

BT's Sustainability Report 2007

About the report



let's make a
better
world

About the report

We have reported on our social and environmental impacts for a number of years, but this is our first Sustainability Report. We decided to rename the report to reflect our sharpening focus on the economic implications of sustainable development. Our 2007 report includes:

- Our social, economic and environmental performance from 1 April 2006 – 31 March 2007. This information is audited by LRQA, as indicated by the LRQA logo:
- Our Regulatory Compliance Report, including the second report from the Equality of Access Board. This report is audited by PwC.
- An independently written “hot topic”, which this year is written by the independent think tank RAND Europe and explores responsibility in the digital age.

We have also produced a short printed report, our [Sustainability – Business Overview](#) to explain our approach to social, economic and environmental issues in the context of our business strategy and summarise our sustainability performance.

Explore our report section by section, or using the GRI indicators and UN Global Compact principles.

Assurance

This report has been assured against the AA1000 Assurance Standard and prepared in accordance with the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines 2002, with reference to the GRI Pilot Telecommunications Sector Supplement.

The AA1000 Assurance Standard stipulates that three specific principles must be met:

- **Materiality:** the report must include all the information about our sustainability performance that readers need to make informed judgements, decisions and actions.
- **Completeness:** the report must include all material aspects.
- **Responsiveness:** the report must demonstrate that BT has responded to stakeholder concerns, policies and relevant standards and adequately communicated these.

Lloyd’s Register Quality Assurance Limited (LRQA) is contracted by BT to assure this report against AA1000 AS. [LRQA’s statement](#) explains the assurance process and provides their conclusions.

The work of LRQA is complemented by the role of BT’s Internal Audit department, which undertakes substantial work to validate data and information. LRQA relies on the work of BT Internal Audit in forming its conclusions.

Our [Leadership Panel](#) of external experts advises on our CSR strategy and performance. Part of their role is to ensure that difficult or uncomfortable issues are not neglected. [The Panel’s statement](#) contains their view of this report and our performance.

The information in the social and environmental report – and its presentation – is the responsibility of BT.



LRQA Assurance Statement

SCOPE, CRITERIA AND OBJECTIVES OF THE ASSURANCE

Lloyd’s Register Quality Assurance Limited (LRQA) was commissioned by BT Group plc (BT) to assure both its Changing World: Sustained Values 2007 printed report and its web-based Sustainability Report 2007 (the reports) for the financial year ending 31 March 2007. Both reports remain the responsibility of and have been approved by BT.

The assurance was undertaken against:

- Accountability’s Assurance Standard AA1000 AS, 2003;
- Global Reporting Initiative Sustainability Reporting Guidelines (GRI), 2002;
- GRI Telecommunications Sector Supplement, July 2003.

The objectives of the Assurance were to review the materiality, completeness and responsiveness of the data and information presented in the reports and to check that these are accurate and represent BT’s sustainability performance fairly.

Our assurance did not extend to data and information accessed through links that take the reader out of these reports. Where BT presented data and information obtained from a second party, LRQA corroborated only that data and information was transcribed accurately, or the correct reference was provided.

LRQA'S APPROACH

The assurance was undertaken as a sampling exercise and included interviews, data and information analysis and reviewed BT's:

- stakeholder engagement processes;
- understanding, response and reporting on material issues
- output on materiality against our own independent analysis of stakeholder issues;
- use of sustainability performance data within its business decision-making processes;
- processes for setting performance indicators and for monitoring progress;
- data and information management systems;
- Sustainability Report 2007 to establish that it is in accordance with the GRI Guidelines;
- reporting of performance in accordance with the GRI Guidelines.

We also reviewed issues arising from accredited third party certification of BT's quality and environmental management systems which are undertaken by LRQA and deemed none to be material.

LEVEL OF ASSURANCE

Our approach has enabled us to achieve a reasonable level of assurance from our review .

LRQA'S FINDINGS AND CONCLUSIONS

Based on our review, our conclusions on the reports in relation to the AA1000 Assurance Standard and the GRI Guidelines are summarised below:

Materiality

BT has established an effective process for determining issues that are material to the business.

