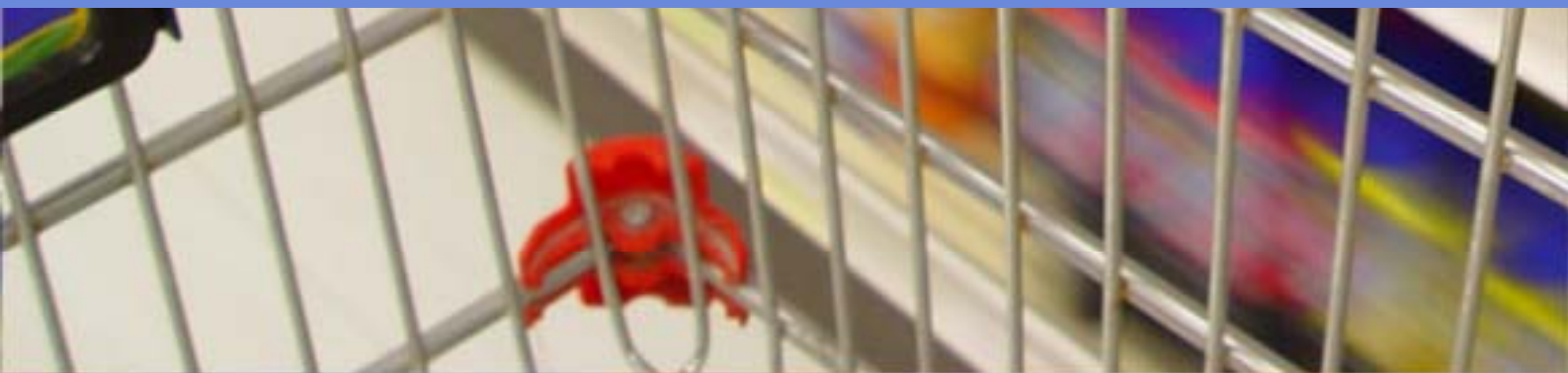




CORPORATE RESPONSIBILITY MATTERS

Corporate Responsibility Report 2009/10

Cable&Wireless
Worldwide



A photograph of a large warehouse interior. The scene is filled with tall, industrial shelving units (pallet racks) that stretch into the distance. The shelves are densely packed with cardboard boxes, many of which are wrapped in clear plastic. The lighting is bright, likely from overhead industrial fixtures, creating a sense of depth and scale. The perspective is from a low angle, looking down a long aisle between the racks.

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CEO STATEMENT

We're proud to have signed the Copenhagen Communiqué on Climate Change last year. This document sets out the business case for a strong and effective UN climate framework and also the tone of things to come.

We're taking the necessary steps to make this business sustainable, because it matters. It matters to our customers, to our colleagues, and to me.

We made some noticeable achievements in the last year alone, such as recycling 68% of our office waste against a 54% target and expanding our Managed Video Conferencing solution globally, offering a real alternative to business travel and achieving serious CO₂ reductions.

We've set a target to deliver 200kWh savings between April 2010 and 2020, reduce our carbon emissions by 80% by 2050 and to reduce water consumption by 27.5% by 2020.

Our biggest triumphs, however, have been made by colleagues, thanks to real passion within the business.

Everyday, colleagues are doing charity work for causes close to their hearts, and we've achieved a bronze Charities Aid Foundation Award, cementing our commitment to the good causes we care about.

I'd like to say a big thank you to everyone, who has given their spare time and invested energy in getting us to the place we are today.

There is still much to do, but I look forward to the next stage of the journey and I know we have the perfect blend of business awareness and colleague dedication to get us there.



Jim Marsh
Chief Executive Officer

**2009 / 2010
HIGHLIGHTS**

OFFICE WASTE RECYCLED

68%

CHARITIES AID FOUNDATION AWARD

BRONZE

ELECTRICITY USAGE REDUCTION

23M KWH

COMMUNITY

'WE RECOGNISE THAT AS A GLOBAL BUSINESS WITH EXTENSIVE HUMAN AND TECHNOLOGICAL RESOURCES, OUR SUPPORT CAN MAKE A SIGNIFICANT DIFFERENCE TO MANY LIVES AND SOCIAL CAUSES.'

