BT's Sustainability Report
2008

Environment

Environment

Telecommunications is perceived as an environmentally sound technology and is cleaner than many traditional industries. But we use a lot of energy to operate our networks and we consume natural resources indirectly through, for example, the services and equipment we buy.

Our products and services also benefit the environment by allowing people to meet and do business without needing to travel, and can help reduce the consumption of finite resources.

We aim to manage our business to minimise negative impacts to the environment and to maximise the benefits we bring.

We discuss these issues here, providing data on our performance.

Environmental Management System

ISO 14001 certification

Good environmental management saves money and improves business efficiency. BT's environmental management system (EMS) complies with the international standard ISO 14001:2004.

The standard helps keep us focused on reducing our environmental impacts.

In the 2008 financial year:

- We successfully maintained our ISO 14001 UK certificate following the assessment of our EMS

- BT Belgium, BT Ireland and BT Italy all achieved certification to ISO14001. Work to implement the standard is underway in BT America, where we hope to achieve certification in the second quarter of the 2009 financial year. Work has also begun in Germany and The Netherlands.

System improvement

Demonstrating that environmental impacts are adequately managed is a key requirement of any EMS. Many aspects of BT's environmental management have been embedded at an operational level, and are considered 'business as usual'.

Since 1999, our EMS has worked well without the need for change. Last year, we found the need to make some processes, and the areas and people responsible for them, more visible. To address this issue we purchased a web-based environmental information system, called enviroMANAGER™. We have not yet fully implemented the system but the software has already brought a number of benefits e.g. greater visibility of people and activities, direct links from aspects to legislation and the ability to prove compliance with legislation.

In the 2009 financial year we will carry out an in-depth review of how we manage environmental issues, to ensure this area aligns with other areas of our CSR strategy, including sustainable economic growth and digital inclusion.

It will include a detailed assessment of the structure of our management system and governance arrangements for environmental management.

Environmental impacts

Here we will be exploring our performance in each risk area:

- Fuel, energy and water
- Waste
- Transport
- Emissions to air
- Procurement and the environment
- Product stewardship
- Local environmental impacts

Environmental Policy

Our Environmental policy guides our environmental work and commits us to setting improvement targets and closely monitoring our environmental performance.

We communicate our environmental objectives, action plans and achievements to help every BT employee understand and implement the policy in their daily work.

Policy

BT recognises that in its day-to-day operations it impacts on the environment in a number of ways and we are committed to minimising the potentially harmful effects of such activity wherever and whenever possible.

This policy statement provides the framework on which our environmental programme is based. This enables us to set targets and measure progress as well as strive for continuous environmental improvement.

BT seeks to maximise opportunities for the provision of services and solutions which can help to reduce environmental impacts, and which may provide significant environmental benefits.

We have undertaken to help every person who works for and on behalf of BT understand and implement the relevant aspects of this policy in their day-to-day work through the regular communication of objectives, action plans and achievements.

We will also ensure that BT's joint ventures and other partners are aware of this policy and promote the principles of sound environmental practice.

The Chief Executive of BT has ultimate responsibility for the company's environmental policy and performance. The Company's Committee for Responsible and Sustainable Business (CRSB) oversees the implementation of all social and environmental programmes across the BT Group. The CRSB meets quarterly and regularly reports to the Board. It is chaired by BT's Chairman Sir Michael Rake. BT's Environment & Climate Change Sponsor - with personal responsibility for environmental policy development, implementation and coordination – is Bruce Stanford, who attends the pre- CRSB meeting with BT's other Task Force Sponsors. The views of this forum are represented by the CSR Sponsor (Chair of pre-meetings), who also attends the CRSB.

Our commitment

BT is committed to the prevention of pollution and minimising the impact on the environment of its operations globally. In particular, we will contribute to initiatives that seek to address climate change. Through a programme of continuous improvement BT and its wholly owned subsidiaries will:

- Meet all applicable legislative and other requirements, and where appropriate exceed or supplement these by setting our own exacting standards,

- Seek to reduce consumption of materials in our operations, reuse rather than dispose whenever possible, and promote recycling and the use of recycled materials,

- Design energy efficiency into new services, buildings and equipment and manage energy wisely in all operations,

- Reduce wherever practicable the level of harmful emissions,

- Develop products that are safe to use, make efficient use of resources, and which can be reused, recycled or disposed of safely,

- Work in partnership with our suppliers to minimise the impact of their operations on the environment,

- Seek to minimise the visual, noise and other impacts on the local environment when siting and maintaining our buildings, structures and equipment,

- Work with external groups and organisations to promote the concepts and practices of environmental protection,

- Include environmental issues in discussions with the BT unions, the BT training programmes and encourage the implementation by all BT people of sound environmental practices both at home and at work,

- Monitor progress and publish details of our environmental performance in our Social and Environmental report, as a minimum, on an annual basis.

The Company's environmental management system will monitor delivery of these commitments.

Environmental Prosecutions

We recognise that we have clear legal obligations for the management of our environmental programmes.

During the 2008 financial year, there was 1 environmental prosecution in the UK.

A Prosecution by the Environment Agency resulted in a fine of £3,000 and BT was ordered to pay £549 costs after pleading guilty on 10th April 2008 at Taunton Magistrates Court to erecting five telegraph poles within a flood defence at Riverside, Burrowbridge, on October 16, 2007, without consent from the EA under a local Land Drainage Byelaw.

Fuel, energy and water

We use significant amounts of energy to power our network and to heat, cool and power our buildings. This contributes to climate changes as carbon dioxide, by far the most significant greenhouse gas, is produced when fossil fuels are burned to produce energy.

We aim to reduce our energy consumption as much as possible by improving energy efficiency. We also buy green electricity and are installing onsite renewable technologies to help reduce our climate change impacts.

Here we describe how we manage our fuel and energy use. We also discuss our efforts to reduce our consumption of water.

- Energy consumption
- Energy efficiency
- Renewable energy

- Fuel Storage
- Water use

See Transport for information on how we are reducing fuel use in our fleet.

Energy consumption

We closely monitor our energy consumption. Using one of the UK's largest computer-based monitoring and targeting systems we collect data at half-hour intervals from more than 6,000 sites. This helps us to quickly identify wasted energy, rather than relying on a monthly bill.

Energy consumption for BT's network and estate during the 2008 financial year was 2,636 GWh. This was made up of:

- 2,030 GWh electricity (approximately) to run our networks including data centres
- 216 GWh electricity (approximately) used at our office premises
- 390 GWh (gas and oil use) as heating fuel at all our sites.

Trends in energy use

Our investment in energy management has helped to keep our energy consumption at a relatively constant level for the last five years, while our business has grown.

This year our electricity consumption increased by 1.8% which is mainly due to improved products, for example highspeed broadband, offered to our clients. This increase has been offset by a number of energy efficient measures implemented within BT (See energy efficiency)

We are implementing our new carbon strategy, which includes a goal to reduce carbon dioxide emissions from 1996 levels by 80% by 2016. This will be achieved through energy and carbon management in our network and buildings, on-site energy generation and purchasing green energy. For more information see Climate change.

With no major changes expected in the size of our estate, we are focusing on reducing our use of heating fuel (gas and oil) and in the last financial year this has reduced by around 6%. We measure our consumption and make annual comparisons of usage after weather conditions are taken into account (using degree days – see Environment glossary).

Network energy use

Network energy includes all the electricity needed to power more than 6,000 transmission stations, satellite earth stations and telephone exchanges that support our voice, data and internet networks. We source most of this energy from the grid.

We have generators installed across our network sites to meet demand during peak times and to provide electricity during supply failures to ensure service without interruptions. In the 2008 financial year, we generated 2.1 GWh of electricity predominantly through running our generators as routine maintenance.

We will need more energy to power our fast-expanding networks. We are working hard to improve our network growth forecasting and to accurately assess the impact of broadband on energy demand. This will help us put measures in place to manage this increase.

We have set a target to reduce energy demand per line by around a third, compared with the existing network.

Buildings energy

Building energy includes all the electricity, oil and gas required for more than 1,000 offices, warehouses and depots used by BT. We are reducing energy used in our buildings through our rationalisation and refurbishment programme and by making our buildings services equipment more efficient.

In the 2008 financial year, the amount of energy we used for heating was 390GWh, a reduction of 6% on the previous year. However weather corrected heating efficiency increased by 3.8%. Average degree-days (see Environment glossary) for the year were approximately 10% higher than in the previous year.

Energy efficiency

We treat energy management as part of everyday business. This applies to our partners too, including companies that manage our properties and facilities.

In this section we describe some of our initiatives to improve the energy efficiency of our operations. For more information see Climate change.

Our BT Operate business deploys and runs communications services over our core network and is responsible for implementing our 21st century network. During the year, BT Operate reduced energy use by 14GWh (equivalent to 7400 tonnes of Carbon) through its energy management programmes. This achievement helped us to maintain our ISO 14001 certification.

Energy benchmarking and surveys

Our web-based electricity reporting system, updated every half-hour, helps us identify waste and opportunities to cut energy use.

Our contracted facilities management team conducts surveys at poorly-performing sites, to minimise energy and water consumption. We also conduct energy surveys in our network buildings and commission surveys from specialist consultants.

Efficiency in building services
As we rationalise and refurbish our premises, our overall buildings energy use is decreasing. Although air conditioning increases energy consumption per square metre our rationalisation and refurbishment programme enables us to use our office buildings more efficiently (more people, less empty space). This helps us reduce energy use per person. BT is also implementing initiatives to reduce energy consumption on existing air-conditioning equipment to ensure we optimise energy use.

We look at the whole life of our building services equipment when we assess its cost. This assessment includes energy efficiency. Buying more efficient equipment helps save energy and can reduce demand for cooling, cutting the costs over the whole life of the equipment. Further cost and energy savings can be made by replacing refrigerant-based cooling (air conditioning) with automated fresh-air cooling systems. This also reduces the use of refrigerants such as HCFCs which are powerful greenhouse gases.

We now optimise our building management systems within our buildings to ensure that we do not overheat or overcool our buildings, which eliminates further waste.

Energy efficiency of network equipment and data centres
We are transforming our telecommunications and data network through the 21st century network programme. Energy consumption is a key element of equipment specifications and we have set a target to reduce energy demand per line by around a third, compared with the existing network.

One component of this programme aims to reduce energy use in data centres and network nodes through more efficient energy use and switching off unnecessary equipment.

We use fresh-air cooling (as opposed to air conditioning) as the primary system to cool all new network equipment. This saves energy and avoids the need to use refrigerant gases, some of which are powerful global warming gases.

A number of initiatives have been rolled out across our data centre estate in order to reduce energy consumption. These include:

- Room lighting and control upgrade
- High efficiency HV transformer replacement
- Installation of individual circuit alarms and monitoring at various sites.
- Installation of high efficiency cooling (free cooling).

We aim to improve the design of our data centres and we have achieved this during last financial year by implementing server de-commissioning and achieved our goal of implement energy savings measures to deliver energy reduction of 5GWh per annum across the UK data centre estate. The total number of servers that were decommissioned during last financial year totalled 3,209 and equated to an approximate saving of 8.4GWh per annum.

Renewable energy
Nearly all of the electricity we use in the UK comes from renewable sources (42%) and combined heat and power (CHP) plants (56%). We have also negotiated low-carbon energy contracts in Ireland, France, Germany and Italy.

Supplies of renewable energy in most countries, including the UK, are limited. In the 2008 financial year, we announced plans to develop our own wind-farms. This is the UK's biggest corporate wind power project outside the energy sector and will produce up to 250 MW of our UK electricity consumption, by 2016. We are identifying suitable sites and expect to start generating power in 2012. We are also exploring renewable projects outside the UK. Our US headquarters are powered by photovoltaic panels.

This year, our use of renewable energy cut our carbon dioxide emissions by approximately 821,000 tonnes.

On site renewable technologies
We installed two, six kilowatt wind turbines and fifteen kilowatts of solar electricity cells on the roof of our Colombo House site in London. We also generate energy using wind turbines and solar at the Goonhilly visitors centre.

We are monitoring output at both these sites and are looking for opportunities to install similar equipment at other sites.

Fuel storage
We regularly inspect and test our fuel storage tanks to reduce the risks of leaks and pollution.

During the 2008 financial year, 251 buried tanks were decommissioned and replaced with 250 new double-skinned internal tanks, which meet strict environmental standards.

Incident reporting
Even with good controls, spills happen. We investigate any incidents promptly to reduce their severity and use the lessons learned to prevent a recurrence. BT classifies environmental incidents as:

- Serious – where the spill has entered, or is likely to enter, either the drainage system or topsoil

- Significant – where the spill covers a wide area but is confined to a hard standing area only and there is no evidence of entry into the drainage system or topsoil
- Minor – where a minor spill is contained within a very small area.

For significant and serious incidents, a specialist contractor cleans up. For serious incidents in the UK, the Environment Agency or the Scottish Environment Protection Agency are also informed.

Investigation process

In the 2008 financial year, a total of 7 oil-related incidents were reported. However, after extensive site investigations three of these incidents were discounted, as no product was found in the subsoil. The final number of incidents in the 2008 financial year was 4, the same as 2007, 60% lower than in 2007.

One of the incidents were classified serious and this is still under investigation; two were classified as significant (one is still under investigation) and one as minor. As a result of our investigations, remedial works have begun and recommendations for improvement adopted to avoid recurrence.

The known quantity of oil discharged to land or drainage systems (serious incidents) was 2,242 litres. The largest of these being 2,209 litres, however the areas was cleaned up and reports indicated that no fuel had been lost to ground and had no impact on the environment.

Water use

We use water mainly for catering, washing and toilet facilities. All our sites have water meters which enables us to monitor usage.

In the 2008 financial year, we reduced water use by 4.5%, from 1.74 million cubic metres to 1.66 million cubic metres. This was achieved through efforts to detect leaks, replace pipes and install water-saving devices.

The 2008 financial year was our seventh consecutive year of water efficiency improvement. Our focus is now on maintaining our efficiency, as there is little more we can do to save water. But we do continue to try. For example, we have trialled waterless urinals in 2007/08.

Waste

Waste is a key environmental issue for BT. We try hard to avoid making waste, but when we do, we attempt to reuse or recycle it. As a last resort it is sent to landfill.

We are tenants in much of our property and our building facilities are managed by a contractor. We work in partnership with them to ensure effective waste management.

In this section we describe:

- Waste management
- Materials recycling
- Hazardous Waste

Materials recycling

Much of our general waste is disposed of through material recovery facilities (MRFs). These are huge depots where recyclable materials like paper, cans, cardboard, plastic and paper cups are separated from non-recyclable waste and sent for reprocessing. Non recyclable materials are sent to landfill.

We began to send our waste to MRFs in the 2002 financial year as part of the waste contracts managed on our behalf by our facilities management contractor.

We also run initiatives to collect recycled materials at our sites. As well as benefiting the environment this also makes good financial sense as it reduces landfill costs and, in many cases, we are paid for the materials collected.

All our major sites have dedicated paper recycling facilities. During the 2008 financial year we introduced recycling schemes at 16 key sites for aluminium cans, plastic cups/bottles and newspapers/magazines.

