we need to demonstrate our commitment to protecting privacy through open and transparent data collection, storage, use and destruction when we no longer need it.

If our customers don't trust us to protect their privacy, our business will not succeed.

Our approach

We need to use personal data to provide our customers with the service they expect. At the same time, we help them understand how their information is being collected and used, and reassure them that we store it securely. We need to balance protecting privacy, with maintaining high quality service and efficient business operations.

We consider privacy when developing our products and services. Because everyone at BT has a role to play in protecting customer and employee privacy, our mandatory education programme for all employees includes online training on privacy and data protection. For those whose work brings higher levels of risk, we conduct further face-to-face training.

If an employee fails to follow our policy, we conduct a thorough investigation to understand how we can stop it from

happening again. We also take remedial and disciplinary action against the employee, which can include termination of employment, if appropriate.

We set the expectation of compliance with privacy and data protection regulation in all the countries where we operate and we work with NGOs, regulators, governments and peer companies to promote best practice. Because views on privacy evolve as technology develops, we continually engage with our customers to understand their expectations.

Progress in 2014/15

To help our people understand what privacy and data protection mean in the context of their day-to-day work, we are rolling out updated mandatory training, tailored to reflect the specific privacy and data protection risks that are relevant for different roles across the business.

In line with best practice, we began using Privacy Impact Assessment (PIA) tools to support our teams in assessing and mitigating the privacy and data protection risks faced by each line of business. Our technical teams are adopting the 'Privacy by Design' approach so that privacy is considered from the start of all new product development projects.

Promoting transparency on how we handle customer data is central to our approach to privacy. We replaced our traditional privacy notices that were often difficult to understand with our online [privacy centre](#) on BT.com (see above). It provides clear, jargon-free information on why we collect data and how we use it for each product and service we provide.

By improving communication and collaboration between our privacy, security and procurement teams, we have been able to work more closely with our suppliers to ensure they follow appropriate



standards, and take steps to reduce privacy and data protection risks.

We contributed to the debate on data and ethics by working with data scientists, speaking about 'big data' at public events, and held our [Better Future Forum](#) in July 2014 on data for social good. We also contributed to seminars and discussion groups on privacy issues hosted by The Economist magazine, The Royal Society and Westminster Forum Projects.

Future plans

By monitoring the privacy risks associated with emerging technologies and implementing the 'Privacy by Design' approach to innovation, we aim to have a reputation as a market leader and trusted partner for data protection and privacy, making us the first choice for customers. We will keep raising awareness of privacy and data protection issues among employees, through training and communication. As privacy and data protection laws around the world evolve, we will continue to engage with external stakeholders, such as governments and NGOs, to promote best practice.

“Too often important information explaining what organisations are doing with customers' data is hidden away in the small print. A real challenge for any organisation, especially for complex businesses like BT, is making sure information is presented in a way that people find accessible and can understand. Being upfront and clear with customers helps you build trust, which is good for your customers and good for BT.”

GARETH CAMERON
INDUSTRY LIAISON OFFICER,
INFORMATION COMMISSIONER'S OFFICE

Safeguarding our customers' data

We are growing our capabilities in cyber security so we can protect our customers and our business.

Why it matters

High profile cyber attacks affecting organisations around the world in 2014/15 have demonstrated that threats to data security are increasing in frequency, and becoming more sophisticated. It can cost around £1m for a large organisation to resolve a single cyber attack².

As a data-driven business, we need to be able to protect our customers' and our own data. Cyber attacks can stop our products and services from working properly, and can also give hackers unauthorised access to information and create privacy breaches.

More and more of our residential and business customers are concerned about security of their data.

Making sure we have robust systems in place to protect our data helps us maintain our reputation as a trusted, capable business and continue to operate efficiently.

Our approach

We have more than 2,000 people who protect BT from cyber attacks or provide a range of support, products and services that help to protect our existing and new customers from data security threat, whether they are multi-national companies, small to medium-sized enterprises (SMEs) or residential broadband users. For example, our advice and security software helps residential customers to keep their devices secure from viruses and spam.

Our cyber security operations centre continually monitors all internal networks and takes swift action when a threat is identified. It also provides business customers with information and guidance

on what action to take if threats are identified in their systems.

We regularly practise how we would respond to a range of different scenarios, including cyber attacks, and we work with law enforcement agencies to help them catch cyber criminals. We also support the development and delivery of the UK Government's five year cyber security strategy, which aims to make the UK more resilient to cyber attacks.

Through the BT Security Academy, established in 2013, we are developing a workforce equipped with the right skills and knowledge to deal with future cyber attacks.

Progress in 2014/15

In 2014/15, we consolidated the security workforce operating in different parts of the business into one team – BT Security – within BT Global Services. By doing this, we have been able to pool our significant knowledge and skills for the benefit of the whole business and all our customers.

Protecting customers

We responded quickly to Heartbleed and Shellshock – bugs that had the potential to affect residential, business and public sector customers globally – and ensured that customers could safely access our broadband and web services.

Many of our customers' innovations have the potential to be vulnerable to cyber attacks. For example, as cars become increasingly connected and use the internet for a range of controls and features, they will become more susceptible to data security risks and hacking. In 2014/15, we have been devising solutions that will help car manufacturers, such as Jaguar and Nissan, protect their products in the future.

We also consolidated our 250 security partners down to 20 expert organisations, including companies, such as Cisco and Juniper. This means we can build stronger relationships, and work more efficiently to develop better services and knowledge for our customers.

Working with the UK Government

In December 2014, we supported the launch of [Cyber Security: balancing risk and reward with confidence](#) – a guidance report for non-executive directors on cyber security, in partnership with the UK Government.

Recognising the robust safeguards we have to protect our company and our customers from cyber security threats, we were awarded Cyber Essentials PLUS certification – the highest level of cyber security accreditation available for suppliers handling personal information and providing ICT products to the UK Government.

Developing the workforce of the future

This year, around 2000 employees enrolled in the BT Security Academy. Of these, 1,500 completed our Security Accredited Learning Pathway (ALP), a programme that provides our security workforce with the skills and experience required to continue to be world-class security experts – even as technology and cyber threats become more sophisticated and complex.

Through our Security Academy training pilot programme, we provided 12 employees with the skills needed to move into a security role.

The Academy also champions the development of security skills outside of

BT in a number of ways:

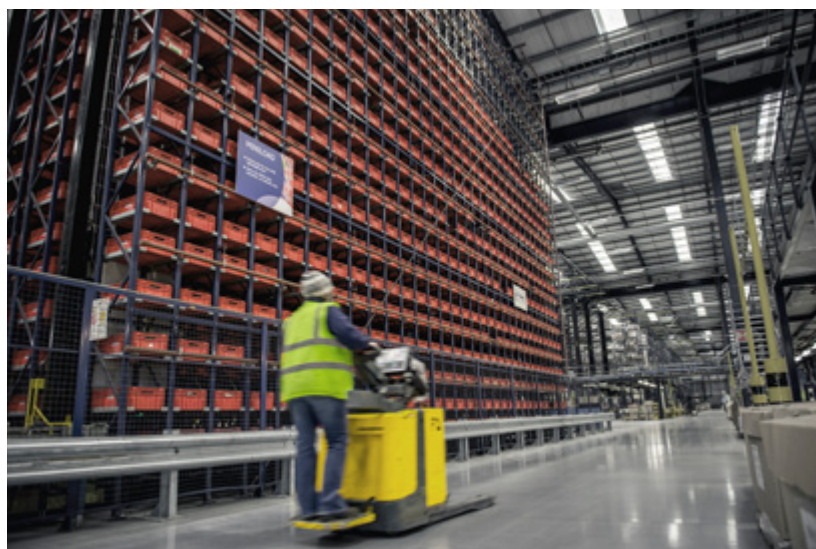
- **The Cyber Security Higher Apprenticeship** – we helped to launch this new qualification through our membership of the eSkills (Tech Partnership) panel. In 2014/15, we supported 20 young people to complete their apprenticeship and secure critical skills for becoming cyber defence operatives. We will recruit a further 21 apprentices in 2015/16.
- **The Cyber Security Challenge UK** – we helped inspire people in the UK to become cyber security professionals by supporting a series of national competitions, learning programmes, and networking events. The 2014/15, winner Luke Granger-Brown, who has gone on to pursue a career in cyber-security at Facebook, excelled in completing various tests as part of a simulated cyber attack, including network traffic analysis and creating clean-up solutions for malware.

Read more about how BT is Championing skills for employment on [page 26](#).

²Source: Research conducted by the Ponemon Institute and sponsored by HP Enterprise Security, [the 2014 Cost of Cyber Crime Study](#)

Managing a sustainable supply chain

We support our suppliers to grow, improve their business practices and become more sustainable, and in turn, we benefit from their skills, innovation and diversity.



Why it matters

To do business in an ethical and sustainable way and to achieve our ambitious goals to reduce our products' carbon emissions, we need to collaborate with our 16,500 suppliers around the world. Helping our suppliers manage their social and environmental impacts reduces risk to our business, improves our performance and helps us meet stakeholder expectations.

Our approach

We treat our suppliers ethically and responsibly, and we expect them to apply the same values and standards in the way they do their business.

At least 5% of our criteria for selecting suppliers in competitive contracts is based on environmental and social factors, such as energy use, labour standards and diversity and inclusion. By developing long-term relationships with suppliers, we can drive improvements in their social and environmental performance. We survey

suppliers every year to find out what they think about working with us. We also use our climate change, environmental and 'Sourcing with human dignity' questionnaires to assess our suppliers' social and environmental sustainability performance, and use the results to identify risks.

Read more about how we work with our suppliers on our [website](#). Visit our [Selling2BT website](#) for more about our values and approach to procurement.

Progress in 2014/15

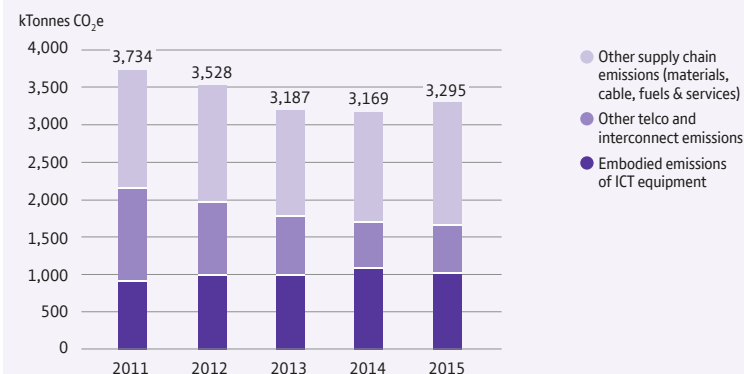
Carbon emissions in our supply chain

The carbon emissions from our supply chain were 3,295MtCO₂e, 4% more than in 2013/14.

This year 131 of our key suppliers completed the CDP Supply Chain questionnaire and achieved an average disclosure score of 77 and average performance band B, both above the

Breakdown of upstream (supply chain) Scope 3 emissions

Year ended 31 March



Source: EEIO model

global average. The results indicate how our suppliers have been able to reduce their emissions:

- 79% of respondents have emissions reduction targets;
- 89% have integrated climate change into their business strategy;
- 92% reported emissions reductions initiatives'; and
- 74% achieved emissions related financial savings.

We have also supported suppliers to reduce their emissions through participation in our Better Future Supplier Forum ([see feature](#)).

Read more about our 3:1 methodology and how we estimate the carbon emissions associated with our supply chain on our [website](#).

Assessing social and environmental risk

In 2014/15, 588 suppliers completed our environmental and 'Sourcing with human dignity' self-assessment questionnaires.

We have been working with 55 suppliers to improve their environmental standards and 77 suppliers on labour standards.

We reviewed for follow up 50 out of 52 supplier responses to our ethical standards questionnaire within three months where suppliers had been identified as high or medium-risk, assessing their level of engagement with our standards. This was just short of our 100% target. This is one of non-financial [KPIs](#).

We conducted 47 on-site assessments of existing or potential tier one suppliers, of which ten were joint assessments (tier one and tier two suppliers assessed together). Most assessments of suppliers took place in China, Germany, Korea and the UK. The most serious issues commonly identified were excessive working hours and health and safety issues. Since hiring our full-time assessor in China in 2007, we have been able to support more Chinese suppliers to improve their performance.

This year 94% of new competitive contracts with suppliers considered energy consumption and/or environmental impacts in the bidding process, compared with 96% in 2013/14. We also included our climate change standard in 98% of applicable new contracts, the same as in 2013/14.

Being a responsible customer

In 2014/15, 86% of suppliers rated their relationship with us as 'excellent' or 'good', and 51% viewed the trend to be improving.

We surveyed 1,540 suppliers to find out if they agree that 'BT works with its suppliers to ensure its purchases are made, delivered, used and disposed of in a socially and environmentally responsible manner'. Of the 152 that responded, 84% agreed, compared with 85% in 2013/14.

Our supplier survey told us that 5% of our suppliers are Minority Business Enterprises (MBEs) – companies that are at least 51% owned, controlled, or operated by people belonging to ethnic minority groups; women; lesbian, gay, bisexual or transgender people; or those who are disabled or helping disabled people into work. We spent £46.6m with MBE suppliers across the UK and USA this year. We continued to work with Minority Supplier Development UK (MSDUK) to improve the diversity of our suppliers.

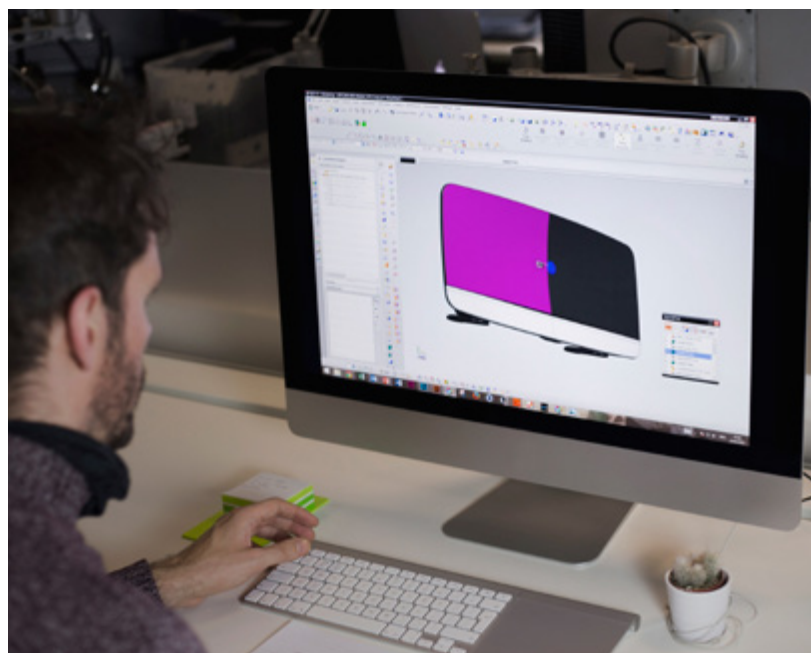
Driving improvements in our supply chain

We help suppliers improve their sustainability performance through the Better Future Supplier Forum (see case study) one-to-one dialogue, and by continuing to participate in the CDP Supply Chain Programme.

To help accelerate change across our industry and beyond, we presented at the CDP Supply Chain Member Summit. We also shared our knowledge on sustainable supply chain development with other companies and foreign government officials.

Conflict minerals

In 2014/15, we continued our work to determine whether certain BT products contain conflict minerals, in compliance with the Dodd-Frank Act and our Securities Exchange Committee (SEC) obligations. Using the Conflict Free Sourcing Initiative template, we ask our suppliers whether their products contain certain minerals which may have been sourced from conflict countries (the Democratic Republic of the Congo and the nine countries with which it shares a border). We will file a report on our due diligence and the responses from suppliers with the SEC in 2015.



Helping suppliers finance innovation

Since October 2007, we've helped our small and medium-sized suppliers grow their businesses. We have supported innovation through the BT Supplier Finance scheme, delivered by Lloyds Bank – one of the largest initiatives of its kind in the UK, supporting over £1.24bn of spend in 2014/15.

By enabling these suppliers to receive funds within one or two weeks, instead of following our standard 60 day terms, we help them manage their cash flow more efficiently. The finance charge is low, so we reduce the cost of borrowing money, and this helps them develop new products and services, and take on bigger contracts.

In 2014/15, we expanded the scheme to more of our suppliers. The number of participating suppliers increased by over 40% – supporting the Government's objective to encourage small business growth, and our commitment to follow the [Better Payment Practice Code](#).

Tonbridge-based electrical contractor, Groestar Ltd, is benefited from rapid growth thanks to a supplier finance offering from BT and Lloyds Bank. Find our more from our [case study](#) on how a small, family-run firm has benefited from our scheme.

Better Future Supplier Forum

We launched the [Better Future Supplier Forum](#) (BFSF) in 2012 to share best practice with suppliers on sustainability.

The suppliers taking part in the Forum manufacture consumer products such as our Home Hub and Set Top Box, or provide network products and services. We collaborate with them to transform the supply chain across our industry, and work towards integrating sustainability into product development programmes from the start.

In 2014/15, ADVA Optical Networks won our BFSF Networks Game Changing Challenge with process innovations that will help remove carbon and save costs. Read more about the ADVA solution on our [Supplier Forum website](#).

HUMAX won the Consumer Game Changing Challenge for various new sustainability initiatives.

Recognising the Forum's contribution to improving supply chain standards, we won the Guardian Sustainable Business Award for best supply chain innovation in May 2014, and the Chartered Institute of Procurement and Supply (CIPS) Supply Management Award for Best Contribution to Corporate Responsibility. Business in the Community (BITC) also featured the Better Future Supplier Forum as a case study in their 'Building resilient supply chains fit for the future' report.

Putting our customers first

Delivering superior customer service is at the heart of our strategy. We are investing in skills, infrastructure and systems to make sure we meet their needs.

Why it matters

Every day we touch the lives of millions, providing services that help people and businesses get the most out of their working and personal lives. We recognise how important it is to improve service as the impact when things go wrong is greater than ever before.

Our approach

To make sure we are equipped to meet the changing and growing demands of consumers and businesses, a group-wide transformation, to put the 'Customer First', is underway.

Progress in 2014/15

'Right First Time' (RFT) is our key measure of customer service and tracks how often we keep the promises we make to our customers. Our overall improvement of 4.7% (1.5% in 2013/14) reflects positive contributions from each of our customer-facing lines of business. We achieved significantly better repair performance and delivery times for providing UK lines and broadband. Within BT Global Services,



we made large improvements to the speed of delivery.

We have made some good progress in a number of areas, including investment in our network, improving our online capability and changing some of the key processes relating to installations and house moves. For example,

- recruiting 2,500 new engineers;
- over 1,000 system and process changes to make it easier for our customers to deal with us and to help our people support them. This includes improving our websites so that it is more straightforward to make and track orders, and find information and help more easily;
- investing in our network to make it more resilient to extreme weather conditions (in both summer and winter);
- specialist diagnostic equipment, alarms and new handheld devices to help our engineers find faults quickly, increasing their ability to get to the root of the matter and fix more issues in one go; and

- deploying a new appointment booking system for calling customers back and providing training in communication skills for our advisers.

For more detailed information about how all our lines of business have been improving their customer service, visit [BT's Group plc Annual Report and Form 20- F 2015](#).

Future plans

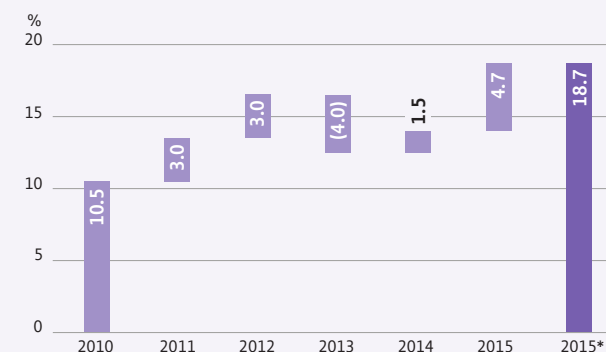
But we still want to do better. Looking ahead, we are focusing on five key areas:

Acting on insight

We are using the insight of our customers, our people and other companies to guide decision-making and create products and services based on the changing demands and priorities of our customers. And as we explain below, we are developing a new way to analyse the effectiveness of our processes from the customer's perspective. We will use this insight to improve the way we do things.

Customer service improvement

Year ended 31 March



* Cumulative improvement in RFT from 1 April 2009

Keeping our customers connected

We are making our products and networks more resilient. Monitoring our networks and ordering systems will help us identify issues sooner – in many cases before the customer is even aware there is an issue.

Creating great tools and systems

We are improving the way we keep customers informed. We continue to develop our websites, offering more self-help features and online support. Engineers are letting the customer know they are on the way before arriving at the premises. And we are trialling an app to help customers track the whereabouts of their engineer before a visit.

Working better across our organisation

We are changing the way our customer-facing teams are organised so that our people can take greater ownership when they are dealing with customers' enquiries. We have adopted a new approach to help us analyse and improve how we perform in

typical customer interactions, like ordering a service from us or reporting a fault. And further analysis of our repair process is helping us to understand what we need to do to make the customer experience better.

Supporting our people

As well as redesigning processes, systems and policies, we are urging our people to put themselves in their customers' shoes, take personal ownership of issues and make it easy for our customers to order and use our products and to contact us when they need to. The wellbeing of our people is important to us and helps them deliver a good service to our customers. This is particularly true in Openreach which has experienced a rise in sickness absence rates among some of our older workers. We are focusing on early intervention to address this and we provide support services to help our people return to their roles.

Investing in our people

Recruiting and retaining the most talented people will help our business to grow.

18 Creating a diverse and inclusive workplace

20 Promoting employee wellbeing

21 Developing talent

22 Championing skills for employment

Why it matters

Every day, our people provide services that help millions of customers get the most out of their work and personal lives. As the pace of innovation in our industry increases and we face fiercer competition across our markets, we need to attract and retain the best talent so we can grow our business.

We employ 88,500 full-time equivalent (FTE) employees in 60 countries, including 70,900 of them based in the UK. We are one of the largest employers in the UK, supporting its economy by providing jobs and income.

Our approach

A clear purpose guides our employees' contribution to our company. By bringing together the best networks, technology and products and services for our customers, we use the power of communications to make a better world. Our values guide how we work every day.

We consider all factors that enable our workforce to achieve great results. We call this organisational health. We aim to create a good working environment by offering career development opportunities and training ([see page 21](#)), a range of ways to contribute to communities through volunteering ([see page 46](#)) and supporting healthy working practices ([see page 20](#)). We use the BITC Workwell model to ensure we are creating the right work environment for our people to flourish.

