Using the power of communications to make a better world
Delivering our purpose

We use the power of communications to make a better world.

<table>
<thead>
<tr>
<th>Percentage</th>
<th>Description</th>
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<tbody>
<tr>
<td>1.15%</td>
<td>We invested 1.15% of adjusted profit before tax in sustainable and responsible business practices.</td>
</tr>
<tr>
<td>7.5/10</td>
<td>We helped 7.5/10 people in the UK to access fibre-based products and services.</td>
</tr>
<tr>
<td>1.5:1</td>
<td>We helped our customers avoid carbon emissions by 1.5 times (7.1 Mt CO$_2$e) the end-to-end carbon impact of our business (4.6 Mt CO$_2$e).</td>
</tr>
<tr>
<td>£231.4 m</td>
<td>We have raised for good causes since 2012.</td>
</tr>
<tr>
<td>26%</td>
<td>We inspired 26% of our people to volunteer in 2014/15.</td>
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</table>

We are here to give our customers the experience, products and services that matter to them. The thing most fundamental to our business success is letting our customers fulfil their aspirations and create possibilities for themselves.

Millions of people connect with friends and family through us, and have at their fingertips huge amounts of information and entertainment. Small companies and multinational corporations use our services every day to do business and compete in the global marketplace. Lots of public services rely on BT technology, and in the UK the entire telecoms industry operates across our networks.

These days, life is built around connectivity. The connections we provide every day are an intrinsic part of the modern society and economy. Wherever we are, what we do is a fundamental piece of that community’s social infrastructure. So we never stop searching for new ways to bring social and economic benefits to those places through our products and services.

BT’s technology plays its part in responding to the climate change challenge. BT people get involved too – contributing their skills and energies to make positive changes in areas of social need.

Our shareholders ask for sustainable profit and revenue growth. We know the best way to deliver this is by creating something of value in the world, so we use the power of communications to make a better world.
## Delivering our purpose – update on our performance 2014/5

### Our 2020 ambitions

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<tbody>
<tr>
<td>Creating a connected society</td>
<td>More than 9/10 people in the UK will have access to fibre-based products and services</td>
<td>6.6/10 people can access fibre-based products and services</td>
<td>7.5/10 people can access fibre-based products and services</td>
<td>Continue to deliver against 9/10 target</td>
<td>n/a</td>
</tr>
<tr>
<td>Help 10m people overcome social disadvantage through the benefits our products and services can bring</td>
<td>n/a – new target</td>
<td>n/a – new target</td>
<td></td>
<td>Start to track our performance against 10m target</td>
<td>n/a</td>
</tr>
<tr>
<td>Building a culture of tech literacy</td>
<td>Help 5m children receive better teaching in tech skills</td>
<td>n/a – new target</td>
<td>n/a – new target</td>
<td>Start to track our performance against 5m children target</td>
<td>n/a</td>
</tr>
<tr>
<td>Supporting charities and communities</td>
<td>Use our skills and technology to help generate more than £1bn for good causes</td>
<td>Over £86m raised for good causes* Cumulative total since 2012: £147.6m*</td>
<td>Over £83m raised for good causes Cumulative total since 2012: £231m</td>
<td>Continue to deliver against £1bn target</td>
<td>Cumulative total against £1bn target</td>
</tr>
<tr>
<td>Inspire two-thirds (66%) of our people to volunteer by 2020</td>
<td>16% of BT people volunteering</td>
<td>26% of BT people volunteering</td>
<td>Continue to deliver against 66% target</td>
<td>In-kind value of BT people volunteering</td>
<td>£14m</td>
</tr>
<tr>
<td>Delivering environmental benefits</td>
<td>Help our customers reduce carbon emissions by at least 3 times the end-to-end carbon impact of our business</td>
<td>1.3:1 achieved</td>
<td>1.5:1 achieved</td>
<td>Continue to deliver against 3:1 target</td>
<td>Global portfolio revenue from products and services contributing towards our 3:1 goal</td>
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**Our foundations for being a responsible and sustainable business**

