



Sustainability

BT Social and
Environmental report



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2003

Sustainability

The concept of sustainable development has increasingly come to represent a new kind of world, where economic growth delivers a more just and inclusive society, at the same time as preserving the natural environment and the world's non-renewable resources for future generations.

The successful realisation of sustainable development requires a degree of international consensus and a great deal of multi-institutional support.

No individual country, business or other organisation can become sustainable on its own. But it can become more sustainable than it was, and it can make a valuable contribution to make the world more sustainable.

Here we discuss:

- BT's approach
- A sustainability vision
- ICT sustainability impacts
- Sustainable Development in Broadband Britain
- BT raising awareness on sustainable development
- BT working in partnership.

BT's approach

In our online Social and Environmental report we identify and quantify our social, economic and environmental impacts and set targets to improve.

We use the term corporate social responsibility (CSR) more often than sustainable development and consider CSR to be the voluntary actions a company takes to contribute to the wider societal goal of sustainable development.

CSR requires a co-ordinated approach to managing social, economic and environmental issues right across the company. See the Business principles section of our online report

for a description of our CSR governance framework and the recent introduction of our CSR health checks.

However, sustainability is not just about having the right systems, checks and balances in place. BT aspires to lead by example, and this section considers the practical steps we are taking to raise awareness of and participation in sustainability.

A sustainability vision

Information and Communications Technology (ICT) drives productivity and economic growth. For this growth to make a direct contribution to sustainable development it must be managed in the right way. If not, it will lead to further inequalities and greater consumption.

The following are recommendations to governments developed by the Global e-Sustainability Initiative (GeSI) for the World Summit for Sustainable Development (WSSD) and World Summit for the Information Society (WSIS):

- 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, eg, environmental protection (climate mitigation, resource efficiency, monitoring and information gathering) 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 for sustainable development and as an effective instrument to help us achieve the UN's Millennium Development Goals (MDGs).
- 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
- CT should be integrated into the mainstream of sustainable development.

Information and Communications Technology (ICT) and sustainability

ICT brings many potential benefits to society.

In its submission to the World Summit on Sustainable Development the Global e-Sustainability Initiative highlighted how:

- ICT provides the infrastructure of the knowledge economy and can enable other sectors to move towards sustainability
- Low penetration of ICT in less-developed economies inhibits the achievement of sustainable social and economic development goals
- The internet enhances the capability of those with access in the fields of education and health, as well as providing new opportunities for economic activity and democratic participation
- All sectors can improve the impact of their operations, reducing their use of resources through smart energy management, more efficient transport, transport substitution, dematerialisation, electronic commerce and substitution of services for products.

ICT sustainability impacts

"ICT is a wonderful tool for creating value, creating an inspired work environment and an opportunity for people to develop themselves."

Ben Verwaayen, BT CEO, 2002

Communications technology not only benefits business, but the people doing business. ICT is changing the way business is done, especially through the internet and wireless technologies. The technologies provide the possibility of productivity gains similar to those of 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 and

economic networks needed to bring sustainable development to emerging economies.

The use of BT's own products and services enables us to reduce our consumption of finite materials and to improve the work-life balance of our people.

Here we identify some of the key sustainability impacts of ICT, using quantified examples from our own experience. These are:

- The impact of phone and video-conferencing on travel
- The social and travel implications of more flexible work-styles
- The impact of e-Business.

For more information on work-life balance, see the Employees section of our online report.

Conferencing

Conferencing by video, phone or the web is more time and cost-efficient than meeting in person. It improves the quality of life for those who travel frequently. It's also a major benefit for BT's 7,900 plus home-based workers and a growing number of so-called agile workers, those who occasionally work from home.

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

Impacts of conferencing

We conduct regular surveys to assess the economic, social and environmental performance of our phone conferencing services.

In the financial year 2003, a representative sample of BT employees was surveyed about their use of conferencing. The response group is broadly representative of BT in terms of business unit and age, but includes a higher proportion of managers and women.

This is a summary of the survey's main findings. For full data, see our BT Conferencing Survey Report. This is available as a download PDF from our Better World website.