INTERNATIONAL PARTNERSHIPS

C&W Worldwide has been a charitable partner to Telecom San Frontier (TSF) for eight years. TSF sent teams to support the relief efforts after the Philippine typhoon and the Sumatran earthquake in September and October of 2009, all in the space of a few days.

Offering free national and international calls to those affected, TSF made the world of difference. Some people lost everything in the disasters, some could not charge their mobile phones because of electricity cuts and many people simply did not have any money to credit their phone for international calls. The free calls provided by TSF let those affected get news to their families and to request assistance.

Most recently, the team has been called upon again to make its fifth visit to Haiti, in order to support the relief efforts there following the earthquake in January.

INDIA

Christel House established its first learning centre in Bangalore in 2001 with the vision of helping children with under privileged backgrounds break the cycle of poverty and become self-sufficient, contributing members of their society.

C&W Worldwide sponsors their computer lab and we're the prime sponsors for the students IT education.

NATIONAL PARTNERSHIPS - UK

Children in Need: The 'Radio 2 Children in Need' appeal is a great example of colleagues volunteering their technical expertise and time to provide the phone lines and take calls from donors. Over 600 colleague hours have been donated to this cause annually for the last seven years in the UK.

Get Safe Online: We contribute funding to the Get Safe Online Initiative, which is a joint initiative with the Government, the Serious Organised Crime Agency (SOCA) and organisations from industry in an effort to protect individuals and businesses from the risks of online crime by promoting awareness.

Internet Watch Foundation: THUS Limited, a business of C&W Worldwide is a member of the Internet Watch Foundation (IWF). The IWF was established in 1996 by the internet industry to provide the UK internet hotline for public and IT professionals to report criminal content online in a secure and confidential way. The IWF works in partnership with the online industry, law enforcement, Government and international partners to minimise the availability of this content.

'WE RECOGNISE THAT AS A GLOBAL COMPANY WITH EXTENSIVE RESOURCES, OUR SUPPORT CAN MAKE A SIGNIFICANT DIFFERENCE TO MANY LIVES AND BENEFIT SMALL AND LARGE SOCIAL CAUSES'

WORKPLACE

‘WE WANT TO CREATE A WORKING ENVIRONMENT WHERE COLLEAGUES ARE MOTIVATED THROUGH FEELING VALUED, INFORMED AND INVOLVED IN COMPANY ACTIVITIES. WE UPHOLD FUNDAMENTAL HUMAN RIGHTS AND RESPECT CULTURES, CUSTOMS AND VALUES IN DEALING WITH COLLEAGUES AND OTHERS WHO ARE AFFECTED BY OUR ACTIVITIES.’

A SAFE PLACE TO WORK

With more than 6,000 colleagues in the business working throughout the world, maintaining and improving health and safety is a priority for us. Health and safety standards can be complex and vary between countries. So, we were proud to be the first telecommunications company to assist our partners, the Royal Society for the Prevention of Accidents (RoSPA) and National Examination Board for Occupational Safety and Health (NEBOSH) with the International Working Safely course, this aims to provide colleagues with an overall awareness of the health and safety standards and legislation in their respective countries. Organisations such as RoSPA and NEBOSH are internationally recognised leaders in their field of expertise and we welcomed the opportunity to be involved.

We were externally audited for the Achilles Verify accreditation again this year, which is a requirement of our major utilities customers. The audit includes a review of the management system and also an assessment of how it is implemented and this year was measured against the requirements of OHSAS18001 and ISO14001. The successful audit involved coordinated input from colleagues in health and safety, environment and facilities.

In addition, C&W Worldwide was **awarded the RoSPA Gold Award** for Occupational Health and Safety, reflecting our continuing commitment to protecting the health and well-being of our colleagues and others.

In 2009, out of more than **6,000** colleagues in the business, eight incidents were reported under Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) and there were no fatalities.

‘BEING OBSESSIONAL ABOUT OUR PEOPLE IS CRITICAL TO THE SUCCESS OF OUR BUSINESS, THEY ARE OUR BIGGEST INVESTMENT.’

WORKPLACE

SUPPORTING AND ENABLING GIVING

Give as You Earn (GAYE): C&W Worldwide continues to enable colleagues to donate to charities on a regular basis via the Give as You Earn payroll giving scheme, which is administered by the Charities Aid Foundation (CAF) with the donations entirely at colleagues' discretion. This is a great way to promote tax efficient giving as charities don't have to reclaim gift aid.

