



# *Commitment to society*

**Better World – Our Commitment to Society**

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## ***Introduction to site – by Sir Christopher Bland, Chairman BT***

Our job is to facilitate effective communication, irrespective of geography, distance, time or complexity.

Our industry is at the heart of modern societies and modern economies – the central nervous system of the post-industrial age, a fundamental part of human experience.

It is what brings friends and families together, and enables businesses and other organisations to work together.

Our vision is one of individuals, organisations, communities and societies with unlimited access to one another and to a world of knowledge, via a multiplicity of communications technologies including voice, data, mobile, internet.

We can help them to realise their potential and achieve their goals.

This vision implies a social agenda – a commitment to inclusiveness – an agenda made explicit in our mission statement through the phrase “fulfilling our responsibilities to the communities in which we operate.”

Meeting such a commitment depends on BT succeeding commercially and this in turn implies keeping ahead of the communications wave.

In our traditional UK telephony market we will inevitably continue to lose market share. This means that an increasing proportion of our revenue will come from “new wave” activities – the internet, mobility, data and solutions – and from new geographical markets.

That is why we have radically restructured the company along lines of business and technologies rather than geography.

The new holding company structure will bring considerable autonomy to the lines of business. It is our objective to ensure that they continue to operate in a way that is consistent with BT’s overarching values, commitment to doing business ethically, and commitment to sustainability.

Have a good look round this site. It includes our overview of everything we do to meet our social responsibilities. It covers our social investment, which has grown from £10 million in 1987 to £16 million in 2001, and embraces our current social and environmental reporting.

I hope that you will find something interesting or surprising.

## ***Introduction***

### **You are here**

If you're looking for BT's Social and Environmental Report, the good news is that you're in it!

Welcome to BT's first, all-encompassing, social, environmental, sustainable development, corporate social responsibility, triple bottom line report.

And perhaps we should take a minute to explain why we have taken such a holistic approach.

### **Joined-up thinking**

BT's social programmes are not in any sense separate from our main business. They are not some worthy add-on. They cannot be stashed away neatly in a drawer marked "community".

They are an integral part of the way we do business and they can only be understood in the context of all our activities.

This report is essentially the sum total of our internet pages devoted to our social and environmental programmes – plus lots of links to other sites on bt.com and elsewhere.

We have also prepared a summary document and provide a facility to download each of the main sections in pdf format. For people who do not have Internet access we can supply a printed version of the pdf files.

The internet is the ideal medium for such a report since it illustrates so well how integrated and interrelated all BT's activities are. For example, if you are on-line and you aren't familiar with BT as a company you can easily switch to our "Corporate Information" internet page that gives a concise overview of our business.

And, given the shorter lead times involved and the ease with which information can be updated, this also marks a significant step towards more real-time reporting.

### **The triple bottom line**

So, what exactly do we mean when we talk about triple bottom line reporting?

The concept of triple bottom line reporting has been very influential, but does carry with it a suggestion that there are three separate and distinct, but somehow interrelated, bottom lines – each of equivalent standing.

This is not what we have in mind.

In our view, in the context of sustainable development, it's impossible to consider the economic dimension in isolation from the social or the environmental. And vice versa.

We think that the time has come for organisations to stop compartmentalising the economic, the social and the environmental, and to find new and innovative ways of reporting their joined-up contributions to a more sustainable society.

And that's exactly what we're trying to do here.

## Stakeholders

Inevitably, a company the size of BT has a number of key stakeholders. These include customers, suppliers and shareholders, as well as the people who work for the company and society at large.

We are determined that dealings with our stakeholders align with international best practice, whether it be the way we select and pay our suppliers, the terms we offer our customers or the way we inform our shareholders about the company's key activities.

This focus on individual stakeholders is one of the determining features of this report.

### A new kind of analysis

We're very conscious that we are attempting something new – new to us and new to everyone else.

It's very complex and we don't expect to get everything right first time, but we are determined to offer you a single, integrated experience, rather than a series of discrete ones.

And where this means tackling larger issues, we are tackling them.

