BT’s Better Future Strategy
# Agenda

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BT Strategy

- Driving broadband-based consumer services
- Being the ‘Brand for Business’ for UK SMEs
- BT Global Services – a global leader
- The wholesaler of choice
- The best network provider
- A responsible and sustainable business leader
From Traditional to Perpetual

Responsible & Sustainable Business

- Philanthropy
- CSR1.0 Social & Environmental CSR
- CSR2.0 Embedding sustainability into business culture at all levels

Business benefits

- Top line growth
- Bottom line growth
- De-risking the business
- Innovation
- Employee engagement
- Brand enhancement
Embedding Sustainability

BT Group Board

Board Committee for Sustainable and Responsible Business

Operating Committee

Sustainable Business Leadership Team

Stakeholder Forum and engagement

Better Future Programme Office

BT Group-Wide “Better Future” Plan
Delivery owned by Lines of Business
Focused on measurable benefits
# Employee Engagement

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## Employee Engagement

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“Social” factors are currently four times more important as drivers of overall Employee Satisfaction than “environmental” factors.
Volunteering & Engagement

“I have recently had the opportunity to take part in a volunteering event with BT. I felt proud to be a part of the contribution we made to the project.”

“Volunteering opportunities are a real bonus for me, and one way I can be a positive ambassador for BT.”

“I’m very proud of BT’s input to society, the environment, etc. e.g. the Olympics, BT Volunteering, Energy Champions, etc.”
Three Major Programmes

**Connected Society**
Vision: To help improve society through the power of digital connections

**Net Good**
Vision: To help society live within the constraints of our planet’s resources through our products and people

**Improving Lives**
Vision: To help improve hundreds of millions of lives globally through our products and people
Three Major Programmes

**Connected Society**
Vision: To help improve society through the power of digital connections

2020 Goal
9/10
“More than 9 out of 10 people in the UK will have access to fibre based products and services.”

**Net Good**
Vision: To help society live within the constraints of our planet’s resources through our products and people

2020 Goal
3:1
“We will help customers reduce carbon emissions by at least three times the full carbon impact of our business.”

**Improving Lives**
Vision: To help improve hundreds of millions of lives globally through our products and people

2020 Goal
£1bn
“We will use our skills and technology to generate £1bn for good causes.”
Connected Society

1. Customer experience
2. Security & privacy
3. Digital inclusion

7.8 million people in the UK aren’t online.
1.3 billion people are off-grid and offline globally

2020 Goal

“More than 9 out of 10 people in the UK will have access to fibre based products and services.”

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Improving Lives

1. Improving health and work-life balance
2. Investment in society
3. Charity Partners
4. Employee Giving
5. Telethon Partners
6. Learning & Skills
7. Emergency Response Team

Vision: To help improve hundreds of millions of lives globally through our products and people

2020 Goal
£1bn

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Interconnected
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Challenge
Raising the Bar

FROM
• Less Bad
• Reducing footprint
• More Efficient
• Better with Less

TO
• Net Good
• Positive Contribution
We will help customers reduce carbon emissions by at least three times the full carbon impact of our business.

Vision: To help society live within the constraints of our planet’s resources through our products and people
Full Carbon Burden

Currently Report

*B T Operations*

What we are also going to report

*Suppliers*  
*Customer Equipment*

Full Carbon Burden

Full Carbon Burden
Full Carbon Burden

Currently Report
BT Operations

What we are also going to report
Suppliers
Customer Equipment

Full Carbon Burden

Customer Carbon Abatement

\[
\frac{1}{10} + \frac{9}{10} = \frac{1}{3} \times 3 = 3
\]
Key factors that have driven down energy consumption

1. Building Energy Management Systems installed across 1,950 of our largest network sites
2. 2,818 Data Centre servers decommissioned
3. 12,049 Rectifiers de-powered
4. 940 DSLAMs closed
5. Sabien Boiler upgrades in 180 buildings
6. 30,000m² spare cleared as part of Telephone Exchange Office Closure programme
BT can continue to deliver on-going energy efficiencies because of its innovative Integrated Energy Management System (IEMS)

**BT IEMS covers:**

- 6000 UK buildings collated by IP network
- 39,200 AMR electricity meters
- 1,280 AMR gas meters
- 20,675 sub meters
- 12,000 LLU tenant sub meters
- Circa 92,000 invoices a month
- Will extend to 19 countries
Currently Report
*BT Operations*

Full Carbon Burden

Customer Carbon Abatement
Suppliers – Update on Targets and Results

TARGET 1
• 2012 85% of BT contracts placed will take energy consumption and/or environmental impact into consideration in the award of business. **Achieved 87%**
• 2013 - Target now 90%

TARGET 2
• 2012 100% of BT ‘product replacement contracts’ awarded will be able to demonstrate an improvement in energy efficiency and/or reduced environmental impact. **Achieved 100%**

NEW TARGETS
• 2013 Target – BT Climate Change Procurement Standard in 80% of new Contracts. – **Achieved 73% in 2012**
• 2013 New Target – **Top 200** suppliers to be reporting their Carbon performance by 2014

NEW FOCUS
• Reducing energy use and reuse of materials are key sustainable products goals leading to a focus on **cradle to cradle** product design and manufacture
• The Better Future Supplier Forum is working with leading Retail suppliers under on sustainable product development

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Product and Services Carbon Footprinting

- World First for BT in March 2012
  - First company to have Product Carbon Footprints independently verified by the Carbon Trust to the new GHG Protocol Product Std
  - BT Home Hub, BT Vision+ digital set-top box, BT Graphite 2500 DECT phone

- BT participates in European Commission carbon footprinting pilot projects Spring/Summer 2012

- BT continues co-chairing the telecoms network services GHG Protocol ICT sector guidance working group
  - Over 1,000 comments received
  - Publication March 2013

“BT was a successful road-tester of our Product Standard. The completion of three product inventories with independent verification following the comprehensive lifecycle approach of the Product Standard, demonstrates BT’s commitment to measuring and managing their greenhouse gas performance. We are also pleased with the leadership role BT is playing in the development of sector guidance for more complex ICT networks and services.”

