

Sky's approach to building a sustainable business

# Seeing the bigger picture Summary Report 2014



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## Making life better by entertaining and connecting people

We make life better by entertaining and connecting people. We are part of everyday life for millions of customers and we work hard to meet their needs and earn their trust.

We believe in better. That means offering a better choice of high-quality entertainment for the whole family and using technology to put them in control, whenever and wherever they want. Our home communications services make it simple, safe and reliable for customers to connect to each other and to the world.

We make our products affordable so millions can join in. We are committed to providing exceptional customer service. And we are always looking for ways to improve in everything that we do.

Seeing the bigger picture is fundamental to how we do business. We are committed to behaving responsibly and doing the right thing for the communities where we live and work.

Our people are critical to our success. We aim to foster a culture where they can do their best work, fulfil their potential and achieve great things together.

We want to build a business that is durable for the long term. Delivering for our customers, our employees and the wider community is how we will create a more valuable business for our shareholders and sustain success into the future.

**Believe in better.**

# Highlights 2013/14



**95,000**  
young people participated in Sky Sports Living for Sport in the year



Launched Sky Academy in November 2013



**70%**  
of our fleet replaced with more efficient vans



**£8m**  
reached through Sky Rainforest Rescue fundraising campaign



**20,000**  
young people visited Sky Academy Skills Studios since launch



Invested in new Irish production of Sky Arts Ignition: *The Rise and Fall of the City of Mahagony*



Sky Broadband Shield introduced to help families stay safe online



**40%**  
reduction in emissions intensity since 2008/09



Launched new, more user-friendly and accessible EPG



**1.34m**  
more people cycling regularly since 2009

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# How we report

This summary gives readers a snapshot of Sky's approach to building a better business. It outlines our vision, initiatives and progress over 2013/14.

In addition to this Summary Report and our Bigger Picture website, Sky has also published an Annual Report for the 2013/14 year. This comprehensive document describes Sky's business strategy and performance in detail. It is available to view or download online at [sky.com/corporate](http://sky.com/corporate)

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## Share your views



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Contact us at [biggerpicture@bskyb.com](mailto:biggerpicture@bskyb.com)

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## Find out more



[sky.com/biggerpicture](http://sky.com/biggerpicture)

Our website is the hub for all our sustainability work, and contains up-to-date information about what we're doing. The 'Sustainability reporting' section delves deeper into our approach and our progress against our sustainability measures.

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# From our Chief Executive

At Sky, we understand that achieving durable success for the long term is not just about what we do but how we do it. We know that simply being good for Sky is not enough. To achieve sustainable success, we must also be good for our customers, our people, our partners and the communities in which we live and work. We call this seeing the bigger picture.



As Sky grows, so does the positive social and economic contribution we make to Britain and Ireland. As well as being a valued part of everyday life for millions of customers, we are the biggest commercial supporter of the creative and sports industries in the UK, investing more than £2.6 billion this year in high-quality sports, news and entertainment content. As a successful UK company, we also contributed an estimated £6 billion to UK GDP in 2013/14 and supported nearly 117,000 jobs.

We are also committed to being a responsible business in all that we do, helping to maintain the trust of our 11.5 million customers. The decisions that we take every day are underpinned by the high ethical, social and environmental standards we've set out so that people can be clear what to expect of us, and what we expect of everyone who works at Sky or does business with us. It's all part of our Believe in Better ethos of constant improvement.

In last year's Report, we said we wanted to do even more to contribute to a more sustainable society through our positive social impact. In line with this aim, we launched Sky Academy in November 2013, a unique set of initiatives that uses the power of TV, creativity and sport to inspire young people and help them reach their potential. By bringing together established programmes with new initiatives where we're just getting going, we want to create opportunities for up to one million young people by 2020. We feel very excited about how Sky Academy will be able to make a difference to young people's lives.

In this Summary Report, and on our website, you can find out more about the progress we've made this year. I'm pleased with the continued growth in awareness of Bigger Picture initiatives, increasing to almost 70 per cent of customers and almost half of prospective customers. I'm also proud of the continued engagement from Sky people in our activities, particularly their support of Sky Academy through volunteering.

We were recognised again as a leader in our sector in the 2013 Dow Jones Sustainability Index (DJSI), ranking second in publishing and media for our work. Assessments such as the DJSI and FTSE4Good, help us show how we are responding to the most pressing stakeholder issues and communicate our progress, particularly to the investor community.

We never forget that our business is built on long-term relationships. I would like to thank everyone who has supported the work we have done this year to grow our contribution. By creating more reasons for all of our stakeholders to feel positively towards Sky, we are building a better, more durable business.

A handwritten signature in black ink, appearing to read 'James Jones', with a horizontal line underneath.

# Our vision for long-term success

We create sustainable value by pursuing broad growth opportunities and achieving competitive advantage through our core strengths and the way we do business.

## Our business model

### Our growth opportunities

- Expanding in pay TV and home communications
- Opening up emerging market segments
- Exploiting opportunities in adjacent sectors

### Our strengths

- Delivering great content
- Market-leading innovation
- Focusing on customers

### How we do business

- Investing for the long term
- Driving efficiency
- **Seeing the bigger picture**
- Investing in people

A bigger, more profitable business delivering increased returns to shareholders and making a positive impact on society

## Seeing the bigger picture

At Sky we want to build a business that is durable for the long term. We do this through the social and economic contribution our business makes, through our commitment to acting responsibly day to day, and by reaching beyond our business to inspire action and make a positive difference.

### Our contribution

Sky is part of everyday life for millions of customers, providing high-quality entertainment and home communications services that enable them to connect to each other and the world. We invest billions in the creative and sports industries, and we make a significant contribution to the British and Irish economies.

[Go to page 11 to read more.](#)

### Responsible business

The most durable businesses understand that the way they do business is just as important as what they do. We are committed to being a responsible business with high ethical, social and environmental standards that underpin the decisions we take every day. Our responsible business commitments set out what we mean by that in practice.

[Go to page 13 to read more.](#)

### Inspiring action

As a broadcaster and communications provider in more than 40 per cent of British and Irish homes, we have an opportunity to reach beyond our business to inspire action. We do this in three ways: our Sky Academy initiatives; our partnership with British Cycling; and our Sky Rainforest Rescue campaign with WWF.

