

# Delivering environmental benefits – 2016/17 summary



We're using our technology to help tackle one of the world's biggest challenges: climate change.

The UN's Sustainable Development Goals (SDGs) and the Paris Agreement on climate change highlight the need to create a low-carbon economy. Our ambition, as a net positive company, is to help customers reduce their carbon footprint by at least three times our own end-to-end emissions. We can help them achieve this through our products and services.

With the acquisition of EE, we've extended our range of technologies that can cut carbon. We helped customers avoid around ten million tonnes of CO<sub>2</sub> equivalent (CO<sub>2</sub>e) emissions this year, enabling them to make savings on their energy and fuel costs. Our carbon-saving products and services are now contributing £5.3bn revenue to our business.

At the same time, we're working to reduce our own end-to-end emissions – from our supply chain, our operations and customers' use of our products. We're committed to using 100% renewable electricity, where markets allow, and we're encouraging our suppliers, customers and employees to do the same. We also manage other environmental impacts, such as waste and water use, to help us conserve natural resources and manage risks.

## Our 2020 ambition

Help our customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business

3:1

Achieved in 2016/2017:

1.8:1

## 2016/17 highlights

### 1st

We topped Carbon Clear's ranking of carbon reporting performance of FTSE 100 companies for the third year in a row.

### 3rd

The 2016 Newsweek Green Rankings rated us as the third greenest company in the world – up seven places since last year – and the leading green telecommunications company.

## CDP Global Climate A-list

Our A rating in the 2016 CDP carbon assessment for investors indicates a leadership approach to managing climate change in our own operations and beyond. This puts us in the top 9% of participating companies.

## CDP supplier engagement leaderboard

BT was one of 29 companies (out of over 3,300 assessed) to earn a spot in CDP's new supplier engagement leaderboard in recognition of our work with suppliers to reduce emissions and climate risks in the supply chain.

### 82%

We sourced 82% of our electricity from renewable sources. This is less than last year due to the acquisition of EE, but we've agreed a new contract to switch the bulk of EE's directly-billed electricity contracts onto renewable sources. This put us on track to meet our 2020 target of going 100% renewable, where markets allow.

## Researching the potential of ICT to cut carbon

Our latest research estimates that ICT could reduce EU carbon emissions by over 1.5 gigatonnes of CO<sub>2</sub>e in 2030. We aim to harness our technology and capabilities to help realise this low-carbon future.


## Technology and expertise

We're providing our technology and expertise to help Land Rover BAR, as they aim to become the first ever British team to win the America's Cup. And through 100% Sport we're using this partnership to encourage sports fans to switch to renewable energy.



# Delivering environmental benefits – 2016/17 summary continued

## Helping Land Rover BAR to bring the Cup home



13 CLIMATE ACTION

14 LIFE BELOW WATER

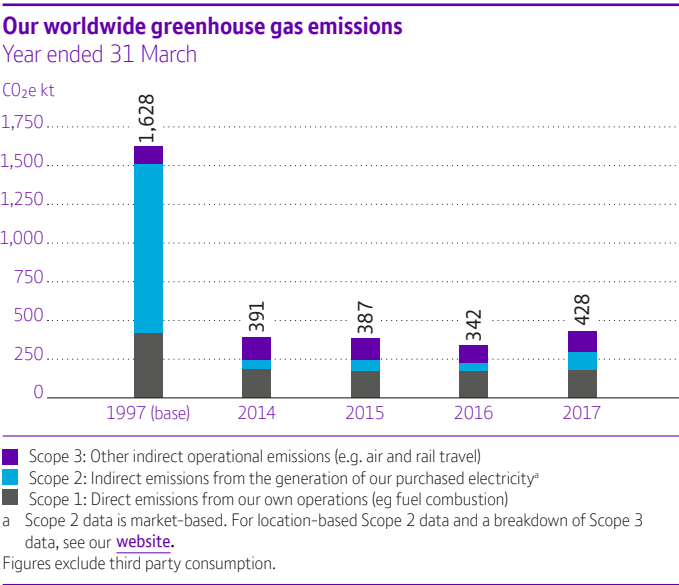
We're playing a crucial role for Land Rover BAR, as Sir Ben Ainslie's team strives to become the first ever British team to win the America's Cup this summer.

As the team's official Technology in Sustainability partner, we've combined our strengths in fixed and mobile networks to deliver the team's innovative Virtual Chase Boat solution.

This lets data on the catamaran's performance, local sailing and weather conditions be transmitted direct from the boat, back to "Mission Control" rooms in Bermuda and the UK, where the boat's performance is analysed. BT is also lending Land Rover BAR its expertise in big data analytics to help crew and technical teams to collect, analyse and interpret the boat's performance data in real time.

This is a new operational model for our sport and removes a powerboat from the water every sailing day, significantly reducing the team's carbon footprint and increasing our efficiency. BT are helping us push forward in this area and it will be a vital development for us as a team.

Sir Ben Ainslie, Team Principal and Skipper, Land Rover BAR



## Seeing sense for city cyclists



3 GOOD HEALTH AND WELL-BEING

17 PARTNERSHIPS FOR THE GOALS

We're always on the lookout for the brightest ideas from small digital businesses. This year, we teamed up with the Cabinet Office, MK:SMART and TechHub to run our BT Infinity Lab SME Awards for Connected Cities.

The competition gave small and medium enterprises the chance to showcase products and services that can help cities become more connected, efficient and sustainable. The overall winner was See.Sense for their intelligent and connected lights for bicycles.

See.Sense bike lights react to their environment and get brighter in risky situations to keep cyclists safer on the road. Their sensors can be used to collect data on crashes, near-miss events, road surfaces, light levels and more. City planners can use this information to create better infrastructure for cycling. See.Sense demonstrates the power of technology to help build safer and more connected cities of the future.

How we help customers cut their CO <sub>2</sub> e emissions			
IMPACT	REDUCES NEED FOR TRAVEL	REDUCES ENERGY USE	REDUCES AMOUNT OF MATERIALS AND MANUFACTURING
Savings (CO <sub>2</sub> e)	8.1m tonnes	1.5m tonnes	0.4m tonnes
Types of products and services	Broadband	Broadband	Broadband
	Conferencing	Ethernet	Ethernet
	Teleconferencing	IP Communications (cloud-based VoIP phone systems)	IP Communications (cloud-based VoIP phone systems)
	Field Force Automation	BT Apps (remote collaboration)	BT Mobility (BT One Phone)
	BT Apps (remote collaboration)	BT Mobility (BT One Phone)	
	Machine to Machine (M2M) connectivity		

## BT Home Hubs go circular



12 RESPONSIBLE CONSUMPTION AND PRODUCTION

We're giving BT Home Hubs a new lease of life and supporting the circular economy by refurbishing, re-using and recycling the hubs customers return to us.

Whenever they replace their BT Home Hub, we encourage customers to return their old one to us. We treat these used products as valuable resources, not waste. At our warehouse in Northallerton, we check and upgrade the software, replace old parts and give them a good clean.

Once the refurbished hubs are as good as new, we use them to replace any that customers return as faulty. This reduces the total volume of new hubs we need to purchase, saving resources, energy and costs. We've refurbished over 500,000 BT Home Hubs over the last year and a half, and we're installing a new production line so we can do even more next year.