

A large bronze sculpture by Henry Moore, titled 'Two Figures', is the central focus. It depicts two stylized, abstract human figures in a landscape. The figure on the left is standing and looking upwards, while the figure on the right is seated and looking towards the first figure. The sculpture is set against a backdrop of a misty, green landscape with a body of water in the distance. The word 'sky' is overlaid in a large, metallic, 3D font across the middle of the image.

sky

artsworld

THE ART OF HENRY MOORE
11 June 2005

British Sky Broadcasting Group plc
Corporate Responsibility Review 2004-05



Cover photo:
THE ART OF HENRY MOORE
11 June 2005

Entertainment goes way beyond
the mainstream.

FEEDBACK

We want to hear back from you. What do you think about Sky and the way we operate as a responsible business? What would you do? Visit www.sky.com/responsibilities and click on 'feedback'.

For every feedback form we get, we'll donate £1 to our charity partner The Chicken Shed Theatre Company.



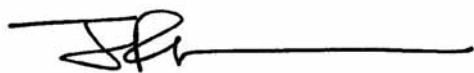
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Welcome to our latest Corporate Responsibility Review.

Over the past year we've been looking deeper into our values as a company. Conversations with our customers, our people, our suppliers, the community and environmental organisations help us understand how people see us. We've also found words to express our values: tuned-in, irrepressible, inviting and fun. These words represent who we are, how we work, and what we do.

We have a shared goal, and that's to be the UK's No1 entertainment choice. We'll do it the Sky way, and that means having responsible business practices and being a profitable company. These are not mutually exclusive – we can do both.

So take a look, and let us know what you think.



James Murdoch
Chief Executive

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6 Marketplace



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20 Community



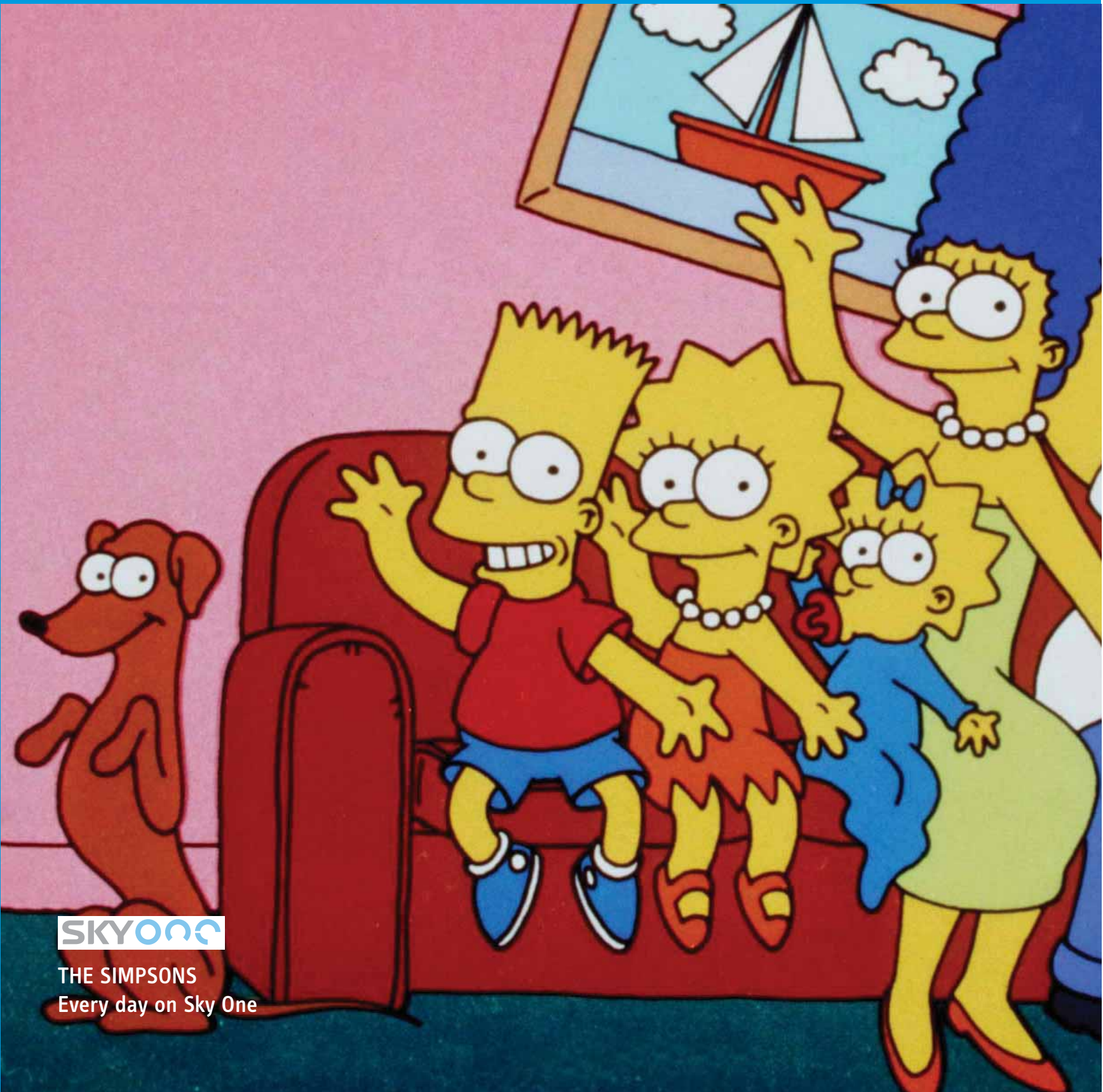
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34 Commitments

WELCOME

Tune in to the UK's No1 entertainment choice



SKYONE

THE SIMPSONS
Every day on Sky One



The Simpsons™ and © Twentieth Century Fox Film Corporation. All rights reserved.

Put the kettle on. Get comfy. Set your Sky+.

We know that there are a lot of expectations of us as a media company. You can read all about what we've been doing over the past year, and some of our plans for the future.

We've always had a distinctive 'Sky way' of doing things, but this year we decided to look more closely into what our values really are, and we wrote them down.

Simply put, they are:

- **Tuned-in** – we're in tune with our customers, our people, and society
- **Irrepressible** – our energy and innovation is reflected in everything we do
- **Inviting** – we work together in an open way to engage customers and each other
- **Fun** – we love what we do, and we think that shows through

We know these are just words. But they're words to guide us and focus our aspirations. They give us a smarter path towards achieving our vision of being the UK's No1 entertainment choice.

Altogether, these things enable us to create value for our shareholders.

WELCOME

The Big Pict

To achieve our goals we've taken some steps forward over the last year, including consultation to further understand issues for the business and the launch of an employee Forum and a Corporate Responsibility Taskforce.

Since launching our satellite broadcasting platform 16 years ago, we've become a world leader in multi-channel digital television. We operate in the UK and Ireland, with over 7.7 million customers and over 9,900 employees.

Sky owns 28 channels, including Sky One, Sky News, Sky Sports, Sky Movies and Sky Travel. We provide entertainment, news, sport, movies, documentaries, and other specialist channels.

In the 2004-05 financial year we reported an operating profit (before goodwill and exceptional items) of £805 million and a turnover of £4,048 million.

Keeping our ears to the ground

Listening to the opinions and ideas of people inside and outside Sky is important to us. It helps us make sure we're looking at the issues that matter. Here's a summary of some of the main ways we do this:

The Sky Forum, comprising 67 elected Sky people, plays an important role in raising issues for discussion. Corporate responsibility was a formal agenda item at the Forum meeting in May 2005. In addition, we carried out a survey of all our people in March 2005, and the results will be cascaded to our people shortly.

Over the course of the year, we spoke again with our customers, people, suppliers, communities, and with environmental organisations to check on what matters to them most. This included a formal consultation process with external stakeholders in April 2005. We continue to talk to people around the business in their operational

capacity to keep up to date with the issues they face. We believe that learning is the key to success.

We run annual risk workshops on corporate responsibility issues. This year's resulted in an updated corporate responsibility risk register and action plans, which are being developed with our Corporate Responsibility Taskforce.

How corporate responsibility happens

'Steering groups' and 'consultation sessions' may not sound as interesting as the programmes we broadcast, but they're all part of Sky's business activities.

Our Corporate Responsibility Steering Group (CRSG) meets quarterly to provide senior direction. The CRSG comprises the executive team and two independent non-executive directors, Gail Rebuck, who chairs the CRSG, and Lord Wilson.

This year, we launched the Corporate Responsibility Taskforce. It's made up of senior operational managers from across the business representing programming, customer operations, technology, procurement, marketing, human resources, health and safety, community investment, environment, and investor relations. Our corporate responsibility commitments are set by the business, in consultation with the CRSG and Taskforce. You can read about our new commitments and how well we did with our existing commitments on pages 34-37.