Colleague Top Up Scheme: Every year across our business, colleagues take part in numerous and varied activities. Colleagues channel their passion and dedication to making a difference in activities in their own time to raise funds for charities that mean something personal to them. It's our pleasure to support each and every colleague by offering a 'top up' cheque to the charity of their choice. In 2009/10 C&W Worldwide topped up more than 90 colleagues taking advantage of the scheme. We are planning to revise and promote the Top up Scheme in 2010.

EMPLOYEE CONSULTATION FORUM (ECF)

The elected delegates of the C&W Worldwide ECF have been representing their colleagues in the UK and Ireland for more than 15 years. In 2009, C&W Worldwide voluntarily revised its legally binding constitution to embrace colleagues across all geographies, including UK, continental Europe and US, ensuring that the same high standards are enjoyed throughout. In 2010/11 the ECF will see the appointment of representatives for Asia-Pacific and India. We are bringing together this global team through our own Managed Video Conferencing capability, ensuring better engagement and saving on carbon emissions too.

Coverage of this breadth and depth has allowed the representatives to engage on all significant colleague issues, ranging from debating corporate strategy with CEO Jim Marsh, to discussing changes at local level with the relevant managers, which can mean just as much to the individual colleagues concerned.

LEARNING AND DEVELOPMENT

iLeARN is a global repository that brings all our learning programmes, activities and resources together in one place.

- **Professional certification:** The professional certification offer provides colleagues with the opportunity to self-study towards these certificates at a foundation level:
 - PRINCE 2 Foundation
 - Six Sigma green belt
 - Cisco CCENT and/or CCNA
 - ITIL V3
- **Simulations:** Technology-enabled simulations.
- **Skill briefs:** Summaries of key topics.
- **Job aids:** Tools for colleagues to use on-the-job.
- **Custom e-learning:** Developed with the help of internal subject matter experts.
- **Instructor-led training:** Courses that take place in the classroom (either a physical or virtual classroom).

APPRENTICESHIP SCHEME

Our apprenticeship scheme has been running since August 2008. The scheme has been expanded this year to create more opportunities. We currently have **79** colleagues going through our apprenticeship scheme.

The scheme is made up of a combination of college work, on-the-job training and C&W Worldwide specific training at our training centre in Birmingham. The apprentices work towards an NVQ and technical certificate in telecommunications. In 2011, we aim to expand this scheme further into non-technical areas.

GRADUATE SCHEME

Our Graduate Scheme for engineers is a two year vocational programme designed to give colleagues the competencies required to gain Chartered Engineer status.

SUPPLIER MANAGEMENT

‘WE RECOGNISE THAT EFFICIENT AND PROFESSIONAL PROCUREMENT OF GOODS AND SERVICES CAN MAKE A SIGNIFICANT CONTRIBUTION BEING A RESPONSIBLE BUSINESS.’

We’re committed to developing strong working relationships with our supply partners, and work with the operational teams within the business to encourage cross-functional working for optimum partnerships.

Our Sustainable Procurement programme assesses our key suppliers against the following criteria:

- Corporate Responsibility and Governance
- Labour relations
- Health and Safety
- Environmental Management
- Business Continuity Management
- Security

We review these assessments using internationally recognised benchmarks such as the ILO Charter, the Universal Declaration of Human Rights, the UN Global Compact, ISO standards to industry best practice. This information is used to assign a risk value to each key supplier, and to identify opportunities to work more closely with them on various aspects of corporate responsibility, including reducing the carbon foot print of our supply chain.

One example of where energy consumption is a key consideration in our purchasing decisions is the procurement of IT hardware. The most significant constraint on a data centre is power, and consequently we need to build efficiencies into our requirements and sourcing decisions. Hardware pricing today is calculated on Total Cost of Ownership (TOC) rather than unit cost, as energy consumption over the useful life of any equipment can make a significant difference to its cost, as well as to our carbon footprint.

Our Sustainable Procurement programme is embedded in our purchasing processes with our key suppliers, who account for approximately **73%** of our supplier spend.

51% of our key suppliers are measuring their carbon footprints, whereas slightly fewer, **34%** have set carbon reduction targets.

