

Sustainability





Sustainability

No individual country, business, or organisation can become sustainable on its own. But it can improve and contribute to a more sustainable world.

This report concentrates on how BT contributes to sustainable development through its own activities. Here we explore the issues through the broad lens of the Information and Communications Technology (ICT) sector's activities.

Approach to sustainability

This report identifies and quantifies our social, economic and environmental impacts, and sets targets to improve.

We use the term corporate social responsibility (CSR) more often than sustainable development. CSR is the voluntary action a company takes to contribute to the wider societal goal of sustainable development, such as the EU's Gothenburg Strategy.

CSR requires a co-ordinated approach to managing social, economic and environmental issues right across the company. See <u>Business principles</u> for a description of our CSR governance framework and our approach to CSR health checks.

However, sustainability is not just about having the right systems, checks and balances in place. BT aspires to lead by example, raising awareness and working to contribute to sustainable development.

Sustainability vision

ICT boosts productivity and economic growth. For this to contribute to sustainable development it must be managed to prevent further social inequalities and greater consumption.

Suitable policy frameworks are needed to ensure that ICT brings benefits. The Global e-Sustainability Initiative (GeSI), whose members are leading ICT companies, make these recommendations:

- Markets should be open to new technologies and new approaches
- Governments should aim for harmonisation of standards and stable regulatory frameworks
- Public-private partnerships should be encouraged to develop infrastructure and applications in areas where the market needs support, e.g. environmental protection and poverty eradication
- Countries at all stages of economic development should recognise ICT as an integral component of sustainable development strategies, not merely as a valuable industry in its own right
- Relevant international and regional institutions should develop a strategy for the use of ICT as an effective instrument to help achieve the UN's Millennium Development Goals
- Governments and the private sector should implement different instruments that can help to extract the maximum benefits from ICT and speed the development of sustainability solutions throughout society
- Tools should be developed to evaluate the environmental and social impacts of ICT use

ICT should be integrated into the mainstream of sustainable development.

ICT sustainability impacts

Communications technology benefits business and the people doing business. ICT is changing the way business is done, especially through internet and wireless technologies. These offer a potential gain in productivity similar to those technologies used in the industrial revolution.



Furthermore, ICT can support social and economic development by transforming communication and access to information, helping to bring about the powerful social, environmental and economic networks needed to bring sustainable development to emerging economies.

Using our own products and services enables us to reduce consumption of finite materials and to improves the work-life balance of our people.

See how effectively we use the technology in these areas:

- Conferencing
- Flexible work-styles
- e-business

Conferencing

Conferencing by video, phone or the web is more time- and cost-effective than meeting in person. It improves the quality of life for those who travel frequently. It is also a major benefit for BT's 11,000 home-based workers and a growing number who work from home occasionally.

BT Conferencing provides all BT's internal phone, video and e-conference facilities, as well as providing conferencing services for customers.

In October 2004, an independent poll of BT people who use conferencing showed that:

- 71% thought their last conference call had definitely or probably replaced a meeting
- 73.5% believed they had saved at least three hours in travel time
- 46% of trips avoided would have been by car
- 78% of trips avoided would have been at peak travel times (showing that conferencing helps to relieve congestion on roads and free space on public transport)
- 35% of meetings replaced would have been in London

We estimate that every conference call saves a minimum of 32 kg of travel-related carbon dioxide emissions. BT conference calls each year save at least 47,400 tonnes of carbon dioxide.

Conferencing services also make organisations better able to deal with transport disruptions, allowing business to continue.

For full data see BT Conferencing Survey Report

Flexible work-styles

Technology enables people to be more flexible in the way they work, especially when away from the office.

We have developed opportunities for our people to choose how they want to work and more than 11,000 BT people in the UK are now home-based workers (the Workabout scheme). This gives them the flexibility they need and also reduces their environmental impact by avoiding the daily commute.

A survey of 5,000 BT people in February 2006 showed that:

- Flexible working is mutually beneficial for employees and BT, creating economic, environmental and social benefits.
- Technology (teleconferencing, WiFi networking, and mobile e-mail) is widely used and broadband is a key enabler.
- The business is more resilient to disruption, such as from bad weather and transport breakdowns, by using technology to provide an alternative to travel.
- Employees are more productive and happier in their work, although many respondents say their working hours have increased.



- Most respondents feel flexible working gives them a better quality of life, reduces stress and helps them perform better, mainly from greater freedom to manage their time.
- Local economies benefits respondents say they make better use of local services.
- Reduction in travel and less need to travel was important, reducing stress and saving time, typically some 4.4 hours per week for Workabout people.