Sky Forum meeting, October 2004

ure

Customers want us to:	Employees want us to:	Investors and opinion formers want us to:	Suppliers want us to:
<p>Provide ways to manage what their children watch</p> <p>Review the impact of advertising and content</p> <p>Show the personality behind our brand</p> <p>Show societal and educational benefit</p>	<p>Further develop our parental control offering</p> <p>Demonstrate the behaviour of the company behind the brand</p> <p>Manage our environmental impacts</p> <p>Invest in our community</p>	<p>Consider the impact of broadcast output on vulnerable audiences</p> <p>Build an appreciation of Sky's role in media literacy</p> <p>Demonstrate diversity of content</p>	<p>Retain an open and fair negotiation style</p> <p>Keep providing access to senior management when required</p> <p>Continue to respond to suppliers' suggestions</p>

Specific groups are in place to lead on key issues. The Health and Safety Committee, which includes a representative from the Sky Forum; the Human Resources Policy Committee; and the Environment Committee.

The Board is supported by several committees, including the Corporate Governance and Nominations Committee, the Audit Committee and the Corporate Responsibility Steering Group. To find out more, take a look at our Annual Report at www.sky.com/corporate



We're committed to maintaining regular open dialogue with all investors. We put significant resources into responding to requests from analysts, and have maintained our inclusion in the FTSE4Good Index and the Dow Jones Sustainability Index. We're also included in Business in the Community's index of Companies that Count.

We continue to develop our understanding and management of the

important issues, and in our ongoing activities we use everything we've learned on issues in the media sector.

Viewing and reviewing our responsibilities at Sky

The table above is a summary of our wider consultation – you'll see that some of the issues are similar, even though they are from different viewpoints.

To enable us to focus on what we report back on we have themed the issues as follows and report on them in the four main sections of this Review:

- Setting standards by providing our customers with quality, choice and control
- Ensuring Sky is a great place to work by listening to our people, training and rewarding them
- Making a difference to the communities in which our customers and employees live, through our skills and resources
- Finding creative ways to minimise our environmental impact

Our big picture commitments

How are we doing?

- ✓ We've undertaken formal dialogue with our stakeholder groups
- ✓ We've updated our risk register, identifying corporate responsibility risks and opportunities
- ▶▶ We've brought together our learning on corporate responsibility in the media sector and agreed our approach

What's next?

- ▶ We'll continue to develop ways to identify key social and environmental risks and opportunities
- ▶ We'll evolve the Corporate Responsibility Steering Group and Corporate Responsibility Taskforce to further develop our commitment to responsible business practice
- ▶ We'll further align our corporate responsibility data reporting with the issues that are identified as key

Turn to page 36 for a detailed update on the commitments we made last year



- ✓ Achieved
- ▶▶ Ongoing
- Not achieved
- ▶ New

MARKETPLA

Young Hobbit, there are some things it is best you do not see



sky movies

LORD OF THE RINGS: THE RETURN OF THE KING
25 June 2005



Inviting customers¹ into the choice of entertainment we offer is at the heart of what we do. With choice comes responsibility and we help our customers make the best choices for them. Today there are over 7.7 million Sky customers and we aim to stay tuned-in to their needs. What's important to our customers is important to us.

Find out more about what goes on behind your screen, not just on it.

This section looks at:

- Parental controls and standards – page 8
- Access and customer care – page 10
- Partnerships with suppliers – page 12

¹ Within this Review, 'customer' refers to our direct-to-home (via satellite) customers.

We don't control what our customers watch, they do, and we've developed cutting-edge technology to help. We're focused on high standards for our programming too. After all, it's what our customers want.

Creating choice, setting

What do you want to watch?

Sky's onscreen Electronic Programme Guide (EPG) allows customers to see what programmes are on, and when. Feedback has shown high satisfaction levels, but we can make it better still, so we've planned new improvements.



Sky Electronic Programme Guide (EPG)

We're going to be making it easier for our customers to get straight to the channels and genres they're interested in – after all, there are over 480 digital TV and radio channels to pick from.

We've been consulting with the channel operators on the Sky digital platform and invited them to make representations on where their channels best fit in a rearranged EPG. The changes are being communicated to our customers, and we'll take further suggestions into account.

Improvements to parental controls will be included too, in response to feedback from customers. Specifically, we'll help make it possible for parents to remove the visibility of content they feel is unsuitable.

You call the shots

We've been providing viewing restrictions based on the age classification of programmes for several years.

Our consultation with customers told us that they would like even more control over the programmes their children can watch. We listened to them, and over the last 12 months we've developed our systems even further.

Channel restrictions now allow customers to limit access to any channel, either all of the time or after Sky's 8pm watershed.

Soon we'll introduce the following services:

- The ability to remove adult channels completely from event listings, TV guides, box office screens, the 'search and scan' banner, favourites listings and A-Z listings
- Viewing restrictions on 'free to air' broadcasts
- PIN control on programmes recorded on Sky+

Control through the Sky remote

David Butler, Chief Executive of the National Confederation of Parent Teacher Associations (NCPTA) said: "Whilst television is a great way for children to learn it is very important for parents to be sure their children are not watching unsuitable programmes. Sky's new controls are an important development as they give parents more control and greater peace of mind."



standards

A safer bet

We know gambling can be fun, but we want people to be able to keep in touch with reality when they're using Sky Bet from their front room, and we've continued to keep our high standards on access to interactive gambling.

Our mechanisms aim to help prevent excessive interactive gambling. So what are these mechanisms?

- With Sky Bet, customers can set maximum deposit amounts and play frequencies, keep running totals, and always see how long they've been playing
- When someone reaches 50 plays on Sky Bet Vegas or Sky Vegas Live, or has been gambling for an hour – whichever comes first – we remind them
- On the most changeable games, we show a running total of the money customers have won or lost

- As well as setting limits, customers can prevent themselves from playing at all. This self-imposed ban can be for a 24 hour cooling-off period or for six months
- We will never market any services to customers until after the verification checks

We've had a code of practice in place since July 2003 to help prevent underage gambling through television and the internet. We encourage our partners to adopt the voluntary code of practice.

We were involved in the consultation that helped shape the draft UK Gambling Bill, sharing our learnings on responsible gambling practices and the provisions of our code of practice. We continue to stay abreast of developments to make sure we remain on top of requirements for when the Bill comes into force in 2007.

First in the news

Sky News has set the pace of 24 hour news reporting since it launched as Europe's first rolling news channel in 1989. One of the key aims of Sky News is to engage viewers in the news while reporting the hard facts. The pace is fast and we continue to pioneer live reporting from the scene to bring viewers closer to the action. So how do we make sure the standards stay high, and that Sky News stays impartial and one step ahead of the competition?

Standards, guidelines and handbooks all exist for news production. To make sure we put them into action, we ensure our people at Sky News know the requirements inside out and we provide regular refreshers on media law. It's not just a matter for the reporters. Camera operators, producers and editors all play a role in getting the highest quality news on air and making sure it meets the necessary standards. Our legal and regulatory teams are always on hand to make necessary decisions.

We're also offering a new Editorial Training Scheme to aspiring journalists. The year-long scheme includes a seven week introductory course including practical workshops and master classes on writing for TV news and how to use pictures, sound and graphics.

Sky provides participants with legal tuition and training on OfCom's regulatory programme requirements, and how to interpret these in practice.

Number of customers

7,787,000

Customer churn rate

10.3%

At 30 June 2005

MARKETPLACE

Customer care for all

We try to go the extra mile for our customers, focusing on accessibility and keeping the lines of communication open.



Sky channels feature sign language interpretation

Caring for our customers

Building long-lasting relationships with customers is our priority. That makes customer care top of our list. There are over 6,000 customer service advisors at Sky, ready to take calls 24 hours a day, seven days a week.

We have multi-skilled advisors who can tap into experts across the business to make sure that all enquiries or complaints are dealt with efficiently and accurately.

On the programming side, our Viewer Relations team is on hand to respond to customer queries on programmes, channels, scheduling and content. They also track all comments from viewers to help us make sure we're up to speed with what's important to our customers and report back to the regulator, OfCom.

Access for all

Through subtitling, signing and audio description, we provide a variety of mechanisms to make sure disabled customers can enjoy the entertainment we offer. We continue to encourage other broadcasters to use the Sky digital satellite platform to increase their subtitled and audio described output. This year we provided 64,000 hours of subtitled Sky programmes.

Behind the screen

In 2003 we launched our action plan Entertaining Many Cultures as part of a new three year commitment to the Broadcasters' Cultural Diversity Network (CDN). CDN was set up for TV companies to support each other in developing diversity initiatives.