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<tbody>
<tr>
<td>Our investment</td>
<td>Investment in responsible and sustainable business activities. Adjusted profit before tax - (PBT)</td>
<td>1.01% of PBT invested</td>
<td>1.15% of PBT invested</td>
<td>Maintain 1% of PBT invested</td>
<td>Investment in society of cash, time volunteered and in-kind contributions</td>
</tr>
<tr>
<td>Our customers</td>
<td>Customer service: RFT measure across our entire customer base</td>
<td>1.5% improvement</td>
<td>4.7% improvement</td>
<td>Continue to improve RFT from 2014/15 performance</td>
<td>BT Group plc revenue Average revenue per UK consumer household</td>
</tr>
<tr>
<td>Our employees</td>
<td>Employee engagement index: a measure of our relationship with our employees</td>
<td>3.82/5 achieved</td>
<td>3.82/5 achieved</td>
<td>Maintain or improve from 2014/15 performance</td>
<td>Number of employees</td>
</tr>
<tr>
<td>Sickness absence rate: % of calendar days lost to sickness absence</td>
<td>2.10% calendar days lost in sickness</td>
<td>2.23% calendar days lost in sickness</td>
<td>Maintain or improve from 2014/15 performance</td>
<td>BT sick pay costs</td>
<td>£72.3m</td>
</tr>
<tr>
<td>Ethical performance: a measure of our employees’ awareness and training</td>
<td>4.29/5 achieved</td>
<td>4.33/5 achieved</td>
<td>Maintain or improve from 2014/15 performance</td>
<td>Employee costs</td>
<td>£4,703m</td>
</tr>
<tr>
<td>Our suppliers</td>
<td>Ethical trading: a measure of our supply chain review; with specific focus on human rights</td>
<td>97% follow-up within three months</td>
<td>96% follow-up within three months</td>
<td>100% follow-up within three months, for all those suppliers identified as high/medium risk</td>
<td>Value of procurement contracts where suppliers agree we’ll work with them to improve sustainability impacts 85% of suppliers agree** 84% of suppliers agree**</td>
</tr>
<tr>
<td>Our environmental impact</td>
<td>CO2e emissions: a measure of our climate change impact</td>
<td>79% reduction in net CO2e emission intensity against 1996/97 levels</td>
<td>79% reduction in net CO2e emission intensity against 1996/97 levels</td>
<td>Continue to deliver against 80% target by December 2020</td>
<td>Total GB energy and water costs – costs include fleet fuel, electricity, gas, oil, water and CLL (climate change levy or levies)</td>
</tr>
</tbody>
</table>

**Key:** ✔️ Target met ❌ Target failed 🔄 Ongoing

* indicates numbers restated from 2013/14. All targets have an end date of 31 March 2015 unless otherwise indicated.

** % of suppliers who agree with the statement: “BT works with its suppliers to ensure its purchases are made, delivered, used and disposed of in a socially and environmentally responsible manner.”

To find out more about our 2020 ambitions, our methodologies and how our results are calculated, take a look at [www.bt.com/deliveringourpurpose](http://www.bt.com/deliveringourpurpose) Follow BT on Twitter @BTBetterFuture
Creating a connected society

We bring the benefits of a connected society to all.

<table>
<thead>
<tr>
<th>Metric</th>
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<tbody>
<tr>
<td>22 m</td>
<td>We took our fibre broadband coverage beyond 22m premises in the UK.</td>
</tr>
<tr>
<td>£6.8 bn</td>
<td>Helping millions of people to use the internet for the first time can transform people’s lives and is worth around £6.8 billion to UK society and the economy*.</td>
</tr>
<tr>
<td>100%</td>
<td>We contacted all of our BT Broadband customers in 2014/15 to raise awareness of BT Parental Controls.</td>
</tr>
<tr>
<td>938</td>
<td>Helped 938 young people in India improve their ICT education through the BT funded school, KITES.</td>
</tr>
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</table>

*Based on BT’s estimation that the socio-economic value of being online to a new user is £1,064 times the total number of people who have never been online.

Investing in our broadband network
We are extending our fibre broadband network so millions more people in the UK can benefit from superfast internet.

Creating accessible products and services
We develop products and services that help the most digitally excluded people get online.

Developing digital skills
Through our digital skills programmes we are helping people develop the skills, knowledge and confidence they need to use the internet.

Helping customers stay safe online
As one of the UK’s leading internet providers, we understand our role in helping our customers and their children use the internet safely. We share resources and knowledge with charities, UK Government and other businesses to help address the challenges of online safety.

Connecting communities around the world
We use our infrastructure, skills and expertise to connect communities around the world to the internet. We can help to improve healthcare and education, create job opportunities and enhance thousands of people’s lives.

Our 2020 ambition
Provide 9/10 people with access to fibre-based products and services.

Result 2014/15
7.5/10
Bringing affordable internet to socially disadvantaged people across the UK

We are bringing affordable internet to low-income people across the UK. In 2014/15, we extended our Click and Connect pilot to provide high-speed wi-fi to tenants living in a housing association in Glasgow at a subsidised price. A study of 70 tenants found that two thirds are now using the internet to search for jobs and over half would be willing to pay full price for the internet.

This pilot proved the concept for our new shared internet service. This BT Business innovation helped 9,156 social housing properties get online in 2014/15. By allowing residents to share access to internet connections, this service helps housing associations provide more affordable internet.

