

What matters?

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Our approach to materiality

Since 2006 we have applied a process to gain a comprehensive and balanced understanding and prioritisation of the material responsible and sustainable business issues BT faces

Our approach is verified against the AA1000 Assurance Standard 2008

We do this to:

Understand the material issues affecting our business and reflect this in our **public reporting**

Demonstrate our responsibilities appropriately **take into account** our **stakeholders views**

Influence **strategy** and drive action

Our approach to materiality

Annual review

Insights are gathered during the year and formal analysis is carried out in December.

Aim is to:

1. Confirm material issues
2. Identify issues that have increased in prominence in the last 12 months

Relevance

Is there wider societal interest in this issue?

Based upon media mentions online and in English language news, social media, etc

Are our stakeholders consistently expressing an interest in this issue?

*Based on research and insight from:
Customers, suppliers, investors,
governments/regulators, media &
peers & employees*

Significance

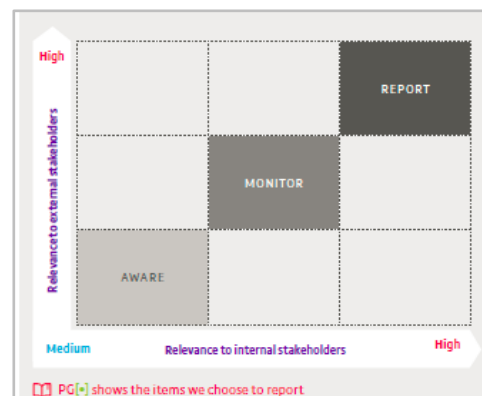
Does BT have a policy, principles or procedures on this issue?

From business unit specific through to group-wide & public, also including existence of any KPIs

Is there a financial impact of more than £1m?

...and how big is the impact over 3 years?

The issues are stakeholders tell us are most relevant



	Being a responsible company						Connecting society	Supporting our communities	Delivering environmental benefits		
	Ethics	Human rights & modern slavery	Equality	Health, safety & wellbeing	Privacy, data & cyber security	Economic impacts	Connecting society ^a	Charities & communities	Climate change	Energy	Waste reduction
Consumers	Behave in an ethical manner				Privacy and data security Cyber security Internet policy, security and protection		Network investment Customer experience		Carbon emissions reduction		
Employees	Behave in an ethical manner Strong governance		Diversity and equal opportunities	Health, wellbeing and workplace safety		Jobs, pay and pensions	Network investment Customer experience	Supporting communities			
Suppliers	Behave in an ethical manner		Diversity and equal opportunities				Network investment Education and employability skills	Supporting communities	Carbon emissions reduction	Energy savings	Waste reduction
Socially responsible investors	Strong governance Transparency in reporting	Human rights Freedom of expression	Diversity and equal opportunities	Radio frequency emissions and health	Privacy and data security Cyber security Internet policy, security and protection	Pensions	Network investment Customer experience	Supporting communities	Carbon emissions reduction	Renewables Energy efficiency of products Energy savings	
Mainstream investors	Strong governance				Cyber security	Pensions	Network investment Customer experience				
Governments & regulators		Freedom of expression Modern slavery			Privacy and data security Cyber security Data governance Online safety	Price increases Geopolitical risks	Network investment Customer experience		Carbon emissions reduction		

And then we map these by relevance and significance

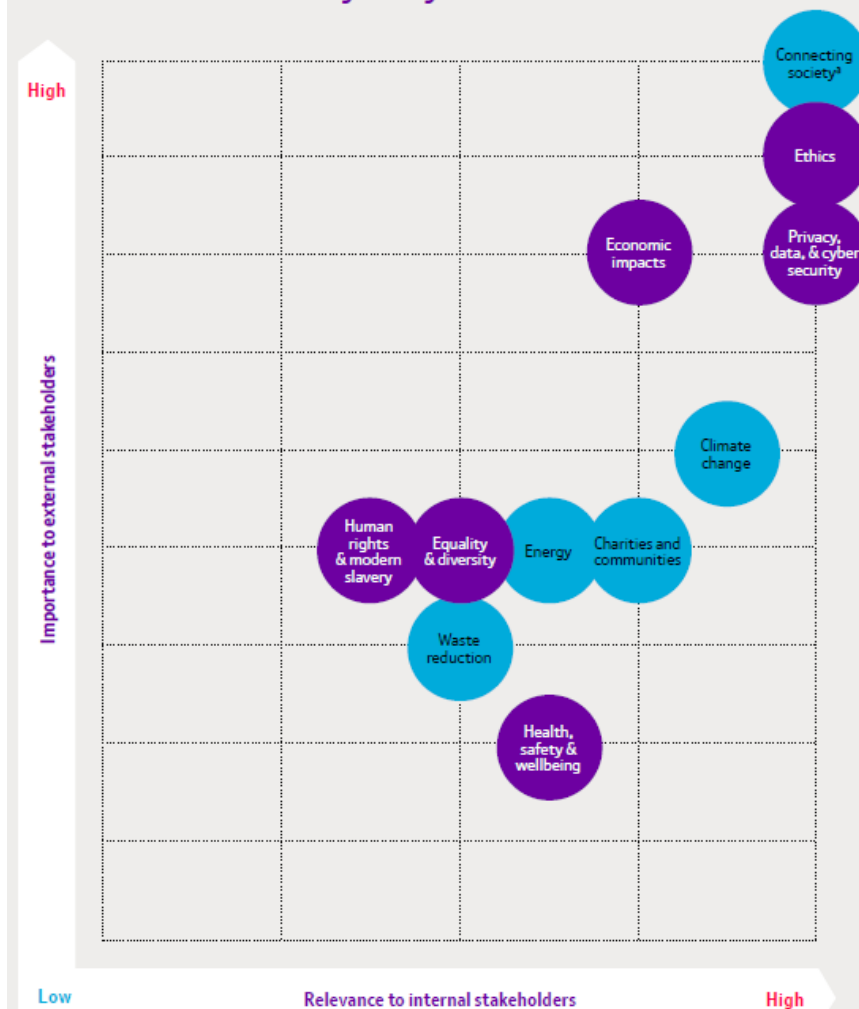
What matters to our stakeholders
Stakeholder feedback