‘WE ARE COMMITTED TO DEVELOPING STRONG WORKING RELATIONSHIPS WITH OUR SUPPLY PARTNERS.’

ENVIRONMENT

We seek continual improvement in our environmental performance. For example, we provide products and services that can help reduce carbon emissions, such as managed video conferencing and telenetworking.

CARBON AND ENERGY MANAGEMENT

We are not complacent about the challenges we face to reduce our carbon footprint and manage our impacts on society in a responsible manner, at the same time as growing our business. As a major energy user, our main focus is on our reduction of carbon emissions.

We signed the Copenhagen Communiqué on Climate Change, a statement that represents some of the thinking from businesses over the last two years and requests a clear and robust framework of action on climate change from the UN conference in Copenhagen. It was issued by the business leaders of over 900 global companies, and sets out the business case for a strong and effective UN climate change framework.

Our environmental management system, which aligns with international standard ISO14001, helps to ensure that we manage the impacts of our business operation effectively and responsibly, and we continue to set targets to improve our performance. We're now looking towards achieving ISO14001 in the UK by April 2011 and across our global operations by April 2013.

From a compliance perspective, we report emissions as part of the Carbon Reduction Commitment (CRC) Energy Efficient Scheme, which has helped create a focus on energy measurement, management and efficiency across our business. In October and November 2009, workshops were held in different functional areas of our business to increase awareness of ongoing and incoming legislation and the need for teams to own and manage energy reduction initiatives. This supports our commitment to embed environmental and sustainability agenda into our business through day-to-day activities.

We already have an established process of measuring our carbon footprint, which puts us in good shape to meet our reporting obligations under CRC next year.

Our carbon footprint in the UK and Northern Ireland has been externally verified for the fourth consecutive year by the Edinburgh Centre for Carbon Management using the greenhouse gas methodology.

Emissions	2008/09	2009/10
UK & Northern Ireland	205,885	239,679

This increase can be directly attributed to the inclusion of electricity consumption at THUS sites, a business which we acquired in November 2008.

We've submitted our 2009/10 carbon footprint data to the Carbon Disclosure Project (CDP 2010) and in our response we have also provided further details on managing the physical and regulatory risks.

'REDUCING EMISSIONS AND COSTS THROUGH CARBON AND ENERGY MANAGEMENT IS A PRIORITY.'

ENVIRONMENT

This year, the business has focused on understanding current energy usage and forecast business growth in order to develop a carbon emissions reduction target. This has been achieved using recent UK Government guidance on carbon reporting and target setting.

We set a target to reduce carbon emissions per unit of network traffic and data storage by 20% by April 2015.

ELECTRICITY CONSUMPTION IN THE UK AND NORTHERN IRELAND

The total energy consumed by C&W Worldwide for the last two years is provided in the table below.

	2009/10	2008/09 ¹
Electricity ² (kWh)	403,681,907	330,889,809
Natural Gas ³ (kWh)	17,294,544	18,290,586

¹ The 2008/09 figures exclude THUS and landlord sites.

² Used to power our network, to provide support services such as a network cooling, and in our offices; inclusive of landlord and unmetered sites.

³ Used to heat offices.

In last year's report, we referred to a target to reduce electricity usage in the network by **23 million kWh by 2010**; this has now been achieved.

Electricity consumption accounts for more than 90% of our UK carbon footprint (70% of which is from technical sites). Improving the efficiency performance of equipment remains a priority for us. Through a number of energy-efficiency initiatives, including liquid pressure amplification, direct drive fans, air conditioning control and power soothing, we project a saving of 23 million kWh by 2011/12.

Decommissioning unused switching, transmission and server equipment and migrating to more efficient systems will be key to delivering significant carbon emission reductions and cost saving. A target has now been agreed to help drive efficiency:

We set a target to implement energy saving initiatives to deliver 200 million kWh savings between April 2010 and 2020.

A work force management system (WFMS) has been introduced to field services during the year which is delivering benefits both in terms of containing CO₂ emissions and improving the well being of engineers by enabling them to spend less time on the road.

WFMS records the schedules, skills and accreditation for every field engineer and intelligently assigns tasks to engineers via a GPS device. Previously, faults would be manually allocated to available engineers in regional operating units, now WFMS allocates faults to the nearest engineers taking account of Service Level Agreement thresholds, where engineers are located at the time the fault is raised and the time that an engineer will be released. This should deliver the dual benefits of a reduction in the CO₂ emissions per fault and more faults being dealt with per engineer.

