

BT environmental policy

February 2021

Scope

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

Aims

BT's purpose is to connect for good. Our environmental goals are a key part of how we deliver on our purpose. We aim to:

- 1. Reduce the impact of our operations, supply chain and customer solutions
- 2. Help our customers reduce their own environmental impact
- 3. Show leadership to inspire and help other businesses to improve environmental performance

Guiding Principles

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

- Our environmental policy forms part of our aim to be a purposeful business. The full governance supporting our purpose and strategy can be found <u>here</u>.
- BT's Chief Technology and Information Officer has ultimate responsibility for the company's environmental policy and performance, and discharges the role of Executive Committee (ExCo) Sponsor for Environmental Risk for BT.
- BT's Environmental Management Governance Group ('the EMGG') is chaired by BT's Chief Technology and Information Office. The purpose of the EMGG is to satisfy itself with the overall adequacy and effectiveness, globally, of BT's environmental;
 - Strategies, systems, policies, practices to deliver business objectives;
 - Compliance with legal, regulatory and voluntary obligations; and to
 - · Set ambition and standards to be achieved and maintained
- We recognise that our business has a significant impact on the environment, and we respond to this through our environmental management systems (EMS) and controls.
- Energy consumption, together with its associated carbon emissions, is BT's most significant environmental impact. We address this key issue through our Energy



Management Systems (EnMS), with a focus on areas with the most significant energy use.

- Taking action on climate change is in the best short and long term interests of our business because it mitigates risks through adaptation and resilience measures, reduces costs through efficiencies, and creates growth from low carbon products and services.
- BT has long term targets to reduce our operational carbon emissions intensity by the amount necessary to play our part in limiting global warming to 1.5 degrees Celsius. Our targets are based on the science underpinning the Paris Agreement and equate to an 87% reduction in our scope 1 and 2 emissions per unit of value added, by 2030/31 (compared to 2016/17) levels and ultimately our goal is to be a net zero emissions business by 2045.
- Over two-thirds of our end-to-end carbon emissions come from our supply chain. Our science-based target aims to reduce scope 3 emissions from our supply chain by 42% (from 2016/17 levels) by 2030/31, and reach net zero emissions by 2045.
- We buy 100% of our electricity worldwide from renewable sources, wherever markets allow.
- We work collaboratively with others to accelerate the transition to a low carbon economy. To enable this we have signed up to the business coalitions RE100 (details here) and EV100 (details here).
- We partner with suppliers to design our products and packaging in a way that
 uses as little material as possible and makes it easier to reuse or recycle when
 they're no longer needed.
- We address the responsible use and disposal of plastics throughout our business operations through the BT Group plastics policy.

We review this policy annually to ensure it remains current.

Environmental Commitment

Our Environmental Management Systems help reduce our impact on the environment by committing us to setting improvement targets and closely monitoring our environmental performance to ensure we achieve them. Our EMS and controls also provide a framework for the management and reporting of environmental performance to senior leaders.

Our overarching commitments include:

- Continually improving our environmental and energy management systems and controls, minimising environmental harm, preventing pollution and driving energy efficiency.
- Fulfilling all compliance obligations, both regulatory and others to which we have subscribed to.



- Making available information and necessary resource to achieve the objectives and targets of our EMS, environmental controls and EnMS.
- Considering environmental and energy performance improvement opportunities and control in the design of facilities, equipment, systems and processes and incorporating these into specification, design and procurement activities.

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 aim of driving forward progressive and ambitious action to protect the environment and mitigate the impact of climate change. Two key actions include:

- We carry out a survey each year to understand the environmental impacts that are most important to our stakeholders.
- Wider external engagement including industry and cross-industry groups, and memberships, partnerships and associations with a sustainability focus.

Reporting and Assurance

We monitor progress and publish details of our environmental performance in our Digital Impact & Sustainability Report annually.

- We compile the details for our reporting in line with the GRI Sustainability Reporting Standards and the AA1000 Assurance Standard
- We also report into the CDP.
- Our environmental performance is assured by an independent external organisation.

Policy Owner

Howard Watson, Chief Technology and Information Officer

Review

February 2022