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**British Sky Broadcasting Group plc**  
Corporate Responsibility Review 2003-04



# DEAR CUSTOMER\*, COLLEAGUE, COMMUNITY, SUPPLIER, ENVIRONMENT AND SHAREHOLDER

Since 1989, when we first started broadcasting, Sky has changed the face of British television. For this still to be true in another 15 years, we must act responsibly as a business. This is essential for our long-term success – supporting our brand and our people, building a positive reputation, attracting more customers and earning a profit.

By talking to our stakeholder groups, six now in total with the addition of shareholders this year, by contributing to the Media Corporate Social Responsibility Forum (more on page 2), and through our own initiatives, we're identifying the issues and tackling them. It'll take time and hard work, as you'll see inside, but we're making real progress.

We're up for the challenge. We believe we can deliver outstanding business results and meet our broader responsibilities.



James Murdoch

## 2 Corporate responsibility at Sky

### *Our stakeholders:*

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This report is available upon request in alternative formats. Please call 0870 566 3333 or textphone 0870 240 1910 (9am to 5pm, Monday to Sunday)

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



# CORPORATE RESPONSIBILITY AT SKY

Being successful is our number one priority: today and tomorrow. Acting responsibly is essential because we're in it for the long run. That means...

## **...listening**

Only through ongoing, open dialogue with our stakeholders can we identify the issues that are relevant to our business and act. It's an approach that reflects the core values we're currently articulating.

## **...learning**

Corporate responsibility in the media sector is as complex as in any other industry. When we sat down to clarify the key issues as a member of the Media Corporate Social Responsibility Forum, we realised we had a lot to learn. In 2003, the forum teamed up with KPMG. The outcome in February 2004 was a model detailing common business issues, distinct media issues and unique media issues. To get our business perspective on this, we ran our first Corporate Responsibility Risk Workshop in April 2004. In May 2004, we received the findings of an independent review – identifying further opportunities to bring corporate responsibility deeper into the business.

## **...leading**

Although we need to continue to learn, we want to up the stakes for media sector companies that are looking not just to be successful, but responsible also. From November 2003, Gail Rebeck, one of our independent Non-Executive Directors, has led on corporate responsibility for the Board. She chairs the Corporate Responsibility Steering Group, whose members include James Murdoch and many of Sky's top executives, and our senior operational group, the Corporate Responsibility Forum. With the right framework in place, we can get it right.

CUSTOMERS: Freesat offer announced. 80% subtitling on Sky News. COLLEAGUES: 850 field engineers trained on visiting disabled people in their homes.

Community Award for Excellence in Education and Lifelong Learning. SUPPLIERS: 10,000 less paper invoices with new Ariba technology. Increasing our

## What's next for 2004-05...

### ...listening

By May 2005, we'll have undertaken formal dialogue with each of our six stakeholder groups on our growing corporate responsibility agenda.

### ...learning

By June 2005, we'll have updated our risk register, identifying corporate responsibility risks and opportunities for the business.

### ...leading

By June 2005, we'll have brought together our learning to date on corporate responsibility in the media sector and agreed a new corporate responsibility strategy with the Corporate Responsibility Steering Group in light of this.



“The company is going through a year of transition in relation to corporate responsibility and a way forward is taking shape. With the strong support of Sky's executives, I believe Sky has the ability to help lead the way for media sector companies that are looking not just to be successful, but also responsible.”

Gail Rebuck, independent Non-Executive Director



"Parental control means  
I won't have to hide the  
remote control."

Rob, Emma, Harry and Poppy

Setting viewing restrictions will protect Harry, aged four, from some of the dodgy stuff out there  
"like an England batting collapse".

# DEAR CUSTOMER

We've got a simple idea: to give you choice. Our ambition is bold: to be the future of 21st century entertainment.

We get there by offering the best in broadcast and enabling more UK households to 'go digital' with our freesat offer.

With more choice comes greater responsibility. Take the recent phenomenon of betting through your digital TV. While many of us like a flutter, we can't ignore the realities. Over the last year, we've done something about them.

We also received recognition for improving access and choice for disabled customers. We have obligations here, but there is also a strong business case to widen access. More customers mean greater revenue. We estimate that disabled customers generated some £5.4 million of revenue in the financial year 2003-04. At Sky, we've got a digital vision for everyone.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

#### 1 Going digital with a freesat offer

We think it's pretty important to get more people ready for the proposed switch-over to digital-only broadcasting. We believe that our freesat offer will help a significant percentage of UK households access free to view digital TV.

#### 2 Groundbreaking content

Sky News launches a bureau in India and a dedicated service in Ireland, and wins another award. Sky Sports offers a choice of 8 UEFA Champions League matches interactively to our direct-to-home subscribers.

#### 3 Supporting good customer service

We roll-out the right technology to support the right people and encourage the right mindset.

#### 4 Facing the realities of interactive gambling

Sky and GamCare publish the first Code of Practice for Interactive Gambling on the Sky interactive platform and Sky Bet adopts its practices.

#### 5 Putting control back in the hands of parents

Sky customers can opt to use a PIN to limit spending via their remote control and restrict the viewing of programmes that are encrypted and rated. They can also limit access to Sky+ recordings.

#### 6 Widening access

A BITC Award for Excellence for our comprehensive disability strategy.

### Planning ahead

Through joint initiatives and off our own back, we're committed to identifying the real industry issues and tackling them.



# DEAR CUSTOMER

## Reporting back

### 1 Going digital with a freesat offer

In June 2004, we announced that we'll be introducing a freesat offer with access to almost 200 television and radio channels and interactive services without a monthly subscription fee. It's anticipated that this will support the Government's proposed switch-over to digital-only broadcasting. In particular, it'll provide an accessible and attractive means of 'going digital' for the 27% of UK households that are currently unable to receive the full range of digital terrestrial television services (Ofcom, *Driving Digital Switchover*, 5 April 2004) and additional number of households that require an aerial upgrade to receive digital terrestrial services.

The package includes the provision of an initial viewing card that provides access to encrypted free to view services. These viewing cards may need to be replaced periodically at a modest cost to the viewer.

**"This is a welcome move from Sky. More choice in digital TV is clearly a good thing."**

Stephen Carter, Chief Executive, Ofcom  
(*Evening Standard*, 8 June 2004)



### 2 Groundbreaking content

At Sky, there's more choice than ever: the biggest movies, award-winning news coverage and sport.

#### Sky News

In January 2004, Sky News opened its bureau in India, covering breaking news across the Indian sub-continent, from Pakistan to India and Bangladesh. Live broadcasts from Mecca and Jeddah on the Hajj religious ceremony provided customers with the most comprehensive coverage ever shown by a non-Muslim broadcaster.

We also launched Sky News Ireland in May 2004, providing two-nightly bulletins.

#### Interactive Champions League

Last season's coverage of the UEFA Champions League was another interactive first for Sky Sports and our customers. The same technology is now being used for the revolutionary Saturday night highlights offering *Football First*. Sky Sports screens fourteen live games a week during the Group Stages of the UEFA Champions League. The final is live on both Sky Sports and ITV.





### 3 Supporting good customer service

We've made refinements to our company culture, equipment and environments to improve customer service. Now, we're introducing supporting technology so that we can:

- ~ solve more problems the first time a customer calls
- ~ provide customers with useful offers that match their interests
- ~ introduce new products and services quickly
- ~ spot potential issues and encourage viewers to continue their subscriptions.

It'll mean significant changes to the way we do things, improving processes and organisation. Of course, in the end, good customer service comes down to our people. We'll continue to support them online, through internal publications and by holding training sessions.



### 4 Facing the realities of interactive gambling

#### Let's start with an industry first: a new Code of Practice for Interactive Gambling

The best thing we thought we could do was to work with the experts to set some ground rules. So we got together with GamCare, a charity that promotes responsible gambling. Twelve months later, in July 2003, the result was a voluntary Code of Practice – the first of its kind in this area – which recommended measures to tackle under-age and problem gambling, and promote best practice for advertising gambling services. The Code has helped shape the draft gambling Bill recently put forward by the Department of Culture, Media & Sport.

#### Putting the Code into practice

By April 2004, Sky Bet believed it had met the requirements of the Code. This is currently being confirmed by GamCare. That means Sky Bet has extra checks in place where the method of payment for a gambling service, for example a debit card, is available to the under 18s. An 'Over 18' GamCare logo is included on the main page for all Sky Bet's services. Customers can also set their own spending limits; bar themselves from using Sky Bet's services for 24 hours or up to 6 months at a time; and have easy access to their account history and GamCare support information.

We've completed wide discussions with our betting and gaming partners about incorporating the Code in their Sky Interactive services. While straightforward practices have already been adopted, further work is required.

# DEAR CUSTOMER

## Reporting back

### Donating funds to protect the vulnerable

We financially backed GamCare in their efforts to tackle the social problems caused by gambling. In 2003, we donated £45,000 to fund a Youth Officer and lent our production skills to create videos at a cost of £40,000. In 2004, Sky Bet also

committed funds to the Responsibility In Gambling Trust to aid research in this subject and help raise awareness of the risks of excessive gambling.

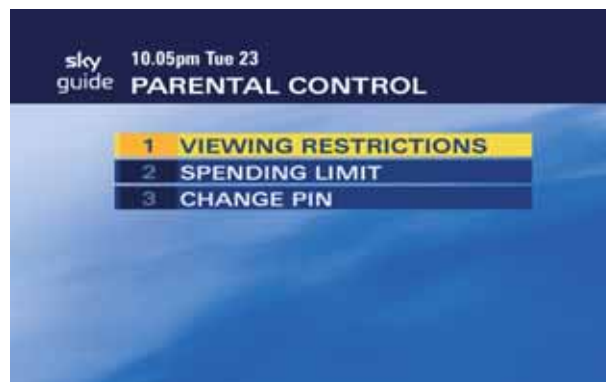
A total value of  
**£85,000**  
donated to GamCare  
to battle gambling  
problems

## 5 Putting control back in the hands of parents

We know that being four years old is no barrier to accessing Sky – one of the world’s most technologically advanced satellite broadcast systems. Technology currently allows us to set viewing restrictions, spending limits and, with Sky+, to protect recordings. This allows parents and guardians to set a Personal Identification Number (PIN) access code. This enables Sky Digital customers to specify what rating of programme can be viewed, to restrict access to rated programming on encrypted channels, and to specify how much can be spent on a programme being ordered before the PIN code is required.

You’ll find information on this by following the on-screen menu on the Electronic Programme Guide through Services/Parental Control.

With all technology, there are limits to the level of control. But we’re not complacent, and we review how we can improve parental control when developing new technology and software. Over the next few years, you’ll find even more control in our customers’ hands.



## 6 Widening access

We want as many people as possible to enjoy Sky. Over the last year, we've extended the opportunities and choice for disabled customers.

### Introducing our Disability Strategy

Developed by talking to stakeholders and launched in 2002, our Disability Strategy stands for one thing: improving accessibility for disabled customers. In July 2004, at Business in the Community's Awards for Excellence, Sky's strategy was the national example of excellence in promoting understanding of disability issues and providing dedicated services for disabled customers (Realising Ability Award).