Pankaj Bhatia, Director of GHG Protocol, World Resources Institute
London 2012 Carbon Footprint

Extending the legacy through a more sustainable society

“As a sustainability partner, BT has demonstrated clear leadership in supporting our ground breaking work to develop a carbon footprinting methodology for the games, building this into a practical tool to help minimise its sector’s impact on climate change. It is also leaving a legacy of community benefits through its London 2012 education programmes.”

David Stubbs Head of Sustainability for LOCOG
Currently Report
BT Operations

Full Carbon
Burden

Customer Carbon
Abatement
Calculating the “3” of the “3:1”

• For each of 25 products with carbon abatement potential, we have
  – Identified a case study that quantifies the carbon saved
  – Extrapolated out to 2020 with estimated volume growth

\[ \sum \text{Carbon saved} \times \text{Product volumes} = \text{Total carbon abatement} \]
Customers - Portfolio Evolution

From a consulting-led incubator to industrial-strength repeatable product families

Build a Sustainable Organisation

- Sustainability Consulting
- Workforce: Flexible Workforce, Unified Comms, Mobility Solutions, Field Force Automation
- IT Services: Operational Efficiency, Integrating Network & IT services, Professional Services (IT Audit)
- CRM: Contact Centre Efficiency, Next Generation Contact Centre, Smart Customer Interactions
- Data Centres: Virtual Data Centre Services, Managed Hosting, Continuous Migration Practice
- Transport & Supply Chain: Transport Efficiency, Asset Management
- Energy Management: Building Energy Management, Smart Grids, Smart Meters
- Wellbeing: Healthcare, Community

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Customers - Portfolio Evolution

Embedded Sustainability Services into our portfolio and sales enablement

- **BT One** - generic, One Voice, One Cloud and One Collaborate
- **BT Compute**
- **BT Contact**
- **BT Connect**
- **BT Flexible Working Services**
- **BT Field Force Automation**
- **BT Supply Chain Solutions**
- **Asset Management**
- **Transport Efficiency**
- **Healthcare**
- **Community**
- **Smart Grids and Smart Meters**
Customers - Sustainability Advisory Services

- Sustainability Thought Leadership
- Sustainability Impact Assessment

- Bid Support
  - addressing core sustainability requirements and adding value to bid responses
- In-flight Delivery
  - delivering on sustainability commitments
Customers - Case Studies

- **Broadband Delivery UK**
  - Required provision of sustainability plans to meet or exceed UK Government targets

- **Cornwall Superfast Broadband Partnership**

- **Large UK Retailer**
  - Required carbon emissions calculation for proposed solution

- **UK Government Department**
  - Required solutions with the lowest possible carbon use

- **European Parliament**
  - Required bidders to describe how they would support a 30% reduction in carbon emissions by 2020

- **Fortune 300 Consumer Goods Company**
We will help customers reduce carbon emissions by at least three times the full carbon impact of our business.

2020 Goal

3:1

"We will help customers reduce carbon emissions by at least three times the full carbon impact of our business."

Vision: To help society live within the constraints of our planet’s resources through our products and people.

Designing Our Tomorrow
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### Questions
Better Future Targets & Impact

**Connected Society**
- **Fibre Rollout**
  - 2013 Target: Reduce by 1.3%

**Net Good**
- **Energy Consumption (GWh)**
  - 2013 Target: Reduce by 1.5%

**Improving Lives**
- **Invest at least 1% profits**
  - 2013 Target: £25m+

**Better Future**
- **Higher Employee Engagement from BT Volunteers (out of 5)**
- **Sickness Rate**
  - 2013 Target: Reduce to 2.05%

**Digital Inclusion**
- (thousand people)

**Landfill (tonnes)**
- 2013 Target: Reduce by 10%

**Payroll Giving (thos.)**

**Bids inc Sustainability**

*indicates published target*
## BT Sustainability Credentials

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<th>Description</th>
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<td><a href="#">Dow Jones Sustainability Indexes</a></td>
<td>September 2012 - less than 2% separates BT from super sector leader. We achieved our best ever score of 92%</td>
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<td><a href="#">FTSE4Good</a></td>
<td>In September 2012 we retained our No.1 position as leader in our sector in the FTSE4GOOD ESG rating with a score of 96%</td>
</tr>
<tr>
<td><a href="#">Environment Agency</a></td>
<td>Top ranking Telecommunications &amp; IT company in the UK CRC Energy Efficiency scheme with a score of 95%, ranking us 44th overall out of 2103 companies</td>
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<td><a href="#">Carbon Disclosure Project</a></td>
<td>Sector leader with a score of 88% in the Carbon Disclosure Project’s 2012 FTSE 350 disclosure leadership index</td>
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<td><a href="#">Newsweek</a></td>
<td>6th overall and top telecommunications company in the 2012 Green Rankings of Global 500 companies</td>
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<td><a href="#">Verdantix</a></td>
<td>Leader in the European &amp; US Green Quadrant for Sustainable Telecoms</td>
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<td>In 2012 BT became the first company in the world to have carbon footprints independently verified (by the Carbon Trust) to the GHG Protocol Product Standard.</td>
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Employee Engagement

This video is available on YouTube at

http://www.youtube.com/watch?v=YwpJQZrd-m0&feature=youtu.be
Better Future

Summary

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Better Future

Summary

Any questions?

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