[Go to page 17 to read more.](#)



Watch this year's Seeing the bigger picture video at [sky.com/biggerpicture](https://www.sky.com/biggerpicture)

# Identifying our focus areas

Seeing the bigger picture is our approach to sustainability at Sky. Our strategy – our contribution, responsible business and inspiring action – is also informed by the views of our stakeholders, our assessment of the material risks to our business, and the opportunities we identify to make a positive difference to a more sustainable society.

## Assessing materiality

For Sky, assessing materiality is about asking ourselves three key questions:

1. What are the opportunities and risks of our business strategy in sustainability terms?
2. What do our people and our stakeholders think?
3. What is important for companies in the media and communications sector to address in particular?

From this, we build our approach and determine the focus areas within it. This year, we have also mapped our material issues to aspects of the GRI G4 framework. More detail about our material issues and our initiatives, as well as our GRI Index, are available at [sky.com/biggerpicture](https://sky.com/biggerpicture).

“This is real leadership in action.”

Jonathon Porritt, Founder Director, Forum for the Future, with the launch of Sky Academy



“Best time of my life working with Sky Entertainment Production. Gutted it has to come to an end, can I do it all over again? @skystartingout”

Murad Ali, Entertainment team, Work Experience

“BSkyB...continues to demonstrate a clear commitment to sustainability and carbon management, with an innovative and evolving programme.”

Mark Chadwick, CEO, Carbon Clear



“The partnership has enabled us to both raise awareness with, and engage, new audiences in the work we do together. Sky provides us with an amazing on-air platform which has allowed us to broaden content and messaging around the Amazon and wider environmental issues, and to have conversations with consumers that would not normally see themselves as environmentally conscious.”

Nicky Day, Director of Corporate Partnerships, WWF UK

## Identifying our focus areas

### Taking opportunities and managing risks

The material issues that we focus on help us to improve our processes for managing short and long-term risk in our business from a financial, operational and reputational perspective. Where possible, we aim to turn the risks we identify into opportunities that create value for our customers and for our business.

For example, our £600 million investment in UK-produced content provides a creative platform for more than 150 independent production companies, helping them grow their businesses, at the same time as expanding our content offering for our customers. Replacing our van fleet with 20 per cent more efficient vans and working with our engineers to improve fuel-efficient driving techniques, helps us to reduce carbon emissions and save costs. Meanwhile, Sky Academy Starting Out helps people starting in their career with work experience and employment opportunities they might not otherwise have had access to and helps us to build the next generation of talent at Sky.

### What our people and other stakeholders think

Our business relies on our relationships with our customers, employees, business partners, government and opinion formers. We seek views from our stakeholders to help us shape our individual initiatives as well as our overall approach. This in turn helps us to refine our material sustainability issues.

Our annual opinion former interviews with investors, policymakers, non-government organisations and the media, help us understand the issues that are important to them and their views on the value of our wider contribution to Britain and Ireland. In addition, we seek feedback from our staff, assessing their awareness of, and participation in, our Bigger Picture initiatives over each year.

We work collaboratively with stakeholders to achieve our objectives, for example, in the way we work with our production suppliers to encourage more sustainable production, or with industry partners to help tackle wider issues such as online safety for children.

### The media and communications sector

We draw on sector-wide analyses of the material sustainability issues for the media sector to help us prioritise our focus areas. These include issues such as editorial practices, the protection of customer data, diversity and inclusion, responsible advertising, protection of copyright and online safety for families. They are described in *Does it matter? Material, Strategic or Operational? An analysis of sustainability issues in the media sector*, by Media CSR Forum members in June 2013, to which we contributed.

While the core environmental, social and governance issues for the media sector remain relatively constant, their relative importance has changed in line with the political, regulatory and customer context. For example, data protection and child safety online are now more prominent. Another area of discussion is the contribution that media and communications companies can make to a more sustainable future by campaigning, informing and inspiring people.



### Sky Academy launch engagement

The launch of Sky Academy provided over 200 senior opinion formers from sport, the arts, education and policy the opportunity to see our initiatives in action, bringing the ambition of Sky Academy to life.

These three factors are what inform our material issues, which are detailed in the 'Sustainability reporting' section of our website at [sky.com/biggerpicture](http://sky.com/biggerpicture).



Find out more at [sky.com/biggerpicture](http://sky.com/biggerpicture)

# How we're doing 2013/14

We continued to make strong progress across our focus areas in 2013/14, while recognising there is still more to do. This year, with the launch of Sky Academy we have established a new long-term target to 2020 to complement our environment targets to 2020. We have met a number of our goals over the year, so have also set out new ambitions in relation to diversity on screen and responsible sourcing.

**Our performance across our key measures is summarised below and in the data table that follows. For in-depth commentary on all our measures, visit the 'Sustainability reporting' section of our Bigger Picture website at [sky.com/biggerpicture](http://sky.com/biggerpicture).**

## Our contribution

We continue to make a significant contribution to UK GDP, increasing our investment to £6 billion, up from £5.9 billion in 2012/13. We are supporting 117,000 jobs in Britain. Within our £2.6 billion investment in content, we are on track to spend a record £600 million on UK-produced programming (excluding sports rights) across our channels by the end of December 2014.

As well as bringing great content to our audiences across our sports, entertainment and arts channels, we've continued to open up the arts to more people. In the year we had almost 33,000 visitors to *Sky Arts Ignition: Memory Palace*, in partnership with the Victoria and Albert Museum, which was supported by on-air programming and a groundbreaking digital project.

## Responsible business

As a result of our focus on simplifying the customer service experience and our investment in staff training, we've seen record levels of customer satisfaction this year with an NPS score of 24. As part of ensuring all our customers have the same great experience of Sky, including those with disabilities, we have again exceeded our regulated quotas for access services provision and increased the overall percentage from last year, achieving 82 per cent subtitling and 22 per cent audio description across 24 Sky channels.

Our use of e-learning technology makes learning more accessible for non-office based employees. This year we reviewed all of our e-learning content to ensure that every programme on offer was entirely up to date and relevant to participants, given their job role. By making our training efforts more efficient and effective we are giving people the training they need, when they need it.



