

# BT's Sustainability Report 2007

Stakeholder dialogue



let's make a  
**better**  
world

# Stakeholder dialogue

Part of our management of corporate social responsibility is to develop good relationships with our stakeholders. Six groups are particularly important:

- Customers
- Employees
- Suppliers
- Investors
- Partners
- Community

We undertake a wide range of activities to ensure we understand the views and expectations of our stakeholders. Their feedback helps us to improve our strategy, our processes and our products.

Our [Statement of Business Practice](#), The Way We Work, sets out the aspirations and commitments which apply in our relationship with each stakeholder group.

As with any social interaction, it is virtually impossible to draw direct causal links between stakeholder views and our subsequent actions. We do, however, remain convinced that such engagement informs our decisions and is essential to our continued success.

Here we discuss:

- The ways we engage with the different stakeholder groups
- Our Leadership Panel
- Interaction with opinion formers
- Influencing BT's sustainability report.

You can provide feedback on our social and environmental performance by emailing us at [yourviews@bt.com](mailto:yourviews@bt.com).

## Stakeholder engagement

We engage with our stakeholders in many ways and learn from them all the time.

We describe in the individual report sections our relationships with particular stakeholders, their evolution, and the related policies and decisions we have taken as a consequence. Here are some examples of how we engage.

### Customers

- Customer surveys on quality of service and future expectations
- Blogs, web forums and panels to learn from and test insights and concepts with retail customers in real time
- Dialogue with our biggest corporate customers through the Customer Partnership Council
- [Consult 21](#), a programme of dialogue with business customers and industry stakeholders concerning BT's next generation network, 21CN

In the 2007 financial year:

- The Equality of Access Board (EAB) met with several external communications providers to obtain direct feedback on our performance. The EAB is a BT Group plc board committee with a majority of independent members. It monitors and reports on BT's compliance with its Undertakings and associated Code of Practice
- More than 2,000 senior managers from across the business went Back to the Floor, spending an day on the ground with customer-facing staff

### Employees

- Our [annual employee survey](#)
- Relationships with [trade unions](#)
- The [BT European Consultative Works Council](#)
- BT Talking Point - a lively, moderated online discussion forum that covers many CSR issues

### Suppliers

- Our [supplier satisfaction survey](#)
- Ethical trading forums with [key suppliers and industry colleagues](#)

## Investors

We present our sustainability performance to financial analysts specifically interested in the social and environmental performance of companies.

## Partners

There is a description of our relationship with joint ventures and wholly-owned subsidiaries on social and environmental issues in our Statement of Business Practice.

## Community

An annual MORI survey of the general public guides us on what causes people think we should invest in. In response to stakeholder concern we now include support for climate change related projects.

# Leadership Panel

The Leadership Panel is an external advisory group of experts renowned for excelling in their field. The following people were involved in the panel during the 2007 financial year:

- Jonathon Porritt, Chair of the Panel and Director of Forum for the Future, a UK sustainable development think-tank
- Kate Fish, Managing Director of BSR Europe, a business membership NGO working in the field of CSR
- Mark Goyder, Director, Centre for Tomorrow's Company, a UK think-tank
- Rob Lake, Head of SRI Engagement and Corporate Governance, Henderson Global Investors
- Elizabeth Laville, Director of Utopies, a Paris-based sustainability consultancy
- Jorgen Randers, Professor at the Norwegian School of Management, Oslo
- Nick Robins, Head of SRI Funds, Henderson Global Investors.

The panel encourages innovation and leadership on sustainable development and corporate social responsibility in BT. It meets four times a year and provides independent guidance and expert advice.

Responsibilities cover key areas of CSR strategy and performance, including policy, performance measures, targets, future objectives, governance, stakeholder relationships and external communications.

The panel provides an annual [independent comment](#) for this website.

# Influencing BT's Sustainability Report

Stakeholder consultation has significant bearing on the content of this report.

