2001년에서 2003년 보고서는 Annual Reports의 CEO msg를 옮겼음.

------------------------------------------------------------------------------------------------- BT Group 2001

Chairman’s message

We have seen the continuing rapid spread of communications technologies into every part of everyday life. But it has also been a year of great turbulence for the industry itself. At a time of such profound change, many players, including BT, have not found it easy to stay ahead of the game.

However, BT’s operating performance during the year has been satisfactory, and in line with expectations. Group turnover rose by 9%, and earnings before interest, taxation, depreciation and amortisation have been maintained at similar levels to last year.

Net debt has risen to an unsustainable £27.9 billion at 31 March following the acquisitions made during the year. Our first priority is to repay a significant amount of this debt. We have made a good start with the agreed sales of investments in Japan, Spain, Switzerland and Malaysia, which should raise around £5.5 billion. Further disposals are planned.

A major part of our plans for the future is our intention to demerge BT Wireless. This will mean that, provided the necessary permissions are received, shareholders will own shares in two strong and separately quoted businesses, both in the FTSE 100 list: BT Wireless and Future BT, which will be a focused European network and retail group concentrating on voice and data services.

This amounts to nothing less than a structural and financial transformation of BT. I joined BT as Chairman on the basis that I was totally committed to this transformation and would be responsible for leading the Board in overseeing its delivery.

To provide greater financial stability and to help finance this restructuring, we have announced a £5.9 billion rights issue. Clearly it would not be appropriate to raise this amount of money from shareholders and then immediately recycle some of it back through dividends. We are, therefore, taking the unwelcome but necessary step of halting payments for the 2000/2001 final dividend and also the current year’s interim dividend. Future dividend policy will be decided by the individual listed companies, taking into account their respective capital structures, their cash requirements and the markets in which they operate.

I would like to pay tribute to Sir Iain Vallance, my predecessor. As successively Director, Chief Executive and Chairman of BT, he played a major role in the development of BT from a nationalised utility into a leading player in the telecommunications industry.

In conclusion, I recognise that it will require determined and rapid action by BT management to achieve the transformation of the company. We have made a good start, the culture is changing, and I am confident that we can complete the process in the best interests of our shareholders, our customers and our employees.

Sir Christopher Bland Chairman

22 May 2001

------------------------------------------------------------------------------------Supplementary information

The past year has been one that no-one with any involvement in the communications industry will ever forget.

"This amounts to nothing less than a structural and financial transformation of BT."

------------------------------------------------------------------------------------------------- BT Group 2002

Chairman’s message

Sir Christopher Bland, Chairman, reports on the successful delivery of the action plan outlined a year ago and the company's return to the dividend list...

The last year has been a significant one for BT Group.

Our operating results were satisfactory and we are pleased to propose a final dividend of 2.0 pence per share.

In May 2001, your Board developed an action plan to reduce debt, manage costs and enhance BT's ability to serve its customers even more effectively.

In the year since then, we have delivered on that plan.

In a turbulent market characterised by rising debt levels - a consequence in large part of the high cost of acquiring 3G mobile licences - and cooling sentiment towards the telecommunications sector, we have taken the hard decisions early and are now in a position of relative strength.

Debt was reduced from £27.9 billion as at 31 March 2001, to £13.7 billion as at 31 March 2002.

A significant part of this reduction was achieved through the successful completion of the largest rights issue in UK corporate history. Some 1.98 billion new shares were issued, raising £5.9 billion.

We demerged mmO2, which comprises what used to be BT's wholly-owned mobile assets in the UK and continental Europe.

We unwound Concert, our international joint venture with AT&T, which had come under considerable pressure from the downturn in the global communications sector. Our destiny in this market is once again under our direct control.

We disposed of Yell, our international directories and e-commerce business. We sold our interests in Japan and Spain at a significant profit.

We achieved the sale and leaseback of a large part of our UK property portfolio.

And we made significant changes to your Board of directors, through a series of executive and non-executive appointments, on which shareholders will have the opportunity to vote at the AGM.

I would like to pay tribute to Sir Peter Bonfield, who left the company at the end of January this year. In Peter's six years as Chief Executive, his energy and drive were of enormous value and he played a key role in the restructuring of the company. We wish him well for the future.

The appointment of Ben Verwaayen, former vice chairman of the management board of Lucent Technologies, as your new Chief Executive marks the next stage in your company's evolution. Ben has significant telecommunications experience and a proven track record in driving culture change.

In November 2001, we strengthened the Board with the appointment of Pierre Danon, Chief Executive of BT Retail, Paul Reynolds, Chief Executive of BT Wholesale and Andy Green, Chief Executive of BT Ignite.

The appointment of Ian Livingston, former group finance director of Dixons Group, as Group Finance Director in April 2002 completes the top team.

I would like to thank the non-executive directors, Lord Marshall, Iain Anderson, Helen Alexander, Neville Isdell, June de Moller and Sir John Weston, who retired during the year and welcome Baroness Jay, John Nelson and Carl Symon to the Board.