## Working together for durable success

From working collaboratively with our suppliers, to supporting rising sports, arts and TV stars in progressing in their ambitions, together we're working to improve our business and our industry as a whole.

We continue to champion diversity across all areas of the business, but there is more to do. This year we have experienced rapid growth in areas where there are a greater proportion of men, such as our Home Service & Supply and Technology teams. This means that the number of women working at Sky has decreased over the past year. Despite this, we have grown the number of women in management roles. We have also grown the number of Black, Asian and Minority Ethnic (BAME) employees in management roles at Sky. However, we recognise the need to address BAME representation in the industry both in front of and behind the camera, and we have recently set ambitious new targets to the end of 2015.

We want all our people to feel involved and engaged in our business. Our overall employee engagement score is 88 per cent which compares to the external benchmark of 83 per cent.

## How we're doing 2013/14



This year we have moved the majority of work for our Home Service & Supply division in house and have also increased the engineer workforce. This has resulted in an overall rise in the number of incidents reported. There has also been an increase in our accident rate and we are working to address this.

Our environmental impact has continued to fall. Since 2008/09, we've reduced our emissions relative to revenue (tCO<sub>2</sub>e/£m) by 40 per cent, and we are on track towards our target of halving our emissions relative to revenue by 2020. We have also met our target to reuse or recycle 100 per cent of all products returned to Sky.

Reducing our travel emissions continues to be a difficult area for us and the continuous growth of the business and national distribution of our sites makes this target an ongoing challenge. However, we continue to make significant investments in alternatives to travel, and we continue to work closely with organisations to advise us on best practice and additional solutions to this challenge. Full details about our performance against our environmental targets is available at [sky.com/biggerpicture](http://sky.com/biggerpicture).

We have had a strong focus on working with suppliers this year. We met our target for assessing 100 per cent of our strategic suppliers against our Responsible Sourcing Questionnaire by the end of June 2014, having extended it from our product suppliers, to all areas of procurement at Sky. Going forward, we're expanding our focus on responsible sourcing even further, including all suppliers with whom we spend more than £100,000 each year.

We provided more opportunities for employees to participate this year by linking them to Sky Academy, which we launched in November 2013. As a result, we achieved our 10 per cent volunteering target in the year.

### Inspiring action

Our Sky Academy initiatives create opportunities for young people to build skills for a changing world. Bringing together Sky Academy Skills Studios, Sky Sports Living for Sport, Sky Academy Scholarships and Sky Academy Starting Out, we saw 105,000 young people take part in Sky Academy initiatives this year.

We have continued to measure the social impact of our initiatives against their objectives. Through an independent report by Chrysalis, we've asked students and teachers about how students' confidence and skills have improved through participating in Sky Academy Skills Studios and Sky Sports Living for Sport. In addition, we have further developed our model for measuring the social impact of Sky Academy and will make this publicly available next year.

Last year we evolved our cycling participation strategy, holding fewer organised rides regionally, and enabling people to establish their own Social Cycling Groups, so that we can build cycling participation for the long term. As a result, the number of people taking part in our events has reduced, but we've increased the total number of people cycling regularly to 1.34 million since 2009.

This year, Sky Rainforest Rescue reached its fundraising target one year early, raising a total of over £4 million, which Sky matched pound for pound to a total of £8 million. We've also increased awareness amongst UK audiences about the importance of preventing deforestation by 27 per cent. As a result of the partnership, now in its fifth year, more than 1,500 families in our project area in Brazil have been recruited to take part in a voluntary land certification scheme to help give local people ways of making a living from the forest without cutting down trees.



For more information go to [sky.com/biggerpicture](http://sky.com/biggerpicture)

This table summarises our progress over the last three years. Our full list of sustainability measures, commentary and relevant Basis of Reporting documents are available at [sky.com/biggerpicture](http://sky.com/biggerpicture). Pages 11-19 provide an overview of our initiatives across our strategy in the year.

		Target	2011/12	2012/13	2013/14	Progress
<b>OUR CONTRIBUTION</b>						
<b>Creative industries</b>						
British programming	Investment in original British programming by end 2014 (£m)	600	On track	On track	On track	+
<b>UK economy</b>						
Number of employees	Total number of employees (full-time equivalents) <sup>(1)</sup>	n/a	17,937	19,413	20,841	-
Tax contribution	Total tax contribution (£m) <sup>(2)</sup>	n/a	1,086	1,250	1,287	-
Contribution to UK GDP	Total contribution to UK GDP (£m) <sup>(3)</sup>	n/a	5,320	5,855	6,000	-
<b>Arts</b>						
Sky Arts Ignition	Visitors to <i>Sky Arts Ignition: Memory Palace</i> at the V&A (no.) <sup>A</sup>	30,000	-	-	32,897	✓
<b>RESPONSIBLE BUSINESS</b>						
<b>Customer service</b>						
Customer satisfaction	Customer service satisfaction Net Promoter Score (NPS)	Internal	9	13	24	-
<b>On-screen standards</b>						
Programming complaints	Complaints relating to Sky programming reported to Ofcom (no.)	Internal	99	103	90	-
	Programming rulings concluded and upheld (no.)	Internal	2	8	1	-
<b>Safe and accessible</b>						
Access service provision	Average subtitling across all Sky-owned channels where Sky provides access services (%) <sup>(4)</sup> <sup>A</sup>	70	74	73	82	✓
	Average audio description across all Sky-owned channels where Sky provides access services (%) <sup>(4)</sup> <sup>A</sup>	10	26	21	22	✓
<b>Equality and opportunity</b>						
Staff engagement	Engagement score for Sky employees (%)	Internal	87	94	88	-
Training	Total training provided to Sky employees (days)	Internal	118,056	104,678	100,089	-
Employee diversity	Female employees (no.) (%) <sup>A</sup>	Internal	7,208(37)	7,633(36)	7,508(34)	-
	Black, Asian and Minority Ethnic employees (no.) (%) <sup>A</sup>	Internal	2,392(13)	2,654(14)	2,875(14)	-
	Disabled employees (%)	Internal	3	3	5	-
<b>Health and safety</b>						
Health, safety and wellbeing	Accident rate (per 100,000 hours worked)	Internal	0.26	0.20	0.25	-
<b>Staff participation</b>						
Volunteering	Sky employees volunteering (%) <sup>A</sup>	10 <sup>(5)</sup>	10	9	10	✓
Payroll giving	Sky employees signed up to payroll giving (%) <sup>A</sup>	5 <sup>(6)</sup>	5	5	5 <sup>(7)</sup>	✓
Match funding	Sky employees applying for match funding as a result of fundraising for charity (%) <sup>A</sup>	5 <sup>(6)</sup>	2	3	2	✗
<b>Environment</b>						
Emissions intensity	Reduction in gross CO <sub>2</sub> e emissions relative to revenue (%) <sup>A</sup>	-50 <sup>(8)</sup>	-32	-38	-40	+
On-site renewable energy	Energy obtained from owned or controlled renewables at Sky-owned sites (%) <sup>A</sup>	20 <sup>(8)</sup>	2	6	7	+
Fleet efficiency	Increase in fleet fuel efficiency (%) <sup>A</sup>	15 <sup>(9)</sup>	-	5	11	+
Travel emissions	Reduction in CO <sub>2</sub> e emissions from travel per full-time equivalent (FTE) employee (%) <sup>(10)</sup> <sup>A</sup>	-20 <sup>(8)</sup>	-8	-7	2	✗
Waste	Waste sent to landfill from our main offices (%) <sup>A</sup>	0 <sup>(8)</sup>	4	7	5	+
Sustainable products	More sustainable products year on year <sup>(11)</sup> <sup>A</sup>	✓	-	✓	✓	✓
Products reuse and recycling	Reuse or recycling of all Sky products returned to Sky (%) <sup>A</sup>	100	-	*	100 <sup>(12)</sup>	✓