This year we recycled 36,937 tonnes of waste, which represents 46% of our total waste. This is an improvement of 4% on the previous year

Full details of the products, materials and quantities we recycle can be found in our Waste Recovery Model [link to waste recovery model]

Our model provides:

- Details of waste recovered by product
- The last five years of data
- Trends over the last five years
- Data on income and expenditure of recycling schemes.

Waste management

We have rigorous processes to effectively manage the production and disposal of waste. Effective waste management systems are a vital part of retaining our ISO 14001 certification.

We have three categories of waste:

- Category 1 – does not present a danger of environmental pollution, such as paper
- Category 2 – not toxic or hazardous in unmodified form, but which has the potential to become so if not treated properly on disposal, such as cable
- Category 3 – inherently toxic or hazardous and requires the most careful handling at all stages of the disposal process, such as diesel oil.

In the 2008 financial year, we produced 79,759 tonnes of waste. Of this, 42,822 tonnes went to landfill, 22% less than in 2007.

We have assigned an 'owner' who is responsible for coordinating all BT's waste management processes to ensure that high standards are consistently applied across the company. This person chairs a waste forum, made up of the people who are directly responsible for our different waste streams. The forum's role is to:

- Consider any new ideas on waste management
- Set and monitor waste targets
- Review contractors' environmental performance
- Ensure we comply with all waste legislation
- Manage our packaging obligations
- Promote and communicate environmental initiatives and awareness.

During the 2008 financial year we introduced a requirement for BT construction projects lasting longer than six weeks to join the Considerate Constructor Scheme. Sites registered with the scheme are externally assessed against eight criteria, including environmental performance. The assessment includes a review of how waste is managed and provides feedback on volumes recovered for recycling.

Hazardous waste

To comply with regulations we have registered with the Environment Agency around 5,000 sites in England and Wales which produce hazardous waste. Most of these sites are telephone exchanges.

Hazardous waste produced at these sites includes:

- Fluorescent tubes
- Refrigerants
- Batteries
- Clinical waste
- Oil
- Vehicle waste
- Gas cylinders

We have rigorous processes to ensure hazardous waste is handled appropriately. Disposal is managed by waste management companies, which are externally audited under our Duty of Care obligation.

Transport

We run a fleet of 32,451 commercial vehicles and 8,984 company cars, managed under contract by our subsidiary, BT Fleet.

We use our considerable purchasing power to ensure we achieve the best possible value for money and lowest costs for the full life of our vehicles.

We also review vehicle replacement cycles, which ensure the fleet benefits from latest technologies and emission standards, while providing greater reliability and lower maintenance frequency and costs.

Our company car policy supports the key objectives of the UK Government's emissions-based company car taxation initiative: These are:

- Increased cash allowance to employees who opt out of company car ownership
- Improve tax efficiencies for employees who opt for lower-emission cars
- Provide advice to company car drivers, encouraging users to choose lower-emission cars.

In the 2008 financial year, we analysed the trend in CO2 emissions since the 2000 financial year of the company cars purchased by BT, where the model has been chosen by the employee. This year average emissions were 164.5 g of CO2/km compared to 208.6 g of CO2/km in the 2000 financial year - a 21% reduction in 8 years. This was partially due to an increased proportion of employees choosing diesel cars (77% compared to 24% in the 2000 financial year) which are more efficient.

Initiatives undertaken in the 2008 financial year

- Trained 50 engineers in fuel efficient driving techniques to assess fuel savings and determine our approach to future training.

- 4,299 new vehicles ordered during the 2008 financial year limited to 70mph (where this is offered by the manufacturer) and labelled with a 'green' message.

- Assessed the market for suitable electric vehicles to trial.

- Conducted a series of fuel trials as part of the selection process for new light and medium vans.

- BT Supply Chain consolidated it's deliveries to BT sites so that each site was visited just once a week instead of up to 5 times in a week. This resulted in a fleet reduction of over 70 vehicles.

Plans for 2009 financial year

- Conduct a trial of electric vehicles, with two manufactures and two of our lines of business, to assess their financial and operational viability.

- Trial the use of bio-diesel.

- Conduct a vehicle data logging exercise to measure actual fuel consumption of vehicles and obtain a benchmark for future trials.

- Assess ways of promoting defensive and fuel efficient driving techniques.

- Assess the feasibility of limiting light commercial vehicles further from 70mph to 60mph.

- Tender the supply of a Business Need car, which attracts exemption from London congestion charging; currently lower than emissions band of 120 g of CO_2/km.

- Complete a review and collect data for all commercial, business needs and personal contract vehicles in use in BT locations globally in order to establish consumption and performance levels.

Progress on these initiatives will be monitored by BT's Commercial Vehicle Forum.

Emissions to air

Refrigerant gases that accidentally escape from air conditioning equipment are our most significant emissions to air, after carbon dioxide emissions from our energy use and commercial fleet.

We use air conditioning to cool network equipment. Where possible we use fresh air to cool our telecommunications equipment, including the 21CN Network. Where fresh air alone does not provide adequate cooling, we supplement it with refrigeration, which is only used on the warmest days.

All refrigerant emissions are believed to contribute to climate change. Some also deplete the ozone layer. We monitor all refrigerant emissions closely and report on our emissions in accordance with the requirements of the Greenhouse Gas Protocol (www.ghgprotocol.org).

We set targets to minimise the amount of refrigerant gases lost to the atmosphere, and review our performance and approach at regular meetings. We have met all our 2007/8 targets relating to refrigerant emissions and HCFC reduction.

We are phasing out ozone-depleting refrigerants, known as HCFCs, from our equipment. We are replacing these chemicals with HFC refrigerants, which do not deplete the ozone layer, but are powerful greenhouse gases and contribute to climate change.

The Montreal Protocol calls for the complete phase-out of HCFCs by 2030. The current EU legislative phase-out timetable states that HCFC's will not be able to be purchased after 31st December 2009 and virgin (non-recycled) HCFC's not used after 31st December 2014. All new equipment uses HFC gases.

In financial year 2008/09, we will introduce a programme to speed-up the phase-out of the HCFC, R22. We have trialled a replacement HFC refrigerant and we will begin changing systems to this alternative during 2008/09.

All new refrigeration units are sealed to prevent leaks. We monitor pressure using electrical devices called transducers instead of refrigerant analyser gauges, through which leakage can occur.

We are compliant with the EU Ozone Depletion Substances and Fluorinated Gas regulations, which aim to reduce emissions of fluorinated greenhouse gases covered by the Kyoto Protocol. We will develop a programme to conform to the F-Gas training requirements once these are available in July 2008. BT is represented at the F-Gas stakeholder meetings held by the Department for Environment, Food and Rural Affairs (DEFRA) and the Department for Business, Enterprise and Regulatory Reform (BERR).

Procurement and the environment

As one of the UK's largest purchasers of goods and services, we have an environmental influence that extends well beyond that of our own staff and workplaces.

We present the key aspects of our relationship with suppliers and how we promote environmental good practice in all our purchasing activities in CSR and suppliers.

Product stewardship

For BT, product stewardship is about making sure that the products we buy, use and sell are safe and have the lowest possible impact on the environment. This means minimising their impact when they are made, used and disposed of. We comply with regulations and legislation as a minimum.

Product stewardship is not just good for the environment; it also cuts costs by reducing energy and resource use and landfill costs. This benefits BT, our suppliers and our customers.

Environmental legislation

BT is affected by two key European Union directives designed to reduce the environmental impacts of the rapidly increasing amount of waste electrical and electronic equipment:

- The Waste Electrical and Electronic Equipment (WEEE) directive
- The Restriction of the use of Certain Hazardous Substances (RoHS) directive.

These regulations are either in effect, or coming into effect, across the European Union.

RoHS

The RoHS directive restricts the amount of hazardous materials used in electrical and electronic equipment (EEE). If this equipment is disposed of in landfill sites, the hazardous materials could leach into soil and waterways. If the equipment is incinerated the chemicals could cause air pollution.

We monitor the content of our products to ensure they comply with the RoHS directive. We banned certain hazardous materials, such as Cadmium and some uses of lead prior to the legislation.

We have a blacklist of banned materials and a grey list of materials giving cause for concern. We provide potential suppliers with these lists during our tender process.

We are continuing to monitor the situation with regard to the review of the RoHS exemptions being carried out by the Oeko Institute and have carried out an internal review of the use of Bromine flame retardants in BT's consumer products.

WEEE

The WEEE regulations state that manufacturers, brand-owners and importers of EEE are responsible for arranging and paying for the treatment and recycling of the equipment at the end of its life. Retailers also need to provide free take-back facilities for consumers wanting to dispose of old electrical equipment when purchasing equivalent new products. A national distributor take-back scheme is in place in the UK, which operates mainly at local authority recycling centres.

This regulation affects BT in three ways:

- As a producer. Although BT doesn't directly manufacture EEE, we take responsibility for BT-branded electrical equipment and for equipment which BT imports into other European Union member states.
- As a distributor. While BT no longer has any shops, we act as a distributor by selling BT-branded and other electrical equipment as an online retailer. We do this through our own website, http://www.bt.com and also through http://www.dabs.com, which we bought several years ago.
- As an end user. We use a lot of EEE in our own business.

We take a number of steps to fulfil our WEEE responsibilities:

- We make sure our buyers and product managers are aware of the legislation and regulations that apply to BT. We train all our buyers in product stewardship, including legal and regulatory requirements, and offer specific product stewardship computer-based training for product managers. We communicate regularly on product stewardship through the Portfolio Community which all product managers are a member of.
- We inform our consumer customers that we are a member of a compliance scheme and that they should follow local authority guidance on how to dispose of EEE in their area.
- We include disposal instructions with all new products, which are also labelled with a crossed-out wheelie bin symbol.
- For our business customers in the UK and Europe we have a number of differing obligations depending on our role in the sale of the products i.e. whether they are BT branded or not. We also need to understand differing requirements in other European Countries as the WEEE regulations have been implemented in different ways by different member states.

Informing regulation

We contribute to the development of new regulations, for example by responding to consultation exercises. We are

represented on the Department for Business Enterprise and Regulatory Reform (formerly the DTI) stakeholder group, which is helping to develop UK regulations to implement the European Directive on Energy using Products (EuP). We are a member of the Department for Environment, Food and Rural Affairs (DEFRA) steering group on the European Batteries Directive.

We also continue to work with industry bodies such as the UK Industry Council for Electronic Equipment Recycling (ICER) and the Information Technology, Telecommunications and Electronics Industries Association (INTELLECT).

Reduce, reuse and recycling

BT aims to reduce all forms of waste. This includes cutting energy wasted in our operations and making our products more efficient. It also involves reducing the amount of physical waste we produce and reusing and recycling as much as possible.

Reduce

In January 2008 we launched a new range of more energy efficient DECT telephones and have made a commitment that 90 per cent of the entire home phone range will be more energy efficient by July 2008. See the case study in this section for more detail.

We are also working to reduce the in-use energy consumption of the Vision Set Top Box.

Reuse

When electrical and electronic equipment is no longer needed for a particular function, we aim to reuse it in another part of the business. For example, when we upgrade equipment used in BT Retail data centres we often reinstall the old equipment elsewhere to carry out less demanding functions.

If equipment cannot be reused within BT it can sometimes be sold.

Recycle

If equipment cannot be reused or sold, it is sent to a third party to be recycled. Any equipment not fit for resale is sent to our recycling supplier for recycling and safe disposal of materials. Equipment is broken down into parts which can be reused in new equipment.

One of our key performance indicators relates to recycling. In the 2008 financial year, we recycled 46% of our waste, which is 4% more/less than last year. You can find out more about our recycling activities here.

Case study

In January 2008 we launched a new range of energy efficient phones to help our customers reduce their climate impact and energy bills.

We made changes to the external power units of our cordless phones, BT's largest selling consumer product, which has cut power consumption in half. We sell 3.3 million of the phones each year, so the changes will make a big difference - cutting 40,400 tonnes of carbon each year and saving our customers £8 million in electricity costs. The new power supplies also meet the EU Code of Conduct on Energy Efficiency of External Power Supplies, a voluntary standard.

We have set a target for more than 90% of our home phone range to be energy efficient by July 2008, at no extra cost to the consumer.

Our approach to product stewardship

We have a dedicated team to coordinate product stewardship work, and this year we established a forum to improve collaboration between our businesses. This forum meets quarterly.

Our product stewardship efforts are part of our environmental management system which is certified to the international standard ISO14001. We need to make continual improvements in this area to retain certification.

The design stage offers the greatest opportunities to improve the lifecycle environmental impacts of a product. Good design helps manufacturers to reduce the use of hazardous substances and consumption of raw materials. The design stage also determines how much energy is consumed over the life of a product and whether it can be easily reused, recycled or safely disposed of at the end of its life. There are a number of ways we seek to influence the environmental impact of the products we sell:

- Providing advice to BT's technical designers and Product Managers on for example, choice of materials and reducing energy consumption

- Extending end of life take back beyond our legislative requirements, assuming WEEE producer responsibility and ensuring the equipment is reused and recycled where possible

- Helping our bid managers by providing potential customers with details of how we comply with legal obligations and environmental standards and advising current customers on the responsible disposal of products

Engaging with suppliers

BT does not manufacture anything, but we design products that are manufactured by a network of suppliers. In the 2008 financial year we bought £8.64 billion worth of products and services from suppliers.

We engage with our manufacturing suppliers to promote good environmental practices and to ensure that they follow our standards for product stewardship.

BT has a blacklist of banned materials and a grey list of materials giving cause for concern.

All potential suppliers of electronic and electrical equipment must complete our product stewardship online questionnaire (GS19) when tendering for business. The responses are assessed by the product stewardship team.

Our focus areas
In addition to our legal obligations, we are focusing our product stewardship efforts on two areas:

- Working to develop a methodology to understand how to assess the carbon footprint of our products

- Benchmarking the packaging of our own branded products against industry best practice in sustainability

In the 2008 financial year we conducted a lifecycle assessment of the carbon footprint of the BT Vision set top box. This proved how difficult it can be to obtain energy and emissions data for complex electronic products from our suppliers. We may need to base future lifecycle assessments on data from reliable secondary sources, such as industry bodies and governments.

Local environmental impacts

The impact of our activities sometimes affects people's immediate surroundings.

The infrastructure supporting our 28 million customer lines in the UK includes thousands of roadside cabinets and hundreds of radio stations. Our network is expanding and changing as technology progresses. We are conscious that this has a potential impact on the environment – countryside, skylines and cityscapes – and concerns all our stakeholders.

Our approach to local impact is embedded in our network planning rules and procurement policies. We have established channels to help stakeholders communicate with us about these issues.

In this section we discuss:

- Graffiti

Graffiti on our street furniture

BT Openreach has a significant number of cabinets on UK streets. We are affected by regulations which enable local authorities to instruct us to remove graffiti and fly posting from our street furniture within 28 days. These include:

- London Local Authorities Act 1995

- Anti-Social Behaviour Act 2003

- Clean Neighbourhoods & Environment Act 2005

- London Local Authorities Bill 2007

BT works in partnership with local authorities to minimise graffiti and reduce the risk of it happening. This helps us maintain good relations with communities and local authorities and reduce costs.

We repaint affected street cabinets and, in some local authority areas, treat them with an anti-graffiti coating.