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Impacts of telephone conferencing: survey results

Economic

- Conferencing is reducing BT's travel costs
- 66% of the respondents said conferencing was essential to their job, and over 80% believed it had improved their performance.

Environmental

- Reduces travel by at least 91 miles a year for car users and 94 miles for train users
- Frees up road space and seats on public transport at the busiest times of day (almost half of the avoided trips would have taken place at that time)
- Alleviates congestion in London (about a third of the avoided meetings would have been in the capital)
- Reduces harmful CO₂ emissions. It is estimated that each conference call saves a minimum 22.05 kg of CO₂ and that all conference calls save at least 20,060 tonnes of CO₂ a year.

Social

- Conferencing creates personal benefits for BT people. Three quarters of respondents said conferencing improved the quality of their lives. Only 2% disagreed

- One respondent's comment summed up most people's view of teleconferencing:

"Travelling less = more time at home = balance of home/work priorities = less stress = better performance."

For more information on teleconferencing with BT, see BT Conferencing (www.conferencing.bt.com).

Flexible work-styles

Technology enables flexible working solutions that suit the needs of individuals and businesses, giving people the freedom to work while away from the office, with all the resources they need to do their jobs effectively.

We have supported and sponsored the development of work-style choices for our people for a number of years. More than 7,900 BT people are full-time home-based workers, experiencing personal benefits while reducing the environmental impact of their commute.

Here we discuss the pros and cons of teleworking as identified by two linked studies:

- An internal BT survey, which acted as a pilot for
- An external survey conducted by SusTel, a research project on teleworking funded by the European Union's Information Society Technology (IST) programme. The survey assesses the economic, social and environmental aspects of teleworking.

SusTel BT Pilot Report

The report summarises an online survey, carried out in October 2002, of staff registered with Workabout, BT's official teleworking programme. Answers were received from 1,874 people, a response rate of 36.5%.

For the full data, see the SusTel Pilot Report in the Reports section of our online Social and Environmental report.

The main findings of the survey are:

- The majority of respondents felt that they had a better life using teleworking than if they commuted to an office. Many reported an increased contribution to domestic and community activities, while a small number believed that they would be unable to do their job without telework
- Most teleworkers reported an increase in working hours – of over nine hours per week for almost half the respondents. This increased working time was the main reason given by the small minority of respondents

who felt teleworking had a negative effect on their lives.

Paradoxically, although people work longer hours, they also feel their quality of life has been enhanced. This is because less commuting frees time for work and private life and also greatly reduces stress. Also, teleworking enables people to multi-task. They can, for example, do domestic jobs during work breaks. This gives them more quality time at evenings and weekends.

SusTel UK

The SusTel UK report summarises the UK results of the SusTel survey, a European Commission research project on the social, economic and environmental consequences of telework.

In the autumn of 2002, the SusTel team conducted 30 case studies and a total of six surveys, one each in Denmark, Germany, Italy and the Netherlands and two in the United Kingdom.

SusTel, in collaboration with BT and other companies in Europe, has developed the Telework-Sustainability Assessment Tool (SAT). This provides a simple way to assess and improve the sustainability of telework programmes in organisations.

The SAT provides:

- A quick means of understanding and assessing the economic, environmental and social impacts of actual or proposed teleworking initiatives
- Information and ideas on how to improve in areas such as resource consumption or transport
- Links showing how teleworking impacts on more than one aspect of an organisation, for example, reducing commuting can greatly reduce stress and improve work-life balance.

SAT will also help organisations use teleworking to adapt to:

- Requirements to produce 'green travel plans' to reduce car use by employees
- The introduction of congestion charges in cities

- New regulations requiring employers to prove that particular jobs are not suitable for flexible working (and therefore teleworking).

The main UK surveys were carried out with the UK airports company, BAA, and BT. The two companies, along with four other organisations – Acre (a small non-governmental organisation), Bradford Council, East Midlands Electricity and Word Association (a small internet company) – were also the subject of case studies for the project.

