

Seeing the bigger picture
Sky's approach to building a sustainable business
Summary Report 2013



SKY

Seeing the bigger picture

How we report

This Summary gives readers a snapshot of Sky's approach to building a better and more sustainable business, which we call seeing the bigger picture. It outlines our vision, initiatives and progress over 2012/13.

In addition to this and our Bigger Picture website, Sky has also published an Annual Report and an Annual Review for the 2012/13 year. These comprehensive documents describe Sky's business strategy and performance in detail. They are available to view or download online at sky.com/corporate

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Find out more

sky.com/biggerpicture

Our website is the hub for all of our sustainability work and contains further in-depth information about what we are doing, our targets and our progress over time.

Share your views

Comment and keep up-to-date with the latest from our blog posts and news sky.com/biggerpicture/newsandviews

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Explore now

Scan here to bring what we are doing to life



Highlights of the year



50,000

Visitors to Sky Arts Ignition: Doug Aitken
- The Source

1m

More people cycling regularly



1 in 3

UK secondary schools now taking part in Sky Sports Living for Sport

1,240

Families supported
on the ground in Brazil



From our Chief Executive



Jeremy Darroch, Chief Executive

At Sky, we understand that creating a business that endures for the long term means looking beyond our immediate commercial priorities to consider the impact that we can have on the wider communities in which we operate. We call this seeing the bigger picture and it is fundamental to Sky's success. We do this in three ways.

Firstly, we make a significant and growing economic and social contribution to Britain and Ireland. We provide valuable choice for customers in entertainment and communications, we are the biggest commercial supporter of the British and Irish creative industries and a long-term supporter of sport. As a successful company, we also contributed £5.9 billion to UK GDP, supported 121,000 jobs and generated £2.7 billion of tax revenues in the last year.

Secondly, we believe that commercial success goes hand in hand with acting responsibly. At Sky, our *Believe in better* ethos means a commitment to continual improvement. It also means

taking responsibility for our actions and being clear about the standards of behaviour that we expect from our people. That's why we think carefully about the way we go about doing business day to day.

Finally, we know we have an opportunity to make a wider impact. As an entertainment and communications company with a presence in over 11 million homes across Britain and Ireland, we are able to engage directly with our customers to inspire them to make a difference.

We have chosen to focus our energies on four areas that we're passionate about and where we believe we can have the greatest impact: using the power of sport to improve lives; opening up the arts and celebrating creativity; helping young people to develop new skills; and taking action to protect the environment.

In this Summary Report, you can find out about our progress. The results show we are making a difference. Over 60% of our customers are now aware of our initiatives. This positive response from our customers is matched by Sky people, who have got involved in cycling, raised funds for Sky Rainforest Rescue and volunteered to support our local communities through Sky Sports Living for Sport and at Sky Skills Studios.

I would like to thank everyone who has taken part, helping us to grow our contribution and build a better business for the long term.



-33%

Reduction in carbon intensity



<0.5W

Used by Sky+HD boxes in Eco mode



1st

Public WiFi provider blocking inappropriate content across 20,000 hotspots



9,500

Students through Sky Skills Studios



Lily Cole's Amazon Adventure, Sky Arts HD

Our vision for long-term success

At Sky we want to build a better business that is durable for the long term. We do this by growing our economic and social contribution; taking responsibility for doing the right thing in our day-to-day business; and reaching beyond our business to inspire people to take action, making a valuable contribution to a more sustainable society.

Our approach



1. Our contribution

We provide home entertainment and communications services that enrich people's lives and connect them with each other and to the wider world. We invest billions in the creative and sports industries, delivering high quality news, sport and entertainment programming, and we make a significant contribution to the British and Irish economies.

2. A responsible business

The most durable businesses understand that how they do business is as important as what they do. We are committed to being

a responsible business with high ethical, social and environmental standards that we put into practice through the decisions we take every day.

3. Inspiring action

As an entertainment and communications company in over 11 million homes across Britain and Ireland, we are reaching beyond our business to make a positive impact and a valuable contribution to a more sustainable society.

Our contribution as a growing business



800 new jobs in Ireland

In January 2013, we opened our new operations centre in Dublin, creating 800 new jobs. Part of our focus on top-quality customer service, it has provided a dedicated presence on the ground to support the growth of our Irish business, bringing more choice and competition to Irish customers.

An Taoiseach, Enda Kenny TD, said: "The television, information and communication services provided by companies like Sky have transformed how we learn, communicate and share information. It is an industry always on the move, working on the next innovation. That's why Ireland is a great location for digital-content providers and for companies looking to source highly-educated, highly-motivated workers."

Jeremy Darroch, Sky's Chief Executive with An Taoiseach, Enda Kenny TD in Dublin

Our contribution as a growing business continued



The Masters, Sky Sports 1

Long-term support in sport

We have contributed more than £15 billion over 22 years to help sports organisations build infrastructure and participation, as well as create more fans.



