



Delivering our Purpose –
2017/18 report summary

3. Protecting the environment

We're contributing to global efforts to protect the environment through our technology and influence, while managing our own impacts.

**Progress against
our ambitions**

2.2:1

Our products and services help our customers cut their carbon emissions by more than double the carbon impact of our business

6.8%

We've cut our carbon emissions intensity by 6.8% since last year

Overview and highlights

We've played a leading role in efforts to combat climate change for over 25 years.

In 2008 we became one of the first companies to adopt a science-based target, aiming to radically reduce our carbon footprint and inspiring others to do the same. We achieved that carbon emissions intensity target in 2016, four years early, and now we're among the first to go a step further with a new 2030 target that will help us do our bit to try to limit global warming to 1.5°C^a.

But that's only part of the story. We're not just trying to reduce our own carbon footprint, we're helping our customers cut theirs too. That way, we can have a positive impact on the environment in the long run – and support the Government's goal to decarbonise the UK.

Our products and services helped customers avoid at least 11.3 million tonnes of CO₂ equivalent (CO₂e) emissions this year. That's already more than double our own end-to-end emissions and we want to increase it to triple our own emissions by 2020. We're exploring exciting solutions like the Internet of Things to help us do that.

Carbon-saving products and services aren't just good for the environment and our customers. They're good for business too, contributing £5.3bn to our revenue this year.

Of course, protecting the environment isn't just about tackling climate change – although that's where we can make the biggest difference. We've robust policies and systems in place to manage environmental risks and conserve natural resources, and we expect our suppliers to do so too.

^a From pre-industrial levels.

2017/18 highlights: Protecting the environment

Global warming cap

1.5°C

We've launched a new science-based target to reduce our carbon emissions intensity by 87% by 2030 (per unit of gross value added) from 2016/17 levels.

Supply chain target

Supplier emissions reductions

We've set a science-based target that, by 2030, we'll cut the carbon emissions from our supply chain by 29% (from 2016/17 levels). The contractual requirement to reduce carbon emissions with one of our strategic suppliers, Huawei, is starting to bear fruit.

Renewable sources

100% renewable electricity

81% of the electricity we bought this year came from renewable sources. After renegotiating many of EE's contracts, we expect to be much closer to our 100% goal next year.

Net positive landmark

2.2:1

Customer CO₂e emission savings, from using our products and services, were more than double the carbon footprint we generated end-to-end across our business' value chain this year.

External recognition

1st in sector

The 2017 Newsweek Green Rankings named us the leading green telecommunications company once again – and the eighth greenest company in the world overall.

CDP Global Climate A-list

We're among the top 5% of companies that report to CDP's climate change programme for investors. Our A rating in 2017 recognises our leadership in cutting emissions, mitigating climate risks and developing the low-carbon economy.

2nd

We achieved second place in Carbon Clear's ranking of FTSE 100 companies for our carbon measurement and reporting.

Top 2% for supplier engagement

We earned a place on the CDP Supplier Engagement Leaderboard for our efforts to manage climate change with our suppliers, putting us in the top 2% of the 3,300 companies assessed.

