

## LRQA Assurance Statement Relating to BT Group plc's Delivering Our Purpose – Update on Progress 2014/15 Report for the 2014/15 financial year.

This Assurance Statement has been prepared for BT Group plc in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

Lloyd's Register Quality Assurance Ltd. (LRQA) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Delivering Our Purpose – Update on Progress 2014/15 Report' ("the Report") to a high level of assurance using AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS).

Our assurance engagement covered BT's worldwide operations and specifically the following requirements:

- Reviewing adherence to AA1000AS's Accountability Principles of Inclusivity, Materiality and Responsiveness and evaluating the reliability of the specified sustainability performance information (Type 2 engagement).

Our terms excluded data and information:

- Accessed through links that take the reader out of the Report, including video streams
- Presented by BT but originated from a second party. Here LRQA corroborate only that data and information was transcribed accurately and the correct reference was provided.
- Communicated via social networks
- Included in BT's indexes for United Nations Global Compact, ISO 26000:2010 and Global Reporting Initiative.

LRQA's responsibility is only to BT. LRQA disclaims any liability or responsibility to others as explained in the end footnote. BT's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of BT.

### LRQA's Opinion

Based on LRQA's approach, we believe that BT has:

- Met the requirements above
- Disclosed accurate and reliable performance data and information
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a high level of assurance and at the materiality of the professional judgement of the verifier.

### LRQA's approach

LRQA's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing BT's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing minutes of meetings and reviewing associated documents and records.
- Reviewing BT's process for identifying and determining material issues to confirm that the right issues were included in the Report. We did this by benchmarking reports written by BT and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether BT makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing BT's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.
- Reviewing BT's Internal Audit Division's (IAD)<sup>1</sup> process and evidence files to confirm that their internal verification was performed thoroughly. IAD checked the validity of data and information in the following sections of the Report:
  - Delivering our purpose: Performance in 2014/15; Respecting Human Rights; Being an Ethical Business; Protecting our customers' Privacy; Protecting our customers' Data; Putting our customers first; Investing in our people; Creating a diverse and inclusive workplace; Promoting employee wellbeing; Developing our people and recruiting new talent; Championing employability and STEM skills.

Note 1: IAD is an independent, objective, review function for the BT Group. Its role is to provide independent and objective assurance to senior management and the Board as to the adequacy and effectiveness of key controls and of risk management activities across the organisation. The Director Internal Audit retains the right to report to the Board Audit & Risk Committee instances where the department's independence or objectivity is impaired by the activity or behaviour of audit.



## Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:**  
We are not aware of any key stakeholder groups that have been excluded from BT's stakeholder engagement process. BT demonstrated that they have incorporated these stakeholder concerns into their management approach and decision-making processes in order to develop a structured engagement approach and response to sustainability issues.
- **Materiality:**  
We are not aware of any material issues concerning BT's sustainability performance that have been excluded from the report. It should be noted that BT has established extensive criteria for determining which issue is material and that these criteria are not biased to the company's management. BT present material aspect performance in relation to the broader concepts of sustainability and the aspect boundaries appropriately reflect the material economic, environmental and social impacts.
- **Responsiveness:**  
BT has processes in place to respond to its stakeholders especially government authorities, employees and the public, partners and suppliers, shareholders and investors.
- **Reliability:**  
Data management systems are considered to be well defined and implemented. However, further consideration should be given to:
  - The opportunity to apply the lessons learnt from the improved definition and management of the volunteering data that has been delivered in 2014/15 versus last year. This good practice approach would specifically benefit the data associated with the management of refrigerant gases and the verification requirements associated with the information relating to BT's estate.

## LRQA's competence and independence

LRQA ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LRQA is BT's certification body for ISO 9001, ISO 14001, ISO 27001, ISO 22301, ISO 20000 and OHSAS 18001. We also provide BT with a range of training services related to management systems. The verification and certification assessments, together with the training, are the only work undertaken by LRQA for BT and as such does not compromise our independence or impartiality.

Signed

Dated: 08 May 2015

Richard Oxley  
LRQA Lead Verifier

Steve Fletcher  
LRQA Verifier

On behalf of Lloyd's Register Quality Assurance  
1 Trinity Park, Bickenhill Lane, Birmingham

LRQA reference: LRQ0772591



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