The reports include information that is material to stakeholders and these issues are considered during strategic decision making.

We are not aware of any material aspects concerning BT's sustainability performance that have been excluded from the report.

Completeness

The reports are complete in coverage of sustainability performance and there are processes in place for identifying, understanding and managing stakeholder issues and potential risks to the business;

Responsiveness

We are not aware of any additional issues of stakeholder interest that should be included in the reports.

Global Reporting Initiative

The content of the Sustainability Report 2007 is in accordance with the requirements of the GRI Guidelines including the Telecommunications Sector Supplement.

IMPROVEMENTS IDENTIFIED BY LRQA

Recommendations made in assurance statements by LRQA for previous BT corporate social responsibility reports have been addressed.

Following our review this year, we recommend that BT continues to improve on the collection of environmental data from the countries outside of the UK that provide limited data. In addition, a more formalised, monitored, programme for environmental data verification audits should be produced to ensure accuracy of data currently being provided.

Further recommendations on sustainability performance and reporting are included in our report on this assurance assignment to BT senior management.



CE Rosser

For and on behalf of LRQA, UK

This Assurance Statement is valid for one calendar year from the date of issue.

Third party liability

LRQA, its affiliates and subsidiaries and their respective officers, employees or agents are, individually and collectively, referred to in this clause as the 'Lloyd's Register Group'. The Lloyd's Register Group assumes no responsibility and shall not be liable to any person for any loss, damage or expense caused by reliance on the information or advice in this document or howsoever provided, unless that person as signed a contract with the relevant Lloyd's Register Group entity for the provision of this information or advice and in that case any responsibility or liability is exclusively on the terms and conditions set out in that contract.

LRQA's Competence and Independence

LRQA ensures the selection of appropriately qualified individuals based on a rigorous appraisal of their qualifications and experience. The team conducting the assurance of BT's Reports was multi-disciplinary and has been involved in assurance assessments from the outset of external verification of non-financial performance reports.

LRQA's internal systems have been designed to manage and review assurance and certification assessments. This involves a review by senior management of the outcome derived from the process applied to the assurance of corporate reports.

Independence of LRQA from BT

LRQA is BT's ISO9001, ISO14001, BS15000-1 and BS7799-2 certification body. We also provide BT with a range of training services primarily related to Quality Management Systems.

The assurance and certification assessments, together with the training are the only work undertaken by LRQA for BT.

Conflict of interest

LRQA is part of the Lloyd's Register Group. Lloyd's Register Group recognises that potential conflicts of interest may exist which could impact on its independent verification activities. Lloyd's Register Group is committed to identifying and managing such conflicts so that they do not adversely impact its independence and impartiality.

In order to protect the integrity, neither LRQA nor any other Lloyd's Register Group company will provide services which create a conflict and compromise the independence and impartiality of third party certification and assurance. The Lloyd's Register Group will never verify its own solutions to a customer's problem.

Independence of BT's Internal Audit Department

IAD is an independent, objective, review function for the BT Group. It is designed to add value and improve and provide assurance over operations. The Director of IAD retains the right to report to the Board Audit Committee instances where the department's independence or objectivity is impaired by the activity or behaviour of audit clients.

- This excludes BT's Regulatory Compliance Report for 2006/7 and the Equality of Access Board Summary Report 2007.
- The LRQA assurance process was based upon the requirements of ISO19011:2002 the international standard relating to 'Guidelines for quality and / or environmental management systems auditing'.
- LRQA provides accredited third party certification to ISO 14001 for BT's global operations and to ISO 14001 for BT's UK operations.
- LRQA's opinion is based on the scope of our work carried out and is designed to provide a reasonable rather than an absolute assurance that the Report represents a true and fair reflection of BT's sustainability performance.

Statement by BT's CSR Leadership Panel 2007

THE PANEL'S REMIT

Our purpose is to encourage innovation and leadership on sustainable development and corporate responsibility in BT by providing independent guidance and expert advice on BT's activities, including:

- Advising on key areas of CR (corporate responsibility) and sustainable development strategy and performance, including future objectives, targets, performance measures, policy, stakeholder relationships, governance and external communications;
- Making sure BT doesn't dodge difficult or uncomfortable issues;
- Bringing independent scrutiny to bear on BT's understanding of critical societal issues; and
- Advising on new or significantly altered social and environmental report content.

