



Business Principles

Better World – Our Commitment to Society

Business Principles

BT is committed to doing business in a manner consistent with world-class standards of business integrity.

In particular, our Statement of Business Practice, *The Way We Work*, defines BT's business principles that apply world wide, to all employees, agents, contractors and others when representing BT.

The Statement also sets out specific aspirations and commitments that apply in our relations with our customers, employees, shareholders, partners, suppliers and in the communities where we operate.

Supporting and reinforcing the Statement of Business Practice are a number of company-wide policies covering issues such as equal opportunities, environment and ethical trading.

BT has a comprehensive set of corporate governance procedures, including a corporate social responsibility governance system.

BT also has a strict policy of not giving cash contributions to any political party. However, we actively participate in public policy issues and regularly make contact with political parties, politicians and civil servants.

Finally, all of these initiatives are underpinned by a vision of a communications-rich world and a set of specific values all BT people are asked to respect.

Statement of Business Practice

Our Statement of Business Practice, The Way We Work, defines BT's business principles that apply worldwide, to all employees, agents, contractors and others when representing BT.

The Statement also sets out specific aspirations and commitments that apply in our relations with our customers, employees, shareholders, partners, suppliers and in the communities where we operate.

In this section we provide details on the level of awareness of the Statement in BT and the extent to which it has been implemented across the BT Group.

You can also identify our performance against the specific principles, aspirations and commitments contained in the Statement by navigating this site via a Site Index based on the Statement.

Better World Links:

- [Statement of Business Practice Site Index](#)

See also:

- [The Way We Work](#)

Awareness

In 2001 a BT Internal Audit Department Report found that awareness of the Statement of Business Practice stood at 73% of all employees across the BT Group and 71% of all employees in the UK:

	<i>BT Group</i>	<i>BT in the UK</i>
Awareness March 2001	73%	71%
Target March 2001	70%	70%
Awareness September 2000	-	68%
Target September 2000	-	65%

These improvements in awareness are the consequence of a comprehensive employee communications plan.

A printed copy of The Way We Work has been sent to every employee and is also available on the BT intranet. The Statement is available in eight languages – English, German, French, Italian, Japanese, Korean, Spanish and Chinese (Mandarin). There is also a Question & Answer guide for managers to help them brief their teams.

Other elements of the communications plan include:

- a video and a credit card-size CD-ROM (explaining the Statement) which went to all senior managers for use as a briefing tool
- a desk calendar illustrating our 12 business principles sent to all managers
- a training web site
- a Maintaining Integrity booklet sent to all managers
- two thousand training videos distributed to targeted managers
- letters from senior managers to their teams reinforcing the compliance message

In collaboration with the Institute of Business Ethics, we also established an in-house business practice excellence award. Individuals are nominated by colleagues for demonstrating excellent business practice behaviour.

Better World Links:

- [Statement of Business Practice Site Index](#)

See also:

- [The Way We Work](#)

Implementation

In 2001 a BT Internal Audit Department Report found that proportion of managers aware of the specific ethical risks they face stood at 87% across the BT Group and 89% in the UK:

	<i>BT Group</i>	<i>BT in the UK</i>
'Compliance' March 2001	87%	89%

We believe that this level of application arises from our strategy of embedding our Business Principles into BT's day-to-day activities.

We have, for example, linked the Statement of Business Practice to Turnbull compliance (a requirement of company financial reporting), not only at the BT Group level but also at the operational unit level.

This means that risks are regularly reviewed throughout the business, rather than just at the corporate centre. All senior managers are required to manage and minimise that risk (rather than leaving it to a specialist in compliance) and have recently briefed their teams on the importance of the Statement.

We have also set up a helpline for people seeking help and confidential advice. This is available via both phone and e-mail and is dealt with by the Head of Group Business Practice.

A number of issues have been raised via calls to the helpline. These have all been followed up and appropriate action taken, including disciplinary action.

Lines of Business

The Statement of Business Practice is a reserved power of the BT Group Board and all BT's Lines of Business (Ignite, Retail, Wholesale, Exact & Openworld) are mandated to comply with it.

Implementation programmes are the responsibility of each Line of Business, all of whom have nominated their own senior manager to act as owner.

Our priority for the 2003 financial year will be to ensure that proper implementation of the Statement of Business Practice is undertaken by each of the BT Group Lines of Business.

To maximise the effectiveness of implementation in the Lines of Business an operational working group has been established and meets on a quarterly basis.

In 2002, Integrity Works undertook an "Ethical Expression" benchmarking study of FTSE 100 companies to establish the relationship between a company's stated ethical precepts and best practice, and also their effectiveness in implementing these principles. BT came equal first (in the UK) in this exercise, alongside Shell and BP.

Wholly Owned Subsidiaries and Joint Ventures

The Statement outlines how we will work with our international joint ventures to create added value for our customers and shareholders, while continuing to adhere to high standards of business practice.

Specifically, we are committed to using our values and principles in dialogue with other organisations and in considering new and existing relationships.

All wholly owned subsidiaries are required to comply with the Statement of Business Practice.

In addition, a comprehensive Joint Venture Statement Pack was distributed to all Directors of BT's joint ventures, promoting The Way We Work.

Better World Links:

- [Statement of Business Practice Site Index](#)

See also:

- [The Way We Work](#)

Policies

Our Statement of Business Practice is reinforced by a number of company wide policies:

- Equal Opportunities
- Ethical Trading
- Health and Safety
- Environmental Policy
- Social Policy

Corporate Social Responsibility (CSR) Governance System

Management Council

BT's new main strategy committee, the Management Council, is made up of business and functional leaders from across the BT Group. It meets monthly and inputs into the long term strategic planning and direction of the BT Group.