Entertaining Many Cultures sets out our commitment to increase the diversity of people on air and on screen and increase access to services and promote Sky digital to a wider population.

This year our programme commissioning editors and Sky One programme scheduling team have received training on portrayal awareness.

You can read about our commitments to diversity in the workplace on page 17.

Not so remote

Remote controls can be hard for some customers to use, so we've been working with Scope, the UK disability organisation, and Age Concern to get feedback from focus groups to improve the design and accessibility of our remote controls.

We're also exploring new ways of accessing the Electronic Programme Guide through new technology. The remote control is still at a conceptual stage, but it will aim to meet the needs of people with motor control, movement, cognition and visual impairment.

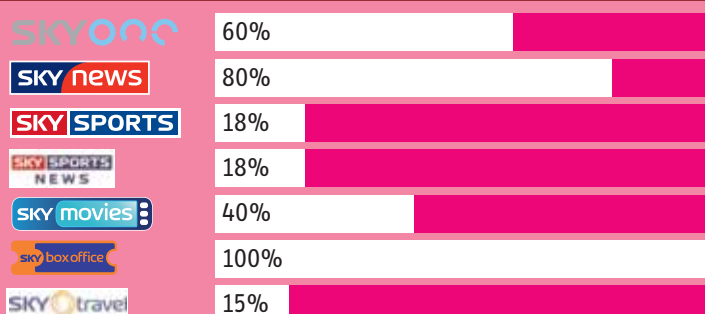
Getting in touch

Our dedicated helpline for disabled customers, staffed by our specially trained Accessibility Service Team, receives an average of 3,000 calls per month. Customers can also contact us using a textphone service that currently receives around 40 calls a week.

Our website for disabled customers lists subtitled, signed and audio described programmes and gives technical advice to customers wanting to access subtitled and audio described programmes (visit www.sky.com/accessibility). We also have a dedicated email address (accessiblecustomerservice@bskyb.com) that receives direct feedback, and we get about 100 messages a week.

Over 1,500 visually impaired customers access Sky the Magazine in audio format, and over 2,000 customers receive their monthly statement in Braille or large print. Sky's Disability Report 2004 provides more information on all these activities.

Subtitling monthly averages July 2004 - June 2005



The scene behind the

We stay on top of the latest technological advances and maintain open relationships with our suppliers.

Working together

As a business, set top boxes, marketing activity and IT equipment are amongst our largest investments. With approximately 5,000 suppliers we work closely with as many as possible.

We recognise that some of our suppliers are based in countries with different economic and cultural situations, and we make every effort to understand how their businesses operate. Collaboration allows us to make improvements faster and more thoroughly across the supply chain.

We talk to our suppliers to encourage feedback, and actively go out and get it.

Consultation and feedback this year has told us that we are:

- tough but fair negotiators who encourage two way dialogue
- good at providing access to senior management when required
- open to change and suggestions from our suppliers

In our annual supplier questionnaire, our suppliers told us that their relationships with us have continued to improve.

We regularly review and tender contracts within each area on an open, fair and professional basis. Once new suppliers are on board, we work closely with them to gain greater understanding of their operating

environments. We've begun to expand the issues we consider, to include the environment and health and safety aspects.

We also pop in from time to time, to say 'hello' face to face. This year, we decided to visit some suppliers of set top boxes in China to strengthen our understanding of their business, and also to view their premises and processes as part of our programme of continual improvement.

Internally we've also made changes. We've produced clear guidelines for Sky staff on how to purchase products most effectively, and how best to use our preferred suppliers.

A selection of limited edition Sky+ designer boxes



screen

Does it come in green?

All the products we buy contribute to the impact we have on the environment.

We've made financial investments in sustainable products, especially when refurbishing our buildings, and have trained our procurement staff in the environmental issues that are important in purchasing. See page 33 for more information.

We use a significant amount of paper in our offices and by producing literature including Sky the Magazine, our monthly customer magazine that goes to over seven million customers. During the year we visited our main paper supplier to see first hand the way they produce paper using green sources. We were impressed by what we saw. We've now decided to take things a step further and get paper that's 100% 'post consumer waste' – paper which has been used for something else previously. We'll trial it later this year.



Sky the Magazine

A techno culture

We've made the most of the latest technological advances in the world of procurement. We're now using eProcurement for our tendering processes and Ariba, an online purchase-to-invoice system.

We're using Ariba for administration, ordering, invoicing and payments with over 2,000 of our suppliers. That's almost our entire total spend. Our Ariba system gives us greater visibility of all spending, so we can make sure everything's running smoothly.

We have also introduced GetThere as our online travel booking tool and now book around 70% of our travel transactions through this system, saving money and paper.

Our commitments in the marketplace

How are we doing?

- ✓ We've monitored the percentage of programmes with audio description and signing
- ▶▶ We're fine tuning our understanding of the relationship between corporate responsibility and broadcasting
- ✓ We've trained our team in the most environmentally-sound procurement ideas

What's next?

- ▶ We'll continue to refine our learning on corporate responsibility in the media sector
- ▶ We'll keep providing the technology to give our customers control over choice and accessibility
- ▶ We'll continue to take account of financial, social and environmental issues when growing our supplier partnerships

Turn to page 36 for a detailed update on the commitments we made last year



- ✓ Achieved
- ▶▶ Ongoing
- Not achieved
- ▶ New

PEOPLE

We take pride in everyone's success



SKYONE

FATHER OF THE PRIDE
6 March 2005



Work is where we spend much of our time, so we've created various initiatives to make Sky a great place to be. We've talked to our people, who've told us that they're passionate and inspired by what they do, so we've embedded this into our values.

How do we put this into practice?

- Living our values – page 16
- Providing great training and development programmes – page 16
- Recognising the dedication of our people through reward programmes – page 17
- Focusing on the safety and well-being of our people – page 18

PEOPLE

We aim to live our values here at Sky, and that means giving our people a voice that is heard at the top and an opportunity to discuss what really matters to them.

A culture of opportunity

Our values add value

This year we've articulated our values of being tuned-in, irrepressible, inviting and fun.

We know the importance of involving our people, so in September 2004 we hosted the What's Next event to discuss our values and vision with 500 Sky people. They've helped to cascade information to their colleagues. Through managers' training, team briefings and the Sky Forum we're making sure everyone is involved.

Sky Forum

Last year we announced our plans to launch the Sky Forum. This became reality in November 2004, with 67 members representing 48 business areas across all sites. Members of the executive team attend every national Forum meeting, which take place quarterly.

All Forum members are Sky people, elected by other Sky people who can

send any issues they have to their Forum member. These are then prioritised through voting software and taken to local or national Forum meetings.

Telling it like it is

We're dedicated to listening to our people, we want to know what they like and what they don't like so much – it's the only way we can keep improving. In March 2005 we conducted a survey of all Sky people. The survey asked our people what they thought about working at Sky, how they'd help shape our future, and what they expect from us. We'll be communicating the results across the business and we'll develop action plans to address the issues the feedback raised.

Managers' Essentials

To achieve our vision of being the UK's No1 entertainment choice, we need all our people to feel that ambition too. There's lots going on to make this

happen, so we're helping our managers to lead their teams and support them in what they do best.

To help them, we've developed the Managers' Essentials programme. It has nine workshops on topics such as motivation, performance development, coaching, attendance management and diversity and dignity at work.

Managing change

We have a culture of continuous improvement here at Sky. It's the only way we can continue providing our customers with services and products that are relevant to them. However, this means that sometimes changes in resources, processes or technology are needed. This can mean creating new roles and expanding teams, or restructuring and decreasing them.

Whenever our people are affected, our HR and management teams work directly with them to make sure the changes are managed as well as possible. We aim to support our people to the best of our ability, and find replacement positions for them within Sky if their role is affected. If redundancies do take place, we offer an outplacement service and terms above the statutory minimum.

In entertainment, practice makes perfect

Over 200 Sky people are currently training for a professional qualification with our support. We've also committed to offering more than 400 places on vocational courses. This year we introduced a Customer Advisors NVQ and had over 500 participants.

9,958	Number of Full Time Equivalent employees
43%	Female employees
57%	Male employees
8.2%	Employees from ethnic minorities
3%	Employees with a disability
49,624	Total number of training days

At 30 June 2005

In July 2005 we'll launch a modern apprenticeship scheme in Scotland. Aimed at 16 and 17 year olds, the apprentices will spend two years working towards nationally recognised qualifications. This initiative will provide young people with specially tailored training and support to prepare them for a career with Sky. The programme is run in conjunction with Lauder College and West Lothian College and will be promoted through local schools and Careers Scotland.