In this statement, which has been prepared for inclusion in BT's 2007 Sustainability Report, we comment on the level of progress made during the 2006/2007 financial year by BT on sustainable development and CR. The statement covers all areas of CR strategy and performance (i.e. not just reporting) and includes our consideration of the main challenges ahead.

During the course of the last year, we have met four times and have made supplementary inputs outside the meetings. This statement covers our work as a Panel up to the on-line publication of the report in June 2007. Previous statements of the Panel are available in the [archive](#) section of this site.

In the course of these meetings and discussions we have:

- Discussed with management the company's approach to: diversity and digital inclusion; climate change; responsible innovation; taste and decency policy; sustainable economic growth and public policy
- Reviewed performance indicators and their alignment to reporting and strategy
- Initiated and advised on the production of a new hot topic

Panel meetings are conducted with frankness, constructive criticism and fresh thinking. Divergent views around the table reflect the varied backgrounds and experience of the Panel members. In 2006, we evaluated our own effectiveness as a panel and [published the findings](#) on the BT web site.

PRINCIPAL AREAS OF ENGAGEMENT

Community Investment

The Panel welcomes the new 'effectiveness' measure appraising the way in which BT determines and manages its community investments. We have not yet had a chance to review how this is working, though we have asked whether the 2007 target of a 5% improvement in effectiveness is sufficiently ambitious. We note that BT has not yet carried out the proposed review of its Community Investment Strategy, and hope that this will be a priority for 2007.

Diversity and Digital Inclusion

We are impressed by the depth of engagement the company has in its employee diversity programme, and recognise the challenges the concept presents as BT increasingly becomes a global company. We support the change to the diversity Key Performance Indicator (KPI) and are pleased the company will continue to report on its detailed UK diversity figures. We appreciate the openness with which BT managers discuss HR issues, which are often of a controversial and difficult nature.

Recognising that BT has now delivered broadband coverage to 99.8% of the UK population, we encouraged the company to change the focus of its digital inclusion KPI away from access and towards usage. The new KPI achieves this, and is now more focused on internet usage, recognizing that it is often disadvantaged customers that don't exploit the benefits of this new technology.

Supply Chain

BT is absolutely in the vanguard of those companies which recognise that it's impossible to improve overall performance without stimulating performance achievements in one's supply chain. BT has developed a number of tools to help it achieve those goals, and the value of these tools was recognised in the report of the 2006 Sustainable Procurement Task Force and the Government's own Sustainable Procurement Action Plan in 2007. This year, BT has tightened the criteria relating to climate change in its procurement process, another strong signal to its suppliers that expectations around climate change are rising rapidly.

Climate Change

We were involved in the development of BT's new climate change strategy, and were delighted when the BT Board endorsed this in December 2006 along with the challenging objective of reducing CO₂ emissions by 80% (relative to 1996 levels) by 2016. We support the way in which BT is reaching beyond its direct operations to influence its suppliers, customers and employees. BT's leadership in this area is all the more important in that so many people still see the ICT sector as relatively 'low carbon'. In fact, emissions from this sector are growing rapidly and there's little doubt that governments will need to address this in the near future. BT's investments in energy efficiency and renewable energy has put it well ahead of this particular curve.

Responsible Innovation

We spent an entire day visiting BT's R&D site in Suffolk. We were interested to see some of the new technologies under development, and pleased to see the recognition sustainability is now receiving in BT's innovation programme. When we first visited Adastral Park three years ago there was some resistance to the idea of sustainability as an increasingly important driver of innovation. So it's encouraging to see this shift in mindset.

Sustainable Economic Growth

The Panel is very supportive of the work BT is doing in the area of "sustainable economic growth" by which the company means scoping and developing new business opportunities based on people living more sustainably. The Panel made various recommendations covering definitions, measures of success, and the need to embed sustainability considerations into BT's internal product proposition processes. We will review the degree to which these recommendations have been adopted, and the level of resource that BT is now injecting into this area.

