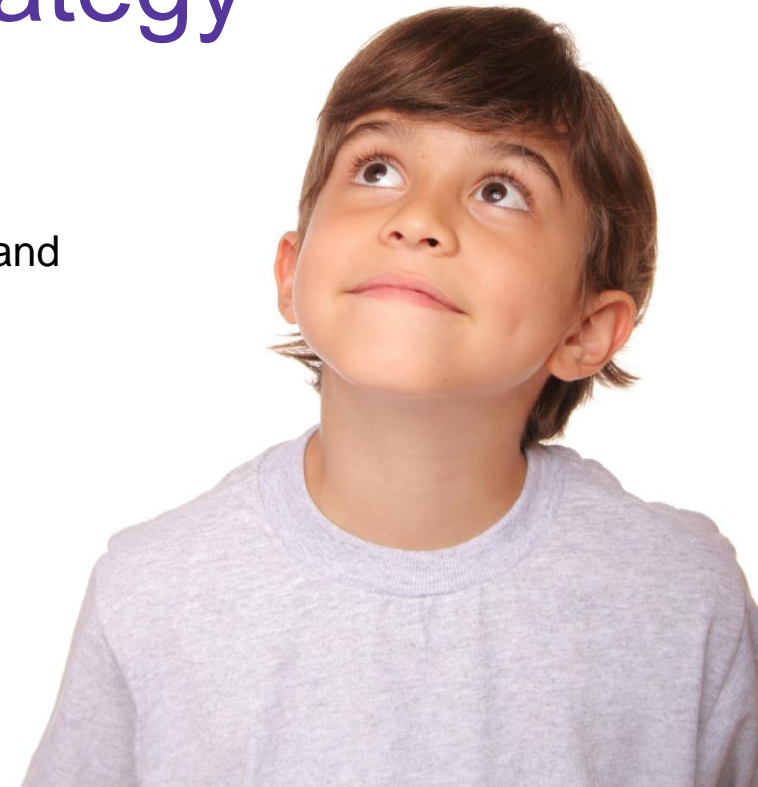




BT's Better Future Strategy

Andrew Campling
General Manager, London, Southern and Eastern England

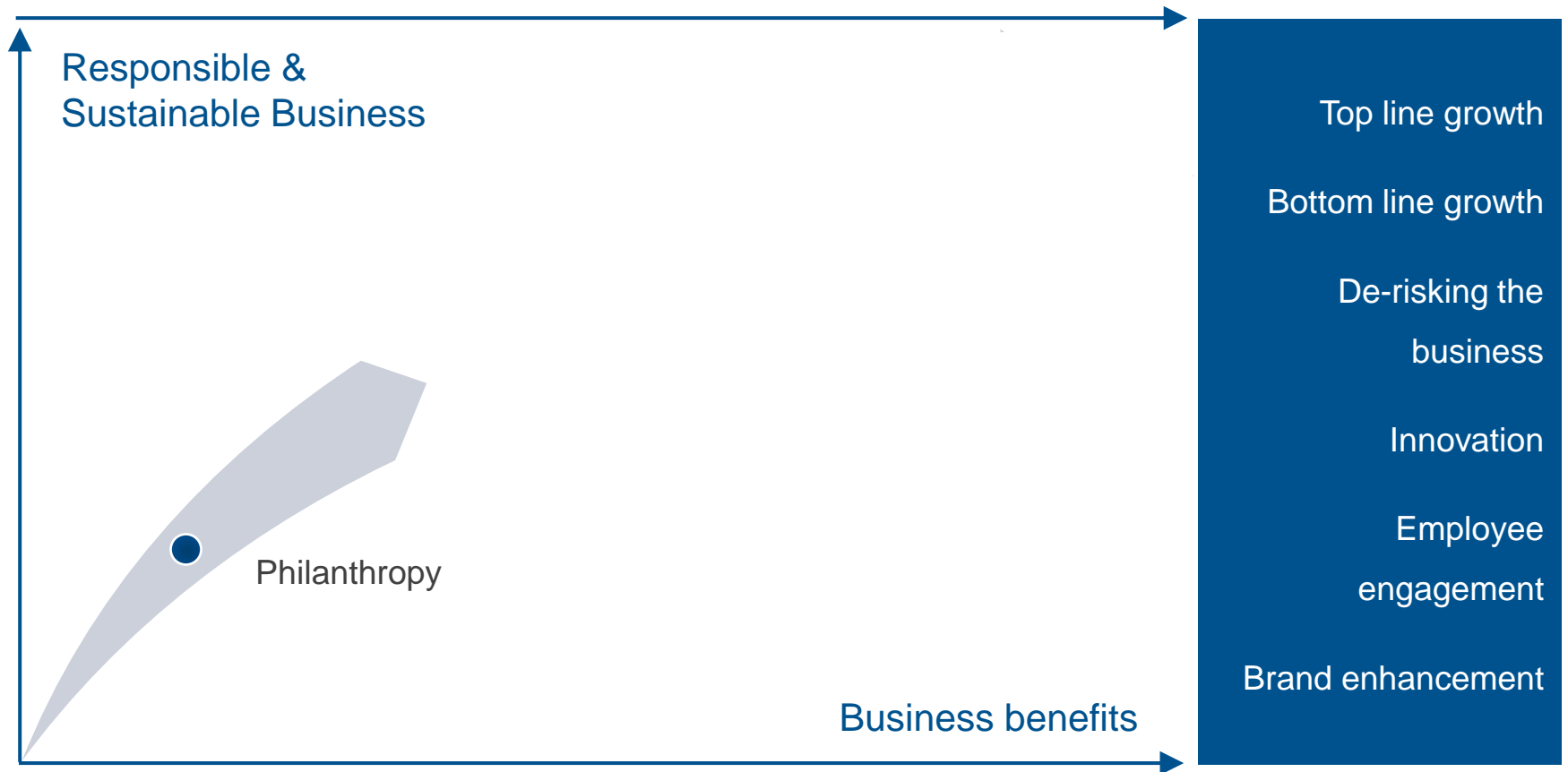


BT Strategy

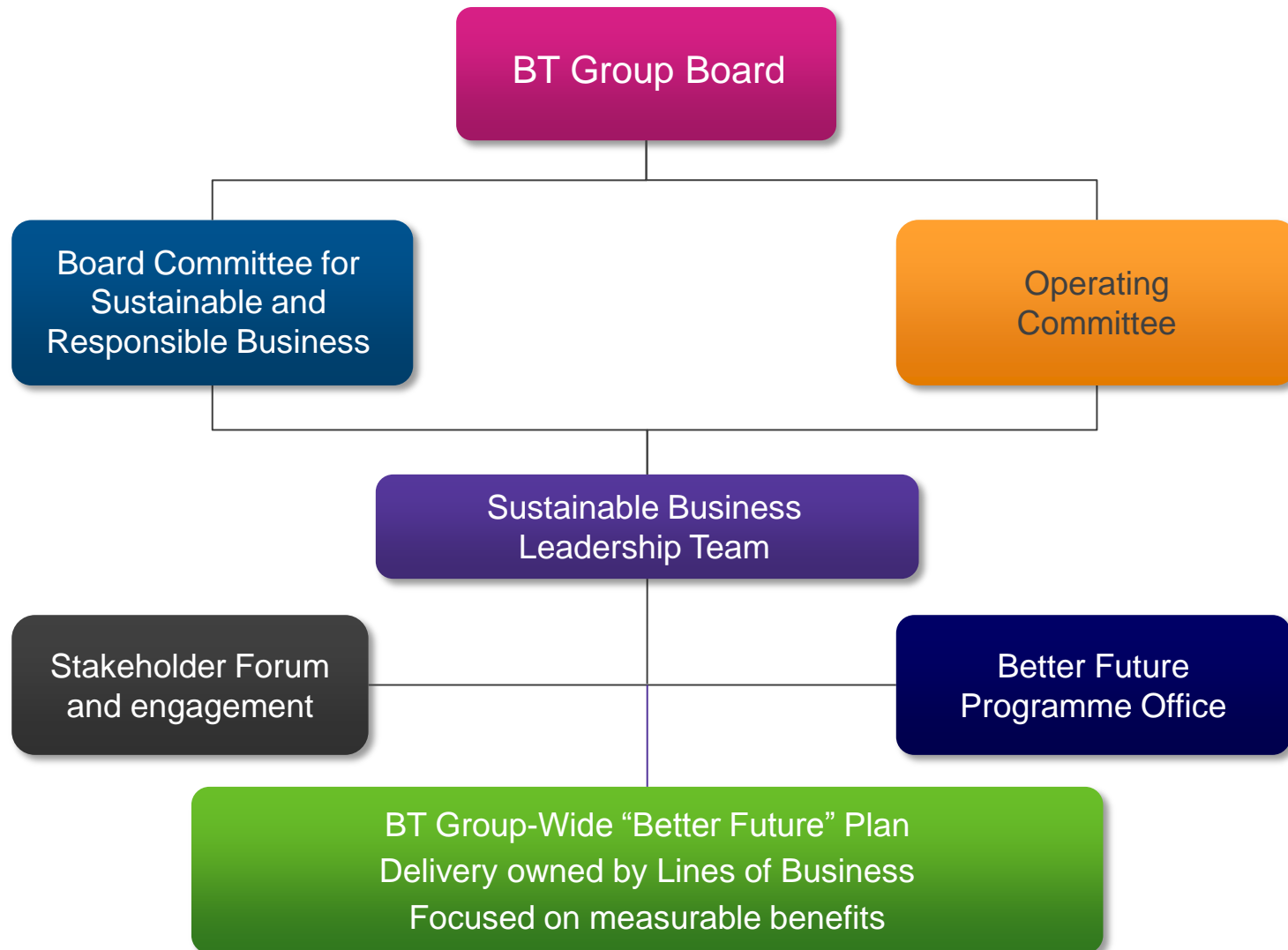


- Driving broadband-based consumer services
- Being the 'Brand for Business' for UK SMEs