A Young Doctor's Notebook, Sky Arts HD

Investing in the creative industries

We are increasing our investment in UK commissioning and production, showing new comedy and drama such as *Stella* and *A Young Doctor's Notebook*.

We are proud of the positive social and economic contribution Sky makes to Britain and Ireland. Millions of people use our products and watch our TV channels every week and we help people get online in an easy and affordable way. This enriches their lives and gives them the opportunity to be better connected to each other and to society as a whole.

Improving our customers' lives

We have opened up choice in television, bringing customers a wide range of the best content from around the world. Our news service makes a vital contribution to media plurality in the UK, offering innovative, multimedia coverage 24 hours a day, enabling people to be better informed and more engaged with society.

Our products offer world-leading innovation, helping customers to manage their lives better by allowing them to watch TV and go online where, when and how they choose. Sky Go is now the world's leading multi-platform mobile TV service, with over 3.3 million quarterly unique customers over the past year.

We continue to bring competition to the home communications market and now have over 4.9 million broadband customers, having grown from a standing start in 2006.

Investing in the creative industries and sport

We are the leading commercial investor in the creative and sports industries in Britain and Ireland.

As well as building on our original comedy strand through returning shows like *Stella*, written by and starring Ruth Jones, and new comedies like Chris O'Dowd's *Moone Boy*, we also announced a major new commitment to British drama. *A Young Doctor's Notebook*, starring Jon Hamm and Daniel Radcliffe, helped to attract a record audience of over eight million to Sky Arts in December 2012. Overall, we are on track to meet our commitment to spend £600 million a year on UK commissioning and production by the end of 2014.

We have also worked with hundreds of production companies, providing a platform for their creativity and helping them grow their own businesses.

Our satellite distribution platform is now in more than 40% of British and Irish homes, enabling many other broadcasters to reach an audience and build their business. We have been a global pioneer of new technologies like digital, HD and 3D TV.

We are a long-term supporter of sport at all levels, contributing over £15 billion to British and Irish sports organisations over the last 22 years. This has helped create more fans for a wide range of different sports and enabled sports bodies to improve performance, commercial value, participation and infrastructure at all levels.

We do all of this because it creates value for our business, not because we are obliged to by public service obligation or regulation. And in doing so, we create significant value for society as a whole.

Contribution to the UK economy

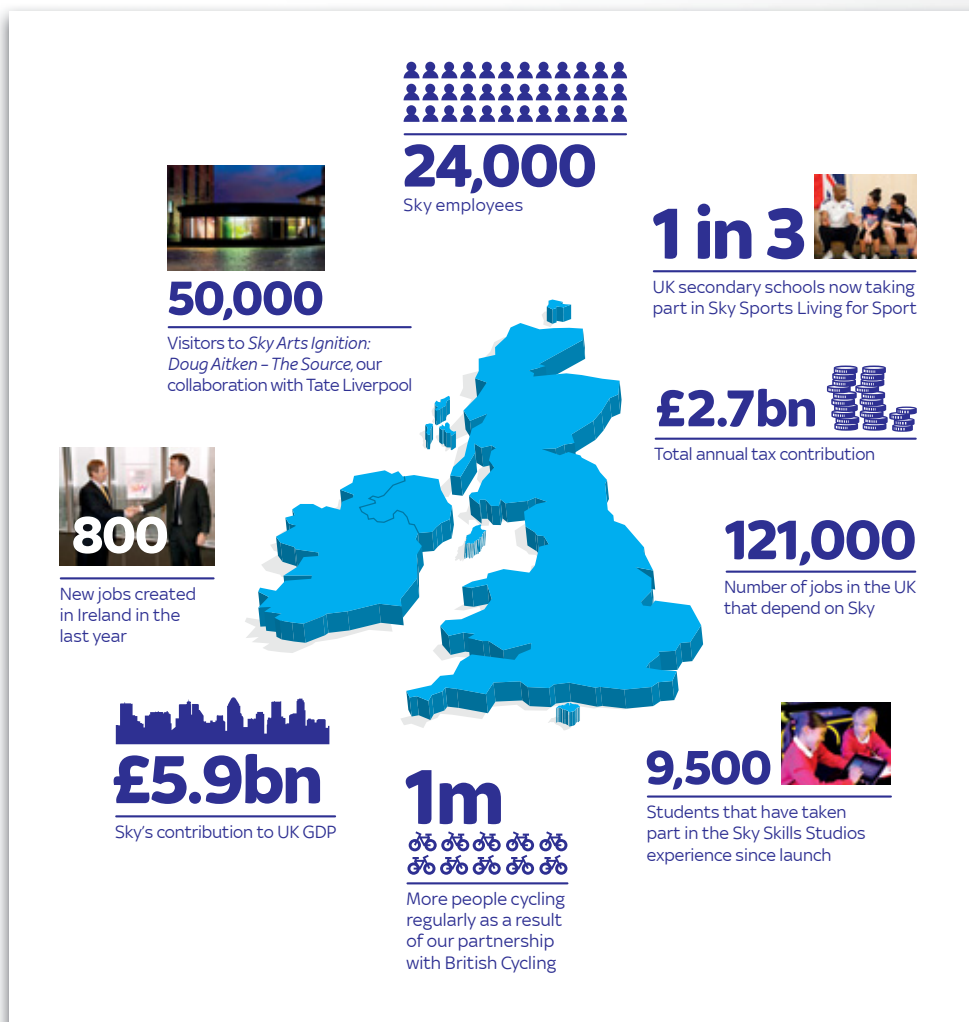
Sky makes a significant contribution to UK GDP, estimated in a study by Oxford Economics to be £5.9 billion over the past year. Seventy-six per cent of our revenue is retained in the UK, where we also work with over 6,600 different suppliers.