BT Payphone kiosks are subjected to acts of vandalism and graffiti and are also covered by the Anti-Social Behaviour Act. To minimise the effect on local communities, BT Payphones has set up a website where local authorities can report vandalised kiosks. This information is forwarded to BT Payphone contractors, who repair any damage.

Environmental benefits

The use of information and communications technology (ICT) has the potential to benefit business (by increasing efficiency), the people doing business (by improving work-life balance) and the environment (by reducing consumption of finite resources).

We regularly conduct a survey of the use of our conferencing (phone, video and web) services by BT people, our latest study was undertaken in 2007.

This year we commissioned a survey to assess the social and environmental impacts of home working. See case study here and case studies for employees.

Both reports can be found in the resources section at
http://www.btplc.com/societyandenvironment/CSRresources/Reports/Reports.htm.

Case study
Assessing the impacts of our home working

We have had a formal home working scheme for a number of years. This has enabled us to reduce facility costs, increase productivity, help employees balance their work and home commitments and reduce the environmental impacts of commuting.

Over 10,000 employees are registered with our home working scheme, which provides equipment and support services.

This year we commissioned the University of Bradford to assess the impacts of our home working scheme, following similar studies conducted in 2004 and 2006. The researchers contacted around 5,000 employees, and received over 700 responses. Employees were chosen at random and included those who work from home, office workers and field workers. As in previous studies we found that our homeworking staff are on average in the home office 2 to 3 days per week, the other days with our customers or on site in a BT location.

Improved quality of life

The survey showed that working from home helps employees balance their work and home commitments, with 93% of home based workers stating that the practice has a positive effect on quality of life. They also said that working from home helps to improve their productivity, enabling them to plan their time better and saving them the time and stress of commuting.

Improved performance

The respondents reported an improvement in their performance in the two years since the last study, 64% of homeworkers stated that their work performance had improved compared to 46% of all respondents. 37% of homeworkers believe that it would be impossible or very difficult to do their job if they were unable to e-work.

Longer hours and feelings of isolation

Previous studies have found that home based working is associated with longer working hours; the study suggests that this is becoming less evident. The study also explored feelings of isolation associated with dispersed teams, for both home and office workers, over 40% of all respondents saying they feel more isolated than two years ago.

Reduced environmental impacts

Home working benefits the environment, saving over 7,000 tonnes of CO_2 each year by reducing travel to work. Typically BT's homeworking community would previously have undertaken an average 31 miles per day commute to work.

Respondents were also asked about their environmental practices at home.
For the first time we asked all respondents 'what environmental measures do you take at home?'; 79% said they use low energy lighting, 53% reported using A* Star rated appliances and 30% energy efficient boilers. Only 2% of BT people have a renewable energy source such as a solar panel or wind turbine.

We will continue to monitor the effects of home working on our employees and the environment and find ways to increase its benefits and reduce negative impacts.

Environment glossary

ADSL:

Asymmetric Digital Subscriber Line. ADSL transforms the existing twisted copper pairs between the local telephone exchange and the customer's telephone socket into a high-speed digital line.

Audioconferencing:

A conference enabling a number of people to communicate by voice over a telephone line.

BREEAM:

Building Research Establishment Environmental Assessment Method.

Brown electricity:

Electricity produced by burning fossil fuels.

Bunded fuel tank:

An above-ground fuel tank with a protective wall to prevent leakage.

CFCs:

Chlorofluorocarbons. Gaseous compounds used as refrigerants and propellants. Break down ozone in the atmosphere.

CHP:

CHP is a very efficient technology for generating electricity and heat together. A CHP plant is an installation where there is simultaneous generation of usable heat (normally for space heating) and power (usually electricity) in a single process. CHP typically achieves a 35-40% reduction in primary energy usage compared with conventional power stations where the heat goes to waste.

CO2:

Carbon dioxide.

Data conferencing:

A conference that enables users to book conferences over the internet, to share data or slides while in the conference, and to receive recordings or transcriptions after the conference call.

DEFRA:

The Department for Environment, Food and Rural Affairs (UK).

Degree days:

Degree days are a measure of the variation of outside temperature. Their use enables energy managers, building designers and users to determine how the energy consumption of the building is related to the weather, and allows energy-saving measures within the building to be monitored and compared year-to-year.

ETNO:

European Telecommunications Network Operators Association. It has produced an environmental charter, to which BT was a founder signatory.

Green electricity:

The government defines green energy in two ways:

Old green - This includes large-scale hydro, uncertified CHP and waste-to-energy. The green energy we currently purchase is old green and this is not exempt from the Climate Change Levy (CCL).

New green - New green refers to the technology and not the date of installation. Technology recognised as new green is: certified CHP; wind; wave; small-scale hydro and photovoltaic. New green energy receives an exemption from the CCL on a specific building basis.

GS13:

BT's environmental procurement standard for suppliers.

GS18:

BT's Sourcing with Human Dignity standard.

GS19:

BT's product stewardship standard.

Halons:

A group of potent ozone-depleting chemicals related to CFCs used in many fire extinguishers.

HCFCs:

Hydrochlorofluorocarbons. Alternative to CFC refrigerants.

Home-worker:

A person registered to work from home and provided with all the necessary furniture, equipment and communication links.

ICT:

Information and Communications Technology.

Intranet:

An internet-based technology that allows members of one organisation to share private information.

IP:

Internet Protocol. This is the set of communication tools that enables computers to 'talk' to each other over the internet.

ISO 14001:

An international environmental management system standard.

Kyoto Protocol:

A legally binding agreement signed in Japan in 1997 to reduce emissions of a basket of six greenhouse gases.

Montreal Protocol:

An international agreement to phase out the major chemicals that destroy ozone in the stratosphere.

NOX:

Oxides of nitrogen.

NO2:

Nitrogen dioxide.

OFCOM:

Office of Communications (UK regulator for the communications industries).

UK's Packaging Regulations:

These regulations require certain businesses to recover and recycle packaging waste. Targets for individual businesses are based on the overall amount of packaging (on products) that they supply to their customers.

PCNs & PCBs:

Substances classified as hazardous.

PDH:

Plesiochronous Digital Hierarchy

PM10 particulate:

Fine airborne particulate less than 10 microns in diameter.

Recycled paper:

Paper made from discarded and previously used paper.

RoHS:

The Restriction on the use of Certain Hazardous Substances (RoHS) directive.

SDH:

Synchronous Digital Hierarchy.

SF6

Sulphur hexafluoride.

SOX:

Oxides of sulphur.

SO2:

Sulphur dioxide.

Street Works Notice:

A requirement of the New Roads and Street Works Act is that the Street Authority must be informed of certain types of street works when BT issues a notice.

Sustainable business:

A business that can sustain its own needs environmentally, socially and economically.

Sustainable development:

Development that allows us to meet the needs of our own generation without compromising the ability of future generations to meet their needs.

SUSTEL (Sustainable Teleworking):

A two-year research project financed by the European Commission on the impacts of teleworking.

Teleworking:

Working from outside a conventional office by using advanced telecommunications like video conferencing.

TRIAD:

TRansmission Infrastructure And Demand charge. Agreements to use standby generators in order to manage electrical loads at times of peak demand.

UNEP:

United Nations Environment Programme.

Videoconferencing:

A meeting where two or more people communicate through networked cameras that relay pictures and sound to all of the participants.

VOCs:

Volatile organic compounds, a widely used group of chemicals which when released into the atmosphere help to form damaging low-level ozone, harmful to human health and animal and plant life.

WEEE:

The Waste Electrical and Electronic Equipment (WEEE) directive

Environment helpdesk

This page is for enquiries and comments relating to BT's environmental performance and the way we report on our environmental impacts.

Please note: If you have a general customer enquiry go to Contact us. If you have a complaint about our external operations or network – such as the sighting of a pole or mast, damage to property or graffiti – please go to Complaints about our services.

For complaints about the unsatisfactory state of BT buildings and/or grounds, call 0800 223388. For any Payphone related issues, e.g. noise disturbance, call 0800 661610.

It is important that you use the appropriate channel because it enables us to direct your enquiry or complaint to the correct department, follow it up and keep you informed.

This page is for feedback or questions (not complaints) relating to BT and the environment. Please contact us with your questions and comments at the following:

By telephone:

Freephone: 0800 731 2403

International callers please use: +44 800 731 2403

By e-mail:

bt.environment@bt.com

By post:

BT Group plc,
BT Centre,
81 Newgate Street,
London

EC1A 7AJ

Environment - Key Performance Indicators

Indicator	Description	Measure	Target
Global Warming CO2 emissions	A measure of BT's climate change impact	2007 financial year UK CO2 emissions were 0.68 million tonnes, 58% below the 1996 level (See Note 7)	2016 CO2 emissions to be 80% below 1996 levels.
Waste to landfill and recycling	A measure of BT's use of resources	42,822 tonnes to landfill (54%) 36,937 tonnes recycled (46%).	To reduce the tonnage of waste sent to landfill by 6%.

Note 7: 2008 figures recalculated to take account of updated Defra Company Reporting Guidelines (2007) (Annex 1)

Environment Targets

Start Date	End Date	Description	Update	Target Status
April 2008	December 2020	BT Group will reduce its CO2e emission intensity by 80% against 1996/7 levels by December 2020.		New
April 2008	March 2010	BT will develop a group wide methodology for measuring the carbon footprint of its products and pilot the methodology on a product		New
April 2008	March 2010	BT will develop a group wide methodology for measuring the carbon footprint of its services and pilot the methodology on a service		New
April 2008	March 2009	BT will benchmark the packaging of its own brand products against industry best practice in sustainability		New
April 2008	March 2009	BT will define and complete a review and data collection of Local Impacts in BT locations globally in order to establish measurement mechanisms, performance levels and improvement targets as		New

		appropriate		
April 2008	March 2009	BT will conduct a trial of electric vehicles in two of its lines of business in association with two manufacturers to assess the financial and operational use of the vehicle type.		New
April 2008	March 2009	BT will trial the use of Bio-diesel in association with a fuel supplier and vehicle manufacturer		New
April 2008	March 2009	BT will conduct a vehicle data collection exercise to obtain actual fuel consumption and operational variables as a benchmark for future product trials		New
April 2008	March 2009	BT will complete the review and data collection of all commercial, business needs and personal contract vehicles in use in BT locations globally in order to establish consumption and performance levels and improvement targets as appropriate		New
April 2008	March 2009	80% of BT contracts placed will take energy consumption and / or environmental impact into consideration in the award of business		New
April 2008	March 2009	30% of BT 'product or service replacement contracts' awarded will be able to demonstrate an improvement in energy efficiency and/or reduced environmental impact (dependant on product or service type)		New
April 2008	March 2009	BT will hold an Innovations Award for our suppliers that will continue to engage them on Climate change, the Procurement Principles and drive progress towards the Vision "harness communications to tackle climate change"		New
April 2008	March 2009	BT will survey its suppliers to determine the percentage that agree with the statement 'BT works with its suppliers to ensure its purchases are made, delivered, used and disposed of in a socially and environmentally responsible manner'		New
April 2008	March 2009	There will be evidence of follow up action taken within 3 months relating to all suppliers who have been identified as requiring continuous improvement as a result of completing BT's CSR questionnaires.		New
April 2008	March 2009	BT will reduce the amount of UK waste sent to landfill (a measure of BT's environmental impact) by 6% based on the March 2008 outturn figure. (Note: BT KPI)		New
April 2008	March 2009	BT will achieve greater than 50% of waste recycled against the total waste generated (a measure of efficiency of our recycling processes) from normal BTUK operations compared to 2007/08 performance		New

April 2008	March 2009	BT and its UK catering supply partner will review and implement new process for managing catering generated waste though identification of increased opportunities for recycling schemes.		New
April 2008	March 2009	BT will complete the review and data collection of all waste and recycling information and processes in BT locations globally in order to establish performance levels and reduction targets		New
April 2008	March 2009	BTUK will install fuel stock monitoring technology on 500 oil fuel tanks (excl. Fleet).		New
April 2008	March 2009	BTUK will create and align data records for all fuel tank inspection reports undertaken by Monterey, into our Power Inventory and Routines Manager (PIRM) central database by 31st March 2009		New
April 2008	March 2009	BT will complete the review and data collection of all fuel tanks installed BT locations globally in order to establish risk management, testing and remediation and targets as appropriate		New
April 2008	March 2009	BT will complete the review and data collection of all energy consumption at BT locations globally.		New
April 2008	March 2009	BT will develop a strategy and implementation plan to deliver the Global carbon intensity target, of 80% reduction by 2020, from the 1996 baseline		New
April 2008	March 2009	BT will progress the wind project – by measuring the wind speed at chosen sites, initiating and completing an environmental impact assessment and submitting a planning application for installation of turbines		New
April 2008	March 2009	BT will control the amount of HCFC/CFC refrigerant lost to the atmosphere to no more than 3.5% of the total held in the BTUK & Ireland operational estate.		New
April 2008	March 2009	BT will control the amount of HFC refrigerant lost to the atmosphere to no more than 5% of the total held in the BTUK & Ireland operational estate.		New
April 2008	March 2009	BT will reduce the amount of HCFC's installed in the BTUK & Ireland operational estate by 7.5%		New
April 2008	March 2009	BT will complete the review and data collection of all refrigeration gas installed and lost in BT's operational estate globally in order to establish performance levels and improvement targets as appropriate		New
April 2008	March 2009	BT will control the amount of HCFC refrigerant lost to the atmosphere to no more than 5% of the total held in the BTUK & Ireland non-operational estate		New

