



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.

A handwritten signature in black ink, appearing to read 'Ian Livingston'. The signature is fluid and cursive, with a long horizontal stroke at the top and a large loop at the bottom.

Ian Livingston, Chief Executive

BT's business principles

These principles apply world-wide, 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.

- **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

- 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
-

- 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
-

- 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

- 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
-

- 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
-

- 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' which is available from your manager or on the Intranet. This also contains details on our approach to human rights and political donations.
- Refer to local policies and procedures including ISIS documents on Intranet site <http://documents.intra.bt.com/bookstore/>
- Talk to your line manager or someone close to your business.
- Use the specific helplines such as Security 0800 321999, Procurement and supply chain +44 (0)1977 592270, HR 0800 731 4747 or +44 (0)1908 358888.
- BT is committed to tackling fraud, financial impropriety, abuse or any violation of our business principles. If you have any concerns or you would like advice in confidence contact Tel: +44 (0)20 7356 2626 or email twww.help@bt.com

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. 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 EC1A 7AJ
May 2008

© British Telecommunications plc 2008
Registered Office: 81 Newgate Street, London EC1A 7AJ
Registered in England and Wales No. 4190816
Designed and produced by SAS
Printed in England by Howitt Ltd

Printed on Revive 50:50 Silk, which is produced using recovered waste fibre and virgin wood fibre. All pulps used are elemental chlorine free (ECF). Please recycle.