Sky was awarded the BITC Award for Excellence in Realising Ability

"We were wowed by the breadth and depth of the programme. To see how much can be achieved in a very short space of time inspired us to do more in our own organisations."

Joanne Hindle, Corporate Services Director of Unum Provident, and the Chair of Judges for Business in the Community (BITC)



### Improving customer service

In 2003, we launched a fully trained and dedicated Disability Service Team. Further developments include the following.

- ~ Customers who are deaf, hard of hearing or who have a speech-impairment, can contact us using a state-of-the-art textphone service, Textbox (0870 240 1910), through which we receive around 20 calls per week from textphone users.
- ~ Online (at [www.sky.com/accessibility](http://www.sky.com/accessibility)), customers can find up-to-date listings of subtitled, signed and audio-described programmes, along with useful technical advice, and send feedback using a dedicated email address ([accessibility@bskyb.com](mailto:accessibility@bskyb.com)), through which we receive some 100 messages per week.
- ~ We've improved access to *Sky the Magazine* for customers with a visual impairment. The magazine is now available on audio-disc, with over 1,000 copies being sent out each month and online at [www.sky.com/accessibility](http://www.sky.com/accessibility).



### SUBTITLING MONTHLY AVERAGES: July 2003 - June 2004

Sky Movie Channels	35%
Sky Box Office Movies	100%
Sky One	62%
Sky Sports Channels (excluding News and Extra)	18%
Sky News	80%

# DEAR CUSTOMER

## Reporting back

### Improving access to our programmes

More disabled customers can enjoy more Sky programmes than ever before.

- ~ We've increased the availability of subtitles to over 45,000 hours a year (including all Sky Box Office movies, 80% of Sky News and 62% of Sky One programmes).
- ~ We've launched sign language on two peak-time movies on Sky Movies 9.
- ~ We've promoted the use of the digital satellite platform for other broadcasters to increase the number of subtitled and audio-described programmes. In December 2003, 'five' became the first third-party broadcaster to take advantage of the audio description capability of the Sky digital platform.

Approximately  
**3,000 hours**  
of programmes with  
audio-description on  
Sky Channels  
(2003-04)



### Improving access to our websites

We launched a dedicated website for disabled customers (at [www.sky.com/accessibility](http://www.sky.com/accessibility)). It provides up-to-date listings of subtitled, signed and audio-described programmes and technical support. Some 9,000 visitors log on each month.

- ~ All Sky websites have been audited using the software tool Watchfire and a timetable has been agreed for improving access.
- ~ In partnership with the Employers' Forum on Disability, the Sky Web Accessibility Guide has been produced for all Sky people and third-parties involved in the design, production or management of Sky websites.

### Improving the portrayal of disabled people on the screen

This year, Sky has:

- ~ used the scheduling opportunities in Sky Movies to theme programmes for the International Day for Disabled People (3 December 2004)
- ~ completed 10 workshops on the portrayal of disabled people in partnership with Churchill & Friend
- ~ developed a disability story line in the Sky One drama, *Dream Team*
- ~ recruited a disabled actor to play the character of Max Wheels in *The Mullet Man Show*
- ~ provided portrayal training to commissioning editors and awareness training to our colleagues in Sky Movies, Sky One and Sky News.

## Planning ahead

### Our 2004–05 customer commitments

#### Continuing to improve access

Annually, we will track progress against key performance indicators to deliver a more inclusive future, including monitoring the percentage of programmes that have audio-descriptions and sign-language interpretation.

#### Continuing to face the realities of interactive gambling

In April 2004, Sky Bet upgraded its service with a view to complying with the Sky/GamCare Code of Practice for Interactive Gambling. From August 2004, GamCare will be evaluating Sky Bet's services with a view to obtaining accreditation.

Of course, Sky makes its biggest impact as a business through the programmes on customers' televisions. We need to fine tune our understanding of the relationship between corporate responsibility and broadcast (see What's next for 2004–05 on page 3, under 'leading').

### Our 2003–04 customer commitments

-  By December 2003, we will assess how to further our corporate responsibility aspirations in relation to the output of our channels. **Ongoing for 2004–05.**
-  By 2004, we will have completed the roll-out of new technology in our customer contact centres, providing a flexible service that better meets the expectations of our customers and our business.
-  The customer panel representing disabled customers will continue to provide feedback on proposed developments across the business to help improve the accessibility of our products. **Ongoing for 2004–05.**
-  By December 2003, we will increase subtitling on Sky News to 80%.
-  By January 2004, website accessibility audits will be complete and a phased improvement programme will be launched. **Ongoing for 2004–05.**
-  By December 2003, Sky will have worked with all of its betting partners within the Sky Active service to support them in the adoption of the Code of Practice for Interactive Gambling. **Ongoing for 2004–05.**

**For our full response to these commitments, see page 44.**

#### For more information, visit:

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
*Sky's corporate responsibility website*

[www.sky.com/accessibility](http://www.sky.com/accessibility)  
*Sky's accessibility information*

[www.bitc.org.uk](http://www.bitc.org.uk)  
*Business In The Community*

[www.employers-forum.co.uk](http://www.employers-forum.co.uk)  
*Employers' Forum on Disability*

[www.gamcare.org.uk](http://www.gamcare.org.uk)  
*GamCare*

[www.ofcom.org.uk](http://www.ofcom.org.uk)  
*Ofcom*

[www.rigt.org.uk](http://www.rigt.org.uk)  
*Responsibility in Gambling Trust*

[www.rts.org.uk](http://www.rts.org.uk)  
*Royal Television Society*



*"We appreciate an advisor  
accompanying our rounds.  
Health and safety is  
crucial to our job."*

*Francis and Sara, Sky Installers*

Francis and Sara bring some 10 years installation experience to Sky.

# DEAR COLLEAGUE

## We may well have passed in the corridor, but have we really spoken?

The answer's probably not, but we'll be changing that. We want to set out our expectations of you. In return, we'd like to know what you expect from Sky. That's only fair. The new Sky Forum will give Sky people a real voice that'll be heard right at the top.

You may want to raise health and safety issues. We've concentrated on improving this area over the last year. You may be interested in training opportunities. We're trying to match your enthusiasm with a range of nationally-recognised courses. You may want to see a diverse workforce. So do we. It's a sobering figure that just 0.9% of employees working in the UK broadcast industry are disabled (well below the national average of 12%, estimated by the Disability Rights Commission). This review explains what we're doing to recruit the right person for the right job – irrespective of disability, gender, age, ethnicity or sexual orientation.

We look forward to hearing from you.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

#### 1 Talking to our colleagues

Being clear about our colleagues' expectations is central to tomorrow's success. We've re-launched key policies and are creating a new elected Sky Forum.

#### 2 Health and safety first

The safety of our people and other people involved with Sky is a primary business objective. We brought in specialists to raise the bar and have put in place a two-year improvement plan.

#### 3 Education:

##### **good for you, good for us**

Sky people want the chance to develop themselves personally and professionally. To match this enthusiasm, we've created nationally-recognised courses.

#### 4 Unleashing our talent

We've been looking for new TV presenters from among our people through Sky Talent, our in-house talent search.

#### 5 Our diversity strategy: where ability counts, nothing else

We report back on five initiatives to help us get the right person for the right job.

### Planning ahead

Sky makes commitments on improving dialogue, health and safety and training, and widening its diversity strategy.



# DEAR COLLEAGUE

## Reporting back

### 1 Talking to our colleagues

#### Our expectations

Sky is a complex business with many sites and a 24-hour operation. Since October 2003, our full-time Policies Manager has been working with a cross-departmental steering group to make sure that we've got all the relevant policies for all the relevant areas of the business. This group also reviews the changes required to meet legislative updates and new business needs.

We've created a specific section on our intranet, listing all company policies and, where relevant, guidelines. Notable updates and introductions include:

- ~ our re-launched Code of Conduct (September 2003)
- ~ a new Code of Ethics (October 2003, see [www.sky.com/corporate](http://www.sky.com/corporate))
- ~ a re-launched Whistleblowing Policy (September 2003).

#### Our colleagues' expectations

Over the next few months, we're launching an elected Sky Forum. Forum members will represent the views, ideas and concerns of all our people on a range of issues, from the work environment and practices to training and development and health and safety.

The management team and Chief Executive will meet with the Forum regularly to discuss Sky's strategic priorities. We're a company of ideas and this body will make sure that views are shared as we shape our future.

We want our people to understand our expectations, and we want to maintain their enthusiasm. In March 2004, we published a benefits handbook (in print and online) with discounts on everything from travel to CDs.

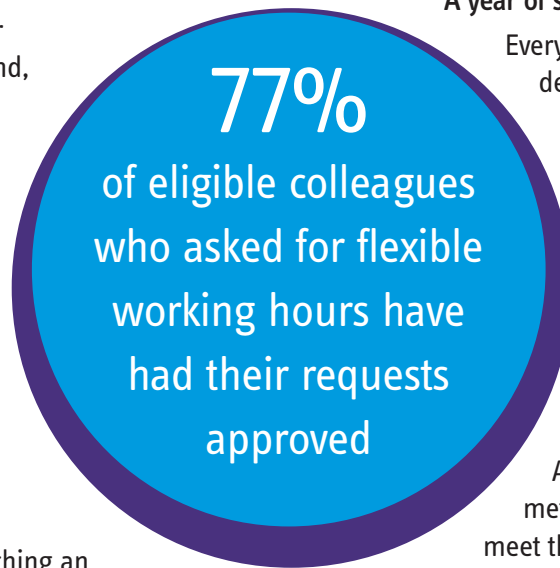
### 2 Health and safety first

The health and safety of our people, contractors, partner company members, other associates and the general public is a primary business objective. In early 2003, we brought in specialists to inspect our procedures, policies and processes and raise the bar with an audit. In July 2003, we formulated a two-year plan to address every aspect of health and safety across the group.

#### A year of successes

Everything the health and safety department has done or plans to do to revitalize our systems and processes has been reviewed and approved by the Health and Safety Executive (HSE). Through the Audit Committee process, members of the Board have monitored the progress made against the Group's two year strategic health and safety plan.

All deadlines set to date have been met and we're in a strong position to meet the objectives of this policy.





**Voted Best  
Scottish Call Centre  
Workplace 2004**

Awarded by  
Mital Research International for  
promoting a healthy work/life balance,  
encouraging openness, respect and  
cooperation and providing  
an appealing physical  
environment

### 3 Education: good for you, good for us

Last year, we decided to develop some nationally-recognised courses. This year, having consulted a range of experts from The Call Centre Association to Nottingham Trent University, we arrived at a wide range of engaging courses for all of our people (42,692 training days in 2003-04) – delivered through the web, workbooks, workshops, learning groups and one-to-one assessments.