Here we summarise the main findings of the survey in four categories:

- Personal and social benefits
- Downsides of telework
- Key economic benefits
- Travel reduction.

Personal and social benefits

- The vast majority of respondents felt that they had had a good quality of life in the previous 12 months, and that teleworking was having a positive effect
- Most respondents felt that they had a good work-life balance and that teleworking had positive impacts on partners, children and adult dependants
- Most respondents felt that teleworking had a positive influence on career development, although a minority (15.5%) of BT respondents disagreed.

Teleworking downsides

- Many respondents felt their working hours had increased, sometimes by more than 11 hours a week
- Respondents felt isolated from work colleagues and, to a lesser extent, from non-work contacts – something which did not matter to most respondents but did for a large minority of BT staff

Key economic benefits

Better performance, the need for less office space and reduced absenteeism are among the economic benefits of teleworking.



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- Nearly half of the BT respondents who felt that their performance had improved believed that teleworking had made a major contribution
- Three of the six case study companies showed major reductions in office space requirements. Word Association, a small internet company, gave up its central office entirely to become a 'virtual' organisation, saving £10,000 a year
- Three of the six companies found that teleworking reduced absenteeism and job turnover. Almost three quarters of both BT and BAA respondents reported that they worked when illness or travel disruption would have prevented them from going to an office.

Travel reduction

The survey confirmed previous findings that teleworking reduces commuting travel. SusTel went further by offsetting the extra journeys people make as a result of working from home. This showed that:

- Non-work-related journeys resulted in mean additional weekly travel of 60 miles at BT and 16 miles for BAA staff
- However, set against weekly commuting savings of 253 miles at BT and 61 miles at BAA, teleworking still results in considerable travel reductions.

Teleworking saved large amounts of time at BT with 64.7% of BT respondents saving six or more hours a week, and 22.9% saving 11 or more hours per week.

Conclusions

Teleworking in the UK appears to bring net economic, environmental and social benefits for organisations and the people who work there. There are some downsides, such as increased working hours and some concerns about career development.

More information and full data are available as a download PDF of the UK SusTel Summary Report from the Reports section of our online report, or on the SusTel website (www.sustel.org).

e-Business (e-BT)

Increased use of electronic transactions in BT has clear environmental benefits.

Since the financial year 2000, we have been transforming BT into e-BT, by reducing the number of paper-based transactions and trading more electronically. This has reduced the use of paper, ink and other stationery – the use of copier paper during this period has fallen by 42%.

Paper consumption

Our billing and telephone directories operations account for most of our print and paper use. The use of paper in phone books has risen by 30%, compared with the 2003 financial year. This is because the books, which are reprinted every year and delivered to every UK household, now include a classified advertising section.

But we have reduced the use of paper elsewhere. Compared with the 2003 financial year:

- Copier paper down by 187 tonnes (13%)
- Office paper supplies (e.g. forms) down by 100 tonnes (45%)

Increased use of email and e-business is often believed to lead to increased local printing and greater use of office paper and other consumables. This is not the case in BT. Since the 2000 financial year, internal printing has decreased by 42% and the use of paper forms by 70%.

When our billing and phone book activities are included, there has been an overall increase in paper use of 10% compared with the 2003 financial year.

Customer solutions

Online Directory

BT's online directory enquiries provide telephone numbers. Users are entitled to ten free searches a day and can search by name, town or the initial letters of the post code.

eBilling

BT produces millions of bills every year, using millions of sheets of paper. We are developing ways to use our technology to reduce the amount of paper we use and to improve customer service.

Business online paper-free bill

The advantages of online paper-free billing are:

- It saves paper
- Itemised call details can be sorted and analysed by customers
- Online VAT statement, supported by Customs and Excise, can be printed
- Customers can download billing data to their PC.

In the 2004 financial year, BT ran a pilot with the Woodland Trust, the UK's leading woodland conservation charity, to encourage business customers to use paper-free billing.

For every small business that signed up for eBilling, BT bought a native sapling, to be planted by children as part of the charity's school's planting programme.