Travel reduction reduces carbon dioxide emissions. In the 2006 financial year, BT's Workabout scheme reduced BT employees CO_2 emissions from commuting by 7,691 tonnes. But taking account of journeys that would otherwise have been part of the commute (e.g. school run, shopping), the figure is almost halved to 3,663 tonnes.

The survey was carried out by <u>SustainIT</u> and Bradford University. It followed <u>previous studies</u>.

e-business

Converting from paper-based to electronic transactions – we call it e-business – saves paper and money.

Since the financial year 2001-2002, we have reduced the amount of paper used in our offices by 67%. Most (95%) of our copier paper is made from pulp with at least 70% recycled content, an increase from 66% on the previous year.

The Woodland Trust has worked with us to reduce the amount of paper that we send to customers. The partnership now spans three departments within BT – business, conferencing and consumer.

The main effort has been to reduce printed consumer bills. In July 2005, we launched the paper-free billing campaign. For every customer who signs up for BT buys a native sapling for the <u>Woodland Trust</u> to plant. The UK is currently one of the least wooded countries in Europe with 12% tree cover compared with a European average of between 30% and 40%.

Our target is to get 90,000 customers to switch to the paper-free option. We promote this through incentives such as the weekly £1,000 prize draw for those customers that switch.

Customers shifting to direct debit payments can do this without completing any paperwork by going online or using the telephone. Each paperless sign-up saves us mailing one paper direct debit instruction, one leaflet explaining payment options and one return envelope – as well as the original envelope.

Sustainable development in broadband Britain

How can broadband help to make people's lives more flexible and fulfilling, and help to create economic benefit through more efficient business? Broadband, the next 5 years, a report commissioned by BT in the 2006 financial year, attempts to answer this key question now that most of the country has access to broadband.

Download the report.

Broadband delivers on its promises, according to a BT sponsored survey of businesses using broadband in Cornwall, UK. It finds that broadband:

- Extends market reach and impact
- Makes organisational working practices more efficient
- Enables staff to work flexibly
- Substitutes travel and meetings with electronic communication reducing traffic congestion and fuel use.

Download the survey results.

A <u>BT-sponsored report on broadband by Forum for the Future</u>, a UK sustainability charity, was published in the 2005 financial year.



Raising awareness of sustainability

We want to understand our impact and stimulate debate on sustainable development and corporate responsibility. To do this, we need to consult and talk to people, and promote awareness and dialogue on the issue.

Publications

We produce a series of <u>occasional papers</u> designed to address the complex inter-relationships between companies and society. The papers, which aim to stimulate debate rather than provide definitive answers, include discussions on issues ranging from values to climate change.

Participation

We often participate in discussions on the role of business in sustainable development and sponsor events and conferences on the subject.

We are members of a number of organisations that attempt to influence public policy on matters connected with corporate social responsibility (CSR) and sustainable development, such as:

- CSR Europe
- Forum for the Future
- Green Alliance
- Business for Social Responsibility
- Global e-Sustainability Initiative
- World Economic Forum

We respond to formal consultations such as the UK Government sustainability strategy, the EU green paper on CSR and the Environmental Audit Committee enquiry on carbon emissions from transport.

BT is keen for the government to make changes to the legal and fiscal frameworks, which will enable business to survive and flourish from sustainable business practice. For more information, see Public policy.

Sustainability partnerships

We often work with external partners to deliver BT-branded projects and programmes.

We get many invitations to participate as a partner in activities co-ordinated by external agencies. We select those where we have something to offer and gain, especially through mutual learning and the exchange of ideas.

Our main partnerships include:

- Support for the United Nations Global Compact, an international commitment to principles on bribery and corruption, human rights, labour and the environment
- Support for the Global Reporting Initiative in its development and production of its sustainability reporting guidelines
- Contributions to multilateral dialogues via two organisations the Global e-Sustainability Initiative (GeSI), an ICT sector initiative promoting technology that fosters sustainable development, and the European Telecommunications Network Operators (ETNO)

Work with the UK Centre for Economic and Environmental Development (UK CEED), an independent charitable organisation aiming to raise environmental standards through research and policy development, and its initiative called SustainIT.



Future of ICT and sustainability

'Advanced telecommunications services are one of the few achievements of our consumer society that could be accessible to, and used by every person on earth without exceeding sustainable limits on resource-use and environmental impact'.

Peter Johnston of the Information Society Directorate of the European Commission.