Facts and figures	
HEALTH AND SAFETY	<p><b>800</b> key tasks have been identified and documented: paving the way for better health and safety systems and policies.</p> <p><b>6</b> new health and safety practioners have joined the company.</p>
EDUCATION	<p><b>180</b> of our people (42,692 training days in 2003-04) have already gained qualifications within Sky; over 200 are currently studying.</p> <p><b>6</b> of our people qualified with distinction from Nottingham Trent University (out of 40 graduates).</p> <p><b>2</b> new partnerships with Lauder College in Dunfermline and West Lothian College in Livingston are flourishing – delivering a variety of NVQs for our contact centre people.</p>
DIVERSITY	<p>Over <b>3,000</b> of our people have completed our City and Guilds approved disability awareness workbook.</p> <p><b>1,000</b> certificates in disability awareness have been issued.</p> <p><b>850</b> field engineers have been trained on visiting disabled people in their homes.</p> <p><b>10</b> workshops have been held on recruitment of disabled people.</p> <p><b>300</b> people have received face-to-face training in disability awareness.</p> <p>Over <b>£200,000</b> has been invested in making reasonable adjustments for disabled colleagues.</p>
SKY PEOPLE	<p><b>40</b> new partnerships have been struck with well-known businesses offering discounts to Sky people.</p> <p><b>530</b> have made the most of discounted airport parking; reduced rate CDs, DVDs, console games and free movie tickets.</p>

# DEAR COLLEAGUE

## Reporting back

### 4 Unleashing our talent



March 2004 saw the start of a talent search to find future TV presenters from within Sky. Several hundred people from across the business were brave enough to step forward. We got to know them very well and were impressed, but not surprised, at the high level of talent and enthusiasm.

Together with Sky's twelve channel heads and some key presenters, we've selected twelve finalists from the top 50 screen tests – people we believe show the most promise for a screen career. The finalists will attend a presenting course at The National Film & Television School to enhance their skills.

In October 2004, we'll broadcast edited highlights of the finalists' showreels throughout Sky and ask our colleagues to vote for their favourite. The three most popular finalists will win the opportunity to present on a Sky programme.



### 5 Our diversity strategy: where ability counts, nothing else

At Sky, it's about getting the right person for the right job. In an ideal world, that would be straightforward. In the real world, it means initiatives like these:

- ~ in December 2003 we published a new Fair and Equal Treatment Policy to cover all areas of diversity
- ~ we operate a confidential advice line for disabled people interested in a Sky career, which we set up with the help of recruitment specialists, Sabre Employment, in September 2003
- ~ we developed and started to roll-out a City and Guilds approved disability distance learning workbook to employees. To measure the success of this training initiative, we've been running an interactive quiz
- ~ we continue to work in partnership with organisations to raise the profile of disability in the industry, both on and off screen. Sky is a Gold Card Member of the Employers' Forum on Disability
- ~ we sponsored the last *Changing Faces* event (December 2003)
- ~ we're part of the Stonewall Diversity Champion Network, which supports employment of gay, lesbian and bisexual people.



## Planning ahead

### Our 2004–05 colleague commitments

#### Sky Forum

By November 2004, we'll have an elected Sky Forum.

#### Health and safety

We have three major commitments:

- i by March 2005, we'll put our revitalised Health & Safety Management System to the test with an independent external audit and tackle any issues raised;
- ii 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; and
- iii again, by June 2005, we'll identify training needs within the group and provide bespoke courses to meet business needs.

#### Occupational health and safety

By December 2004, we will employ an Occupational Health Doctor and a small support team.

#### Training Sky people

By December 2004, Sky will develop its educational offering and introduce relevant new courses, including a Post Graduate Diploma in Management and in-house people management courses.

#### Widening our diversity strategy

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.



### Our 2003–04 colleague commitments

- ✓ By December 2003, we will re-launch the Code of Conduct to all colleagues.
- ✓ By October 2003, we will launch an advice line for disabled people interested in a career at Sky.
- ✓ By January 2004, the plan of work required to achieve accessibility to our main sites will be in place. **Ongoing for 2004–05.**
- >> By January 2004, disability awareness training will be rolled out to all Sky people.
- >> By June 2004, we aim to undertake a regular work placement programme for disabled people.

**For our full response to these commitments, see page 45.**

#### For more information, visit:

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
Sky's corporate responsibility website

[www.cca.org.uk](http://www.cca.org.uk)  
Call Centre Association

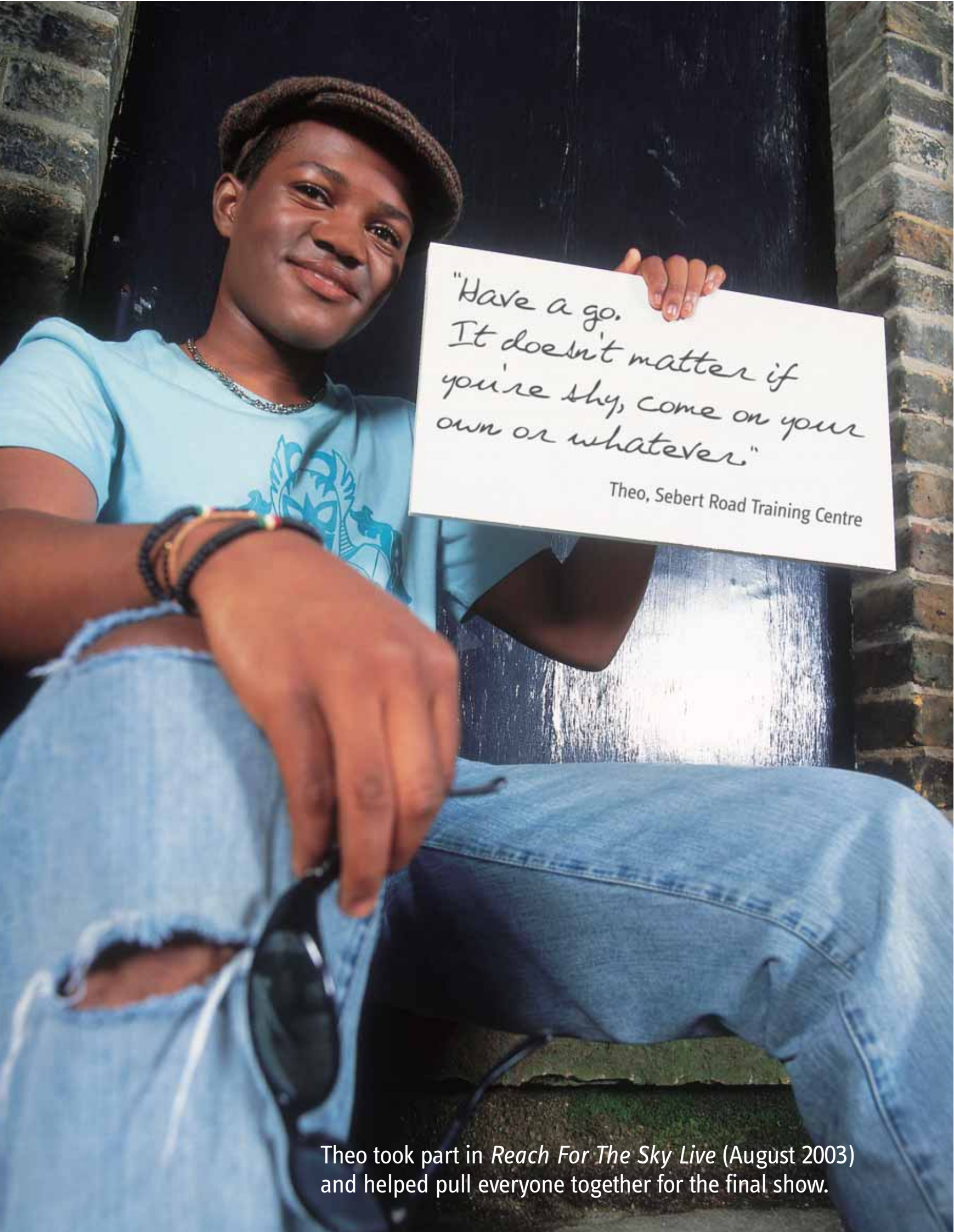
[www.changingfaces.co.uk](http://www.changingfaces.co.uk)  
Changing Faces charity

[www.drc-gb.org](http://www.drc-gb.org)  
Disability Rights Commission

[www.employers-forum.co.uk](http://www.employers-forum.co.uk)  
Employers' Forum on Disability

[www.hse.gov.uk](http://www.hse.gov.uk)  
Britain's Health & Safety Commission  
and the Health & Safety Executive

[www.stonewall.org.uk](http://www.stonewall.org.uk)  
Stonewall Diversity Champion network

A young man with a friendly expression is sitting on a dark wooden bench. He is wearing a light blue t-shirt with a graphic, a brown flat cap, and light blue denim jeans with a tear at the knee. He has several bracelets on his right wrist and is holding a pair of sunglasses. He is holding a white sign with handwritten text in his left hand. The background consists of a dark wooden bench and a brick wall.

"Have a go.  
It doesn't matter if  
you're shy, come on your  
own or whatever"

Theo, Sebert Road Training Centre

Theo took part in *Reach For The Sky Live* (August 2003) and helped pull everyone together for the final show.

# DEAR COMMUNITY



We're proud that in July 2004 our community programme received industry recognition when it was awarded the BITC Award for Excellence in Education and Lifelong Learning.

But how much of a difference is it really making? Well, this year, we're able to evaluate just how much. The results are published inside.

Our focus is on youth and, through initiatives like Reach For The Sky, schools and local communities profit from our sponsorship and our colleagues' time and money. The business benefits too. Sky people develop new skills. Work becomes much more than just a job. That's got to be good for everyone concerned. We're encouraging more Sky colleagues to get involved in the future, introducing fresh initiatives and developing pilot schemes, as you'll see from our new commitments.

We've got plenty to learn from more formal evaluation. And as we learn, we'll reshape our commitments to offer the best investment we can.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

#### 1 Some official statistics

This year, for the first time, our investment in the community has been analysed and accredited by the London Benchmarking Group.

#### 2 Building a partnership with a company charity

We did better than we thought we would with our 2003 company charities – thousands better. Employees ran marathons and threw themselves out of planes. And this year we're searching for a new company charity which we'll partner for a longer term.

#### 3 Reach For The Sky is reaching out

According to the latest evaluations, our Reach For The Sky and other investment initiatives are of real value to young people.

#### 4 How we benefit as a business from getting involved

It's not only communities that benefit when Sky people donate their time and money. The business prospers too as they develop their skills through volunteering.

#### 5 Just click for support and advice

Our Reach For The Sky website wins an award. In May 2004, we also launched Sorted! – a new part to the site offering useful support and advice on difficult issues for teenagers.

### Planning ahead

We're going to widen our community initiatives and further support Sky people who want to make a difference.