April 2008	March 2009	BT will control the amount of HFC refrigerant lost to the atmosphere to no more than 5% of the total held in the BTUK & Ireland non-operational estate		New
April 2008	March 2009	BTGB will undertake a feasibility study and produce a plan, with recommendations for the reduction and ultimate replacement of the R22 installed capacity, ahead of legislation		New
April 2008	March 2009	BT will complete the review and data collection of all refrigeration gas installed and lost in BT's non-operational estate globally in order to establish performance levels and improvement targets as appropriate		New
April 2008	March 2009	BT will achieve ISO14001 accreditation in three additional countries		New
April 2008	March 2009	BT will complete a comprehensive review of all relevant environmental data and data sources across non-UK geographies, with reference to its existing ISO 14001 risk group structure, and establish an international support network to lead on provision of data and driving improvements as required		New
April 2007	December 2016	BT will reduce its UK carbon dioxide emissions (measured in tonnes CO2 equivalent) to 80% below 1996 levels.	On track to achieve target with current levels 58% below the base year. Note that this year we have recalculated our 1996 baseline figure to take account of the updated DEFRA CO2 conversion factor for 1996.	On Target
April 2007	March 2009	BT will complete the design for BT's Data Centre of the future and start rolling out to the estate.	We have completed the base design and are now moving towards a detailed systems design. We are on target to deliver on time.	On Target
April 2007	March 2008	BT will produce a study of energy efficiency options, possible targets and labelling for key business products.	During the year we have looked at the whole lifecycle of a product; manufacture, in-life operation and recycling and are engaged with manufacturers of the equipment as they have the major role in improving energy efficiency at the design stage e.g. Cisco, Nortel and HP. Through the engagement process we can influence through our procurement principles and the importance of reducing carbon emissions and push for clear unambiguous targets from these suppliers.	Completed
April 2007	March 2008	BT will introduce environmental management systems into two non UK geographies.	14001 has been introduced into BT Belgium, BT Italy and BT Ireland. A project for BT Americas is progressing and BT Germany and BT Netherlands starting to scope out their programme to achieve 14001 during 2008/9.	Completed
April 2007	March 2008	We will research and produce a report on the data collection requirements which would enable the carbon footprint* of a BT branded product to be identified. (* Carbon footprint - the energy consumption associated with the product throughout its whole lifecycle.)	A draft report is currently being finalised that identifies the necessary data collection requirement requirements.	Completed
April 2007	March 2008	We will assess the feasibility of using alternatives to bromine based flame retardants in BT branded telephones, modems and	This has been completed and a report with recommendations has been produced.	Completed

|				
		routers.		Completed
April 2007	March 2008	BT will control the amount of HCFC/CFC refrigerant lost to the atmosphere to no more than 4% of the total held in BT's operational estate.	End of year loss 2.01%	Completed
April 2007	March 2008	BT will control the amount of HFC refrigerant lost to the atmosphere to no more than 7% of the total held in BT's operational estate.	End of year loss 2.26%	Completed
April 2007	March 2008	We will reduce the amount of CFC/HCFC's installed in the BT operational estate by 5%.	We reduced the amount of HCFCs by 8.5%	Completed
April 2007	March 2008	BT will control the amount of HCFC/CFC refrigerant lost to the atmosphere to no more than 7% of the total held in BT's non-operational estate.	End of year loss 3.33%	Completed
April 2007	March 2008	BT will control the amount of HFC refrigerant lost to the atmosphere to no more than 7% of the total held in BT's non-operational estate.	End of year loss 2.46%	Completed
April 2007	March 2008	BT will implement energy savings measures to deliver energy reduction of 5GWh across the UK data centre estate.	Our energy savings measures have saved 8.4GWh this year.	Completed
April 2007	March 2008	BT will pressure test 1000 of its fuel storage tanks.	During the year we pressure tested 1,029 tanks.	Completed
April 2007	March 2008	BT will decommission 200 buried tanks and replace them with internal double-skinned tanks.	During the year we decommissioned 265 Tanks and installed 250 new internal double skinned tanks.	Completed
April 2007	March 2008	BT will reduce the amount of waste sent to landfill by 8% based on the March 2007 outturn figure. NB excluding activity arising from the 21CN network and property strategy projects.	BT reduced the amount of waste sent to landfill during 07/08 to 42,822 tonnes. This represents a reduction of 22% on the 06/07 figure of 54,921 tonnes against a target figure of 8%.	Completed
April 2007	March 2008	BT will improve or maintain the percentage of waste recycled against the total waste generated from normal BT operations compared to 2006/07 performance.	In 07/08 BT generated 79,759 tonnes of waste. We recycled 36,937 tonnes of waste which represents 46% of the total waste generated and is an improvement on the 07/08 target figure of 42%	Completed
April 2007	March 2008	BT will implement dedicated recycling stations at up to 15 of its major office buildings. In addition, we will review waste skip provision at around 150 major operational buildings and TEC's with the aim of replacing open top skips with alternative containers and recycling facilities.	During the year 16 key sites were provided with dedicated on-site recycling schemes for aluminium cans, plastic bottles/plastic cups, newspapers and magazines. The second part of the target related to a review of open top skips provided at about 150 sites. At year end we completed a review at 153 sites and open top skips have been replaced with alternative containers in the vast majority of cases.	Completed
April 2007	March 2008	BT will review with Telereal participation by their contractors in the Considerate Constructor Scheme providing dedicated recycling processes for major refurbishment projects.	BT and Telereal agreed to participate in the Considerate Constructor Scheme for all construction projects of at least 6 weeks duration; to date over 50 sites have been registered. Figures as at the end of December 2007 indicate that using this scheme has prevented over 150 tonnes of waste going to landfill.	Completed
April 2007	March 2008	BT will assess the fuel saving benefit from 50 commercial vehicles used by drivers trained on fuel-efficient driving techniques.	Trials conducted between April to September 2007 gave a 12.7% improvement in mile per gallon from the trained BT drivers. However, some of the data was excluded from analysis because of changes within the tracking period, e.g. driver absences/changingduties.	Completed

April 2007	March 2008	BT will order all new light commercial vehicles that will limit speed to a maximum speed set of 70mph.	During the year, 4299 light commercial vehicles were ordered with their speed limited to a maximum of 70 mph. Out of these, 2,812 vehicles are either in-service or have been delivered.	Completed
April 2007	March 2008	BT will hold an event with its Suppliers to engage them on Procurement's CSR goals including Climate Change, the Procurement Principles and drive progress towards the Vision "harness communications to tackle climate change"	A supplier conference was held on 18/06/07. Slides are available from this URL Supplier_Conference	Completed
April 2007	March 2008	There will be evidence of follow up action taken within 3 months relating to all suppliers who have been identified as requiring continuous improvement as a result of completing our CSR questionnaires	100% follow up was achieved with 234 assessments completed.	Completed
April 2007	March 2008	BT will implement the following Climate Change Procurement Principles to incorporate energy consumption and environmental factors into our procurement processes over the coming year: • We will harness the capability, diversity and innovation of our supply base to add value to our business and encourage suppliers to offer solutions which have a reduced environmental impact. • That the energy consumption and environmental impact of a product or service (from manufacture, through usage, to disposal) is a mandatory criterion in all tender adjudication. • That the energy consumption and environmental impact of any replacement product or service (from manufacture, through usage, to disposal) is less than its predecessor.	The procurement principles have been implemented and training sessions held.	Completed
April 2007	March 2008	BT will publish the findings of its 2007 staff survey, which assessed the social and environmental impacts arising from the use of conferencing services within BT.	We achieved this target and the completed report is available online at this URL: Conferencing_Survey	Completed
April 2007	March 2008	BT will produce a report on energy efficiency options, possible targets and labelling for key consumer products.	Although we have failed to meet this target, BT Retail has appointed a Head of Sustainability to accelerate our plans in this area. We have already undertaken a significant amount of work to improve energy effficiency e.g. more efficient power supply units, DECT phone ranges which use on average 50% less energy than their predecessors. The BT Home Hub also now features the new efficient power supplies. We are keen to label equipment to ensure the new power efficient products are easily recognised and are currently undertaking a review of the most effective ways of labelling in the UK.	Failed
April 2007	December 2007	BT will begin a trial on hybrid vehicles in collaboration with a manufacturer.	Unfortunately this target has failed because the manufacturer we were to work with has scrapped its plans to develop a micro-hybrid Transit incorporating Cenex prototype technology.	Failed
April 2007	September 2007	BT will define a roadmap for establishing an EMS in all countries.	Work has been underway to define which countries should be included in the roadmap. This has now been defined as those countries with over 100 direct BT	Delayed

			employees. The roadmap completion date has therefore been reforecast for September 08.	
April 2006	March 2007	As part of the roll out of BT's 21CN next generation network, BT will implement a sub metering strategy at 30 of its 'pathfinder' sites.	Sub metering has been installed at 73 sites.	Completed
April 2005	March 2010	BT will, as a direct result the installation of its new 21st Century multi- service access network, deliver a 30% line for line energy reduction.	We are on track to achieve this target.	On Target
April 2005	March 2006	We will verify the amount of refrigerant stock held by our Facilities contractor with a view to target setting on usage for 2006/7.	Figures now updated on Maximo. Data audited by Monteray internal audit team and LRQA for accuracy. Discussions now taking place with Monteray regarding setting target for annual reduction.	Completed

Procurement and the environment Targets

| Start Date	End Date	Description	Update	Target Status
April 2008	March 2009	80% of BT contracts placed will take energy consumption and / or environmental impact into consideration in the award of business		New
April 2008	March 2009	30% of BT 'product or service replacement contracts' awarded will be able to demonstrate an improvement in energy efficiency and/or reduced environmental impact (dependant on product or service type)		New
April 2008	March 2009	BT will hold an Innovations Award for our suppliers that will continue to engage them on Climate change, the Procurement Principles and drive progress towards the Vision "harness communications to tackle climate change"		New
April 2008	March 2009	BT will survey its suppliers to determine the percentage that agree with the statement 'BT works with its suppliers to ensure its purchases are made, delivered, used and disposed of in a socially and environmentally responsible manner'		New
April 2008	March 2009	There will be evidence of follow up action taken within 3 months relating to all suppliers who have been identified as requiring continuous improvement as a result of completing BT's CSR questionnaires.		New
April 2007	March 2008	BT will hold an event with its Suppliers to engage them on Procurement's CSR goals including Climate Change, the Procurement Principles and drive progress towards the Vision "harness communications to tackle climate change"	A supplier conference was held on 18/06/07. Slides are available from this URL Supplier Conference	Completed
April 2007	March 2008	There will be evidence of follow up action taken within 3 months relating to all suppliers who have been identified as requiring continuous improvement as a result of completing our CSR questionnaires	100% follow up was achieved with 234 assessments completed.	Completed
April 2007	March 2008	BT will implement the following Climate Change Procurement Principles to incorporate energy consumption and environmental factors into our procurement processes over the coming year: • We will harness the capability, diversity and innovation of our supply base to add value to our business and encourage suppliers to offer solutions which have a reduced environmental impact. • That the energy consumption and environmental impact of a product or service (from manufacture, through usage, to disposal) is a mandatory criterion in all tender adjudication. • That the energy consumption and environmental impact of any replacement product or service (from manufacture, through usage, to disposal) is less than its predecessor.	The procurement principles have been implemented and training sessions held.	Completed