We compare salaries with other companies in our markets to make sure what we offer is competitive. In the UK, pay for the vast majority of our engineering and support people is determined by collective bargaining, with fair terms and conditions for all. Our UK workforce is primarily represented by the Communication Workers Union and

Prospect. BT's European Consultative Council is a company-wide group that facilitates dialogue between employees and executive management on a range of issues such as performance, strategy, jobs, regulations and sustainability.

Managers' pay and bonuses are linked to their individual and overall business performance. Our executives are offered long-term incentives to align their reward with the creation of shareholder value. The amount they receive depends on BT's performance over a three-year period. In accordance with our regulatory obligations, incentives for senior leaders in Openreach are tied to its business performance rather than that of the wider group.

We also provide a savings-related share option plan (saveshare), as well as pension and retirement benefits in addition to statutory retirement arrangements.

Progress in 2014/15

This year we recruited over 9,900 people. Of these, more than 5,300 work in the UK, including over 500 who are on our renowned apprenticeship scheme. We recruited 2,500 engineers and more than 500 new service colleagues to work in our customer management and contact centres. We created 1,200 jobs in the UK that were previously performed by agencies in the UK and overseas.

As our business evolves to meet the needs of our customers, we adapt our organisation, redeploying people through the BT transition centre.

This helps us avoid redundancies. Last year in the UK, 2,100 people were redeployed, meaning that we retained experienced people with the skills we need for the future.

Employee engagement index

Year ended 31 March



Source: CARE Agile survey

We came 43rd in the Times Top 100 Graduate Employer rating, and were re-accredited with a BITC Big Tick Award, in the BUPA Workwell category. We were one of only four companies to have achieved lead company status in the 2015 BITC Workwell Employee Wellbeing and Engagement Public Reporting Benchmark.

Each quarter about 35,000 people provide feedback on working for BT through our employee engagement survey. Our surveys help us develop a focused people strategy and support action planning at a local level.

This year, we have maintained engagement levels at 3.82 (out of a maximum of 5, with a telecoms benchmark of 3.90). This continues to be the highest level since we started the survey in 2008.

To find out more information on BT's workforce, including gender, diversity, inclusion, health and safety, please refer to our [download centre](#).

Creating a diverse and inclusive workplace

We are building an inclusive culture to support innovation and serve our customers better.



Why it matters

We unlock the power of our people when we value their diversity. Broadening the mix of people and experience within our workforce supports greater innovation and helps us to better understand and serve our customers. Building an inclusive culture enables us to work together more effectively and empowers our people to deliver their best. We are committed to creating a fair and equal workplace for all our people, regardless of background. Gender inequality is a particular issue in our sector and we therefore focus on improving female representation at all levels.

Our approach

We deliver our strategy in three ways. Firstly, we support our leaders to set a strong example to their teams on valuing diversity. Our Global Inclusion Steering Group brings together senior leaders from across BT to share good practice and drive improvements. Our Employee Networks

help identify priority areas for improving diversity and inclusion across the business. Our seven Employee Networks cover Women, Ethnic Minorities, Disability, Lesbian Gay Bisexual and Transgender (LGBT), Christian, Muslim and Carers.

Secondly, we aim to make diversity and inclusion a core part of the way we work. Each line of business has its own diversity and inclusion plan. Progress against BT's overall strategy is reported to the Operating Committee every quarter.

Finally, we seek to attract, develop and retain the best people. We are reviewing all of our hiring programmes to ensure they reflect our commitment to diversity and tailoring development opportunities to help people from under-represented groups to fulfil their potential. By improving the way we conduct exit interviews, we hope to understand more about people's reasons for leaving BT, particularly if they are from under-represented groups.

Diversity – women employees (UK)

Year ended 31 March



Progress in 2014/15

Gender

The proportion of women in our workforce overall has remained fairly stable since 2010/11, at 20.85% in 2014/15. While this is typical for our sector, we want to significantly increase the number of women at all levels, including in operational roles. We were ranked as one of the top ten private sector organisations for women by Business in the Community (BITC) for the 3rd consecutive year, and named in the Times Top 50 Employers for Women 2015. We aim to build on those successes over the next year.

At Board level, our policy is to aim to have at least 25% female representation. We were below this for part of the year, but with three female members out of 11 Board members, we now have 27% female representation. We continue to review our succession plans for senior roles in line with our commitment to Think, Act, Report – the UK Government's framework to help companies improve gender equality –

and our Chairman's membership of the 30% Club.

We have made good progress on recruiting more women managers in recent years and we have focused on retaining senior women, but we have been less successful in attracting and retaining of women at more junior levels. Women move on from large organisations like BT for a number of reasons, but we know childcare responsibilities can be a factor. 87.2% of BT women employees in the UK who took maternity leave in 2012/13 (the most recent year for which data is available) returned to work and stayed at BT for at least 12 months, compared to the 77% national average reported by the UK Department of Work and Pensions.

We reviewed our apprentice and graduate recruitment programmes to identify ways to better support women candidates, and in 2014/15, 32.5% of the graduates, and 10.4% of the apprentices we recruited were women, compared to 25% and 7.1% in 2013/14 respectively.

To find out more information on BT's workforce, including gender, diversity, inclusion, health and safety, please refer to our [download centre](#).

We ran a targeted advertising campaign, the first step in our long-term strategy to attract more women into engineering roles. Through our STEM (Science, Technology, Engineering and Mathematics) strategy, we are also looking at how we encourage more women to join our engineering and technical workforce in the future (see Championing skills for employment, [page 22](#)).

For those women already at BT, we have developed a number of programmes during 2014/15. Our Women's Network ran a campaign focused on helping women develop more confidence at work, and we created greater access to networking and mentoring opportunities for high potential women and those working in technical roles. For example, BT Business has connected female employees with women customers to learn about entrepreneurship, and at BT Consumer, we have created a pyramid structure enabling senior women to share career advice with female colleagues across the organisation. We are also providing better guidance and a buddying structure to support women before and after maternity leave.

People from an ethnic minority background

In 2014/15, the proportion of our employees in the UK from a black or minority ethnic (BME) background was 10.42%, and has remained relatively stable since 2010/11. We recognise that the ethnic mix of the UK population is changing and we aim to reflect this in the diversity of our workforce.

Improvements in our graduate and apprentice recruitment programmes have helped us attract more BME applicants. 31.2% of graduates and 15.6% of apprentices recruited in 2014/15 were from a BME background, compared to 22.9% and 10.34% in 2013/14 respectively.



Our Ethnic Minority Network has led additional projects to support people from BME backgrounds. Through our participation in Race for Opportunity's mentoring circles scheme, seven employees were mentored by people from other member organisations, such as Shell UK and the UK Government's Home Office, and we plan to increase our involvement in 2015/16. We also ran an event for junior employees to speak to managers about career development, as part of our effort to support more people from BME backgrounds to progress into senior management positions. Our Ethnic Minority Network has also continued to mentor students in six schools in London and Leicester, in partnership with the Muslim Network. The scheme was shortlisted for the Race for Opportunity – Future Workforce Award in 2014, and we plan to expand its reach in the future.

We are developing diversity and inclusion plans for key locations outside of the UK but data, other than gender, is not available for our entire global workforce.

People with a disability

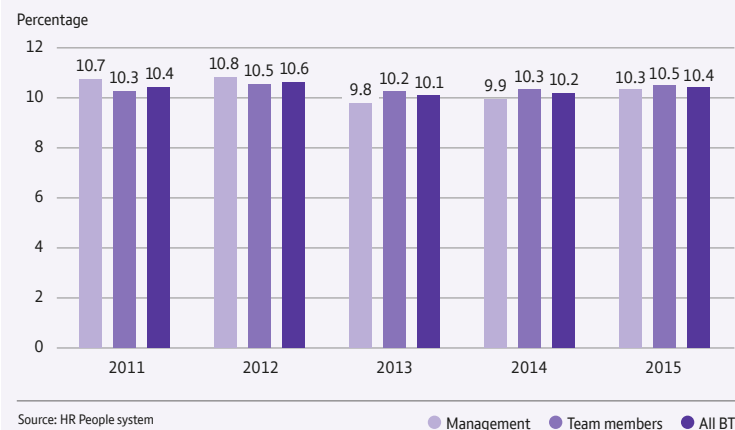
Disability is not a barrier to employment with BT, and the Business Disability Forum recognised our commitment to supporting disabled employees and disabled customers by awarding us the Silver Level Disability Standard.

A key part of our diversity strategy is to help our people stay in their role if they develop a disability or long-term illness. Our Enable service gives employees and their managers access to specialists who can help them to implement more complex adjustments, and in 2014/15, 1,116 people used the service. Despite this, some people are unable to continue in their role and our Enabling Workplace Redeployment scheme helps them to move into suitable alternative positions within the company.

We continue our effort to support more people with a disability to join BT. As a UK Jobcentre Plus 'Two Ticks' employer, we put candidates who tell us they have a disability through to the first stage of the recruitment process, as long as they meet the minimum requirements for the role.

Diversity – ethnic profile UK (self-declared)

Year ended 31 March



Disability profile UK (self-declared)

Year ended 31 March



To find out more information on BT's workforce, including gender, diversity, inclusion, health and safety, please refer to our [download centre](#).

Promoting employee wellbeing

We aim to create a healthy working environment so our people can achieve their full potential and contribute to our success.

Why it matters

We can only sustain great performance for the company if our people achieve their full potential over the long term. Keeping them safe, healthy and motivated is vital.

Our approach

We use a three tier framework to guide our work in this area:

- Primary engagement – promoting good health, safety and wellbeing to enhance performance and minimise harm.
- Secondary intervention – anticipating potential problems and identifying opportunities early to secure better outcomes.
- Tertiary remediation – responding effectively to ill health or traumatic events to speed a return to productive working.

We aim to create a sense of self-reliance, where our people take responsibility for their own wellbeing and positively influence others, within a culture of supportive and enabling leadership.

Our Group Health, Safety and Wellbeing Forum comprises senior leaders from all lines of business and monitors progress against our plans. They report to the Board of Directors and the Operating



Committee who are responsible for setting and implementing the health, safety and wellbeing policy. Our health and safety risk is monitored both through our internal risk governance mechanisms and by independent verification, for example, of our network safety assessments.

Progress in 2014/15

Reducing accidents

We reduced our Lost Time Injury (LTI) rate by 23% to 1.5 incidents, exceeding our KPI target by 21.6%. We achieved this through initiatives that promoted safer behaviour among employees, and supporting leaders in management and engineering functions to develop stronger skills and knowledge of health and safety best practice.

More than 97% of our people completed their required health, safety and wellbeing training in 2014/15. We met our target of receiving no health and safety prosecutions or prohibition notices.

Driving agility and wellbeing

We aim to create an agile working environment that uses technology to create possibilities for our people and the business. Flexibility is key and we seek to be innovative in offering options that work for all. Arrangements such as part-time roles, home working and job shares have been in place for many years but increasingly our employees are operating within a more agile and less rigid structure. Time spent travelling has reduced and wellbeing levels have increased across the business. Our wellbeing index – calculated from responses to our employee

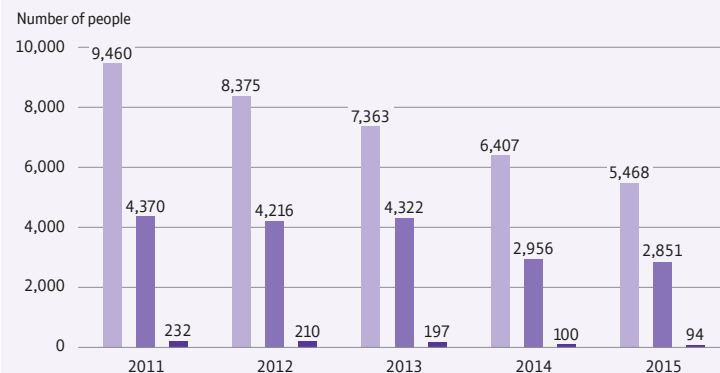
Lost time injury rate – cases per 200,000 working hours
Year ended 31 March



Source: BT Health and Safety management system

Flexible working (UK)

Year ended 31 March



Source: HR People system UK-only
2014/15 numbers represent full-time equivalent (FTE)

● Homeworkers
● Part-time
● Job sharers

To find out more information on BT's workforce, including gender, diversity, inclusion, health and safety, please refer to our [download centre](#).

Encouraging our people to get 'Fit for Life'

In January 2015 we launched Fit for Life, an initiative encouraging our workforce to improve their wellbeing.

More than 2,000 employees have signed up, and targeted engagement campaigns have already increased awareness of physical and mental health issues. Building on this momentum, we aim to get 10,000 BT people more physically active by 2020.

engagement survey⁴ – improved by eight points, to 3.89 out of 5, during 2014/15. It has risen consistently over the last four years from a starting point of 3.60.

Managing health-related absences

Despite a good improvement in sickness absence rate (SAR) across most lines of business, we failed to meet our [KPI target](#). Our overall SAR rose from 2.1% in 2013/14 to 2.2% in 2014/15 due to an increase in the number of days' absence caused by mental ill health and musculoskeletal disorders (MSD) in Openreach and, to a lesser extent, BT Wholesale. Analysis has shown that factors driving these extended absences include late intervention and use of existing specialist support services.

To tackle this, a further 747 managers completed a one day workshop to improve their understanding of mental health issues. Nearly 7,900 have been through this training since 2009. This has been supplemented by integrating personal and organisational resilience into our wider leadership programme, and in

2014/15 we trained more than 580 senior managers in these skills.

We have amended our case management procedures to engage occupational health support at an earlier stage for mental ill health and MSD. We have also promoted our Employee Assistance Programme for early intervention and of the 4,570 employees who used the service in 2014/15, 97% reported feeling better equipped to deal with their problems.

We have further developed our BT-funded psychological and MSD rehabilitation services. 92.6% of people engaged with these programmes in 2014/15 were able to return to or continue in their own role without adjustments.

Operating a safe fleet

The most significant risk of serious or fatal injury to our workforce and third parties comes from driving – we have the second largest privately operated vehicle fleet in the UK. Our occupational road risk programme has assessed over 30,000 drivers in the last two years helping us identify people who need additional information, training or support. The BT Safe Driving programme has helped reduce collision rates in our Openreach commercial fleet by 4.7% and has been recognised by the Road Safety Charity BRAKE and Fleet News.

⁴ Calculated from responses to three specific questions in our quarterly employee survey covering a good work-life balance, being treated with dignity and respect and feeling that my manager cares about me as a person.

Developing talent

We invest in our future success by continually developing the skills and knowledge of our people.

Why it matters

To keep up with the pace of innovation in our industry, we select talented people and provide them with opportunities to continually improve their skills and progress their careers.

Our approach

Our graduate and apprenticeship programmes attract talented young adults to join our company and gain world-class experience in a wide range of IT, technology, research, software design and engineering functions.

In addition to coaching provided to all employees through regular performance reviews, the BT Academy provides opportunities for our whole workforce to develop professional skills across four faculties: leadership, customer, business and technical. It provides a combination of tools, programmes and support that help our people fulfil their potential and learn together.

Progress in 2014/15

Over 500 new apprentices joined our company in 2014/15, including eight new digital media technology apprentices, who started work at BT Tower and Adastral Park in October 2014. Our apprenticeships received external recognition through a range of awards:

- BPP – a private university specialising in business – recognised BT as 'large employer of the year' in 2015, with special praise for our finance



apprenticeship.

- Three of our apprentices received national recognition at the Institute of Telecommunications Professionals (ITP) Awards in 2014.
- BT Fleet's apprenticeship won Large Employer of the Year in 2014 (West Midlands) at the National Apprenticeship Service Awards regional finals.
- One of our IP Exchange apprentices, won Apprentice of the Year 2015 at the Mayor's Fund for London Employment Awards.

Of the 266 graduates we recruited in 2014/15, 37 will be in roles outside the UK. We plan to recruit around 1,000 graduates and apprentices in 2015/16.

Around 9,600 leaders – from senior executives to junior managers – have improved their leadership skills to better support their teams through the BT Academy. Two of the three leadership programmes delivered through the BT Academy won the Best Coaching and Mentoring Programme and silver for Best

Commercial Programme at the Training Journal Awards 2014.

Find out more about our investment in improving customer service on [page 16](#).

Future plans

In 2015/16 we will review all our recruitment programmes to ensure they complement each other, deliver a pipeline of diverse talent and offer a world class candidate experience.

Because improving the way we serve our customers is a key strategic priority, we are investing in developing the skills of 200 frontline people, such as contact centre agents, through a global training programme.

To find out more information on BT's workforce, including gender, diversity, inclusion, health and safety, please refer to our [download centre](#).

Championing skills for employment

We help people gain the skills they need to succeed at work, with a special focus on inspiring young people to make the most of the opportunities in digital technology.

“Traineeships are a great way for young people to gain valuable skills and experience they need for work.”

DEBORAH LEE
CHIEF LEARNING OFFICER, BT

“It’s not only the individuals who take part in our Adult Work Placement programme who benefit – our engineers get lots of value in sharing their skills and knowledge with their buddies.”

IMRAN PATEL
DIRECTOR OF OPENREACH NATIONAL OPERATIONS AND TV, BT

Why it matters

For the UK economy to grow, it is essential for everyone to develop the skills for success at work. We can share our expertise to help people get jobs and achieve their goals.

We particularly want to help young people in the UK to understand the importance of technology and data in modern life and develop the skills and knowledge they need to take advantage of the exciting opportunities available through the digital revolution.

Our approach

In addition to our award-winning apprenticeship and graduate programmes (see Developing talent, [page 21](#)), we invest money and our time in projects that help more people build the practical skills they need to be successful in the workplace.

As a founding member of ‘Movement to Work’, the employer-led initiative backed by the Prince’s Trust and the UK Government, we are helping to tackle youth unemployment. We offer work experience for students, and the BT Traineeship programme gives young people aged 16 to 24, who are not in education, employment or training (NEETs) the opportunity to develop skills and confidence to help them get their first job.

Our work placements provide opportunities for unemployed adults of any age to improve their skills and employment prospects. As a founding partner of Transition Force, a social enterprise delivering positive social impact, we provide extra support to help people who used to work in the military forces get jobs that make the most of their skills.

To help young people develop skills and knowledge in digital technology, we support education projects such as Barefoot Computing, the UK Government’s

programme to help primary school teachers get to grips with the new computing curriculum.

Because diversity and inclusion is a priority at BT and women are traditionally under-represented in our sector, we make special efforts to engage girls and young women in science, technology, engineering and mathematics (STEM).

Progress in 2014/15

Building essential skills

Since January 2014, we have helped 540 BT Trainees in 25 locations across the UK with skills development, support to gain qualifications, and a wide range of work placements across our business. More than half of those who completed the structured seven week programme went into education, employment or training.

Since September 2011, 286 people went through eight weeks of training and experience buddying with our engineers as part of Openreach’s Adult Work Placement programme, and over half report that they are in full-time employment.

Our work experience programme sees around 4,000 young people visit BT every year. Based on the Business in the Community (BITC) Work Inspiration model, it aims to help young people experience the world of work and develop their skills. We also hold an annual ‘sons and daughters to work’ week for BT friends and family. In 2014/15, more than 570 young people aged 11 to 16 joined us for work experience events at 27 sites in the UK, supported by nearly 1200 BT volunteers.

Inspiring young people to develop technology skills

Since March 2014, our teaching resources and support from more than 200 BT volunteers has enabled Barefoot Computing to provide computer science

training and teaching plans on basic coding and computational thinking to over 5,500 primary school teachers.

Over 700 schools in the UK took part in the Cyber Security Challenge schools programme, supported by BT. It helps 14 to 17 year olds understand the fundamentals of cyber security and prepare for the new Computer Science GCSE.

The BT Young Scientist & Technology Exhibition culminated with a grand final in January 2015, after more than 4,600 young people from 367 schools across Northern Ireland and the Republic of Ireland competed to demonstrate their science and technology skills.

Future plans

We have a new ambition, we want to help 5 million children receive better teaching in computing and tech skills by 2020. Our Chief Executive, Gavin Patterson has also announced our long-term ambition to inspire young people in the UK to embrace the role technology plays in their lives. Improving education and creating more employment opportunities in this area will be good for our young people and for the competitiveness of the UK economy.

Even though young people are growing up surrounded by technology, many of them do not understand the basic concepts of how it works and this will leave them unable to fully participate in society. This is the tech literacy paradox.

To help tackle this paradox, the new BT Tech Literacy programme will start by:

- Understanding how parents, teachers and young people really think, feel and act about tech concepts. We are commissioning nationwide research which will help design a new tech programme that meets real needs.
- Supporting teachers better. We are

“Computing is a very important skill for BT and through our engagement with schools we’ve seen that children really enjoy it and that it can have a profound impact on other STEM subjects. We’re proud to be partnering with Barefoot Computing and that the workshops BT and other volunteers across England have been involved with have been such a success; it’s great to hear from teachers that the programme has boosted their confidence.”

CLIVE SELLEY,
CHIEF EXECUTIVE OFFICER BT TECHNOLOGY,
SERVICE & OPERATIONS AND GROUP CHIEF
INFORMATION OFFICER

funding Barefoot Computing workshops for another 1,000 schools and 6,000 primary school teachers this academic year. This will extend the reach of the government-funded programme.

- Equipping UK schools to champion tech literacy. We are analysing schools’ levels of connectivity to understand the barriers and challenges they face.

Download [The Tech Literacy Challenge](#) to find out more. ■



Our 2020 Ambition

9/10

people in the UK to have access to fibre-based products and services by 2020

Result 2014/15

7.5

We are on track to meet our 2020 ambition, rolling out high-speed broadband to 7.5 out of 10 people in the UK

Our new 2020 Ambition

10m

to help 10m people around the world overcome social disadvantage through the benefits that our products and services can bring

Creating a connected society

24	Investing in our broadband network	>
24	Creating accessible products and services	>
26	Developing digital skills	>
27	Helping customers stay safe online	>
28	Connecting communities around the world	>

Our vision is to help improve society through the power of digital connections.

We are investing £3bn in our fibre broadband network to bring our ultrafast broadband vision to the UK.

To make the most of this investment, we are developing products and services that help remove the barriers that stop people getting online. This offers significant socio-economic benefits to them once they're online. At the same time, we support our customers and their families to stay safe when using the internet.

