

BT Group plc (BT)

	GHG EMISSIONS
ACKNOWLEDGE	● ● ● ●
PRIORITISE	● ● ● ●
SET STRATEGY & GOALS	● ● ● ●
TRACK	● ● ● ●

Background on BT

BT is a holding company that owns British Telecommunications plc, a British multinational telecommunications service company. It was founded in 1969 and is headquartered in London, United Kingdom. BT has two major subsidiaries, namely BT Global Services and BT Consumers. BT Global Services provides telecoms services to government customers worldwide while BT Consumers provides telephony, broadband, and subscription television services within the United Kingdom. It employed 102,000 people across 180 countries and reported revenues of £18 billion in 2016. It is a public company that is listed on both the London Stock Exchange and New York Stock Exchange.

How did BT come to start thinking about context?

BT set its first contextual GHG emissions reduction goal in 2008 by developing its own methodology called the [Climate Stabilisation Intensity](#) (CSI) that balanced scientific consensus with economic growth^{1,2}. Chris Tuppen, BT's Chief Sustainability Officer, worked with Jørgen Randers, a Professor of Climate Strategy at the Norwegian School of Management, to jointly develop the CSI methodology². Chris Tuppen described the methodology as one that would create "a relationship between BT's CO₂ emissions and its financial performance so that they become interdependent. It is a powerful tool for embedding sustainability into organizations worldwide and critical in effecting change¹." When the goal was released Jonathon Porritt, founder and director at Forum for the Future, described the approach as "ground breaking" and commented that "if all companies adopted such a target we would be a long way towards fixing the problem of climate change¹." BT stated at the time that it intended to achieve this goal by focusing on improving its energy efficiency and by purchasing energy from renewable sources¹.

¹ GreenBiz (2008). BT Makes a Big Climate Commitment. Accessed at: <https://www.greenbiz.com/news/2008/06/02/bt-makes-big-climate-commitment>

² Sustainable Brands (2012). Threading the Needle: How BT Integrates Climate Stabilization with Economic Prosperity. Accessed at: http://www.sustainablebrands.com/news_and_views/new-metrics/bt-climate-stabilization-economic-prosperity

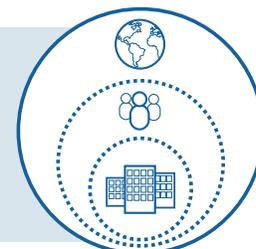
In 2012, BT formally announced that it was aiming to purchase 100% of its UK energy from renewable sources by 2020³. In 2014, BT became one of the founding members of the [RE100](#) initiative, which aims to create a collaborative learning environment for businesses that are committed to sourcing 100% of their energy needs from renewable sources⁴. BT was active in the run up to [COP21](#) in 2015. In June 2015, BT signed an open letter addressed to the UK Government urging it to step up its efforts on climate change and the building of a green economy⁴. The company also took part in Climate Week (New York) in September 2015 and signed several open letters, including one in support of the Global Apollo Program, which urged governments to invest in renewable energy to ensure it becomes cheaper than energy generated from coal within the next ten years⁴. During COP21, BT was vocal in encouraging attendees to agree on ambitious global goals that would combat climate change⁴.

The company announced in 2016 that it had met its contextual GHG emissions reduction goal of 80% from a 1996/1997 baseline previously set in 2008. While making this announcement, BT also committed to support its customers in reducing their emissions by an amount equivalent to three times its own end-to-end GHG emissions³. It also began to participate in a project run by the [World Business Council for Sustainable Development](#) aimed at better understanding how Information and Communication Technology (ICT) could support the establishment of sustainable lifestyles⁴. The company also announced in 2016 that it would be extending its 2020 100% renewable energy commitment beyond its UK operations to include all of its global operations⁵.

What does context look like at BT?

1 ACKNOWLEDGE the need to operate within global, regional, and/or local socio-ecological thresholds.

GHG EMISSIONS



GHG emissions: BT acknowledges that climate change is one of the greatest challenges of our time that acts as a trigger for risks that can disrupt business⁴. BT also acknowledges that the GHG emissions arising from its business activities have an impact on climate change⁶. Despite having set a contextual goal, BT continues to commit to minimising its impacts on this threshold⁴. BT has committed to work with both its value chain and customers to support them in reducing their GHG emissions through a series of tools that it developed that estimate GHG emissions^{4,7}.

³ BT Group (2016). Case Study: Renewables. Accessed at: <https://www.btplc.com/Purposefulbusiness/Energyandenvironment/Improvingouroperations/RenewablesCaseStudyAWLR.pdf>

⁴ BT Group (2015). Delivering our Purpose Report 2015/2016. Accessed at: <http://btplc.com/Purposefulbusiness/Deliveringourpurpose/index.htm>

⁵ Edie.Net (2016). Living beyond the moment: Why science-based targets and coalitions are the key to unlock climate action urgency. Accessed at: <https://www.edie.net/blog/Living-beyond-the-moment-Why-science-based-targets-and-coalitions-are-the-key-to-unlock-climate-action-urgency/6098141>

⁶ BT Group (n.d.). Environmental Policy. Accessed at: http://btplc.com/Purposefulbusiness/Ourapproach/Ourpolicies/Environmental_Policy.pdf

Other thresholds: BT acknowledges the importance of other socio-ecological issues including water, energy, waste, and human rights but does not yet discuss them with reference to thresholds.