With over 24,000 people, we are now one of the country's biggest employers. Our impact on the wider economy has become increasingly significant, with 121,000 jobs dependent on Sky across the UK in the past year. We are investing in the skills we need for the future and now have over 3,700 people in creative and production roles and 3,800 in technology.

Sky generated a £2.7 billion contribution to tax revenues in the last year, equivalent to £43 for every person in the UK and our direct tax contribution was £1.3 billion.

Our contribution

Sky has grown rapidly since its launch in 1989. As our business has grown, so too has the economic and social contribution that we make to Britain and Ireland.



Find out more

For more examples of what we do to make a positive contribution to the UK, visit sky.com/biggerpicture

A responsible business day to day

Doing the right thing

Our commitment to doing the right thing is set out in Sky's Ways of Working, which is our code of conduct that all employees are expected to adhere to. It sets out our values as a business and defines our commitment to our customers, colleagues, shareholders, business partners and the broader community. It is available on our website at sky.com/biggerpicture

Acting responsibly and being successful commercially go hand in hand. Millions of homes across Britain and Ireland choose Sky. They have high expectations of us, trusting us to do the right thing. Our high ethical, social and environmental standards are essential to maintaining that trust and underpin the decisions we take every day.

Customers and viewers

We maintain high editorial standards on our TV channels and online services. This year, we published our Sky News editorial guidelines to help with decision-making in sensitive or difficult situations.

We take our responsibilities seriously as a major advertiser and media owner. We follow the relevant industry codes, both for our own advertising, and the advertising we carry from others on our services.

We champion diversity on screen, aiming to reflect the diverse make up of our customer base in our programmes.

We help parents to keep their children safe on our TV platform and online, providing them with effective and easy to use tools like the ability to set a bespoke watershed, filter age-inappropriate content and restrict access to specific channels or websites altogether.

We make our products and services accessible to everyone, including those with disabilities, and we provide subtitling and audio description on our TV channels.

We make sure our customers' personal information is kept confidential and secure, and is only used for clearly communicated, authorised purposes.

Business partners

We develop collaborative relationships with our suppliers based on mutual improvement. We assess their commitment to better social and environmental standards using our Responsible Sourcing Principles and we support them to improve the production and delivery of the programmes, products and services we purchase.

This year we progressed our programme to audit our key strategic suppliers. We undertook a large, independent audit of one of the manufacturers we work with in China and were satisfied with the results of this.

We work alongside our production companies to help improve diversity in the creative industry, increasing sign up to our Creative Diversity Network Pledge to 84% this year.

Government and the media

We comply with all laws and regulations that apply to our business and have well established functions across Sky to ensure compliance. Because we want external stakeholders to understand our business and our contribution, we engage in open and honest dialogue with regulators, government and media.



Keeping children safe online

This year has seen our customers connect their Sky+HD boxes to the internet in record numbers with over 25% of homes now connected resulting in an average of over 6.2 million weekly On Demand downloads. Our customers are able to use the market-leading parental controls on the Sky+HD set-top box to keep their families safe.

In 2012, Sky became the first public WiFi provider to block inappropriate content by default across 20,000 hotspots. Earlier this year, we also announced new broadband filtering for all our devices within our customers' homes that will be ready to implement in Autumn 2013. By pre-ticking the default settings, we've made it easier for parents to protect their families.

We know that technology can't provide all the answers, and education is a key component in internet safety. So we've worked with teachers to develop a special module on cyber bullying and social networking as part of our state-of-the-art Sky Skills Studios experience. Over 1,600 young people have researched and created their own Sky News report on using the internet safely, taking it home to share with friends and family.

The improvements we've made have been guided by the partnerships we have with leading child safety organisations, such as the Internet Watch Foundation and Childnet.

"Sky understands the critical role that education plays in ensuring safe internet use, and has also made a strong commitment by offering tools that help its customers protect their families both in and out of the home."