“Less carbon per fault = reduction per fault”

COLLEAGUE INVOLVEMENT

We continue to promote 'green travel', firstly by ensuring that our colleagues have access to products that permit them to avoid travel altogether, such as audio and video-conferencing. We promote cycling as a form of commuting by running an annual Bike Week, during which we sponsor colleagues to raise money for charity by cycling to work. We had a record number of colleagues participating in 2009 with more than **120** colleagues including a few members of the executive team, **2%** of the worldwide workforce cycling **5,800** miles during the week. This was an excellent opportunity to promote cycling as an alternative means of getting to work and we raised **£3k** of funds for Sport Relief.

We also make it easier for colleagues to purchase bikes and cycling equipment by offering a SMART cycle scheme. Over **220** colleagues take advantage of this scheme in the UK.

ENVIRONMENT

For colleagues, who need to drive to work, we encourage car sharing and we provide an online tool to help match colleagues for car sharing at our larger offices. We have **260** colleagues registered for car share to date.

In 2010/11 we will be introducing a green car scheme for UK colleagues through a salary sacrifice arrangement. Only fuel efficient vehicles are available, reducing mileage costs and, reducing our carbon footprint.

Interest free annual season ticket loans are available to colleagues who commute to work by public transport, with the cost of repayments spread over the period of the season ticket. This gives colleagues have a cost effective incentive to use public transport.

Our products promote 'green' initiatives to current and future customers; we also encourage use of these products ourselves. Managed Video Conferencing (MVC) is the real alternative to business travel. We have **42** video conferencing suites globally that our colleagues and clients are encouraged to use. As an example, usage during August 2009 equalled approximately **700** hours, that's 700 hours of meetings without travel.

Colleague feedback from previous 'Your Say' surveys indicates that colleagues want to work for a company that takes its environmental responsibilities seriously.

THAMESIDE CLOSURE

As part of our plan to reduce our carbon emissions by **80% by 2050**, C&W Worldwide has closed our largest earth satellite station in the UK, this has resulted in a dramatic drop in our Co2 emissions.

The closure and subsequent relocations will equate to an **85%** drop in carbon emissions for the activities fulfilled by the site. This is a significant saving for us and amounts to a **1.48%** reduction in our total carbon emissions, the equivalent of taking approximately **964** cars off the road.

WASTE AND RECYCLING

During this year, MITIE Waste Services has introduced improved recycling facilities across office sites. This is to reduce the amount of waste being sent to landfill. Plastics, paper and cans are remanufactured into recycled products.

C&W Worldwide committed to achieving **54%** recycling in the UK by November 2010. To date we have surpassed this target and are currently recycling at **63%**. This has resulted in a target increase to 79% by November 2010.

April 2010 we recycled **23.5** tonnes of card and paper.

- This saved around **94,080** kilowatt hours of energy
- Saved **705,600** litres of water
- Saved approximately **353** trees

In the UK, we have also stopped a total of 76.3 tonnes of waste going to landfill. This would have used up to 229 cubic metres of space at a cost of approximately £60 to landfill one tonne of paper. Removal of desk bins and local initiatives have helped achieve these targets.

WATER USAGE

As the need for companies to monitor and manage their carbon footprints has been well established over the last decade, we recognise the growing issue of water resource management around the world. Compared with energy, water usage is not a significant impact for C&W Worldwide and has not been previously reported. However, with more than 6000 colleagues in the business, we intend to measure and monitor our office and non-office usage and set the following target:

Target to reduce water consumption by 27.5% on the office and non-office estate by 2020 relative to 2009/10 levels.

'WE CONTINUE TO SET TARGETS TO IMPROVE OUR ENVIRONMENTAL PERFORMANCE.'

PRODUCTS AND SERVICES

‘FACILITATE, ENCOURAGE RESPONSIBLE AND INNOVATIVE PRODUCT AND SERVICE DESIGN.’

Communications technology is driving new behaviours, fuelled by the desire for constant connectivity, integration and next generation solutions. Customers are increasingly dependant on networks and technology just to operate. Our Managed Video Conferencing solution is proving popular with our customers. Managed Video and Web Conferencing can be used to cut costs, reduce travel requirements, increase collaboration, as well as reducing the carbon footprint's of our customers.