I would also like to thank Philip Hampton and Colin Green, both of whom left the company recently, for the notable contributions they made as Group Finance Director and Secretary respectively.

As we progress, and while we continue to concentrate on managing the debt and further reducing costs, we are also embarked on the pursuit of profitable growth and customer service excellence.

After a year of relative introspection, we need to show the self-confidence that our assets and strategy justify. We will be entirely focused on finding profitable ways to meet what our customers need, particularly in the "new wave" services arena, in order to enhance shareholder value.

The last couple of years have been tough for our shareholders. I would like to thank you all for your continued support.

They've also been tough for BT employees, who have consistently risen to the challenge.

Looking ahead, I see every reason for optimism.

Sir Christopher Bland

Chairman

21 May 2002

------------------------------------------------------------------------------------------------- BT Group 2003

Chief Executive’s introduction

Making a real difference

Our key financial goals of improving cash flow, increasing earnings per share and reducing debt are critical.

But fundamental to the achievement of these objectives is the underlying strength of BT as a whole. And this can’t always be measured in pound signs.

Indeed our business strength must be based on passion for customers. And here we have been reporting our progress in reducing customer dissatisfaction every quarter.

But fulfilling the complete range of customer expectations requires top performance across a full range of issues – maximising employee motivation, valuing diversity, acting with integrity, reducing our environmental impacts and behaving in a socially responsible manner.

So it is vital that we keep a good watch on our measures of non-financial performance. These figures really do give an indication of the health of our business.

Our main performance highlights for the 2003 financial year are as follows:

• Customer Dissatisfaction down 37%

• Broadband now available to 67% of all UK households

• People Satisfaction Index steady at 67% despite unprecedented amounts of change

• Increase in the percentage of ethnic minority employees (8.2%) in BT whilst percentage of women (23.8%) and disabled employees (2%) held steady

• Global Warming CO2 emissions now 40% lower than

1996

• Waste to landfill down 1% to 89,878 tonnes with 24%

recycled

• Health & Safety significant incident rate down from

122 to 113 per 10,000 full time employees

• Ethical trading risk assessment questionnaires completed by 31 suppliers and 14 on-site assessments undertaken

• Awareness of our Statement of Business Practice in the UK up 7% to 83%

• Direct community investment of £8.2 million, plus

£17.9 million in further funding and support in kind, exceeded our 1% of profit target by 50%

To maintain and grow this level of achievement we have set ourselves some stretching targets. Our headline target is to reduce the number of dissatisfied customers by 25 per cent each year.

We are committed to roll out Broadband to over 80% of households by 2004 and aim to make it available to 90% by 2005. Despite this extensive roll out of broadband technologies we are committed to cap our CO2 emissions at no more than 25% below 1996 levels by 2010.

You can find out more throughout our Better World web site [(www.bt.com/betterworld),](http://www.bt.com/betterworld)) which is also the BT social and environmental report.

This report has been prepared in accordance with the 2002 Global Reporting Initiative Guidelines and is independently verified. It represents a balanced and reasonable presentation of our economic, environmental and social performance. It also sets out our progress implementing the United Nations Global Compact Principles.

It is our strong belief that the application of communications services and solutions can help take the world towards sustainable development. For example, BT’s delivery of flexible working solutions is helping people to improve their work-life balance whilst reducing congestion and pollution.

Today’s emphasis on accountability, transparency and trust is increasing the importance of sustainability reporting. BT is certainly doing its bit. But more than that we aim to make a substantial difference by helping our customers apply communication solutions that create a better, more sustainable world.

Ben Verwaayen

Chief Executive

23 June 2003

------------------------------------------------------------------------------------------------- BT Group 2004

Your company has continued to make good progress this year – delivering strong financial results while continuing to transform the business. New wave revenues grew by 30% to £3,387 million.

Earnings per share, before goodwill amortisation and exceptional items, grew by 19% to 16.9 pence – almost doubling in two years. While continuing to invest for the future, we generated free cash flow of over £2 billion and reduced net debt to £8.4 billion – a reduction of two thirds on the level of three years ago.

Our business

Your company continues to make progress by innovating in our traditional markets and by growing revenues in all the new wave markets – ICT (information and communications technology), broadband, mobility and managed services – in which we operate. We continue to invest where we believe it will make the greatest difference, while achieving rigorous standards of cost efficiency and smarter working practices.

Returns to shareholders

Although long-term shareholder return remains the key measure of our success, our share price performance this year has not been strong. Earnings per share before goodwill amortisation and exceptional items have risen well, but this has yet to be reflected in our share price.

However, total shareholder return also includes the dividend, and here the news for shareholders is positive.

We are recommending a full year dividend of 8.5 pence per share. Reflecting BT’s commitment to a progressive dividend policy, the dividend pay out ratio for the 2004 financial year was around 50% of earnings before goodwill amortisation and exceptional items. The full year dividend is 31% up on last year, and over four times higher than two years ago. We are targeting a 60% pay out ratio in 2005/06.