Energy consumption
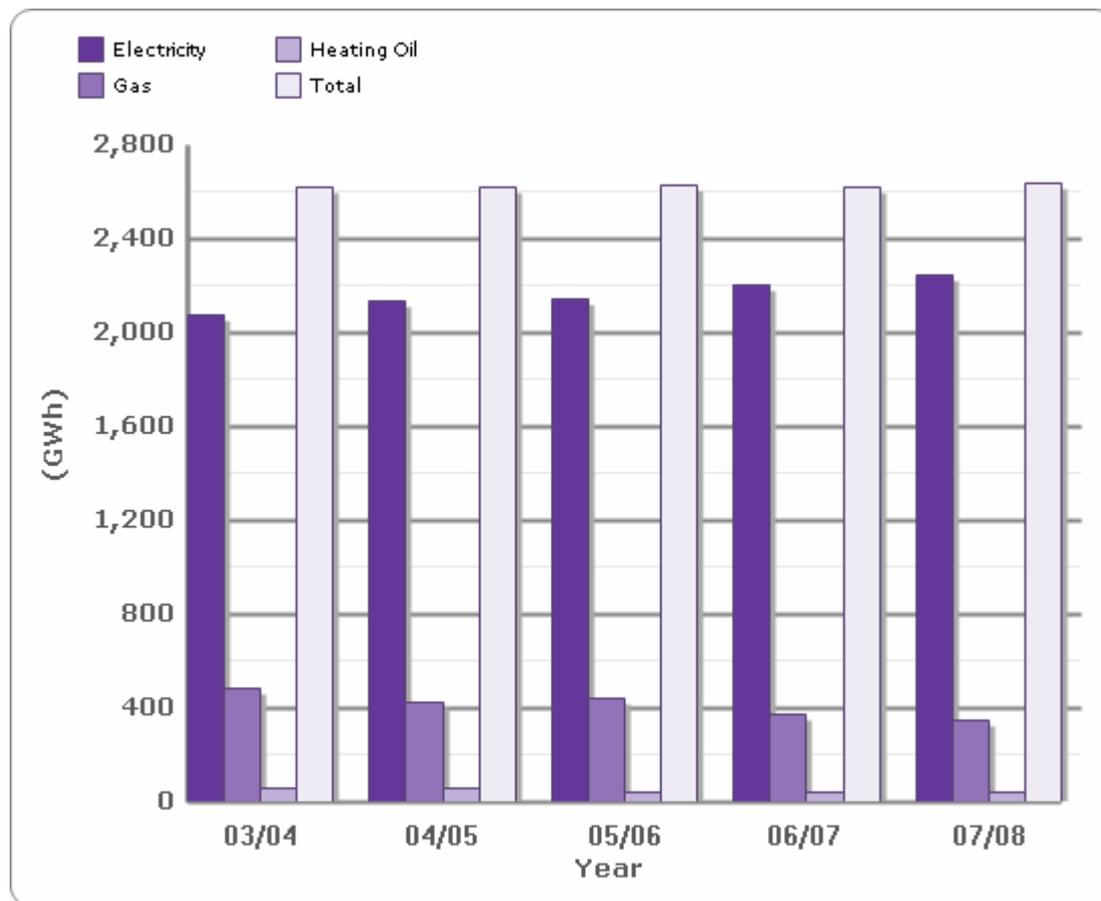
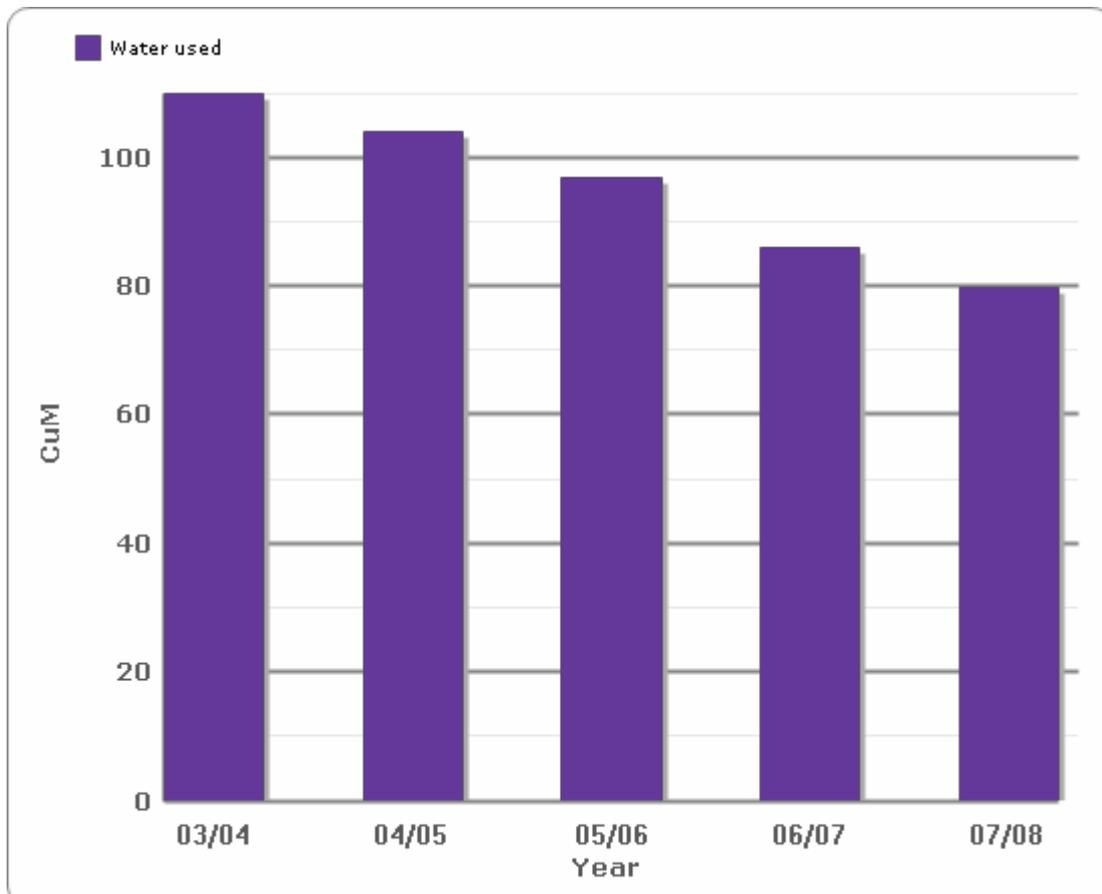**Energy Consumed per £m Turnover**
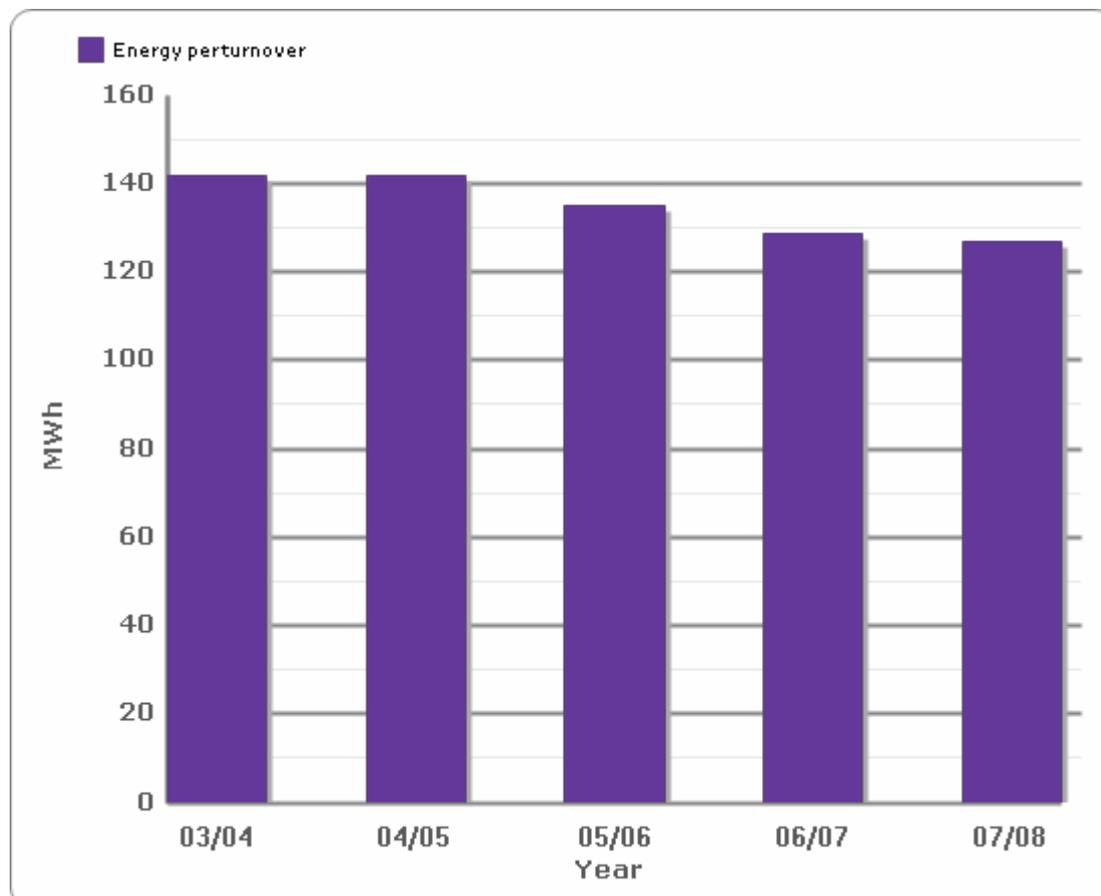
Excludes BT Global Services outside the UK
Source: Annual Report & Accounts, Energy Database
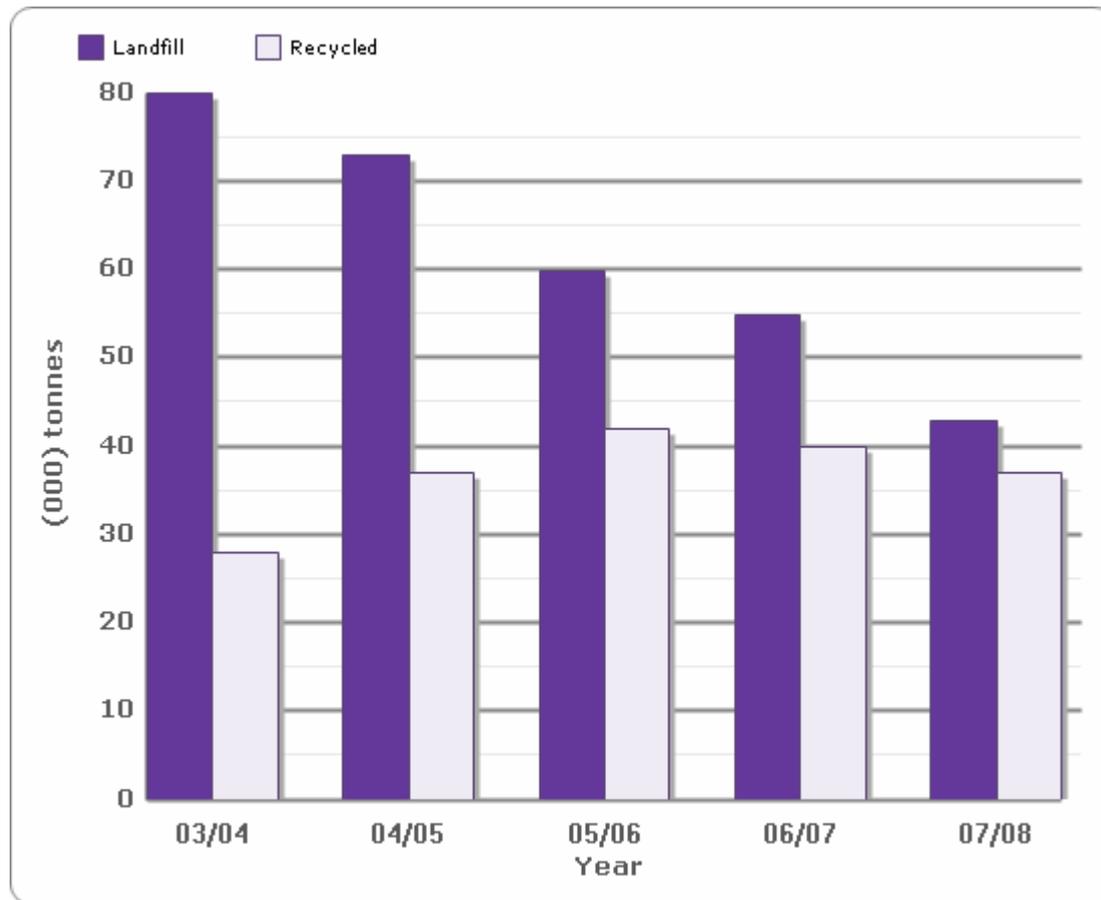
Water use
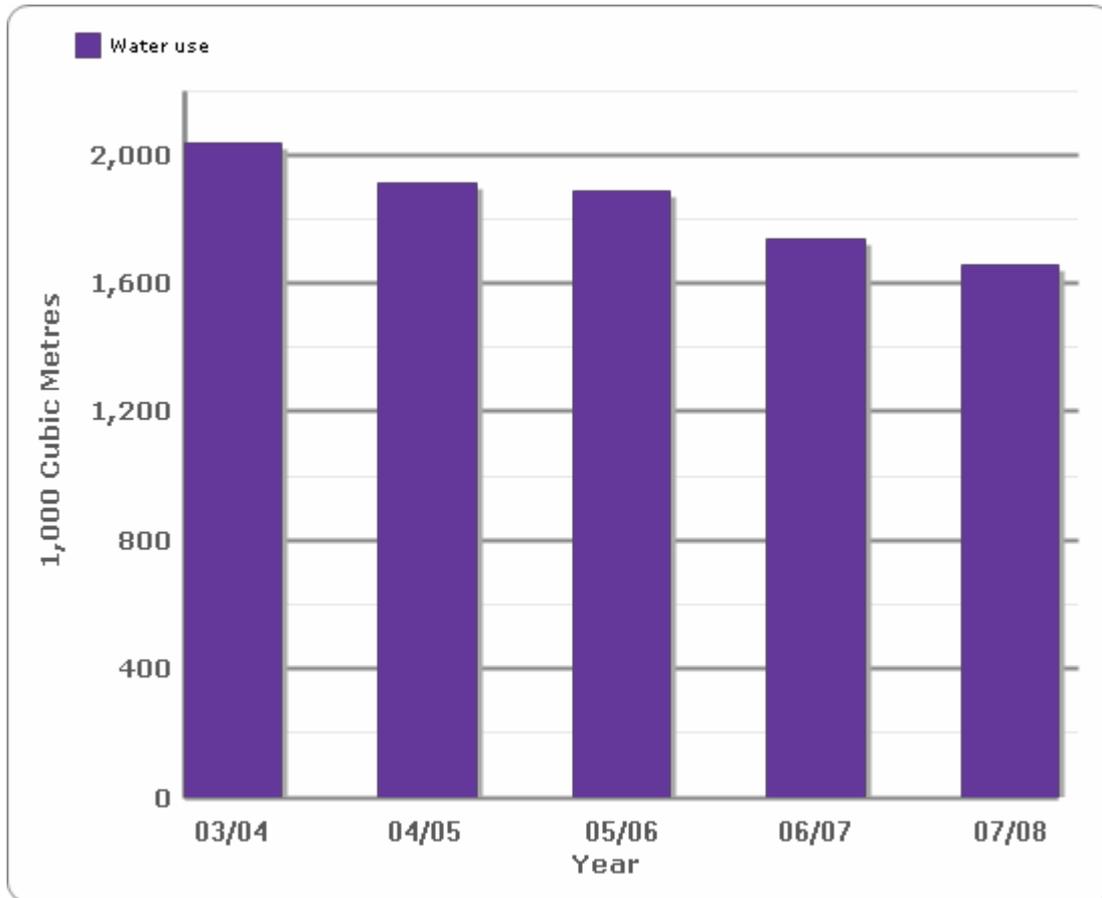
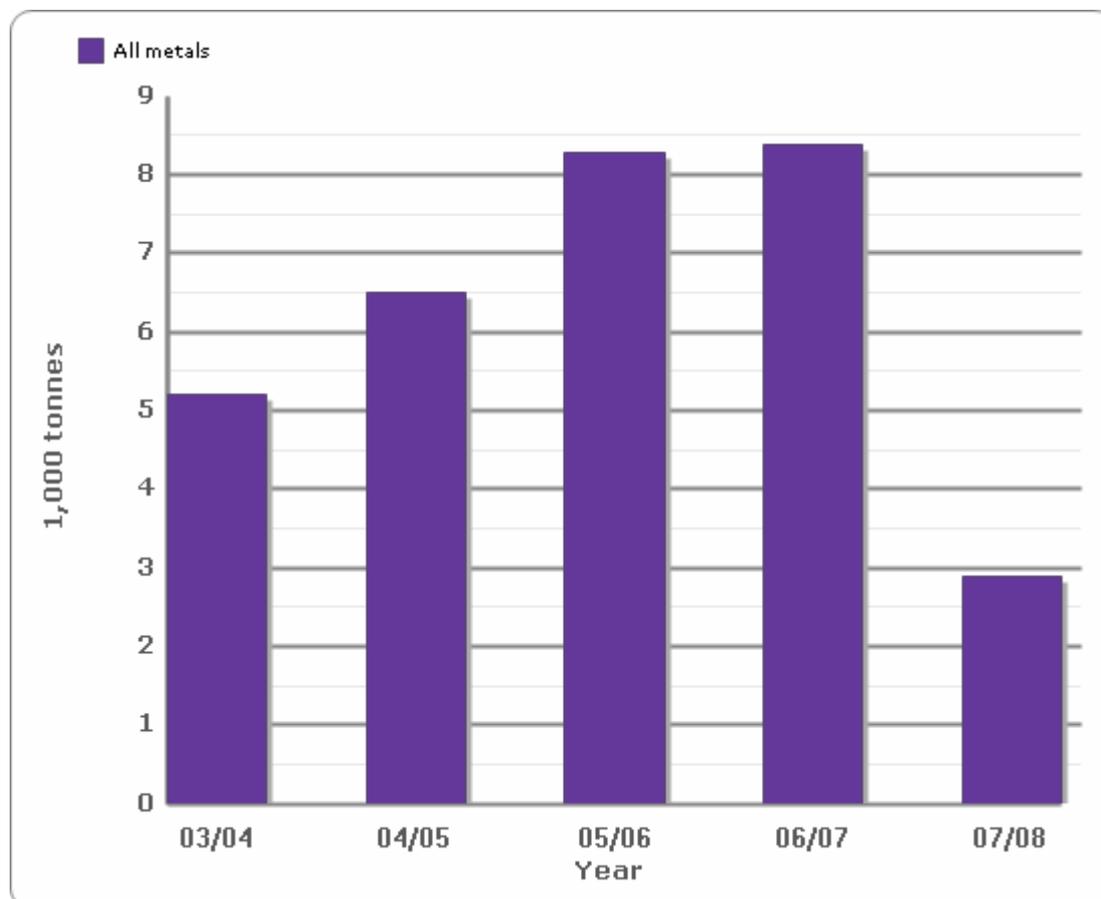**Water consumed per £m Turnover**