Will Gardner, Chief Executive, Childnet

A responsible business day to day continued



On the set of *Trollied*, Sky 1 HD

Our business partners

Roughcut TV is just one of our suppliers who have measured the environmental impact of productions they work on for Sky. On the set of *Trollied*, energy-efficient lighting, recycling and sustainable sourcing are all making a positive difference.



Our people

"What excited me about this one was the two year programme that has given me the chance to be at the forefront of cutting edge technology and a career where I'll hopefully be running things one day!" Priscilla Ossai, Technology apprentice, Sky

Find out more

For more examples of what we do to be a responsible business day to day, visit sky.com/biggerpicture

Our people

Because our people are critical to our success, we want to attract the best people to Sky and create a culture where they can do their best work and fulfil their potential.

As well as creating career development through internal job moves, we provide opportunities for employees to build their experience and skills through a wide range of development and skills training. Over the past year, we have delivered over 104,000 training days across the business. We have also invested even more in multi-skill training for our customer service staff so that they are equipped to deal with queries about all of our products.

We have strengthened our opportunities for young people, with over 500 taking part in our work experience and work placement initiatives. Through our partnership with the MAMA Youth Project, we have enabled young people from disadvantaged backgrounds to gain hands-on media industry experience through paid placements with production companies working on Sky commissions.

The environment

We understand the importance of minimising our environmental impact and taking a leadership position in the business community. We have set out a series of bold environment targets and commitments, which are resulting in fewer environmental impacts and better, more sustainable products.

We are on track to meet our new target of halving our emissions relative to revenue by 2020, reducing our carbon intensity by 33% against the baseline we set in 2008/09 as a result of our long-term investments in low carbon and renewable energy technologies across all our sites.

We have further improved the environmental sustainability of our products, measuring ourselves against a set of ambitious objectives and commitments, which we review and update each year. Our new Sky+HD boxes have an Eco mode function that automatically puts them into passive standby, using less than 0.5W. We're designing energy efficiency into all our products, including our new energy-smart Sky Hub router, that consumes less power when it's not being actively used and returns to full power as soon as customers go online.

Shareholders

We take seriously our responsibilities as a major British business listed on the London Stock Exchange, maintaining high standards of corporate governance and taking steps to ensure our communications with investors are clear, open and timely. Our Board oversees the alignment of the company's strategy with the interests of our investors and takes account of the interests of our stakeholders.

Inspiring action beyond our business

Using sport to improve lives

Wayne Instrell of Bedford Academy, was named the Sky Sports Living for Sport Student of the Year for 2012. Sky Sports Living for Sport gave Wayne something to focus on when he was having a tough time. Despite not being able to swim and being frightened of water, Wayne was given the chance to take part in a swimming project. Through his hard work and dedication, he learnt to swim and built new-found confidence. This translated to the classroom where he turned things around and is now making great progress. On presenting him his award, Darren Campbell, ambassador, said "My heartfelt congratulations to Wayne, his story stood out as a shining example of the power of sport to change lives and he is an extremely worthy winner".

"People look at my career and find that inspiring. When I look at Wayne and listen to him talk, that's more inspiring than anything personally I've been through."

David Beckham, Sky ambassador

sky SPORTS
LIVING FOR SPORT

Inspiring action beyond our business continued



Rubber tapping with Lily Cole in the Amazon

Valuing the rainforest

The Amazon rainforest is an irreplaceable habitat. Home to one in ten of all the wild species on earth, it provides us with everyday items like coffee, nuts, timber and life-saving medicines. It plays a central role in helping regulate the earth's climate, controlling levels of carbon dioxide, oxygen and rainfall. That's why tackling deforestation in the Amazon must be an important part of how we fight global warming.

Model and environmentalist Lily Cole helped launch our Sky Rainforest Rescue campaign back in 2009 and in 2012 made her first journey to see the Brazilian Amazon first-hand. A short film capturing Lily's journey aired on Sky 1 HD in March 2013 as part of our regular rainforest programming weeks on Sky.

In May, she launched an exclusive collection of jewellery made from wild Amazon rubber. Produced by the Parque das Ciganas community located deep in the Sky Rainforest Rescue project area in Acre, Brazil, the jewellery has helped engage even more people in the issue of tropical deforestation.

"I want to live in the rainforest for the rest of my life and I want my children to be able to do the same which is why it is so important that we can make a living from it. The conservation of the Amazon is very important and I want people all over the world to know about this."

Maria Andreia, Amazon rubber producer

As an entertainment and communications company in over 11 million homes across Britain and Ireland, we have an opportunity to reach beyond our business and make an even greater positive impact and a valuable contribution to a more sustainable society. We choose to focus on four areas that we're passionate about, where we believe Sky can make a difference and we can inspire people to take action.