The response to this offer exceeded our expectations and resulted in the planting of nearly 2,000 native trees by the Woodland Trust. Lessons from the pilot have been fed into our plans for enhanced payment options in the 2005 financial year.

We are running a similar project with Future Forests, a UK company promoting tree planting to offset carbon dioxide emissions, whereby BT made a one-off payment to Future Forests, to encourage private customers to choose eBilling.

Paperless payments

Customers can pay their bills by direct debit without completing any paperwork. This can be set up on the phone or on our website. 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.

For more information on residential & business billing, see <http://www.bt.com>.

Sustainable Development in Broadband Britain

This year we asked Forum for the Future (www.forumforthefuture.org.uk) to look at broadband from a wide perspective, that of sustainable development. Taking social, economic and environmental concerns together, to ask how the roll-out of broadband internet access will affect the UK's ability to deliver a better quality of life and a better environment for all in the future.

The roll-out of broadband is a strategic priority for BT and therefore has a significant impact on our contribution to sustainable development in the UK.

The report concludes:

Large positive **economic** impacts are expected from the roll-out of broadband by:

- Enabling more efficient business processes – most marked in the small business (SME) sector
- Stimulating economic growth – through productivity gains and access to the global market.

The internet is expected to have a significant impact on **society**, and the arrival of broadband accentuates and slightly modifies that by:

- Allowing more efficient delivery of educational, health and other public services
- Offering the opportunity to enhance and multiply social ties
- Helping community centres work more efficiently
- Enabling telework.



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However, the **environmental** effects of broadband are more mixed.

Reductions in travel by teleworkers and more effective use of office accommodation are offset by:

- The increase in energy consumption by BT
- Possible changes in consumer behaviour
- Waste associated with consumer demand for ICT products.

A PDF download of the full report is available in the Sustainability section of our online report.

Web-based environmental management software

In partnership with Entropy International, a management systems and software company, we have developed a web-based environmental management solution.

The software is fully integrated with a BT managed application enabling it to be web based with full operational security and external hosting. The solution can be used by anyone in any location with web access.

Designed to ensure full compliance with ISO 14001, EMAS, ISO 9001 and OHSAS 18001, Envoy covers environmental, quality, and health and safety (EQS) management and monitoring.

Raising Awareness

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 issues.

Publications

We produce a series of occasional papers designed to address the complex inter-relationships between companies and society. The papers, which aim to stimulate debate rather than provide definitive answers, include:

- Just Values (2003) asks the question 'What happens when responsible business doesn't pay?' by examining the relationship between the business case for sustainable development and the moral imperative

- Enlightened Values (2002) offers a practical business case for accountability and stakeholder engagement
- Adding Values (2001) provides an insight into why and how to account for a company's economic performance and effects
- Variety and Values (2000) gives a review of globalisation and its linked effects on cultural and bio-diversity loss
- Changing Values (1999) considers the role of business in a sustainable society.

All of these papers are available as download PDFs in the Original Thinking section of our Better World website.

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 (www.csreurope.org)
- Forum for the Future (www.forumforthefuture.org.uk)
- Green Alliance (www.green-alliance.org.uk)
- Business for Social Responsibility (www.bsr.org)
- Global e-Sustainability Initiative (www.gesi.org)

We respond to formal consultations such as the UK Government sustainability strategy and the EU green paper on CSR.

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 in the Business principles section of our online report.

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.

Particularly relevant would be our:

- Support for the United Nations Global Compact, an international commitment to principles on human rights, labour and civil society
- Support for the Global Reporting Initiative in its development of sustainability reporting guidelines
- Inputs to multilateral dialogues via 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 SustainIT.

The future

"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, we need:

- Networks 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
- Fibre-optical switches and computers (as glass is derived from a plentiful supply of sand, fibre-optic components could reduce the need for metals and conventional semiconductor materials).

Our services can also help to build a more productive and inclusive society with improved democratic participation, more efficient provision of health and education services, unlimited access to other people and to knowledge.



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Registered office: 81 Newgate Street, London EC1A 7AJ
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