2 Transparently understand and **PRIORITISE** a set of focus areas in relation to key socio-ecological trends at the global, regional, and/or local level.

GHG EMISSIONS

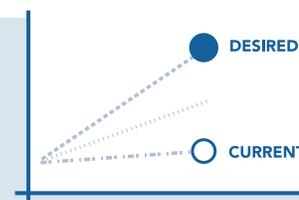


BT appears to use what we call a ‘classic’ materiality approach whereby it seeks to gather information about socio-ecological issues from various sources ahead of consulting with experts and stakeholders, and uses the output of this to prioritise its key socio-ecological issues⁴. In 2016, BT commented that it also considered its prioritised issues in the context of the new [UN Sustainable Development Goals](#) but it has yet to outline how this was done or the impact this had on its prioritisation process⁴.

GHG emissions: BT has yet to outline its understanding of the impacts its own business activities have on this threshold⁴. The company does recognise that its products and services support new ways to communicate and do business that can help reduce GHG emission. As an example, BT explains that its broadband allows people to do more online which results in less need to travel⁴. BT is committed to targeting its sphere of influence with respect to this threshold.

3 SET STRATEGY AND GOALS by transparently articulating the current performance gap and what portion of this gap the business will address.

GHG EMISSIONS



GHG emissions: BT has committed to reduce its worldwide GHG emissions intensity by 80% by 2020 using a 1996/1997 baseline^{8,9}. To develop its contextual GHG emissions goal, BT used its CSI methodology, which aims to calculate its GHG emissions in relation to the “value” it adds as a company to the wider economy¹⁰. To calculate this added “value”, BT uses the company’s contribution to the Gross Domestic Product (GDP)¹⁰. BT believes that this approach

⁷ BT Group (2016). Delivering Environmental Benefits 2015/2016 summary. Accessed at: http://btplc.com/Purposefulbusiness/Deliveringourpurpose/Downloads/2016/2016_BTDoP_Environment.pdf

⁸ RE100 (n.d.). Member profile: BT Group. Accessed at: <http://there100.org/bt>

⁹ WSP/Parsons Brinkerhoff (2016). Science-based targets: A guide for setting greenhouse gas emissions targets informed by climate science. Accessed at: http://www.wsp-pb.com/Globaln/USA/Environmental/Sustainability/Documents/WSPPB_US_Science-Based_Targets.pdf?epslanguage=en

allows room for business growth while implementing a stringent GHG emissions reduction approach¹⁰. BT has also set a goal that will measure its influence on its customers in helping them reduce their impacts on this threshold. BT commits to supporting its customers in cutting their GHG emissions by three times its own end-to-end GHG emissions by 2020⁴.

Other thresholds: BT has not yet set contextual goals in relation to any other thresholds.

4 Transparently TRACK performance against realistic trajectory targets.

GHG EMISSIONS



GHG emissions: BT has a history of reporting its GHG emissions performance through its Delivering our Purpose reports (for the last five years plus baseline year)⁴. It has yet to use this data and its contextual goal to set realistic annual trajectory targets that could be used to monitor its progress towards achieving its goal. While BT has set a goal in relation to influencing its customers, it has yet to use the reported data on its progress to develop a realistic set of trajectory targets for this goal that could be used to monitor its progress in influencing its customers.

Other thresholds: BT reports its performance against other socio-ecological issues including water, energy, waste, and human rights but does not yet report its progress in relation to their associated thresholds.

What is the road ahead for context at BT?

BT acquired the UK based telecommunications company EE in 2015 and is in the process of incorporating EE's GHG emissions data into its CSI methodology^{7,11}. BT also recognises that the ICT sector has a critical role in supporting the transition of the UK to a low carbon economy. It is seeking to leverage its network, products, and services to help the UK government tackle and achieve their own GHG emissions goals¹². Following the conclusion of [COP22](#) in Marrakech, BT commented that it would be seeking to further strengthen the partnerships that it has developed to ensure that it has the support it needs to meet its own climate change commitments but to also contribute to the transition to a low carbon future¹³.

¹⁰ BT Group (n.d.). Climate Stabilisation Intensity Targets. Accessed at: https://www.btplc.com/Purposefulbusiness/Energyandenvironment/Our31methodology/CSI_Methodology.pdf

¹¹ ARS Technica (2015). BT will acquire EE for £12.5 billion to become first quad-play provider. Accessed at: <https://arstechnica.com/information-technology/2015/02/bt-will-acquire-ee-for-12-5-billion-to-become-first-quad-play-provider/>

¹² BT Group (2016). The Role of ICT in Reducing Carbon Emissions in the UK. Accessed at: <https://www.btplc.com/Purposefulbusiness/Ourapproach/Ourpolicies/UK-Carbon-targets-May-2016.pdf>

¹³ Edie.net (2016). Living beyond the moment: Why science-based targets and coalitions are the key to unlock climate action urgency. Accessed at: <https://www.edie.net/blog/Living-beyond-the-moment-Why-science-based-targets-and-coalitions-are-the-key-to-unlock-climate-action-urgency/6098141>