Cultivating talent

As a TV company, offering opportunities to people both in front of and behind the camera is important to us, so we run a number of schemes. The Sky News Training Scheme is open to people outside Sky who want to get into news journalism. We're also involved in the Guardian Student Media Awards, providing winners with work experience at Sky News.

In 2004 we ran the Sky Talent competition for the first time, giving Sky people the opportunity to appear in front of camera. The winners can currently be seen on your TV screen presenting Sky News Weather and Sky Travel.

In the field

Our installers of set top boxes and satellite dishes have extensive field operations training. Initial tuition lasts five weeks and includes customer skills and health and safety. We're also working with the City and Guilds, Semta and the CAI (Confederation of Aerial Industries) to introduce an industry standard NVQ in Digital Antenna Reception.

Perks of the job

Sky people are offered the chance to buy childcare vouchers, bicycles and computers in a tax efficient way. We were one of the first big companies in the UK to formalise this government initiative into a programme and offer it to our people.

We help our people save for their future through the pension plan and a discounted share purchase plan. The pension plan is available to all part-time and full-time employees.

We've undertaken independent research into the Sky pension plan to assess understanding and attitudes through a questionnaire and focus groups. Employees now receive My Life magazine from the scheme's trustees to keep them informed of developments affecting the pension plan and how it works, with advice on other related topics.

Everyone matters

We believe the choices and opportunities available at Sky should be accessible to everyone. Our action includes ensuring diversity of our workforce and making appropriate adjustments to enable people to access the entertainment choice that Sky offers. We continue to work with specialist organisations to ensure appropriate support for the employment of a diverse workforce and Sky is a member of the Employers Forum on Disability.

You can read about our commitments to diversity on screen on page 11.

Disabled people of all ages are under-represented in the workplace in the media industry. Since launching awareness programmes in 2003, we've continued to work with the wider broadcasting industry and with disability awareness organisations to contribute to levelling the playing field. We've provided guidance to production companies commissioned to make programmes for Sky, demonstrating procedures to ensure fair employment opportunities for disabled people.

Access to our buildings is also important for providing an inclusive environment. Following our audit of physical access to buildings in 2003, we produced a plan of action to deal with any adjustments we needed to make. Disability access is now a routine part of building maintenance, refurbishment and acquisition. Our Access to Sky workbook continues to provide staff with information on access to work and how to make adjustments if needed. Over 2,500 Sky people have completed a disability awareness programme since 2003, and we're extending this across the business.

Sky Talent: our search for new stars



Fitter for the job

We've taken into consideration the issues specific to the broadcast industry when developing our health and safety programme. We've also taken an holistic approach to occupational health for all our people.

Health and safety

Over the past year, we've been working hard to improve our health and safety policies and procedures. This is part of our two year health and safety improvement programme, due for completion in October 2005.

We've actively promoted employee involvement in health and safety at all levels. Our Health and Safety Steering Group provides direction at a senior level and we have put health and safety at the top of the agenda for our new Sky Forum.

In May 2005 we won an international award from the British Safety Council for our lower than industry average accident rate following an independent audit.

Learning online

Providing easy access to health and safety training is vital for making sure all our people are well informed about the issues they should be aware of and know how to respond. Our award-winning eLearning programme has made it simple and easy for all Sky people to improve their health and safety knowledge. It includes nine modules, covering everything from fire safety to spotting danger. We launched the course in November 2004, with all new joiners being required to complete it. We're also making sure existing Sky people get access to it. So far the eLearning programme has produced 498 training days.

We've expanded the variety and scope of the health and safety training available

at Sky. In 2004-05 we offered 27 distinct courses – providing our people with a total of 1,604 health and safety training days.

Installing health and safety

Sky has a tailored five week training programme for installers of set top boxes and satellite dishes, including occupational and physical health checks, training on working at height and manual handling, risk assessment and the safe use of equipment. New installers also spend time on the ground with experienced engineers, using installation equipment safely and assessing risk. Installers are supported by coaches who provide regular support and check on safety standards.

Fully equipped

Our news reporters and crews sometimes report from places of danger. We ensure that they're always equipped with the knowledge and skills suitable for those circumstances.

All crews are required to attend a comprehensive five day residential course, tailored to meet specific needs such as heightened awareness of potential danger and risks. The course recreates potential scenarios including ambush, hijacking, being held hostage and civil disturbance. It also covers first aid and post traumatic stress disorder.

Participants are assessed on how they handle situations, and must meet required standards. We also provide travel screening, and ongoing support through a team of specialist counsellors.



Andrew Wilson, US correspondent



Our award-winning contact centre in Dunfermline

A driving force

Whether it be driving an outside broadcast vehicle to cover the big game on Sunday or getting to a meeting through rush hour traffic, the safety of our people on the road is an issue we've been addressing.

We put together a driving safety programme with DriveTech, a leading provider of driver training. So far we've trained 250 drivers, including Sky News crews and field sales drivers, and the rest are due to finish the programme by December 2005. Lower risk drivers will be trained using a specially designed CD-ROM.

All drivers will be retrained every two years to make sure that the latest requirements are always met.

An holistic approach

Occupational health affects everyone from our people who work with computers to those who speak to customers on the phone each day. In July 2004 we set up an occupational health service, with dedicated teams of professionals in Osterley, Livingston and Dunfermline. We now have a much greater awareness of the positive aspects of health in the workplace.

In November 2004 we ran the Feel Karma event where people were offered checks on cholesterol, blood pressure and body mass index, as well as taster sessions in Pilates, reflexology and head massage.



Sky vans – what do you want to watch?

Our commitments to Sky people

How are we doing?

- ✓ We've elected a Sky Forum
- ✓ We've put our revitalised Health and Safety management system to the test with an external audit
- ✓ We've developed our educational offering and introduced relevant new courses

What's next?

- ▶ We'll work with our people to put in place Sky's values, which define our culture and relationships
- ▶ We'll continue to support and develop the Sky Forum and communicate Sky People Survey results
- ▶ We'll develop communication and support methods to enable our people to integrate health, safety and well-being into their daily activities

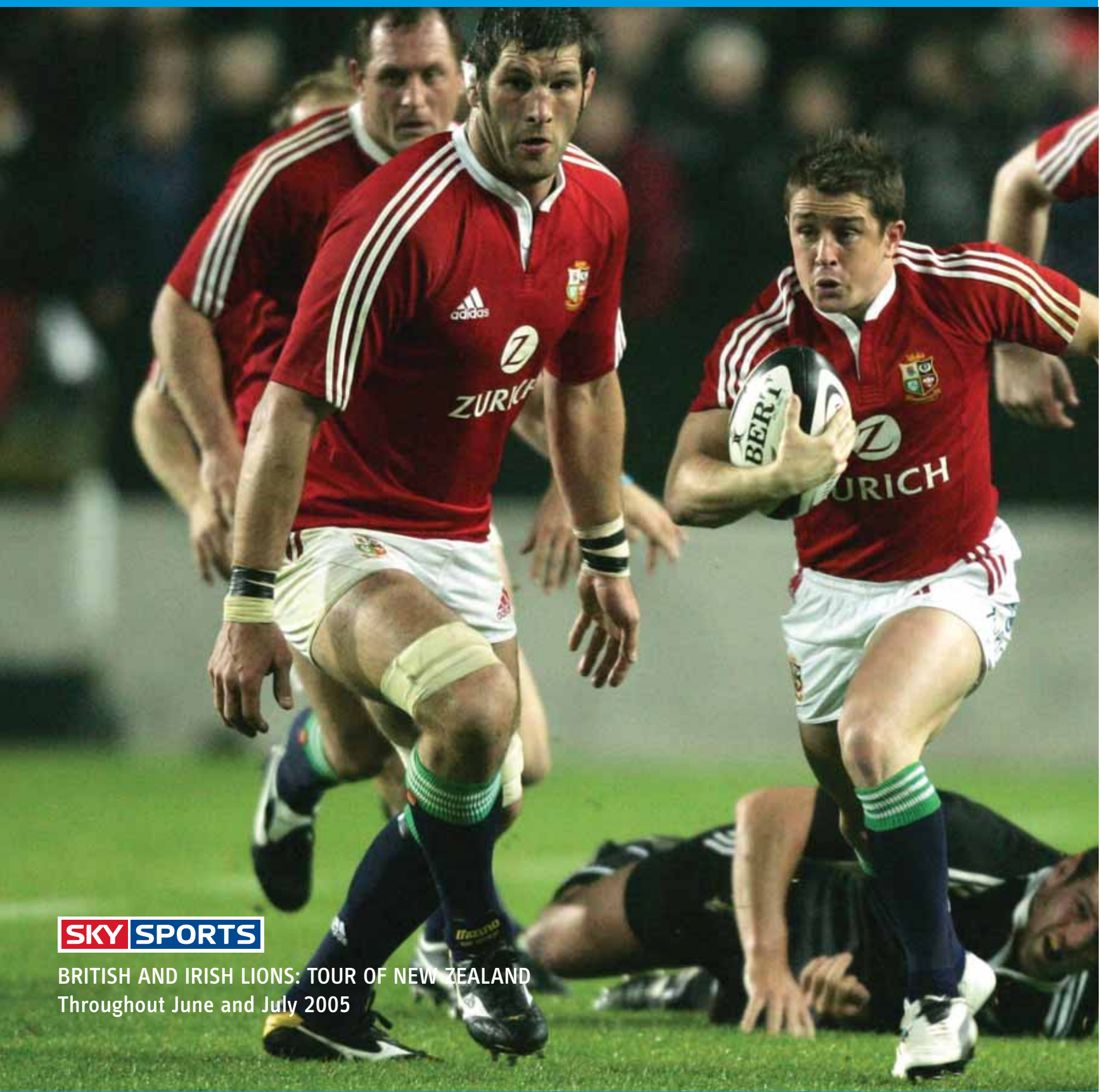
Turn to page 37 for a detailed update on the commitments we made last year