- BT Global Services – a global leader
- The wholesaler of choice
- The best network provider
- **A responsible and sustainable business leader**

From Traditional to Perpetual



Embedding Sustainability



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.”

Better Future Targets & Impact



Connected Society



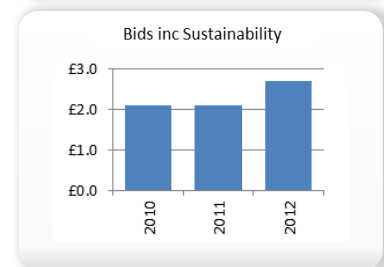
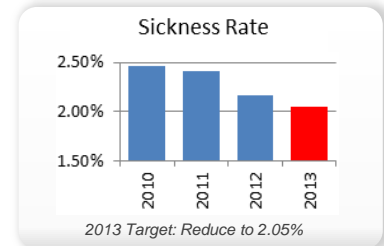
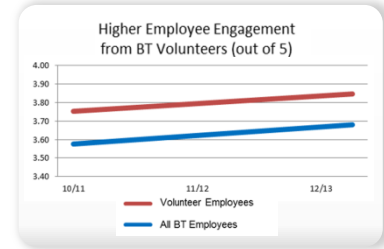
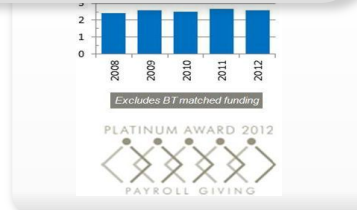
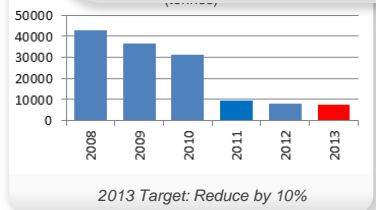
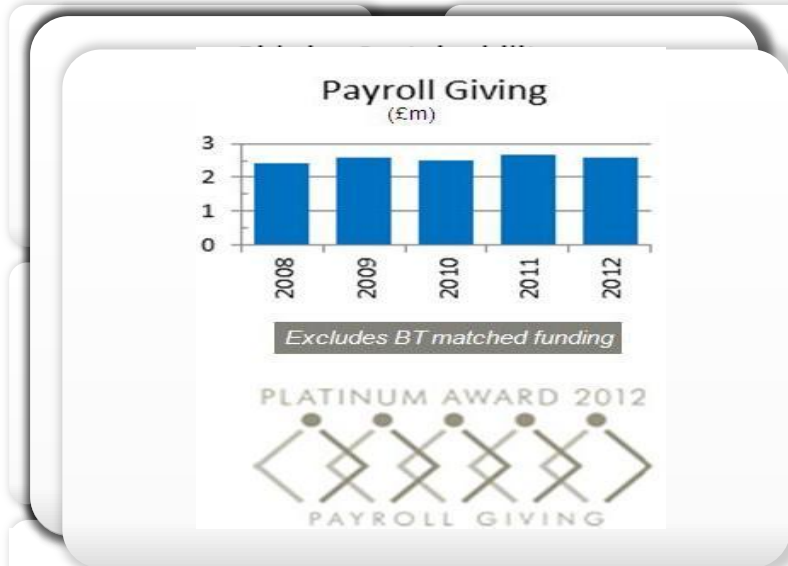
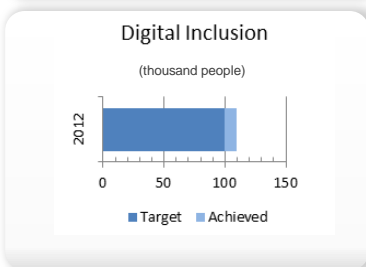
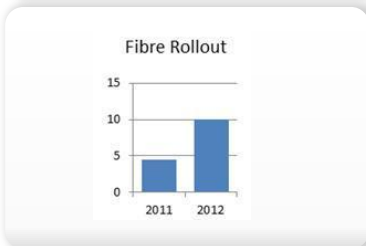
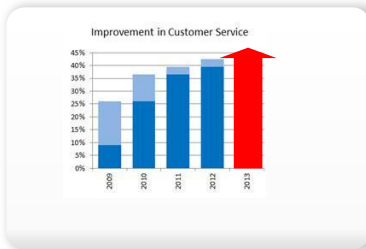
Net Good



