



BetterWorld Telecom
2006 Corporate Social Responsibility Report
Prepared April 15, 2007

Summary

2006 was another great year for BetterWorld Telecom in the area of promoting and supporting social justice and sustainability. We continued to match our industry-leading commitment of donating 3% of revenues, and made solid progress on all other fronts including advocacy, volunteering, and the BetterWorld Environmental Impact Initiative - which will be met in Q2 2007. Following is an overview by category of the milestones we achieved in 2006.

Products and Services

We continued to add products, services and partners to our portfolio in 2006, launching a suite of local calling products to complement our suite of existing long haul products. With the addition of local, we were able to address a whole new class of customer and added a number of strategic clients in the process such as Patagonia and Green Mountain Energy.

As a result we are now able to bring our level of savings and service to small, medium AND large organizations nationwide, helping them to save money each month and improve their operations and increasing the effectiveness of their missions.



*Some of the 1,500 Mission Oriented
BetterWorld Telecom Customers*

Donations

With more than \$125,000 donated since the inception of the company, 2006 saw our strongest donation pool thus far and recipients included:

- Social Venture Network
- Business Alliance for Local Living Economies
 - Chesapeake Sustainable Business Alliance (Baltimore BALLE Chapter)
 - Greater Philadelphia Sustainable Business Network (Philly BALLE Chapter)
 - Lowcountry Local First (Charleston, SC BALLE Chapter)
- Sustainable Business Network of Washington (SBNOW)
- Earth Policy Institute
- Trees For the Future
- Fair Trade Federation
- Clean Energy Partnership
- National Federation for Teaching Entrepreneurship (NFTE)
- Society for Environmental and Graphic Design
- The Tides Center
- Entrepreneurs Organization
- American Institute of Architects
- Michigan Nature Association
- Rugmark Foundation

BetterWorld Charitable Foundation

We were proud in 2006 to unveil the BetterWorld Charitable Foundation, a 501(c)(3) responsible for administering the 3% revenue donation, as well as providing the direction for the organization's outreach, affiliate partnerships and volunteering activities.

A fundamental challenge facing our society is to create systems that promote human welfare, peace and sustainability of the environment. BetterWorld believes that the best way to meet this challenge is to encourage initiatives by those living and working closest to where the problems exist – therefore; we are dedicated to working in collaboration with non-profit groups, governmental entities and the business sector to ensure participation from diverse communities at all levels of society.

In order to enable people to improve their lives and reinforce their societal commitment, the BetterWorld Charitable Foundation provides grants for projects that address concerns over children, education, fair trade and the environment. BetterWorld has donated well over \$125,000 over the last three years to worthy causes supporting social justice and sustainability. The BetterWorld Foundation will continue to play a key role as we strive towards our goal of donating \$1 Million per year by the year 2012.

Environmental Commitment

We made a great deal of progress in 2006 towards our goal of becoming the first environmentally neutral telecommunications provider in 2007. Some of the programs we continued and started in 2006:

- Joined One Percent For The Planet - over 500 organizations committed to donating 1% or more of annual revenues to environmental causes.
- Moved more than 50% of our customers to eBill and/or Autopay Options from paper transactions and billing
- Moved all paper paper billing to recycled paper, with incentives offered for customers who move eBill/Autopay
- Continued partnership with Trees For The Future, BetterWorld plants 1,000 trees per month to offset carbon emissions – more than 20,000 planted to date
- Began active promotion of new unified communications and VoIP technologies that use less power and generate less of a equipment footprint on the customer premise



Some of the BetterWorld Team after a day of work near Washington, DC with the Nature Conservancy

Volunteering and Board Participation

We instituted our new volunteer program and policy within BetterWorld, whereby the entire team now volunteers ½ a day on a monthly basis with organizations such as the Nature Conservancy, the Heart of America Foundation and the Boys and Girls Club. As we continue to expand offices into other cities such as San Francisco, Chicago and New York in 2007 we will expand our direct volunteering efforts in those cities as well.

We continued and grew our participation on a number of local and national boards in 2006, now including:

- Social Venture Network
- Young Presidents Organization - DC Chapter (YPO)
- Noisette Foundation
- ePhilanthropy Foundation
- Lowcountry Local First (BALLE Chapter)

2007, Looking Forward

2007 is set to be a breakthrough year as we expect to attain the following goals:

- First environmentally neutral telecom carrier in the world, via offsets and business practices
- Create *Telecom Offset* in cooperation with *Zero Footprint*, new offset paradigm
- Top \$200K in total donations by year end 2007
- Reduce eBilling percentage to 75% of customer billings