Environmental Policy

April 2017

Scope

Our Purpose: to use the power of communications to make a better world

(From BT's Purpose and Strategy)

We want to be a net positive contributor to the environment.

BT has a 2020 ambition to help customers reduce carbon emissions by at least three times the end-to-end carbon impact of our business.

This policy applies to all BT companies globally. We engage with customers and third parties doing business with BT, or acting on our behalf, to encourage them to follow this policy.

Aims

Our purpose is to use the power of communications to make a better world. In the environmental space we aim to achieve this by:

- 1. Reducing the environmental impact of our operations, supply chain and customer solutions
- 2. Helping our customers reduce their own environmental impact

Guiding Principles

To ensure our environmental policy is relevant, progressive, and regularly updated, we follow these guiding principles:

- We have commitment to our 2020 ambition at the highest level of the business, and our environmental policy forms part of our aim to be a purposeful business. The Chief Executive of BT Group has ultimate responsibility for the company's environmental policy and performance. Our full governance supporting our purposeful business strategy can be found here:
 - http://www.btplc.com/Betterfuture/BetterFutureReport/index.htm
- We recognise that our business has significant impact on the environment which needs to be addressed. We manage this by maintaining an environmental management system (EMS).
- Energy consumption, together with its associated carbon emissions, is BT's most significant environmental impact: carbon emissions from fossil fuel use are a key contributor to climate change. We have set ourselves a long term ambition to have a positive overall carbon impact.

- This ambition is to help our customers reduce their carbon footprint by at least three times the end to end carbon impact of our business by 2020. More details on our 3:1 ambition can be found here.
- Action on climate change is in the best short and long term interests of our business because it will mitigate risks through adaptation and resilience measures, reduce costs through efficiencies, and create growth from low carbon products and services.
- We review this policy bi-annually to ensure it remains current.

Environmental Commitment

Our environmental management system provides a framework for the management and reporting of environmental performance to senior leaders. It also helps reduce our impact on the environment by committing us to setting improvement targets and then closely monitoring our environmental performance to ensure we achieve them. Our overarching commitments include:

- Continual improvement of our environmental management system, and to minimizing environmental harm and preventing pollution.
- Maintaining compliance with applicable legal requirements and with other requirements to which we have subscribed: <u>EMS</u>

We have regular internal, and external audits to ensure effective control.

Stakeholder Engagement and Policy

We engage with many stakeholders in relation to environmental issues with the objective of driving forward progressive and ambitious action to protect the environment and mitigate the impact of climate change.

- We carry out a survey every year to understand the environmental impacts that are most important to our stakeholders.
- External engagement includes industry and cross-industry groups, associations with a sustainability focus.

Reporting and Assurance

We monitor progress and publish details of our environmental performance in our <u>Delivering our Purpose Report</u> on an annual basis.

- We compile the details for our reporting in line with the Global Reporting Initiative G4
 Sustainability Reporting Guidelines and the AA1000 Assurance Standard
- We also report into the Carbon Disclosure Project and the London Benchmarking Group.

So that our stakeholders can have confidence in the facts and figures we report each year, our environmental performance is audited by an independent external organisation.

Policy owners

- Purposeful Business Team, BT Group Strategy
- Environmental Management Team, BT TSO

Review

January 2018