Improving Lives

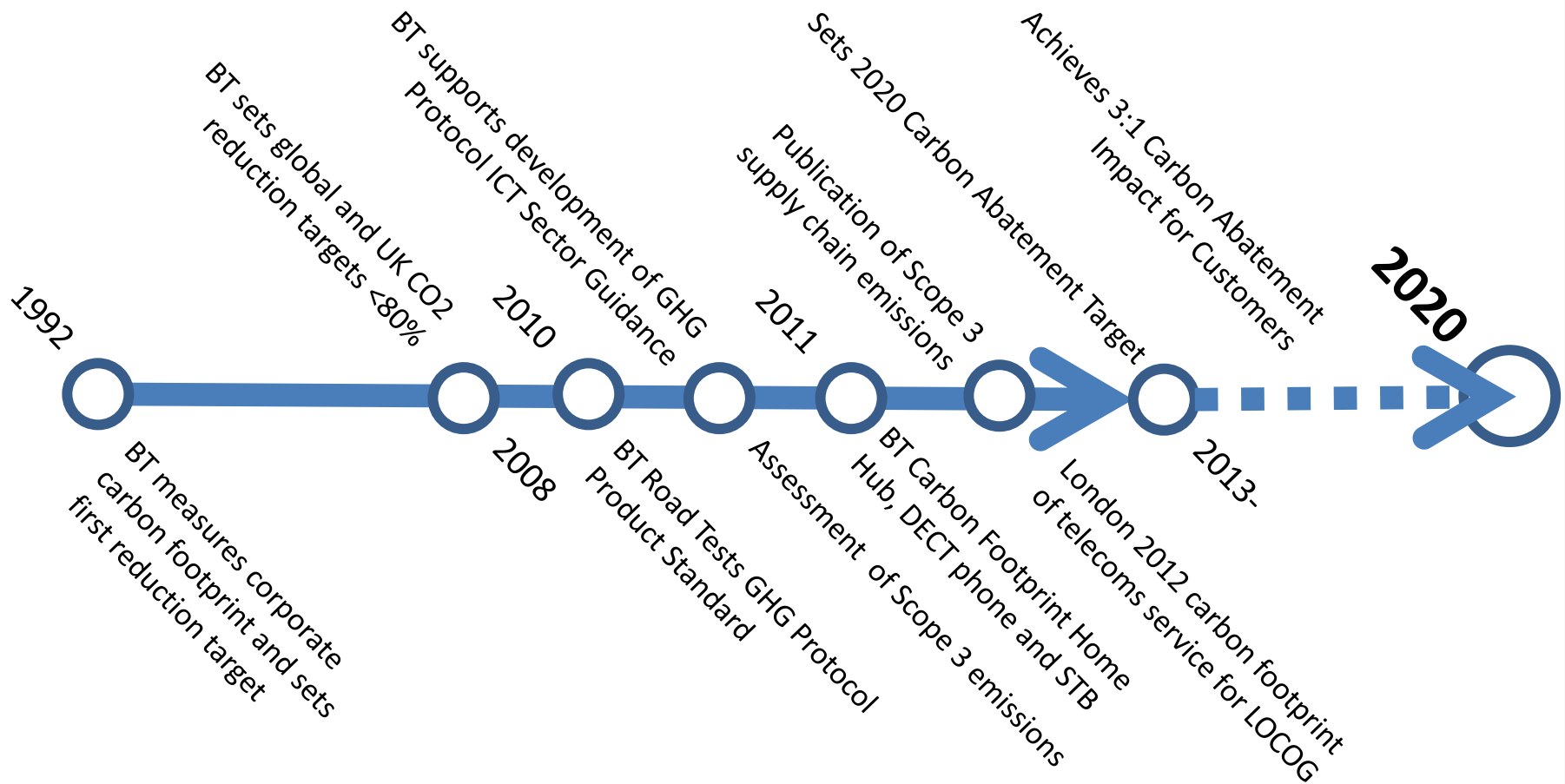


Better Future



A history of leadership

BT has a strong track record in carbon measurement and management



Raising the Bar



FROM

- Less Bad
- Reducing footprint
- More Efficient
- Better with Less

TO

- Net Good
- Positive Contribution

Challenge



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.”

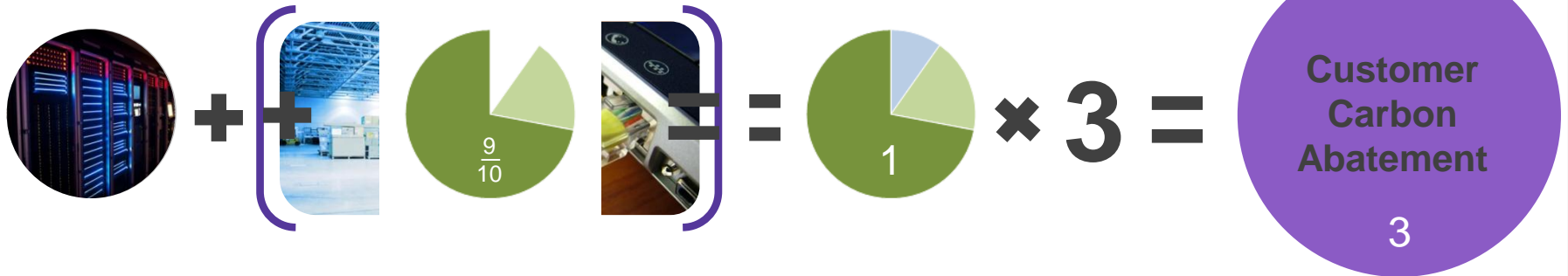
Full Carbon Burden

Currently Report
BT Operations

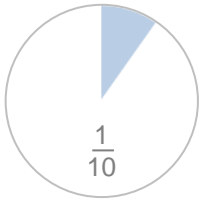