- ✓ Achieved
- Not achieved
- ▶▶ Ongoing
- ▶ New

COMMUNITY

Everyone deserves support to reach their potential



SKY SPORTS

BRITISH AND IRISH LIONS: TOUR OF NEW ZEALAND
Throughout June and July 2005



Our community activities focus on entertainment, sport and media. These are the areas we are known for, and the ones we know interest our customers. Our top priority is helping young people reach their potential.

We aim to use our resources, brand attributes and influence to make a real difference to families and communities, and we measure and evaluate this impact.

Find out more about:

- How we use our media resources and profile in our relationship with The Chicken Shed Theatre Company
– page 22
- Our flagship youth programmes Living For Sport and Reach For The Sky
– page 24
- The contributions our people make on the ground through Make A Difference
– page 26

Making

We use our interactive television platform to contribute to a broad range of community activities.

makeitbig

makeitbig was our search for our new charity partner, and we were looking for a youth organisation with a big vision. We offered charities the opportunity to have a three minute film made about them, and over 160 applied. We short-listed ten, and engaged the Media Trust to make the films. These were screened on the Community Channel and the Customer Channel, and people voted for their favourite. The selection panel, which included our CEO James Murdoch and Fiona Mactaggart MP, Parliamentary Under Secretary of State at the Home Office, listened to the views of our people and our customers. The winner was The Chicken Shed Theatre Company, and NCH came a close second.

“It is important for a company to be serious when it comes to choosing a charity,” said Fiona Mactaggart MP. “It is really good to see Sky employ such a robust process to identify the best charity to work with and take it so seriously at the highest level - it’s how corporate social responsibility should be.”

A performance to launch our partnership with The Chicken Shed Theatre Company

it big in the media

The short-listed charities ranged from Barretstown, who run adventure holidays in Ireland for seriously sick children, to the Prince's Trust, who offer young people practical solutions to overcome barriers and reach their potential. They weren't left empty handed. Many of them are still using the videos we produced to help them with further fundraising, and we gave each of them a £5,000 donation.

The Match

The Match gave us a great opportunity to use a reality TV show on Sky One to raise money and awareness for charity. Using Sky One and Sky Sports we were able to raise money for the final two charities short-listed in our search for a charity partner – The Chicken Shed Theatre Company and NCH.

On its final night – 10 October 2004 – 2.6 million Sky viewers watched a celebrity squad trained by Graham Taylor take on a team of former footballers in front of a crowd of 52,000 fans.

Both charities received an equal share of the net proceeds from interactive voting, ticket sales and merchandise. That added up to £85,000 each.

Playing chicken

The Chicken Shed Theatre Company is an inspiring charity that enables people of all abilities to develop their confidence and talent using theatre. Together, Sky and Chicken Shed aim to give more people across the UK the opportunity to take part.

Mary Ward, Co-Founder and Artistic Director said, "This is without a doubt the most important opportunity for Chicken Shed in the last ten years. It is a

wonderful way for us to celebrate our 30th anniversary."

During our three year relationship, we aim to raise Chicken Shed's profile and significantly increase their potential to receive financial support. We'll be helping them to set up a theatre in Scotland, expand their touring presence across the UK, and assist with other areas of business development. All to the tune of £1 million.

Children's Express goes skyward

Another link-up that builds on the Sky platform has been with Sky News and Children's Express – a UK-wide news agency producing news, features and comment by young people for everyone.

In 2004-05 nearly 600 young people aged from 8 to 18 have taken part in the learning through journalism programme in England and Northern Ireland. Working with Sky News, their involvement ranged from six weeks to a full year, learning analytical, social and communication skills and increased understanding of social issues.

Disaster response

We were able to adapt our interactive technology to help when disaster struck in December 2004. We used the donations system we had developed in

September 2004 to enable people to donate directly to the Disaster Emergency Committee (DEC) through their television.

We also broadcast regular appeals for donations, making it possible for viewers to donate to the DEC via their remote controls. Sky customers donated nearly £600,000.

An onscreen ticker on Sky News enabled survivors to relay messages to their relatives. We did this by broadcasting national and international numbers on air for survivors to text messages to. These were then screened on our 24 hour news channel. We also set up an online message board.

Interactive

In May 2005 Sky supported the launch of an interactive volunteering service via the Community Channel. Launched with support from the Media Trust, of which Sky is a corporate member, this service became a world first for interactive TV, building on the interactive services Sky first developed for the Community Channel in 2004.

Digital satellite viewers in the UK can now search for local volunteering opportunities through interactive television by pressing the red button while watching the Community Channel.

"The fact that Britain is the first country to have this interactive service is something we should be really proud of," said David Miliband MP, Minister of Communities and Local Government. "I look forward to seeing the service's impact across the country in the years ahead."



sky news

Tsunami coverage, December 2004

We're committed to supporting young people. With Living For Sport and our Reach For The Sky website, we're aiming to make a real difference.

Young, active and sorted

Living For Sport

School days aren't always the best years of your life, even when looking back through rose tinted glasses. But some young people have more than just the usual gripes, and are at risk of dropping out altogether, risking their futures too.

Living For Sport aims to re-engage these young people, and get them back into school life. Run in conjunction with the Youth Sport Trust and the Department for Education and Skills (DfES), it uses

sport to inspire 11 to 16 year olds, and helps their schools through a structured programme of activities.

For many of those taking part it has resulted in improved school attendance, reduced levels of detentions, improved punctuality, and a renewed enthusiasm for school life.

Sky's commitment to Living For Sport is long-term. We're now working on plans to provide up to 500 secondary schools with access to the full programme for a three year period, enabling every School Sport Partnership to access it. Next year it will continue to expand across England, Scotland, Northern Ireland and

Living For Sport – performance stats

230 schools are running Living For Sport

2,318 young people have participated in Living For Sport in England

69% of teachers evaluated have reported improved self-confidence in participants

68% of teachers have reported improved social skills in participants

57% of teachers have reported improved attitudes to learning in participants

"It's just really different."
– Student comment

"I am amazed with all the pupils...It was quite emotional for me to watch them doing so well." – Teacher comment

"I think it is good that a multi-million pound company can come into a school in Hounslow and help." – Parent comment

This data reports interim findings. Full results will be available in December 2005.

Source: Institute of Youth Sport and Loughborough University



the Republic of Ireland, and the resource pack will continue to be developed for secondary schools to access as part of School Sport Co-ordinator and Behaviour Improvement programmes.

Changing Lives

Changing Lives is a new element of Living For Sport that uses world class athletes as role models to motivate and inspire participants in Living For Sport.

Schools are offered up to three visits a year and work with the athletes to make sure each visit is tailored to the needs of the young people. So far, 152 schools have benefited from over 170 visits from

the team of seven mentors. At the same time, the mentors gain experience and employment in the field of sports development, and receive training and



The Sorted! home page

understanding of the career opportunities available to them.

Sorted! - by reaching higher and higher

Reach For The Sky, our award-winning website for young people at www.sky.com/reach, continues to offer practical information on careers in our main business areas.

This year we produced a promotional film to increase awareness of the site, and screened this alongside programming aimed at teen audiences.

Sorted! is part of the Reach For The Sky website where teenagers can read articles and case studies about things that are important to them. Health, sex, relationships, drugs, law, housing, money and careers were top of the list of topics asked for, and are now available on the site. If a specific question isn't answered, they can send it to us and our trained panel of advisors will give free and confidential advice in a password protected area of the site.