The strong cash flow generated by the group also enabled us to begin a share buy back programme in the 2004 financial year. This is being funded from cash generated over and above that required to meet our debt target of £7 billion in 2006/07, after paying dividends and taking into account any acquisitions or disposals.

Regulation

The recently announced strategic review of telecommunications by the UK regulator, Ofcom, is important and welcome to BT.

The review will cover, within the 21 key strategic questions to be addressed, the possibility of the structural separation of BT. Your company believes this is not in the interests of shareholders, customers or employees, and will argue in favour of a strong and integrated BT.

Wider responsibilities

It is important that companies such as BT live up to their responsibilities in the wider communities in which we operate. I’m proud to report that in the 2004 financial year, we were the highest placed telecommunications company in the Dow Jones Sustainability Index for the third year in a row.

Our goal is to help everyone benefit from improved communications and to spread the benefits of new technology as widely as possible. This is demonstrated, for example, by our wide deployment of broadband technology throughout the UK, and by the BT Education Programme, which has enabled more than two million young people to participate in a drama-based campaign designed to help them improve their communications skills.

Strategic progress and outlook

The strong growth in new wave turnover, our ICT order book and broadband shows that our strategy is working. We remain committed to that strategy and are confident in our ability to deliver our key strategic goals.

We’ve come a long way since May 2001, when your Board announced a radical plan to reduce debts, manage costs and improve customer satisfaction. We’ve established a solid platform for future growth and success.

None of this could have happened without the loyalty and support of our shareholders, customers, suppliers and employees. Given the continued support of all our stakeholders, we will build on this success and accelerate the transformation of our business.

Sir Christopher Bland

Chairman

19 May 2004

------------------------------------------------------------------------------------------------- BT Group 2005

Chairman’s introduction

Helping our customers to benefit from improved communications and increased connectivity continues to be at the heart of BT.

BT Social and Environmental Report Summary and Highlights 2005 03

Achieving this responsibly and in a way which contributes to society is important to us. This year there have been a number of accomplishments that demonstrate this commitment.

For example, broadband. We are confident that we will connect virtually every UK community during 2005, which is a vital part of the role we play in spreading the benefits of broadband. And we have made real progress with our digital inclusion initiative, Everybodyonline, which is working to help deprived communities enjoy the benefits of broadband technology and develop new skills.

I am particularly proud of our efforts in response to the Asian tsunami which struck on 26 December 2004. Our knowledge and expertise, together with the commitment of our people, enabled us to work alongside the Disasters Emergency Committee to ensure the largest ever volume of online and telephone donations were taken quickly and securely. We also had 16 volunteers who went out to the region to assist in the rebuilding of local and international communication links.

Our Corporate Social Responsibility programme has a key role to play in meeting our stakeholders’ expectations and encouraging them to invest in us, buy from us or work for us. Full details of the programme and our performance in the last year are available in our online Social and Environmental report.

We endeavour to manage our social, ethical and environmental issues to grow shareholder value and I am always pleased when we achieve external recognition for our attempts to do this.

This year we maintained our position as the top telecommunications company in the Dow Jones Sustainability Indexes for the fourth year running, which recognises our work in a wide range of areas from business principles, ethical supply chain management and work–life balance to customer service and corporate governance.

For the year ahead, business transformation is critical to delivering growth to our business. This will bring new challenges for our Corporate Social Responsibility programme, which I am confident it will meet.

Sir Christopher Bland

Chairman

18 May 2005

Chief Executive Message

I am convinced that being a responsible company through living our values (trustworthy, helpful, inspiring, straightforward and heart) brings us business advantage.

Our major business and government customers are increasingly concerned about our corporate social responsibility (CSR) performance. Growing stakeholder, legal and regulatory pressures mean our customers expect us to provide the solid CSR credentials that help them provide a trusted service to their own customers.

*Our performance*

We publish 12 non-financial key performance indicators. These provide a snapshot of our performance on the key measures that underpin our financial performance. Our progress on these measures includes: reducing customer dissatisfaction; connecting the majority of UK communities to broadband; maintaining a motivated, diverse and secure workforce; minimising ethical risks in our supply chain; and massively reducing our carbon dioxide emissions.

The UK is committed to take action on climate change. As one of the country’s largest users of electricity we have a responsibility to help make that happen. This year we became the world’s largest purchaser of green energy and now meet almost all our UK energy needs from environmentally friendly sources.

In carbon dioxide emissions savings it equates to an additional 325,000 tonnes each year on top of the considerable savings we have already made in the last ten years. This is a substantial contribution to tackling climate change.