Beyond the UK, we are connecting businesses, health centres and schools to the internet to help improve lives and create new opportunities.

Read more about our approach to creating a connected society on our [website](#).

- **Provided 7.5 out of 10 people in the UK with access to superfast broadband – we are on track to meet our 2020 ambition.**
- **Developed a model to measure the social value of being online in the UK – for new users it is worth £1,064 each year.**
- **Delivered 92 workshops on keeping children safe while online through The Right Click: Internet Safety Matters.**
- **Launched a new ambition: to help 10 million people around the world overcome social disadvantage by 2020, through the benefits that our products and services can bring.**

Investing in our broadband network

We are extending our fibre broadband network so millions more people in the UK can benefit from ultrafast broadband.

Why it matters

We live in an increasingly digital world. Connecting communities to fibre broadband can transform lives and plays a big role in the UK's economic success. Businesses and people need superfast broadband so they can benefit from the opportunities that the internet and the growing digital economy can bring.

Our approach

We are investing £3bn in fibre broadband and the footprint continues to grow. Access to high-speed broadband is helping to bridge the gap between urban and rural, enabling some of the UK's most isolated businesses and communities to grow and thrive.

We are also investing in G.fast, an innovative technology that we believe will build on our existing fibre network to deliver speeds of up to 500Mbps (megabits per second) to millions of homes and businesses by 2020. Our ten-year vision is that 500Mbps will be available to most of the UK.

Progress in 2014/15

In 2014/15, we made good progress towards our 2020 target. Over 22million UK premises could access our fibre broadband network by the end of March 2015 – over 3 million more connections than in 2013/14. This means roughly 7.5 out of 10 people can access fibre-based products and services – and that the UK has the widest coverage of superfast broadband of the five major economies in Europe (France, Germany, Italy and Spain)¹. Through our partnership with the Broadband Delivery UK (BDUK) programme, we continued to connect people in remote rural locations to broadband speeds of at least 2Mbps.

¹ Ofcom: [The European Broadband Scorecard. Research document](#) (12 March 2014)

Creating accessible products and services

We develop products and services that help the most digitally excluded people get online.

Why it matters

Around 6.4 million adults in the UK have never been online. Many of these people are elderly or on low incomes – some of the groups that could benefit most from the internet, both socially and economically. Helping millions of people to use the internet for the first time can transform people's lives and is worth around £6.8 billion to UK society and the economy².

Our approach

We have set ourselves a new ambition for 2020: to help 10 million people overcome social disadvantage through the benefits that our products and services can bring. To achieve this we provide products and services that meet the needs of those who are most likely to be missing out on the benefits of the internet – such as the elderly, disabled, unemployed and people living in social housing. We also support small businesses and social enterprises to use their skills to develop new solutions to social challenges.

² Based on BT's estimate that the socio-economic value of being online to a new user is £1,064 times the total number of people who have never been online.

Through our partnerships with public, private and non-profit organisations we raise awareness about the importance of digital inclusion and learn about the needs of our disabled and elderly customers. We contribute to UK policy as members of the Government Digital Services stakeholder advisory board, and help develop the Government's digital inclusion strategy. Find out more about the UK Government's digital inclusion strategy and how BT supports it on [gov.uk](#).

Progress in 2014/15

Measuring the value of digital inclusion

Since 2012, we have been working to understand the value that digital inclusion brings to society. Working with the research company [Just Economics](#), we pioneered a social return on investment (SROI) methodology. In 2014/15, we used this to measure the social and economic impact of our digital skills programme, Get IT Together.

Building on this research, we have estimated the value of digital inclusion for people in the UK (see feature). By sharing our methodology, we are giving others the opportunity to measure the social value of their work.

Read more about the social benefits of getting online in [Developing digital skills, page 26](#).

Making the internet affordable

We are bringing affordable internet to low-income people across the UK. In 2014/15, we extended our Click and Connect pilot to provide high-speed wi-fi to tenants living in a housing association in Glasgow at a subsidised price. A study of 70 tenants found that two-thirds are now using the internet to search for jobs and over half would be willing to pay full price for the internet.



How much is getting online worth to you?

Using the internet can improve people's lives – and our pioneering research shows this. In 2014/15, we estimated the socio-economic value of being online to individuals in the UK and found that each year, getting online is worth:

- £1,064 – for a new user – making financial savings online, using the internet to find a new job and feeling less isolated;
- £1,756 – for an advanced user – from being able to make further financial savings, stay in touch with friends and take up new hobbies; and
- £3,568 – for a professional user – benefiting from being able to work remotely and achieve higher wages as a proficient IT user.

Read more about our research on the value of [Digital Inclusion](#) or our [Get IT Together](#) programme.

Our Click and Connect pilot proved the concept for our new shared internet service. This BT Business innovation helped 9,156 social housing properties get online in 2014/15. By allowing residents to share access to internet connections, this service helps housing associations provide more affordable internet.

“Around 6.4 million adults in the UK have never used the internet, and 4.1 million of those live in social housing. Getting them online is crucial to improving their access to jobs, education and services. That’s why we are working with housing associations to help make sure unemployed, elderly and disabled people can benefit from the internet.”

GRAHAM SUTHERLAND
CEO, BT BUSINESS

In 2014/15, we launched BT Basic + Broadband – our £9.95 per month package that allows BT Basic customers to add broadband to their low cost line rental. By March 2015, nearly 10,000 BT Basic customers had signed up, of which nearly 9,000 were new to broadband. Find out how [BT Basic + Broadband](#) could help you get affordable internet.

Supporting disabled and elderly people

Disability can also be a barrier to using communication technology, but it should not be. In 2014/15, we helped develop, and signed up to The Accessible Technology Charter – a common industry

standard designed to ensure we don’t exclude employees or customers who have a disability. Find out more about the [Accessible Technology Charter](#).

Over 4.7 million of the people in the UK who have never been online are aged 65 or over³. In 2014/15, we worked with over 30 organisations through the Age Action Alliance to evaluate how effective digital champions are helping more elderly people get online.

Inspiring small businesses to tackle digital exclusion

Small businesses across the UK are bursting with the skills and creativity needed to tackle digital exclusion and solve big social challenges.

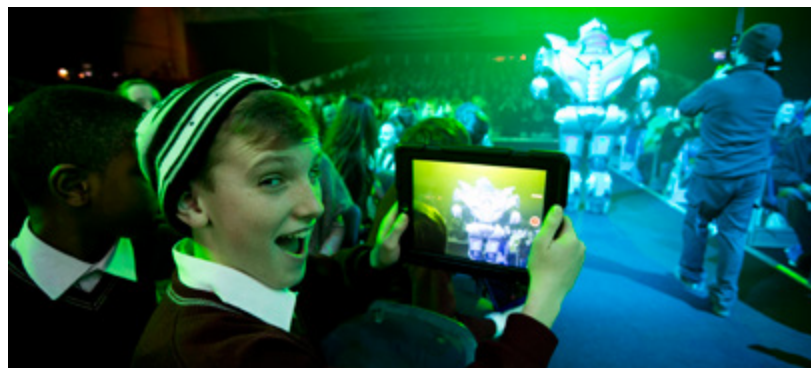
In partnership with TechHub, our BT Infinity Lab is inspiring small businesses to develop and test ideas, and create new products that we can market alongside our existing products.

Through a series of competitions we challenged start-ups to develop innovations that use communication technologies to tackle social challenges. We are now working with the four winners to explore potential for their apps to be integrated into our existing products. This includes Xooloo App Kids, which helps parents control the mobile apps their children can access.

The BT sponsored Tech4Good awards also promote the work of innovative businesses that use technology to benefit their communities. In 2014/15, BuffaloGrid won the BT Ingenious Award for its affordable solar powered mobile charger. Find out more about [BuffaloGrid’s ingenious innovation](#).

Driving innovation within BT

We are also encouraging BT people to tackle digital exclusion. In 2014/15, we



Inspiring innovators of the future

We are celebrating ground-breaking communication technologies of the past, and inspiring future generations to get interested in information technology.

At London’s Science Museum, we are the lead principal sponsor of a new gallery – Information Age: Six Networks that Changed our World. Here visitors can find out how information and communication technologies have transformed the way we live and work, and BT’s key role in making these connections. HM The Queen opened the gallery in October 2014 with

her first tweet which was also displayed on the top of the BT Tower.

To inspire 11–15 year olds about the world of engineering we also supported the brand new Science Museum exhibition, Engineer Your Future, along with a consortium of industry partners. The three year exhibition was opened by HRH The Prince of Wales in December 2014.

Find out more about the [Six Networks that Changed our World](#).

challenged employees to come up with ideas for new commercial products that would motivate customers over the age of 65 to go online. We received over 300 ideas ranging from healthcare devices to virtual environments that help older people feel confident using the internet. We plan to develop business cases for the most promising ideas, with the aim of launching them over the next few years.

Find out more about how innovation is at the heart of BT’s business and strategy for growth on our [website](#).

Future plans

We will remain focused on making sure that more of the people who need the internet can benefit from it. We plan to do this by developing criteria for measuring the socio-economic impact of our products. We will use these to inform product development programmes from the start, and measure the value our products and services are bringing to society.

Building on the range of products we already offer to elderly people, we plan to

A one-stop guide to accessible UK venues for disabled people

Euan’s Guide is the go-to website and app for people with a disability, who want to explore the UK.

By rating 1,500 venues on how accessible they are it takes the worry out of visiting bars, hotels, restaurants and cinemas in 350 UK towns for people with disabilities.

We awarded Euan’s Guide the BT Infinity Lab People’s Choice Award in 2014/15, and worked with the developers to make the website more user-friendly. Since then, the number of visitors to the site has almost tripled, and Euan’s Guide was recognised by the Nominet Trust 100 as one of 2014’s 100 most inspiring global ventures.

Find out how a venue near you rates on [Euan’s Guide](#).

trial technologies that will reduce the feeling of social isolation and help them live independently in their homes for longer.

³ www.ons.gov.uk

Developing digital skills

We are helping people across the UK develop the skills, knowledge and confidence they need to use the internet.

Why it matters

Lack of basic digital skills stops around 11 million people from accessing the social and economic benefits of being online, such as looking for a job or staying in touch with friends and family. By improving people's digital skills, we are helping them to use the internet independently and confidently. Helping more people use our digital products and services is good for society and our business.

Our approach

Once people have a physical connection to our network, we help them to use the internet confidently and safely through our skills building programmes, BT Get IT Together and BT Digital Champions. We also share our expertise on digital skills training with other businesses, to make sure that even more people have the opportunity to reap the benefits of internet access.

Progress in 2014/15

In 2014/15, our digital skills programmes helped around 29,500 people across the UK improve their knowledge and use the internet with confidence.

Through Get IT Together, almost 5,500 people – many of whom were over 55 or unemployed – gained basic internet skills. At the end of the programme in December 2014, we had supported over 30,000 people in the UK to get online for the first time. We surveyed people taking part and found that around 40% had gone on to use their new skills to search for jobs, claim their state benefits or access services through their local authority's website⁴.

⁴ Survey conducted by Citizens Online involving over 4,000 participants who completed the Get IT Together programme.



Working with the external research company Just Economics, we created a methodology to measure the social return on investment (SROI) of Get IT Together. We found that for every £1 invested, we generated a social return of £3.70. Read more about our research into the socio-economic value of the internet in [Creating accessible products and services, page 24](#) or on our [website](#)

BT's Digital Champions programme also encouraged 10,000 students to share their internet skills with more than 24,000 older people in their local communities – up from 15,000 in 2013/14.

Because we cannot reach everyone in need of IT skills training directly, we are sharing our expertise on how to effectively run these programmes with other businesses. In 2014/15, we worked with Argos to develop a set of co-branded guides that are helping their digital champion volunteers provide in-store training to customers on how to use their new devices.

digital skills programmes ourselves, we will support other organisations, and share our expertise and resources, to help more people across the UK use the internet effectively.

Future plans

As our programme evolves, we aim to go beyond digital skills training and develop new products, services and programmes that can deliver even greater socio-economic impacts. Instead of delivering

Helping customers stay safe online

We partner with charities, UK Government and other businesses to promote online child safety and help our customers protect their families while using the internet.

Why it matters

For many people, the internet is part of everyday life. Most people in the UK are connected and go online to learn, socialise with friends and access entertainment such as films and games.

Being online brings many benefits, but it can also bring risks such as exposing adults and children to inappropriate content. Parents and teachers have an important role to play in helping to protect young people, but can feel ill equipped to educate their children about how to stay safe online.

As one of the UK's leading Internet Service Providers, we understand our role in helping our customers and their children use the internet safely.

Our approach

We share resources and knowledge with charities, UK Government and other businesses to help address the challenges of online safety. We are working to raise awareness of the risks, and provide parents, teachers and children with practical advice about staying safe online. Our network filters and software tools give customers the ability to stay in control of their families' access to the internet. We are also committed to protecting our customers' data and privacy. Read more about our approach to safeguarding data ([page 13](#)) and protecting privacy ([page 12](#)) in Delivering our purpose.

Progress in 2014/15

Partnering for protection

This year, we launched CLICK: Path to Protection to help children who have suffered from online sexual abuse and exploitation. This pilot, in partnership with the Marie Collins Foundation, will train over 100 frontline workers to support children who have been harmed online. Find out more about [CLICK: Path to Protection](#).



In partnership with Unicef UK we set up The Right Click: Internet Safety Matters to provide parents, children and teachers with practical advice about how to stay safe while online. In 2014/15, BT volunteers ran 92 workshops to train parents, teachers and children on safe internet use in some of the UK's most disadvantaged areas. We aim to deliver 600 workshops and reach 21,000 parents and children by March 2016.

We also partner with Sky, TalkTalk and Virgin Media, to deliver Internet Matters – an online portal and awareness raising campaign that enables parents to access practical advice about their children's

online safety. Visit the [Internet Matters](#) website for tips on how your children can use the internet safely.

Filtering tools and services

We offer filtering tools and services that help families use the internet safely. In 2014/15, we promoted the uptake of BT's Parental Controls to all broadband customers. This free tool helps customers protect their families from inappropriate content on every device, whether connected to a BT home hub or a wi-fi hotspot outside the home.

Supporting innovations in child online safety

Through BT's Infinity Lab we supported tech start-up, Xooloo App Kids, to create a new app that is helping to keep children safe while online.

The app makes smartphones and other devices child-friendly by blocking dangerous content and making sure children can only view approved content.

Visit our website for more on [Xooloo App Kids](#) or read more about BT's Infinity Lab in Creating accessible products and services, [page 24](#).

Connecting communities around the world

We are using our technology and expertise to connect communities around the world to the internet.



Why it matters

Around 4 billion people worldwide are still unconnected to the internet and more than 90% of them live in the developing world.

Using our infrastructure, skills and expertise to connect communities, we can help improve healthcare and education, create job opportunities – and enhance thousands of people's lives.

Working closely with business customers, private, public and third sector organisations on these projects helps enhance the BT brand in new and existing markets.

Our approach

We are putting in place the infrastructure needed to connect remote communities to the internet, focusing on the locations where our Global Services customers are growing their operations. We use our expertise to maximise the impact that technology can have on people's lives. We have helped healthcare centres in Africa to use information and communications technology (ICT) to deliver life-saving treatments more effectively.

We invest in ICT education for disadvantaged children in developing countries to help improve their life opportunities. By focusing on scalable e-learning programmes, we aim to increase our impact.

Progress in 2014/15

Helping communities in Africa benefit from the internet

Since 2012/13, we have connected 20 locations in nine African countries to the internet, via satellite, through our Connecting Africa programme. Using this connectivity, the charity SOS Children's Villages has been able to provide better education, healthcare and training to the children and carers it supports. To date, the programme has benefited around 73,000 people⁵. Some of these satellites also provided essential communications links for aid agencies and NGOs during the Ebola crisis (see case study overleaf for more). We plan to connect ten more SOS Children's Villages sites to the internet by the end of 2015/16, reaching over 45,000 people.

Building on this work, we launched the Connecting Africa Medical Centre programme, which is using ICT to help seven SOS Children's Villages medical centres improve the healthcare they provide to around 100,000 people.

In 2014/15, we held workshops with the charity's ICT and clinical staff and we are using this learning to develop an online healthcare management system. We also provided training to its ICT teams to make sure they can maintain the system after our support ends. A medical centre in Eldoret, Kenya, will start using the system in early 2015/16, and we aim for the six remaining medical centres to get access by January 2016.

We will apply learning from our pioneering social return on investment (SROI) methodology to measure the social impact of the Connecting Africa programme and help identify where to target future investment. Find out more about our SROI methodology on our [website](#).

Watch this video to find out more about [Connecting Africa](#).

“With BT's funding and the skills and expertise of their employees, we are setting up a new online management system at seven of our medical centres. This will make a significant difference to the quality of health services that SOS delivers through the medical centres and will improve the lives of thousands of people in Africa.

Through the Connecting Africa Programme, BT provided investment to SOS in order to connect 20 of our villages in remote areas using satellites. Their knowledge of how to get the most out of the technology, brings significant benefits to these SOS Children's Villages. This also helps us to run our operations more efficiently and lets us better co-ordinate the facilities we operate”

THOMAS RUBATSCHER
INTERNATIONAL DIRECTOR OF ICT, SOS
CHILDREN'S VILLAGES INTERNATIONAL

⁵ Reported 95,000 Connecting Africa programme beneficiaries in 2013/14. Restated as 73,000 in 2014/15 following a detailed impact assessment.

As well as using communications technology to improve health and education, we are also connecting businesses, public authorities and research centres in a wide range of remote locations. For example in:

- **Antarctica** – our powerful and secure data connection from a research station in Antarctica links to a control centre in Europe called Galileo, Europe's global navigation satellite system. This sends and receives accurate and reliable data that is used to support aeroplane navigation and rescue services;
- **Brazil** – our network of satellites, broadband and radio links enabled Brazilian bank, Caixa, to set up mobile banks. These travel on water and by road to provide essential banking services to people living in remote areas of the Amazon rainforest; and
- **South Africa** – we installed a heat resistant video-conferencing system so teenage orphans living in a township in Johannesburg could communicate with their mentors.

Innovation in digital education

Building on over 10 years of experience teaching practical ICT skills to children in India, we are increasing the scale of our e-learning programmes to enable thousands more young people to access quality education.

We fund the Katha Information Technology and E-Commerce School (KITES) to provide young people in Govindpuri, India, with high quality, ICT-based education. Around 20,000 young people have attended the school since it opened. This year, we have secured agreements with the Indian Government to expand the KITES programme into more schools. Watch our [video](#) for more on how we support young people through KITES.

In 2014/15, we also partnered with SOS Children's Villages to launch the Open Source Literacy Pilot, a project that will train 700 teachers in Nairobi, Kenya, and improve the literacy of around 22,500 children over two years.

Using learning from this pilot and our work with KITES, we plan to develop a model for effective ICT education that can be replicated at scale in other communities. ■

"Mobile broadband tremendously empowers Community Health Workers (CHWs) and Community Education Workers (CEWs) to provide vital social services in low-income communities. BT is hailed across Africa for its dynamic, innovative, and generous support of the 1 Million Community Health Worker Campaign to scale up the coverage of CHWs throughout rural Africa. Governments and communities throughout Africa appreciate BT's commitment to solving critical challenges such as access to health care through BT's cutting-edge technologies."

JEFF SACHS
DIRECTOR, THE EARTH INSTITUTE



Image: World Vision

BT's response to the Ebola Crisis

The outbreak of Ebola last year was one of the most widespread global epidemics in recent history.

As aid agencies and healthcare teams arrived, they urgently needed communication links to coordinate their efforts. As existing infrastructure was limited and many of the affected areas were in remote locations, these could have taken months to set up.

Using BT satellites already set up as part of our Connecting Africa programme in Bo and Makeni, Sierra Leone, we were able to connect the UN's World Food Programme and local NGOs to a reliable communications network, almost instantly. This allowed them to get on with the critical work of delivering life-saving healthcare services.

We extended the reach of the satellite signal and donated additional equipment including satellite phones and laptops providing connectivity for aid and healthcare workers at treatment centres.

We also donated thousands of hygiene kits, containing hand gel, masks and gloves. These were distributed to staff at hospitals and schools in the country's capital, Freetown, and surrounding areas.

See our Supporting charities and communities section for more information on [BT's Emergency Response Team](#).

BT and Coca-Cola provide wi-fi enabled vending machines in South Africa

This year, we partnered with Coca-Cola to bring free wi-fi to children and local businesses in rural South Africa.

By setting up wi-fi points on Coca-Cola vending machines in two busy areas, close to shops and schools, we are enabling students to access online educational resources. We also provided internet access to many local people as they go about their day-to-day activities.

Tackling child mortality in Africa

We are helping prevent two million children from dying each year through the One Million Community Health Workers campaign. We have partnered with organisations such as Glaxo Smith Kline (GSK) and Save the Children. We are providing communications technology to help health workers provide life-saving treatments to children and mothers living in rural communities across sub-Saharan Africa.

Find out more about the [One Million Community Health Workers campaign](#).



Our 2020 ambition

3:1

Help our customers reduce carbon emissions by at least 3 times the end-to-end carbon impact of our business

Result 2014/15

1.5:1

ACHIEVED

Delivering environmental benefits

31	Our 3:1 methodology	>
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34	Operations	>
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Our vision is to help society live within the constraints of our planet's resources through our products and people.

By 2020, our ambition is to help customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business.

We provide products and services such as audio and video conferencing that help people make better use of the planet's resources and meet our customers' needs.

To lead by example, we are reducing our own impacts and working with our suppliers to help them do the same.

This year we helped our customers reduce their carbon emissions by 1.5 times the end-to-end carbon impact of our business.

- Good progress towards our 80% reduction target. The carbon intensity of our business, which measures net global carbon emissions per £m of value added, was 79% below our 1996/97 levels.
- Reduced our worldwide operational net carbon emissions by 1.4%, compared to 2013/14.
- Decreased our worldwide energy use by 4.5%, compared to 2013/14.
- 98% of our UK waste was recovered or recycled, and we sent 931 tonnes of waste to landfill, a reduction of 34% from 2013/14. Worldwide, we have achieved 96% recovered or recycled waste in 2014/15.
- New water saving measures and proactive detection of leaks helped reduce our UK water use by 12% compared to the previous year; 1.14 million cubic metres from 1.29 million cubic metres.

Our 3:1 methodology

Our 3:1 methodology compares the carbon abatement effect of BT's products and services against our end-to-end carbon impact, comprising our Greenhouse Gas (GHG) Protocol Scope 1, 2 and 3 emissions. This includes our operational carbon footprint, the carbon associated with our supply chain and the use of our products and services by our customers.