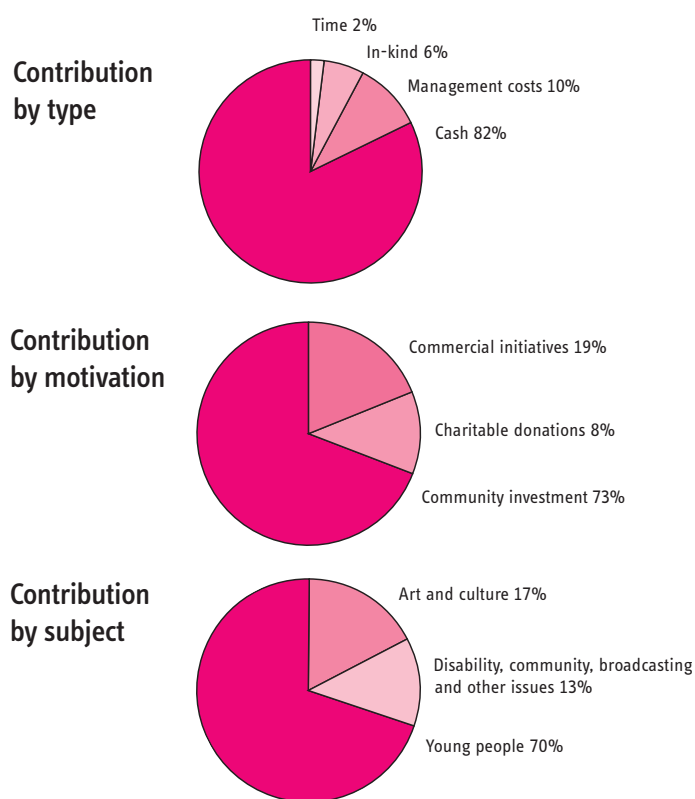
# DEAR COMMUNITY

## Reporting back



### 1 Some statistics

This year, for the first time, we've presented our overall investment in the community according to the standard London Benchmarking Group model. Here are the results.



**Total £5,054,631, including cash, time, in-kind donations and management costs.**

### 2 Building a partnership with a company charity

The 2003-04 partnership between Sky and leading children's charities, NSPCC and CHILDREN 1<sup>ST</sup> in Scotland, exceeded all our expectations. We created a total value of £788,190 – against the target of £125,000.

Sky people chose the charities and then got on with fundraising. They ran the marathon in New York, threw themselves out of planes and even set up an enterprising online Secret Santa scheme for Christmas 2003. The £788,190 figure includes the company's donation of matched funds and gifts-in-kind, such as marketing and advertising support.

Sky is an ongoing patron of the NSPCC's Full Stop Appeal – an ambitious campaign to end cruelty to children. Full stop.

**Make it Big: our search for a longer-term company charity**  
2003-04 was a good year for company charity work, but we also learned a valuable lesson: just as things were really getting underway, the partnerships came to the end of their year. Moving forward, we want to make a longer-term commitment to a new company charity that reflects our interests in innovation and communication. In March 2004, we launched our search, Make it Big. We wanted to engage as many Sky people and customers as possible, so we invited charities to submit a film brief with their application. Working with the Media Trust and the Community Channel, we then turned the ideas of ten short-listed charities into films, to be judged by our colleagues and customers. We'll let you know which charity won and how things are progressing in the near future.



#### Assurance Statement from London Benchmarking Group (LBG)

The LBG model helps businesses to improve the management, measurement and reporting of their corporate community involvement programmes. It moves beyond charitable donations to include the full range of contributions (in time, in-kind and in cash) made to community causes, and assesses the actual results for the community and for the business. (See [www.lbg-online.net](http://www.lbg-online.net) for more information.)

As managers of the Group, we have worked with BSKyB to review its understanding of the LBG model and its application to the wide range of community programmes. Our aim has been to ensure that the evaluation principles are correctly and consistently applied. Having conducted an

assessment, we are satisfied this has been achieved. Our work has not extended to an independent audit of the data.

This is the first year that BSKyB has applied the model and it has made commendable progress in capturing, and calculating the cost of, a considerable proportion of the activities undertaken in the community by its business units, and in classifying these according to the LBG model.

BSKyB is also to be commended for its approach to measuring the effectiveness of its flagship programme, Reach For The Sky. This has involved setting clear overall objectives and the systematic assessment of progress by independent researchers. The assessment measures the

extra resources levered from other organisations and the benefits the programme has brought to both the wider community and the company. Significantly, it goes beyond immediate outputs to include longer-term impacts.

Going forward, the key challenges are to develop systems to assess the full range of community activities undertaken, particularly with regard to contributions made in-kind and through the time of its employees, and to extend the assessment of achievements across the full range of its activities.

The Corporate Citizenship Company, August 2004.  
[www.corporate-citizenship.co.uk](http://www.corporate-citizenship.co.uk)



### 3 Reach For The Sky is reaching out

From Sky people to community workers and schoolteachers, the people who run Reach For The Sky programmes and our other educational initiatives have always been convinced of their merit. Evaluation in 2004 has given us the evidence to support this.

#### Reach For The Sky Live

For 14 to 16 year olds at risk of dropping out of education, Reach For The Sky Live provides engaging workshops focused on careers in sport, entertainment and journalism.

#### Reach For The Sky Challenge

This is an ambitious event aimed at the hardest to reach young people. It offers participants the opportunity to engage or re-engage in learning through innovative and motivational subject material and coaching. Reach For The Sky Challenge has been running for over two years. In 2004, we turned the event into a more sustained programme of workshops, designed to build self-esteem and confidence. Participants can hopefully begin to make positive choices about their future and see their value in mainstream society. Eight workshops throughout England have been held to date, with some 840 participants attending.

Reach For The Sky Challenge is supported jointly by the Learning and Skills Council and Sky, working in partnership with youth charity, Weston Spirit.

2,300 young people attended Reach For The Sky programmes (2003-04)

#### Reach For The Sky Living for Sport

Sport can break down barriers. In fact, it's a tried and tested tool to engage the small but significant minority of young people who are so disaffected by school that they are in danger of playing truant and potentially turning to crime.

562 pupils across 42 schools have benefited from Sky's unique sports initiative run by our charity partner, The Youth Sport Trust. Projects have covered a diverse range of sports – from boxing and martial arts to skiing and orienteering.

The initiative is independently evaluated by the Institute of Youth Sport, Loughborough University. Year 1 results look promising. Schools have identified improved pupil attendance, confidence, self-esteem and team-working skills.

#### Sky+ Education

Lessons could be more inspiring and engaging according to surveys commissioned by the Government. Well, we've all been schoolchildren once and appreciate the challenge teachers face here. Sky+ Education helps out by donating Sky Digital and the new Sky+ Personal Video Recorder to schools, along with access to specifically chosen and researched programmes. This technology helps enhance teaching, particularly in modern languages and the humanities, through an array of programmes on channels not available on terrestrial TV. Our website provides worksheets and lesson plans geared to Sky's programmes.

By January 2004, Sky+ Education was installed in 179 schools (against our target of 150). Teachers that have taken part report that Sky+ Education has increased pupil interest and livened up lessons.



# DEAR COMMUNITY

## Reporting back

Reach For The Sky's (RFTS) major initiatives are outlined below using the London Benchmarking Group model, to communicate the inputs contributed and the outputs achieved for both the community and the business.

	RFTS Live	RFTS Challenge	Living For Sport
What is it?	RFTS Live is about getting young people involved while they learn new skills in an exciting environment. It is designed to help young people achieve their potential through a series of free two-day residential workshops.	RFTS Challenge aims to reach the most disadvantaged young people, aged 16-19, who may have dropped out of mainstream education and training, and who may miss the opportunities of RFTS Live. The project is a series of workshops that aim to inspire young people to reach their potential.	The project, which was piloted during 2003-04, uses physical activity to re-engage young people aged 11-16 who are having difficulties with one or more aspects of school life. For the pilot phase, schools selected participants who showed signs of active disaffection in the form of poor attendance or challenging behaviour, or who were withdrawn and lacking in confidence. Most participants had low levels of literacy and academic attainment.
How does it work?	Up to 240 young people aged 14-16 get together at each two-day event, to experience three zones – journalism, entertainment and sport.  Participants experience a number of exciting workshops in the zone of their choice. Each is designed to provide a real taste of what it's like working behind the scenes and/or in front of the camera.	RFTS Challenge has been developed in partnership with the charity Weston Spirit, which tackles issues of social exclusion in young people, and the Learning and Skills Council. Like RFTS Live, the project participants take part in a range of activities including sport, entertainment and journalism.	Developed in partnership with Youth Sport Trust, the project involves small groups of students and teachers in a two-term programme of weekly sporting activities. Students get involved in many ways – as players, coaches, choreographers, leaders or organisers – either in school or in the community. All activities are professionally supervised.
BSkyB investment 2003-04	£350,000	£160,000	£300,000
Additional resources	60 Sky people took part as advisers over the year, spending a total of 1,530 hours volunteering, equivalent to a further £22,500 in staff time.	A further £189,695 was invested in the scheme by other organisations including £110,489 from the Learning and Skills Council.	Department for Education and Skills invested a further £32,500 in the project.
How does the community benefit?	RFTS Live provided residential workshops in six locations across the UK for 900 young people in 2003. Following the project:  78% of participants felt proud of their achievements after RFTS Live, compared to 23% of participants prior to the event  76% of participants in RFTS Live said that they attained useful skills as well as becoming more aware of their skills.	RFTS Challenge offered 18 workshops throughout the UK and Ireland to 840 young people in 2003-04.  80% felt motivated by the project.  54% felt they knew what next steps to take as a result of taking part in the tour.  56% had developed clear goals for the future.	562 pupils across 42 schools took part in the project during 2003-04. Analysis of the pilot project shows that there have been demonstrable improvements for the participants, and in the schools taking part, in terms of attendance, punctuality, behaviour, and personal development. One school identified a 48% increase in punctuality.



