



The Way We Work

A statement of business practice

Dear colleague,

BT's business principles – or ground rules – provide guidance on how to compete fairly, deal with conflicts of interest, act within the law, manage risks, protect the environment etc. They also challenge us to consider other facets of our behaviour – our relations with one another, our customers and with the communities we serve.

BT operates globally in markets with close regulatory and legal supervision. However, even more important than that are our values and ethics, both personal and corporate. Each of us must seek to ensure that we always live these values in the way we work, and act with integrity at all times. Your personal actions make a difference no matter what part of the company you are in.

Our reputation for acting with integrity strengthens each time we stick to our business principles. This might mean that we have to reject potential new business if it looks as though it would force us to compromise. A tough call but one that BT people should make if it's appropriate.

If you experience any difficulties – if you are not sure what the right thing to do would be in any given situation – just ask. Have the courage to speak up if you are worried that any activities conflict with our way of working.

I truly believe that a successful company is one that acts with integrity, sticks to its core values and earns the trust and respect of its peers. It is a company that customers want to do business with, that shareholders want to invest in and that we can all be proud to work for.

Ian Livingston

Chief Executive

BT's business principles

These principles apply worldwide, to all employees, agents, contractors and others when representing BT.

As individuals and as a company we will always follow these principles.

- **Legal**

We will act within the law, our licensing/authorisations obligations and any other regulations.

- **Compete fairly**

Compete vigorously but fairly in our markets, being honest and trustworthy in all our dealings.

- **Inducements**

Not offer or accept gifts, hospitality or other inducements which encourage or reward a decision, or engage in any form of bribery. Report and record any incident to your line management or to the confidential helpline.

- **Conflicts**

Avoid or declare conflicts of interest that may lead (or be seen to lead) to divided personal loyalties.

- **Commitments**

Ensure others have confidence in the commitments we make on behalf of BT, and that agreements are suitably authorised.

- **Risks**
Assess and manage risks to our business.
- **Assets**
Protect our brand, physical, financial and intellectual assets.
- **Information**
Protect the confidentiality of company, employee and customer information.
- **Communication**
Be truthful, helpful and accurate in our communication.
- **Diversity**
Treat all individuals fairly and impartially, without prejudice, and never tolerate harassment in any form.
- **Health & safety**
Care for the health and safety of each other, our products and our operations.
- **Environment**
Minimise the potential harmful effects of our activities on the environment.

BT's relationships

We have specific aspirations and commitments which apply in our relations with our customers, employees, shareholders, partners, suppliers and in the communities where we operate.

Aspirations

Customers

We want to be our customers' first choice for quality, value and service. Relationships based on mutual trust will help us deliver innovative solutions that anticipate and meet our customers' communication needs.

Employees

We want to attract, develop and motivate the best people. We will create a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. We will value people's individual and team contributions, and offer opportunities to share in the company's commercial success.

Shareholders

We strive to create excellent long term value to reward investment in BT. We will maintain the highest standards of business practice and be transparent in all our dealings.

Specific commitments

Customers

- Provide value for money products and services that are backed by appropriate guarantees
- Handle complaints speedily, professionally and courteously
- Respect customers' special needs and requirements
- Work with all who sell-on BT branded products and services to replicate our own high standards

Employees

- Recruit, employ and reward on ability and contribution
- Provide opportunities for personal growth and professional development
- Engage in appropriate communication and consultation with employees
- Promote a healthy lifestyle

Shareholders

- Manage the group with the highest standards of corporate governance
- Provide opportunities for dialogue on objectives, strategy and performance

BT's relationships

Aspirations

Partners

We will cultivate a global network of collaborative alliances offering our partners significant competitive advantage. We will respect partners' customs and traditions, and be honest and ethical in our dealings.

Suppliers

We will value the diversity of our suppliers. We will work with them in innovative ways that create added value for our customers and trading partners.

Community

We will contribute to the well being of the societies in which we operate through our business activities and the skills of our people.

Specific commitments

Partners

- Work with partners in the creation of successful ventures which have high standards of integrity and business practice
- Use our values and principles in dialogue with other organisations and in considering new and existing relationships

Suppliers

- Have a fair procurement process, administering tendering and contracting procedures in good faith
- Pay promptly and as agreed
- Not make it a trading requirement for a supplier to be a customer of BT.
We will consider mutual trading relationships only when:
 - there is no coercion
 - both parties are in agreement
 - there is mutual benefit
 - the intention of all the parties is clear.
- Promote our principles and values when working with others

Community

- Maintain the highest level of integrity while respecting local laws, customs and traditions
- Work with community and other organisations to support non-profit making activities that benefit wider society
- Use our influence to reinforce the liberating and empowering potential of our technology

BT's relationships

Resolving conflicts

Deciding how to act in the face of conflicting demands is rarely easy. The following questions may help you to reach the right decision.