In 2013, we launched our 3:1 ambition to help our customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business by 2020. This meant that we extended the boundary definition of our carbon footprint beyond just our own operations.

The carbon emissions from our operations represent 5% of our end-to-end impact while those associated with BT's supply chain account for 71% and use of BT's products and services by our customers account for 24%.

This year, we quantified 20 ways which we abate carbon emissions, and we continue to work with the Carbon Trust to develop our methodology.



Net Positive

We are part of the Net Positive movement, led by Forum for the Future, WWF UK and The Climate Group, which seeks to clarify, develop and drive adoption of the Net Positive concept.

We are already putting the concept into practice with our own 3:1 ambition for 2020, which aims

to show that communications technology can help society make better use of the planet's resources. Transparency and sharing is vital to advance the Net Positive movement, which is why we share our 3:1 methodology.

The following five new categories were added to the 3:1 methodology this year:

- copper cable recycling;
- BT Connect Payments online transactions;
- BT SafePay online transactions;
- TRIAD (use of BT generators to augment the UK national grid electricity supply during periods of peak demand); and
- BT Fleet engine remapping.

Find out more about how we are reducing customers' carbon emissions on [page 32](#).

Working with Small World Consulting and the Carbon Disclosure Project (CDP), we continued to assess the carbon footprint associated with our supply chain. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from the CDP and our Better Future Supplier Forum participants.

Progress in 2014/15

In 2014/15 our results were as follows:

- the ratio of the carbon abatement effect of BT's products and services compared to BT's end-to-end carbon footprint: 1.5 to 1, compared to 1.3 to 1 in 2013/14;
- these products and services generated £3.4bn in revenue, compared to £3.1bn in 2013/14; and
- supply chain Scope 3 emissions have risen by 4% since our estimate for 2013/14.

For more information on the social and environmental impacts in our supply chain, go to Managing our supply chain, [page 14](#).

For more information on our 3:1 methodology, visit our [website](#).

Reducing customers' carbon emissions

We invest in innovation to help our customers reduce their carbon emissions. This helps us achieve our 3:1 ambition and it is good for business, society and the planet too.

Why it matters

Climate change, energy price rises and resource scarcity pose increasingly serious risks to society. Our products and services can help customers reduce their carbon emissions, save money, and use fewer resources, for example through conferencing facilities that reduce the need for travel. BT serves some of the biggest companies in the world, so helping them reduce carbon emissions can have a global impact.

Our approach

As a responsible business, we consider sustainability in the design process. The [BT Design Checklist](#) helps us build sustainable design principles into our products, services and processes and helps us design ways to reduce waste from our products and services. We are researching new ways to create products from recycled materials, and to ensure materials are recyclable at the products' end of life.

We drive sustainable innovation among our key suppliers through the Better Future Supplier Forum (see Managing a sustainable supply chain, [page 14](#)).

Progress in 2014/15

We reduced customer carbon emissions by 1.5 times (7.1MtCO_{2e}) the total carbon impact of our business (4.6MtCO_{2e}), and we are on track to meet our 3:1 ambition in 2020.

R&D update – innovations that improve product sustainability

We have reviewed our research programme to identify projects and key themes with positive environmental and social outcomes. We are now looking for opportunities to enhance the benefits of these projects, particularly in the areas of smart cities and smart homes.

In 2014/15, BT became an affiliate partner in Climate-KIC, Europe's largest public-private innovation partnership working to address the challenge of climate change. Climate-KIC drives innovation through creative partnerships between the private, public and academic sectors at all scales. Our first project will use wireless sensor networks in cities to capture data like traffic and weather patterns, to inform sustainable innovation. The project is in collaboration with Select Innovations Limited, Pannon Pro Innovation Services Limited, the Municipality of the City of Budapest and Budapest University of Technology and Economics.

Future plans

We will continue to carry out internal research, collaborate with our suppliers, and work with others to investigate future trends in sustainable resource and manufacturing processes.

As cloud technology advances, we are exploring ways to move certain functions, like firewalls and analytics, to a virtual platform, also known as Network Function Virtualisation (NFV). We are working with industrial partners, including HP and Intel, to create new NFV solutions that will allow network services to run faster and more efficiently.

To find out more information on BT's environmental data please refer to our [download centre](#).



BT's Home Hub 5

The BT Home Hub 5 embodies a number of sustainability innovations. By integrating existing BT technology into one unit, customers no longer need a separate modem. Power consumption has reduced by 30% when BT Home Hub 5 is deployed with BT Infinity, saving approximately 13,000tCO_{2e} a year in the UK. And a power save mode means that less energy is consumed when the hub is not in use.

We've reduced the carbon impact of delivery too. Specially designed packaging means that the Home Hub 5 can fit through most letterboxes. More can be delivered first time, which is more convenient for customers and reduces delivery-related emissions. The new, slimmer router design needed clever

spring-loaded feet to enable this, which also made it stable on most surfaces.

The packaging is made from recycled cardboard, using soy-based inks in place of volatile petrochemical derivatives. Set-up instructions are printed inside the box, not on a separate leaflet, saving paper and printing with their associated environmental impacts. And there's no software to install from CD-ROMs, which would potentially end up in landfill.

Along with The Alloy, our Home Hub design supplier, we won the [DBA Design Effectiveness Gold and Grand Prix awards](#) for this work.

[Watch our video](#) for more on how we have made our Home Hub more sustainable.

“Proud as we are of our own record, doing less environmental damage is no longer enough. At BT we are moving beyond simply how we make our own business more resource-efficient, to really showing how our communication technology products, services and expertise can create a better future for our customers, suppliers and our planet.”

GAVIN PATTERSON
CHIEF EXECUTIVE, BT GROUP PLC



Transforming future cities

BT Global Services is a global leader in managed networked IT services. We serve the needs of more than 6,500 large corporate and public sector customers and manage the IT networks of some of the world's largest organisations, including public sector bodies in 24 countries.

BT Global Services delivers value to our customers by combining our products and services with industry-specific solutions and consulting expertise.

We are a major partner in the MK:Smart initiative, a flagship project in Milton Keynes to understand and apply the principles of smart cities. We are exploring ways to use the power of connectivity to create cities where

services like education, healthcare, mobility, and infrastructure benefit from IT solutions that help save energy, reduce waste, and cut costs.

Amongst a wide range of smart city projects, a successful pilot has deployed sensors from Deteq at the city's railway station to prove the feasibility of city-wide parking space optimisation. As well as giving real time data on parking availability, the sensors provide information about parking duration which can be used to adjust parking restrictions to meet majority customer needs. The prize from full deployment will be a capital saving of at least £105m, with reduced fuel use and vehicle emissions.



Helping small businesses cut costs and emissions

High-speed fibre broadband makes it easier for businesses to use cloud-based IT services like email, document storage and accounting. Doing this online instead of using physical alternatives or a central IT system helps businesses cut costs and carbon emissions. We now include access to cloud services in our methodology to support the 3:1 ambition (see page 31).

We are investing in improving our infrastructure and expertise.

For example, our business customers can now use products like BT Cloud Voice and BT One Phone to transfer their office phone systems to a single service, hosted in the Cloud and accessed via the internet. Customers need less equipment, fewer engineering visits, and are able to work more flexibly which we expect will reduce travel costs and emissions.

Operations

We want to lead by example, so we are making our own operations as sustainable and efficient as possible.

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35 Increasing energy efficiency	>
37 Refrigerant gases	>
37 Fuel storage	>
37 Water use	>
38 Waste and recycling	>
38 Adapting to climate change	>



Being a net positive contributor to the environment is not just about helping our customers and suppliers to reduce their carbon emissions. We have a responsibility to make our own operations as efficient and sustainable as possible.

We occupy around 6,350 properties in the UK and around 1,730 in the rest of the world, including offices, call centres, exchanges, data centres, engineering depots and motor transport workshops. We also run one of the largest vehicle fleets in the UK. We have replaced a large number of vehicles in BT Fleet which will improve reliability, reduce maintenance costs and deliver greater fuel efficiency. We are also trialling a number of more environmentally-friendly electric vehicles, mainly to support Openreach. Our own operations account for around 5% of the end-to-end carbon emissions of our business.

It is vital that we comply with environmental legislation, and monitor and improve our environmental performance.

We have specific goals addressing energy and carbon, fuel, emissions, waste, product stewardship, procurement and community impact.

Our environmental management systems in Belgium, Colombia, Germany, Ireland, Italy, the Netherlands, Spain, France and the UK are certified to the ISO14001 standard, which provides a recognised framework for managing and reporting our performance to senior leaders.

BT's environmental policy

Our aims, guiding principles and environmental commitments are laid out in our [Environmental Policy](#). It also covers our approach to stakeholder engagement, reporting and assurance.

We updated the policy in 2014/15 to align with our corporate purpose – to use the power of communications to make a better world. We have made big commitments and are making good progress towards our ambitious goals. It was important to update our Environmental Policy to

reflect this. It has now moved beyond a compliance-based approach, in order for the company to be more ambitious and forward-thinking in how we manage environmental impacts. This year we included a new guiding principle on climate change adaptation and business resilience.

The policy applies to the whole of BT Group. Ultimate responsibility for its implementation lies with Gavin Patterson, our Chief Executive. Environmental performance is reported monthly to audit and risk committees in each line of business. This feeds into a quarterly Operating Committee meeting, chaired by Gavin Patterson.

Many people across BT will use certain aspects of the policy in their daily work. We have committed to help them understand and implement the policy through the communication of objectives, action plans and achievements.

We will continue to look for opportunities to improve our policy, and have scheduled a formal review in January 2016.

Recognition for our climate performance

We are extremely proud of our work to reduce the environmental impact of our operations, and we are frequently recognised as leaders in this area.

- BT received an A grade for its climate performance in the CDP Climate Performance Leadership Index 2014. The index highlights 187 listed companies identified as demonstrating a superior approach to climate change mitigation and has been produced at the request of 767 investors who represent more than a third of the world's invested capital.
- Carbon Clear ranked us joint first on carbon reporting performance among FTSE 100 companies.
- We came 15th in Corporate Knights' Global 100 Most Sustainable Corporations in the World list. It ranks companies based on their sustainability performance, such as carbon and energy productivity, innovation capacity and diversity by comparing them against their same-industry peers.
- BT was awarded a Gold rating in 2014/15 by EcoVadis, a rating agency that evaluates environmental and social performance. We are among the top 2% of the 22,000 companies that completed the EcoVadis questionnaire, across 99 countries and representing 150 different sectors and subsectors. This helps us differentiate our business when bidding for contracts.

Reducing our carbon emissions

Over the past six years, we have achieved significant carbon emissions reductions. For example, we have sourced more renewable electricity, used more efficient vehicles as well as adapted conferencing systems and reduced our energy usage.

Why it matters

We help our customers and suppliers reduce their carbon emissions, and we want to put this into practice within BT. Carbon emissions from our operations represent 5% of our total end-to-end impact. While this is small in comparison to the emissions from our suppliers or when our products are in use, we must lead by example and take action in the areas we have greatest control.

Our approach

We aim to reduce our operational carbon emissions every year. We do this by sourcing renewable electricity, enabling more efficient transport and using our conferencing system to eliminate business travel.

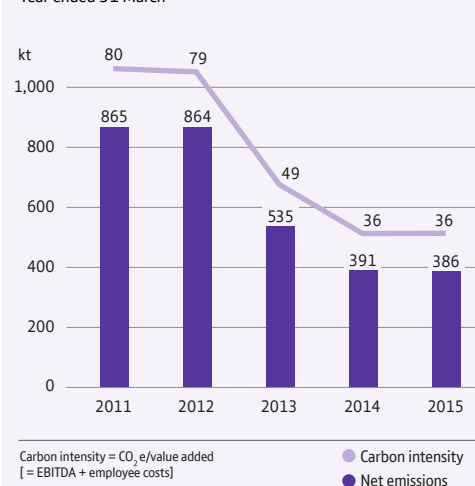
As well as sourcing 100% renewable electricity from the grid in the UK, buying it directly from solar and wind power generation plants through Power Purchase Agreements (PPAs) gives us more flexibility and control of our energy use.

Our goal to reduce the carbon intensity of our business by 80% can only be met if we insist on fully transparent Greenhouse Gas (GHG) emissions reporting. We have measured and reported Scope 3 emissions against all 15 GHG Protocol categories.

Business travel

We are reducing business travel to cut costs and carbon emissions. In 2014/15, emissions from global business travel were 56.2ktCO₂e, a reduction of 21.5% compared to the previous year.

BT's worldwide operational CO₂ equivalent emissions
Year ended 31 March



Our employees are encouraged to use web, video, and audio conferencing services to avoid travel whenever possible.

See our [download centre](#) for business travel data and charts.

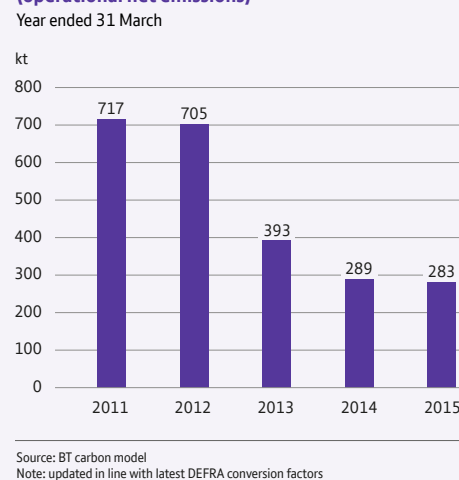
Progress in 2014/15

Our total net carbon emissions in the UK were 83% below our 1996/97 baseline, meeting our 80% reduction target, and representing the sixth consecutive year of net emissions reductions.

In 2014/15, our Scope 1 global carbon emissions (direct emissions) decreased by 1.7% compared to 2013/14, to 178.4ktCO₂e. This was due to improved control of our gas use.

Our Scope 2 global carbon net emissions (electricity purchased for our own use) increased by 3.7%, compared to 2013/14, to 64.7ktCO₂e. This was due to a restatement of our international renewable electricity figures.

CO₂ equivalent emissions – UK performance (operational net emissions)
Year ended 31 March



Our operational Scope 3 global carbon emissions (indirect emissions) decreased by 3.2%, compared to 2013/14, to 142.5ktCO₂e. This was primarily due to a reduction in business travel.

These reduction percentages are based on calculations using full actual figures which are not rounded. This explains any inconsistencies with figures published in [BT's Group plc Annual Report and Form 20- F 2015](#).

To find out more information on BT's environmental data please refer to our [download centre](#).

Increasing energy efficiency

Changing the way we manage energy use across our sites in the UK is making us more efficient as a business. Our employees are one of the driving forces behind this.

Why it matters

As one of the UK's top energy users, we have a responsibility to use energy efficiently. This enables us to reduce our carbon emissions and cut energy costs across the business.

Our approach

We monitor and regulate our energy consumption using our network of around 79,000 smart meters. Our central Energy Control Centre allows us to optimise energy efficiency across 3,850 of our sites by responding to operational needs, weather forecast information and the number of people in the building.

Our employees who design, produce and deliver our products and services can have a big impact on our energy use. We harness their creativity and expertise to improve our energy efficiency and encourage everyone to play their part in energy-saving initiatives through events, training and online tools.

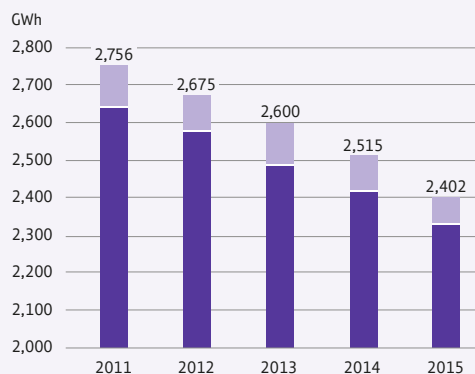
Our Energy and Environment Accredited Learning Pathway (ALP) is our internal professional development system aimed at employees interested in energy saving. The ALP's bronze, silver and gold levels provide professional recognition for different levels of knowledge.

Progress in 2014/15

We estimate our energy savings programme delivered a 3.2% reduction in consumption. Coupled with 1.3% one-off items this has resulted in a worldwide energy reduction of 4.5% since 2013/14.

Energy consumption (worldwide)

Year ended 31 March

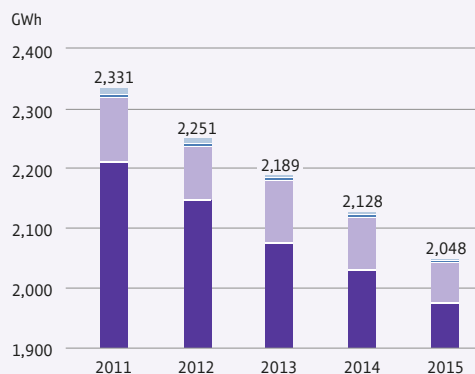


Source: BT TSO Energy & Environmental management system

Electricity
Gas and oil

Energy consumption (UK)

Year ended 31 March



Source: BT Energy management system
Figures exclude BT tenants
Heating energy converted to electricity
equivalent for comparison

Electricity
Gas
Heating oil
Electricity generated by BT

We have restated our worldwide energy consumption and GHG emission figures for previous years following improvements to our data. Previous estimates of energy usage have been updated with measured figures.

We have achieved year-on-year reductions since 2008, even as we extend our fibre-based network to bring fast and reliable internet to more people in the UK. We introduced a range of energy saving initiatives in 2014/15 to achieve this. For example, we:

- invested £12.5m in replacing traditional energy-intensive cooling units with 867 adiabatic cooling units at 157 BT network and data centre sites. They use 87% less energy, and have helped us reduce energy by 43,879MWh and emissions by 23,584tCO₂e.
- decommissioned 3,253 servers from our data centres, reducing energy use by 18 GWh.

Managing our energy use

We completed £26.4m of energy management projects in 2014/15 and we estimate this investment will save more than 48.4GWh in energy use.

We have restated our UK & Worldwide energy consumption numbers following improvements to our data collation processes going back to 2008. For instance we ran a successful project to align sub metered consumption to our tenants that had not been previously billed and reloaded metered data from our Meter Operator into our Integrated Energy Management System (IEMS).

Rolling out LED lighting

As part of our focus on improving the efficiency of our lighting systems, we installed 5,599 LED lights and 1,183 halogen lamp replacements.

We also installed microwave sensors to reduce the amount of time lighting is left on unnecessarily and conversion kits to make old systems compatible with energy-efficient lighting.

The project is expected to reduce annual consumption by 11.4GWh, equivalent to 6,135tCO₂e a year.

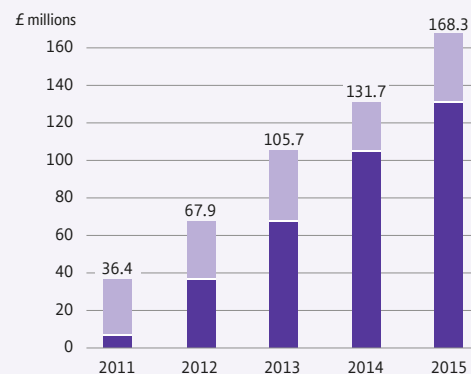
Engaging our employees

In 2014/15, our quarterly employee engagement survey indicated that 85% of our employees say that they take action to reduce BT's environmental impacts; for example, by limiting their energy consumption and disposing of waste properly.

Building on our significant efforts to engage our employees on sustainability, we recruited more

Cumulative energy savings

Year ended 31 March



Source: BT TSO finance

Additional in year

than 4,362 Energy and Environment Champions in 2014/15. This means nearly 20% of our UK employees have committed to help us save energy and encourage their colleagues to join the effort.

To drive wider engagement on sustainability, we publish stories and interviews with celebrities and senior management on our intranet. We also run competitions, on-site events and recognise employees who demonstrate exceptional commitment. We launched a new website that allows employees to interact, collaborate and share success stories about how they are reducing their environmental impacts.

Since 2008, our employee suggestion scheme has generated more than 278 ideas for how we can operate more sustainably. For example, we installed a solar array at our Adastral Park campus in May 2014 following a suggestion from one of our employees and it generated 18MWh of electricity by March 2015, saving 9.7tCO₂e.

Our online energy dashboard – which provides employees with information about their building's energy performance and allows them to compare it with other sites – received more than 10,500 visits in 2014/15.

We provide training on a range of environmental issues. In 2014/15, more than 930 employees passed Bronze level training of our Energy Accredited Learning Pathway (ALP) programme – where they learnt about BT's main environmental impacts, our approach to creating a circular economy, managing environmental risk and our ISO14001 certified environmental management system.

We are also developing a mandatory training programme for our engineers, covering our biggest environmental risks like waste, air emissions and fuel handling. From 2015/16, we will train 30,000 engineers across BT Technology, Service and Operations (BT TSO), Openreach, BT Fleet and BT Facilities Services.

**Transport**

Reliable and efficient transport is vital across BT. We aim to provide this in a way that minimises costs and carbon emissions. In September 2014, we won Green Van Fleet of the Year at the Fleet Van Awards for light commercial vehicles.

In 2014/15 as part of our substantial investment in commercial fleet – the vehicles our engineers use to build and maintain our operations, we replaced 11% with more energy-efficient vehicles that use low-carbon engine technology. The resultant savings are estimated to be 2,334tCO₂e annually. In December 2014, we began a six-month trial of ten electric

vehicles across the business to find out how much they will save us on fuel costs and whether they are reliable enough in adverse weather conditions.

We are also encouraging our drivers to adopt behaviours that help reduce their vehicles' carbon emissions. In 2014/15, almost 90 of our Openreach drivers took part in The Better Future Driver competition to learn about fuel efficient driving practices. The over-arching objectives of the competition are to encourage Openreach driver participation in more efficient driving techniques, fuel-saving and emission control. The competition is a way to get our drivers involved in our programmes. The winner of the competition goes on to represent BT in a national competition.

The BT Fuelsave programme uses engine remapping to make our vehicles run more efficiently. By making changes to the engine control unit, we can make the engine operate as efficiently as possible for each type of journey. Improvements are made within the motor manufacturer's emission and/or power tolerances and do not affect warranty. This results in lower carbon output and lower hydro-carbons and nitrous oxides. It is currently installed in over 22,000 of our commercial vehicles, and in 2014/15 we began rolling this out to BT Fleet customers.