What we are also going to report
Suppliers *Customer Equipment*

Full Carbon
Burden

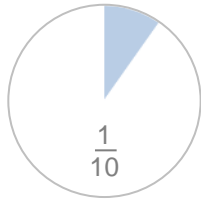
Customer Carbon
Abatement



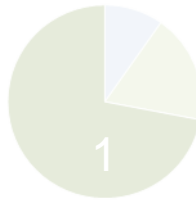
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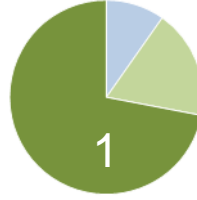
Currently Report
BT Operations



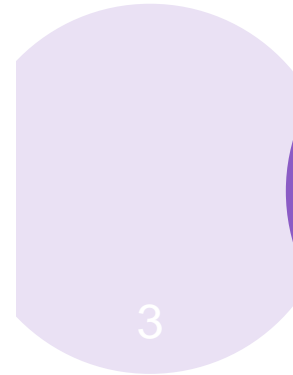
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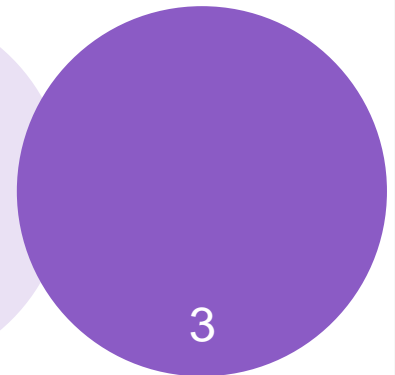
Full Carbon Burden