Taste and Decency Policy

The advent of new technologies such as broadband TV and user-generated content creates new ways for people to access contentious and (for many) morally repugnant material over the internet. BT explained to the Panel the rationale behind their revised taste and decency policy. While the Panel continues to express concern over these issues, it recognises that BT has introduced important controls, checks and balances (such as its Cleanfeed software) while becoming neither a censor nor an arbiter of morals.

Public Policy

The Panel received presentations from BT's public affairs teams from London, Brussels and Washington, and had

the opportunity to ask how the company builds CR considerations into its lobbying activities. We welcome the greater disclosure on this issue, as represented by publication of the Policy as part of this Sustainability Report.

Hot Topic

The Hot Topics cover matters of current concern to both BT and the society in which it operates, and we commend BT's boldness in publishing independent reports on matters of topical controversy. The Panel actively oversees the Hot Topic process, from topic selection right through to publication.

This year, we asked BT to consider the unique responsibilities facing ICT companies as they operate globally. The Panel is concerned that the results of the Hot Topic that resulted may not lead to a deep enough level of debate within BT on what is a crucial issue. So we'll need to come back to this, and we will also be reviewing the degree to which the hot topics approach is still achieving its objectives.

CHALLENGES FOR THE FUTURE

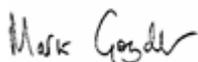
BT has been a leader on corporate responsibility and sustainable development matters for many years, invariably positioning itself ahead of the curve in terms of changing government policy and personal behaviour. But the rest of the world, (including many of BT's competitors) are now in 'catch-up mode', and many agendas are now moving very fast. We see little sign of complacency within BT, but expectations of today's corporate leaders are rising all the time.

In that regard, performance against the company's principal non-financial Key Performance Indicators over the last year has been solid, but the improvements have not been dramatic. External stakeholders may well beginning to ask whether this is sufficient in a world where today's environmental and social pressures are becoming more and more intense.

Board leadership will be crucial here, and one area where the Panel feels BT needs to do further work it to reconsider some of the governance arrangements regarding the Board's role, its committees and its oversight of non-financial performance.

We hope that you, the reader, will make use of the information and perspectives put forward by BT and respond in like spirit. Companies are often disheartened by the lack of response to reports like these, yet the use of dialogue in social and environmental decision-making offers an important opportunity to shape and inform the sustainability agenda.

Despite the diversity of views expressed in our meetings, there is one vision which we all share. This is to help ensure BT continues to build on its leadership role in sustainability performance and reporting. Mindful of that task, we will continue to challenge, exhort and counsel BT to lead the way in what is arguably the most crucial test for the business community in the twenty-first century – that of reshaping and redefining its principles and purpose so that the proper pursuit of wealth creation is consistent with the dictates of social justice and environmental sustainability.



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

Jonathon Porritt chairs the Panel. He is one of the UK's leading environmentalists, founded [Forum for the Future](#) in 1996, together with fellow Programme Directors Sara Parkin and Paul Ekins. He is closely involved in the Forum's Business Programme, in addition to involvement in a wide range of other Forum activities. He is also Chairman of the [UK Sustainable Development Commission](#), sits on the Board of the South West Regional Development Agency, and is Co-Director of The Prince of Wales's Business and Environment Programme.

Mark Goyder is Director of [Tomorrow's Company](#) a business-led think-tank which was established in 1996 following the RSA's Inquiry, "Tomorrow's Company; the role of business in a changing world". He is the author of Living Tomorrow's Company in which he sets out the philosophy behind Tomorrow's Company and is a regular contributor to newspapers such as the Financial Times and the Times. He was a member of the DTI Working Party on Materiality for the Operating and Financial Review.