Future plans

We have set a new target to improve the fuel efficiency of our fleet by 20% by 2020 against a 2011/12 baseline. This will bring significant environmental and financial benefits to our business. To achieve this we plan to invest £50m in a further 3,237 new lower emission vehicles in 2015/16.

We will continue to encourage more sustainable driving behaviour, and by reducing the weight of the racking system used to store and carry equipment inside the vehicles, we anticipate reducing annual fuel use in new vehicles by a further 0.7%.



Biodiversity

Our new wormery at Adastral Park, installed in December 2014, means we transport less waste to landfill, reducing road miles and carbon emissions. The worms eat up to 20kg of organic waste every day, turning it into compost that we use onsite. We also support biodiversity by helping to create nature reserves, meadows and ponds at various BT sites.

Refrigerant gases

Some of the equipment we use to cool our network and data centres use potent greenhouse gases (GHG).

Since 2013, we have replaced 1,602 refrigerant cooling systems with 867 adiabatic cooling units, which are more energy efficient and use water to cool air, instead of CFCs. Improved technology means that adiabatic and fresh air units can provide the required cooling capacity during hot periods, and more than a half of our sites now use these systems.

Find out more about how we are reducing our energy use across our operations on [page 35](#).

Fuel storage

Fuel is stored across our sites for use in heating, vehicles and standby generators. To minimise the risk of leaks, we continue to replace our underground and above ground fuel tanks in high-risk locations with industry standard double skinned tanks.

We had no major leaks in 2014/15.

And moving forward we will conduct environmental assessments at BT network buildings in England and Wales during 2015/16, to identify sites where the impact of spillage remains high.

To find out more information on BT's environmental data please refer to our [download centre](#).

Water use

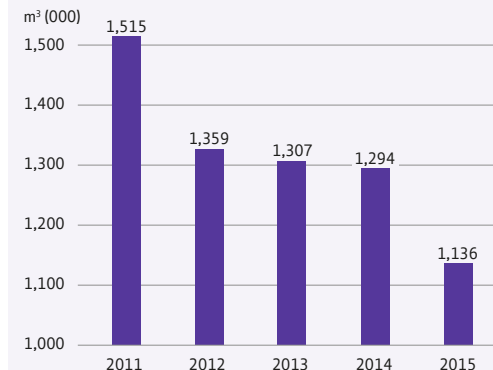
In 2014/15, new water saving measures and proactive detection of leaks helped reduce our UK water use by 12% compared to the previous year; 1.14 million cubic metres from 1.29 million cubic metres. Most of the water used in BT was used in bathrooms and catering facilities at our offices. We also use water to cool equipment at our offices and telephone exchanges.

We also began a programme to install water meters at the BT sites that account for half of our total water use in the UK. The new water meters provide half-hourly water measurements, giving us a more accurate understanding of how we use water, and helping us spot leaks more quickly. We estimate this will help us cut water use by 2% by the end of 2015/16.

See our [download centre](#) for detailed water use data.

Water use (UK only)

Year ended 31 March



Source: Invoices (not weather connected)
Figures reflect all BT sites in the UK
Current year includes estimate, all previous years adjusted

Waste and recycling

We are exploring ways to turn waste into a resource and make recycling easier and more effective.

Why it matters

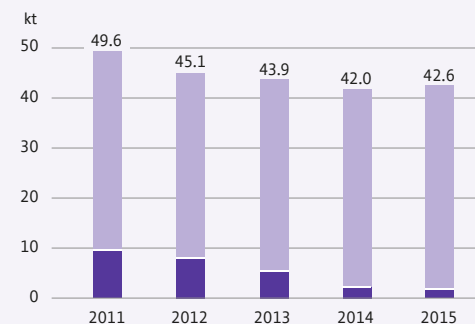
We want to make our business as efficient as possible. By minimising our use of materials we can conserve precious natural resources, help to protect the supply of raw materials we need to make our products and reduce waste disposal costs.

Our approach

We aim to reduce the amount of materials we use in our operations, and reuse rather than dispose. Many of our waste materials can be turned into resources and redirected back into the supply chain. We are exploring ways to bring circular economy principles to BT through our own Research and Development (R&D) and by collaborating with other stakeholders. We encourage our suppliers to do the same through our Better Future Supplier Forum ([see page 15](#)).

Waste arising and management (BT facilities worldwide)

Year ended 31 March



Source: BT facilities management

Note: For non-UK waste data we assume a 40%/60% split of recycled/landfilled unless actual data is available

Landfill
Recycled

We recycle materials that we cannot reuse such as cables, network equipment, wood, paper and cardboard. For hazardous waste materials such as batteries, fluorescent light tubes and oil, we use specialist contractors who ensure the waste is recycled and managed according to legislation. Around 2,000 of our sites produce more than 500kg of hazardous waste a year, and are registered with the appropriate UK environmental authority.

Progress in 2014/15

We are making good progress towards our UK target to send zero waste directly to landfill by the end of 2015/16¹. During this year, 98% of our UK waste was recovered or recycled, and we sent 931 tonnes of waste to landfill, a reduction of 34% from 2013/14.

Worldwide we have achieved 96% recovered or recycled waste in 2014/15.



Better employee engagement has contributed to increasing our recycling rates. This year, we held 'Slam Dunk Junk' events to encourage people to dispose of their waste in the correct bins. These messages are reinforced by our internal 'What waste where' website and new signs on rubbish bins.

¹ Excludes waste from non-business as usual major projects, asbestos, and from a small number of remote sites based on an assessment under the Waste (England and Wales) Regulations 2011.

Adapting to climate change

We are addressing risks caused by severe weather and have updated our Environmental Policy to reflect this.

Why it matters

Severe weather caused by climate change is one of the risks that affects our infrastructure. It can affect our ability to provide uninterrupted customer service keeping communities connected to the internet and telephone lines.

Our approach

We apply the precautionary principle to our climate change adaptation activities: uncertainty about future climate impacts does not prevent us from aiming to address the risk.

This year, it was important to update our environmental policy to include a new guiding principle on climate change adaptation and business resilience.

The BT Civil Resilience team ensures that BT complies with civil resilience related legal and regulatory requirements, and supports emergency services, government organisations and other utilities to prepare for and respond to major incidents and emergencies, including severe weather events. The team also requests assistance from emergency services if we need urgent help to protect our own networks. For example, in February 2014, our team saved a BT exchange from flooding, avoiding loss of service to around 6,000 customers in Chalfont St Giles, Buckinghamshire.

Progress in 2014/15

We recruited 2,500 new engineers last year to implement our network resilience work and continue our rollout of fibre-based broadband.

BT's specific climate change adaptation initiative, Project Summer, was completed in October



2014. It uses a tool based on the UK Met Office's five day forecasts to predict when and where high temperatures could lead to service interruptions at over 5,500 of BT's exchanges. This enabled engineers to carry out preventative maintenance work at high-risk sites. We have kicked off another initiative, Project Storm, which is now applying what we learned to extreme winter weather conditions.

To find out more information on BT's environmental data please refer to our [download centre](#).

Influencing policy and engaging stakeholders

We have a responsibility to speak up for policies we believe in, such as decarbonisation. Progress will bring innovation and business opportunities, but inadequate action poses risks to society and the environment.

Why it matters

We are working with policymakers and external stakeholders to accelerate the move towards a low-carbon economy. It presents an opportunity for innovation and growth, and will reduce the risk of serious climate change impacts. We are showing leadership among global businesses that share this view, to ensure the voice of progressive business is heard.

A stable regulatory framework that provides the right incentives for businesses to decarbonise will be good for our business in the medium to long-term, because it will stimulate competition and create demand for our low-carbon products.

Our approach

We are supporting the transition to a low-carbon economy by encouraging policy makers to put a price on carbon, promote renewables and agree a global deal on climate action.

We do this by engaging with non-governmental organisations (membership and trade bodies), and governments. For example, we hold regular meetings with policymakers to highlight our sustainability commitments and support for progressive legislation in this area. We focus on the UK and EU because this is where most of our business is based.

We are transparent about the way we influence policy and conduct our business because we want to be a trusted voice in the environmental debate.

Progress in 2014/15

Direct engagement with policymakers

In 2014/15, we met with representatives from the UK Department of Energy and Climate Change (DECC) to discuss support for the EU's 2030 climate targets and



reform of the EU Emissions Trading System. We participated in the #BackClimateAction tweetathon, hosted by the former UK Minister for Energy and Climate Change, Ed Davey.

We held meetings with EU departments, or Directorate-Generals (DGs), responsible for climate action, communications networks, energy and enterprise. These introductory meetings focused on smart cities, renewable energy and our activities in advocating action on climate change.

Climate Week NYC

We sponsored and played an active role in Climate Week NYC, held in New York, USA, in September 2014 in parallel to the United Nations (UN) Climate Summit. Our Chief Sustainability Officer, Niall Dunne, spoke at a number of events whose attendees included UN Secretary-General Ban Ki-Moon, US Secretary of State John Kerry, and World Bank Director Dr. Jim Yong Kim. Niall spoke about the role of innovation in tackling climate change, and the power of the millennial generation to embrace sustainability.

During Climate Week we announced our commitment to We Mean Business and RE100, two newly launched business coalitions to mobilise action on climate change and encourage uptake of renewable energy.

We Mean Business has developed a series of commitments to encourage business leadership on climate change (see below). Our work already addresses some of these commitments, and we will use our influence to encourage other businesses to join us.

- **Commit to adopt a science-based GHG emissions reduction target** – We are part of a working group that is developing targets to limit global warming to below 2°C.
- **Commit to procure 100% of electricity from renewable sources** – We already use 100% renewable electricity in the UK, and aim to expand our use of renewable electricity in other countries.
- **Commit to provide climate change information in mainstream corporate reports** – Building on our long history of measuring and reporting our carbon footprint, we will continue to report climate change information in our corporate reports. See our [download centre](#) for more information.
- **Commit to engage responsibly in climate policy** – We continue to hold discussions with policymakers and advocate for decarbonisation policies.
- **Commit to put a price on carbon** – We include an internal cost of carbon per tonne in our investment decisions.

“In 2014 I’ve seen a real growth in BT’s determination to work constructively to achieve change with parts of the UK Government and European Commission. And I have no doubt that BT will continue to be a strong positive business voice on climate and sustainability, particularly in the run up to key moments like the UN climate negotiations in Paris at the end of the year.”

ELIOT WHITTINGTON
DEPUTY DIRECTOR OF THE
CORPORATE LEADERS GROUP

Electricity Label	kgCO ₂ e/ MWh	MWh Supplied	CO ₂ Emissions (tonnes)	Example Technology
A	0–20	950,000	0	Hydro, Nuclear, Solar, Wind (on/offshore)
B	20–100	–	–	Biomass, CCGT with CCS
C	101–250	450,000	90,000	ASC with CCS, Gas CHP
D	251–450	1,275,000	510,000	IGCC, CCGT
E	451–600	–	–	Gas OCGT
F	601–800	–	–	ASC
G	801+	–	–	Existing coal
Total Electricity CO ₂	225	2,675,000	600,000	

“Enable the Label - The case for electricity labelling in the UK” – Aldersgate Group, July 2014

“While BT has supported the Aldersgate Group by championing progressive environmental policy, we want to see them do even more in this critical year on the circular economy and transport initiatives.”

NICK MOLHO
DIRECTOR OF THE ALDERSGATE GROUP

Working with other organisations

We are a member of, and provide funding to, a number of NGOs and trade associations.

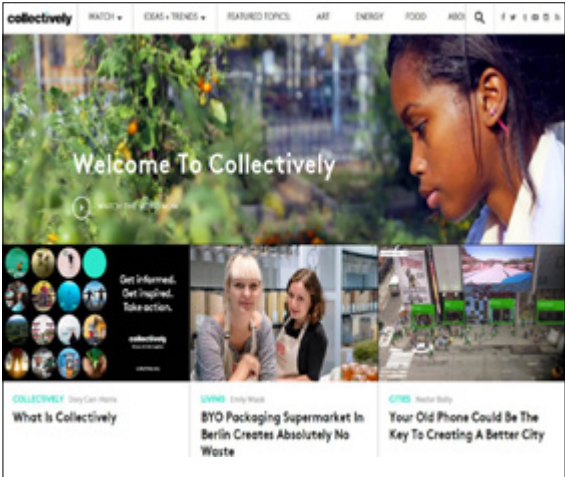
- **Aldersgate Group:** We sit on the steering board of this alliance of leaders from business, politics and civil society. In 2014/15, we advocated the widespread use of carbon labels. Please refer to the carbon label example. This makes the carbon content of electricity more transparent, and encourage investment in renewable energy.
- **Confederation of British Industry (CBI) Energy and Climate Change Board:** John Petter, chief executive of BT Consumer, is one of 18 business leaders on this board who are working together to tackle the UK’s triple challenges of energy security, affordability and decarbonisation.
- **Corporate Leaders Group (CLG):** The CLG brings together global business leaders from across the sectors to promote urgent action on climate policy. In 2014/15, we signed up to the CLG’s Trillion Tonne Communique, a call for

governments to take action to limit global carbon emissions to a trillion tonnes. We also signed CLG letters in support of the UK’s Fourth Carbon Budget and EU 2030 climate and energy goals.

- **Global e-Sustainability Initiative (GeSI):** We are a Board Member of GeSI, an industry collaboration of global companies working to incorporate ICT into policy discussions on climate change, human rights and sustainability. We also chair GeSI’s Committee on Climate Change, which focuses on research projects that demonstrate the carbon abatement impact of ICT services. As part of this, BT coordinated a follow-on report to the previous SMART2020 and SMARTer2020 reports, to be launched by GeSI in summer 2015.
- **World Business Council for Sustainable Development:** We are members of this CEO-led organisation of forward-thinking companies that galvanises the global business community to create a sustainable future for business, society and the environment.

Future plans

We will continue to advocate urgent climate action, particularly in the run-up to the UN’s 21st Conference of the Parties on climate change in Paris. We would like to see a global agreement on climate action. ■



Picture courtesy of Collectively

Collectively

We are one of five founding partners of Collectively, a global non-profit digital platform, designed to inspire and empower young people to embrace sustainable ways of living. Niall Dunne, our Chief Sustainability Officer, is a director of the organisation.

See www.collectively.org

“We need to get beyond the concept that progressive climate change policy is bad for business: it can be a huge driver of innovation and create opportunities for growth and prosperity.”

NIALL DUNNE
CHIEF SUSTAINABILITY OFFICER AT BT



Our 2020 Ambition

Use our skills and technology to generate £1bn for good causes by 2020

Result 2014/15

£83.7m*

Cumulative £231.35m

*This represents a 17% increase YoY when excluding contributions from DEC appeals. Result restated 2013/1: £86.8m. Cumulative £147.62m.

Supporting charities and communities

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Our aim is to help improve hundreds of millions of lives globally through our products and people.

We provide our technology, time and expertise to help thousands of charities fundraise and operate more efficiently – so they can help millions of people around the world.

We also encourage our people to make a difference. Volunteering is part of the BT culture and makes our employees proud to work for us. We work with other businesses and charities to promote the value of workplace volunteering and get more organisations sharing their people’s skills.

We are getting our customers involved too. BT Sport customers are able to sign up to donate to The Supporters Club, so that we can raise funds to support charities and sports foundations worldwide.

- Read more about our 2020 ambition on our [website](#).
- Raised £83.73m for good causes, making progress towards our goal to generate more than £1bn for good causes by 2020.
 - Used our MyDonate platform to help our strategic charity partners raise over £28m.
 - Mobilised teams from across the business to respond to the Ebola crisis, helping to raise over £6.5m and providing satellite connectivity that benefited people working in local non-governmental organisations and health centres.
 - More than 26% of our employees volunteered 53,000 days of their time to support good causes in the UK.
 - Raised over £1.75m through The Supporters Club and provided grants to 26 charities globally.

Working with our strategic charity partners

We help our charity partners to raise millions of pounds for good causes around the world.

Why it matters

Our strategic charity partners help millions of people in the UK and worldwide, while tackling some of society's greatest challenges. It is vital that they raise funds so they can continue to reach more people in need.

In an increasingly competitive space for charities and good causes, our communications technology can help our partners fundraise quickly and run more efficiently, so they can focus on what they do best.

Our approach

We support four strategic charity partners: NSPCC ChildLine; BBC Children in Need; Comic Relief; and the Disasters Emergency Committee (DEC). For decades we have provided our technology, people and skills, free of charge, to help make their fundraising appeals as successful as possible.

We are strengthening our relationships to enhance the value that our partnerships bring them, and us. For example, by enabling our employees to raise money and volunteer their time to support our



major partners, we help to create a more fulfilled and motivated workforce. The money we help these charities raise is also key to achieving our ambition of generating more than £1bn for good causes by 2020. Find out more about how we support our four charity partners on our [website](#).

Progress in 2014/15

NSPCC ChildLine

For over 25 years we have supported NSPCC ChildLine, the UK-based charity that provides support to millions of children on issues such as bullying and abuse. We help the charity get the most out of the internet and mobile communications that children and young people use to connect with the charity.

In November 2014, we organised and hosted the seventh annual Child Helpline International conference in the UK. This

brought together members and experts to share knowledge and provide training on how to deal with child protection issues.

We also provided a call centre to support the NSPCC ChildLine 'Letter from Santa' fundraising campaign. BT volunteers answered 4,583 calls, helping to raise more than £40,000. Find out more about how we supported the 'Letter from Santa' campaign on our [BT website](#).

BBC Children in Need

Our employees and technology have supported the BBC Children in Need telethon for over 30 years. Children in Need raised nearly £10m using MyDonate during its annual appeal. We also linked other businesses to our network, enabling them to fundraise more effectively. Read more about how we support other businesses to fundraise in Supporting charities with our products and services, [page 43](#).

"BT's service is critical to all our fundraising – but especially to the BBC Children in Need Appeal Show in November 2014. They provided technical support that helped us deal with around 200,000 calls, and over 500 employees volunteered to answer calls in BT call centres across the country. Using the BT MyDonate online platform we also received around 90,000 donations via our website. We really would not have been able to deliver such a successful appeal without them."

KERRY HOWARD
OPERATIONS OFFICER,
BBC CHILDREN IN NEED

Comic Relief

We have worked with Comic Relief since 1988, helping the charity support thousands of projects worldwide. Every year we back their fundraising appeals through our technology and volunteers (see case study).

Disaster Emergency Committee

Read how we are supporting our fourth charity partner, the Disaster Emergency Committee in Responding to international disasters, [page 44](#).



BT supports a record-breaking Red Nose Day 2015

Red Nose Day in March 2015 was a record-breaker. The appeal made over £78m, the most ever raised in one night – with our MyDonate platform processing around £7.6m. This means Comic Relief has raised a massive £1bn since the charity began 30 years ago. BT employees also got involved – from posting selfies on our intranet to dance off competitions, over 1,280 'fun'-raisers helped to raise more than £150,000 and make Red Nose Day a truly memorable event.

See www.comicrelief.com

Supporting charities with our products and services

We provide services and technology to help charities fundraise and run themselves more efficiently.

Why it matters

With so many charities working in an increasingly crowded sector, it can be hard for them to get noticed and raise much needed funds. Innovative technology, skills and expertise can help them reach more audiences and fundraise more effectively. Our services for charities enable them to save time and money.

By providing our technology and people to support fundraising efforts we can demonstrate our technical capabilities to our stakeholders. And the money we help raise is driving us towards our ambition to generate more than £1bn for good causes by 2020.

Our approach

BT has a strong tradition of charity fundraising and supporting communities. We have brought together the various products and services we offer to create a single portfolio. This is designed to meet the needs of the voluntary sector, so they can focus on helping the people who rely on their services. We have three main offerings: fundraising and telethons support; specialist products and services to help keep charities' costs down; and sharing our people's skills to help charities run more efficiently.

Progress in 2014/15

Helping charities to fundraise

BT's MyDonate services include a platform that enables charities to run telethons, and a free online fundraising platform for organisations and individuals. As part of MyDonate, charities benefit from secure online payment processing, call centre management and expertise from our technical teams to help them raise money as effectively as possible.

"BT's support was invaluable to the success of our Stand Up to Cancer campaign in October 2014. From the technical expertise they provided in the planning phase, to the 400 employees who volunteered to take calls on the night, they put a great deal of time into the campaign. We simply wouldn't have been able to raise over £15.5m without their help."

EMMA BOLTON
SENIOR MANAGER, CORPORATE PARTNERSHIPS, CANCER RESEARCH UK



This year, our MyDonate for Telethons and Appeals platforms enabled:

- **UNICEF's 2014 Soccer Aid Telethon** to raise over £547,000.
- **Cancer Research UK's Stand Up to Cancer telethon** – to raise over £760,000.
- **Band Aid 30** to raise over £127,000
- **ITV's Christmas Text Santa appeal** to generate over £519,000.

In 2014/15 1,625 more charities used MyDonate for Fundraising to raise money. More than 20,400 new fundraising pages

were created, and the service helped raise over £21.4m in total – an increase of 30% on 2013/14. We also extended the benefits of MyDonate for Fundraising to corporate customers and partners. For example, we helped British Airways set up their own MyDonate pages, to help their employees across the world raise money for Children in Need.

We offer charities registered with MyDonate the opportunity to raise money by auctioning off seats at the BT Tower Dining Club – an exclusive bi-monthly dinner experience. During the year, this helped raise more than £470,000 for charities, including nearly £140,000 for #GivingTuesday – a movement that encourages the UK public to support good causes.

Low cost products and services

Using BT Community Web Kit, our self-build website tool, charities and non-profit community groups can get a web address, hosting platform and technical support to develop a website, free of charge. In 2014/15, we hosted over 9,500 websites – a 7% increase since 2013/14. Build your own website by visiting [BT Community Web Kit](#).

The BT Charities Club is a telecommunications package that provides reduced call rates and technical support to charities so they can keep their costs low. Over 500 charities signed up for this service in 2014/15, 6% more than last year.

Sharing our skills

In 2014/15, teams of BT volunteers gave 25 charities free advice on the technical challenges they face, and provided them with helpers on manual projects, through BT Troubleshooters. Read more about BT Troubleshooters in Volunteering, [page 46](#) or find out how

In 2014/15, our employees donated £2.8m through BT's award-winning payroll giving scheme, Give As You Earn (GAYE) to over 10,000 charities¹

[BT Troubleshooters and BT Community Challenge](#) could help your charity.

Employee fundraising

We encourage our employees to raise money for good causes through physical challenges. For example, this year, 15 employees cycled over 205 miles from BT offices in Paris to London to raise over 18,000 Euros for two French children's charities. Find out more about [BT France Bike Ride](#) on our website.