## Materiality

In the 2007 financial year, we researched which social and environmental issues our stakeholders think are most important for BT. In most cases, the issues identified by our stakeholders were also defined as 'material' by BT and wider society and were included in our reporting. More information is available in the [Materiality section](#).

## Hot topics

Following extensive consultation with our Leadership Panel, every year we select a topical issue of concern to BT and society that will interest, engage and educate the reader. As a result, [Responsibility in the Global Information Society](#), [What would a genuinely carbon neutral BT look like?](#), [Privacy in the Digital Networked Economy](#), [Abuse of the Internet](#), [Virtual Vice](#) and [Good Migrations?](#) have been published among our Hot topics.

## Indicators

In June 2003, we established a small number of key performance indicators (KPIs) to provide an overview of BT's social and environmental performance. It followed a consultation exercise involving report users, such as investors, customers and employees, and outside experts, such as the BT Leadership Panel.

Together with the Leadership Panel, we review our KPIs yearly and modify them when necessary. During the 2007 financial year, we worked on a new diversity index to better meets the needs of a global organisation, a new community KPI to measure effectiveness as well as spend, and a new digital inclusion KPI that measures the percentage of digitally excluded people in the UK.

We follow the 2002 Global Reporting Initiative (GRI) Guidelines and its telecommunications sector supplement.

Since June 2003, our verifiers have assured our report against the AA1000 Assurance Standard. The underlying basis of this standard is inclusion. It requires our report to reflect the interests and concerns of stakeholders, both in its content and in terms of demonstrating BT's response to these issues.

More details on how we have applied AA1000 Assurance Standard are found in the [About the Report](#) section of this report.

# Engaging with Opinion Formers

Opinion formers such as politicians, journalists and industry analysts are an influential constituency and we engage with them in a variety of ways.

The independent organisation Opinion Leader Research carries out surveys to measure BT's reputation among opinion formers. This research takes place at three levels – UK, regional and international. The questions asked cover corporate social responsibility.

BT has also set up Regional Advisory Boards in the Americas, Europe and Asia Pacific. There are Country Advisory Boards in Belgium, France, Germany, Ireland, Italy, The Netherlands, Scotland, Spain and Wales. There are also Boards that advise BT on health, UK government relations and technology. All the Boards discuss a wide range of issues including social and environmental matters.

We interact with governments at all levels – [local, regional and national](#). We are clear about our lobbying positions. We also engage in CSR matters through face-to-face interaction, such as a presentation on vulnerable customers to the UK Government all party parliamentary group on CSR.

We produce a series of [occasional papers](#) designed to address the complex inter-relationships between companies and society. The papers, which aim to stimulate debate rather than provide definitive answers, include discussions on issues ranging from values and strategy to economic impacts.

## Stakeholder dialogue - Key Performance Indicators

Indicator	Description	Measure	Target
<b>Employee Engagement Index</b>	A measure of the overall success of BT's relationship with its employees	The Employee Engagement Index was 65% during the 2007 financial year.	To achieve an Employee Engagement Index of at least 65% †
<b>Supplier Relationships</b>	A measure of the overall success of BT's relationship with its suppliers.	Measured bi-annually	To repeat the Supplier Survey in 2007/8 and achieve 90% or more
<b>Community Effectiveness Measure</b>	An independent evaluation of our community programme	The community effectiveness score for the 2007 financial year was 70%.	To improve our Community Effectiveness Measure score to 75%

