--------------------------------------------------------------------------------------------------BT Group PLC 2012

**A year ago, being a ‘responsible and sustainable business leader’ joined our list of strategic priorities. What have we done since? What’s still to do?**

You’ll find the answers here, in our second annual Better future report. You’ll also discover some of the ways we’re busily creating a better future through our people, products and services. And there are stories of how we’re helping people be better connected; growing while cutting our carbon footprint; contributing to better lives in our communities; and developing better ways of running our business.

**Helping people be better connected**

Fibre is our future. We think our £2.5b investment in it is money well spent. Fibre broadband for the whole of the UK means people and businesses can share and work together much more easily.

There is evidence of strong demand for fibre broadband wherever we make it available. We’ve been laying the fibre faster than pretty much anyone else in the world. Which means businesses can make video calls, use conferencing and work at home - working smarter, and cutting CO2 emissions. And as fibre arrives in new neighbourhoods, more will do the same.

To get fibre broadband to people at the fastest possible pace, we’ve had to commit investment and develop and deploy new technologies. We’ve also recruited hundreds of former Armed Forces personnel to join a mobile team of engineers to help speed up the roll-out.

We’re co-investing with central and local government and the EU to reach areas that would otherwise not be economic. Putting that money to work will mean that in roughly five years’ time, 90 per cent of UK properties should be able to get fibre broadband. Go to Cornwall, the Scilly Isles or Northern Ireland and you’ll see that private-public cooperation is working really well.

Getting fibre broadband to the other 10 per cent is even more tricky. We’re busy working out how we can use our technology in new ways to get faster there as well. So people and businesses across the UK can share in a more connected future.

**Cutting our carbon footprint**

We’re now growing our business but using less energy to do it. Last year, we used 3.3 per cent less energy than in 2011 (our target was two per cent) and that saved us £21.9m. How did we do it? We installed smarter meters in 1,900 of our sites. And our 1,500 energy champions campaigned tirelessly in their own communities for people to get smarter about the way they use energy.

Since 1997, our carbon emissions intensity has dropped by 60 per cent. Back then, we promised 80 per cent by 2020. We still do. But it’s getting harder to push ahead with the wind and solar power plans which will help us hit that number, because we need more clarity from policy makers. We are in dialogue with government, seeking changes to things such as the way that companies report on their carbon emissions.

**Better lives in our communities**

We help the neighbourhoods we work in, too. Every day, there’s a new story about our people raising money for a charity somewhere in the world. On top of that, we still support UK charities like Children in Need and Sport Relief. We helped the latter raise more than £50m this year – through our technology, through 700 BT people taking donations over the phone on telethon night and though sponsoring three Sport Relief challenges.

All over the world, more than one-in-ten of us volunteered to help build better local communities last year. That’s over 50,000 days with a value of roughly £15.9m.

But it’s not just our people improving the communities we work in. Our MyDonate platform is the UK’s only donation website with no service or commission charge. It only launched last year, but already more than 3,000 charities are benefitting.

We’re also still pushing for better lives for the people across our global supply chain, through fighting for better labour and environmental standards from suppliers, and progress against our UN Global Compact commitment.

**Better ways of running our business**

We want to be a healthy, inclusive and nourishing place to work. That’s why we never stop investing in our next generation – from apprentice engineers to future leaders. And through our

Work Inspiration programme, more than 4,000 young people got to experience BT, and the world of work, for the first time. We hope a few will one day be BT people themselves.

**What happens next?**

Society is still facing some monumental challenges. To help meet them, we’ll be unveiling some long-term goals after the London 2012 Olympic and Paralympic Games, of which we are proud sponsors. These new goals will be bold, hopefully inspiring and certainly measurable. They’ll bind the best of what we do to some of the greatest social and environmental challenges of our time.

We need to think big – which means ensuring we take our customers, partners and suppliers with us. However difficult that may be, it will be the only way to succeed for shareholders, keep our customers happy and motivate our people while sustaining the societies we all rely on.

--------------------------------------------------------------------------------------------------BT Group PLC 2013

**Our networks, technology and expertise create the connections and possibilities that help businesses to grow, communities to flourish and people to get more from life. Our challenge is to help everyone reap the benefits, and to achieve this in a responsible and sustainable way.**

In a year in which a 1,000-strong BT team guaranteed flawless communications for the London 2012 Games, there is much to be proud of. Nothing in our history has been a stronger test of our ability to manage and deliver large and complex projects. Across the company, our people came together, whether supporting our communications services or as ‘Games Makers’ volunteering at venues around the UK.

Through our Better Future programme we’re asking our people to help deliver solutions to some of the major issues that we are facing as society.

Globally, we use 1.5 times more resources than the planet can renew in a year, and our population is growing – fast. With two billion extra mouths to feed by 2050, we must find ways to reduce consumption and live within the limits of the world’s resources. This means business has to change the way it thinks and acts – using technology to achieve more with less, for example, and seeing waste as a resource, not a disposal problem.