We also launched Fit for Life, our employee wellbeing programme which encourages employees to raise money for good causes while doing physical challenges. Read more about Fit for Life in Promoting employee wellbeing, [page 20](#).

¹ We report for donations made the previous financial year (2013/14)

Responding to international disasters

When disasters strike, we help charities fundraise and provide our expertise to save lives and rebuild communities.



Why it matters

Over 226 million people are affected by natural and man-made disasters each year¹. They can occur in any place, at any time, but often have a worse impact in the developing world where countries lack the resources to predict and respond to crises. Communications technology and on-the-ground support are vital in coordinating immediate relief efforts. Longer-term, communication links help reunite families and enable communities to start rebuilding their lives.

¹ www.unesco.org

Our approach

We use our MyDonate platform to help the Disasters Emergency Committee (DEC) raise money. Using BT technology to launch fundraising appeals and process thousands of transactions securely, DEC can provide aid rapidly in the wake of a disaster.

Our Emergency Response Team (ERT), made up of highly skilled BT engineers, provides on-the-ground support, as well as remote advice to restore communications when needed in the UK and around the world. Read more about our approach to disaster response on our [website](#).

Performance in 2014/15

Supporting DEC's Ebola and Gaza appeals

We used technology and expertise from across the business to respond to the Ebola crisis. We helped DEC launch their appeal quickly and efficiently and processed over £6.5m on BT's MyDonate for Telethons and Appeals platform. We also set up the Band Aid 30 donations website, helping to generate a further £127,000 for their Ebola appeal. Read more on how BT joined forces with Band Aid on our [website](#).

BT teams trained aid agencies, NGOs and healthcare workers to get the most out of the ICT equipment we donated, so they could communicate and work more

efficiently. Read more about how we responded to the Ebola crisis in Connecting communities around the world, [page 28](#).

In August 2014, we also supported DEC's Gaza appeal. Our MyDonate platform helped DEC raise £3.9m, which was used to provide sanitation, food and shelter to some of the 1.5 million people left in need after the crisis. Find out more about how we supported the Gaza appeal on our [website](#).

We supported a total of four DEC appeals during this year:

- **Philippines typhoon appeal** – raising over £49,000 in the first two months of the year and a total of £22.4m over the life of the appeal;
- **Syria appeal** – raising over £203,000;
- **Gaza appeal** – raising over £3.9m; and
- **Ebola crisis appeal** – raising over £6.5m.

Find out more about these appeals on [DEC's website](#).

Emergency response in Vanuatu

On the 13th March Cyclone Pam struck the islands of Vanuatu. Our ERT were on the ground on 30th March ready to install VSAT Satellite equipment. This equipment is currently providing the data communication to the islands provincial centres, as well as wi-fi internet access to NGOs on the island.



Changing young lives through sport

The Supporters Club aims to build a better world by bringing people together through sport.



Our performance

- Improved skills and opportunities to gain employment – 2,900 young people.
- Improved enrolment and achievement in school – 292 young people.
- Reduced levels of exploitation and abuse – 222 young people.
- Improved health and wellbeing – 12,100 young people.

Why it matters

Exploitation, abuse and exclusion from education – these are just some of the incredibly tough challenges that millions of young people around the world face every day. Complex problems like these need inspiring solutions, and through The Supporters Club, we use sport to help change lives.

Our approach

BT Sport broadcasts premium sports content on three sports channels. The Supporters Club is at the heart of this service to our customers.

Working together with our long-standing charity partner, Comic Relief, grants are awarded to support charities and community sports foundations to use sport as a vehicle for changing young people's lives. At least 50% of the grants we award are to UK-based projects, and the rest to projects in Brazil, India and sub-Saharan Africa.

Read more about how we deliver the programme on our [Supporters Club website](#).

Progress in 2014/15

We raised over £1.75m in 2014/15, bringing the total raised since we launched The Supporters Club in July 2013 to £3.9m. The majority of this came from its 95,000 members, and the rest was £1.5m start-up funding from BT in 2013/14. Since the launch we have given grants totalling £2.8m to 27 charitable programmes, of which 17 are in the UK and ten are international.

Increasing our customers' sense of connection with The Supporters Club, and increasing donations, was a key priority in 2014/15. To motivate more people to get involved, we showed short films about how The Supporters Club is making

a difference as part of our coverage of live sporting events, reaching over 400,000 viewers. We also showed six documentaries about the projects we support, including Manchester City's One City programme.

Read case studies about the projects we are funding on our [Supporters Club website](#).

By collaborating with key BT Sport partners, such as the Premier League, Premiership Rugby and the National Basketball Association (NBA), we are making the most of our high profile connections:

- Through our match-funding partnership with the Premier League, we provided grants of £376,467 to help the Arsenal, Everton, Manchester City, Newcastle and Tottenham Hotspur Foundations deliver projects that aim to improve the lives of young people through sport.
- We are providing two grants worth a total of £250,750 to fund 'Something to Chew On' – Premiership Rugby's programme that helps young people learn about food, nutrition and getting active as part of a healthy and balanced lifestyle.
- Building on our relationship with the NBA, we are supporting Greenhouse Sports to use basketball to engage young people who are not in school, or under achieving in school to improve their health and wellbeing, build confidence and self-esteem, and improve enrolment and achievement in school.

Future plans

We aim to generate over £6m through donations by March 2016. To do this, we will continue to engage BT Sport customers by broadcasting more information on The Supporters Club on BT Sport.

We are also exploring opportunities for our customers and employees to volunteer

BT supports City in the Community

The Supporters Club funds the [City in the Community's \(CITC\) One City programme](#) – an initiative that uses football to support 1,000 young disabled people in Manchester, UK.

It trains ten disabled volunteers each year to be football coaches. And it provides work placements to five young people to develop the skills they need to get a job.

Tom, who has cerebral palsy, has been part of the CITC for around six years. He describes the impact this programme has had on his life:

"Through City in the Community I was able to get the qualifications I needed to get an apprenticeship as a paid coach – helping me to pay for college. My fitness has improved, which has helped my condition, and I've also made lots of good friends. Recently, I got offered a work-placement on the One City programme, where I am getting a taster of what it's like to have a real job."



and contribute to The Supporters Club. For example, we have been piloting a new scheme with the Premier League called Supporters United, which aims to change the match day routines of fans to include volunteering before a game. We piloted this with the Tottenham Hotspur

Foundation in December 2014, and plan to roll it out to more Premier League and Premiership Rugby clubs in 2015/16.

Volunteering our skills and time

For many years our people have given their time and skills to support good causes around the world. It makes them proud to work for BT.

Our 2020 Ambition

Inspire over two-thirds (66%) of BT people to volunteer by 2020

Result 2014/15

26%

Why it matters

Our 88,500 employees in the UK and around the world have a lot of expertise and knowledge. We want the communities where we operate to benefit from our capabilities as one of the world's leading telecommunications companies. Applying these skills to support good causes helps motivate our people, attract the best talent, and creates opportunities for learning new skills.

Our approach

All employees can use up to three days a year of work time to volunteer for community initiatives, including our managers and senior leaders. To encourage our senior leaders to volunteer, and inspire others to, we set them volunteering objectives as part of how we assess their performance. We aim for more than two-thirds of our people to take part in volunteering by 2020.

We recognise outstanding contributions to volunteering through the BT People Awards and the BT Chairman's Awards. MyProfile – our internal social media channel – is an important part of how we communicate volunteering opportunities to our people.

We share our expertise in running employee volunteering schemes with other companies by providing training and speaking at events.

By showing leadership in these areas we believe we can help grow the UK's volunteering community, and at the same time learn about effective ways of engaging employees in volunteering from our peers.

Progress in 2014/15

Our people gave 53,000 days of their time to volunteer, providing in-kind support worth over £16.6m to charities and other

non-profit organisations. Around 26% of our employees volunteered, up from 16% in 2013/14. This included around 400 senior managers, around one quarter of whom spent at least one day volunteering in roles that made the most of their skills – for example, mentoring unemployed adults who want to start their own businesses.

In 2014/15, we developed a range of micro-volunteering opportunities to enable more employees to contribute to good causes, even if they are not able to commit a lot of time (see feature).

Our employees continued to use their skills and expertise to support charities and local community groups. For example, in 2014/15:

- Around 180 BT people supported the charity Join In, providing business advice to help local sports clubs run more effectively, and assessing their volunteering needs to help them recruit more volunteers.
- Over 360 employees took part in BT Troubleshooters, helping 25 charities such as NSPCC Childline and Cancer Research UK to solve practical and business challenges.
- Around 3,300 volunteers helped 278 charities tackle a range of organisational problems through the BT Community Challenges programme.
- More than 820 BT people served as school governors and around 90 as special constables for their local communities.

We also challenged representatives from charities, businesses and voluntary groups to come up with practical ideas about how to improve voluntary skills-sharing at our event on workplace volunteering at the BT Tower. We plan to include these ideas as we develop our campaign to promote the value of workplace volunteering more widely.



Getting more people involved in volunteering

No matter how small, every action helps – so we have begun to develop micro-volunteering opportunities to help more BT employees get involved. In 2014/15, these included:

Dementia Friends Champion Group

As part of this initiative by the Alzheimer's Society, we trained more than 10,200 employees to better understand dementia so they can provide support to our customers who suffer from this condition.

Stay safe online

Nearly 900 employees completed a training course in online child safety and 593 have pledged to share this knowledge with family, friends and their community.

We plan to develop more micro-volunteering opportunities to enable even more BT people to contribute to communities, and help us achieve our target of two-thirds employee participation in volunteering by 2020.

Find out how BT volunteers are supporting other good causes in Helping our customers stay safe online, [page 27](#) and Championing skills for employment, [page 22](#). ■

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About our reporting

Our 'Delivering our purpose – update on our progress in 2014/15' report provides information on our approach to managing our material social and environmental issues. Our data covers the year 1 April 2014 to 31 March 2015 in line with our financial reporting, unless otherwise stated. Our previous report covered the year to 31 March 2014.

The report covers all BT's wholly-owned operations and subsidiaries worldwide, unless otherwise stated. References to 'BT Group', 'BT', 'the group', 'the company', 'we' or 'our' are to BT Group plc (which includes the activities of British Telecommunications plc) and its subsidiaries and lines of business, internal service units, or any of them as the context may require.

At 31 March 2015, we had 88,500 full-time equivalent employees in 60 countries, with 70,900 (80%) of them based in the UK. Our UK operations accounted for approximately 77% of our turnover.

Unless stated otherwise all data represents our worldwide employee base and uses 'full-time equivalent' not 'people in post', unless otherwise stated. Disability and ethnicity data is voluntarily self-declared.

Reporting on our 2020 ambitions

Creating a connected society

Our ambition is to give nine out of ten people in the UK access to fibre-based products and services by 2020. We use the number of premises passed by Openreach's fibre broadband rollout to calculate this figure as a number out of ten.

We are currently developing a methodology to calculate our progress to helping 10 million people overcome social disadvantage by the benefits our products and services can bring. Once this has been completed we will share this methodology.

Supporting charities and communities

We want to use our skills and technology to generate more than £1 billion for good causes by 2020. We have defined what will count towards this goal, and will track progress year-on-year. This includes:

- Money raised using MyDonate for fundraising, telethons and appeals (including Gift Aid), through payroll giving, and by BT employees fundraising during their working hours.
- Time volunteered by our people to good causes during working hours. We have calculated the value of volunteering time to our communities by multiplying the hourly salary of the volunteer by the number of hours volunteered. To this we have applied a multiplier to take account of other pay-related costs (e.g. pension and other benefits).
- Membership fees, donations, sponsorships, matched-funding and the value of in-kind support given to charities, not-for-profits and social enterprises.
- Payments made to these organisations to run projects aligned with our vision to 'help improve hundreds of millions of lives globally'.
- Funds raised by charities as a result of our financial support and the use of our technology, skills and assets, including money raised by BT-sponsored fundraising events and where our BT assets such as the BT Tower in London enable fundraising events.
- Investment in infrastructure, such as the set up and running of MyDonate and its associated internal administration costs.

Delivering environmental benefits

Our ambition is to help our customers reduce their carbon emissions by at least three times the end-to-end carbon impact of our business (3:1) by the year 2020. We have been working with several expert organisations to calculate our end-to-end carbon emissions and our 3:1 methodology is clearly outlined on our [website](#).

To calculate our carbon emissions we:

- Use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition).
- Report both our gross and net carbon emissions. Where we report our net emissions, this reflects reductions in emissions associated with the purchase of low- and zero-carbon electricity.
- Include emissions from acquisitions since our base year (1996/7) only where they are considered material.
- Exclude emissions from energy provided by a landlord as part of a full service buildings contract and emissions from energy charged to our tenants.
- Do not report emissions data on countries where we use less than 250MWh of electricity each year, or on joint ventures or partnerships where we do not have a controlling interest.
- Exclude data from divestments from operational emissions unless the divestment is sourcing a service, where the associated emissions may be included in our Scope 3 reporting.

Conversion factors for greenhouse gas (GHG) emissions

To calculate GHG emissions in the UK we use conversion factors published annually by the Department for Environment, Food and Rural Affairs (Defra). For other countries, we use Defra and International Energy Agency (IEA) conversion factors unless specific national or contract factors

exist. To further align international data with UK data and with GHG guidance, international transmission and data losses have been moved from Scope 2 to Scope 3 for the following years: 2011/12, 2012/13, 2013/14 and 2014/15.

To facilitate this change, previously used IEA electricity factors have been replaced by the appropriate Defra factors. For more information on the methodologies we use to calculate our progress, visit our [website](#).

Restatements of data

- Every year, we replace any estimates in the previous year's reporting with actual figures.
- **Energy use** – We have restated our UK and worldwide energy consumption numbers following improvements to data dating back to 2008. For instance, we ran a successful project to align sub metered consumption to our tenants that had not been previously billed and reloaded metered data from our Meter Operator into our Integrated Energy Management System (IEMS).
- **Health and safety** – We have converted our Lost Time Injury Rate (LTIR) measurement from cases per one million working hours to cases per 200,000 working hours, to align with international reporting standards. We have restated historical data to reflect this.
- **Supporting charities and communities** – The £85.53m reported in 2013/14 against our goal to generate £1bn has been restated to £86.77m, following the confirmation of additional contributions following publication of the 2013/14 Better Future report.
- **Supporting communities around the world** – Following an impact assessment of our Connecting Africa programme, we have restated the number of beneficiaries impacted from 95,000 reported in 2013/14, to 73,000.

Standards and guidelines

This report contains Standard Disclosures from the GRI (G4) Sustainability Reporting Guidelines. We have also assessed the report content and our performance against the ISO 26000 'Guidance on social responsibility' framework.

We have been a signatory to the United Nations Global Compact since 2000. We reaffirmed our support of its ten principles in 2014/15. Our UNGC index shows how our 'Delivering our purpose – update on our progress in 2014/15' report represents our Communication on Progress.

Assurance of our report

Our report is externally assured by LRQA against the AA1000 AccountAbility Assurance Standard 2008. See the [download centre](#) on our website to view our LRQA assurance statement.

By having the report externally assured we have been able to review and benchmark our performance, as well as receive valuable feedback against those areas where we need to improve for next year. The principles of inclusivity, materiality, responsiveness and reliability were all reviewed by LRQA, across the whole of our report. One area that LRQA highlighted and we will look to improve for next year is the data management associated with our refrigerant gases and the verification requirements associated with the information relating to BT's estate.

Contact information

We welcome feedback on this report, how we are delivering social and environmental benefits, and our performance as a responsible and sustainable business.

Please complete the online feedback form or contact us via our Twitter account [@BTBetterFuture](#)

LRQA

assurance statement

Relating to BT Group plc's Delivering Our Purpose – Update on Progress 2014/15 Report for the 2014/15 financial year.

This Assurance Statement has been prepared for BT Group plc in accordance with our contract but is intended for the readers of this Report.

Terms of engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Delivering Our Purpose – Update on Progress 2014/15 Report' ("the Report") to a high level of assurance using AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS).

Our assurance engagement covered BT's worldwide operations and specifically the following requirements:

- Reviewing adherence to AA1000AS's Accountability Principles of Inclusivity, Materiality and Responsiveness and evaluating the reliability of the specified sustainability performance information (Type 2 engagement).

Our terms excluded data and information:

- Accessed through links that take the reader out of the Report, including video streams
- Presented by BT but originated from a second party. Here LRQA corroborate only that data and information was transcribed accurately and the correct reference was provided.
- Communicated via social networks
- Included in BT's indexes for United Nations Global Compact,

ISO 26000:2010 and Global Reporting Initiative.

LRQA's responsibility is only to BT. LRQA disclaims any liability or responsibility to others as explained in the end footnote. BT's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of BT.

LRQA's Opinion

Based on LRQA's approach, we believe that BT has:

- Met the requirements above
- Disclosed accurate and reliable performance data and information
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a high level of assurance and at the materiality of the professional judgement of the verifier.

LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing BT's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing minutes of meetings and reviewing associated documents and records.
- Reviewing BT's process for identifying and determining material issues to confirm that the right issues were included in the Report. We did this by benchmarking reports written by BT and its peers to ensure that sector specific issues were included for comparability.

We also tested the filters used in determining material issues to evaluate whether BT makes informed business decisions that may create opportunities that contribute towards sustainable development.

- Auditing BT's data management systems to confirm that there were no significant errors, omissions or misstatements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Reviewing BT's Internal Audit Division's (IAD)¹ process and evidence files to confirm that their internal verification was performed thoroughly. IAD checked the validity of data and information in the following sections of the Report:
 - Delivering our purpose: Performance in 2014/15; Respecting Human Rights; Being an Ethical Business; Protecting our customers' Privacy; Protecting our customers' Data; Putting our customers first; Investing in our people; Creating a diverse and inclusive workplace; Promoting employee wellbeing; Developing our people and recruiting new talent; Championing employability and STEM skills.

Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:** We are not aware of any key stakeholder groups

¹ IAD is an independent, objective, review function for the BT Group. Its role is to provide independent and objective assurance to senior management and the Board as to the adequacy and effectiveness of key controls and of risk management activities across the organisation. The Director Internal Audit retains the right to report to the Board Audit & Risk Committee instances where the department's independence or objectivity is impaired by the activity or behaviour of audit.

that have been excluded from BT's stakeholder engagement process. BT demonstrated that they have incorporated these stakeholder concerns into their management approach and decision-making processes in order to develop a structured engagement approach and response to sustainability issues.

- **Materiality:** We are not aware of any material issues concerning BT's sustainability performance that have been excluded from the report. It should be noted that BT has established extensive criteria for determining which issue is material and that these criteria are not biased to the company's management. BT present material aspect performance in relation to the broader concepts of sustainability and the aspect boundaries appropriately reflect the material economic, environmental and social impacts.
- **Responsiveness:** BT has processes in place to respond to its stakeholders especially government authorities, employees and the public, partners and suppliers, shareholders and investors.
- **Reliability:** Data management systems are considered to be well defined and implemented. However, further consideration should be given to:
 - The opportunity to apply the lessons learnt from the improved definition and management of the volunteering data that has been delivered in 2014/15 versus last year. This good practice approach would specifically benefit the data associated with the management of refrigerant gases and the verification requirements associated with the information relating to BT's estate.

and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is BT's certification body for ISO 9001, ISO 14001, ISO 27001, ISO 22301, ISO 20000 and OHSAS 18001. We also provide BT with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for BT and as such does not compromise our independence or impartiality.

Dated: 08 May 2015



Richard Oxley
LRQA Lead Verifiers



Steve Fletcher
LRQA Verifier

On behalf of Lloyd's Register Quality Assurance
1 Trinity Park, Bickenhill Lane, Birmingham
LRQA reference: LRQ0772591



LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification

Our materiality methodology

This summary provides more detail on our materiality review methodology.

Our approach

We engage our stakeholders to build their trust in us, enhance our reputation and increase our customers' loyalty. Understanding their expectations helps us meet their needs better. For example, we use our stakeholders' insights to develop more attractive products and services, which in turn, help us grow our business. These insights also help us identify and address emerging risks.

Since 2006 we have conducted a materiality review each year to assess the trends and issues identified by our stakeholders. We use this analysis to decide which issues are most important and should be publicly reported on.

Methodology

In November of each year, we draw on around 50 to 100 sources of qualitative and quantitative information that have been gathered throughout the preceding 12 months. This is to determine the relevance and significance of issues identified through stakeholder engagement.

These sources of information include day-to-day interactions by phone, in meetings, through online discussion forums, focus groups, social media, and participation in industry collaborations. We crowd-source views on specific issues through our Better Future Forum. We also

work with more than 60 organisations that represent different stakeholder groups and issues, such as the Confederation of British Industry, The Climate Group, World Business Council on Sustainable Development and the World Economic Forum.

Analysis of content from blogs, social media and TV, radio and online news gives us a broad understanding of the issues that are important to a wide group of stakeholders.

We aim to fill gaps in our understanding through targeted primary or secondary research. For example, through online surveys of consumer perceptions, or interviews with subject matter experts. Reviewing peer companies' sustainability reports helps us check that we have a comprehensive list of the relevant issues for our sector, and challenges us to further improve our reporting.

The following questions help us prioritise issues that emerge from our research:

- Is there wider societal interest in this issue? This is quantified through evidence of mentions online and offline.
- Are our key stakeholders consistently expressing an interest in this issue? This is quantified by evidence from each of key stakeholder groups; customer, employees, suppliers, investors, governments/regulators.
- To what extent is BT already managing this issue through policy, principles and procedures?
- What financial impact is this issue expected to have on BT over the next three years?

We verify this process against the AA1000 Assurance Standard 2008 every year, that we complete with LRQA.