	RFTS Live	RFTS Challenge	Living For Sport
How does BSKyB benefit?	<p>Research into perceptions of the Sky brand in the light of RFTS Live include:</p> <p>Two thirds (65%) of participant customers and one third (32%) of non-participant customers in RFTS Live 2003 felt more positive towards the Sky brand because of BSKyB's sponsorship of the programme.</p> <p>94% of existing Sky customers evaluated in RFTS Live 2003 said they were likely to continue to subscribe following the event.</p> <p>The project also had benefits in terms of staff development. Sky peoples responses to volunteering through RFTS Live showed that:</p> <p>93% felt more productive and that their own jobs had more purpose;</p> <p>79% had improved their skills;</p> <p>63% felt more aware of youth market as a source of business.</p>	<p>The project has generated widespread positive media coverage for Sky and helped to develop good working relationships with government departments.</p>	<p>The project has generated widespread positive media coverage for Sky and helped to develop good working relationships with government departments.</p>
What has it achieved?	<p>A tracking study of over 400 RFTS Live participants and parents from one and two years previously has shown that the project has had a positive impact on those taking part in the following ways:</p> <p>99% felt increased confidence</p> <p>95% were clearer about their future direction</p> <p>92% developed strategies to work towards their future goals.</p> <p>Overall the study found evidence that both RFTS Live and Youth Challenge aid the transition to adulthood (increased confidence, maturity, enthusiasm, independence) resulting in new activities and steps to developing a career being taken.</p> <p>26% of participants assess the project to have had a huge impact on their lives.</p> <p>62% of parents noted that the project was important in encouraging their child to take up new activities.</p>	<p>A second tracking study of over 400 RFTS Challenge participants and parents from one and two years previously has shown that the project has had a positive impact on those taking part in the following ways:</p> <p>95% felt increased confidence</p> <p>85% were clearer about their future direction</p> <p>88% developed strategies to work towards their future goals</p> <p>Overall the second study found evidence that both RFTS Live and Youth Challenge aid the transition to adulthood (increased confidence, maturity, enthusiasm, independence) resulting in new activities and steps to developing a career being taken</p> <p>10% of participants assess the project to have had a huge impact on their lives</p> <p>42% of parents noted that the project was important in encouraging their child to take up new activities.</p>	<p>First year of operation – assessment of long-term achievements not yet possible.</p>



Other initiatives			
<p>Sky+ Education</p> <p>A pilot scheme that enhances the resources available to teachers through provision of a free package of educational channels accessed via Sky+ (Sky's personal video recorder) and supporting materials. Over £200,000 was invested in this project.</p>	<p>Broader community support</p> <p>We also operate a programme of broader community support that complements the RFTS initiatives. These include staff-led Community Forums in our contact centres that have directed £100,000 to local projects, and individual partnerships with charities such as Children's Express.</p>	<p>Community Channel</p> <p>Along with other media industry companies, we have signed up to the Broadcasters' Joint Declaration to support the Community Channel. This means we will continue our support, including airing relevant programmes on the Channel and helping to raise its profile.</p>	

# DEAR COMMUNITY

## Reporting back

Silver Award Winner

**IVCA**  
Awards 2004

RFTS website took  
**SILVER AWARD**  
at the International  
Visual Communication  
Association Awards  
2004

### 4 How we benefit as a business from getting involved

Sky's community activity is good for youth groups and sporting activity organisations and good for business too. It develops skills, raises morale and makes work more than just a job.

As you can see, our people have been busy.

- 555 gave money to charities through our match-funded payroll-giving scheme (a 34% increase from last year). Sky contributed an additional 50% to the donations - totalling £127,000.
- Last year, in Livingston, Sky contributions through the community forum reached £43,300, helping out 33 community organisations. While in Dunfermline, £47,571 was donated to 46 charities and community organisations.
- £44,000 was donated by Sky to charities in recognition of our people's activities - either by matching their contributions or financially supporting organisations where colleagues volunteer their own time. (This sum excludes our official charity figures.)

#### Facts and figures

<b>£788,190</b>	created a total value for our corporate charities in 2003-04 (NSPCC and CHILDREN 1 <sup>ST</sup> )
<b>179</b>	schools received Sky Digital and a Sky+ Personal Video Recorder
<b>2</b>	awards for Reach For The Sky
<b>85,000</b>	customers of the Reach For The Sky online newsletter

### 5 Just click for support and advice

The Reach For The Sky website (at [www.sky.com/reach](http://www.sky.com/reach)) is at the heart of all our initiatives for young people, with content covering our core business areas of entertainment, media and sport. Visitors can showcase their work; develop creative skills; find out more about themselves through multiplayer games; investigate training courses; discuss issues with their contemporaries; and get the lowdown on live events and programmes. In addition, the What Next? section of the site offers ongoing support to previous participants of *Reach For The Sky Live*.

#### Sorted!

In response to audience feedback, we launched Sorted!, a new section of the site in May 2004. Visitors can submit questions on a wide variety of issues affecting young people, including health, sex, relationships, drugs, law, housing, money and careers. A trained advisor provides confidential responses to a password-protected account. Answers are factual and unbiased and, where appropriate, enquirers are pointed to useful contacts and sources.

#### Keeping it real

To make sure our website content remains current and informative, we've teamed up with key organisations. Sorted! was created in conjunction with YouthNet UK, the UK's first virtual charity. Children's Express provides Reach For The Sky with monthly articles on topical issues and video interviews. And Learn Direct helps out by supplying a fully searchable database of training and courses.

What the industry says about our Reach For The Sky website:

**"...like a breath of fresh air"**

*Times Educational Supplement*

**"...we'd definitely advise you to run it by any disaffected teenagers you know"**

*Internet Magazine*

## Planning ahead

### Our 2004–05 community commitments

#### Analysing and accrediting our overall investment in the community

We'll 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.

#### Widening our Reach For The Sky programme

Research shows that, despite its success with participants, Reach For The Sky isn't widely recognised by our customers. By June 2005, we'll have identified and drawn up a plan for a new project that has resonance among our stakeholder audiences and adds value to our business.

#### Developing Living for Sport

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.

By January 2005, we'll also take the Living for Sport model outside schools by running community extension pilots with relevant community partners. The programme will be rolled out-in Scotland and Ireland.

#### A longer partnership with our company charity

Our one-year charity partnership was so successful, we'd like to build on it. In 2004, we'll commit to a three-year relationship with our new charity partnership, which will use Sky's unique assets in an innovative way.

#### Two new employee benefits

- ~ 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, with a target of 5% take-up in its first year.
- ~ By June 2005, we aim to have achieved a 20% increase in the number of our people participating in payroll giving.

### Our 2003–04 community commitments

- ✓ By April 2004, we will analyse the findings of our community involvement review and put a proposal to the Corporate Responsibility Forum.
- >> In 2003, Sky committed to aim for The Giving Campaign's target of 10% of employees participating in payroll giving.
- >> By January 2003, we will set up a Community Relations Forum in Osterley, our London site.
- >> In 2003, we aim to have 1,200 young people attend Reach For The Sky Live.
- ✓ By June 2004, we will develop systems to measure and share our community involvement initiatives.  
**Ongoing for 2004–05.**
- ✓ In 2003, we will renew our commitment to provide broadcasting capacity to the Community Channel free of charge.

**For our full response to these commitments, see page 46.**

### For more information, visit:

- [www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
*Sky's corporate responsibility website*
- [www.sky.com/education](http://www.sky.com/education)  
*Sky+ Education and Reach For The Sky*
- [www.bitc.org.uk](http://www.bitc.org.uk)  
*Business In The Community*
- [www.dfes.gov.uk](http://www.dfes.gov.uk)  
*Department for Education and Skills*
- [www.ivca.org](http://www.ivca.org)  
*International Visual Communication Association*
- [www.lbg-online.net](http://www.lbg-online.net)  
*London Benchmarking Group*
- [www.lsc.gov.uk](http://www.lsc.gov.uk)  
*Learning and Skills Council*
- [www.westonspirit.org.uk](http://www.westonspirit.org.uk)  
*Weston Spirit youth charity*
- [www.youthsporttrust.org](http://www.youthsporttrust.org)  
*Youth Sport Trust charity*

The Print Factory put a team on site at Osterley to handle Sky's print.

"I'm not, but everyone  
thinks I'm staff."

Mike, The Print Factory

# DEAR SUPPLIER

**‘With’. What a word. It builds fruitful relationships. It changes the way we see and do business. Thanks for working *with us, not for us.***

Things have changed since early 2001. They needed to, quite frankly. There was no real procurement department and Sky was using in excess of 40,000 suppliers. But that was then.

This is now. Twenty people review Sky’s spending across the business. Over the last year and a half, they’ve whittled down the supplier list to 6,500 and developed strong working relationships.

In all of this, technology’s playing a big part. We’re proud to have been the first company in Europe to adopt revolutionary new eProcurement systems. We’re cutting out the paperwork. We’re saving time and money.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

**1 Accounting for a billion pounds**  
Sky’s philosophy is simple: use the best suppliers to get the best quality, service and value for the business. We regularly review our suppliers and are visiting more and more premises around the world.

**2 We have the technology**  
From being the first business in Europe to operate a revolutionary new eProcurement system to kitting out our meeting rooms with video-conferencing facilities, we’re making the most of today’s technology for tomorrow.

**3 Working with us, not for us**  
Our suppliers are long-term partners. We invest time and money getting to know their businesses and let them know openly and honestly about their strengths and weaknesses when it comes to working with us.

**4 Room for improvement**  
We look for ways to become more efficient and meet new business challenges. Over the last year, we’ve strengthened our procurement function and have new targets for performance, which will improve the way we work with suppliers and internal stakeholders.

### Planning ahead

Sky makes four new commitments to improve procurement and spending daily.

# DEAR SUPPLIER

## Reporting back

10,000 less  
paper invoices  
with new Ariba  
technology

### 1 Accounting for a billion pounds

Our philosophy is simple: if you use the best suppliers, you expect the best quality, service and value. Following on from winning the 2002 CIPS Supply Management award for Most Improved Purchasing Operation, we're determined to maintain a high level of development and achievement. With an annual spend of around £1bn (July 2003 - June 2004), here are a few initiatives that are helping us meet our goals.

#### No weak links: reviewing our supply chain

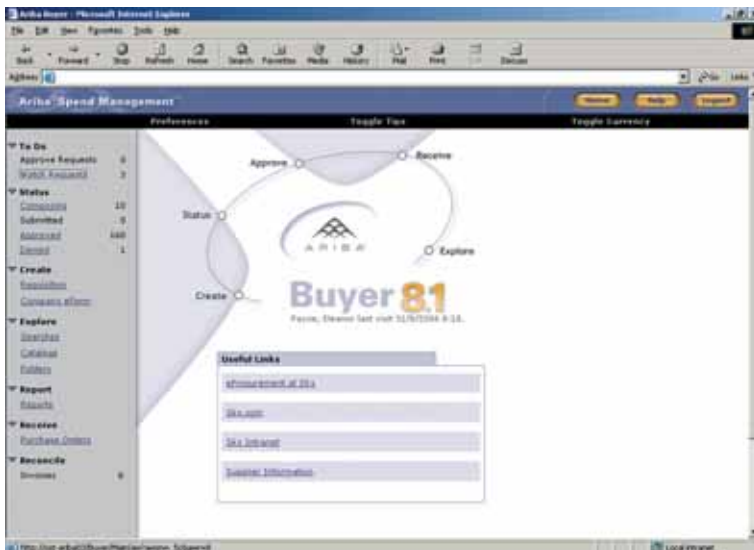
We want to be sure our suppliers comply with legislation, keep their obligations towards employees and the environment and offer the best value for money. That's why we regularly review both existing and potential suppliers to better understand their working practices. In fact, we're visiting more and more of our suppliers' premises in the UK and worldwide - eight countries in the last year. We look carefully at working processes and conditions.