Customer Carbon Abatement



Customer Carbon Abatement



BT Operations - Energy

BT's UK Energy Consumption

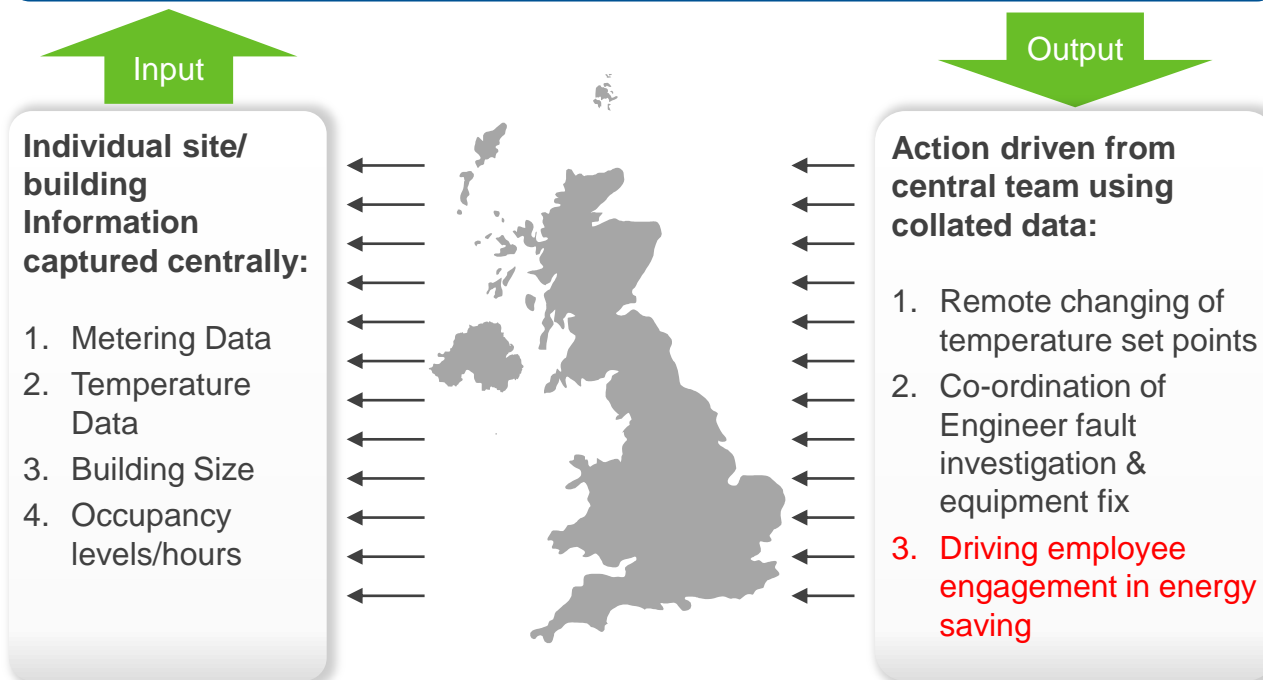
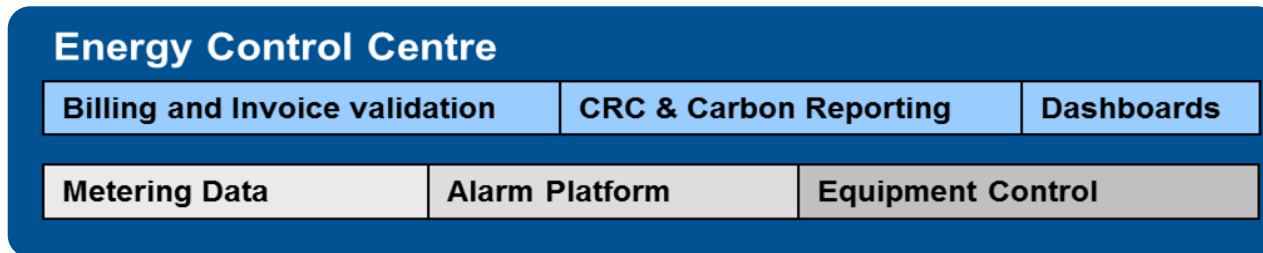


Key factors that have driven down energy consumption

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

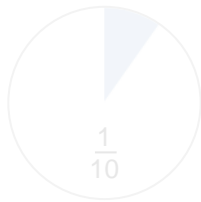
BT Operations - Energy

BT can continue to deliver on-going energy efficiencies because of its innovative Integrated Energy Management System (IEMS)

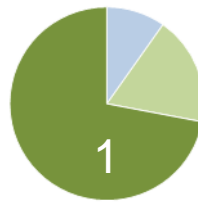


- BT IEMS covers:**
- 6000 UK buildings collated by IP network
 - 39,200 AMR electricity meters
 - 1,280 AMR gas meters
 - 20,675 sub meters
 - 12,000 LLU tenant sub meters
 - Circa 92,000 invoices a month
 - Will extend to 19 countries