Excludes BT Global Services outside the UK.
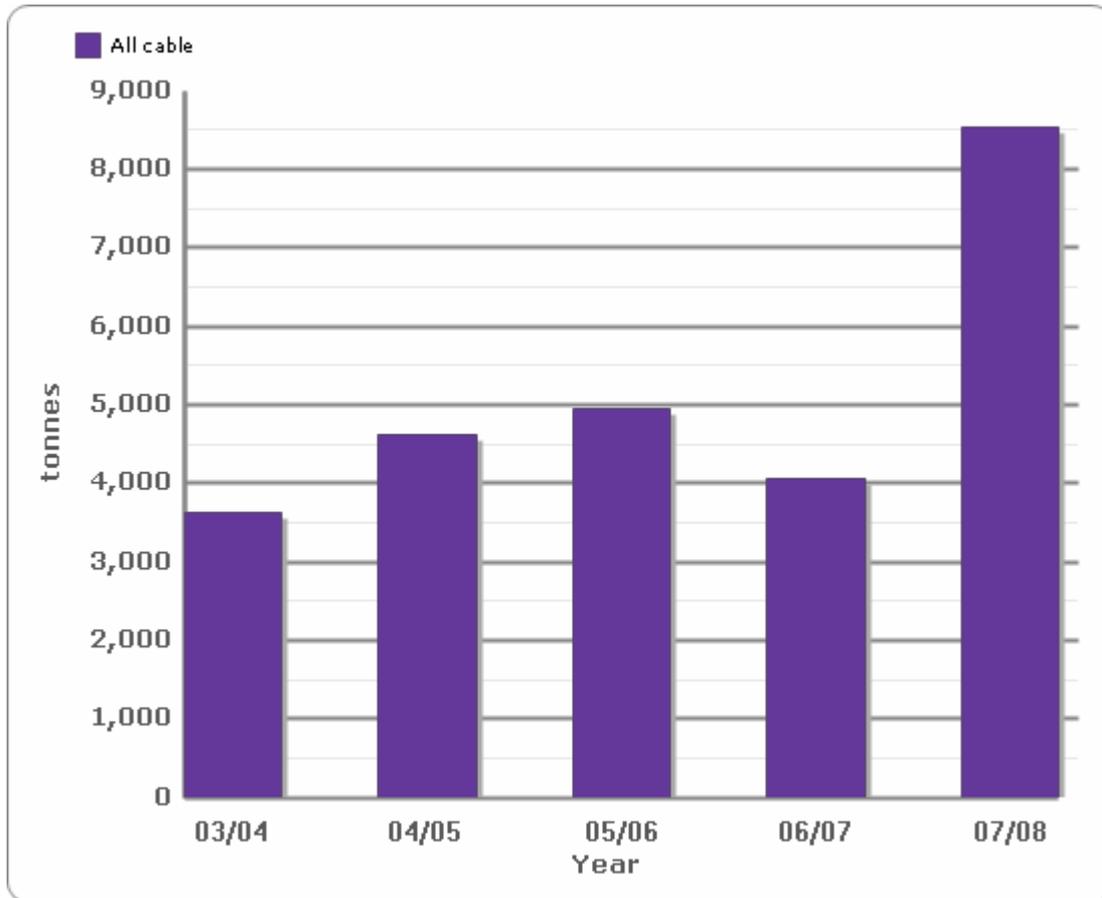Source: Annual Report & Accounts, Energy Database

Waste arising and management
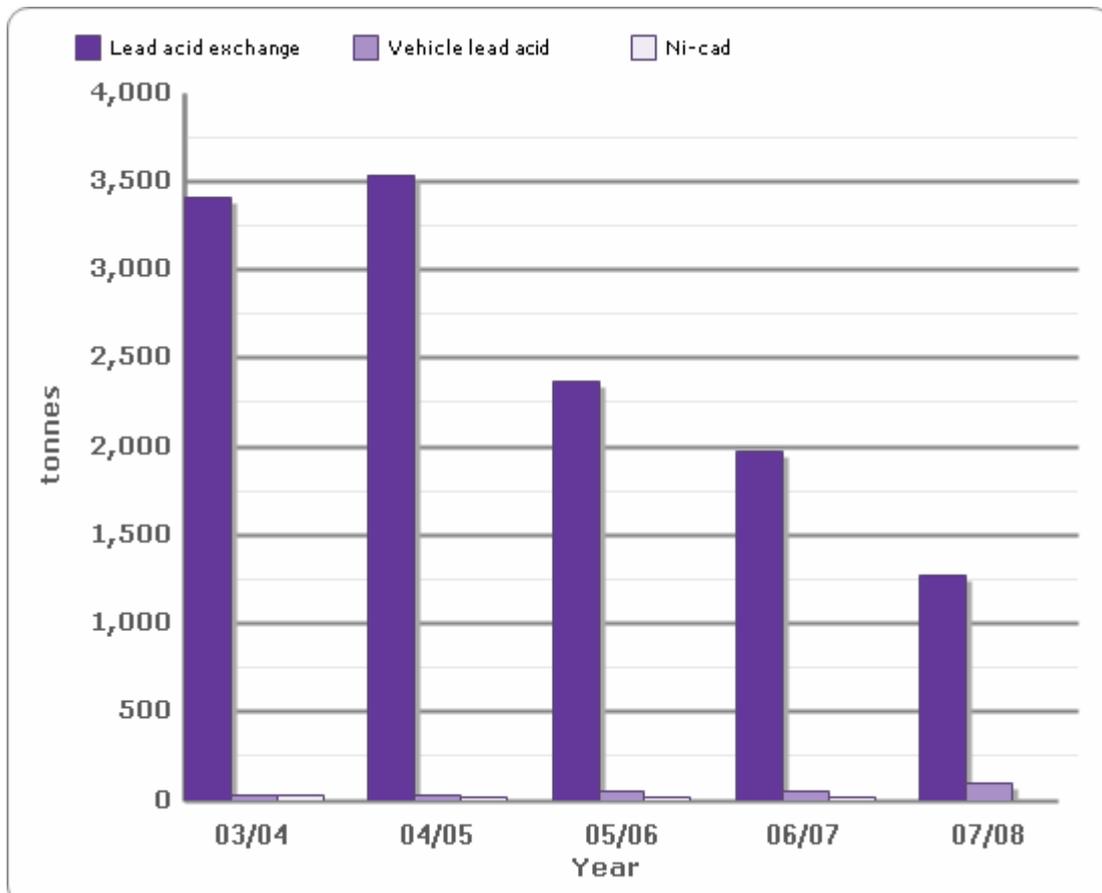

Scrap metal recovered

Quantities of scrap cable recycled

Excludes BT Global Services outside the UK.
Source: Contractors

Quantities of batteries recycled

Excludes BT Global Services outside the UK.
Source: Contractors

2008 Waste Recovery Model

Waste Type (tonnes)	2004	2005	2006	2007	2008
Cable					
Switchboard cable	559	630	894	437	361
Mixed cable	577	1411	1573	1877	861
Aerial Self Supporting cable	806	728	653	390	285
Polythene covered cable	765	699	696	494	696
Lead covered cable	259	203	359	395	6027
Optical fibre cable	474	670	556	361	276
Blown fibre cable	204	285	239	112	44
Total	**3645**	**4626**	**4969**	**4066**	**8550**
Telephone exchange equipment					
Miscellaneous equipment	537	1906	2683	3179	1575
Micellaneous Metals	912	2082	3032	2477	1488
Payphone equipment	38	218	768	114	159
Telephones	464	697	699	288	53
Total	**1952**	**4902**	**7181**	**6058**	**3275**
Office & Packaging waste					
Office paper	1379	1277	912	817	1481
Cardboard	6288	5792	7454	6697	7891
Plastics	34	0	0	0	0
Toner cartridge	16	13	12	12	8
Silica desiccant	5	4	4	0	0
Aluminium cans	14	10	12	11	8
Plastic cups	15	9	6	7	23
Total	**7751**	**7105**	**8398**	**7544**	**9411**
Batteries					
Ni-cad rechargeable batteries	34	27	26	18	15
Exchanged lead acid batteries	3408	3536	2378	1979	1281
Vehicle Lead Acid Batteries	35	37	61	59	106
Total	**3477**	**3601**	**2465**	**2056**	**1402**
Transport related waste					
Lubricating oil	241	256	259	208	312
Oil filters	71	86	46	30	58
Antifreeze/water mixture	8	11	13	13	13
Brake fluid	1	1	1	2	2
Mixed fuel	2	4	46	27	36
Oil contaminated waste	12	12	14	12	14
Paint solvent/thinners	1	0	0	1	**2**
Tyres	485	438	547	615	546
Accident Vehicles	0	0	172	132	131
Total	**822**	**808**	**1097**	**1040**	**1114**
Misc Electrical Equipment	1441	3377	3651	4309	1843
General Scrap Metal	1411	4416	5244	5965	1405
Telephone directories	268	920	655	220	168
Telegraph Poles	5103	6122	5689	5554	4984
Computing Equipment	755	1470	1292	1433	461
Clothing	2	0	0	0	0
Catering Oil	44	25	24	24	13
Catering Equipment	19	15	22	0	0
Fluorescent Tubes	0	11	47	32	43

Furniture					276
Waste Oil	0	0	1592	1690	2662
Other (e.g. Mixed, rubble)	25	21	14	16	1330
Total	9069	16378	18229	19243	13185
Total waste recycled	27626	37421	42340	40007	36937
General Waste	79677	73201	59665	54921	42822
Total weight for all catagories	107303	110622	102005	94928	79759
waste recycled (as % of total waste)	26%	34%	42%	42%	46%
Total income	£3.9 million	£2.9 million	£3.23 million	£4.48 million	£6.7 million
Total expenditure	£9.9 million	£7.4 million	£7.97 million	£5.15 million	£7.27 million
Landfill tax savings	£0.38 million	£0.54 million	£0.76 million	£0.84 million	£0.89 million
Total savings/costs	- £5.6 million	- £3.96 million	- £3.98 million	£0.17 million	£0.32 million

Number of Vehicles in BT's Commercial Fleet
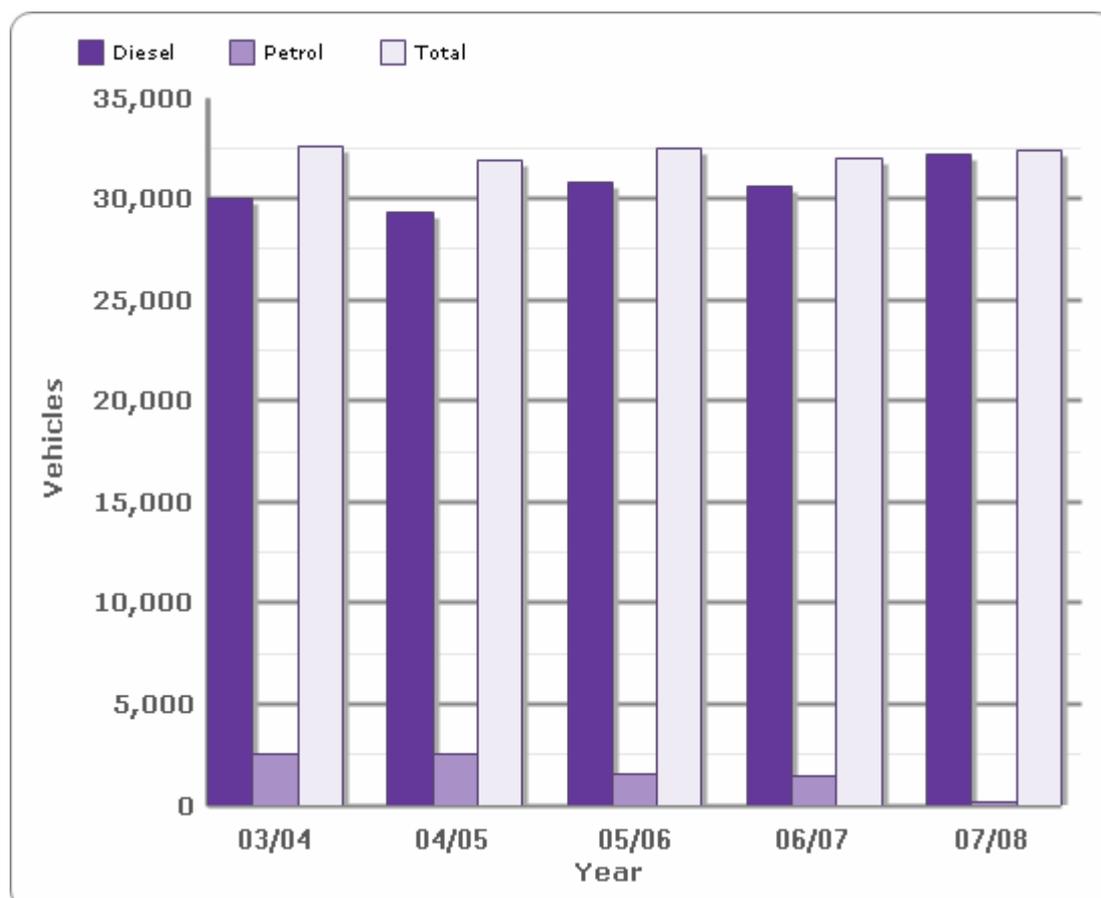
Excludes BT Global Services outside the UK
Source: BT's Vehicle Database

Number of Vehicles in the Company Car Fleet
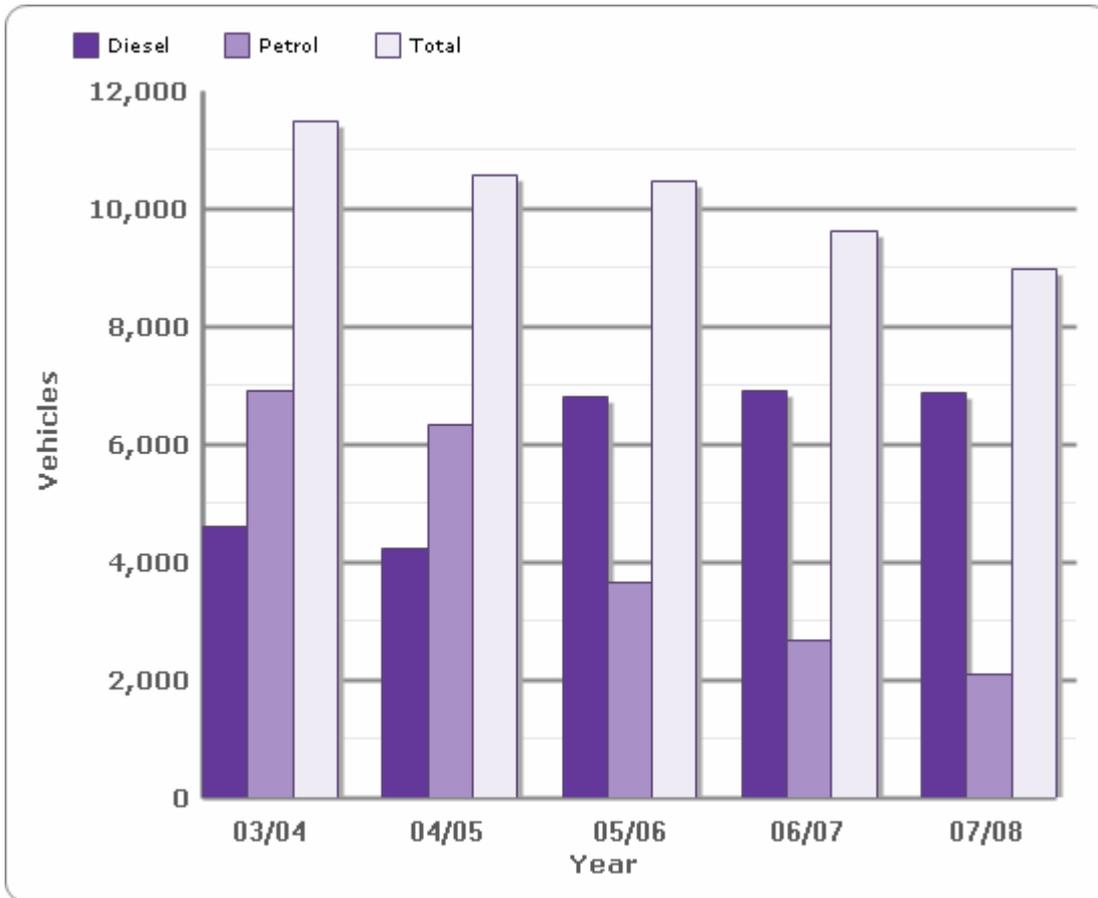
Excludes BT Global Services outside the UK.
Source: BT's Vehicle Database