This includes our approach to policy and reputation matters such as ethics and values, corporate social responsibility, human resources, pensions, technology, branding and health & safety. The Council provides advice on critical matters such as regulation, media relations, public policy and public affairs.

Corporate Social Responsibility Steering Group

To help the Council manage the specific issues of Corporate Social Responsibility (CSR), we have recently put in place a new CSR governance system. This brings together the previously separate social and environmental strands of BT's activities and align them to the new structure of the BT Group. In particular, this new system is designed to supervise the CSR relationship between the BT Group and the individual lines of business.

In addition, social, ethical and environmental matters have been incorporated into the Directors' induction programme.

An internal committee known as the Corporate Social Responsibility Steering Group (CSRSG) oversees the implementation of all social and environmental programmes across the BT Group. The CSRSG is made up of CSR champions nominated by the BT lines of business and four support functions (Human Resources, Corporate Governance, Communications and Procurement).

The CSRSG meets quarterly and makes regular reports to the Board. It is chaired by BT's overall CSR champion. This position was held by Chris Earnshaw, who recently left the business. Robin Pauley, BT's Group Communications Director is acting CSR Champion until a permanent successor is appointed..

The main responsibilities of CSR Steering Group include:

- ensuring that the BT CSR programme meets the needs of the business
- championing major social and environmental initiatives and improvements
- maintaining BT's ISO14001 certification
- agreeing company policy on specific social and environmental issues
- risk assessment
- performance measurement and monitoring.

CSR Health Checks

To ensure that CSR is embedded into BT's commercial operations we have commenced a series of CSR "health checks" with each of BT's commercial priorities.

The health checks examine a cross section of BT's key CSR impacts (such as integrity, environment or digital inclusion) and take the form of an informal, loosely structured interview with the relevant programme director.

The health checks identify specific social, economic and environmental impacts (both positive and negative) and particular CSR risks and opportunities. A report is then compiled, including recommended actions.

Environmental Policy Implementation Committee

To ensure effective implementation of BT's environmental policy, the environmental policy implementation committee (EPIC) – a sub committee of the CSRSG – meets on a monthly basis.

The membership of EPIC consists of BT's environmental aspect group owners – senior operational managers from around the business whose responsibilities have environmental implications.

EPIC's main responsibilities are:

- delivering the improvement targets and objectives agreed by CSRSG
- maintaining the register of BT's environmental aspects/impacts.

To maintain senior executive support, Ben Verwaayen, BT's Chief Executive Officer, takes overall responsibility for BT's environmental performance.

Social Policy Unit

Overall co-ordination and maintenance of the BT social policy strategy and environmental management system rests with the BT Social Policy Unit, whose responsibilities include promoting awareness of BT's social and environmental policies among employees.

Additionally, a Board committee – the Community Support Committee – oversees social investment expenditure and establishes the strategy for maximising our contribution to society. The committee is made up of representatives from BT businesses and external non-executives who have a reputation for excellence in this field.

Better World Links:

- Environmental Roles and Responsibilities Chart

Public Policy

BT has a strict policy of not giving cash contributions to any political party.

However, we actively make contact with political parties, politicians and civil servants on a non-partisan basis to make them aware of key arguments and technology and industry trends.

We put forward our points of view on matters that affect our business interests and to ensure that those in government are fully briefed on issues surrounding and affecting the company's activities.

We also interact regularly with the European Commission and national and international regulators.

We undertake these activities both directly and through many intermediary organisations such as:

- our European trade association (ETNO) <http://www.etno.belbone.be/>
- the Confederation of British Industry (CBI) <http://www.cbi.org.uk/home.html>
- the Federation of the Electronics Industry (FEI) www.fei.org.uk/

We believe these activities form a legitimate part of the normal relationships between companies and the political machinery.

Our responses to important regulatory consultation documents are posted on our web site <http://www.bt.com/regulate/otherresp/index.htm>. This site includes our responses to a range of communications industry specific consultations, but also our responses to:

- the EU Green Paper on Corporate Social Responsibility
- the UK Government's consultation on sustainable development.

We are also members of a number of organisations that attempt to influence public policy on matters connected with corporate social responsibility and sustainable development. Some, but by no means all of these, are business led:

- Employers Forum on Disability www.employers-forum.co.uk
- CSR Europe www.csreurope.org
- Forum for the Future www.forumforthefuture.org.uk
- Green Alliance www.green-alliance.org.uk

Overall, members of the BT social policy team are in frequent contact with the company's public and regulatory affairs teams to make sure we are putting forward consistent and coherent communications.

Vision and Values

BT's activities are underpinned by a set of values that all BT people are asked to respect:

- we put customers first
- we are professional
- we respect each other
- we work as one team
- we are committed to continuous improvement.

These are supported by our vision of a communications-rich world – a world in which everyone can benefit from the power of communication skills and technology.

A society in which individuals, organisations and communities have unlimited access to one another and to a world of knowledge, via a multiplicity of communications technologies including voice, data, mobile, internet – regardless of nationality, culture, class or education.

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. It is 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.

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

And as an important player in the global communications industry, we believe that BT makes a significant contribution to society and the health of the planet by enabling better communications between individuals and businesses, by helping to cut cost and conserve energy, and by generally improving our efficiency and effectiveness in so many ways.