

Stakeholder dialogue

Better World
BT's Social & Environment Report



Stakeholder dialogue

BT has critical relationships with a range of stakeholders. While no formal process has been used to identify stakeholders, over time it has become clear that six stakeholder groups are particularly critical to the success of our business:

- Customers
- Employees
- Suppliers
- Shareholders
- Partners
- Community

Our Statement of Business Practice The Way We Work sets out the aspirations and commitments which apply in each of our stakeholder relationships.

We believe that effective dialogue with each stakeholder group is essential to BT. Quite simply, the more positive and mutually beneficial these relationships are, the more successful our business will be.

We also seek the input of specialists in social and environmental policy through our Stakeholder Advisory Panel and our Social and Environment Report Independent Advisory Panel.

This site is itself part of BT's dialogue process, which is why we host a number of e-mail and live online debates on issues of interest and concern to our stakeholders.

Readers can also provide feedback on BT's social and environmental performance directly by e-mail.

The various ways in which we engage with stakeholders are described below. Links are included which take you to the relevant section of this site.

Customers

Highlights of our dialogue with customers include:

- Consumer Liaison Panels
- Surveys of customers on quality of service and future expectations
- Telecommunications Advisory Committees

Employees

Highlights of our dialogue with employees include:

- Our annual employee survey
- Relationships with trade unions
- European Consultative Works Council

Suppliers

Highlights of our dialogue with suppliers include:

- Supplier relationship management programme
- Ethical trading forums with key suppliers and industry colleagues

Shareholders

The Investors section of the Better World site was developed following close consultation with analysts specifically interested in the social and environmental performance of companies.

BT always values feedback from shareholders and aims to inform investors of the issues we face. More details are found in the Shareholder services section of our Investor Centre site.

Partners

A description of our relationship with joint ventures and wholly-owned subsidiaries on social and environmental issues is described in the Statement of Business Practice section.

Community

Recent surveys of our stakeholders tell us that education should be a top priority for our social investment. This section describes how we manage and distribute this investment.

Stakeholder Advisory Panel

The Stakeholder Advisory Panel brings together a diverse mix of opinion formers from all over Europe to help shape and evolve BT's social policy strategy.

The Panel is made up of 14 members (three from within BT and 11 external members) and meets twice a year to share insights into societal trends and expectations that help shape our policies and practices. The external and international dimension of the Panel offers many valuable perspectives on issues of corporate social responsibility and sustainable development.

At each meeting BT representatives report back on progress made against the Panel's recommendations.

Recent meetings have covered the development of non-financial key performance indicators, BT's role in developing new communications products and services that help deliver sustainable development and the climate change implications of broadband.

Previous meetings have covered issues as varied as the digital divide, the gap between commercial drivers and those for social change, targets for social reporting and the positioning of social management within the restructuring of BT.

The Advisory Panel members act in a personal capacity – the organisational affiliations below are listed for identification purposes only:

- Maria Buitenkamp – Independent consultant on strategies and innovation for sustainable development
- Jon Cousins – Formerly an educational e-entrepreneur and managing partner in Fundango
- John Evans – Member of the International Trade Union Advisory Committee to the OECD
- Claude Fussler – Vice-president of Dow Chemical Europe, currently on secondment to the World Business Council for Sustainable Development (WBCSD) as Director for Stakeholder Relations
- Adrian Hosford – Director of BT's Group Social Policy Team
- Dr Caroline Lucas – Member of the European Parliament (Green, South East Region, England)
- Jane Nelson – Director, Business Leadership and Strategy, Prince of Wales International Business Leaders Forum
- Robin Pauley – Director of Group Communications BT
- Jonathon Porritt – Chair of the UK Government's new Sustainable Development Commission
- Dr Jorgen Randers – Professor, The Norwegian School of Management, Oslo
- Richard Sandbrook – Co-founder of Friends of the Earth
- Rita Kellner-Stoll – Senator for Building and Environment, Bremen City Council
- Dr Chris Tuppen – BT's manager of Corporate Accountability and Sustainable Development
- Jan Walsh – Principal of Crescent Consultants

Influencing BT

We believe that it is important to be explicit about what BT is trying to achieve with each stakeholder group and to deepen our understanding of what they expect from us.

For this reason our Statement of Business Practice sets out the specific aspirations and commitments which apply

in our relations with our customers, employees, shareholders, partners, suppliers and communities.

BT's performance against these specific principles, aspirations and commitments can be found via our site index based on the Statement of Business Practice.

It is difficult to make direct links between a specific consultation exercise and a particular company decision.

Nevertheless, the various sections of this site that relate to specific stakeholder groups describe how stakeholders do influence BT policy, strategy and practice. For example:

- How our consumer liaison panels have helped shape our Next Generation Contact Centre strategy for call centres.
- How BT managers work with their teams to analyse the results of the annual employee survey and carry out action plans.
- How ethical trading forums with our suppliers is leading to an industry-wide approach to supply chain human rights.
- How regular communication with socially responsible investment analysts led to further disclosure about the links between CSR and the BT strategy.
- How stakeholder dialogue was used in the selection of non-financial key performance indicators.
- How stakeholder dialogue led to the selection of education and better communications as key themes of our social investment programmes.

Influencing the Better World site

Stakeholder consultation has significant bearing on the content of the Better World site.

'Hot Topics'

Using selection criteria approved by our Independent Advisory Panel, we trawled various opinion polls, company stakeholder consultations and press coverage to identify issues of concern to both BT and society. This resulted in the Misuse of the Internet and the Digital Divide being included amongst our 'Hot Topics'.

Previous 'Hot Topics' selected in this way included Modern Communications and Quality of Life, E-Business and the Environment and Mobile Phones and Health.

Indicators

In June 2003 we established a small number of non-financial key performance indicators to provide an overview of BT's social and environmental performance. These were derived from a consultation exercise involving report users such as investors, customers and employees, together with outside experts such as the BT Stakeholder Panel and the report's Independent Advisory Panel.

In deciding what other indicators to use in the report we chose to follow the 2002 Global Reporting Initiative Guidelines. As a multi-stakeholder initiative, these guidelines provide the most comprehensive and independent insight into the interests and concerns of our stakeholders.



Other content

When defining the content for each section of the site we take into full consideration the results of consultation activities. For example, the Investors section was developed following close consultation with analysts specifically interested in the social and environmental performance of companies. The Customers and Employees sections cover issues that we know to be of concern to these groups, such as services for customers with special needs and our call centre reorganisation programme.

In June 2003 the remit provided to our verifiers was extended to include assurance against the AA1000 Assurance Standard.

The underlying basis of this standard is 'inclusivity'. It requires our report to reflect the concerns of stakeholders, both in its content and in terms of demonstrating BT's response to these concerns.

More details on how we have applied AA1000 Assurance Standard are found in the About the Report section of this site.

See also:

- Global Reporting Initiative www.globalreporting.org