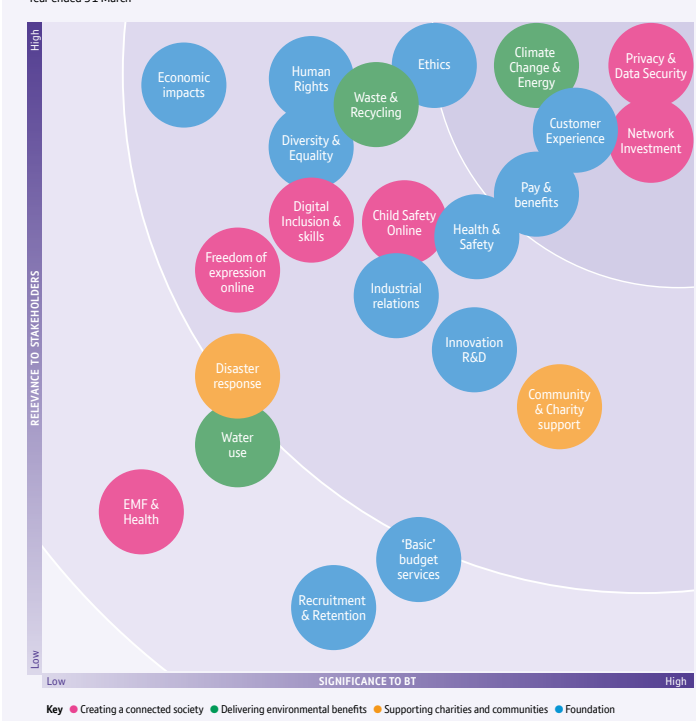
The issues that emerge as the most material are mapped onto a matrix to help visualise their relative importance to BT and our stakeholders. This prioritisation supports our strategic decision-making and directs our reporting.

Material issues by stakeholder group

The grid below shows the specific issues that were most important to our stakeholders. ■ Areas in dark shaded cells are most material issues overall.

	ONLINE LIVING	ETHICS	EQUALITY	HEALTH AND SAFETY	HUMAN RIGHTS	ECONOMIC IMPACTS	INVESTMENT IN SERVICE	COMMUNITY INVESTMENT	CLIMATE CHANGE	ENERGY	REDUCING WASTE
Consumers	Online safety		Support for elderly and disabled	Employee wellbeing	Privacy and data security	Pricing and jobs	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction		Sustainable products and services
Employees			Equality and flexible working	Health and wellbeing		Pay and benefits	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction	Operational use of renewable energy	
Suppliers	Digital inclusion and literacy	Ethical behaviour		Compliance and standards		Prompt payment	Network investment, Customer service	Supporting charities and communities	Carbon emissions reduction	Energy efficiency of products	
Investors	Online safety	Transparency in reporting	Diversity and equal opportunities	Electro magnetic fields and health	Human rights Privacy and data security and freedom of expression	Pensions	Network investment, Customer service		Carbon emissions reduction	Energy security through renewables	
Governments Regulators	Internet policy, security and protection				Human rights Privacy and data security and freedom of expression	ICT as driver for growth in rural economy	Network investment, Customer service	Universal service obligations	Policy supporting emissions reduction	Policy supporting renewables	

Stakeholder materiality analysis 2014/15 Year ended 31 March



Key Performance Indicators 2014/15

	Our 2020 ambitions	2013/14 performance	2014/15 performance	Status	Target for 2015/16	Financial indicators and results	2013/14	2014/15
Creating a connected society	More than 9/10 people in the UK will have access to fibre-based products and services	6.6/10 people can access fibre-based products and services	7.5/10 people can access fibre-based products and services	➤	Continue to deliver against 9/10 target	n/a	n/a	n/a
	Help 10m people overcome social disadvantage through the benefits our products and services can bring	n/a – new target	n/a – new target	➤	Start to track our performance against 10m target	n/a	n/a – new target	n/a – new target
Building a culture of tech literacy	Help 5m children receive better teaching in tech skills	n/a – new target	n/a – new target	➤	Start to track our performance against 5m children target	n/a	n/a – new target	n/a – new target
Supporting charities and communities	Use our skills and technology to help generate more than £1bn for good causes	Over £86m raised for good causes* Cumulative total since 2012: £147.6m*	Over £83m raised for good causes Cumulative total since 2012: £231m	➤	Continue to deliver against £1bn target	Cumulative total against £1bn target	£147.6m*	£231m
	Inspire two-thirds (66%) of our people to volunteer by 2020	16% of BT people volunteering	26% of BT people volunteering	➤	Continue to deliver against 66% target	In-kind value of BT people volunteering	£14m	£16.6m
Delivering environmental benefits	Help our customers reduce carbon emissions by at least 3 times the end-to-end carbon impact of our business	1.3:1 achieved	1.5:1 achieved	➤	Continue to deliver against 3:1 target	Global portfolio revenue from products and services contributing towards our 3:1 goal	£3.1bn	£3.4bn

Our foundations for being a responsible and sustainable business

	Our foundations	2013/14 performance	2014/15 performance	Status	Target for 2015/16	Financial indicators and results	2013/14	2014/15
Our investment	Investment in responsible and sustainable business activities. Adjusted profit before tax – (PBT)	1.01% of PBT invested	1.15% of PBT invested	✓	Maintain 1% of PBT invested	Investment in society of cash, time volunteered and in-kind contributions	£27.2m	£32.5m
Our customers	Customer service: RFT measure across our entire customer base	1.5% improvement	4.7% improvement	✓	Continue to improve RFT from 2014/15 performance	BT Group plc revenue Average revenue per UK consumer household	£18,287m £391	£17,851m £415
Our employees	Employee engagement index: a measure of our relationship with our employees	3.82/5 achieved	3.82/5 achieved	✓	Maintain or improve from 2014/15 performance	Number of employees	87,700	88,500
	Sickness absence rate: % of calendar days lost to sickness absence	2.10% calendar days lost in sickness	2.23% calendar days lost in sickness	✗	Maintain or improve from 2014/15 performance	BT sick pay costs	£72.3m	£80.7m
	Ethical performance: a measure of our employees' awareness and training	4.29/5 achieved	4.33/5 achieved	✓	Maintain or improve from 2014/15 performance	Employee costs	£4,703m	£4,551m
Our suppliers	Ethical trading: a measure of our supply chain review; with specific focus on human rights	97% follow-up within three months	96% follow-up within three months	✗	100% follow-up within three months, for all those suppliers identified as high/medium risk	Value of procurement contracts where suppliers agree we'll work with them to improve sustainability impacts	85% of suppliers agree**	84% of suppliers agree**
Our environmental impact	CO ₂ e emissions: a measure of our climate change impact	79% reduction in net CO ₂ e emission intensity against 1996/97 levels	79% reduction in net CO ₂ e emission intensity against 1996/97 levels	➤	Continue to deliver against 80% target by December 2020	Total GB energy and water costs – costs include fleet fuel, electricity, gas, oil, water and CLL (climate change levy or levies)	£296m	£306m

Key: Target met Target failed Ongoing

* indicates numbers restated from 2013/14. All targets have an end date of 31 March 2015 unless otherwise indicate.

**% 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."

Global Reporting Initiative (GRI)

The Global Reporting Initiative (GRI) Sustainability Reporting Framework is widely used by organisations around the world.

Delivering our purpose – update on progress 2014/15 contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.

Key

- M** material
- NM** not material
- Y** fully reported
- P** partially reported
- N** not reported

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
Strategy and analysis	G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organization's strategy for addressing sustainability	Y	See, Message from our Chairman and Chief Executive, page 2	
	G4-2	Provide a description of key impacts, risks, and opportunities.	Y	See, Reducing, customers' carbon emissions, page 32, for the opportunities our 3:1 portfolio offer	See, Our risks, page 41
Organizational profile	G4-3	Report the name of the organization.	Y	BT Group plc	
	G4-4	Report the primary brands, products, and services	Y		See, Group businesses
	G4-5	Report the location of the organization's headquarters	Y	London (UK)	
	G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations	Y	Our update covers all BT's wholly-owned operations and subsidiaries worldwide, unless otherwise stated	See, BT UK and Worldwide
	G4-7	Nature of ownership and legal form	Y	BT Group plc is the listed holding company for the BT group of companies. Its shares are listed on the London Stock Exchange, and on the New York Stock Exchange in the form of American Depositary Shares	See, Governance, page 93
	G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries)	Y	Our main activities are the provision of fixed-line services, broadband, mobile and TV products and services as well as networked IT services. In the UK we are a leading communications services provider, selling products and services to consumers, small and medium sized enterprises and the public sector. We also sell wholesale products and services to communications providers in the UK and around the world.	See, Group businesses

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-8			Globally, we supply managed networked IT services to multinational corporations, domestic businesses and national and local government organisations	
	G4-9	Report the scale of the organization	Y		See, Who we are and what we do, page 4
	G4-10	Report the total number of employees	Y	See, BT's people data in the download section	See, A global workforce, page 31 and page 160 for breakdown
	G4-11	Report the percentage of total employees covered by collective bargaining agreements	Y	See, Investing in our people, page 17	
	G4-12	Describe the organization's supply chain	Y	See, Managing a sustainable supply chain, pages 14-15	See, Our suppliers, pages 36-37
	G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain	Y	None to report	
Organizational profile: Commitments to external initiatives	G4-14	Report whether and how the precautionary approach or principle is addressed by the organization	Y	See, Delivering environmental benefits - Adapting to climate change, page 38	
	G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Y	See page 39 for examples	The Way We Work , our Statement of Business Practices covers our commitment to the United Nations' universal declaration of human rights and the UN Global Compact. Other commitments are covered throughout the report
	G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations	Y	Memberships are covered throughout our report - for example; Influencing policy and engaging stakeholders page 39	
Identified material aspects and boundaries	G4-17	List all entities included in the organization's consolidated financial statements or equivalent documents	Y	Our update covers all BT's wholly-owned operations and subsidiaries worldwide, unless otherwise stated	See page 199
	G4-18	Explain the process for defining the report content and the Aspect Boundaries	Y	See, What matters to BT and our stakeholders, page 8	
	G4-19	List all the material Aspects identified in the process for defining report content	Y	See, What matters to BT and our stakeholders, page 8	
	G4-20	For each material Aspect, report the Aspect Boundary within the organization	Y	See, What matters to BT and our stakeholders, page 8	
	G4-21	For each material Aspect, report the Aspect Boundary outside the organization	Y	See, What matters to BT and our stakeholders, page 8	
	G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements	Y	See, About our reporting, page 48	

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries	Y	See, About our reporting, page 48	
Stakeholder engagement	G4-24	Provide a list of stakeholder groups engaged by the organization	Y	See, Material issues by stakeholder group, page 9	
	G4-25	Report the basis for identification and selection of stakeholders with whom to engage	Y	See, Material issues by stakeholder group, page 9	
	G4-26	Report the organization's approach to stakeholder engagement	Y	See, What matters to BT and our stakeholders, page 8	
	G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting	Y	See, What matters to BT and our stakeholders, page 8	
Report profile	G4-28	Reporting period	Y	See, About our reporting, page 48	
	G4-29	Date of last report	Y	See, About our reporting, page 48	
	G4-30	Reporting cycle	Y	See, About our reporting, page 48	
	G4-31	Provide the contact point for questions regarding the report or its contents	Y	See, About our reporting, page 48	
Report profile: GRI content index	G4-32	Report the 'in accordance' option the organization has chosen	Y	This update contains Standard Disclosures from the GRI Sustainability Reporting Guidelines.	
Report profile: assurance	G4-33	Report the organization's policy and current practice with regard to seeking external assurance for the report	Y	This update is assured to AA1000 (AS) 2008 by LRQA. See LRQA assurance statement, page 49	
GOVERNANCE: Governance, structure and composition	G4-34	Report the governance structure of the organization, including committees of the highest governance body Identify any committees responsible for decision-making on economic, environmental and social impacts	Y	Our Delivering our purpose – This update on our progress is assured to AA1000 (AS) 2008 by LRQA. See LRQA assurance statement, page 49]	Our Board, and the Committee for Sustainable and Responsible Business
	G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees	Y	See, Our governance and accountability, page 7	
	G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body	Y	BT's Chief Sustainability Officer, reports to the Group Director Strategy, Policy and Portfolio who reports to our Chief Executive	
	G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	Y	See, What matters to BT and our stakeholders, page 8	

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-38	Report the composition of the highest governance body and its committees			See, page 98 and Our Board
	G4-39	Report whether the Chair of the highest governance body is also an executive office	Y	The role of Chief Executive and Chairman is split and our Chairman is non-executive but not independent	
	G4-40	Report the nomination and selection processes for the highest governance body and its committees	Y		See, Nomination and governance committee page 105
	G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed	Y		See, Nomination and governance committee page 105
Highest governance body's role in setting purpose, values and strategy	G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts	Y		See, Operating Committee, page 26
Highest governance body's competencies and performance evaluation	G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	Y		See, Nomination and governance committee page 105
	G4-44	Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	Y		See, Nomination and governance committee page 105
Highest governance body's role in risk management	G4-45	Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities	Y	See, Our governance and accountability, page 7	
	G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	Y	See, Our governance and accountability, page 7	
	G4-47	Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	Y	See, Our governance and accountability, page 7	
Highest governance body's role in sustainability reporting	G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	Y	The Disclosure Committee reviews and assesses our annual update to provide positive assurance to the Board	
Highest governance body's role in evaluating economic, environmental and social performance	G4-49	Report the process for communicating critical concerns to the highest governance body	P	See, Our governance and accountability, page 7	
	G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	P	See, Our governance and accountability, page 7	
Remuneration and incentives	G4-51	Report the remuneration policies for the highest governance body and senior executives	Y		See, Remuneration Committee, page 111

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-52	Report the process for determining remuneration	Y		See, Remuneration Committee, page 111
	G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable	Y		All shareholders are invited to attend our Annual General Meeting and meet the Chairman and the Board of Directors. We welcome this opportunity to report on our performance and answer any questions
	G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country	N	We do not report this information	
	G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country	N	We do not report this information	
Ethics and integrity	G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics	Y	See, Being an ethical business, page 10	See, Our Purpose and our Statement of Business Practices and Code of Ethics
	G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines	Y	Our Speak Up channel – a confidential and independent telephone and online service – is now available to all BT employees, contractors, sub-contractors and suppliers globally to report concerns about ethical business practices	See, Our Statement of Business Practices, The Way We Work (page 11)
	G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity	Y	Our Speak Up channel – a confidential and independent telephone and online service – is now available to all BT employees, contractors, sub-contractors and suppliers globally to report concerns about ethical business practices	See, Our Statement of Business Practices, The Way We Work (page 11)
ECONOMIC: Economic performance			M	Our Annual Report and Form 20-F 2015 covers our financial performance for the year	www.bt.com/annualreport
	G4-EC1	Direct economic value generated and distributed	Y		See, Financial statements, page 137
	G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Y	See, Adapting to climate change, page 38	See, Security and resilience risk, page 42
	G4-EC3	Coverage of the organization's defined benefit plan obligations	Y		See, Pensions, page 89
	G4-EC4	Financial assistance received from government	Y		See, page 71. We have been working in partnership and co-investing with the Government's Broadband Delivery UK (BDUK) programme
ECONOMIC: Market presence			NM	This has not been identified as a material aspect this year	

	Index	Brief requirement	Reported	Information in this report	Information in <u>Annual Report and Form 20-F 2015</u> and elsewhere
	G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	P	See, Investing in our people, pages 17, for our approach to pay	
	G4-EC6	Proportion of senior management hired from the local community at significant locations of operation	N	This has not been identified as a material issue this year	
ECONOMIC: Indirect economic impacts			M	BT contributes to the national and local economies, in terms of jobs, output and Gross Value Add (GVA) supported	We have published several research papers on this subject, which can be found here
	G4-EC7	Development and impact of infrastructure investments and services supported	Y	See, Investing in our broadband network, page 24	
	G4-EC8	Indirect economic impacts	Y	Since 2012, we have been working to understand the value that digital inclusion brings to society. We have developed a social return on investment (SROI) methodology. See, How much is getting online worth to you?, page 24	We have published several research papers on this subject, which can be found here
ECONOMIC: Procurement practices			NM	This has not been identified as a material issue this year	
	G4-EC9	Proportion of spending on local suppliers at significant locations of operation	N	This has not been identified as a material issue this year	
ENVIRONMENTAL: Materials			NM	We consider sustainability, including packaging, in our design process, see BT's Home Hub 5 example on page 32. The SSDs in this aspect have not been identified as material	
	G4-EN1	Materials used by weight or volume	NM	This has not been identified as a material issue this year	
	G4-EN2	Percentage of materials used that are recycled input materials	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Energy			M	BT is not in an energy intensive sector, it is subject to the UK CRC Energy Efficiency Scheme. We are also subject to the UK Climate Change Levy (CCL) on the electricity and the Natural Gas that we use	
	G4-EN3	Energy consumption within the organization	Y	See, Increasing energy efficiency, page 35, and BT's environmental data in the download section	BT TSO is responsible for managing the group's energy consumption, see page 40
	G4-EN4	Energy consumption outside of the organization	NM	This has not been identified as a material issue this year	
	G4-EN5	Energy intensity	N	We do not report this	

	Index	Brief requirement	Reported	Information in this report	Information in <u>Annual Report and Form 20-F 2015</u> and elsewhere
	G4-EN6	Reduction of energy consumption	Y	See, Increasing energy efficiency, page 35	See page 40
	G4-EN7	Reductions in energy requirements of products and services	Y	See, Reducing customers' carbon emissions, page 32	
ENVIRONMENTAL: Water			P	We are not large users of water, most use is for personal hygiene and catering facilities in our buildings, and to cool equipment across our estate. Water use is a material issue, however other SSDs in this aspect are not	
	G4-EN8	Total volume of water withdrawn by source	Y	See, Water use, page 37, and BT's environmental data in the download section	
	G4-EN9	Water sources significantly affected by withdrawal of water	NM	This has not been identified as a material issue this year	
	G4-EN10	Percentage and total volume of water recycled and reused	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Biodiversity			NM	We support biodiversity by helping to create nature reserves, meadows and ponds at various BT sites. See page 37 for an example. This has not been identified as a material aspect	
	G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	NM	This has not been identified as a material issue this year	
	G4-EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	NM	This has not been identified as a material issue this year	
	G4-EN13	Habitats protected or restored	NM	This has not been identified as a material issue this year	
	G4-EN14	Total number of IUCN red list species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Emissions			P	We use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). GHG emissions are a material issue, however other SSDs in this aspect are not	
	G4-EN15	Direct greenhouse gas (GHG) emissions (scope 1)	Y	See, Reducing our carbon emissions, page 35, and BT's environmental data in the download section	See, Energy use and carbon footprint, page 40

	Index	Brief requirement	Reported	Information in this report	Information in <u>Annual Report and Form 20-F 2015</u> and elsewhere
	G4-EN16	Energy indirect greenhouse gas (GHG) emissions (scope 2)	Y	See, Reducing our carbon emissions, page 35, and BT's environmental data in the download section	See, Energy use and carbon footprint, page 40
	G4-EN17	Other indirect greenhouse gas (GHG) emissions (scope 3)	Y	See, Reducing our carbon emissions, page 35, and BT's environmental data in the download section	See, Energy use and carbon footprint, page 40
	G4-EN18	Greenhouse gas (GHG) emissions intensity	Y	See, Reducing our carbon emissions, page 35, and BT's environmental data in the download section	See, Energy use and carbon footprint, page 40
	G4-EN19	Reduction of greenhouse gas (GHG) emissions	Y	See, Reducing our carbon emissions, page 35, and BT's environmental data in the download section	See, Energy use and carbon footprint, page 40
	G4-EN20	Emissions of ozone-depleting substances (ODS)	NM	This has not been identified as a material issue this year	
	G4-EN21	NOX, SOX, and other significant air emissions	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Effluents and Waste			P	Waste generation is a material issue and is managed within the scope of our Environmental Management System, however some SSDs in this aspect group are not material to BT	
	G4-EN22	Total water discharge by quality and destination	NM	This has not been identified as a material issue this year	
	G4-EN23	Total weight of waste by type and disposal method	Y	See, Waste and recycling page 38, and BT's environmental data in the download section	
	G4-EN24	Total number and volume of significant spills	P	See, Fuel storage page 37	
	G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention 2 ANNEX I, II, III, and VIII.	NM	This has not been identified as a material issue this year	
	G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Products and Services			NM	We consider sustainability in our design process, see page 32 .The SSDs in this aspect have not been identified as material	
	G4-EN27	Extent of impact mitigation of environmental impacts of products and services	NM	This has not been identified as a material issue this year	
	G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	NM	This has not been identified as a material issue this year	

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
ENVIRONMENTAL: Compliance			M	Our environmental policy , updated this year, sets out our commitments	
	G4-EN29	Extent of impact mitigation of environmental impacts of products and services	Y	None reported in the year. See, Our operations, page 34	
ENVIRONMENTAL: Transport			M	We operate a large fleet of commercial vehicles and company cars and any associated environmental issues are managed within the scope of our Environmental Management System	
	G4-EN30	Significant environmental impacts of transporting products and other goods and materials for the organization's operations, and transporting members of the workforce	P	See, Transport, page 36, and BT's environmental data in the download section	
ENVIRONMENTAL: Overall			NM	Our aims, guiding principles and environmental commitments are laid out in our Environmental Policy. The SSD in this aspect not been identified as material	Our policies and codes (including environmental)
	G4-EN31	Total environmental protection expenditures and investments by type	NM	This has not been identified as a material issue this year	
ENVIRONMENTAL: Supplier Environmental Assessment			M	Helping our suppliers manage their social and environmental impacts reduces risk to our own business, improves our performance and helps us meet stakeholder expectations. Our criteria for selecting new suppliers includes environmental and social factors, such as energy use, labour standards and diversity and inclusion.	See Supply chain risk, page 48
	G4-EN32	Percentage of new suppliers that were screened using environmental criteria	Y	See, Assessing social and environmental risk, page 14	
	G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	Y	See, Assessing social and environmental risk, page 14	
ENVIRONMENTAL: Environmental Grievance Mechanisms			NM	Our aims, guiding principles and environmental commitments are laid out in our Environmental Policy. The SSD in this aspect not been identified as material	Our policies and codes (including environmental)
	G4-EN34	Number of grievances about environmental impacts	NM	This has not been identified as a material issue this year	Details of how to contact BT can be found on our website