Elisabeth Laville is one of Europe's leading experts on corporate, social and environmental responsibility. She created the leading French sustainability strategies consultancy and think-tank, Utopies, in 1993, working for an extensive range of corporate clients in France and abroad. Elisabeth Laville was given several awards for her work and vision, including the Synapsis Prize for the Best French Business Book in 2002 and the HEC au Féminin Prize in 2007. She was also included in L'Express Magazine's list of « 100 French people who will shape 2003 », as well as in L'Usine Nouvelle's magazine list of « 50 visionaries who are changing industry" in 2006. She is also the author of several books, including the French bestseller "L'entreprise verte - le développement durable change l'entreprise pour changer le monde" in 2002.

Jorgen Randers is professor of policy analysis at the Norwegian School of Management, where he teaches scenario analysis and corporate responsibility. He is non-executive director of a number of corporate boards. He was formerly Deputy Director General of WWF International (World Wide Fund for Nature) in Switzerland (1994-1999). He currently serves on the Board of WWF International and chairs the Norwegian Government Commission on Climate Gas Reduction. He is co author of many books, including "The Limits to Growth" (1972) and "Limits to Growth - The 30 Year Update" (2004).

Nick Robins is Head of SRI Funds at Henderson Global Investors, where he focuses on the investment implications of issues such as climate change and human rights. Nick has worked on issues of sustainable development and corporate responsibility for almost 20 years, including positions at the European Commission, the Business Council for Sustainable Development, and the International Institute for Environment and Development. He is also author of a new history of the East India Company, The Corporation that Changed the World.

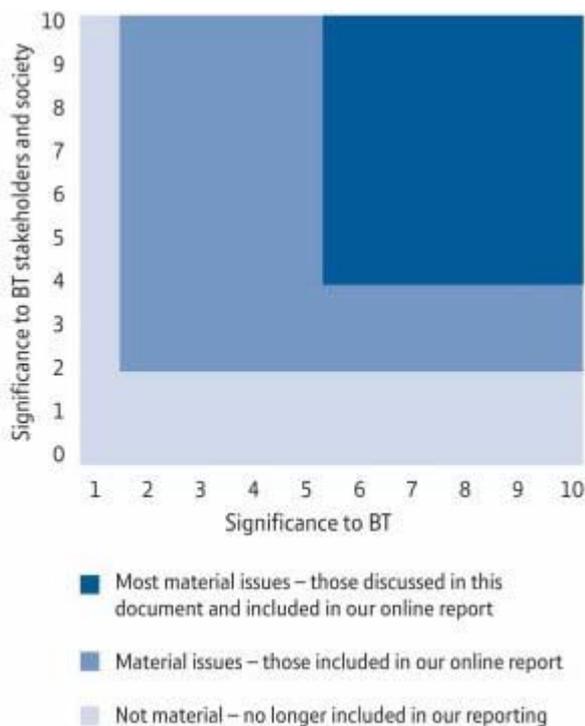
Materiality

This report covers BT's most material issues – those that we have identified as relevant and significant for our business.

This is the second year that we have looked at significance as well as relevance when determining whether an issue is material for us. We do this by looking at the following issues:

- BT's policy position on the issue
- The financial impact of the issue on BT
- The degree of stakeholder interest in the issue
- The degree of societal interest in the issue.

The chart below is illustrative:



Stakeholder interest was assessed through research with customers, employees and suppliers. We asked them what the most important social and environmental issues are that a company such as BT should be taking action on. We also analysed Parliamentary Questions and investor questionnaires to understand the issues of most interest to them. We determined levels of societal interest through an extensive media review covering seven countries.

In most cases, the issues identified through the process were defined as 'material' by both BT and our stakeholders, and were included in our reporting. But there are some issues that BT considered important that were not identified as significant in our stakeholder research.

We consulted our [Leadership Panel](#) and our internal Corporate Social Responsibility Steering Group on these issues and in some cases we have included them in our reporting.

The materiality process has led us to exclude issues previously reported, including some GRI indicators. We have indicated these in the GRI index.

Materiality and our Key Performance Indicators (KPIs)

There is broad consistency between the issues that our materiality process has shown to be significant to our business and our [Key Performance Indicators](#) (KPIs). A review of our KPIs during the 2007 financial year resulted in a number of our indicators changing, including those for digital inclusion, customer satisfaction and our ethical performance. We also committed to a new target for CO₂ emission reductions and developed a new measure to assess the effectiveness of our community programme.