Improving lives through sport

Sport is at the heart of what we do and we believe in its power to improve lives. Since launch, we have invested more than £15 billion in sports rights and that has helped fund improvements in sporting infrastructure and stadium training facilities and get people watching and playing. To do even more, we work with our partners off screen, using our reach and the power of the Sky Sports brand to inspire more people to get involved.

Sky Sports Living for Sport

Our national schools-based programme, in partnership with the Youth Sport Trust, uses sports stars and sports skills to help raise the aspirations and improve the life skills of young people. Now in its tenth year, 1,500, or one third, of all secondary schools across the UK participated this academic year and we launched in Ireland. Over 30,000 students benefited from the programme this year alone.

Sky Sports Scholarships

Our mentoring and sponsorship programme supported 11 of Britain and Ireland's most exciting emerging athletes, helping them to achieve international success at the World Championships, European Championships and London 2012.

Cycling

Our ground-breaking partnership with British Cycling, continues to get even more people on their bikes. The elite success of Team Sky and the GB cycling team combined with our grassroots Sky Ride initiatives, has resulted in over one million more people cycling regularly.

Taking action to protect the environment

Because we recognise that climate change is one of the world's biggest challenges, we understand that we have a responsibility to take action. As well as minimising the environmental impact of our operations and our products, we are going even further, working together with our 11 million customers to inspire them to take action, joining with us to help tackle climate change.

Sky Rainforest Rescue is our partnership with WWF and the State Government of Acre in Brazil to help save one billion trees in the Amazon rainforest and protect the region's rich natural diversity. This year, we've made great progress towards our goal to raise another £2 million by 2015, having already raised £4 million in the first phase of the campaign. We've built awareness of the threat of tropical deforestation across

Britain and Ireland and worked with over 1,200 families on the ground in Brazil to help ensure the forest is worth more alive than dead.

Opening up the arts

We believe in championing creativity and opening up the arts to more people. This is why Sky Arts broadcasts 48 hours of arts programmes a day, covering all areas of the arts from classical to rock concerts. But we go further than this, supporting the arts on the ground by working with the artistic community to help create new works of art today and develop new talent for tomorrow.

Sky Arts Ignition

Our series of partnerships with leading arts organisations across Britain and Ireland is supporting the creation of innovative new art works. In September 2012 we launched an award-winning first collaboration with Tate Liverpool to create *Sky Arts Ignition: Doug Aitken - The Source*, an outdoor installation exploring the roots of creativity which was visited by almost 50,000 people.

Sky Arts Futures Fund

A £30,000 bursary together with support and mentoring from senior Sky staff and arts industry experts is boosting the careers of five emerging young artists each year. Since launching the fund, we have supported ten young artists and in

2013, audiences have experienced successful projects, such as *L'Orfeo* by Silent Opera Director Daisy Evans and Felix Mortimer's *The Trial*.

Helping young people build skills

We know that future success, not just for Sky, but also for society as a whole, depends on equipping young people with the skills they need for a changing world. We are opening up Sky to more young people, raising their aspirations and helping them learn valuable new skills.

Sky Skills Studios

Opened in September 2012, Sky Skills Studios is our dedicated facility offering a free learning experience, that takes schools behind the scenes at Sky. Linked to the curriculum, it helps students to build life skills, working with our latest technology to make their own television report on subjects they're studying at school. We are on track to meet our target of 12,000 young people in the first academic year, with over 9,500 taking part since it opened.

Sky Skills Local

We invest in long-term relationships with local schools and young people near our campuses in Hounslow, Scotland and Leeds to help build life skills. Our network of Sky volunteers plays an active role in our local communities, with almost 1,700 volunteering their time to help make a difference in 2013.



In Sky Skills Studios in West London

Sky Skills Studios

"Sky Skills Studios is a great example of learning outside the classroom. I saw different sides to some of the pupils which will really aid their development back in the classroom", Ashcroft Academy teacher, Sue Bryer.



Author Hari Kunzru at Sky Arts Ignition: Memory Palace

Sky Arts Ignition: Memory Palace

In June 2013 we worked with the V&A to bring *Sky Arts Ignition: Memory Palace* to life, a unique exhibition based on the power of memory, supported by an exclusive documentary airing on Sky Arts, and a digital Memory Bank at sky.com/memorypalace for the public to share their memories.

Find out more

Read more about how we are making a positive difference to society by visiting sky.com/biggerpicture

Our approach to sustainability

For us, sustainability is about building a durable business that creates long-term commercial value and contributes to a better society. When we are developing our sustainability strategy we take into account the views of our stakeholders, we assess the material risks to our business, and we identify the opportunities we have as a leading media and communications company to make a positive difference.

What our people and our stakeholders think

We have a well-established, comprehensive approach to engaging with our stakeholders.

Our annual opinion former interviews with investors, policy makers, 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.