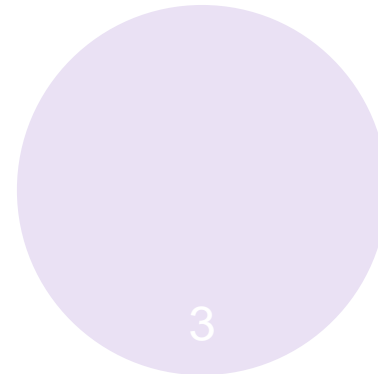
Currently Report
BT Operations



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

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



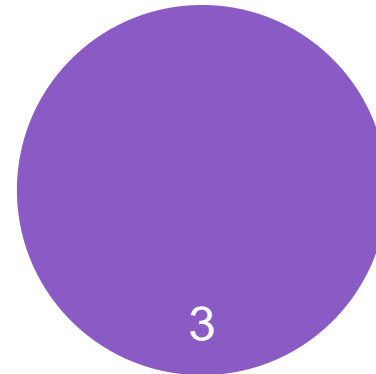
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BT Operations



Full Carbon Burden

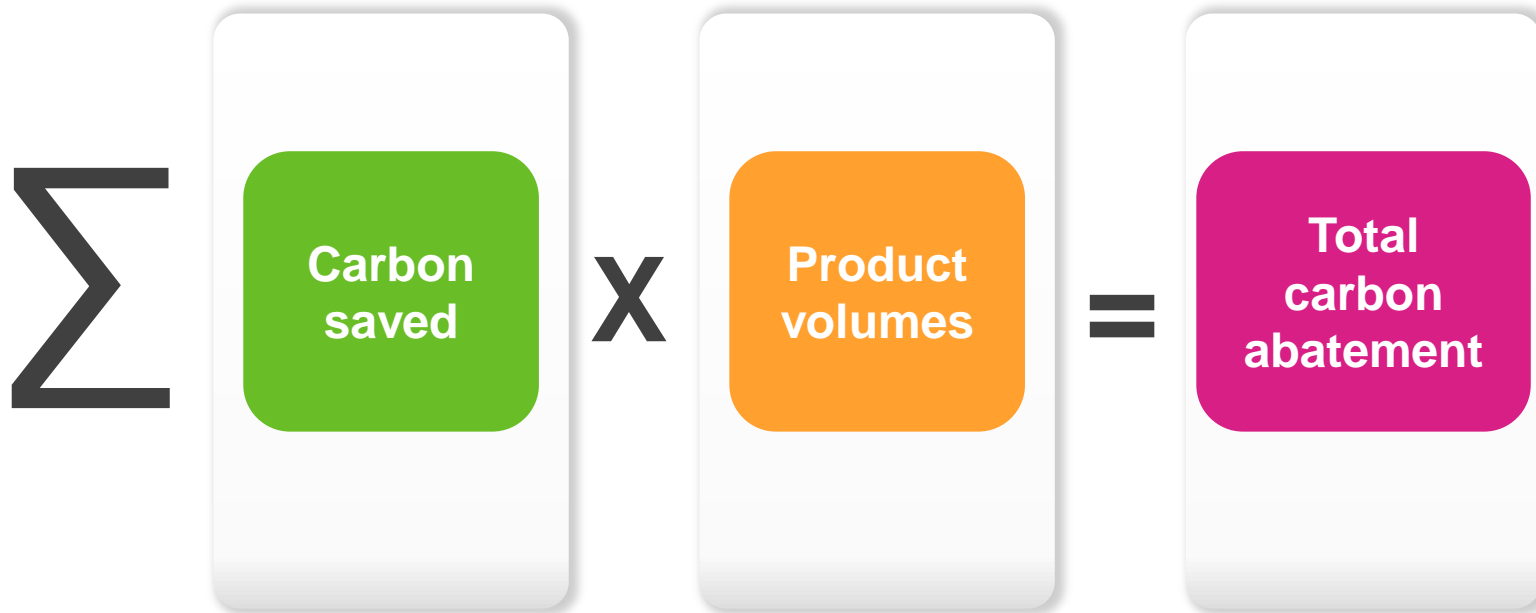


Customer Carbon Abatement



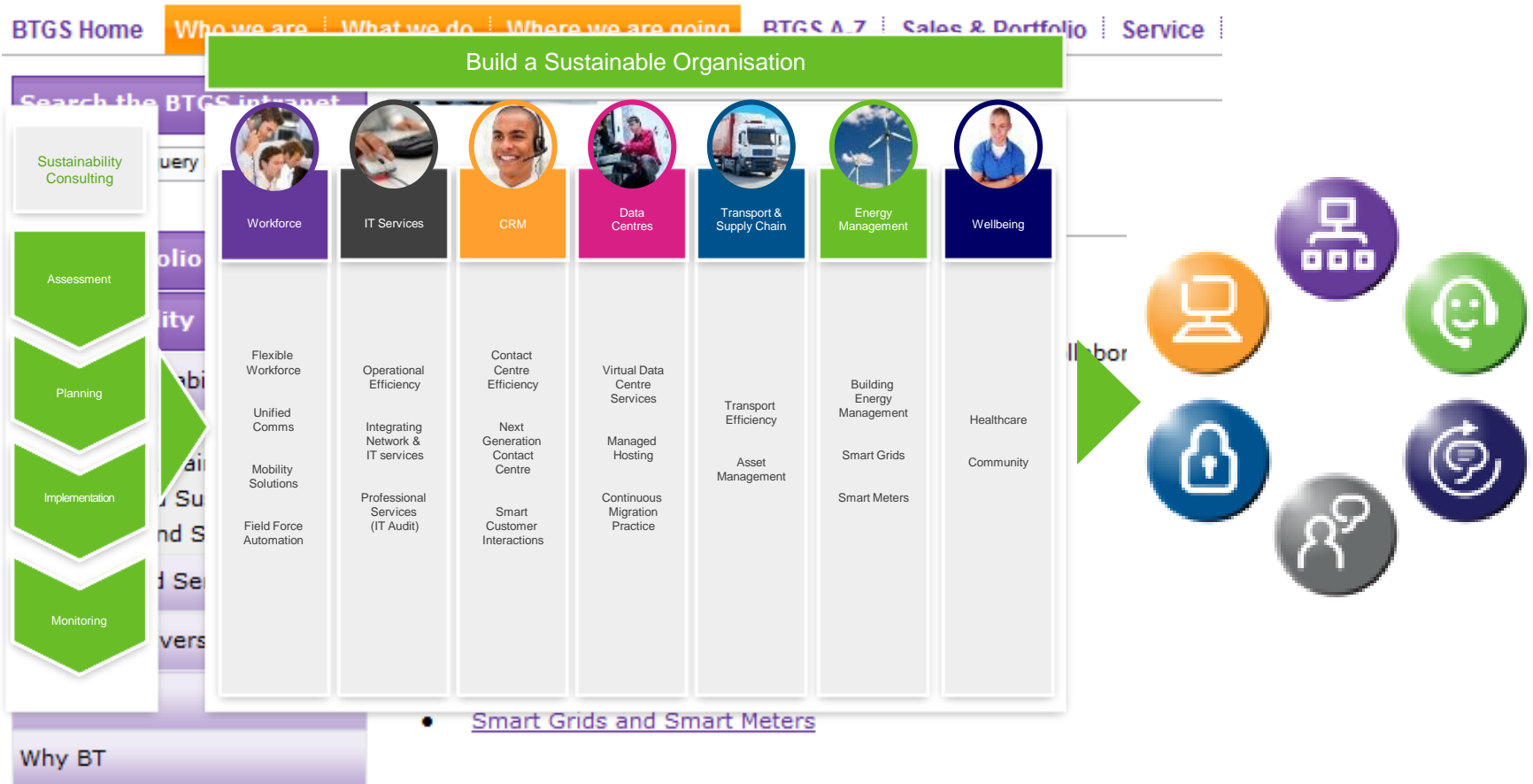
Calculating the “3” of the “3:1”

- 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



Customers - Portfolio Evolution

Embedding Sustainability Services into our portfolio and sales to our customers



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
- 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



BT Sustainability Credentials



September 2012 - less than 2% separates BT from super sector leader. We achieved our best ever score of 92%



In September 2012 we retained our No.1 position as leader in our sector in the FTSE4GOOD ESG rating with a score of 96%



Top ranking Telecommunications & IT company in the UK CRC Energy Efficiency scheme with a score of 95%, ranking us 44th overall out of 2103 companies

CARBON DISCLOSURE PROJECT

Sector leader with a score of 88% in the Carbon Disclosure Project's 2012 FTSE 350 disclosure leadership index



6th overall and top telecommunications company in the 2012 Green Rankings of Global 500 companies



Leader in the European & US Green Quadrant for Sustainable Telecoms



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.



Bringing it all together

bt.com/betterfuture