*Accountability – challenges and opportunities*

As we continue transforming our business we must maintain our vigilance on matters of corporate social responsibility. For example, we are increasing our international footprint, through the evolutionary growth of our global services business, by making strategic acquisitions and through the rise in outsourcing and in-sourcing as a key part of BT’s business model. Different approaches to corporate governance and ethical issues in the countries where we operate underline the importance of our CSR activity. In addition, our increasing sales in networked IT services have highlighted the potential privacy implications of the digital networked economy.

The big opportunity is to use ICT products and services to promote sustainability, not only in the way we run our own business, but by helping our customers to benefit too.

You can find details of how we are responding to these challenges and opportunities in our online Social and Environmental report. The report has been prepared in accordance with the 2002 Global Reporting Initiative guidelines and is independently verified. I commend it as a demonstration of how living our values helps us deliver long-term shareholder value.

Ben Verwaayen

Chief Executive

18 May 2005

------------------------------------------------------------------------------------------------- BT Group 2006

‘Social or Environmental report’ OR ‘Changing World: Sustained Values’ 중에서 어떤 것을 골라야 할지 몰라서, 두개 모두 copy했습니다. 내용은 거의 비슷한 것 같은데, ‘Changing World’ 보고서가 더 형식과 frame있고 짜임세가 있어서, 이것으로 복사했습니다.

‘Changing World: Sustained Values’

**CHAIRMAN’S STATEMENT**

*Improved communications can help create a better, more sustainable world*

**BT’S RESPONSIBILITY**

BT was created to help people communicate better. Over the years technology and innovation has advanced rapidly so that today complex networks allow virtually any form of communication – words, sounds, graphics, video and information – to happen anywhere, anytime to anyone. Never has it been needed more.

BT has always taken its responsibility to society seriously... we are willing to be measured on our commitment.

However, we recognise that we must all do more to tackle the big global issues we face. We believe that our industry can play a significant role through applying improved communications to these challenges.

**OUR STRATEGY**

So our strategy is to maintain our current momentum in CSR and to focus our efforts on the three biggest challenges:

• the need for sustainable economic growth;

• the need for wider inclusion of all sections of society;

• the need to tackle climate change.

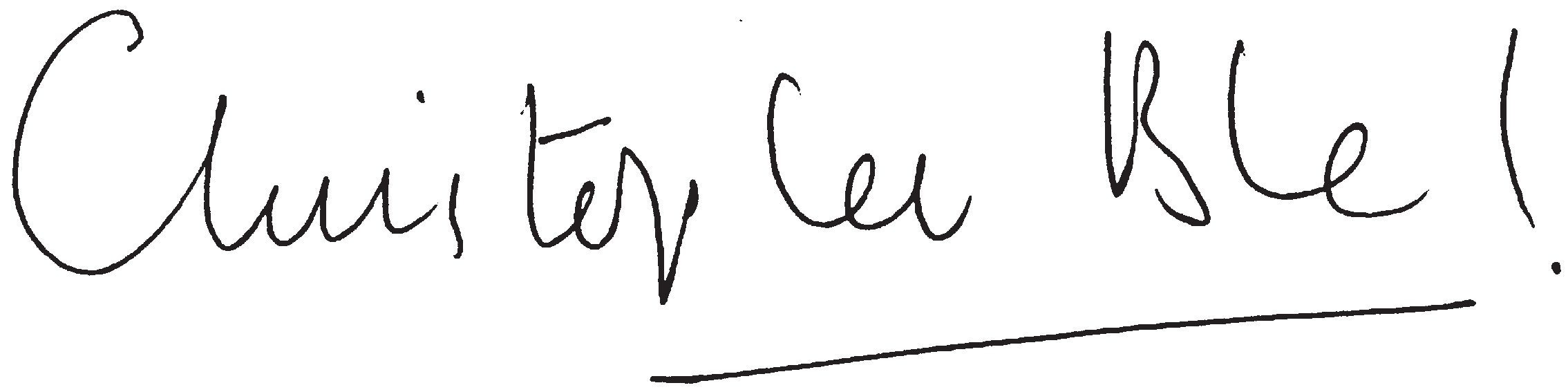
The pressures on the world have never been greater with population growth, economic development, climate change and social exclusion all combining to create a potentially unsustainable future, unless things begin to change.

BT has always taken its responsibility to society seriously and, as an original signatory to the UN Global Compact, we are willing to be measured on our commitment. Indeed, BT has been rated No 1 in our sector in the Dow Jones Global Sustainability Index for the last five years.

Our approach is to address these issues internally first with our own technology and to learn from the experience until we can demonstrably prove the case.

We then seek to share the benefits as extensively as possible with customers, suppliers and the community at large.