To achieve this goal, there needs to be:

- · A commercially successful sector making contributions to the global economy
- An inclusive society where ICT services are accessible to all and in which people have the necessary skills to exploit them
- The right checks and balances to ensure security, privacy and freedom of expression
- Networks and equipment powered by energy derived from renewable sources
- Equipment and cables made from non-oil derived plastics (probably coming from agricultural products). Polymeric conductors to be used in place of metals

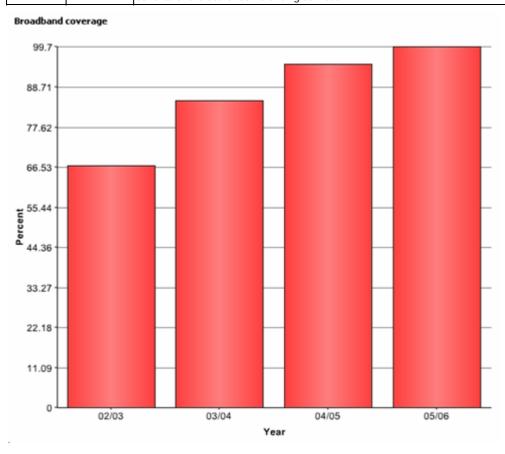
Optical switches and computers - reducing the need for metals and conventional semiconductor materials.

Sustainability - Key Performance Indicators

Indicator	Description	Measure	Target
UK Addressable Broadband Market	geographical reach of	businesses have access to	To maintain at 99.7% and actively look for economic opportunities to extend during the 2007 financial year. A new target will be developed for the 2008 financial year.

Sustainability Targets

Start Date	End Date	Description	Update	Target Status
April 2006	March 2007	BT will undertake a survey of BT people to assess the personal and business		New
		benefits of the use of conferencing services.		

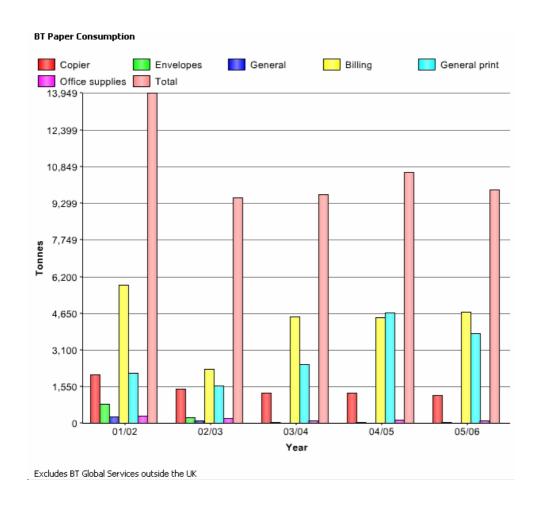


ICT sustainability impacts - Key Performance Indicators

Indicator Description		Measure	Target
Broadband Market	geographical reach of	businesses have access to	To maintain at 99.7% and actively look for economic opportunities to extend during the 2007 financial year. A new target will be developed for the 2008 financial year.

ICT sustainability impacts Targets

Start Date	End Date	Description	Update	Target Status
April 2006	March 2007	BT will undertake a survey of BT people to assess the personal and business		New
		benefits of the use of conferencing services.		





Conferencing Targets

1	Start Date	End Date	Description	Update	Target Status
4	April 2006	March 2007	BT will undertake a survey of BT people to assess the personal and business		New
	-		benefits of the use of conferencing services.		



Number of employees UK employees Part-time Job sharers Homeworkers Total 104,360 92,770 81,170 69,570 57,980 46,380 34,790 23,190 11,600 03/04 04/05 Year

Flexible work-styles - Key Performance Indicators

Indicator	Description	Measure	Target
UK Addressable A measure of the		99.7% of UK homes and	To maintain at 99.7% and actively look for economic
Broadband Market	geographical reach of	businesses have access to	opportunities to extend during the 2007 financial year. A
broadband		broadband.	new target will be developed for the 2008 financial year.

Sustainable development in broadband Britain - Key Performance Indicators

Indicator Description		Measure	Target
			To maintain at 99.7% and actively look for economic
Broadband Market geographical reach of		businesses have access to	opportunities to extend during the 2007 financial year. A
broadband		broadband.	new target will be developed for the 2008 financial year.

Sustainable development in broadband Britain Targets

Start Date	End Date	Description	Update	Target Status
April 2006		BT will maintain its Broadband coverage at 99.8% and actively look for economic opportunities to extend.		New
April 2004	•		As of 30th September, there were 25,320,639 households in enabled exchanges out of a UK total of 25,376,239 (99.8%).	Completed