Over the past year, we have increased the frequency of the customer research we do to measure the value of our Bigger Picture initiatives. Now quarterly, this gives us insight into the levels of awareness that customers have of our campaigns and the action they are taking in response to the messages we're communicating. Customer research also helps us understand the value our initiatives are delivering to our brand.

In addition, we seek feedback from our staff, assessing their awareness of and participation in our Bigger Picture initiatives over each year.



"They provide me with a reliable service and protect my data and privacy."
Sky customer

"I think they have a voice that they can use in various styles and outlets, whether it's in news and documentary type things, or even more fictional programming."
Environment NGO

"Sky Skills Studios is a fantastic initiative. The enthusiasm of the students to use the technology there to make their own TV report helped to spark their learning about environmental issues and to improve their teamwork."
Rosemary Gilbert,
St Paul's CE Primary School



"Good to see a CEO of a company like Sky prepared to be counted on this element of strategy."
Opinion former feedback on Sky's Chief Executive interview at Green Mondays

"Sky has had a leading approach to accessibility for many years. It's clear they value their blind and partially-sighted customers."
Lesley-Anne Alexander, CBE, RNIB
(Royal National Institute of Blind People)

"Does investing in social value also drive company value? <http://bit.ly/12iwHIB> ... via @SkyBiggerPic Great article #addvalue" @DundasCity, JCP

"Sky has shown a strong commitment to the Carbon Disclosure Project since 2007, demonstrating an understanding of environmental management, their climate-related risks, opportunities and carbon emissions throughout their business."
Frances Way, Co-Chief Operating Officer,
Carbon Disclosure Project

"Sky Arts Ignition has enabled Tate Liverpool to commission a major new artwork of international significance. The access to Sky Arts' platforms helped the project to develop in exciting ways and gain the kind of exposure that is often out of reach for arts organisations."
Andrea Nixon, Executive Director,
Tate Liverpool

Our approach to materiality

We look through the lens of opportunity as well as risk to help define our approach to sustainability. We identify the issues that we focus on by listening to the views of our stakeholders and considering the importance of the topics they raise in relation to the role of the wider media sector and what Sky does in particular.

Managing risk

The material issues that we focus on help us to improve our processes for managing short and long-term risk in our business.

In order to retain the trust of our customers, we manage their personal information with care, keeping it safe and secure. We think it is important that parents have the tools to keep their children safe online.

Our investment to build Europe's most sustainable broadcasting facility, Sky Studios, has helped us reduce our long-term costs through efficient use of energy, reducing our reliance on fossil fuels.

Maximising opportunities

We aim to turn the risks we identify into opportunities that create value for our customers and for our business. Sky Studios has provided our people with a great place to work. Our 80-strong Accessible Customer Service team make it easy for all our customers to enjoy our products, no matter what their disability. Our new Sky+HD boxes are now 30% more energy efficient – equivalent to over 90,000 tonnes of carbon dioxide a year and £20 million worth of savings for customers on their energy bills.

To do even more, we are extending our reach beyond our business, using our abilities as a media and communications company to inspire our customers to take action, making a difference through our focus on sport, arts, skills and the environment.

Find out more

Read more about our approach to sustainability at sky.com/biggerpicture



The People's Rainforest, Sky 1 HD

Debating emerging issues

In 2012, we worked with Forum for the Future, undertaking a series of in-depth interviews with leading thinkers in sustainability in our sector to help us shape our long-term approach and to talk with them about the challenges we are facing.

The feedback showed we are meeting their expectations of us as a responsible business by focusing on issues like child safety online, protecting customers' data and reducing environmental impacts. They agreed that we can help to create a better future by playing to our strengths, leveraging our expertise to reach beyond our business to inspire people to take action. Of interest to us was the focus of those interviewed about skills gaps in the economy and the role that business can play to address this.

Another of the emerging themes from these interviews was the particular contribution that media and communications companies can make to a more sustainable future by informing and inspiring people. We currently do this through, for example, our Sky Rainforest Rescue programming weeks and the Sky News campaign to have cameras in court.

We contributed to the recently-published *Mirrors or Movers Report*, produced by the Media CSR Forum, which sets out a framework for thinking about the role that television content can play in society. We will continue to add to this discussion in our industry over the coming year.

How we are doing 2012/13

£1.2bn

Total tax contribution

33%

Reduction in
carbon intensity

1m

More people
cycling regularly

We made good progress across all of our focus areas in 2012/13. We improved our score in the 2012 Dow Jones Sustainability Index once again, and have been recognised as one of the leading global companies in our sector.

Our contribution

We continue to make a significant contribution to UK GDP, increasing our investment by 7% to £5.9 billion from £5.3 billion in 2011. We are supporting 121,000 jobs in Britain and Ireland. We are on track to meet our commitment to spend £600 million a year on UK production and commissioning by the end of 2014.