This report outlines our progress to date. Any support is welcome and if you would like to get involved contact us through the full online report at [**www.bt.com/betterworld**](http://www.bt.com/betterworld)



**Sir Christopher Bland**

Chairman

17 May 2006

**AN INTERVIEW WITH BT’S CEO**

*Making CSR part of the customer experience is common sense*

Jonathon Porritt, Founder Director of Forum for the Future and Chairman of BT’s CSR Leadership Panel, spoke with BT’s CEO, Ben Verwaayen for this report. This is an edited extract from their conversation, available as a podcast on [**www.bt.com/betterworld**](http://www.bt.com/betterworld)

**JP. Of the many different corporate social responsibility – CSR – issues captured in this report, which do you see as the top priority for BT?**

BV. We do not do our business and then think “now we must also think about CSR”. It is embedded in what is common sense for the company. All the elements of CSR are a natural way of how you want to live, to do business, to be treated and to develop.

**JP. Even when cost and competition** **issues raise their head?**

BV. It is a mixture; it is always a balance. If you are a one-dimensional person and you just look at one aspect of life and are fanatical about it, you measure everything against that one aspect. That is not what we do.

We need to balance in a way that is good for our customers, shareholders, employees, the environment and the world in which we live.

For example, I am not here simply to listen to what shareholders talk about and then run home to do it. We are trying to run a company on a sustainable basis to give a great customer experience. Part of that customer experience is the element that we call CSR.

**JP. What is your unique contribution to** **BT’s leadership on the CSR agenda?**

BV. I have a very strong philosophy about leadership. Leaders do only three things: they set the tone; they set the agenda; and they choose the right people.

The tonality of an organisation is truly important – it is the value set. How we deal with our customers, our shareholders and our people.

I strongly support what we do on CSR and the results in this report speak for themselves: our work on diversity, our ground-breaking green energy contract, our activities on education and digital inclusion. We are top of our sector in the Dow Jones Sustainability Index for the fifth year in a row– this is encouraging.

**JP. As CEO, do you differentiate a** **particular world view on the CSR agenda from anything else that you do in the company?**

BV. I believe that CSR is truly important as a component of what you are doing. You need to bring it into your DNA, and you need to make it an intuition. I know there is a science to this, but it is also an art. It is head and heart – but not just head and not just heart.

**JP. You mentioned shareholders earlier.**

**Do you think they are becoming more interested in CSR?**

BV. Shareholders are interested in results. CSR is one important part in achieving the right results. It is an ingredient of future success. Therefore, some shareholders will focus on CSR and others will not – but they are all very interested in our success.

----------------------------------------------------------------------------------- Supplementary Information

“The tonality of an organization is truly important – it is the value set. How we deal with our customers, our shareholders and our people.”

“We are trying to run a company on a sustainable basis to give a great customer experience.”

“CSR is one important part in achieving the right results. It is an ingredient of future success.”

------------------------------------------------------------------------------------------------- BT Group 2007

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An interview with BT’s Chairman\_The business case for sustainability

**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 mean 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.

----------------------------------------------------------------------------------- Supplementary Information

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“Our customers and our staff expect more of the company today than they did 20 years ago.”

“There is a growing business imperative about sustainable development.”

**Chief Executive’s statement\_**Determined to make a difference

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 is 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 & 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.

**Ben Verwaayen**

Chief Executive

17 May 2007

----------------------------------------------------------------------------------- Supplementary Information

Our business is changing. Rapidly. Technology and the information and communications technology (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.

“Today there is an increased focus on the role of business in society. Stakeholders want to know what companies are doing to tackle big global challenges such as climate change.”

“We remain determined to make a difference – globally, locally, personally, corporately.”

------------------------------------------------------------------------------------------------- BT Group 2008

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**Chairman’s introduction**

Continuing the CSR journey

Joining BT as chairman this year has been hugely exciting. BT is a great brand involved in an incredibly important industry, with an inspiring track record of leadership in corporate social responsibility (CSR). We operate in a highly competitive industry and a fast changing world. Our business has already undergone rapid transformation and global expansion, and we need to continue and even accelerate this process.

Our CSR strategy provides a clear vision for how we can continue this transformation in a way that benefits BT, our customers, society and the environment.

I’m delighted that our progress and commitment continues to be recognised. This year we were ranked sector leader in the Dow Jones Sustainability Index for the seventh consecutive year and were named Company of the Year in the Business in the Community Awards for Excellence. But even more pleasing for me is the genuine commitment to our values I’ve seen from people across BT. There is real passion to apply communications to help create a better, more sustainable world.

We have made good progress against our goals. In our own operations we have reduced energy use, increased recycling and announced our intention to develop our own wind farms to generate up to 25% of our UK energy needs.

We are committed to putting our customers first. Excellent customer service is our number one priority. The launch of our Sustainability Practice will help customers reduce their environmental footprint. Our Inclusive Society programme is spreading the benefits of enhanced communications more widely and our new Inclusive Design Toolkit will encourage more accessible design across the industry. Through our Sustainable Economic Growth programme we have started to truly embed sustainability into our business thinking and product development processes.

We are delighted that Dame Ellen MacArthur has agreed to be ambassador for our worldwide CSR programme. Our three-year sponsorship of the Offshore Challenges Sailing Team, led by Dame Ellen, will raise awareness of our commitment to CSR among a wider global audience.