We're working alongside YouthNet to deliver Sorted! YouthNet was the UK's first exclusively online charity, pioneering the use of technology to help young people make informed choices about their lives.

Here's some feedback...

"To me as a teenager this part of the website is very helpful, and I'm sure other teenagers would agree, because here you can ask questions that maybe you wouldn't feel comfortable about asking someone face-to-face and you can discuss problems without having to admit your problem directly to somebody else." Sorted! user, aged 17, from Merseyside.

England rugby player Will Greenwood launches the second year of Living For Sport



Stepping out to make a

In our local communities, we focus on a combination of volunteering and funding. The benefits reach the organisations we help, the Sky people involved, and the company as a whole.

Making a difference at Sky

In 2005 we launched a new employee volunteering programme called Make A Difference.

All permanent employees are eligible for up to 16 hours of paid leave to do volunteer work. We've big ambitions for the programme and we've learnt lots of good lessons early on from the challenges. Already over 2% of Sky people are volunteering.

Make A Difference is based around an intranet site, accessible to all Sky people either on their desktops or on specially designed kiosks. It makes volunteering, payroll giving, fundraising and matched

donations simple and easy. Over 11% of Sky people have already registered on the site.

We have a wide range of volunteering opportunities, developed in conjunction with community partners such as The Media Trust, Arts & Business, The Prince's Trust, and our charity partner, The Chicken Shed Theatre Company. Sky people can search according to location or skills development – it's an ideal opportunity to develop their abilities, which in turn helps Sky to be a great place to work.

In our first few months, volunteers are already helping local youth groups and

are getting their hands dirty in conservation challenges. In one project, video tape operators, camera operators, floor managers and animated film makers have all been working together with primary school children and teachers to make an animated film. The children learn grammar and also do the voiceovers.

Other Sky volunteers have helped out at Scouts residential weekends, with Riding for the Disabled, and with a Hounslow school's 20/20 cricket festival. Twenty people have been trained in England and Scotland to volunteer with Business Dynamics, a charity that encourages people to go into schools to teach students how business works.

Between fundraising and payroll giving, Sky people have raised a total of £170,000 for causes close to their heart. Add on Sky's matched contributions, and this came to over £260,000.

Nearly 7% of our staff are now payroll giving – an increase of 22% from last year.

Our inaugural Sky volunteer awards ceremony in 2006 will recognise and reward the voluntary efforts of our people.



Gloucester Primary School students gain skills at Sky in June 2005

difference

Champions of youth action

Volunteering can have a tremendous impact, but cash is helpful too. Our Sky Youth Action Fund is a pot of money open to charities, schools and community volunteers in locations near Sky.

The programme supports projects for young people aged 11 to 21 years, with a focus on creativity and communication. So far they've allocated funds worth around £100,000, benefiting nearly 3,300 people.

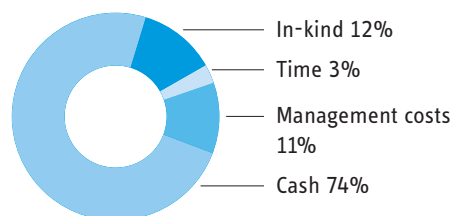
The fund is administered by groups of Community Champions from Sky across our four main sites. In London and Harrogate we also include local school students on the panel. The organisations who apply for funding all work on youth projects, so young people themselves are the best ones to tell us if they think the projects sound beneficial. The students benefit by gaining valuable business experience, learning new skills and developing confidence.

A measured approach

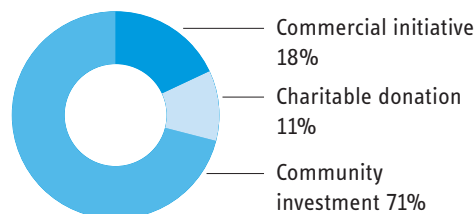
Sky measures and monitors all its major community programmes to assess their social and business impacts.

The LBG model helps us to continuously improve the measurement and reporting of our activities.

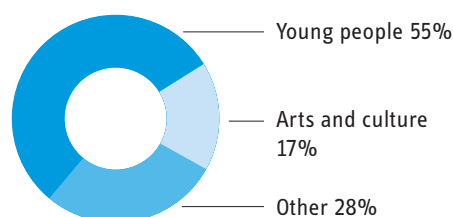
Contribution by type



Contribution by motivation



Contribution by subject



Total £5,154,918, including cash, time, in-kind donations and management costs.



We use the London Benchmarking Group reporting model to calculate our contributions to good causes.

The LBG model provides a standardised way of managing and measuring a company's community involvement. The assurance statement from LBG can be found online at www.sky.com/responsibilities

Our commitments in the community

How are we doing?

- ✓ Our new charity partnership uses Sky's unique assets in an innovative way
- ✓ We launched a volunteering policy for Sky people, with 16 hours of time-off per year
- ▶▶ We extended Living For Sport to 230 schools

What's next?

- ▶ We'll support Sky's position as the UK's No1 entertainment choice through our community portfolio, maximising Sky's potential to influence young people into positive action through youth initiatives
- ▶ We'll support our staff in community related activities, seeking to generate increased awareness and involvement. We'll encourage staff to leverage Sky's commitment and investment
- ▶ We'll broaden our measurement of the ways in which Sky initiatives benefit individuals and society – considering socially orientated initiatives that form part of our business offering

Turn to page 37 for a detailed update on the commitments we made last year



- ✓ Achieved
- ▶▶ Ongoing
- Not achieved
- ▶ New

ENVIRONME

You don't have to be green to care about the environment



 NATIONAL
GEOGRAPHIC
CHANNEL

DEEP JUNGLE
18 September 2004



We're making a determined effort to reduce our environmental impact. This year we've found more ways to address the issues and take action. We're looking to get everyone involved – after all, everyone has a role to play.

Words are one thing, actions another. Ours are summed up in three key areas:

- Carbon emissions and energy use – page 30
- Better waste management – page 32
- Involving our people – page 33

Taking action on energy

Minimising the environmental and financial impact of our energy use has been a priority for us as a growing business. We've made improvements, and we're planning for more to come.

Switched on to renewable energy

In October 2004 all Sky-owned sites in England switched their electricity supply to renewable sources, and now use green energy for 100% of their electricity. This has reduced carbon dioxide (CO₂) emissions from our sites in England by 73%.

Between October 2004 and March 2005, our Scottish sites obtained 20% of their electricity from renewable sources. In April 2005 our Scottish sites moved to 100% combined heat and power (CHP) sources. This gave a better CO₂ reduction than 20% renewable electricity. Overall we reduced site CO₂ emissions by 7% in Scotland during 2004-05.

Our long-term goal is to reduce carbon dioxide emissions by 10% from 2003 levels by 2010. In 2004-05 our total CO₂ emissions decreased by 16%, even with expansion at our sites, so we're ahead of our target. However, our energy use per full time equivalent employee has increased by 6% (see table).

Martin Stanford and Julie Etchingam
at the Sky News desk



Our CO₂ emissions from transport have increased because we're now able to measure and report on our CO₂ emissions from transport more accurately.

Councillor Bartholomew, Hounslow's Executive Member for Enhancing our Environment, comments: "BSkyB is an excellent example of a large employer working hard to reduce its impact on the environment. Switching to renewable sources not only makes good business sense, it sets the standard for other companies in the local area."



Set top boxes

We've made progress to reduce the power that new set top boxes use in standby mode, and also cut the power required by the Low Noise Block (LNB) on the Sky dish. We're looking at alternatives to batteries in remote controls too. Whatever we do, we consider the European Commission's voluntary Code of Conduct on Energy Efficiency of Digital TV Service Systems. We are the only TV company to endorse this.

Green transport plan

Last year we said we'd put in place a green transport plan. We did for our new Sky News building in Osterley. We've also increased the frequency of shuttle buses from local public transport points around Osterley, and we're developing transport plans for our contact centres in Scotland. In fact, Livingston is piloting a carpool scheme right now.

We're now developing individual green transport plans for Sky sites, getting local councils and businesses on board. We'll report back on our progress next year.

Greener offices

Environmental considerations have been high on the list in our office refurbishments at Osterley. We've installed a chilled beam air conditioning system that uses less electricity and fewer refrigerants than standard air conditioning systems.

In the new Sky News centre, we've used flooring from the Interface Cool Carpet scheme. For a small premium, Interface offsets CO₂ emissions associated with the complete lifecycle of the carpet, such as manufacture, use and end of life. So the 575m² of flooring used has produced an offset of 11 tonnes of CO₂.

Water works

Water is a precious resource. We're not big users of water at Sky. Mostly it's just for domestic things like washing and cooking. Water consumption this year was 87,736 cubic metres, a reduction on last year. We'll keep a finger on the tap to help us meet our target for 2007.