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
SOCIETY: Local Communities			NM	This has not been identified as a material aspect this year	
	G4-S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs	NM	This has not been identified as a material issue this year	
	G4-S02	Operations with significant actual and potential negative impacts on local communities	NM	This has not been identified as a material issue this year	
SOCIETY: Anti-corruption			M	See Being an ethical business, pages 10–11, which describes our approach; to risk assessment relating to corruption and the management of conflicts of interest, and our policies on; charitable donations and sponsorships and anti-corruption & bribery	Our policies and codes
	G4-S03	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	P	See Being an ethical business, pages 10–11 for our approach	
	G4-S04	Communication and training on anti-corruption policies and procedures	Y	See Being an ethical business, pages 10–11	
	G4-S05	Confirmed incidents of corruption and actions taken	Y	See Being an ethical business, pages 10–11	
SOCIETY: Public Policy			NM	This has not been identified as a material aspect this year	BT's Public Affairs Team engage on policy development in key locations, for example in the last year on; EU Copyright and Cross-Border Access to Content, EU Digital Single Market and Open Internet & Net Neutrality
	G4-S06	Total value of political contributions by country and recipient/beneficiary	Y	Our policy is that no company in the group will make contributions in cash or kind to any political party, whether by gift or loan	See Political Donations, page 134
SOCIETY: Anti-competitive Behaviour			M	We compete vigorously but fairly, being honest, respectful and trustworthy in all our dealings	See page 36 of our of Statement of Business Practices The Way We Work
	G4-S07	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	N	We do not report this data	
SOCIETY: Compliance			M	We compete vigorously but fairly, being honest, respectful and trustworthy in all our dealings	See page 36 of our of Statement of Business Practices The Way We Work
	G4-S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	Y	See, Being an ethical business, page 10	

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
SOCIETY: Supplier Assessments for Impacts on Society			M	Helping our suppliers manage their social and environmental impacts reduces risk to our own business, improves our performance and helps us meet stakeholder expectations. Our criteria for selecting new suppliers includes environmental and social factors, such as energy use, labour standards and diversity and inclusion	
	G4-S09	Percentage of new suppliers that were screened using criteria for impacts on society	Y	See, Assessing social and environmental risk, page 14	
	G4-S010	Significant actual and potential negative impacts on society in the supply chain and actions taken	Y	See, Assessing social and environmental risk, page 14	
SOCIETY: Grievance Mechanisms for Impacts on Society			NM	This has not been identified as a material aspect this year	
	G4-S011	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	NM	This has not been identified as a material issue this year	Details of how to contact BT can be found on our website
BT SPECIFIC MATERIAL ISSUES: Health concerns and electromagnetic fields			M	Some of our stakeholders are concerned about the potential health impacts of electromagnetic fields (EMF) used to transmit information wirelessly	
		Our approach	Y	As our business operations change to meet our customers' growing needs for mobile and wireless communications, we will continue to monitor the latest research and best practice of our peers. See, What matters to BT and our stakeholders, page 8	See Transmission of radio waves, page 52
SOCIETY: Labour practices and decent work: Employment			M	We recognise that our supply chain activities have a global impact. Acting with social responsibility towards those involved in the production of our goods and services is crucial if we are to help create a world in which our company can flourish, now and for generations to come	Our supply chain initiative, Sourcing with Human Dignity, outlines a set of standards based on the United Nations Universal Declaration of Human Rights and International Labour Organisation Conventions. You can read more here
	G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	P	See BT's people data in our download centre	
	G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	NM	This has not been identified as a material issue this year	
	G4-LA3	Return to work and retention rates after parental leave, by gender	P	We report on these rates for women only. See Creating a diverse and inclusive workplace, page 18	

Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
SOCIETY: Labour practices and decent work: Labour/Management Relations		NM	Our UK workforce is primarily represented by the Communication Workers Union and Prospect. BT's European Consultative Council is a company-wide group that facilitates dialogue between employees and executive management on a range of issues such as performance, strategy, jobs, regulations and sustainability. This has not been identified as a material aspect this year	
	G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	NM	This has not been identified as a material issue this year
SOCIETY: Labour practices and decent work: Occupational Health and Safety		M	Our Group Health, Safety and Wellbeing Forum comprises senior leaders from all lines of business and monitors progress against our plans	
	G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on OHS programs	P	See, Investing in our people, page 17
	G4-LA6	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	P	See, Promoting employee wellbeing, page 20
	G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	NM	This has not been identified as a material issue this year
	G4-LA8	Health and safety topics covered in formal agreements with trade unions	N	Not reported
SOCIETY: Labour practices and decent work: Training and Education		M	We consider all factors that enable our workforce to achieve great results. We call this organisational health – and aim to create the best work environment by offering career development opportunities and training and a range of ways to contribute to communities through volunteering	
	G4-LA9	Average hours of training per year per employee by gender, and by employee category	NM	This has not been identified as a material issue this year
	G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	Y	See, Promoting employee wellbeing, page 20
	G4-LA11	Percentage of employees receiving regular performance and career development reviews	P	Coaching is provided to all our people through regular performance review. See, Developing talent, page 21

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
SOCIETY: Labour practices and decent work: Diversity and Equal Opportunity			M	Our Global Inclusion Steering Group brings together senior leaders from across BT to share good practice and drive improvements	
	G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	Y	See, Creating a diverse and inclusive workplace, page 18	See, Nominating & Governance Committee Chairman's report, page 106 for gender diversity policy for the Board
SOCIETY: Labour practices and decent work: Equal Remuneration for Women and Men			NM	This has not been identified as a material aspect this year	
	G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	NM	This has not been identified as a material issue this year	
SOCIETY: Labour practices and decent work: Supplier Assessment for Labour Practices			M	To do business in an ethical and sustainable way, we collaborate with our suppliers around the world. Helping them manage their social and environmental impacts reduces risk to our business and improves our performance	
	G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	Y	See, Assessing social and environmental risk, page 14	
	G4-LA15	Significant actual and potential negative impacts for labour practices in the supply chain and actions taken	Y	See, Assessing social and environmental risk, page 14	
SOCIETY: Labour practices and decent work: Labour Practices Grievance Mechanisms			NM	This has not been identified as a material aspect this year	Our Speak Up channel – a confidential and independent telephone and online service – is now available to all BT employees, contractors, sub-contractors and suppliers globally to report concerns about ethical business practices
	G4-LA16	Number of grievances about labour practices filed, addressed, and resolved through formal grievance mechanisms	NM	This has not been identified as a material issue this year	
SOCIETY: Product Responsibility: Customer Health and Safety			NM	This has not been identified as a material aspect this year	
	G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	NM	This has not been identified as a material aspect this year	
	G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	NM	This has not been identified as a material issue this year	
SOCIETY: Product Responsibility: Product and Service Labelling			P	To make sure we are equipped to meet the changing and growing demands of consumers and businesses, a group-wide transformation, to put the 'Customer First', is underway. Customer satisfaction is a material issue, however other SSDs are not	See, A customer-facing workforce, page 31

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labelling, and percentage of significant product and service categories subject to such information requirements	NM	This has not been identified as a material issue this year	
	G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcomes	NM	This has not been identified as a material issue this year	
	G4-PR5	Results of surveys measuring customer satisfaction	Y	See, Putting our customers first, page 16	See, Deliver superior customer service, page 22
SOCIETY: Product Responsibility: Marketing Communications			NM	This has not been identified as a material aspect this year	See our Customer related codes of practice
	G4-PR6	Sale of banned or disputed products	NM	This has not been identified as a material issue this year	
	G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications.	NM	This has not been identified as a material issue this year	
SOCIETY: Product Responsibility: Customer Privacy			M	Data is at the heart of BT's business today, and will continue to be critical to our future success. To deliver our products and services to our millions of customers in the UK and around the world, we need to process vast amounts of personal data. We expect this to increase significantly as further innovations create a more connected society	
	G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	P	See Protecting privacy, page 12, for our approach. We do not report data on substantiated complaints	
SOCIETY: Product Responsibility: Compliance			M	Our quarterly Compliance Programme Panel (CPP) is chaired by The Group General Counsel and Company Secretary. See, Being and ethical business, page 10	
	G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	Y	We were fined for missing a deadline to implement an improved text-to-voice service for customers with hearing or speech impairments due to technical problems. See, Fines, page 11.	
SOCIETY: Human Rights: Investment			NM	The Human Rights investment aspect has not been identified as material this year	Our Statement of Business Practices, The Way We Work , gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to behave and on our values

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
	G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	NM	This has not been identified as a material issue this year	
	G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations.	NM	This has not been identified as a material issue this year	
SOCIETY: Human Rights: Non-discrimination			M	We respect the dignity, liberty and equality of everyone we work with	See, our Statement of Business Practices , page 32
	G4-HR3	Total number of incidents of discrimination and corrective actions taken	Y	See, Discrimination litigation cases, BT's people data, in our download section	
SOCIETY: Human Rights: Freedom of Association and Collective Bargaining			M	We only work with people who choose to work freely. We respect their rights to equal opportunities, freedom of association and collective bargaining	See, our Statement of Business Practices , page 32
	G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	Y	See, Investing in our people, page 17	
SOCIETY: Human Rights: Child Labour			M	We don't use child labour and we demand the same of our suppliers and their suppliers	See, our Statement of Business Practices , page 32
	G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour	Y	See, Managing a sustainable supply chain, page 14, for our approach	
SOCIETY: Human Rights: Forced or Compulsory Labour			M	We don't use or accept forced, bonded or involuntary prison labour	See, our Statement of Business Practices , page 32
	G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour	Y	See, Managing a sustainable supply chain, page 14, for our approach	
SOCIETY: Human Rights: Security Practices			NM	This has not been identified as a material aspect this year	
	G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	NM	This has not been identified as a material issue this year	
SOCIETY: Human Rights: Indigenous Rights			NM	This has not been identified as a material aspect this year	
	G4-HR8	Total number of incidents of violations involving rights of indigenous peoples and actions taken	NM	This has not been identified as a material issue this year	

	Index	Brief requirement	Reported	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
SOCIETY: Human Rights: Assessment			NM	This has not been identified as a material aspect this year	
	G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	NM	This has not been identified as a material issue this year	
SOCIETY: Human Rights: Supplier Human Rights Assessment			M	We are committed to implementing the UN Guiding Principles on Business and Human Rights. See, Respecting human rights, page 10	Our Statement of Business Practices sets out our commitment, as an original signatory to the United Nations Global Compact principles, to embrace, support and respect human rights and ensure we're not complicit in human rights abuses
	G4-HR10	Percentage of new suppliers that were screened using human rights criteria	Y	See, Managing a sustainable supply chain, page 14	
	G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	Y	See, Managing a sustainable supply chain, page 14	
SOCIETY: Human Rights: Human Rights Grievance Mechanisms			NM	This has not been identified as a material aspect this year	Our Speak Up channel – a confidential and independent telephone and online service – is now available to all BT employees, contractors, sub-contractors and suppliers globally to report concerns about ethical business practices
	G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanism	N	This has not been identified as a material issue this year	

United Nations Global Compact (UNGC)

We have been a signatory to the Global Compact since 2000 and we reaffirm our support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

This annual Communication on Progress (see table) summarises the key sections of our report as they relate to the Global Compact's principles and our business strategy, culture and operations. There are links to further information such as measures, lessons learned and our future plans.

Principles	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	See, Respecting human rights, page 10, which summarises our approach to protecting Human Rights	Our commitment to the Global Compact is reinforced in our Statement of Business Practices, The Way We Work , which gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to behave and on our values
Principle 2: Businesses should make sure that they are not complicit in human rights abuses	See, Respecting human rights, page 10, which summarises our approach to protecting Human Rights. BT's potential impact – both positive and negative – on human rights is managed by a number of departments and units throughout the business	Our commitment to the Global Compact is reinforced in our Statement of Business Practices, The Way We Work , which gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to behave and on our values
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We respect rights to equal opportunities, freedom of association and collective bargaining.	Our Statement of Business Practices, The Way We Work , gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to behave and on our values
Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labour	See, Investing in our people, page 17, which sets out our relationship with trade unions	Our Sourcing with Human Dignity standard , introduced in 2001, specifies the minimum standards we expect of our suppliers
Principle 5: Businesses should uphold the effective abolition of child labour	We don't use or accept forced, bonded or involuntary prison labour. We don't demand or hold on to deposits or identity papers for our workers, or deal with businesses that do. We only work with people who choose to work freely. See, Managing a sustainable supply chain, page 14	Our Sourcing with Human Dignity standard , introduced in 2001, specifies the minimum standards we expect of our suppliers
Principle 6: Business should uphold the elimination of discrimination in respect of employment and occupation	We don't use child labour and we demand the same of our suppliers and their suppliers. See, Managing a sustainable supply chain, page 14	We are an equal opportunities employer. As a Two Ticks employer, in the UK, we actively encourage the recruitment, development and retention of disabled people
Principle 7: Businesses should support a precautionary approach to environmental challenges	Our environment policy and management systems are designed to ensure we comply with environmental legislation and continually improve our performance in these areas. See Delivering environmental benefits, page 34 and Adapting to climate change, page 38	We have produced Designing Our Tomorrow checklist as a free to use resource to help ICT product designers and others to incorporate thinking on minimising environmental impact at each stage of a product's life-cycle into its design
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	See, Delivering environmental benefits, page 31 for our approach to environmental issues, Including our environmental policy and our work to reduce the impacts of our products	Our Supplier Forum is a collaborative, learning and development forum set up to identify, collect, disseminate and implement best practice and drive innovative sustainable product and proposition development
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies	We seek to maximise opportunities for the provision of services and solutions which can help to reduce negative environmental impacts, and which can provide significant environmental benefits, see Reducing customers' carbon emissions, page 32	We are part of the Net Positive movement , led by Forum for the Future, WWF UK and The Climate Group, which seeks to clarify, develop and drive adoption of the Net Positive concept
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	BT has zero tolerance of bribery. See, Being an ethical business page 10, which details our business principles (which apply world-wide to all employees and everyone else who works for BT around the world) and progress on our implementation of them	Our Statement of Business Practices, The Way We Work , gives guidance to our employees, suppliers and anyone working on our behalf, on how we expect them to behave and on our values

ISO 26000

ISO 26000 'Guidance on social responsibility' provides a guidance framework to help businesses and organizations operate in a socially responsible way.

This is the fifth year that we have cross referenced our report to the core subjects and issues of the guidance.

Core subject	Clause	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
HUMAN RIGHTS: Issue 1: Due diligence	6.3.3	See, Respecting human rights, page 10	Our Statement of Business Practices, The Way We Work , guides employees, suppliers and anyone working on behalf of BT on how to behave in different situations. It states our commitment to the United Nations' universal declaration of human rights
Issue 2: Human rights risk situations	6.3.4	See, Managing a sustainable supply chain, page 14	Like all businesses, we are affected by a number of risks and uncertainties. These may be impacted by internal and external factors and we have a group-wide risk management process to identify and mitigate these. See, our risks, page 41
Issue 3: Avoidance of complicity	6.3.5	See, Being an ethical business, page 10	Our Statement of Business Practices, The Way We Work , guides employees, suppliers and anyone working on behalf of BT on how to behave in different situations. It states our commitment to the United Nations' universal declaration of human rights
Issue 4: Resolving grievances	6.3.6	See, Being an ethical business, page 10	The Contact BT pages on our website provide access for external stakeholders to contact us for any queries about the company. Our employees have access to a confidential hotline to report any concerns
Issue 5: Discrimination and vulnerable groups	6.3.7	See, Being an ethical business, page 10, Creating a diverse and inclusive workplace, page 18, and Managing a sustainable supply chain, page 14	We communicate our business principles to all employees agents, contractors and others in The Way We Work . We are an inclusive employer and treat all our people fairly and actively encourage and celebrate difference
Issue 6: Civil and political rights	6.3.8	See, Being an ethical business, page 10	We respect the dignity, liberty and equality of every BT employee and everyone who has dealings with us
Issue 7: Economic, social and cultural rights	6.3.9	See Creating a connected society, page 24, Creating accessible products and services, page 24, Developing digital skills, page 26, Connecting communities around the world, page 28, and Championing skills for employment, page 22	Our web pages provide links to our free education and digital skills resources. Our Including You web site contains a wealth of information on the products and services we offer to people who need extra help with communications
Issue 8: Fundamental principles and rights at work	6.3.10	See, Being an ethical business, page 10	The Way We Work guides employees, suppliers and anyone working on behalf of BT on how to behave in different situations.. This includes our commitment to International Labour Organization (ILO) standards
LABOUR PRACTICES: Issue 1: Employment and employment relationships	6.4.3	See, Creating a diverse and inclusive workplace page 18	BT is an equal opportunities employer. We strive to treat our people fairly and responsibly, help them achieve their full potential, and respect their personal and community commitments
Issue 2: Conditions of work and social protection	6.4.4	See, Investing in our people, page 17	We compare salaries with other companies in our markets to make sure what we offer is competitive. In the UK, pay for the vast majority of our engineering and support people is determined by collective bargaining, with fair terms and conditions for all

Core subject	Clause	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
Issue 3: Social dialogue	6.4.5	See, Investing in our people, page 17	Our employee communication and engagement activities keep our people informed about any changes that may affect their ability to meet these expectations. We also value employees' ideas and contributions, and use them to improve how we do things at BT
Issue 4: Health and safety at work	6.4.6	See, Promoting employee wellbeing page 20	We aim to create a healthy working environment so our people can achieve their full potential and contribute to our success
Issue 5: Human development and training in the workplace	6.4.7	See, Developing talent page 21	We invest in our future success by continually developing the skills and knowledge of our people
THE ENVIRONMENT: Issue 1: Prevention of pollution	6.5.3	See, Operations, page 34	Our environmental management system covers our worldwide operations
Issue 2: Sustainable resource use	6.5.4	See, Operations, page 34	Our environmental management system covers our worldwide operations
Issue 3: Climate change mitigation and adaption	6.5.5	See, Reducing our carbon emissions, page 35	We have been measuring and reporting on our efforts to reduce our carbon emissions since 1992. In 2013 we set ourselves a goal to help customers reduce their carbon emissions by at least three times the end-to-end carbon impact of our business by 2020
Issue 4: Protection of the environment, biodiversity and restoration of natural habitats	6.5.6	See, What matters to BT and our stakeholders, page 8	We are not a major landowner. We have procedures in place to reduce the impact of our operations in the environment. This is not a material issue to our stakeholders, therefore we do not report on our performance
FAIR OPERATING PRACTICES: Issue 1: Anti-corruption	6.6.3	See Being an ethical business, page 10	We have specific policies covering anti-corruption and bribery, gifts and hospitality, and charitable donations and sponsorships. These cover our people around the world
Issue 2: Responsible political involvement	6.6.4		We aim to be transparent about our public policy activities, current public policy issues can be found on our website
Issue 3: Fair competition	6.6.5	See Being an ethical business, page 10	Our Statement of Business Practices, The Way We Work , guides employees, suppliers and anyone working on behalf of BT on how to behave in different situations
Issue 4: Promoting social responsibility in the value chain	6.6.6	See managing a sustainable supply chain, page 14	BT has procurement standards on; environment, climate change and labour rights for example. For more information see how we engage with our suppliers or our procurement website
Issue 5: Respect for property rights	6.6.7	BT is not a significant land owner, either in the UK or its international markets	
CONSUMER ISSUES: Issue 1: Fair marketing, factual and unbiased information and fair contractual practices	6.7.3		Our web pages include our Codes of Practice, covering our customer, sales and marketing activities.

Core subject	Clause	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
Issue 2: Protecting consumers' health and safety	6.7.4	See Reducing customers' carbon emissions, page 32	We don't manufacture our own products, so we work closely with our suppliers to ensure that the products and services we provide are to the highest standards. The BT Design Checklist helps us build sustainable design principles into our products, services and processes. Our Product Stewardship Standard details the standards that we apply
Issue 3: Sustainable consumption	6.7.5	See Waste and recycling, page 38	We are exploring ways to bring circular economy principles to BT through our own Research & Development and by collaborating with other stakeholders. Our consumer products are labelled to provide customers with information on energy use and disposal
Issue 4: Consumer service, support, and complaint and dispute resolution	6.7.6	See, Putting our customers first, page 16	Our focus is on excellent customer service. We always aim to be within easy reach and we want customers to get the answers they want quickly and easily. The different methods to contact us are summarised on our Contact BT page
Issue 5: Consumer data protection and privacy	6.7.7	See, Protecting privacy, page 12	Our business relies on our customers feeling comfortable and confident using our communications technology, so keeping their data safe and respecting their privacy are central to maintaining our reputation and critical to our business success. Our Privacy centre details how we collect and use personal information in different situations.
Issue 6: Access to essential services	6.7.8	We recognise the importance of internet and telephone services and try 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	BT Basic is our low-cost telephone service. Our Codes of Practice describe our procedures for requesting payment and the help customers can expect if they have problems paying
Issue 7: Education and awareness	6.7.9	See, What matters to BT and our stakeholders, page 8	We use many channels to engage with our customers on sustainability related issues. From the labelling on our products through to our marketing communications and our sustainability report. Increasingly we are using social media channels such as YouTube and Facebook to engage with a wider audience
COMMUNITY INVOLVEMENT AND DEVELOPMENT: Issue 1: Community involvement	6.8.3	See, What matters to BT and our stakeholders, page 8	We engage with all our stakeholders throughout the year. Throughout our report we offer readers the opportunity to comment and engage with us
Issue 2: Education and culture	6.8.4	See, Developing digital skills, page 26 and Supporting charities and communities, page 42	We are helping people across the UK develop the skills, knowledge and confidence they need to use the internet. Our people are supporting the communities that we live and work in through our volunteering initiatives
Issue 3: Employment creation and skills development	6.8.5	See, Championing skills for employment, page 22	We are an equal opportunities employer. We have longstanding apprentice and graduate entry programmes and provide work inspiration placements for young people to help prepare them for their working lives. Through our digital skills programme we are helping people gain the digital skills and confidence to create possibilities for everyone
Issue 4: Technology development and access	6.8.6	See, Creating a connected society, page 24	We have been supporting communities around the world for many years. Helping them to engage with new communications technologies and participate in the digital economy
Issue 5: Wealth and income creation	6.8.7	Working with the research company, Just Economics, we pioneered a social return on investment (SROI) methodology. In 2014/15, we used this to measure the social and economic impact of our digital skills programme, Get IT Together. See Creating accessible products and services, page 24	BT actively supports the communities in which it operates. Our purchasing stimulates economic and social development. Our Social Study 2013 – the Economic Impact of BT looks at our Gross Value Add across the UK. Our community activities are targeted at areas of most need

Core subject	Clause	Information in this report	Information in Annual Report and Form 20-F 2015 and elsewhere
Issue 6: Health	6.8.8	See, Promoting employee wellbeing, page 20 and Managing a sustainable supply chain , page 14	Protecting health and safety is a priority for BT. Not only for our people but our customers, contractors and suppliers
Issue 7: Social investment	6.8.9	See, Supporting charities and communities, page 42	We have wide ranging partnerships with organisations (for example charities) who are best equipped to address social inequalities. Our charity portfolio is aimed at helping charities in the UK and worldwide succeed. This support is provided by sharing our skills, support for fundraising and providing technology