Of course we have much more to do. Extending our programmes and successes across our global business remains a priority and a challenge. Key to our success will be our ability to attract the most talented people from around the world. Our CSR strategy creates the right work environment to help our employees flourish and build their skills for the 21st century.

We recognise the importance of transparency and accountability. As well as detailing our progress in our Sustainability Report, we are signatories to the UN Global Compact and publish BT’s performance against its principles, which are listed at [**www.unglobalcompact.org**.](http://www.unglobalcompact.org/)

This report is a taster of the activity going on around BT. Each section includes a Q&A with BT leaders to explain how we deal with some of the tensions and synergies that can arise between our business strategy and our sustainability goals.

We have applied the principles of the Accounting for Sustainability project established by HRH the Prince of Wales to our KPI table this year. This combines financial and non-financial information for the first time, which illustrates the close relationship between the two.

We are trying to get it right in all areas, but have more to learn in some, and a lot of work to do. I welcome your ideas and feedback.

**Sir Michael Rake**

----------------------------------------------------------------------------------- Supplementary Information

“Extending our programmes and successes across our global business remains a priority and a challenge.”

**From the chief executive**

A global challenge

At BT, we know that responsible behaviour and sustainable development matter to our business, and we are determined to make a positive contribution to society. In this context, there is no doubt that climate change is one of the most pressing issues now facing the world. This has become abundantly clear to me while chairing the Confederation of British Industry Climate Change Task Force.

At BT we’ve long recognised this global environmental threat, setting our first reduction target for CO2 emissions in 1992. Since then the problem has become ever more urgent and decisive action is needed.

I am convinced that business has a key role to play, alongside governments and individuals. We have the resources, the talent and the creativity to find the solutions. And if we get it right and invest now, we have everything to gain – new markets, lower operating costs and stable prosperous societies.

BT and the other Task Force members have agreed challenging targets to help transform the UK into a low-carbon economy. We will step outside our comfort zone and accept greater regulation and costs in some areas. Translating our commitments into reality with the urgency required will be a real test – and we can’t afford to restrict our efforts to the UK, we must tackle climate change globally.

As this report shows, BT is already well on the way. We have reduced our own footprint in the UK by 58% since 1996 and have set a stretching new target for our global business. We are finding new ways to involve our employees and suppliers in our efforts and offering solutions that empower our customers to make a difference too.

We must continue to deal with climate change in the same way we tackle all business challenges. We need a clear vision of what we want to achieve and a road map for how to get there.

I am truly proud of the progress we have made on this and other CSR issues since I joined BT in 2002. It’s particularly rewarding that this has taken place alongside our business transformation – in particular our successful entry into the broadband market and the implementation of our 21st Century Network. This reflects the hard work and commitment of people throughout BT, and I thank them for all their efforts.

When I step down as chief executive on 14 May 2008 I have every confidence that BT will continue to lead the way as a sustainable business, putting customers at the heart of what we do. My successor, Ian Livingston, has already played a key part in BT’s transformation in his previous roles as finance director and head of BT Retail. I leave the business, our customers and our commitment to society in very capable hands.

**Ben Verwaayen**

----------------------------------------------------------------------------------- Supplementary Information

“If we get it right and invest now, we have everything to gain – new markets, lower operating costs and stable prosperous societies.”

------------------------------------------------------------------------------------------------- BT Group 2009

‘Social or Environmental report’ OR ‘Changing World: Sustained Values’ 중에서 어떤 것을 골라야 할지 몰라서, 두개 모두 copy했습니다. 내용은 거의 비슷한 것 같은데, ‘Changing World’ 보고서가 더 형식과 frame있고 짜임세가 있어서, 이것으로 복사했습니다.

**Chairman’s message**

BT has a long-standing commitment to responsible and sustainable business practices. We are well positioned to weather the current storm and we are determined to do this in ways that strengthen rather than undermine our values. Our commitment to help create a better, more sustainable world is as strong as ever.

There is much to be proud about this year, as this report demonstrates. From our efforts to create value for our customers and increase access to ICT, to our progress on reducing our environmental impact. Through our global partnership with unICeF we are bringing education, ICT and communication skills to thousands of disadvantaged young people in Brazil, China and South Africa. Our goal is to adopt a global approach across more of our community work – reflecting our global presence and enabling more BT people around the world to collaborate and contribute.

I am pleased that our efforts were recognised externally too. BT was ranked sector leader in the Dow Jones Sustainability Index for the eighth consecutive year and awarded a prestigious Queen’s Award for Enterprise in the sustainable development category. We have also been awarded the Carbon Trust Standard for our progress on measuring, managing and reducing our carbon footprint.

These awards reflect the hard work, imagination and commitment of people across the business. Their dedication is simply inspirational. I’m delighted that I’m able to personally select the winners of the Chairman’s Awards from hundreds of applications from BT people involved in community activities. I’m also proud of our long-term support for, and our people’s commitment to, fundraising telethons and disaster appeals. Over the next year our new volunteering strategy will help even more of our people get involved in our community work, extending the benefits for BT and our charity partners.