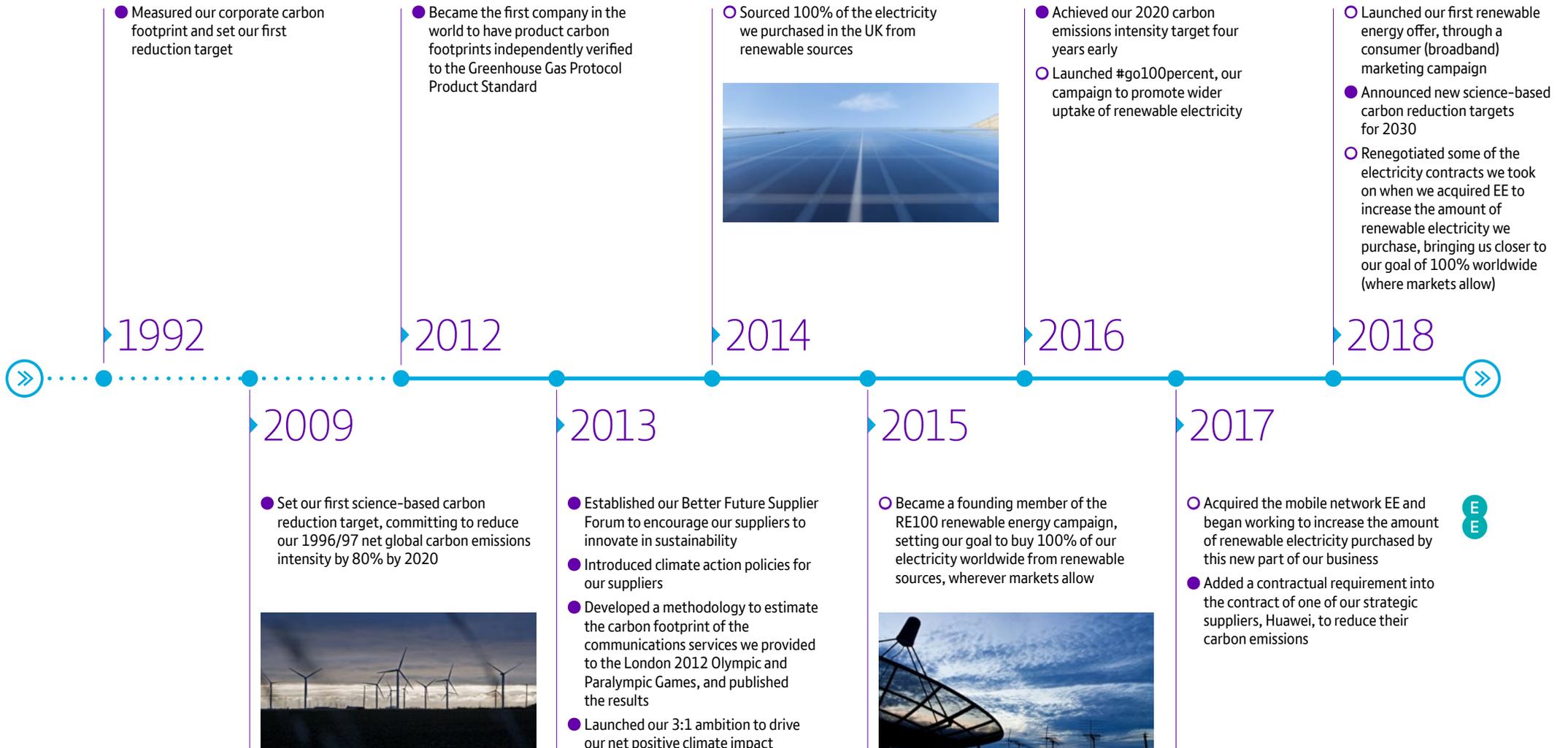
Tackling climate change continued

Activities occur during the financial year ending in the year shown

- Carbon targets
- Renewables



BT's carbon journey



Working with our supply chain: good for us, for them, and for the environment

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AFFORDABLE AND
CLEAN ENERGY



12

RESPONSIBLE
CONSUMPTION
AND PRODUCTION



13

CLIMATE
ACTION



It's amazing what you can do when you partner with others to tackle big challenges.

Our suppliers are crucial to helping us achieve our new science-based target, that by 2030 we'll cut the carbon emissions from our supply chain by 29% (from 2016/17 levels).

Last year, we worked with one of our strategic technology suppliers, Huawei, to agree a climate clause in their latest contract with us. Huawei is now contractually required to demonstrate carbon savings over the duration of their contract.

Over five years, Huawei expects to save 131,000 tonnes of CO₂e, which is equivalent to 1.5 times the emissions that come from making the products we're buying from them.

Our agreement will help to drive improvements further down the supply chain as a lot of savings will come from Huawei's own suppliers investing in energy-saving technologies such as LED lighting and more efficient air conditioning.

These types of improvements translate into long-term savings – not just carbon savings for the environment, but cost savings for both Huawei and its suppliers.

“We were very pleased to work with BT on this carbon saving initiative. The results have been excellent, showing a positive return for both Huawei and our suppliers. We are now looking to implement these methodologies in our supply chain and looking forward to collaborating with BT on further sustainability initiatives.”

Paul Thompson
Delivery and Service Director, Huawei



“These savings are even better than we originally estimated.”

Tony Roy
Senior Procurement Manager –
Head of Governance and Sustainability, BT