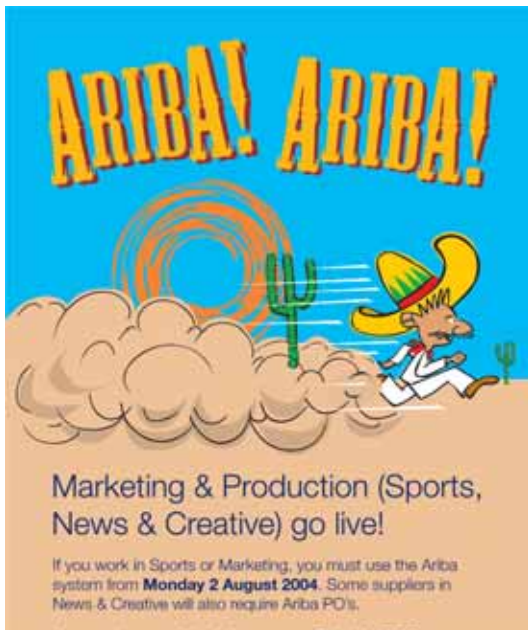
#### Flying to Finland

Last year, one of the premises we visited was a paper mill in Finland. The mill supplies paper to our magazine printer in Germany. We assessed their corporate responsibility activities (for example, the mill generates power from bark waste) and use of sustainable forests.

#### Supplier assurance

It's important we recognise both our impact on suppliers and their impact on our reputation and brand. We're reviewing supplier assurance options that let us focus more on this.





### Setting standards with procurement guidelines

Our procurement department is involved in or leads most purchases. In addition, eProcurement allows for better coordination, transparency and control of spending through preferred suppliers. Where there is a large and critical spend, our Procurement Managers work closely as part of a team with the people involved.

To ensure all our people have access to best practices, procurement policies are published on the intranet – covering everything from business conduct and conflicts of interest to business gifts and entertainment. Preferred suppliers are listed along with key contacts in the procurement department for help and advice.

### Our payment policy

We agree terms of payment with suppliers before entering into a contractual relationship. In the absence of a specific agreement, it's our policy to pay suppliers monthly.

At 30 June 2004, the Group had 31 days' purchases outstanding, based on the total amount invoiced (excluding programming suppliers). Since 2001, our strategic review has allowed us to be much more focused on the suppliers we use regularly.

**95%**  
of electronic  
invoices matched to  
a purchase order  
(as opposed to 10% with  
the old paper system)

## 2 We have the technology

In October 2003, Sky's procurement department was a shortlisted finalist for Best Use of Technology in the CIPS Supply Management award. Technology is certainly changing the way we do business for the better. Here's a quick round-up of five of the best initiatives.

- 1 We're the first business in Europe to operate Ariba's new purchase-to-invoice technology – making requisition, approval, invoicing and payment simpler and faster. It took us just over a year to implement it and we're now finalising a self-billing system for suppliers.
- 2 We've launched an online GetThere travel booking system. With over 50% of travellers booking online in the first two months, we're one of GetThere's most successful clients.
- 3 We're making the most of eBidding technology to review tenders and contracts – saving valuable time and resource.
- 4 We've kitted out our meeting rooms with video conferencing systems – helping to reduce company travel costs.
- 5 We've used our procurement intranet and internet sites to clearly explain our role and goals, as well as providing guidelines and best practice.

### Telling people about our technology

Training courses, road shows, global emails and supplier and stakeholder forums – all these initiatives have kept the company up-to-date with our eProcurement plans. We've also taken time to explain the benefits of our new Ariba system to suppliers. Over the last year, we've been in touch with over 900 suppliers. To date, 90 suppliers have attended workshops. During the year, we sent a questionnaire to a sample of our suppliers using the system. The overwhelming feedback is that the system has improved the ordering, invoicing and payment process.



# DEAR SUPPLIER

## Reporting back

### 3 Working with us, not for us

Our suppliers are long-term partners. We invest time and money getting to know their businesses and let them know openly and honestly about their strengths and weaknesses when it comes to working with us. It's a mutual relationship that pays dividends.

#### Tendering

When potential suppliers tender for business, we ask them to complete a Request for Information form, covering areas such as turnover, number of employees, financial status and the services they offer. This improves our understanding of their business and offering, providing the basic information to assess how the supplier will meet our expectations. We review potential suppliers with the relevant department. That way, we establish a responsible partnership that meets the expectations of both parties. It also helps us benchmark our suppliers – an ongoing process.

#### Building relationships

We hold regular review meetings with suppliers – working together to identify and implement commercial, quality and service improvements. During reviews, we invite suppliers to attend presentations, providing a detailed overview of our business and the procurement practices we expect. At these meetings, we encourage suppliers to give us a similar presentation so we can more clearly understand their business and expectations.

We like our suppliers to review us too, both informally and formally through an annual questionnaire. We want to know how professional and easy we are to work with, how quick we are to pay and how constructive we are in meetings. We've expanded our scoring section from last year and are pleased to report an upward trend in scores.

### 4 Room for improvement

We look for ways to become more efficient and meet new business challenges. Over the last year, we made the following improvements.

#### Structure, profile and communication

Our procurement team has continued to grow to meet its increasing role in leading, reviewing and coordinating our diverse range of spending. The team now stands at 20 people and liaises with the business through six category management teams. We work in partnership with the business, increasingly tying in purchasing strategies with local business objectives and targets.

#### Procurement and the environment

We make it clear that, where rankings for service and quality are equal, we view favourably suppliers that are aware of and address their environmental impacts. Over the last year, we've worked closely with Sky's Environment Manager to better understand how we can build our Environmental Objectives into purchasing practices. See page 35.



## Planning ahead

### Our 2004–05 supplier commitments

#### Professionally and responsibly using and reviewing our spending

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.

#### Working with suppliers

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.

#### Rolling-out eProcurement across our suppliers

By March 2005, all relevant suppliers will be running our eProcurement purchase-to-invoice system, improving administrative efficiencies and saving paper.

#### Improving procurement daily

We want to lead the way, which means continually comparing ourselves with other organisations to see where improvements can be made.

By December 2004, we'll have internally implemented our partnership approach 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.

### Our 2003–04 supplier commitments

- ✓ We will continue to benchmark our procurement operations against other organisations.  
*Ongoing for 2004–05.*
- >> During 2003–04, we will develop ways to help suppliers meet contractual service level agreements and to continuously improve our supplier partnerships.
- >> By December 2003, we will have increased our expectations of environmental issues when we communicate with suppliers.

**For our full response to these commitments, see page 47.**



#### For more information, visit:

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
*Sky's corporate responsibility website*

[www.sky.com/procurement](http://www.sky.com/procurement)  
*Sky's procurement website*

[www.cips.org](http://www.cips.org)  
*Chartered Institute of Purchasing and Supply*



"The ordinary does extraordinary things. Take an old mobile phone or unwanted tin of paint."

Atterah, Phones4Safety, and Rosanna,  
Hammersmith & Fulham Mind Repair Scheme

Old phones can become personal alarms for victims of crime and harassment. Unwanted paint can bring colour to the community.

# DEAR ENVIRONMENT

We won't insult your intelligence by claiming to be completely spotless when it comes to our environmental performance. But we will promise to look hard to find realistic ways to manage our environmental impact.

That means listening to stakeholders. It means involving and educating our people, contractors and suppliers. It means doing our homework by keeping up with the latest legislation. And it means always looking for better ways to make a real difference.

We kick off with three of the dullest, humdrum words you could ever imagine: 'Policy', 'Objectives' and 'Targets'. When it comes to our environmental performance, you'll find them guiding everything we do. It really is good environmental management that will help us clean-up our activities.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

#### **1 Managing our environmental impact**

Sky's Environmental Policy tackles our operations and activities that most affect the environment. It sets out 10 Objectives and a series of Targets to be met from now until 2010.

#### **2 Wasting less, recycling more**

Waste management at Sky covers everything from the obvious (paper) to the unusual (mobile phones and paint). We've increased the amount we recycle and introduced recycling targets to tenders.

#### **3 Smarter, shrewder purchasing**

What suppliers and contractors do to the environment is also our concern. We regularly review contracts and are working towards more sustainable purchasing practices.

#### **4 Cutting greenhouse gas emissions**

Sky is determined to reduce its carbon dioxide emissions. We've carried out trials of more efficient energy and are using greener energy. We'll also be investing heavily in improving the energy efficiency of our buildings.

### Planning ahead

We look forward to reducing waste further, going greener when it comes to transport and developing sustainable purchasing guidelines.

# DEAR ENVIRONMENT

## Reporting back

### 1 Managing our environmental impact

Our **Environmental Policy** guides everything we do to improve our environmental performance.

#### It sets out our vision

We'll continually improve our environmental performance by applying creativity, commitment and innovation to what we do. At the same time, we'll minimise business risks and stay compliant.

#### It makes commitments

We'll openly report on progress in an engaging way. We'll regularly review our Policy to keep it relevant. And we'll make sure it's understood and implemented at all levels of the business.

#### It puts words into actions

Our Policy sets clear Objectives and Targets that address our most significant environmental impacts.

### Our 10 Environmental Objectives

- 1 We'll manage and report on progress about our environmental performance.
- 2 We'll involve all our people in improving our environmental performance.
- 3 We'll ensure continuing legal compliance across the company.
- 4 We'll reduce energy use across Sky's sites and in its operations and seek supplies from renewable sources.
- 5 We'll continually aim to reduce the life-cycle environmental impacts of our consumer products.
- 6 We'll increase the proportion of environmentally preferable goods we purchase.
- 7 We'll influence our suppliers and contractors to improve their environmental performance by developing appropriate Supplier Assurance Programmes and negotiating contracts.
- 8 We'll develop and implement a programme to replace ozone-depleting substances, consistent with legal requirements.
- 9 We'll reduce the amount of waste disposed to landfill.
- 10 We'll reduce the amount of water consumed at Sky sites.

Energy consumption	total KWh	KWh/FTE*
2002 calendar year	74,776,197	9,007
2003 calendar year	89,507,199	9,710
2003-04 financial year	92,973,015	9,787

Carbon Dioxide CO <sub>2</sub> emissions	total Tonnes	Tonnes/FTE*
2002 calendar year	34,253	4.13
2003 calendar year	41,477	4.50
2003-04 financial year	42,659	4.49
2003-04 using CHP**	36,491	3.84

Office waste to landfill	total Tonnes	Tonnes/FTE*
2002 calendar year	1,929.1	0.23
2003 calendar year	1,633.76	0.18
2003-04 financial year	1,470.06	0.15

Total recycled waste	total Tonnes
2002 calendar year	49
2003 calendar year	242.96
2003-04 financial year	281.26

\* FTE = Full Time Equivalent    \*\* Combined Heat and Power energy

Full data tables, notes, trend analysis and formulas are available at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## 2 Wasting less, recycling more

We're reducing the amount of waste we produce and getting involved in a series of initiatives to recycle and reuse consumables. We've also reviewed our waste management contracts and incorporated recycling targets in tenders.

### Recycling schemes operate throughout the company

We've recycled 281.26 tonnes of paper – the weight of 140 elephants – and saved around 4,780 trees or 119.5 acres of mature forest. Since introducing a cardboard baler in July 2003, we've recycled around 3.1 tonnes of cardboard every month.