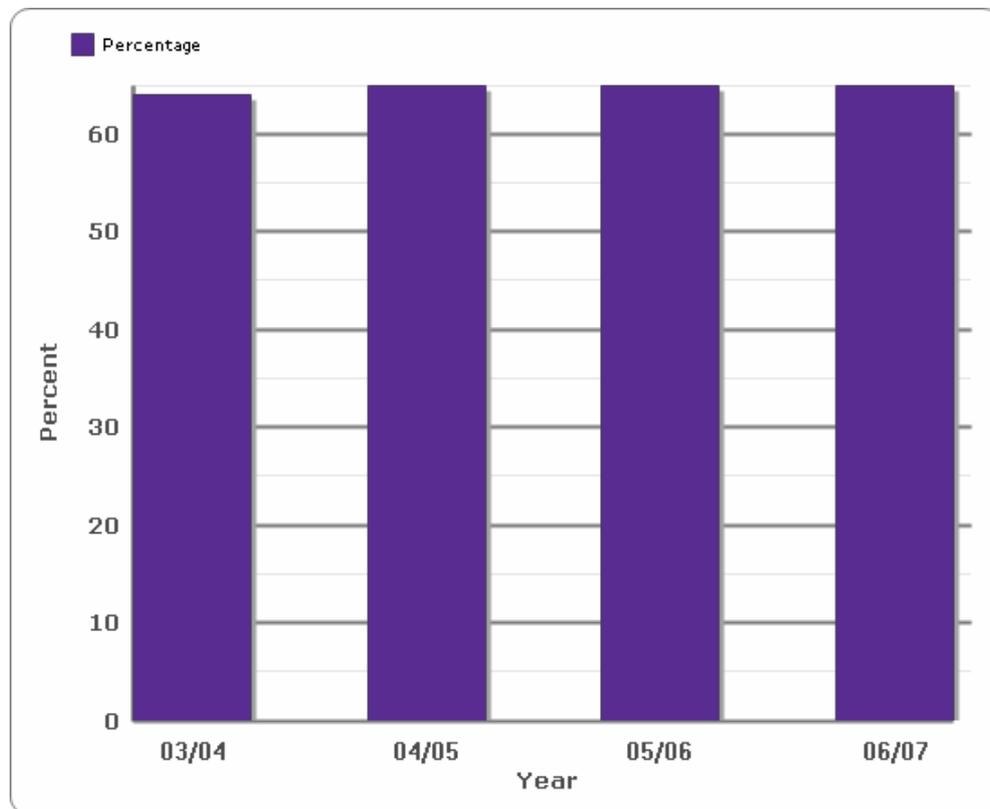
† In 2007-08 the Employee Engagement Index will be based on an average of the mean results across a reduced number (4) of key questions.

## Stakeholder dialogue Targets

Start Date	End Date	Description	Update	Target Status
<b>April 2007</b>	<b>March 2008</b>	The percentage of all UK Adults surveyed who agree with the statement that 'BT takes its responsibilities to society and the community very seriously or seriously' will reach 51%, up from 50%		New
<b>April 2007</b>	<b>March 2008</b>	Through discussions with analysts, investors, partners and specifically customers, BT will work towards improving understanding of its global stakeholders with regard to their views and expectations of BT's role in CSR.		New
<b>April 2007</b>	<b>March 2008</b>	BT will repeat its supplier survey, a measure of BT's supplier relationship, and achieve 90% or more.		New
<b>April 2007</b>	<b>March 2007</b>	The percentage of BT employees agreeing with the statement that 'BT takes its responsibilities to society and the community very seriously or seriously' will remain at 86%.		New
<b>April 2006</b>	<b>March 2007</b>	BT will review the results of the 2006 suppliers survey and identify any appropriate follow up actions.	The analysis has been completed. No further action has been identified at present.	Completed
<b>April 2006</b>	<b>March 2007</b>	BT will maintain or improve BT's EEI, which is currently 65%.	The employee engagement index for the 2007 survey was 65%.	Completed

<p><b>April 2006</b></p>	<p><b>March 2007</b></p>	<p>BT will extend its CSR stakeholder research in 4 countries that are still to be identified but which are strategically important to our business in order to expand understanding of our global stakeholder expectations on CSR and to inform current and future planning of BT's CSR programmes and activities around the globe.</p>	<p>We have joined the CSR Monitor run by Globescan which collates top level stakeholder research covering a total of 33 countries, to identify current and future CSR expectations and drivers. The results of this research are made available via an internal weblink to all BT employees to inform future CSR programmes and activities.</p>	<p>Completed</p>
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### Employee Engagement Index



## Awareness of Statement of Business Practice