Completeness

According to the AA1000 standard, a report is complete if it meets two criteria:

1. The process for determining materiality is inclusive and complete.
2. The report does not exclude any material issues.

The [materiality](#) section of the report describes how we identified our material issues this year, and how we tested their significance. We have also:

- Prepared our report in accordance with the Global Reporting Initiative (GRI) guidelines
- Used the GRI Pilot Telecommunications Sector Supplement
- Reviewed sustainability reports from peer companies
- Included compliance and prosecution information relating to equality and diversity, environment, employee relations and regulatory affairs
- Published 'Hot Topics' on issues of concern.

This report covers all BT's main operating divisions. We have assessed all our principal operating subsidiaries (listed in our 2007 Annual Report and Accounts) to determine whether there are any issues that would alter our interpretation of materiality and completeness for this report. See more detail on our reporting boundaries in the [Scope of our Report](#).

Our reporting extends beyond our direct operational impacts to include our supply chain and the sustainability impacts of our products and services.

Responsiveness

It is important that we listen to our stakeholders and consider their views when formulating policies and objectives and running our business.

That is not to say that we always can – or do – follow the views of our stakeholders. Stakeholder feedback can be contradictory. For example, the same stakeholder may expect us to offer the lowest possible prices at that same time as making the highest possible investment in non-profitable services for the wider good.

We use stakeholder feedback to inform our approach but ultimately it is up to us to decide on the appropriate balance and make, and be seen to make, responsible decisions. Corporate social responsibility is about being held to account for those decisions in an open and transparent way.

The section on [stakeholder dialogue](#) describes our approach.

Interview with the Chairman

The business case for sustainability

Jonathon Porritt, Founder Director of Forum for the Future and Chairman of BT's CSR Leadership Panel, spoke with Sir Christopher Bland for this report. This is an edited extract from their conversation, which is available as a [podcast](#).

JP: If you look back over your time as Chairman, which of the many sustainable development actions by BT are you particularly proud of?

SCB: There are two. We have topped the Dow Jones Sustainability Index for six successive years among telecommunications companies. That is an external measure of sustainability I am really proud of. The second thing is that we negotiated what was then the world's biggest green energy contract in 2004 and we have just renewed that until 2010. That was a pioneering act at the time.

JP: Where do you think the sustainable development agenda is going? Some business people see it as having been quite a steep curve and now plateauing; others think that it is a permanently rising curve in terms of expectation and legislation.

SCB: I think it is a permanently rising curve in expectation, not necessarily legislation. Certainly, our customers and our staff expect more of the company today than they did 20 years ago. Ten years ago it was not that high up the agenda of most companies - now everyone knows what you are talking about. Not only that, but I think the days of paying lip service to it are over. Pressure to perform, both internally generated and external, will increase.

JP: Do you think the BT Board sees this as a rising curve and is constantly thinking about its own role in the company? Do you think it is always looking to the next six months, the next year out?

SCB: Yes, I think it is. Sustainable development is not the only thing that the Board thinks about and it is not on every single agenda, but it is high on its list of priorities.

I think the other thing that is happening is that there is a growing business imperative about sustainable development, for two reasons: customers expect it and companies that do not pay attention to what their customers expect will suffer. Secondly, there are business opportunities out there for BT which means that we can both do good and be profitable. I think our work on teleconferencing is an example of where something that accelerates sustainable development is also one of our fastest growing businesses. That changes and accelerates the interest of even the most commercially minded of boards.

CEO statement

Our business is changing. Rapidly.

Technology and the ICT industry are playing a pivotal role in globalisation, bringing people closer together, providing ever-greater access to information and enabling businesses to operate in radically different ways.

BT is now a global company, serving customers wherever they are. We source products, services and expertise world-wide to make sure that we tap into the best practice available anywhere. Encouraging diversity of talent, cultures and ideas are critical to our success. We are accelerating the transformation of our company to become more agile and responsive to customer needs.