Distance travelled by vehicles on BT Business
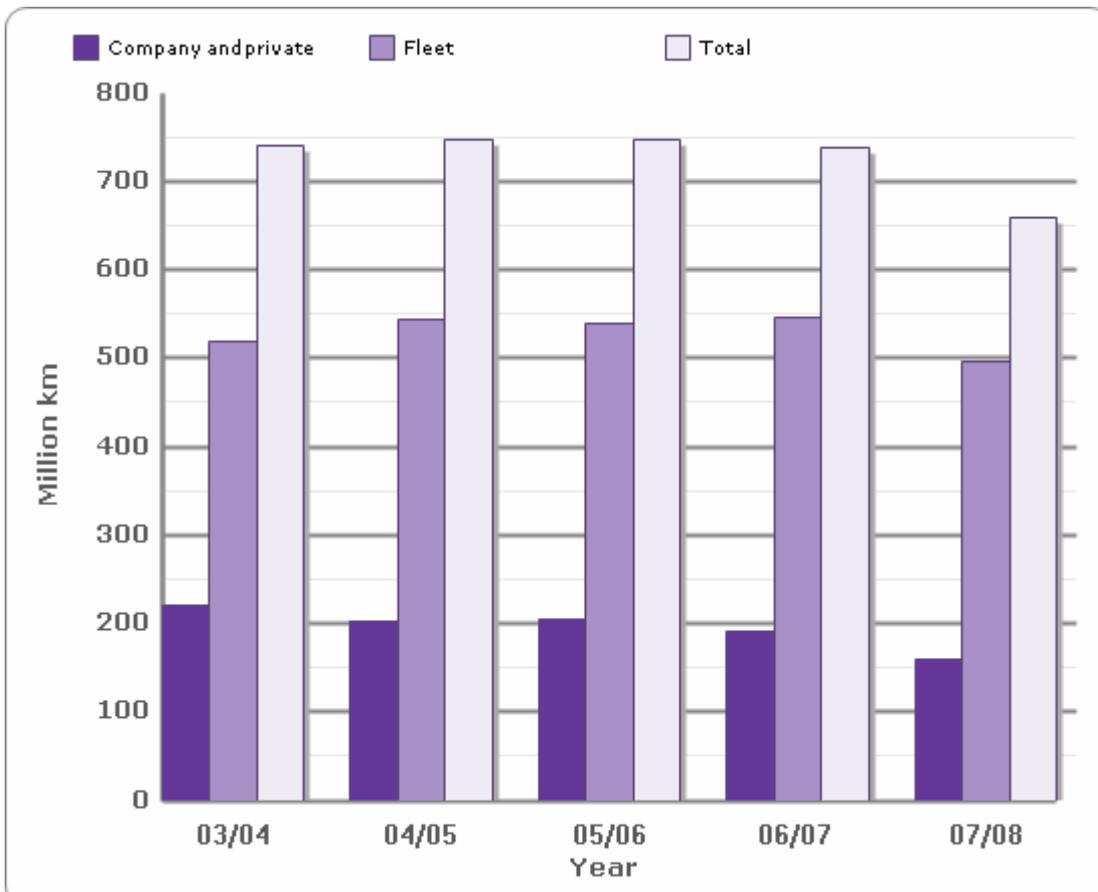
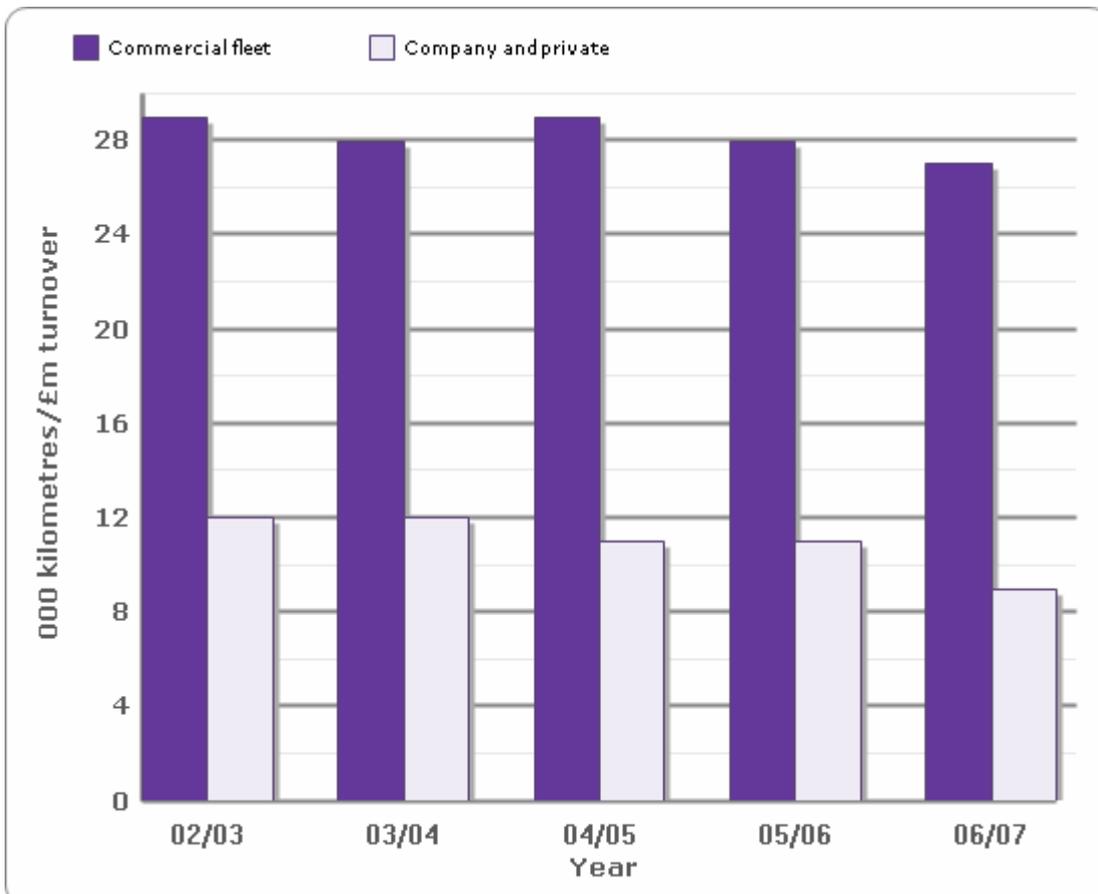Excludes BT Global Services outside the UK.
Source: BT's Vehicle Database & Business Expense Claims
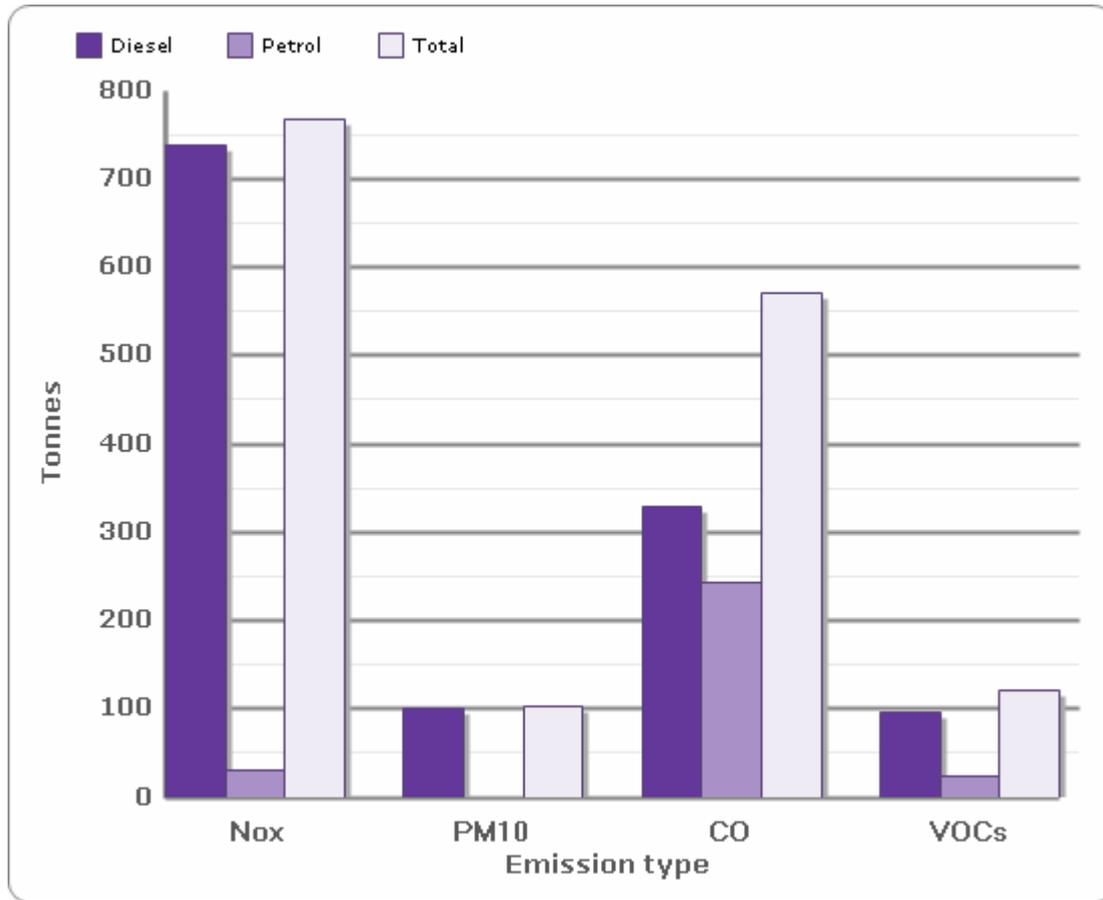
Fuel used by BT's Commercial Fleet
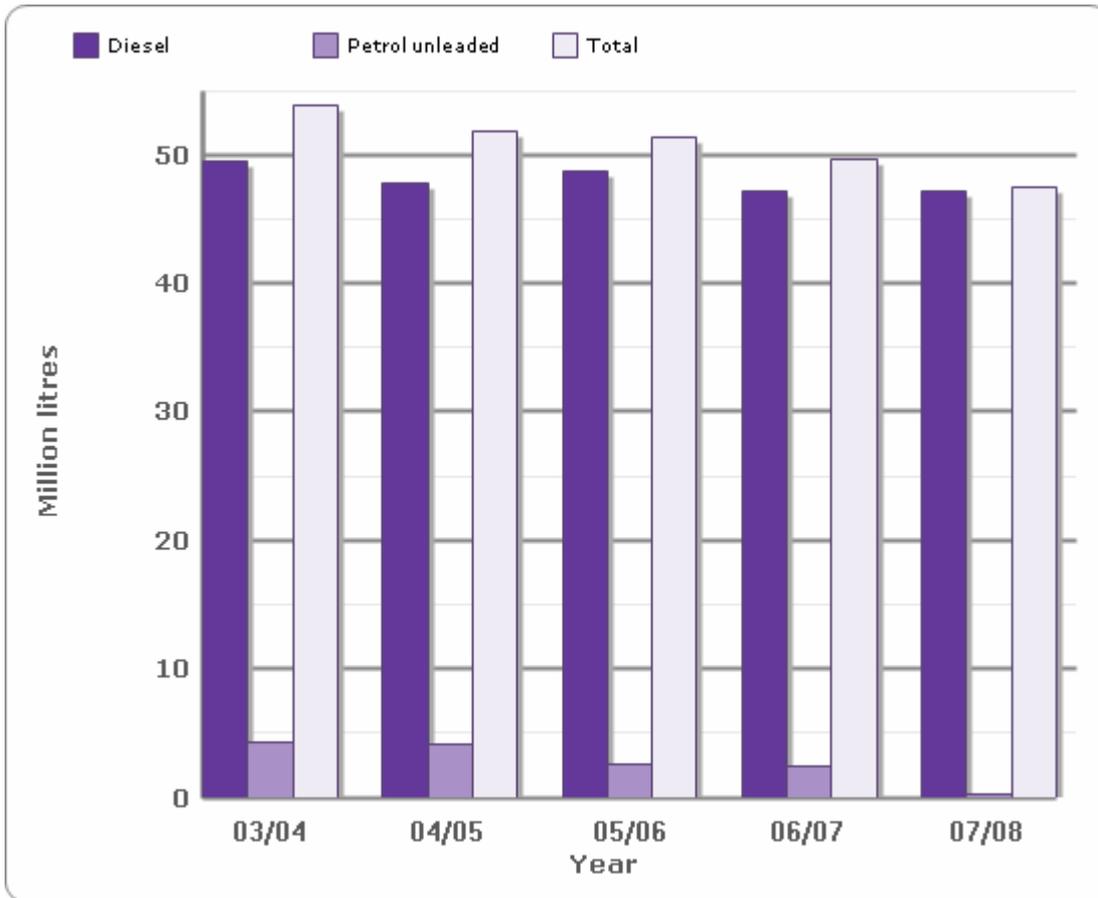
Excludes BT Global Services outside the UK
Source: BT's Vehicle Database

Distance Travelled per £m Turnover

Excludes BT Global Services outside the UK
Source: Annual Report & Accounts, Transport Database

Emissions from vehicles travelling on BT Business

Excludes BT Global Services outside the UK.
Source: NETCEN (AEA Technology)