<sup>A</sup> Independently assured by Deloitte LLP for 2013/14

#### Key

✓ Achieved ✗ Not on track + On track

## How we're doing 2013/14

We have used the GRI G4 core disclosures to guide our reporting. We have also extended the scope of our assurance this year to cover a broader range of sustainability measures. Our GRI Index and our 2013/14 Assurance Statement from Deloitte LLP, can be found in the 'Sustainability reporting' section of our Bigger Picture website at [sky.com/biggerpicture](http://sky.com/biggerpicture)

		Target	2011/12	2012/13	2013/14	Progress
<b>RESPONSIBLE BUSINESS (CONTINUED)</b>						
<b>Business partners</b>						
Diversity and inclusion	Independent production companies we work with who are signed up to Creative Diversity Network Pledge (%) <sup>(A)</sup>	100	69	84	100	✔
Responsible sourcing	Strategic suppliers assessed against Sky's Responsible Sourcing Questionnaire in 2013/14 (%) <sup>(13)</sup> <sup>(A)</sup>	100	-	6	100	✔
<b>Community</b>						
Community contribution	Total community contribution (£m; based on London Benchmarking Group model) <sup>(*)</sup>	n/a	14.7	16.5	171	-
<b>INSPIRING ACTION</b>						
<b>Sky Academy</b>						
Total participation	Young people participating in Sky Academy initiatives (cumulative no.) <sup>(A)</sup>	1m <sup>(4)</sup>	-	-	104,598	+
	Students through Sky Academy Skills Studios (no.) <sup>(A)</sup>	Internal	-	9,588	12,562	✔
	Young people participating in Sky Sports Living for Sport initiatives (no.) <sup>(A)</sup>	Internal	18,285	33,063	95,542 <sup>(15)</sup>	✔
	Sky Academy Scholarships recipients (sports, arts, TV) (no.) <sup>(A)</sup>	Internal	-	16 <sup>(16)</sup>	17	✔
	People participating in Sky Academy Starting Out initiatives (no.) <sup>(A)</sup>	Internal	-	-	579	✔
Impact	Impact of Skills Studios on confidence and skills (%) <sup>(A)</sup>	n/a	-	-	41; 67	-
	Impact of Sky Sports Living for Sport on confidence and skills (%) <sup>(A)</sup>	n/a	-	96; 90	91; 91	-
<b>Cycling</b>						
Cycling	New people cycling regularly (cumulative no.) <sup>(A)</sup>	1m <sup>(17)</sup>	688,000	1,150,000	1,336,000	✔
	People participating in Sky Ride activities (no.) <sup>(18)</sup> <sup>(A)</sup>	Internal	210,277	173,767	123,289	-
<b>Sky Rainforest Rescue</b>						
Donations	Donations for Sky Rainforest Rescue (cumulative £m) <sup>(A)</sup>	£4m <sup>(19)</sup>	2,000,000	3,127,412	4,334,438	✔
Families helped on the ground	Families recruited into the voluntary Land Certification Scheme (cumulative no.) <sup>(20)</sup> <sup>(A)</sup>	1,250	-	1,241	1,541	✔
Schools	Students engaged in 'I Love Amazon Schools' (cumulative no.) <sup>(A)</sup>	30,000 <sup>(21)</sup>	-	22,019	74,930	✔

<sup>(A)</sup> Independently assured by Deloitte LLP for 2013/14

<sup>(\*)</sup> Independently verified by Corporate Citizenship

### Key

✔ Achieved ✘ Not on track + On track

### NOTES

- (1) Full-time equivalent (FTE) employees includes permanent employees, and those on fixed-term and adhoc hours employment contracts from continuing operations only
- (2) Corporation tax figures are on a cash basis and include continuing and discontinued operations as well as tax on exceptional items. All other tax figures are on an accruals basis
- (3) Source: Oxford Economics. *The economic impact of BskyB in the UK: 2014 Update*
- (4) All Sky-owned channels where we provide access services (24 channels in 2013/14)
- (5) Target based on 10 per cent of total FTE at beginning of the financial year
- (6) Target based on 5 per cent of total FTE at beginning of the financial year
- (7) Rounded up from 4.6
- (8) By 2020, compared to 2008/09 baseline year
- (9) By 2020, compared to 2011/12 baseline year
- (10) Includes emissions within the Company's operational control (Scope 1 and 2 emissions), and emissions outside the Company's control (Scope 3 emissions)
- (11) Assessed against our Charter of Commitments every year until 2020
- (12) Applicable from 1 January 2014

- (13) Defined as strategic by our supply chain operations department through their assessment process. This target was extended from Home Service & Supply strategic suppliers only by the end of December 2013 to include all areas of procurement by the end of the 2013/14 reporting year.