- Is it legal?
- Are you authorised to do this?
- Have you taken account of any operational policies or procedures?
- How would you explain your decision to your colleagues in different countries?
- How would you explain your decision to your family or in public?
- Does it conflict with your own or BT's commitment to integrity?

Help and confidential advice

If you are in any doubt as to the interpretation of any of these standards:

- Refer to the Q&As in the 'The Way We Work-Getting it right'. This is available from your manager or on the intranet at <http://ccs.intra.bt.com/thewaywework/twww/index.html> (Select the 'Business Practices in different languages' link). This document also contains details on our approach to human rights and political donations.
- Refer to local policies and procedures including ISIS documents on the Bookstore Libraries intranet site at <http://documents.intra.bt.com/bookstore>
- Talk to your line manager or someone close to your business.
- Use the relevant helplines. These provide specific advice in areas such as:
 - Security 0800 321 999 (UK) ; +44 1908 641 100 (international)
 - Procurement and supply chain +44 (0)1977 592270 (UK and international)
 - HR - 0800 731 4747 (UK) or +44 1908 358 888 (international)
 - Confidential Helpline: see the next section for country-specific numbers

Reporting concerns

BT is committed to tackling fraud, financial impropriety, abuse and any violation of our business principles. As BT employees we all have an individual responsibility to support this commitment. You should report any concerns in this respect to your line management.

In addition, BT has set up the BT Compliance Helpline as a complementary mechanism which employees can use as well to report particular concerns. The Whistleblower Policy gives details about the type of matters that the Confidential Hotline can be used to report about. Please refer to: <http://ccs.intra.bt.com/TheWayWeWork/twww/helpandadvice/confidentialhotline.htm> The BT Confidential Hotline may be contacted via the following telephone numbers:

Countries	Number
All countries (except those countries listed below)	+ 800 1256 1256
Costa Rica, Dominican Republic, Ecuador, El Salvador, Ghana Guatemala, Honduras, Kenya, Kuwait, Morocco, Nicaragua, Nigeria, Turkey, Ukraine, UK	+ 44 (0) 20 7356 2626
Bahrain	80004445
India	008004401671
Indonesia	001803441262
Mexico	018001233285
Pakistan	0080090044019
Peru	080053950
United Arab Emirates	80004416173
Uruguay	0004044035
USA	1 866 629 7778
Venezuela	08001008654

Or email to twww.help@bt.com

We know it takes courage to speak out, but if this is done in a non malicious way, you will be supported and protected from repercussions. It is also a disciplinary offence to deter others from raising concerns.

We will act to address violations - with dismissal if appropriate - at any level of the organisation.

Human Rights

BT upholds the UN Convention on Human Rights and the ILO Convention both in relation to its employees, its third party suppliers and supply chain. Employment with BT, its third parties and suppliers is freely chosen. Following the ILO Convention - there is no forced, bonded or involuntary prison labour and workers are not required to lodge "deposits" or their identity papers with BT or its third parties or suppliers and are free to leave their employer after reasonable notice. BT works with its third party suppliers and its supply chain to ensure that these standards are upheld through BT's ground breaking "Sourcing with Human Dignity" strategy, which can be found at:

<http://www.selling2bt.bt.com/working/humandignity/default.htm>

BT upholds the UN Convention on the Rights of the Child and relevant ILO Conventions and does not employ child labour. It works with its supply chain through the "Sourcing with Human Dignity" procurement standard to ensure, according to the above conventions, that BT does not use suppliers which use child labour. If child labour is discovered during an audit, steps are then taken with the best interest of the child in mind (as guided by the ILO Conventions and UN Convention on the Rights of the Child) to eradicate child labour.

Measurement and reporting

- We are committed to communicating, measuring and appropriate reporting of our performance against these principles.
- It is critical that all managers fully communicate the material within the Statement of Business Practice to people in their team. For BT employees, failure to conduct business in line with these principles may ultimately result in disciplinary action up to and including dismissal. Each situation will be considered in light of the particular circumstances.

If you have any comments on how we can improve 'The Way We Work', please let us know on twww.help@bt.com



Published by Corporate Governance
BT Group plc
81 Newgate Street
London EC1A7AJ
Electronic Copy January 2009

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Registered Office: 81 Newgate Street, London EC1A 7AJ
Registered in England and Wales No. 4190816
Designed and produced by SAS
Printed in England by Stlves

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