CO2 equivalent emissions
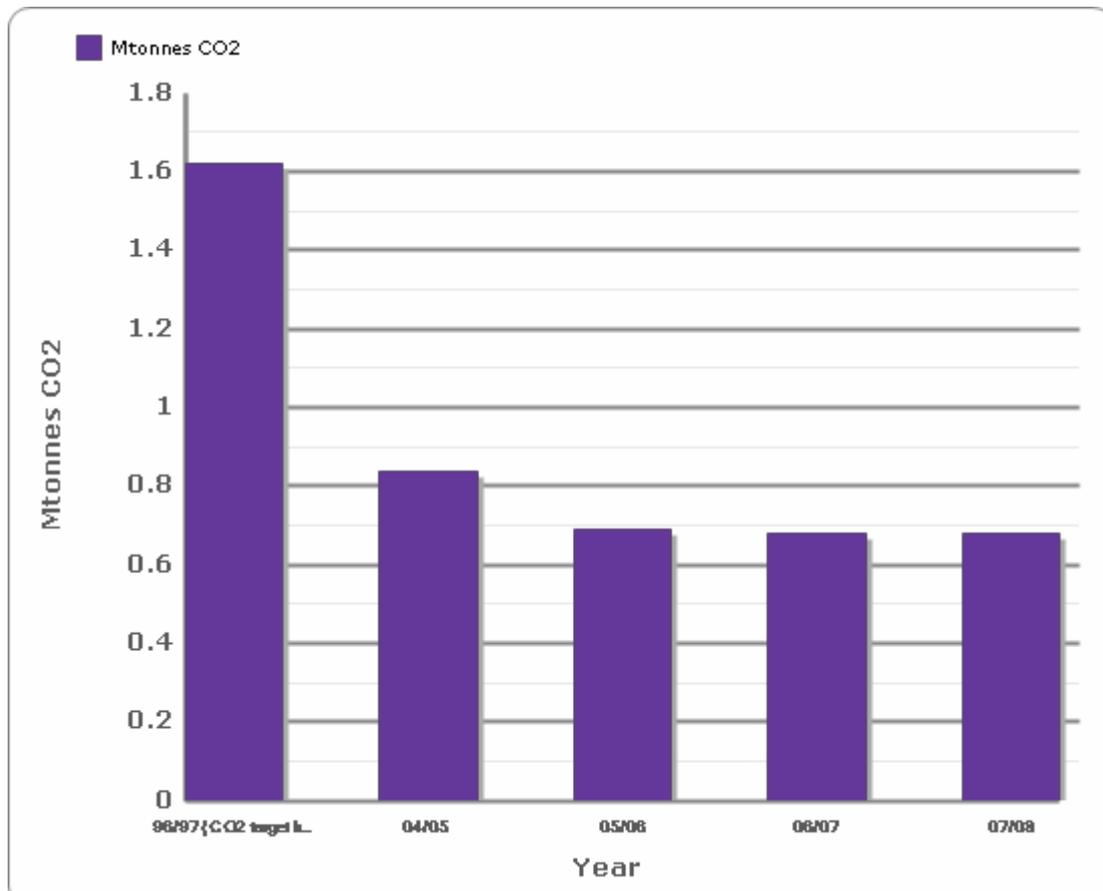
Excludes BT Global Services outside the UK. This year we have recalculated our figures back to the 1996 baseline, to take account of the updated Defra CO2 conversion factors.
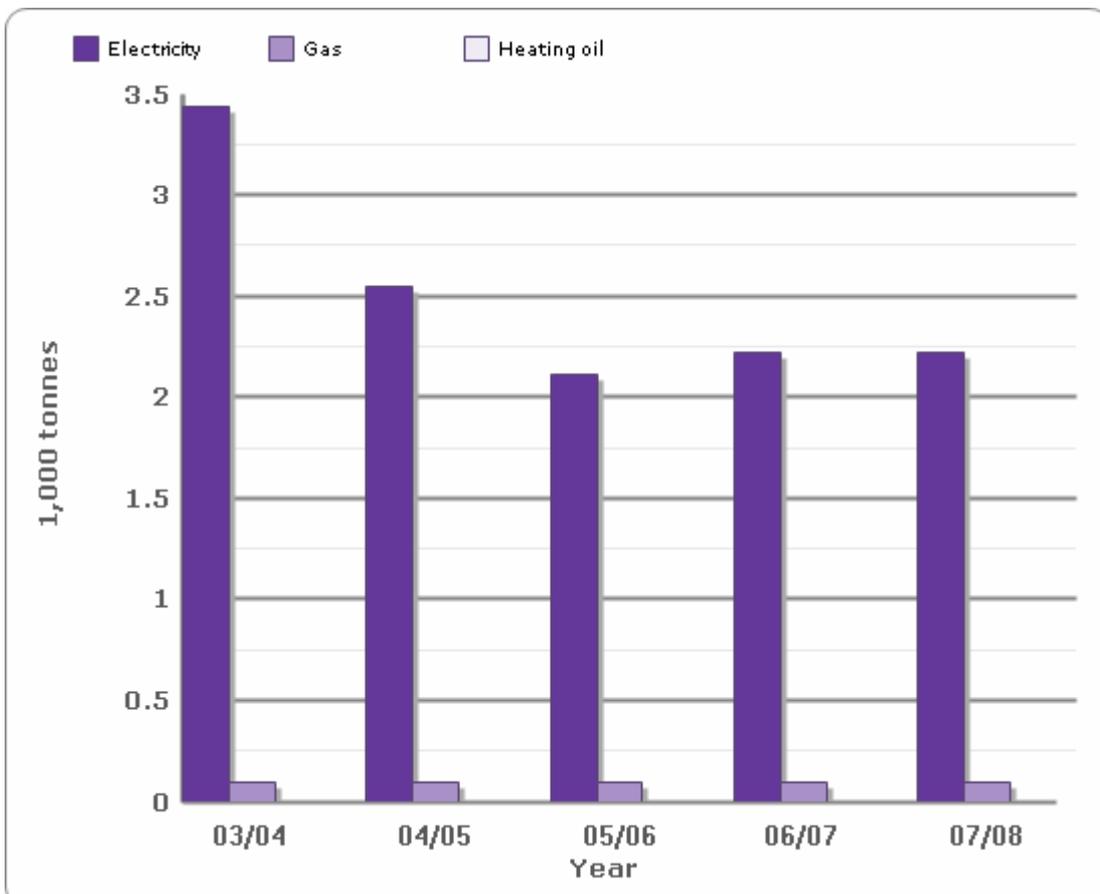Source: Invoices, BT vehicle database, BT refrigerants database, BT expenses unit, BT travel management, DETR, AEAT NETCEN
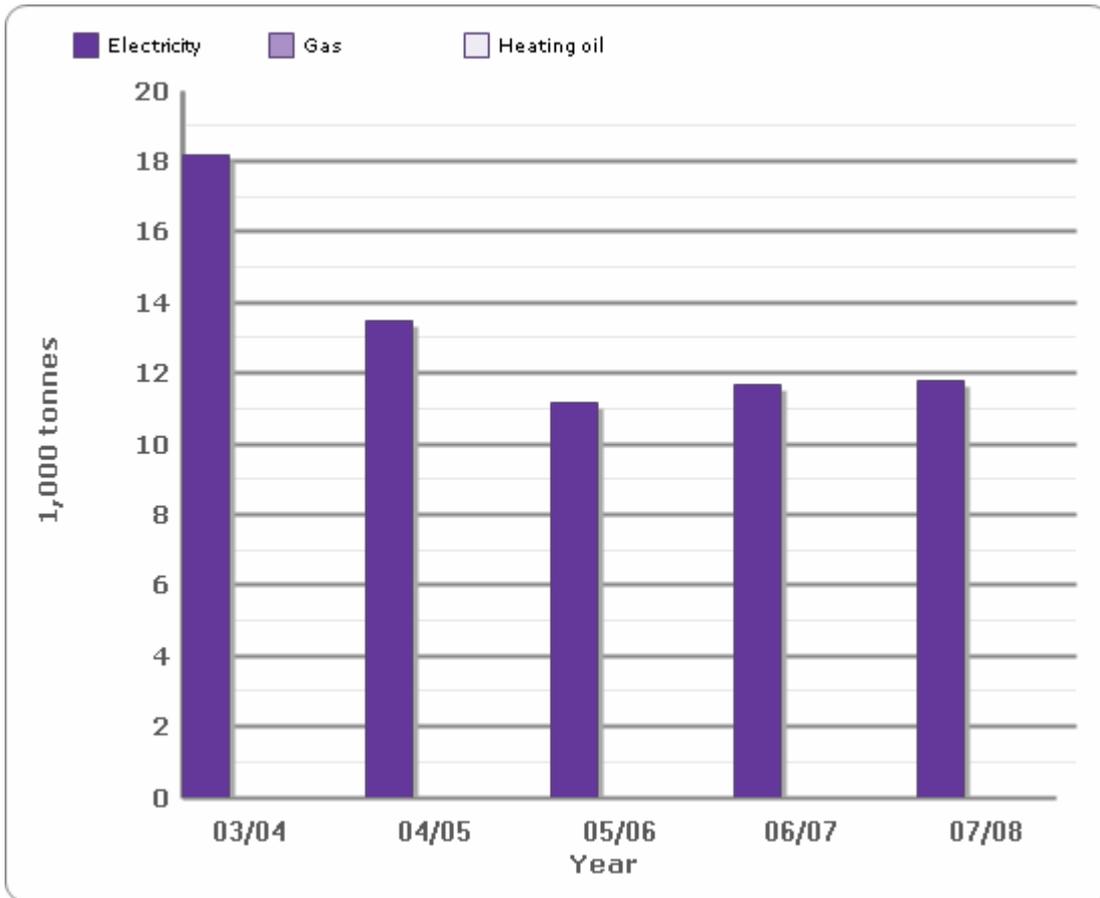
CO2 emissions per £m Turnover
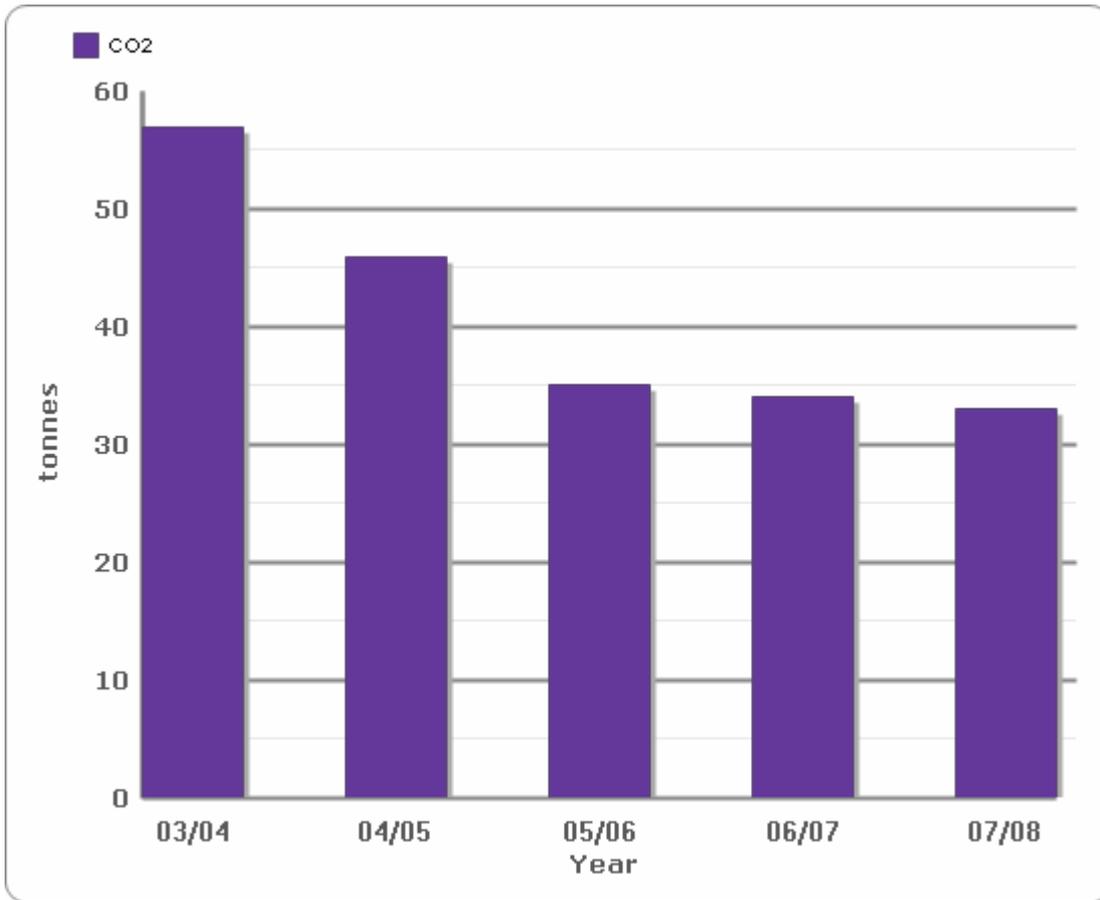
Excludes BT Global Services outside the UK.
Source: Annual Report & Accounts, CO2 Model

Emissions of Nox

Excludes BT Global Services outside the UK
Source: Emissions derived using Government conversion factors. Figures include BT plc, BT Northern Ireland & Manx Telecom. Figures exclude Subsiduary companies and BT Tenants
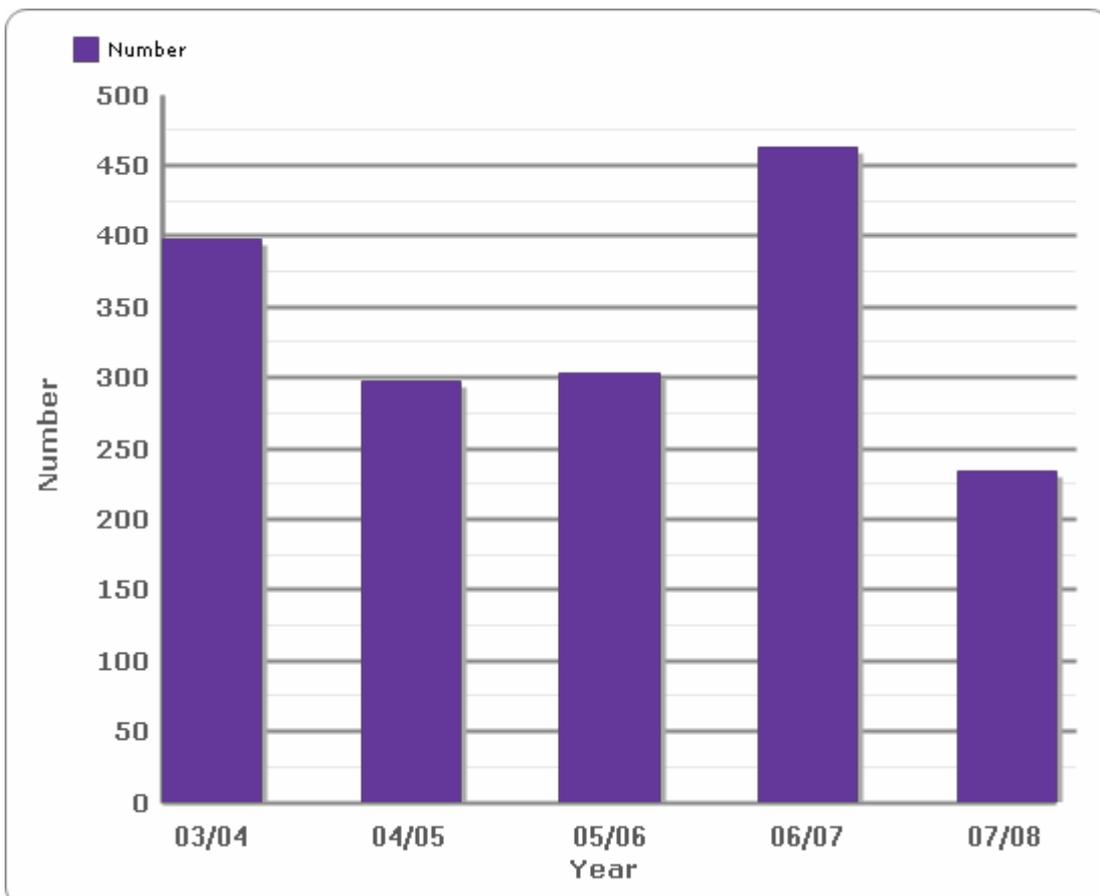
Emissions of SO2

Excludes BT Global Services outside the UK
Source: Emissions derived using Government conversion factors. Figures include BT plc, BT Northern Ireland & Manx Telecom. Figures exclude Subsiduary companies and BT Tenants

Number of Environment assessment questionnaires (GS13) completed

Number of Environment questionnaires (GS13) where continuous improvement was required