



Verification Statement

Lloyd's Register Quality Assurance Limited (LRQA) was commissioned by BT Group to verify its Social and Environmental Report for the financial year ending 31 March 2002. Based on the verification scope¹, data in this report were found to be reliable and accurate. Ultimately, the report remains the responsibility of, and has been approved by, the Directors of BT plc.

LRQA has verified only the web-based version of BT's Social and Environmental Report (www.btplc.com/betterworld) as launched on the Internet (26 June 2002). Each web-page displays our logo only where information and data have been verified.

Scope of LRQA's Verification

The verification was conducted as a sampling process² and covered the following activities:

- identifying where information, presented in BT's Social and Environmental Report 2001, has been refreshed and then verifying these changes. LRQA also conducted checks on revisions to the 'betterworld' web-site throughout the financial year.
- reviewing BT's IAD internal verification process and findings.
- identifying and assessing key data gathering systems together with the validation of data samples.
- gathering sufficient evidence by examining BT's Intranet and electronic files to assure the reliability of data.
- reviewing minutes from implementation committees for achievement of targets.

LRQA's verification did not extend to secondary hyperlinks and .pdf files.

Progress against Recommendations

- BT has not extended its use of the current Global Reporting Index for this report. However, with the GRI Guidelines under consultation, any applicable reporting requirements should be included during web-page refreshments.
- coverage of the report to include BT's world-wide operations remains ongoing. Note: BT has withdrawn from the majority of its international operations.
- 'Product Stewardship' has agreed new strategies that are at present being implemented, hence these processes remain to be verified.
- data collection and management processes:
 - appointment of a single "gate keeper" for the whole report has improved the co-ordination for collecting information from section owners and across BT's Lines of Business.
 - social reporting continues to have deficiencies in its data collection and management of verification evidence especially within the sections 'Suppliers' and 'Employees'.
- system for tracking environmental targets has been extended to include new social targets, these have been allocated across BT's Lines of Business. Progress against these targets will be monitored at quarterly verifications.

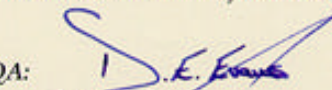
Recommendations

Whilst BT's commitment towards continually improving the accuracy and completeness of data presented is evident, in the opinion of LRQA the following area is suggested for future improvement:

- improve the process for the provision of information by section owners, to ensure that timely information is provided for publication, in order to conform with BT's own requirement to be at the forefront of corporate reporting.

on behalf of LRQA:

expiry date:


June 2003

¹ Verification scope is to confirm that the information presented is right. LRQA had no input to topics chosen or their content, this is the responsibility of BT, with support from the Independent Advisory Panel

Note there have been no changes from 2001 in either the "Hot Topics" or the case study "BT in India".

² Sampling was based on the requirements in ISO 14010, ISO 14011 and ISO 19011 (international guidelines relating to the general principles of auditing and audit procedures)