Today there is an increased focus on the role of business in society. Stakeholders (including customers, governments and employees) want to know what companies are doing to tackle big global challenges such as climate change.

I am convinced that we get a business advantage from our hard won reputation on corporate social responsibility. It differentiates us from the competition and reveals new business opportunities while helping us manage risk and cut costs. We were original signatories to the UN Global Compact and I'm delighted that we have now been No. 1 in our sector of the Dow Jones Sustainability Index for the past six years. In the 2007 financial year, we were named as the world's leading corporate sustainability reporter in the benchmarking survey by SustainAbility, the United Nations Environment Programme and Standard and Poor's.

We have a dual focus for the future. First, we will build on the foundations of our long-standing commitment to be a responsible business. This includes continuing to make a positive contribution to the communities where we operate through our community investment; prioritising the health and safety of our employees; and ensuring our business activities around the world are conducted with the highest integrity.

Second, we are stepping up our actions to help tackle three pressing global challenges where our industry can make a difference: climate change; promoting a more inclusive society; and enabling sustainable economic growth. As part of my personal commitment to our CSR activities it is my privilege to lead the Confederation of British Industry's task force on Climate Change, which will report later this year.

We remain determined to make a difference – globally, locally, personally, corporately. In this way we will create an even better business to bring greater benefits to all our stakeholders and make a contribution to a better world.

This report outlines our progress to date. It has been prepared in accordance with the 2002 GRI Guidelines. It represents a balanced and reasonable presentation of our organisations economic, environmental, and social performance.

A handwritten signature in black ink, appearing to read "Ben Whaley", is written over a horizontal line. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Scope of our report

This report covers our performance on our relevant and significant social, economic and environmental issues during the 2007 financial year. It also includes our independently written hot topics.

Geographical coverage

In the 2007 financial year, BT's UK operations accounted for approximately 85% of our turnover and 93,118 of our 106,204 employees. Wherever possible, data cover all BT's wholly-owned activities in the UK and internationally. We clarify where data are not available or are country specific.

Environment data

Environment content and data cover all BT Plc operations in the UK. The report does not include BT Global Services operations overseas unless specified. However, energy, water, waste and travel data is reported for all BT Global Services operations.

Diversity

Equality and diversity data are based on 'self-declaration' – the number of people who declare themselves to be from a minority group or category. In some countries it is illegal to ask for or collect this data. We make it clear when data are country specific.

Indexes

We provide four separate indexes:

- [Alphabetical](#)
- [Global Reporting Initiative \(GRI\)](#) – to read the report in line with the 2002 reporting guidelines
- Statement of Business Practice, [The Way We Work](#) – to show our performance against our business principles, aspirations and commitments
- Ten principles of the [United Nations Global Compact](#)

There are also icons to the relevant parts of the GRI, The Way We Work and the UN Global Compact throughout the report.

Hot Topics

Each year we commission an independently written "hot topic" on a sensitive or topical issue for our business. The topic is selected by our Leadership Panel and written by an external author. The views expressed are those of the authors and do not necessarily represent those of BT.

These papers make recommendations for how we should manage difficult or controversial issues and bring a thought-provoking external perspective to our sustainability report.

This year's hot topic considers responsibility in the digital age and the unique issues facing ICT companies that operate globally. Previous hot topics have included [carbon neutrality](#), [privacy](#) and [offshoring](#).

Approach to sustainability

This report identifies and quantifies our social, economic and environmental impacts for the 2007 financial year and sets out our targets for improvement. It describes our Corporate Social Responsibility (CSR) strategy and the way in which we are implementing it.

We use the term CSR more often than sustainable development. We see CSR as the voluntary action a company takes to contribute to the wider societal goal of sustainable development, such as the European Union's Gothenburg Strategy.

CSR requires a company-wide, coordinated approach to managing social, economic and environmental issues. See [Business principles](#) for a description of our CSR governance framework.

However, sustainability is not just about having the right systems, checks and balances in place. It is about integrating sustainability into the way we do business. BT aspires to lead by example, raising awareness of the importance of CSR and sustainability and working to contribute to sustainable development not only within BT, but across our industry.

Number of employees