Responsible business

We are realising the gains made from our long-term investment in renewable and low-carbon sources of energy. We have reduced our carbon intensity by 33% against our 2008/09 baseline while holding our absolute carbon emissions stable at 100,045 tonnes. We achieved a reduction in total waste but had a small increase in waste sent to landfill due to improved reporting at our Scottish sites and our move to an integrated service provider. Our new management practices mean we are on track to meet our 2020 target.

We are making our services accessible, continuing to meet or exceed the requirements for subtitling and audio description. Eighty-four per cent of suppliers are signed up to the Creative Diversity Network Pledge, a key step toward helping to improve diversity in our industry.

This year we developed the processes for assessing 100% of our strategic suppliers against our Responsible Sourcing Questionnaire, commencing our assessments. We contracted with a new strategic supplier, taking additional steps to ensure compliance with our Questionnaire by conducting on-site audits with an independent third party auditor. While we are currently at 6% of our target, we have implemented a series of actions to make sure we meet it in December 2013.

During the year, 9% of our people volunteered, slightly short of our target of 10%. We are re-aligning our approach, supporting communities local to Sky through our sports and skills initiatives, and expect to meet our target next year.

Employee engagement remains very strong at 94%. This is 11% above the Towers Watson norm for large UK companies.

We provide training for all our people at Sky and have been focusing on online delivery so that all our staff can access it. There were over 160,000 hours of e-learning this year, an increase of more than 90%. We completed the additional programme for our Customer Service staff so our training days have reduced in comparison to last year.

Increasing the diversity of our workforce is one of our focus areas. Women working at Sky have increased from 7,208 to 7,633 over the past year. As a percentage this represents a small reduction, due to rapid growth in teams where there is a greater proportion of men, such as door-to-door sales.

Inspiring action

In October 2012, we reached our target of over one million more people cycling regularly. We evolved our participation strategy, holding fewer organised rides and enabling people to establish their own Social Cycling Groups, so that we can build cycling participation for the long term.

Now in its tenth year, Sky Sports Living for Sport continues to raise the aspirations and build the life skills of young people. Over a third of all UK secondary schools took part in the year, with teachers reporting improvements in self-confidence in 96% of those who participated.

The first of our Sky Arts Ignition projects showed the power of new works in opening up the arts to more people, with almost 50,000 attending *Sky Arts Ignition: Doug Aitken – The Source* and over 4,000 taking part in the experiential activity at Tate Liverpool. We chose five more young artists for our Sky Arts Futures Fund from 839 applications.

We are on track to meet our 2012/13 target of 12,000 young people taking part in Sky Skills Studios, with over 9,500 attending by the end of June. We have research underway that will show the effect of the experience on building life skills for these students.

Sky Rainforest Rescue continues to raise awareness about why it is important to prevent deforestation of the rainforest amongst UK audiences. We have helped over 1,200 families in our project area in Acre and, with Sky match-funding customers donations pound for pound, brought the amount raised so far to over £6 million.

Data

This table provides a summary of our progress over the past three years. For in-depth commentary, visit the How we are doing section of our Bigger Picture website at sky.com/biggerpicture

		Target	2010/11	2011/12	2012/13	Progress
OUR CONTRIBUTION						
Creative industries						
British programming	Invest £600m in original British programming by the end of 2014 (£m, estimated)	600	380	-	-	+
UK economy						
Number of employees	Total number of employees (full time equivalents)	-	16,006	17,937	19,413	-
Tax contribution	Total tax contribution (£m) ⁽¹⁾	-	973	1,086	1,204	-
Contribution to UK GDP	Total contribution to UK GDP (£m) ⁽²⁾	-	-	5,320	5,855	-
RESPONSIBLE BUSINESS						
Customers						
Access service provision	Subtitling services across Sky News, Sky 1, Sky Sports 1, Sky Sports News, Sky Movies Premier against Ofcom requirements (%)	70	68	74	73	✓
	Audio description services across Sky 1, Sky Sports 1, Sky Movies Premier against Ofcom requirements (%)	10	27	26	21	✓
People						
Engagement	Engagement score for Sky staff (%) ⁽³⁾	-	86	87	94	-
Training	Total training provided to Sky employees (days)	-	112,000	118,056	104,678	-
Employee diversity	Female employees (#) (%)	-	5,699 (32)	7,208 (37)	7,633 (36)	-
	Black and ethnic minority employees (%)	-	12	13	14	-
	Disabled employees (%)	-	2	3	3	-
Health, safety and wellbeing	Accident rate (per 100,000 hours worked)	-	0.41	0.26	0.20	-
Business partners						
Responsible suppliers	Strategic suppliers assessed against Sky's Responsible Sourcing Questionnaire (%) ⁽⁴⁾	100	-	-	6	+
Diversity and inclusion	Independent production companies signed up to the Creative Diversity Network Pledge (%)	100	-	69	84	+
Environmental impact						
Emissions intensity	Reduction in gross CO ₂ e emissions relative to revenue (%) ⁽⁵⁾	-50	-21	-29	-33	+
On-site renewable energy	Energy obtained from owned or controlled renewables at Sky-owned sites (%) ⁽⁵⁾	20	-	2	6	+
Fleet efficiency	Increase in fleet fuel efficiency (%) ⁽⁶⁾	15	-	-	5	+
Business travel emissions	Reduction in CO ₂ e emissions per full time equivalent from employee business travel (%) ⁽⁵⁾	-20	9	-8	-18	+
Waste	Waste sent to landfill from our main offices (%) ⁽⁵⁾	0	8	4	7	+
Sustainable products	Improve the sustainability of our products year on year ⁽⁷⁾	-	-	-	✓	✓
Products reuse and recycling	Reuse or recycling of all Sky products returned to Sky ⁽⁵⁾	100	-	-	*	+
Community						
Volunteering	Sky employees volunteering per year (%) ⁽⁸⁾	10	14	10	9	✗
Payroll giving	Sky employees signed up to payroll giving per year (%) ⁽⁹⁾	5	4	5	5	✓
Match funding	Sky employees fundraising for charity and applying for match funding per year (%) ⁽⁹⁾	5	1	2	3	✗
Community contribution	Total community contribution (£m) ⁽¹⁰⁾	-	11.3	14.7	16.5	-