(14) By 2020, commencing in 2013

(15) Includes Sky Sports Living for Sport Community Games

(16) Previously *Sky Arts Ignition: Futures Fund* and Sports Scholarships

(17) By 2013, commencing in 2009

(18) Per calendar year

(19) In four years, commencing October 2009

(20) Cumulative since 2009

(21) By 2015, commencing in 2013

\* Established management processes to enable assurance in 2013/14

✔ On track against our charter of commitments

Some of our figures have been restated. Details are available in the 'How we're doing 2013/14' section of our website at [sky.com/biggerpicture](http://sky.com/biggerpicture)

The Tunnel, Sky Atlantic HD

sky ATLANTIC HD

# Our contribution as a growing business

## Progress

£6bn  
contributed to UK GDP

117,000  
jobs in the UK supported  
by Sky

£2.7bn  
in tax revenues in the UK

## Home-grown programming

As part of our drive to increase investment in original British commissions, we have put a particular focus on drama. Since last July, we have screened more than 60 hours of new drama programming across our four entertainment channels – Sky 1, Sky Atlantic, Sky Living and Sky Arts. By the end of 2014, we will have spent £600 million on home grown British programming, an increase of more than 50 per cent over three years.



For more information go to:  
[sky.com/biggerpicture](http://sky.com/biggerpicture)

## Our contribution as a growing business

We are proud of the social and economic contribution Sky makes to Britain and Ireland as a successful and growing business. Millions of people use our products and watch our TV channels every week.

**As a result their lives are enriched and they are better connected to each other and to society as a whole. We are the biggest commercial supporter of the creative industries in the UK, a long-term supporter of sports, and we make a significant contribution to the UK economy.**

### Improving our customers' lives

We have opened up choice in television, bringing customers a wide range of the best content from around the world. This was our biggest year of content yet, having provided customers with an on-screen offering that was larger, more diverse and of a higher quality than ever before. Sky's ability to innovate across multiple technologies allows us to provide customers with the very best viewing experience, wherever and whenever they want. Our aim is to put Sky at the heart of the connected household, meeting customers' growing desire to consume content on their own terms. In the last 12 months, we have connected three million Sky+HD boxes to broadband, giving more than half of our Sky TV customers access to the full range of On Demand services.

### Investing in the creative industries and sport

As well as being a valued part of everyday life for millions of customers, we are the biggest commercial supporter of the creative and sports industries in the UK. Our £2.6 billion investment on content has also seen us work with more than 150 production companies in the last 12 months, providing a platform for their creativity and helping them grow their own businesses.

We have contributed over £10 billion to British and Irish sports organisations over the past 20 years across a wide range of different sports. In the year, we continued to strengthen our relationships through the investment, exposure and promotion that we provide. We broadened the Sky Sports offering, signing 30 rights deals over the course of the past 12 months including, IPL cricket, Super League Rugby and the Masters and PGA Tour golf.

### News coverage

Our news service offers innovative, multi media coverage 24 hours a day, enabling people to be better informed and more engaged with society and contributing to media plurality in the UK.



### Investing in women's sport coverage

In the last year, Sky Sports concluded new rights deals to broadcast women's netball and rugby, building on our existing coverage of cricket, golf and tennis. We also launched a new weekly show on Sky Sports in September, *Sports Women*, dedicated to women's sport, and we supported The Sunday Times as the exclusive partner for the 2013 Sportswomen of the Year Awards in December.

We also continued to contribute to the arts through our dedicated Sky Arts channels and by collaborating with leading arts organisations to produce two brand new works. *Sky Arts Ignition: Memory Palace* at the V&A in London had almost 33,000 visitors over 17 weeks. In Ireland, a groundbreaking digital project and on-air programming accompanied Rough Magic and Opera theatre companies' much-anticipated production of *Sky Arts Ignition: The Rise and Fall of the City of Mahagonny*.

### Contribution to the UK economy

Sky makes a significant contribution to UK GDP, estimated in an independent study by Oxford Economics to be £6 billion over the past year. Sky generated £2.7 billion in tax revenues in 2013/14, equivalent to £42 for every person in the UK, with our direct tax contribution of £1.3 billion.

With more than 25,000 employees, we are one of the country's biggest companies. Added to this, we work with nearly 7,000 suppliers meaning that a total of 117,000 jobs are dependent on Sky across the UK. This represents one out of every 280 jobs in the UK economy.



For more examples of what we do to make a positive contribution to Britain and Ireland, visit [sky.com/biggerpicture](http://sky.com/biggerpicture)

Despicable Me 2, Sky Movies

sky/MOVIES

# A responsible business committed to doing the right thing

## Progress

82%

subtitling provision and 22% audio description provision across 24 Sky channels

100%

of strategic suppliers assessed through our responsible sourcing questionnaire

88%

employee engagement

### Keeping families safe online

The launch of Sky Broadband Shield in November 2013 was a step forward in enabling our customers to safely enjoy the best of what the internet offers. Free to all Sky Broadband customers, Broadband Shield is a simple tool which enables customers to filter website content across all internet connected devices in the home, giving parents greater control over how their children use the web. Even those homes without children can benefit as Sky Broadband Shield also provides important protection against phishing sites and malicious websites containing viruses.



For more information go to:  
[sky.com/biggerpicture](http://sky.com/biggerpicture)

## A responsible business committed to doing the right thing

We believe acting responsibly and being successful commercially go hand in hand. Millions of customers across Britain and Ireland choose to do business with Sky. They have high expectations of us and we value their trust.

**Our responsible business commitments set out what people can expect of us, and what we expect of everyone who works at Sky or does business with us.**

### Our responsible business commitments

#### 1. We take care of our customers.

We are always professional in our dealings with customers, providing them with honest and accurate information. We try to resolve problems as quickly and thoroughly as possible, striving to deliver exceptional customer service every time.

#### 2. We set high standards on screen.

We adhere to high editorial standards on our TV channels and online services, recognising our responsibility as a major broadcaster with a presence in homes across the country.