For example, this site incorporates wide ranging hot topics such as the "Digital Divide" and E-business and the Environment – plus a case study of the role of communications technology in India.

Again, these are not just "nice to haves"; they are a vital part of the report.

We've included them because research has shown that people don't just want quantitative information on activities and processes. They want qualitative insight into the way BT (and the industry generally) responds to its stakeholders in real situations, how it can live up to its promises about new ways of doing business, how it puts its values into practice, and how its products and services really can help to create better lives for people in a better world.

The hot topics (which were selected by our independent advisory panel) inevitably raise issues of politics which are far beyond BT's individual remit. But that doesn't mean to say that we have no right to raise them or that we have nothing to say about them.

We have also used the Global Reporting Initiative (GRI) guidelines in compiling this report. If you prefer to work through the report following the GRI framework then we have created an index especially for you.

### May you live in interesting times

We have prepared this report during one of the most turbulent times in BT's history.

Not since privatisation in the 1980s has the company experienced so much change. And it would be naïve not to recognise that this further complicates an already complicated job.

On the other hand, could there be a better time to substantiate our claim that our social programmes are a joined-up part of the way we do business?

We have now demerged our wireless activities to form the new company mmO<sub>2</sub>. The Better World site has been updated to reflect this change, with material either removed because it's no longer pertinent to the BT Group, or archived such as the hot topic on mobiles and health.

## Geography is history

One of the inevitable consequences of restructuring BT along lines of business is that the old distinctions between BT in the UK and BT overseas are fast disappearing.

For us, geography really is history.

Wherever possible in this report, we cover all BT's wholly-owned activities, in the UK and internationally.

Wherever this is not possible, and where the data are not available or relate only to our activities in one part of the world or another, we seek to be clear about precisely what is covered.

## Targets

We recognise the importance of setting stretching targets in this area as in any other part of our business.

And we recognise that the picture is a little patchy. We have, for example, a strong history of setting and meeting demanding targets for improving our environmental impact, but little tradition of setting targets for our social activities.

But we have been pleased to introduce social targets for the first time in 2001 (See Betterworld – Objectives and Targets).

(Note: The number of targets has reduced following the sale of Yell and the demerger of BT Cellnet. These targets have been transferred and are now owned by Yell and mmO<sub>2</sub>).

## Verification

We believe that the information in this report is full and accurate.

But we don't expect you to take everything on trust. Every effort has been made to ensure that you can have confidence that what you find here is robust. The report has been put through the rigours of a three-part verification process.

This process has two key objectives:

- to ensure that the right things are in the report
- to ensure the things in the report are right.

First, there is our panel of independent experts who have brought their independence of thought, experience, and insight – as well as their knowledge of corporate accountability – to the process.

They have been involved in all aspects – from providing guidance on our proposals for the report's main content areas, to the selection of the hot topics, from repressing our flights of PR fancy to agreeing the criteria for selecting the independent verifier.

Second, there were the external verifiers – LRQA – whose primary role was to take the content areas selected by the advisory panel and to identify and assess the data gathering systems and data, and to validate data samples.

And finally, there is the role of BT's Internal Audit department, which undertook substantial work to validate data and information. The external verifiers relied to a large degree on the work of BT Internal Audit in forming their conclusions.

## The future

It's a little difficult to be precise about future reports from BT.

Next time around, things could be different again, particularly given the new structure of the company, and the degrees of freedom that will be enjoyed by the lines of business.

But perhaps it's worth saying some rather more generic things about the future of social and environmental reporting.

First, we anticipate that there will be a continuing movement towards real-time reporting – continuous assessment rather than big reports every couple of years. This will clearly impose a new set of disciplines on reporting companies.

We also anticipate that there will be more integration in the reporting of all company activities – more joined-up thinking and management.

And we expect that the process of target setting will become more rigorous and more standardised – both within industries and between them.

Whatever the precise changes prove to be, BT is committed to being at the centre of the debate about how responsible companies can most usefully and effectively report on their social and environmental programmes and how their contributions should be assessed.

### But what do you think?

We hope you find the report interesting. And we hope even more that you will share your views with us. We want to get a debate going on this issue. Tell us what you think.