Energy consumption	total kWh	kWh/FTE*
2003 calendar year	89,507,199	9,710
2003-04 financial year	92,973,015	9,787
2004-05 financial year	102,971,451	10,773

Water usage	total m ³	m ³ /FTE*
2003 calendar year	85,624	9.29
2003-04 financial year	91,313	9.61
2004-05 financial year	87,736	9.18
Target by 2007		7.7

Carbon dioxide emissions	total tonnes	tonnes/FTE*
2003 calendar year	41,477	4.5
2003-04 financial year	36,491	3.84
2003-04 from sites	29,702	3.13
2003-04 from transport	6,789	0.17
2004-05 financial year	30,545	3.20
2004-05 from sites	15,870	1.66
2004-05 from transport	14,686	1.54
Target by 2010	34,079	

* FTE = Full Time Equivalent employees
Full data tables are available at www.sky.com/responsibilities

ENVIRONMENT

As a television company, we have more than just paper to consider. There are tapes, CDs and other tools of the trade to reduce, reuse and recycle, and a diverse range of relevant programmes to screen.

We never refuse to reuse

You think you’ve got a big CD collection?

As a broadcasting company, we use CDs and videos all the time. We’ve already recycled or reused thousands of CDs and video tapes. We ran a three month pilot to measure just how many could be recycled across the business, and it was over 1,100 CDs. The majority were sent to a company who crush them and sell the plastic for reuse in products from car bumpers to conservatories. The pilot was a success, so we’re continuing the initiative.

Getting it taped

We found a company that could recover the plastic from 90,000 VHS tapes from Sky Movies and turn it into raw materials for reuse. This was so successful that we’re continuing to recycle in this way.

Waste not...

This year, the redevelopment and opening of our new buildings has led to an increase in waste. We’re aiming to reduce our landfill waste to 50% of 2003 levels by 2007. It’s ambitious, but



Our tape library

we’re doing more to recycle, reuse and reduce, and we think we can get there. This year our office waste to landfill has increased by 0.5% but the percentage of waste we recycled has stayed the same.

We have processes in place to recycle our paper, cardboard and newspapers, and we’ve even been able to reuse some metal and wood from the scenery and props in our studios. In our refurbished offices at Osterley we’ve introduced new waste management arrangements. Instead of everyone having a bin under their desk, there are centralised waste segregation points in offices. This will encourage and enable more recycling.

Calls returned

This year we upgraded our installation engineers’ equipment which resulted in 300 surplus mobile phones. They went to the Fonebak scheme that collects mobiles for reuse or recycling. Wherever possible, we also donate old broadcasting equipment to universities.

Office waste to landfill	total tonnes	tonnes/FTE*
2003 calendar year	1,634	0.18
2003-04 financial year	1,470	0.15
2004-05 financial year	1,477	0.15
Target by 2007	817	

Total recycled waste	total tonnes
2003 calendar year	243
2003-04 financial year	281
2004-05 financial year	274

* FTE = Full Time Equivalent employees Full data tables are available at www.sky.com/responsibilities

The answer is out there

Last year we spent lots of time visiting different parts of the business to show people how their actions can impact the environment at a local level and make very real improvements. We're constantly reviewing our objectives to make sure that they stay relevant to our needs today and in the future.

Eco-training is good economics

Environmental training has started with our procurement team. We engaged Business in the Community to develop a course to meet our needs. It covered a complete cross-section of Sky's procurement activities, including set top boxes, marketing, travel and transport, IT and business services.

The course looked in detail at all the environmental aspects that need to be considered for responsible and sustainable procurement. The lessons are being integrated into day-to-day business.

Putting our hands up

Earlier this year we launched our volunteering programme. Amongst others, we're working with seven organisations to provide a variety of environmentally themed opportunities, one of which is BTCV, the UK's largest practical conservation charity, so our staff can get involved.

TV to drive you wild

From the wonders of wildlife to the secrets of the cosmos, channels including Sky One, Discovery and National Geographic broadcast environmental programming that seeks to entertain and inform. Audiences range from children looking for fun as they learn about the great wide world, to experts looking for the latest coverage on global issues. We've got something for everyone.



FINAL CHANCE TO SAVE

This year Sky One has been developing Final Chance To Save, a new wildlife documentary series. It highlights the potential extinction of some of the world's most well known species.

Partnering with a number of wildlife charities, Final Chance To Save will use celebrities to produce an entertaining and educational series. The WWF, which is also involved in one of the programmes, commented: "The WWF is delighted to be working with Sky One on programmes that get the message across in a way that everyone can grasp." Final Chance To Save will screen in September 2005.

Our commitments in the environment

How are we doing?

- ▶▶ We introduced a waste reduction and awareness campaign, and are increasing the range of materials we recycle
- ✓ We've established sustainable purchasing guidelines
- ▶▶ We've a green transport plan

What's next?

- ▶ We'll evolve our waste management activities to keep us on track to deliver a 50% reduction of waste to landfill against 2003 figures by 2007
- ▶ We'll keep communicating with and educating Sky people on our activities and what they can do
- ▶ We'll continue to reduce our CO₂ emissions in line with our 2010 target of a 10% reduction from 2003 levels

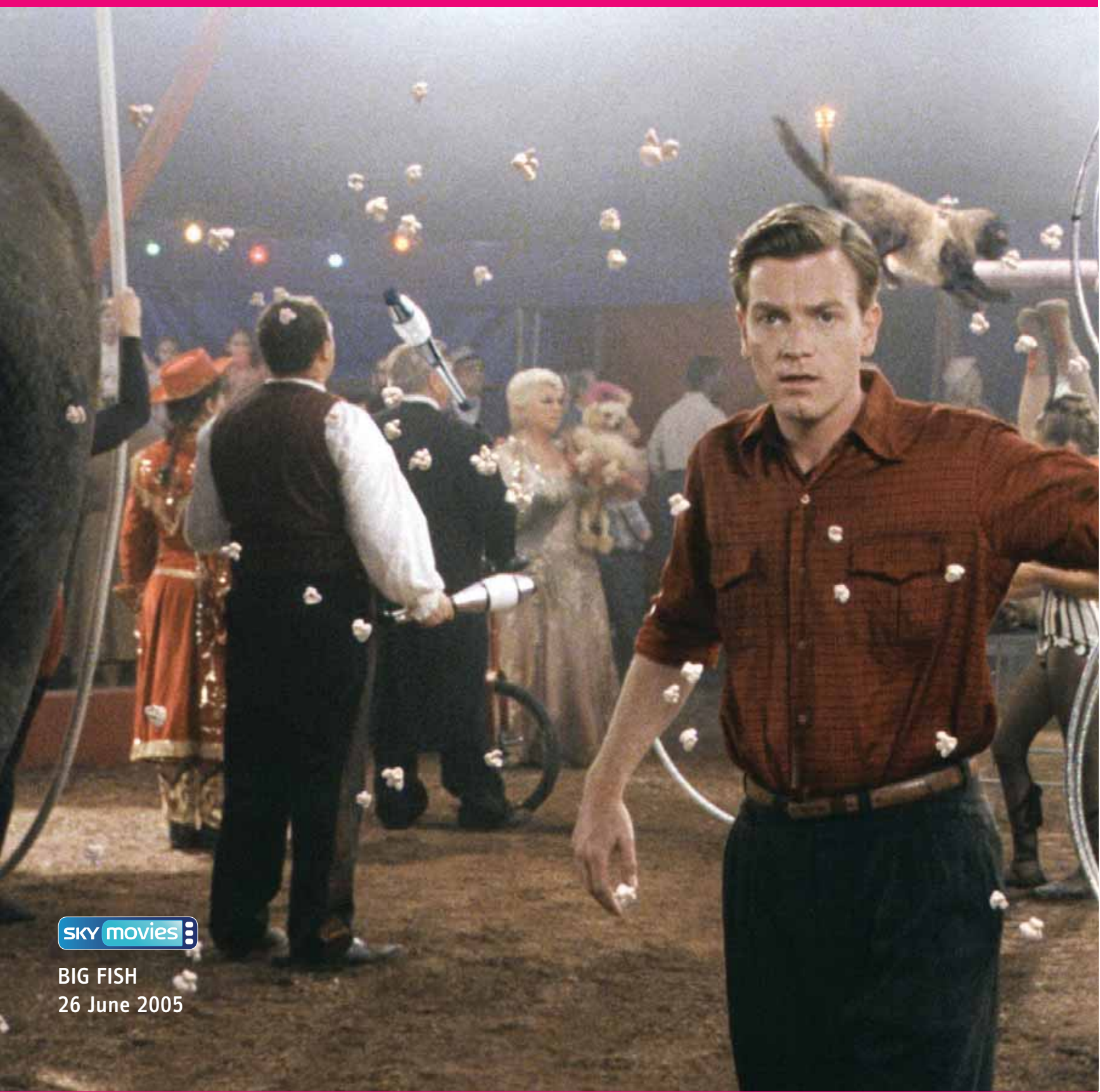
Turn to page 37 for a detailed update on the commitments we made last year



- ✓ Achieved
- ▶▶ Ongoing
- Not achieved
- ▶ New

COMMITMENT

We're always looking for new ways to improve our performance



sky movies

BIG FISH
26 June 2005



Setting commitments helps guide our actions on the issues that matter.