#### 3. We make Sky products safe and easy to use by everyone.

We provide effective and easy to use tools that help parents keep their children safe on our TV platforms and online. Our products and services are designed to meet the needs of all our customers, including those with disabilities.

#### 4. We keep personal information confidential and secure.

We are responsible for safeguarding sensitive and private data. We protect this information, keep it confidential and only use it appropriately and when authorised to do so.

#### 5. We do not tolerate illegal activity.

We comply with all relevant laws and regulations. We expect everyone at Sky to behave with honesty and integrity at all times, and to avoid potential conflicts of interest.

#### 6. We promote a culture of equality and opportunity.

We champion diversity and promote a culture of opportunity for all. We do not tolerate bullying, discrimination or any kind of harassment.

#### 7. We keep our people safe and our infrastructure secure.

We promote high standards of health and safety at work and employ special safety procedures, training and equipment for anyone in a high-risk role. We ensure our computer and telephony systems are safeguarded and our buildings and sites are protected.

#### 8. We work to minimise our environmental impact.

We operate efficiently, save energy and use natural resources wisely, reducing our own impact and improving the sustainability of our products. We also use our position to raise awareness and drive positive change of environmental issues, show leadership and inspire action.

#### 9. We expect our suppliers to behave ethically and comply with the law.

We expect everyone we do business with to adhere to our standards, including respect for human rights, environment and compliance with the law. We want to be a good partner in return, treating suppliers fairly and rewarding strong performance.

#### 10. We have high standards of corporate governance.

We make sure the Company's strategy is aligned to the interests of shareholders and takes account of the interests of other stakeholders. We ensure our financial statements and other public announcements are true, clear and fair.

**Based on our commitments and our material issues, we have had a particular focus on the following areas in the year.**

#### **Taking care of our customers**

We understand the value of good customer service to the success of our business, and have continued to raise the bar in this area. Much of our focus this year has been on simplifying the customer experience. This included rolling out our 'One Service' model, which ensures more of our customers get their issues resolved in one call. We are investing over £20 million in training per year to broaden the expertise of our call centre staff. The impact of this on the customer experience has been significant with record levels of customer satisfaction.

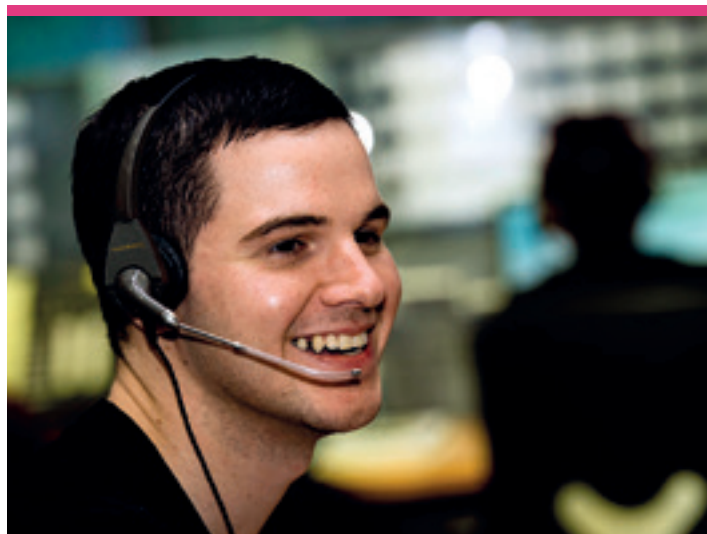
We continue to provide tailored support to customers with disabilities to ensure they receive the same great experience of our products and services. In May we extended the use of our Video Relay Service to enable hard of hearing customers to call in and use sign language. Our new EPG has fewer screens to navigate and the new Sky+ home page now provides a better viewing experience due to features like new colour contrast.

We want Sky to be the safest place for families to enjoy content, whether on screen or online. In addition to launching Sky Broadband Shield, we have also joined up with the other leading Internet Service Providers to launch a campaign called Internet Matters, designed to promote awareness of internet safety.

#### **Promoting a culture of equality and opportunity**

We want to create an environment where all of our 25,000 people can fulfil their potential. To help them progress, we provide a wide range of opportunities for development such as mentoring and new skills training. We have been reviewing our entire corporate training curriculum to ensure that we are providing a programme which is more efficient and effective for our employees' training needs. This review will be completed early in the new financial year. Also, through Sky Academy Starting Out, we aim to double the size of our work experience and employment programmes over the next three years.

We know that we will be better placed for success as a business if we have a balanced and diverse workforce that reflects our customers and includes the most talented people, regardless of gender or ethnicity. We are committed to increasing female and ethnic representation across our employee base. We are also committed to improving diversity on screen and in our industry and have recently set out bold new commitments to address the diversity of talent both on screen and behind the camera.



#### **Providing 'One service'**

We have brought a further 740 engineers into Sky, meaning that Sky people now complete almost all UK service visits and installations, providing a better experience for our customers.



Watch our video about how we're making our products more sustainable at [sky.com/biggerpicture](https://sky.com/biggerpicture)

## A responsible business committed to doing the right thing

### Powering down

We have set a target to improve energy efficiency across all our buildings by an average of 20 per cent by 2020 (compared to the 2008/09 baseline). One way we are doing this is to improve the efficiency of our data centres, the buildings we use to house the millions of pieces of data that help our business work.

We've installed monitoring tools to help measure the performance of our data centres and we're making the most of virtual servers and cloud based technology. By the end of 2014, we will have migrated almost all the servers hosted in small, inefficient data centre facilities into our newer, more energy efficient data centres closer to home.



### Working to minimise our environmental impact

We work hard to minimise our environmental impact, and have environmental targets and commitments to reduce our own impact and improve the sustainability of our products year on year. We have so far achieved a 40 per cent reduction against our 2008/09 baseline towards our target to halve our carbon intensity (CO<sub>2</sub>e emissions relative to revenue) by 2020. This year, we added two new biomass boilers at our Scotland offices in addition to our existing on-site renewable technology.

We reuse or recycle 100 per cent of all products returned to Sky. This means that we either reuse or recycle everything that we take back from a customer home so that we don't send anything to landfill.