### In London, old mobile phones are being donated to victims of crime and harassment

This year, we donated 351 handsets, chargers and accessories to *Fones4safety*, a community organisation in Southwark. *Fones4safety* convert a percentage of the phones they receive into personal alarms for people at risk, especially those at risk from domestic violence. Each reconfigured phone receives incoming calls, provides one-touch access to the emergency services and is individually registered, helping the authorities to respond appropriately. The remaining phones and equipment are recycled through partner organisations. The funds raised help support the project.

### Painting the community red, blue, green...

We pass on waste paint from our studios to the Community Re-paint network. Yearly, it redirects around 88,000 litres of paint heading for landfill and disposal sites to community groups, where it's put to good use. Sky's unwanted paint goes to Hammersmith and Fulham Mind Repaint Scheme. The group collects and distributes paint to community groups all over London and, at the same time, provides people with mental health issues with new skills and environmental awareness. This year, we're looking into redistributing paint at our Scottish sites.

## 3 Smarter, shrewder purchasing

We have an indirect effect on the environment too. That's why we consider environmental issues throughout the procurement process, working with suppliers and contractors to minimise environmental risks and make the most of opportunities. We regularly review contracts to get the best commercial and environmental benefits and are increasingly including appropriate environmental performance criteria and requirements.

### Our Supplier Assurance Programme

We're not the environmental police but we do want to meet our Objectives and Targets. Consequently, we've started to assess the environmental risks posed by our suppliers. This is part of the work looking at how best to develop our approach to supplier assurance.



**281.26 tonnes  
of material recycled**  
(the weight of 140 elephants)  
compared to 49 tonnes in  
2002 calendar year

# DEAR ENVIRONMENT

## Reporting back



### 4 Cutting greenhouse gas emissions

We want to cut both our direct and indirect CO<sub>2</sub> emissions. Transport is our main concern. CO<sub>2</sub> is emitted from the exhausts of our company vehicles, especially the vehicles of our installation teams. Indirectly, CO<sub>2</sub> is emitted as a result of electricity consumption, work commuting, and customers using our products, such as Sky set top boxes.

In October 2003, when we renewed our energy contracts in England, we switched to Combined Heat and Power (CHP) Green Energy. This is equivalent to a 30% reduction in CO<sub>2</sub> emissions from 'brown energy' production.

#### Investing in energy efficiency

Our Osterley site, London, is about to get a whole lot smarter when it comes to saving energy and cutting greenhouse gas emissions. Plans for our new buildings include:

- ~ the latest Active Chilled Beam System – achieving a very low level of carbon emissions and significant energy savings in our ventilation systems
- ~ intelligent lighting, which makes the best use of ambient light levels and switches itself on and off to save wastage.

#### A Green Transport Plan for the entire business

This will include ways to encourage our people to use more sustainable forms of transport. For example, in Livingston, we're working with the West Lothian Council to improve public transport services to our site, as well as improving our inter-site mini bus facilities. These initiatives are preludes to our Green Transport Plan being developed this year.

#### Searching for sources of sustainable energy

Sometimes you have to look in the most unusual places for opportunities to reduce emissions, like the car park at our Livingston site. There, we tried recharging the lighting system using a small wind generator. Although in this case the trials proved technically impractical, we'll continue to look for and test carbon-efficient technologies.

#### Thinking again about transport

Here are two recent initiatives to cut CO<sub>2</sub> emissions.

- 1 In August 2003, we introduced special software to manage and monitor the fuels being used by our company fleet vehicles. We analyse consumption to increase efficiency.
- 2 We continue to promote cleaner, environmentally-friendly, fuel-efficient company vehicles including vehicles that take diesel fuel (which gives off less CO<sub>2</sub> emissions than petrol). All our news crews' vehicles are now diesel.

**24%**  
**less office**  
**waste going to**  
**landfill**  
compared to 2002

## Planning ahead

### Our 2004–05 environmental commitments

#### Wasting less

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
- ~ continue to increase the range of materials we recycle.

#### Smarter, shrewder purchasing

By June 2005, we'll 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.

#### Cutting greenhouse gas emissions

By March 2005, we'll have a Green Transport Plan to tackle the congestion and CO<sub>2</sub> emissions caused by employees commuting to and from work.

And then there are all our ongoing environmental targets. See [www.sky.com/responsibilities](http://www.sky.com/responsibilities) for more.

### Our 2003–04 environmental commitments

- >> By December 2003, we will have completed our move from 150 watt to 50 watt desk-top PCs.
- ✓ By June 2004, we will have set a reduction target against our baseline figures of water usage.  
**Ongoing for 2004–05.**
- >> By 2005, all paper products will contain a minimum of 60% post-consumer waste paper, and where this option is not viable, the paper will come from sustainable sources.

For our full response to these commitments, see page 47.



#### For more information, visit:

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
*Sky's corporate responsibility website*

[www.cips.org](http://www.cips.org)  
*The Chartered Institute of Purchasing and Supply*

[www.crispej.org.uk](http://www.crispej.org.uk)  
*Fones4safety / CRISP mobile phone recycling*

[www.communityrepaint.org.uk](http://www.communityrepaint.org.uk)  
*Community RePaint*



Approximately 40% of our people participate in the Sharesave Scheme.



"When I sit at my desk,  
I sit on the board."

Linda, Sky employee and shareholder

# DEAR SHAREHOLDER

## Making money and making a difference aren't mutually exclusive. Far from it.

We demonstrated that last financial year with an operating profit of £600 million (before goodwill and exceptionals). We'll continue to prove it by placing long-term shareholder value at the centre of everything we do. That includes paying due attention to the social and environmental responsibilities that are relevant to Sky to help sustain the long-term wealth of our business. It's just good sense.

We undertake regular, open dialogue with investors to get the balance right. We look forward to your comments at the next meeting, presentation or conference – or by completing the feedback card today at the back of this Review.

For more information, visit us online at [www.sky.com/responsibilities](http://www.sky.com/responsibilities)



## IN BRIEF

### Reporting back

#### 1 Longer-term value

We've grown our business and are pleased to announce operating profits before goodwill and exceptionals of £600 million (2003-04).

#### 2 The Board and corporate responsibility

We've appointed Gail Rebeck, one of our Non-Executive Directors, to lead on corporate responsibility. She chairs our new Steering Group whose membership, among others, includes Lord Wilson of Dinton, also a Non-Executive Director.

#### 3 Attracting socially responsible investors

Sky shares continued to trade on both the FTSE4Good and the Dow Jones Sustainability indices.

#### 4 New committees to meet new commitments

We have a Corporate Governance & Nominations Committee and have reshaped our other committees to meet high standards of corporate governance.

#### 5 Listening and talking

Through meetings, quarterly conference calls and other initiatives, we maintain regular, open dialogue with our investors.

#### 6 Encouraging our people to be investors

Approximately 40% of our people participate in the Sharesave Scheme.

### Planning ahead

Sky makes four new commitments in key areas and sets out its vision for the next year.

# DEAR SHAREHOLDER

## Reporting back

### 1 Longer-term value

Every day, shareholders entrust us with their capital. We work hard to earn that trust, creating long-term value by growing continually as a business and making healthy profits.

In the twelve months that ended 30 June 2004, Sky made an operating profit (before goodwill and exceptionals) of £600 million on turnover of £3.7 billion. Earnings per share (before goodwill and exceptionals) rose to 18.3 pence, up 79% on the previous year.

We announced an interim dividend, resuming payments that were suspended in 1999 to finance the roll-out of digital broadcasting. A final dividend for the financial year of 3.25 pence per share – bringing the total for the year to 6 pence – is proposed by the Board.

#### Facts and figures

**£600m** operating profits (2003–04)

Approximately **40%** of our people participate in the Sharesave Scheme.

**3** new or revised Board committees to meet Sky's vision, values and corporate responsibility goals

BSkyB  
has approximately  
33,000  
UK registered  
shareholders

### 2 The Board and corporate responsibility

Everybody at Sky is responsible for corporate responsibility – members of the Board of Directors first and foremost. Since October 2003, an independent Non-Executive Director has chaired a new Corporate Responsibility Steering Group. This group, which includes Sky's Chief Executive, senior executives and non-executives, is tasked with setting the company's vision and values, to guide the achievement of our corporate responsibility goals.



The  
BSkyB Board  
comprises 15 members,  
of which 8 are  
independent  
Non-Executive  
Directors

### 3 Attracting socially responsible investors

We appreciate the value that some investors place on socially responsible indices and we invest significant management resources in responding to requests from this community. In the financial year 2003–04, we continued to be listed as members of the two leading specialist indices.



**FTSE4Good**

**Member of Dow Jones Sustainability Indexes**

**Sky is a member of the:**

**FTSE4Good Index and Dow Jones Sustainability Index**

These indices are limited to companies that can prove they are working towards goals such as positive environmental sustainability.

### 4 New committees to meet new commitments

We're committed to high standards of corporate governance and making sure that our structure and practices meet all the relevant statutory obligations.

To that end, on 14 November 2003, we formed the Corporate Governance Committee (an ad-hoc Committee of the Board), comprising Lord Wilson of Dinton as Chairman, Lord Rothschild and Arthur Siskind. The new committee reviewed the new Combined Code and the relevant rules of the Securities & Exchange Commission (SEC) and New York Stock Exchange (NYSE) to the extent applicable to the company to make the following recommendations.

- ~ Sky should adopt all of the Combined Code's provisions. Code Provision A.7.2, which requires that directors who have been serving on the Board for more than nine years should retire and stand for re-election at each Annual General Meeting, will apply from expiry of the current term of office, as approved by shareholders.
- ~ The composition of the Board's committees should comply with the relevant provisions of the new Combined Code – requiring changes to the composition of the Audit Committee (to comply from 1 September 2004) and Remuneration Committee.
- ~ The Corporate Governance Committee merges with the Nominations Committee to form the Corporate Governance & Nominations Committee.

The Board has also revised the terms of reference of the Audit, Remuneration, and Corporate Governance & Nominations Committees. These are published in full online at [www.sky.com/corporate](http://www.sky.com/corporate).

# DEAR SHAREHOLDER

## Reporting back

### 5 Listening and talking

We're committed to open, honest and regular dialogue with our major shareholders and bond holders.

- ~ The Chief Executive Officer, Chief Financial Officer and dedicated investor relations team meet frequently with investors.
- ~ We make quarterly conference calls to our investors (contacting US investors separately due to the time difference) and present to analysts and representatives of major institutions at both interim and final results.
- ~ Every shareholder can access our conference calls and presentations on the internet.
- ~ Non-Executive Directors are also available for meetings with shareholders and shareholder representatives. During the financial year 2003-04, Non-Executive Directors held meetings with the National Association of Pension Funds and the Association of British Insurers.

We welcome all shareholders at our Annual General Meeting, held in a central London venue.

### 6 Encouraging our people to become investors

Our Sharesave Scheme is open to all permanent and part-time Sky people who can save monthly towards the purchase of discounted shares over a three, five or seven year period. Through targeted internal communications we are working on increasing participation in the Sharesave Scheme.