PGI® shows the feedback received

What matters to our business
Potential opportunities
Principal risks

PGI® more details

Stakeholder materiality analysis

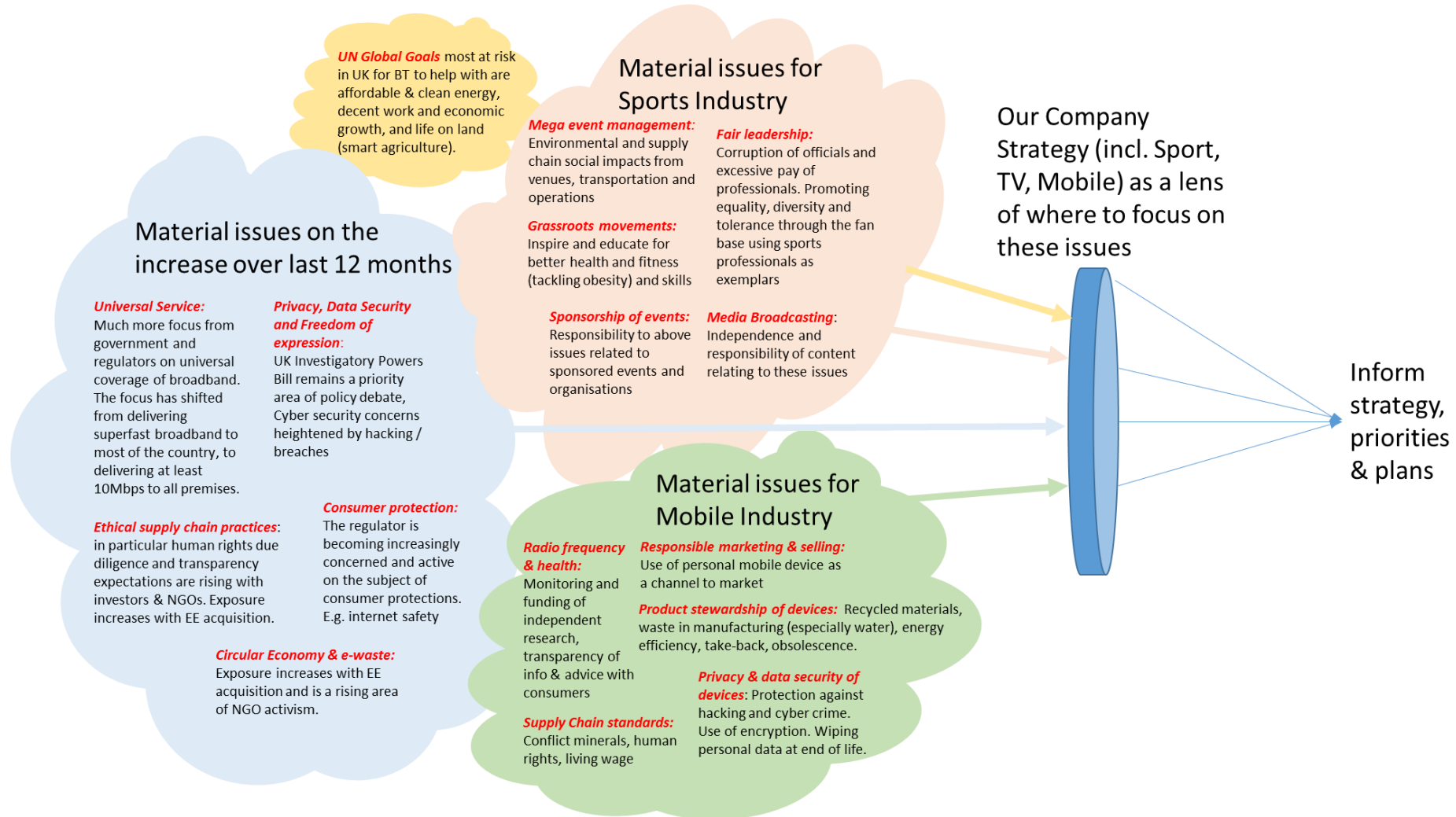


Changes since last year

Key

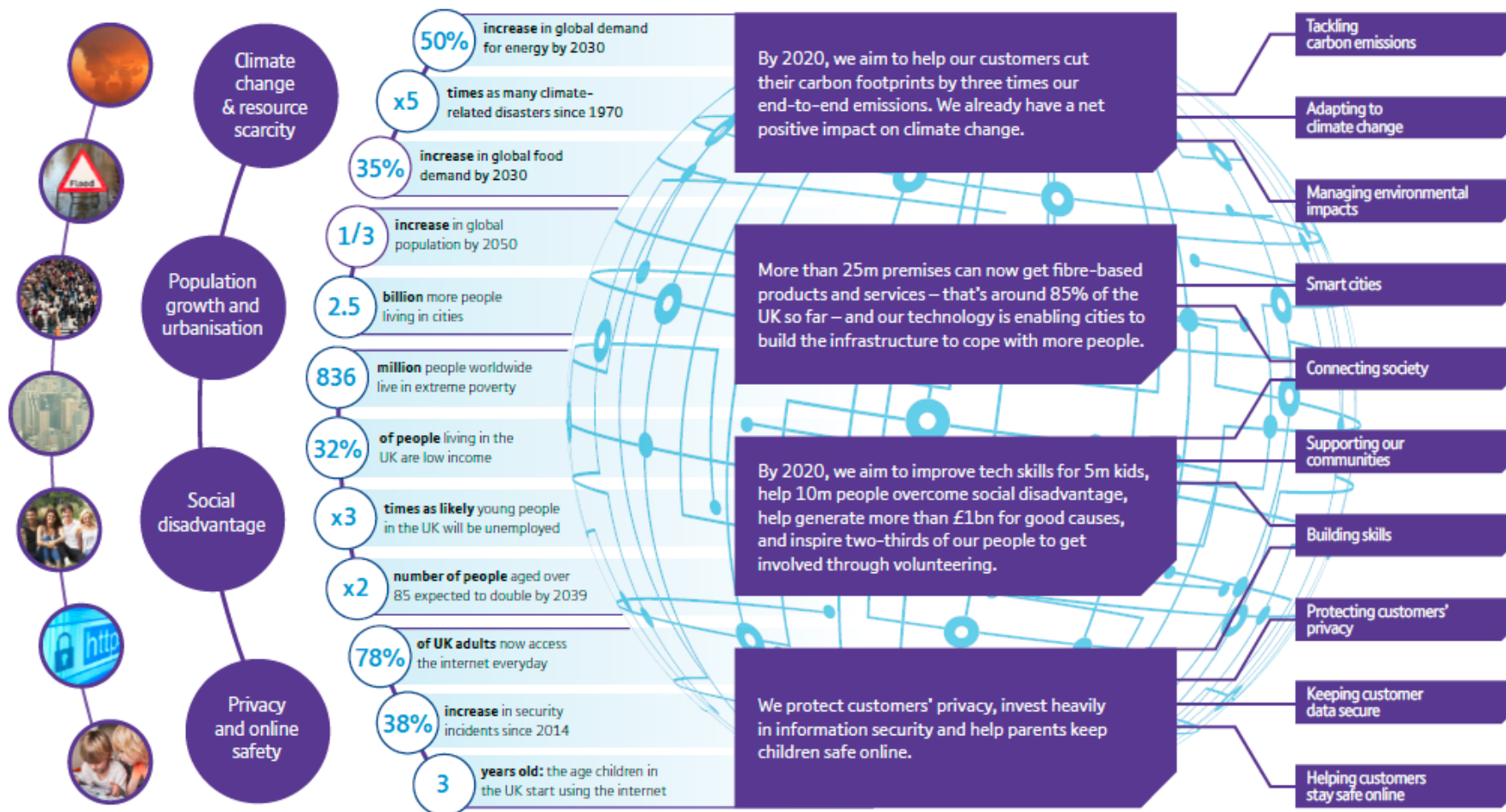
∨ Less material > At a similar level ^ More material

	Internal	External
Being a responsible company		
Ethics	^	>
Human rights & modern slavery	>	∨
Equality & diversity	>	∨
Health, safety & wellbeing	^	∨
Privacy, data & cyber security	^	>
Economic impacts	>	^
Connecting society		
Connecting society	^	^
Supporting our communities		
Charities and communities	^	^
Delivering environmental benefits		
Climate change	∨	∨
Energy	∨	∨
Waste reduction	>	∨



Responding to global challenges

Using the power of communications to make a better world.



What's not to like...?

How well does materiality support:

Weak ← → Strong

The understanding of and mitigation of **risk**

7/10

The development of **strategy**

6/10

Idea generation as part of **innovation**

4/10

The ability to form a proactive view, based on **foresight**

2/10

A relative view of impact and **context**

0/10

A multi-capital approach to establishing **significance**

2/10