We also use our position as a leading media and communications company to raise awareness of environmental issues, show leadership and inspire action. We continue to work with our suppliers, particularly those in TV production, to increase measurement and reduction of carbon emissions. We're also helping to tackle climate change through our Sky Rainforest Rescue campaign with WWF – see page 19.

### Expecting our suppliers to behave ethically and comply with the law

As part of our responsible approach, we are committed to building productive, fair and ethical relationships with our suppliers. This year we completed our assessment of social, ethical and environmental issues with our key strategic suppliers across all areas of procurement at Sky. Where necessary we have worked with some of these suppliers where standards were not in line with our responsible sourcing expectations.



### Working together with our suppliers

We are expanding our focus on responsible sourcing to include all suppliers with which we spend more than £100,000 each year to help us gain a clearer understanding of social, environmental and ethical risk in our supply chain. Where higher risk has been identified, suppliers will undergo an additional independent assessment through a third party tool from SEDEX, and we will work collaboratively with them to drive improvements.



For more examples of what we do to be a responsible business day to day, visit [sky.com/biggerpicture](http://sky.com/biggerpicture)

Flintoff's Road to Nowhere, Sky 1 HD



## Progress

105,000

young people participated in Sky Academy initiatives this year

+1,500

families recruited into the voluntary Land Certification Scheme supported by Sky Rainforest Rescue

+123,000

Sky Ride participants in 2013

### Flintoff's Road to Nowhere

We have an important opportunity to bring the issue of climate change to life through dedicated TV programming. This year, we made *Flintoff's Road to Nowhere* for Sky 1, following self confessed environmental sceptic Freddie Flintoff and extreme cyclist and environmentalist Robb Penn as they cycled Brazil's Trans Amazonian Highway and encountered first hand the devastating effects of deforestation.

Inspiring  
action  
to make a positive  
difference

## Inspiring action to make a positive difference

With a presence in over 11.5 million homes across Britain and Ireland, we have an opportunity to make a valuable contribution to a more sustainable society. We aim to do this in three ways.

**Our Sky Academy initiatives create opportunities for young people to build skills, experience and self-belief. Our partnership with British Cycling uses the inspiration of elite success to encourage more people to get on their bikes. And our Sky Rainforest Rescue campaign with WWF inspires people to join us in helping to tackle climate change with the aim of protecting one billion trees in the Amazon rainforest.**

### Sky Academy

Building skills and nurturing talent is an important part of long-term success in business. And it's equally vital for society as a whole. We want to play our part in giving young people the help and opportunities they need to succeed in a changing world.

In November 2013, we launched Sky Academy. Bringing together a range of initiatives – some well-established, others just getting going – Sky Academy aims to use the power of television, creativity and sport to

inspire young people and help them reach their potential. It makes the most of our strengths in media and technology as well as the passion and expertise of our people. It also links up with schools and other organisations and works with inspirational role models from the world of TV, sport and the arts.

Headquartered in our new Believe in Better building, due to open in autumn 2014 at the heart of our West London campus, Sky Academy currently comprises four initiatives: Sky Academy Skills Studios, Sky Sports Living for Sport, Sky Academy Scholarships and Sky Academy Starting Out.

Just as Sky Academy is about encouraging the under-25s to aim high, we've set an ambitious target to create opportunities for up to one million young people to build skills and experience by 2020. We made a strong start in 2013/14, with 105,000<sup>1</sup> young people participating in Sky Academy initiatives in the year.



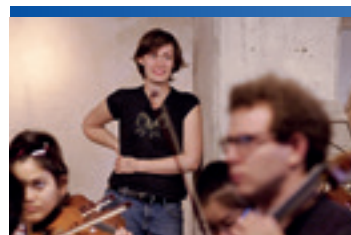
### Sky Academy Skills Studios

Over the past two years, we've welcomed over 20,000 young people to our purpose-built Sky Academy Skills Studios to use the latest technology to create their own news reports.



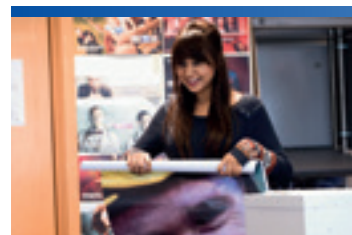
### Sky Sports Living for Sport

Over 95,000 students took part in a Sky Sports Living for Sport initiative, which also expanded into Ireland this year.



### Sky Academy Scholarships

We have helped more than 30 talented young artists and athletes with financial assistance and mentoring through Sky Academy arts and sports scholarships over the past two years.



### Sky Academy Starting Out

In the last year we reached almost 600 people starting out in their career through work experience and employment opportunities. We aim to double the number across the business over the next three years.

<sup>1</sup> Go to [sky.com/biggerpicture](http://sky.com/biggerpicture) to read more about how we calculate our total Sky Academy participation figure



Videos and more information about each initiative can be found at [sky.com/biggerpicture](http://sky.com/biggerpicture) and [sky.com/academy](http://sky.com/academy)

## Sky Sports Living for Sport Awards

In May, a live edition of the *Game Changers* TV programme celebrated the achievements of the young people and teachers involved in Sky Sports Living for Sport. Awards were presented by our ambassadors, David Beckham and Jessica Ennis Hill.



Our network of Sky volunteers play an active role, taking part at Sky Academy Skills Studios sessions and Sky Sports Living for Sports Community Games, as well as a range of local initiatives. In the year 10 per cent of employees volunteered their time to help make a difference.

### Partnership with British Cycling

Back in 2008 we started working with British Cycling with the aim of transforming cycling at all levels, from grassroots through to the elite.

The elite success of Team Sky delivered a British winner of the Tour de France for the second consecutive year in 2013, inspiring more people to ride. Through our Sky Ride initiative we're providing ways for people to get involved in cycling at a grassroots level. Working with British Cycling and partner councils we open up the streets of major cities across the country, encouraging people to ride around traffic-free streets with family and friends. Over 123,000 people participated in Sky Ride initiatives in 2013.

We have also introduced new ways to support and encourage people to stay on their bikes. For example, Ride Social helps people find like-minded cyclists in their area, allowing them to connect and arrange rides online.