Approximately  
40% of our people  
participate in the  
Sharesave  
Scheme



## Planning ahead

### Our 2004–05 shareholder commitments

#### **We'll strive to create value for all our shareholders**

Creating long-term shareholder value will remain at the heart of our business strategy.

#### **The Board will regularly review corporate responsibility issues**

It 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 the Dow Jones Sustainability Index in the coming financial year, 2004–05.

#### **Increasing the number of Sharesave Scheme participants**

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.



### Supporting ShareGift

ShareGift, the independent share donation charity, enables shareholders to donate some or all of their shareholding to charity. We promote ShareGift in our Annual Report and website.

#### **For more information, visit:**

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)  
*Sky's corporate responsibility website*

[www.sky.com/corporate](http://www.sky.com/corporate)  
*Sky's corporate website*

[www.abi.org.uk](http://www.abi.org.uk)  
*Association of British Insurers*

[www.ftse.com](http://www.ftse.com)  
*FTSE index*

[www.napf.co.uk](http://www.napf.co.uk)  
*National Association of Pension Funds*

[www.sharegift.org](http://www.sharegift.org)  
*ShareGift share donation charity  
(registered charity no: 1052686)*


[www.sustainability-indexes.com](http://www.sustainability-indexes.com)  
*Dow Jones Sustainability Indexes*

# WE SAID WE WOULD...


In 2003, we announced 26 commitments. Here's a progress report.

## Sky and corporate responsibility


- 1 By December 2003, we will have made further developments to the processes that support corporate responsibility within the business.

 Since November 2003, Gail Rebeck, an independent Non-Executive Director on the Board, has championed corporate responsibility at Sky and chaired the Corporate Responsibility Forum. In April 2004, we launched the Corporate Responsibility Steering Committee, also chaired by Gail.  
**Ongoing for 2004-05.**

- 2 By December 2003, we will launch an internal publication to further employees' understanding of corporate responsibility at Sky.


 In December 2003, we published a summary of last year's Review for employees. We communicated the scope of activities without using the actual words: 'corporate responsibility'.  
**Ongoing for 2004-05.**

- 3 From 2004, we will incorporate the environment report within our corporate responsibility reporting.


 Please turn to page 33. Further detailed information is available online ([www.sky.com/responsibilities](http://www.sky.com/responsibilities)).

## Customer commitments


- 4 By December 2003, we will assess how to further our corporate responsibility aspirations in relation to the output of our channels.

 In 2003, the Media Corporate Social Responsibility Forum, a group of leading media companies, teamed up with KPMG. The goal: to identify the key corporate social responsibility issues for the media industry. The findings were presented in February 2004 and, a month later, we carried out internal research to gather the views of Sky's executives. We'll await phase two of the joint Forum and KPMG work, due late 2004, to bring all our findings together.  
**Ongoing for 2004-05.**

- 5 By 2004, we will have completed the roll-out of new technology in our customer contact centres, providing a flexible service that better meets the expectations of our customers and our business.


 The development of our software solution for our customer relationship management project is nearing completion. Roll-out will follow in the near future and investment in this area will continue, helping us to maintain leading-edge customer service systems to support our growing customer base.

- 6 The customer panel representing disabled people will continue to provide feedback on proposed developments across the business, to help improve the accessibility of our products.


 We've held nine focus groups on the accessibility of our products and three focus groups on sign language in the last year.  
**Ongoing for 2004-05.**

-  Achieved
-  Ongoing


**7** By December 2003, we will increase subtitling on Sky News to 80%.

 Achieved on 29 December 2003.

**8** By January 2004, website accessibility audits will be complete and a phased improvement programme will be launched.


 It took us a little longer than expected, but we completed an audit of all our sites in June 2004 and held a training day in January 2004. We've also set dates to improve our websites to level 1 accessibility. **Ongoing for 2004-05.**

**9** By December 2003, Sky will have worked with all of its betting partners within the Sky Active service to support them in the adoption of the Code of Practice for Interactive Gambling.


 During 2003-04, we completed discussions with our betting and gaming partners about incorporating the Code in their Sky interactive services. While straightforward practices have already been adopted, further work is required. We'll continue to support our betting and gaming partners in achieving this goal. **Ongoing for 2004-05.**

## Colleague commitments


**10** By December 2003, we will re-launch the Code of Conduct to all of our people.

 Re-launched in September 2003. Also, that month, we re-launched our Whistleblowing Policy and, in October 2003, launched a Code of Ethics.


**11** By October 2003, we will launch an advice line for disabled people interested in a career at Sky.

 Achieved in September 2003 in partnership with Sabre employment. This advice line is available for disabled candidates – ensuring a smooth recruitment process and, for successful applicants, guidance and help with reasonable adjustments to gain access to work.


**12** By January 2004, the plan of work required to achieve accessibility to our main sites will be in place.

 Audits completed to schedule. We're now refurbishing Sky sites on an ongoing basis. **Ongoing for 2004-05.**

**13** By January 2004, disability awareness training will be rolled-out to all of our people.

 We're making good progress. 3,000 of our people in our customer contact centres and 850 of our engineers have now passed the City and Guilds approved disability awareness workbook. All our people will have received the workbook by December 2004.

**14** By June 2004, we aim to undertake a regular work placement programme for disabled people.

 We've been working with Sabre employment, the Disability Employment Advisors in Job Centre Plus and Fife Employability Network to promote employment in Sky. In 2004-05, this will lead to tailored work placements.




# WE SAID WE WOULD...


In 2003, we announced 26 commitments. Here's a progress report.

## Community commitments


**15** By April 2004, we will analyse the findings of our community involvement review and put a proposal to the Corporate Responsibility Forum.

 In April 2004, the Corporate Responsibility Steering Group approved the proposal to develop a new campaign that has resonance with our customers, whilst also achieving social benefit.


**16** In 2003, Sky committed to aim for The Giving Campaign's target of 10% of employees participating in payroll giving.

 As at June 2004, 5.5% of our people participated in the scheme – a year-on-year increase of 34%. Sky people donated a total of £84,486 to charities of their choice in Sky's payroll-giving scheme during 2003-04. Sky matched their donations by 50% (adding a further £42,243 to the total).


**17** By January 2003, we will set up a Community Relations Forum in Osterley, our London site.

 The launch of the first London Forum is set for October 2004, where we'll look at initiatives that best suit the curriculum agenda of our new partners, the pupils from Heston School, Hounslow.


**18** In 2003, we aim to have 1,200 young people attend Reach For The Sky Live.

 In 2003, 1,200 young people signed up to Reach For The Sky Live, with 903 actually attending. We've evaluated the initiative thoroughly to see how we can attract more participants. We'll launch a revised format in summer 2004.

**19** By June 2004, we will develop systems to measure and share our community involvement initiatives.

 For the first time, Sky is reporting its community investment using the London Benchmarking Group model, which will complement, support and improve our evaluation of input and impacts. We launched a website tracking project in 2003-04, opening a longer-term dialogue with young people. [Ongoing for 2004-05.](#)


**20** In 2003, we will renew our commitment to provide broadcasting capacity to the Community Channel free of charge.

 We've renewed the commitment and increased broadcast time to 24 hours, seven days a week. We've donated additional bandwidth to help the Community Channel in its first year of red button interactivity.




## Supplier commitments


**21 We will continue to benchmark our procurement operations against other organisations.**

 In the last year, we've benchmarked ourselves with nine other top FTSE procurement functions, sharing experiences and learning where improvements could be made. **Ongoing for 2004-05.**

**22 During 2003-04, we will develop ways to help suppliers meet contractual service level agreements and continuously to improve our supplier partnerships.**


 We've held regular review meetings with key suppliers. To develop this relationship, by early 2005, we'll introduce a new process agreed with stakeholders and key suppliers, to meet contractual service level agreements. We'll continue to ask suppliers for their feedback on what it is like to deal with us.

**23 By December 2003, we will have increased our expectations of environmental issues when we communicate with suppliers.**


 In February 2004, we started work on identifying potential environment risks in our supply base and produced a set of environmental questions for our suppliers, which we'll be posing from March 2005. Visits to suppliers have also taken place, with environmental issues playing a part.

## Environmental commitments


**24 By December 2003, we will have completed our move from 150 watt to 50 watt desk-top PCs.**

 The upgrade toward more energy-efficient PCs is now part of Sky's Office Solutions Programme. This will be rolled-out over the coming 18 months. We also have a replacement policy of purchasing the more energy-efficient flat screens for PCs.

**25 By June 2004, we will have set a reduction target against our baseline figures of water usage.**

 Water metering was undertaken throughout 2003 to provide a baseline figure, with new meters being installed at some of our sites to allow for accurate measurement. Our Environment Committee has agreed a water-usage target: a maximum of 7.7 cubic metres of water per annum per full-time equivalent employee by 2007. **Ongoing for 2004-05.**

**26 By 2005, all paper products will contain a minimum of 60% post-consumer waste paper, and where this option is not viable, the paper will come from sustainable sources.**

 This year, our *Corporate Responsibility Review*, *Annual Report & Accounts*, *Sky the Magazine* and our customer communications have been printed on paper from sustainable sources.

[www.sky.com/responsibilities](http://www.sky.com/responsibilities)

For the latest information on Sky's corporate responsibility initiatives, please visit our website. Or you can write to:

Group Head of Corporate Responsibility  
British Sky Broadcasting Group plc  
Grant Way  
Isleworth  
TW7 5QD

We're mindful that producing this Review has an environmental impact. We've sought to minimise the resources used wherever possible.

This Review is printed on Revive Silk, which is made from 75% post-consumer waste and is an NAPM and Eugropa approved recycled grade paper. Full details are available online at [www.roberthorne.co.uk](http://www.roberthorne.co.uk)

Design, production and copywriting by Kerstin Clarke Design.  
Stakeholder photography by Adam Lawrence.

Printed by Beacon Press using their *pureprint*<sup>®</sup> environmental print technology. Beacon Press is a Carbon Neutral<sup>®</sup> company, registered to ISO 14001 and EMAS, and holds the Queen's Award for Sustainable Development.

"The dialogue's always open..."

Have your say here. Please take a moment to complete this survey.  
Your feedback will help us develop our next Review.

	Good	Fair	Adequate	Poor		
1. What is your overall impression of the report?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. If you feel we have left out topics of interest to you, please tell us what they are: _____	
2. How easily did you find your way around the Review?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____	
3. How informative did you find the different sections of the report?					5. Please indicate which stakeholder group you fall into by ticking the appropriate box(es):	
Introduction	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Customer	<input type="checkbox"/> Supplier
Customer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Colleague	<input type="checkbox"/> Environmental org.
Colleague	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Former Colleague	<input type="checkbox"/> Shareholder
Community	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Voluntary sector	<input type="checkbox"/> Journalist
Supplier	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/> Other - please specify _____	
Environment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Shareholder	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. If you would like to make additional comments on our Review, please do so here or online at <a href="http://www.sky.com/responsibilities">www.sky.com/responsibilities</a> _____ _____	

Jill, Sky Corporate Responsibility Adviser