Helping customers stay safe online

At BT, we are committed to keeping our customers and their families safe online. We are working to raise awareness of the risks, and provide practical advice about staying safe online. In partnership with Unicef UK we set up The Right Click: Internet Safety Matters to provide parents, teachers and children with practical advice about how to stay safe while online. In 2014/15, BT volunteers ran 92 workshops to train parents, teachers and children on safe internet use.

Through BT’s Infinity Lab we supported tech start-up, Xooloo App Kids, to create a new app that is helping to keep children safe while online. The app makes smartphones and other devices child-friendly by blocking dangerous content and making sure children can only view approved content.

Using innovation to help solve the world’s challenges

In partnership with TechHub, our BT Infinity Lab is inspiring small businesses to develop and test ideas, and create new products that we can market alongside our existing products.

Through the BT Infinity Lab competitions we challenged start-ups to develop innovations that use communication technologies to tackle social challenges. We are now working with the four winners – Xooloo App Kids, Insane Logic, Babylon and Euan’s Guide, the go-to website and app for people with a disability who want to explore the UK.

We also sponsored the Tech4Good Awards to promote the work of innovative businesses that use technology to promote communities. In 2014/15, BuffaloGrid won the BT Ingenious award for its affordable solar powered mobile charger.
Delivering environmental benefits

Our vision is to help society live within the constraints of our planet’s resources through our products and people.

£3.4 bn
Generated £3.4bn in revenue through products and services that helped our customers avoid emissions by 1.5 times our end-to-end carbon impact.

4.5 %
Reduced worldwide energy use by 4.5% compared to 2013/14.

Carbon impact
Carbon emissions from our operations represent 5% of our end-to-end carbon impact. Our supply chain accounts for 71% and the products and services our customers used accounted for 24%.

Policy
We have a responsibility to speak up for policies we believe in, such as decarbonisation. Progress will bring innovation and business opportunities. Doing nothing poses risks to society and the environment.

Customers
We invest in innovative products and services to help our customers reduce their carbon emissions. This helps us achieve our 3:1 carbon abatement ambition for the year 2020. It’s good for business, society and the planet.

In 2014/15, we quantified 20 ways our products and services help our customers avoid carbon emissions, and we continued to work with the Carbon Trust to develop our methodology.

Our 2020 ambition
Help our customers reduce carbon emissions by at least 3 times the end-to-end carbon impact of our business.

Result 2014/15
1.5:1
ACHIEVED

How we’ll achieve our goal
1
Use conferencing, flexible working and other products and services to help customers cut carbon
2
Continue to reduce our end-to-end carbon emissions

Find out more about Delivering environmental benefits at www.bt.com/deliveringourpurpose Follow BT on Twitter @BTBetterFuture
Transport at BT

The BT Fuelsave programme uses engine remapping to make our vehicles run more efficiently. By making changes to the Engine Control Unit, we can make the engine operate as efficiently as possible for each type of journey. This is currently installed in over 22,000 of our commercial vehicles, and in 2014/15 we began rolling this out to BT Fleet customers.

We are introducing a target to improve the fuel efficiency of our fleet by 20% by 2020 against a 2011/12 baseline. This will bring significant environmental and financial benefits to our business. To achieve this we plan to invest £54m in a further 3,237 new lower emission vehicles in 2015/16 and we are trialling electric vehicles.

We are encouraging our drivers to adopt behaviours that help reduce their vehicles’ carbon emissions. In 2014/15, almost 90 of our Openreach drivers took part in the Better Future Driver competition to learn about fuel efficient driving practices.

Investing in renewables

We commit to reducing our operational carbon emissions every year. We do this by, for example, sourcing renewable electricity, enabling more efficient transport and using our conferencing system to reduce business travel. As well as sourcing 100% renewable electricity from the grid in the UK, buying it directly from solar and wind power generation plants through Power Purchase Agreements (PPAs) gives us more freedom and control of our energy use.

We signed three additional PPAs with renewable electricity suppliers in 2014/15. Combined with our agreement with the Fallago Rig wind farm, signed in December 2013, and our agreement with Echo wind farm signed in November 2013, this brings our forecasted 2015/16 PPA output to 344GWh. This will equate to 16% of our total electricity use in Great Britain. These long term agreements of at least 15 years will reduce our carbon emissions, improve security of supply and keep the cost of electricity stable. One PPA connects a large photovoltaic solar array directly to our research hub at Adastral Park. On sunny days, the array will provide up to 90% of the site’s electricity needs.

Moving to a low carbon economy

Working with policymakers and external stakeholders, we are accelerating the move towards a low carbon economy. We're doing this because it presents an opportunity for innovation and growth, and will reduce the risk of serious climate change impacts. We will continue to advocate for urgent climate action, particularly in the run-up to the UN’s 21st Conference of the Parties on climate change in Paris.