IP, data and hosting applications are important core products of C&W Worldwide's product portfolio and contribute significantly to our carbon footprint, as well as projected business growth. During the year, we have introduced improvements to the maintenance of the data centres, such as the introduction of the recycling processes used in office locations to the data centres.

By working with suppliers we have increased the focus on good maintenance practice. This means equipment is operating in better condition and more efficiently. When faults occur, they are fixed quickly. This benefits day to day reliability, operational stability, and, all impact efficiency

Our energy efficiency studies have resulted in a number of schemes being deployed to avoid wasting energy. These include:

- Introduction of hot / cold aisle containment, focusing on equipment that generates waste and prevents inefficiency by recirculation and mixing air streams.
- Cooling system controls. 'Smart Cool' has demonstrated benefits and has been rolled out at two data centres as an energy saving feature.
- EC fan replacements – all data centre sites with a long-term future have undergone a fan replacement programme. Lightweight, high efficiency direct drive fans reduce the power consumed to provide cooling air to the IT equipment. This is estimated to have saved **£585,000** in 2009/10.
- Electroflow – a system of electrical wave form conditioning which makes equipment work on better electrical mains and has been deployed across all main data centres.
- Air flow controls both in cabinet and data halls – extending the use of blanking plates and computer floor integrity testing and repairs prevents leakage and better use of cooled air – more watts per kg of air moved – fewer hot-spots too.
- Data centre cleaning regime. The cleaning contract for these spaces has been re-negotiated. The deep clean under the floors reduces filter changes and thus helps air flow and the energy used to cool equipment.

‘WE PROVIDE PRODUCTS AND SERVICES THAT CAN HELP REDUCE CARBON EMISSIONS.’

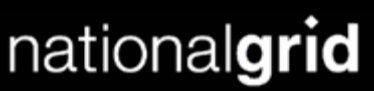
CUSTOMER CASE STUDY NATIONAL GRID

NATIONAL GRID IMPROVES GLOBAL COLLABORATION WITH CABLE&WIRELESS WORLDWIDE AND TANDBERG
OUR TELEPRESENCE HELPS NATIONAL GRID MAKE SIGNIFICANT COST SAVINGS AND REDUCE CARBON EMISSIONS.

In April 2008 National Grid set out to reduce its carbon emission by 80% before 2050. Using C&W Worldwide's Telepresence and video conferencing solution they are making strides towards this target.

Installing video conference solutions forms part of our contract with National Grid to design, deliver and manage a dedicated Next Generation Operational Telecommunications Network (OpTel NGN) to support National Grid's core network infrastructure and operational systems.

'THE SAFE TRANSMISSION OF ELECTRICITY OVER NATIONAL GRID'S NETWORK IS DEPENDENT ON CABLE&WIRELESS WORLDWIDE'S OPERATIONAL TELECOMMUNICATIONS SOLUTIONS.'



CUSTOMER CASE STUDY

REGUS

CABLE&WIRELESS WORLDWIDE AND REGUS, THE WORLD'S LARGEST PROVIDER OF FLEXIBLE WORKPLACE SOLUTIONS, HAVE EMBARKED ON A JOINT INITIATIVE, WHICH WILL FACILITATE THE IMPLEMENTATION OF MARKET LEADING HIGH DEFINITION VIDEO CONFERENCING SUITES AT REGUS' PREMIER GLOBAL BUSINESS CENTRES.



Regus locations in world business capitals, including London, New York, San Francisco, Los Angeles, Manchester, Mumbai, Moscow, Frankfurt, Paris, Shanghai, Sydney, Hong Kong, Singapore and Tokyo will be fitted with the suites giving business leaders a genuine alternative to executive travel.

As the global economy tightens businesses are attempting to control costs, become more competitive and address the green agenda by reducing the corporate carbon footprint. This solution enables businesses to achieve all three objectives without the usual high capital costs associated with installing high-end managed video conferencing solutions.

BENCHMARKS

FTSE4GOOD

C&W Worldwide is included in the FTSE4Good index

DOW JONES SUSTAINABILITY INDEX

C&W Worldwide is listed in the Dow Jones Sustainability Index which selects the top 10% from 3,000 global companies based on comprehensive sustainability data



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