Our Better Future programme aims to create an environment where our people can innovate and create the services needed to enable us to grow sustainably in the years to come. We have set out a clear vision and ambitious goals for each of our three focus areas: Connected Society, Net Good, and Improving Lives.

**Connected Society**

By improving access to markets, information, education and employment, and by enabling collaboration and co-operation on a massive scale, internet-powered communication services can make change possible. We are playing a vital role in this transformation by improving the reach and quality of our digital network. In our UK market, more than nine out of ten people will have access to high-speed broadband products and services by 2020 at the latest.

**Net Good**

Proud as we are of our own record, doing less environmental damage is no longer enough. We are moving beyond simply making our own business more resource-efficient to using our products and services to help customers do the same. As a start, we aim to help customers avoid carbon emissions equivalent to at least three times the end-to-end carbon impact of our business by 2020.

**Improving Lives**

We are uniquely positioned to enable charities to raise funds and promote their work – and in some cases have been doing so for more than 25 years. Our technology makes possible telethons that raise millions and disaster recovery efforts that save lives. These are the organisations that are making a difference day in, day out to people’s lives around the world. By 2020, we will ensure our technology and skills have helped generate more than £1bn for good causes.

**Highlights in the year:**

* group-wide carbon intensity has reduced by 77 per cent since 1996/97. In the UK, we agreed with energy supplier npower to source 100 per cent of our electricity from renewable sources. This means that we have reduced our absolute carbon emissions by 80 percent from 1996/97, three years ahead of target
* our business has also supported social and economic progress. More than 15 million UK properties now have fibre-based broadband access thanks to our £2.5bn investment programme
* our MyDonate services helped generate £25m in donations for our charity partners
* BT people have spent more than 43,600 volunteering days in the community this year, worth around £13m.

We are extremely mindful that not everything technology is used for is good for society. You will see that from much of what we say in our report that it’s our people and values that underpin our Better Future vision. We work with suppliers to raise labour standards and prevent the raw materials in our products from funding conflict. And even in times of change and economic uncertainty, we aim to make BT a healthy, inspiring place to work, and to uphold external commitments such as the UN Global Compact.

There are serious challenges facing the world and we must step up our efforts to help address them. No one individual, organisation or country can become sustainable alone, but through partnership with customers, industry peers, charity partners and many others, we feel confident we can achieve our goals and be a positive influence on the world. Our Better Future programme and the passion and creativity of our people are keeping us on course.

--------------------------------------------------------------------------------------------------BT Group PLC 2014

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

Communications are transforming just about every aspect of our lives – how we work, how we shop and how we think. They are helping to create new businesses and business models; reshaping the way governments operate; bringing new ways of providing healthcare and education and also enabling social mobility - BT is right at the heart of this. Our purpose is to use the power of communications to make a better world.

These days, life and work are built around connectivity. Through us, millions of individuals connect to friends and family and have a wealth of information and entertainment at their fingertips. From small local businesses right through to large multinationals, we help companies to work smarter and compete in global markets. BT also enables essential public services to be delivered and underpins the growth of our national and regional economies.

By bringing together our networks, our technology and the hard work and expertise of our people, we develop services that generate value for our shareholders, for our customers and society. We believe that people want to do business with a company that supports their ability to grow and is a positive force in the communities where it operates. That’s why we’re using our networks and technology to help raise £1 billion for good causes by 2020. It’s why we created The Supporters Club, BT’s charity partnership dedicated to using the power of sport to improve lives. It’s why we’re committed to digital inclusion, because we recognise getting online can make a huge difference to people’s life opportunities.

And it’s also why we launched The Right Click: Internet Safety Matters in partnership with UNICEF – a three-year programme that will provide practical advice about online child safety to around 35,000 teachers, parents and children in the UK.

Greenhouse gas emissions are another major challenge for society and that’s why, through our Net Good programme, not only have we committed to reduce our own impact, we’re also committing to use our products and services to help customers reduce their emissions by at least three times the end-to-end carbon impact of our business.

Our people also believe in using the power of communications to make a better world. During the winter floods in the UK, our engineers came in over the Christmas period to help reconnect customers as quickly as possible - because they felt it was the right thing to do. BT volunteers were there after the typhoon in the Philippines, setting up emergency networks so the aid agencies could coordinate efforts and the country could start to get back on its feet. And it’s reflected in the attitude our people bring to work, whether that’s during the course of their day job or when volunteering their time to good causes like answering calls during telethons for Children in Need and Comic Relief.

We believe that businesses that flourish are the ones with a purpose that’s more than simply making money. They’re businesses that see no compromise between financial results and social returns. That’s why we remain committed to demonstrating our contribution to society as a signatory of the UN Global Compact. We are excited about the future. Not just about what technology can do, but what everyone can do with it. Not just about what we do as a business, but how we do it. And not just about having a purpose, but being purposeful in everything we do. We are determined to be right at the heart of that future.