Independently assured by Deloitte LLP for 2012/13

Independently verified by Corporate Citizenship

Key

Achieved Not achieved On track

Find out more

Visit our website sky.com/biggerpicture

Data

We have used the GRI 3.1 Media Sector Supplement to guide our reporting. This, along with the 2012/13 Assurance Statement from Deloitte LLP, can be found in the How we are doing section of our Bigger Picture website at sky.com/biggerpicture

		Target	2010/11	2011/12	2012/13	Progress
INSPIRING ACTION						
Sport						
Cycling	New people cycling regularly (cumulative #) ⁽¹⁾ ✓	1m	376,000	688,000	1,150,000	✓
Sky Sports Living for Sport	UK schools participating in Sky Sports Living for Sport projects per year (#) ✓	1,500	376	866	1,517	✓
	Participants showing improvements in self confidence and attitudes to learning (%) ⁽¹²⁾ ✓	-	87; 83	-	96; 90	-
Arts						
Sky Arts Ignition	People visiting <i>Sky Arts Ignition: Doug Aitken - The Source</i> at Tate Liverpool (#) ✓	42,000	-	-	49,543	✓
Sky Arts Futures Fund	Applications received for Sky Arts Futures Fund (#) ✓	-	-	1,529	839	-
Skills						
Sky Skills Studios	Students through Sky Skills Studios (#) ⁽¹³⁾ ✓	12,000	-	-	9,588	+
Sky Rainforest Rescue						
Donations	Donations for Sky Rainforest Rescue (£) ⁽¹⁴⁾ ✓	4m	790,000	2,000,000	3,127,412	+
Families helped on the ground	Number of families registered into the Land Certification Scheme (#) ✓	1,250	-	-	1,241	+
Schools	Students engaged in 'I Love Amazon Week' (#) ⁽¹⁵⁾ ✓	30,000	-	-	12,529	+

✓ Independently assured by Deloitte LLP for 2012/13

Key

✓ Achieved ✗ Not achieved + On track

Notes

- (1) Calculated on a cash basis and include continuing and discontinued operations as well as tax on exceptional items
- (2) The economic impact of BSkyB in the UK: Update. Oxford Economics, July 2013
- (3) Average percentage across three staff surveys in 2012/13
- (4) By December 2013; target defined and set in 2011/12; strategic suppliers are those in Sky's Supply Chain Operations; see page 14 for commentary on performance
- (5) By 2020 compared to 2008/09 baseline year
- (6) By 2020 compared to 2011/12 baseline
- (7) Assessed against our Charter of Commitments every year until 2020
- (8) Target based on 10% of total FTE at beginning of the financial year; see page 14 for commentary on performance
- (9) Target based on 5% of total FTE at beginning of the financial year
- (10) Using London Benchmarking Group model
- (11) By 2013, commencing in 2009
- (12) As reported by the lead teacher; survey carried out every two years
- (13) From September 2012 until 30 June 2013
- (14) In three years, commencing October 2009
- (15) By July 2015, commencing in 2013
- ✓ On track against our 2012/13 Charter of Commitments
- ★ Established management processes to enable assurance in 2013/14

Where to next

As a company, our success comes from constant renewal, delivering outstanding products and value to our customers and building our reputation as a responsible business with a trusted brand.

We believe we are well-positioned to continue to contribute to a more sustainable society through the positive social impact we can have and over the coming year we want to do even more.



Our latest initiatives

You can find more detailed information about our approach to building a sustainable business on our website sky.com/biggerpicture



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