In these uncertain times it is crucial that we help all our people maximise their potential. Initiatives like our apprentice scheme are designed to help achieve just that. young people have a great deal to offer the economy and BT is wholly committed to equipping apprentices with the necessary tools to thrive in the innovation age. We are focussed too on helping our people acquire the new skills that will help us meet the changing needs of our customers.

We are committed to improving our reporting and increasing transparency. This year we included our non-financial key performance indicators in our Annual Report for the first time, and will make this review available in six languages. I hope these changes will raise the profile of our work among a wider global audience.

There is more we can do in some areas and I know there will be many challenges in the year ahead. But I am convinced that BT is making the right long-term decisions that will create value for our shareholders, and benefits for society and the environment.

Sir Michael Rake

Chairman

----------------------------------------------------------------------------------- Supplementary Information

“Over the next year our new volunteering strategy will help even more of our people get involved in our community work, extending the benefits for BT and our charity partners.”

**Chief Executive’s statement**

This has been a tough year. The economic downturn has affected businesses and individuals worldwide and created an uncertain outlook for the coming months. But we must also look ahead at factors that will be influencing our customers and BT in five and ten years’ time and prepare for those changes now, so that we can emerge from the current recession a stronger company.

Fortunately we don’t have to choose between doing what’s good for our business and what’s right for society and the planet. The solutions to climate change will be complex, but our industry can play a key role. Cost savings and emissions reductions can be achieved by using communications technology to replace physical products and services with virtual equivalents and to help organisations monitor and reduce their energy consumption.

We already have a great range of products and services that help our customers live and work more sustainably, and cut costs: from next generation video-conferencing to our energy efficient home phones. Our sustainability practice is helping businesses use technology to reduce their carbon footprint right across their organisations.

There is a lot more potential in this area and we need to get everyone at BT thinking about it. Our sustainable business programme will help us do this by embedding environmental and social considerations in our product development processes. As always, we need to start by understanding what our customers need, and then develop the technology that will help them do this in cheaper, simpler, quicker and greener ways. Our continued broadband infrastructure will give us a real competitive advantage.

This subject isn’t new to BT – we were thinking about our own carbon footprint long before it became popular or fashionable. For more than a decade we’ve been taking steps to reduce our energy use, to invest in low-carbon energy supplies, and to involve our people and suppliers. This has seen our UK carbon footprint fall by 58% since 1997 and prevented over 27,000 tons of CO2 from being emitted last year.

Now we have the opportunity to share what we’ve learnt with our customers and help them reap the benefits.

Our achievements and ambition should give confidence to our people, customers and shareholders that, even in these difficult times, BT is well prepared for the future.

Ian livingston

Chief Executive

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“Fortunately we don’t have to choose between doing what’s good for our business and what’s right for society and the planet. The solutions to climate change will be complex, but our industry can play a key role.”

“We already have a great range of products and services that help our customers live and work more sustainably, and cut costs: from next generation video-conferencing to our energy efficient home phones.”

------------------------------------------------------------------------------------------------- BT Group 2010

Remark: 2010부터는 Changing world 제목으로 CSR 보고서가 나오고, ‘Social or Environmental report’는 안 올라와 있네요.

*From Changing world: Sustained values*

**A message from our Chairman and our Chief Executive**

Our society faces huge challenges – from climate change and resource shortages, to the issues raised by ageing populations, poverty and social and digital exclusion. We believe that business has a key role to play in tackling these challenges. In BT we aim to do this in partnership with our employees, suppliers and customers.

Communications technology can help us all to live and work in more sustainable ways – at BT we know this from experience. Conferencing services are allowing us to reduce the need for travel. New ways of storing data are helping us reduce cost and energy needs. Access to information where and when we need it is changing the way we work. We are helping customers to enjoy the same benefits, improving efficiency, cutting costs and CO2 emissions.

By using our technology, talents and capabilities, we can help the transition to a low carbon economy and contribute to stable and prosperous societies. We can do this while at the same time taking care of business needs such as reducing our operating costs and opening up new markets. This review highlights just a few examples of the approach we’re taking

The roll out of our super-fast broadband network in the UK is one of the largest programmes in Europe. This will underpin our growth and enable all UK communications providers to develop products and services with economic, social and environmental benefits.

We know that as we grow as a company, we will face challenges with regard to our own energy use. Yet we remain committed to reducing our own global carbon intensity by 80% by 2020, from 1997 levels. In California, the solar array powering our offices and data centre has seen its first full year of operation. In the UK, we have planning permission for the first of our wind farms, part of our plans for the UK’s biggest corporate wind power project outside the energy sector. Our focus on getting things right first time for customers is paying dividends too; by improving our ‘network health’ we have reduced fault rates, repair visits and CO2 emissions from our vehicles.