Last year we set out our commitments for 2004-05. We've already given you a taster of our achievements in the 'How are we doing?' summary in each section of this Review, and here you can find out more.

You'll find the commitments we've set ourselves for the coming year on Corporate Responsibility, Marketplace, People, Community and Environment here and also at the end of each section in this Review.

- Corporate Responsibility – page 5
- Marketplace – page 13
- People – page 19
- Community – page 27
- Environment – page 33

COMMITMENTS

SKY AND CORPORATE RESPONSIBILITY

- ✓ By May 2005, we will have undertaken formal dialogue with each of our six stakeholder groups on our growing corporate responsibility agenda.
- ✓ By June 2005, we will have updated our risk register identifying corporate responsibility risks and opportunities for the business.
- ▶▶ By June 2005, we'll have brought together our learnings to date on corporate responsibility in the media sector and agreed our approach to corporate responsibility with the Corporate Responsibility Steering Group in light of this.
A proposed approach was presented to the CRSG in January 2005. It was agreed that the business should concentrate on further embedding responsible business behaviour, using our Sky Values as support. Our work will start by focusing on the key areas identified by our business and our stakeholders, detailed at the front of this Review.
- ✓ Creating long-term shareholder value will remain at the heart of our business strategy. This is our never-ending commitment.
- ✓ The Board will formally review the company's corporate responsibility activities at least annually.
- ✓ We'll aim to retain membership of key specialist indices. Corporate responsibility is often a moving target. However, at Sky, we'll endeavour to stay members of both FTSE4Good Index and Dow Jones Sustainability Index in the coming financial year, 2004-05.
- ✓ We'll communicate the 2004 Sharesave Scheme to all of our people with the objective of increasing participation even further over the next twelve months.

MARKETPLACE

- ✓ We will track progress annually against key performance indicators to deliver a more inclusive future, including monitoring the percentage of programmes that have audio description and sign language interpretation.
- From August 2004, GamCare will be evaluating Sky Bet's services with a view to obtaining accreditation
We are awaiting assessment by GamCare to obtain accreditation.
- ▶▶ We need to fine-tune our understanding of the relationship between corporate responsibility and broadcast.
The Corporate Responsibility Taskforce has been established to help identify and investigate these issues, amongst others. Externally, we have retained membership of the Media CSR Forum, the Corporate Responsibility Group (CRG) and Business in the Community to share knowledge and develop action plans with our media sector peers.
- ✓ By December 2004, we'll have reviewed all our options on supplier assurance. We'll make our decision and put it into practice by June 2005.
- ✓ In early 2005, we'll launch a continuous improvement process that helps suppliers meet their contractual service level agreements. Stakeholders and key suppliers will have approved this process.
- ✓ By March 2005, all relevant suppliers will be running our eProcurement purchase-to-invoice system – improving administrative efficiencies and saving paper.
- ✓ We want to lead the way with suppliers, which means continually comparing ourselves to other organisations to see where improvements can be made.
- ✓ By December 2004, we'll have internally implemented our partnership approach with suppliers for three of our six spend categories.
- ✓ By June 2005, we'll have implemented this partnership approach for all six spend categories.
- ✓ By March 2005, we'll be training our team in the most innovative, environmentally-sound procurement ideas.

WHAT'S NEXT? 2005-06

- ▶ We'll continue to develop ways to identify key social and environmental risks and opportunities
- ▶ We'll evolve the Corporate Responsibility Steering Group and Corporate Responsibility Taskforce to further develop our commitment to responsible business practice
- ▶ We'll further align our corporate responsibility data reporting with the issues that are identified as key
- ▶ We'll continue to refine our learning on corporate responsibility in the media sector
- ▶ We'll keep providing the technology to give our customers control over choice and accessibility
- ▶ We'll continue to take account of financial, social and environmental issues when growing our supplier partnerships

Checking our performance

In addition to what you have read so far, how have we done on our commitments?

PEOPLE

- ✓ By November 2004, we'll have an elected Sky Forum.
- ✓ By March 2005, we'll put our revitalised health and safety management system to the test with an independent external audit, and tackle any issues raised.
- ✓ By June 2005, we'll review, revise and expand where necessary our health and safety management systems, policies, procedures and risk assessments to double-check we comply with all relevant legislative requirements.
- ✓ By June 2005, we'll identify health and safety training needs within the group and provide bespoke courses to meet business needs.
- ✓ By December 2004, we will employ an Occupational Health doctor and a small support team.
- ✓ By December 2004, Sky will develop its educational offering and introduce relevant new courses, including a Postgraduate Diploma in Management and in-house people management courses.
- ✓ By August 2004, we'll have completed an extensive monitoring exercise to better understand the diversity of our colleagues at Sky.
- By December 2004, all Sky people will have received their Access to Sky workbook. Over the next year, we aim to train the majority of our colleagues on disability awareness.
Access to Sky has been phased across the business. We have completed training for Contact Centres which makes up half of our people. We plan for the workbook to be rolled out to all other people by the beginning of 2006.

COMMUNITY

- ✓ We will continue to report using the London Benchmarking Group model and to develop the way we apply this model to track investment – analysing projects and looking at inputs, outcomes and impacts.
- ✓ By June 2005 we will have identified and drawn up a plan for a new project that has resonance among our stakeholder audiences and adds value to our business.
- ▶▶ In 2004-05, Reach For The Sky's Living For Sport programme will be extended to 200 schools, with ongoing support provided for the 50 phase one schools.
Living For Sport was extended to a total of 230 schools, including the Year 1 schools. We will continue to extend the programme to another 20 schools to meet the target of 250.
- ✓ By January 2005, we'll also take the Living For Sport model outside schools by running community extension pilots with relevant community partners and the programme will be rolled out to Scotland and Ireland.
- ✓ In 2004, our new charity partnership will use Sky's unique assets in an innovative way.
- ✓ By December 2004, we'll launch a time-off volunteering policy for all non-probationary Sky people of 16 hours (or two days) per annum.
- ▶▶ Our target for time-off volunteering is for 5% take-up in its first calendar year.
In the first six months since the launch in January 2005, 2.1% of Sky people have volunteered. The target of 5% over 12 months will remain.
- ✓ By June 2005, we aim to have achieved a 20% increase in the number of our people participating in payroll giving.

ENVIRONMENT

- ▶▶ By June 2005, we'll introduce a waste reduction and awareness campaign inside Sky; further develop arrangements with community organisations to reuse what we discard; and continue to increase the range of materials we recycle.
We've increased the range of materials we recycle and have begun to raise awareness around this.
- ✓ By June 2005, we will have written sustainable purchasing guidelines for the company. Because we purchase an enormous range of goods, the guidelines will be phased in across our purchase categories.
- ▶▶ By March 2005, we'll have a green transport plan to tackle the congestion and CO₂ emissions caused by employees commuting to and from work.
Plans have been submitted to local councils for our Osterley and Livingston sites.

WHAT'S NEXT? 2005-06

- ▶ We'll work with our people to put in place Sky's values, which define our culture and relationships
- ▶ We'll continue to support and develop the Sky Forum and communicate Sky People Survey results
- ▶ We'll develop communication and support methods to enable our people to integrate health, safety and well-being into their daily activities
- ▶ We'll support Sky's position as the UK's No1 entertainment choice through our community portfolio, maximising Sky's potential to influence young people into positive action through youth initiatives
- ▶ We'll support our staff in community related activities, seeking to generate increased awareness and involvement. We'll encourage staff to leverage Sky's commitment and investment
- ▶ We'll broaden our measurement of the ways in which Sky initiatives benefit individuals and society – considering socially orientated initiatives that form part of our business offering
- ▶ We'll evolve our waste management activities to keep us on track to deliver a 50% reduction of waste to landfill against 2003 figures by 2007
- ▶ We'll keep communicating with and educating Sky people on our activities and what they can do
- ▶ We'll continue to reduce our CO₂ emissions in line with our 2010 target of a 10% reduction from 2003 levels



artsworld

THE ART OF HENRY MOORE
11 June 2005

Intrigued? Tell us.

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