### Sky Rainforest Rescue

Established in 2009, our campaign with WWF is working with communities and the government in Acre, north-west Brazil, where we're aiming to help save around three million hectares of forest – an area roughly the size of Belgium and home to one billion trees – from deforestation.

Working with WWF-Brazil, we're helping the community in Acre to identify new market opportunities for sustainable forest products like rubber, and enable local producers to get a fair price for their goods. As a result of the partnership, now in its fifth year, more than 1,500 families in Brazil have been recruited to take part in a voluntary land certification scheme to help give local people ways of making a living from the forest without cutting down trees. We're also engaging with governments and international bodies to address the causes of deforestation. This year, one year early, we reached our campaign fundraising target of £4 million, which Sky has matched to reach a total of over £8 million to support the project.

We hope that Sky Rainforest Rescue will become a model for tackling deforestation in other areas of the Amazon, as well as other rainforests around the world. According to new figures released by the Brazilian Environment Ministry, deforestation in Brazil rose by 28 per cent overall in the last year with Acre, the home of Sky Rainforest Rescue, being one of only three states that recorded a drop.

### Cycling stories

We've put together a set of inspiring video stories of transformation through cycling at:



[sky.com/cycling/stories](http://sky.com/cycling/stories)



Read more about how we are making a positive difference to society by visiting [sky.com/biggerpicture](http://sky.com/biggerpicture)

# Where to next

As a company, our success comes from a process of constant renewal, delivering great products and value to our customers, and building our reputation as a responsible business and a trusted brand. Going forward we will continue to grow and build on our existing initiatives.

As Sky grows as a business, so will the economic and social contribution that we make to the communities in which we live and work. We continue to invest in the best content, technology and service to ensure our customers continue to have a great experience of Sky.

In line with our Believe in Better ethos, and our responsible business commitments, we plan to continue to improve the environmental features of our products, whilst making them even easier to use by our customers, including those with disabilities.

Over the coming year we are launching a number of new initiatives. This includes expansion of Sky Academy Skills Studios to Livingston; the opening of a new bespoke building for staff development at our site in West London; and the launch of our brand new programme giving teenagers the opportunity to spend a day at Sky for a hands-on experience of the workplace. All of these initiatives will ensure Sky continues to contribute to a more sustainable society now and for the long term.



*Sky Believe in Better building under construction*



## Our progress

More detail on how we have progressed our strategy this year and our next steps is available at [sky.com/biggerpicture](https://sky.com/biggerpicture)

# Find out more about our latest initiatives

You can find more detailed information about how we're building a sustainable business on our website [sky.com/biggerpicture](http://sky.com/biggerpicture)

Let us know what you think

Follow us on Twitter

[@SkyBiggerPic](https://twitter.com/SkyBiggerPic)

Contact us at

[biggerpicture@bskyb.com](mailto:biggerpicture@bskyb.com)

## Strategy

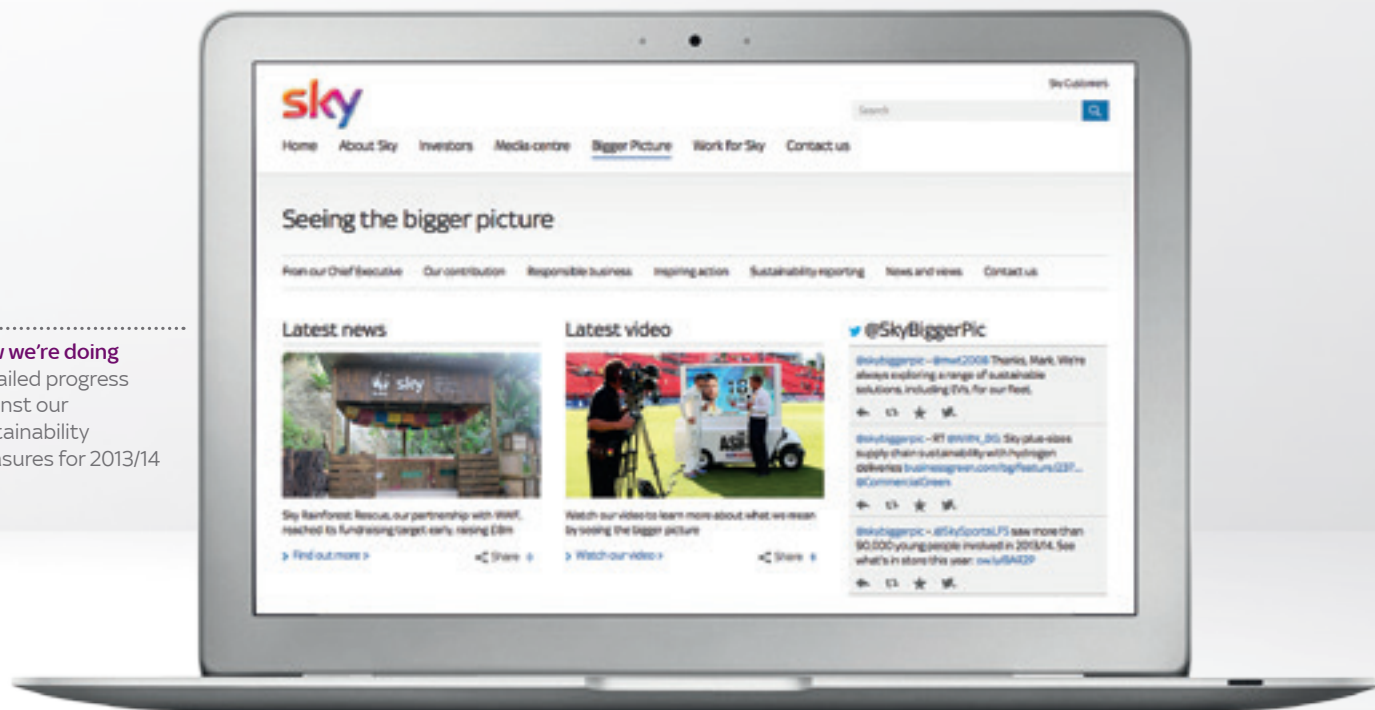
Further detail on what we mean by seeing the bigger picture and our three focus areas

## News and views

Talking about what is happening at Sky and beyond

## How we're doing

Detailed progress against our sustainability measures for 2013/14





Believe in better

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