We are committed to being a sustainable and responsible business. We will support the development, reskilling and redeployment of our people, in both good and bad economic circumstances. We are investing in skills, talent and leadership development to prepare our people for a low carbon world. New tools and training for our product teams will help us bring more sustainable products and services to the market such as the new more energy efficient BT Vision box.

Our new apprenticeship framework will enable over 5,000 employees to acquire new capabilities, and our ‘Work Inspiration’ programme will provide work placements at BT for 3,000 young people. This focus on skills goes beyond formal training – our people around the globe spent over 28,000 days volunteering in the community last year. Volunteering gives our people the opportunity to make a difference in their local community and build their skills in ways that benefit them, the community and our business.

We are pleased that our progress continues to be recognised externally. For example, through the Business in the Community Corporate Responsibility Index, which awarded us the highest level,

‘Platinum Plus’, for our ongoing achievements and commitment. For the first time in nine years we were not sector leader in the Dow Jones Sustainability Index, but we are pleased to have maintained our top level gold status. We will build on our continued commitment to excellence as we drive forward to embed sustainability as ‘business as usual’. We are signatories to the UN Global Compact.

We have exciting plans for the year ahead and look forward to updating you on our progress in 2011.

**Sir Michael Rake Ian Livingston**

Chairman Chief Executive

12 May 2010

------------------------------------------------------------------------------------------------- BT Group 2011

**A MESSAGE FROM OUR CHAIRMAN**

**AND OUR CHIEF EXECUTIVE**

Our commitment to being a leader in responsible and sustainable business goes beyond a statement of strategic intent and beyond managing our own social and environmental footprint. We’re also passionate about the role that BT can play in helping others to live and work more sustainably through our technology and the skills and expertise of our people. This report is about the actions we are taking and contains examples of our commitment from right around the business.

**There are three key broad and interlocking themes in our approach.**

First, our significant investment in the UK’s digital infrastructure will improve access to technology at the same time as our community programmes are helping more people get online. Our investment in super-fast broadband will enhance business competitiveness, digital participation and the delivery of public services. We are on track to pass 5 million UK premises by spring 2011 and continue to work in partnership with national and local government and others to make sure that rural and remote communities are included.

We also launched our ‘Get IT Together’ campaign to get at least 100,000 digitally excluded people in the UK online by 2012, and continued to work with partners internationally to help more people benefit from technology around the world. For example in Columbia our people are working with community schools and villages in remote areas, delivering satellite internet access and helping them learn how to use the internet for the first time.

Second, we recognise the essential role that charities play in tackling social and environmental issues, and we want to help them do this more efficiently and effectively. This year we launched MyDonate, our new free online fundraising service, to help UK charities raise more money online. We also enabled £34m to be raised for charity through our support for telethons and disaster appeals. BT people provided over 49,000 days of volunteering activity in the community, the value of which we estimate at £13.8m.

Third, climate change remains one of the most pressing sustainability challenges. We are fully committed to reducing the environmental impacts of our products and services and to bringing to market new low carbon solutions that help our customers to reduce energy use and CO2 emissions. Examples this year include our Green Branch service in Spain, which enables banking clients to monitor and reduce power consumption in their branches by up to 30%, and our SmartReach consortium, offering a plan to accelerate Great Britain’s smart meter programme. Of course we continue to tackle our own use of resources too and we’re pleased to report a 2.5% reduction in energy use this year and planning approval for the first BT wind farm, allowing us to generate our own clean electricity. Our new climate change procurement standard, one of the first in the UK, is gaining recognition as being a major step forward in encouraging suppliers to use energy efficiently.

We are excited too, to be both the communications services provider and a sustainability partner for the London 2012 Olympic and Paralympic Games. We have integrated sustainability into the design of our communications solution for the Games from the beginning. For example, rather than installing separate networks for voice and data traffic, BT is delivering both more efficiently through a single converged communications infrastructure – the first of its kind for a summer Olympic Games. We are also using the momentum of the Games to help young people develop their communication skills through our ‘Get Set’ London 2012 educational programme.

This is our tenth annual report on BT’s social and environmental performance. We have made considerable progress over the last decade – from reducing our carbon footprint by 53%, to bringing copper broadband to 99% of UK premises, investing over £200m in community and environmental activities and developing challenging supply chain standards. And we are confident we can achieve even more in the next decade and beyond.

We are pleased that our efforts are recognised. We maintained gold sector status in the Dow Jones Sustainability Index and Platinum Plus level in the Business in the Community Corporate Responsibility Index. We were sector leader in the FTSE4Good ESG Ratings, achieved joint first place in the Carbon Disclosure Project’s Leadership Index and won the World Communications Awards Green Award and the CSR Procurement Leaders Award.

We have the skills, ideas and passion of BT employees to thank for these achievements – and we will need to continue to draw on their insights and expertise to tackle the challenges that lie ahead.

**Sir Michael Rake**

Chairman

**Ian Livingston**

Chief Executive