We want to see a global agreement on climate action. We are supporting the transition to a low carbon economy by encouraging policy makers to put a price on carbon, promote renewables and agree a global deal on climate action.
Supporting charities and communities

Our vision is to help improve hundreds of millions of lives globally through our products and people.

<table>
<thead>
<tr>
<th>Amount</th>
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<tbody>
<tr>
<td>£83.7m</td>
<td>In 2014/15, we raised £83.7m for good causes, making progress towards our ambition to generate more than £1bn for good causes by 2020.</td>
</tr>
<tr>
<td>£51.6m</td>
<td>Through our MyDonate platforms we helped raise over £51.6m for charities and good causes this year.</td>
</tr>
<tr>
<td>26%</td>
<td>More than 26% of our employees volunteered over 53,000 days of their time to support good causes.</td>
</tr>
<tr>
<td>£1.75m</td>
<td>Raised over £1.75m through The Supporters Club and provided grants to 26 charities globally.</td>
</tr>
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**£231.4m** Since 2012, we have raised £231.4m.

**£83.7m** In 2014/15, we raised £83.7m for good causes, making progress towards our ambition to generate more than £1bn for good causes by 2020.

**£51.6m** Through our MyDonate platforms we helped raise over £51.6m for charities and good causes this year.

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**Our 2020 ambition**
To generate more than £1bn for good causes.

**Volunteering our skills and time**
For many years our people have given their time and skills to support good causes around the world. Applying these skills to support good causes allows our employees to benefit from new experiences and creates new learning opportunities.

**Changing young lives through sport**
The Supporters Club aims to build a better world by transforming young lives through sport. By inviting BT Sport customers to make a donation, The Supporters Club is able to raise funds to provide grants for charities.

**Working with our strategic charity partners**
We help our charity partners to raise millions of pounds for good causes around the world.

**Supporting charities with our products and services**
We provide services and technology to help charities fundraise and run more efficiently. The money we help raise is driving us towards our ambition to help generate more than £1bn for good causes by 2020.

**Responding to international disasters**
When disasters strike, we help charities fundraise and provide our expertise, through BT’s Emergency Response Team, to rebuild communities.

Find out more about Supporting charities and communities at [www.bt.com/deliveringourpurpose](http://www.bt.com/deliveringourpurpose). Follow BT on Twitter @BTBetterFuture.
BT supports City in the Community

The Supporters Club has provided a grant to the City in the Community’s (CITC) One City programme – an initiative that uses football to support 1,000 young disabled people in Manchester, UK.

It trains 10 disabled volunteers each year to be football coaches. And it provides work placements to five young people to develop the skills they need to get a job.

Tom, who has cerebral palsy, has been part of CITC for around six years. He describes the impact this programme has had on his life:

“Through City in the Community I was able to get the qualifications I needed to get an apprenticeship as a paid coach – helping me to pay for college. My fitness has improved, which has helped my condition, and I’ve also made lots of good friends. Recently, I got offered a work-placement on the One City programme, where I am getting a taster of what it’s like to have a real job.”

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The difference MyDonate can make

MyDonate is BT’s free to use, online fundraising service. It has no set up fees, no commission and apart from the fees charged by the credit card companies, all the money goes straight to charity.

Robert Richie’s young son Toby was diagnosed last year with an inoperable brain tumour. Robert is raising money to support The Brain Tumour Charity, by spending four days and nights at altitude, ascending 8,848 metres (the height of Everest) over 40 kms through 30 hours of uphill ski touring. BT’s MyDonate has helped Robert raise over £135,000, with every penny going to the charity.

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Helping children with special educational needs to communicate

Through our partnership with the disability sports charity, Lord’s Taverners, over the past four years we have helped improve the lives of over 5,700 young people with severe disabilities and communication problems.

In 2014/15, we provided equipment to create multi-sensory rooms with relaxing and stimulating lights, sounds and textures in a further four special schools across the UK. This has helped enhance the learning experience of children with physical and mental disabilities.

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BT supports a record-breaking Red Nose Day 2015

Red Nose Day in March 2015 was a record-breaker. The appeal made over £78m, the most ever raised in one night – with the BT MyDonate platform processing around £7.6m. This means Comic Relief has raised a massive £1bn since the charity began 30 years ago. BT people also got involved. From posting selfies on our intranet to dance off competitions, over 1,280 ‘fun’-raisers helped to raise more than £150,000 and make this year’s Red Nose Day a truly memorable event.

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Taking a cut out of donations means some kids miss out on going to school.

By using MyDonate, BT’s commission free online fundraising service, the Life Association charity was able to provide more school places.

No commission charge • No set up fee • No monthly subscription

Find out more at bt.com/mydonate

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