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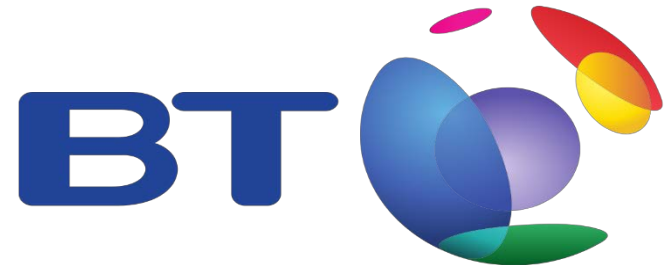
Introduction

FACTS

\$35BN Revenue

\$5.6BN EBIT

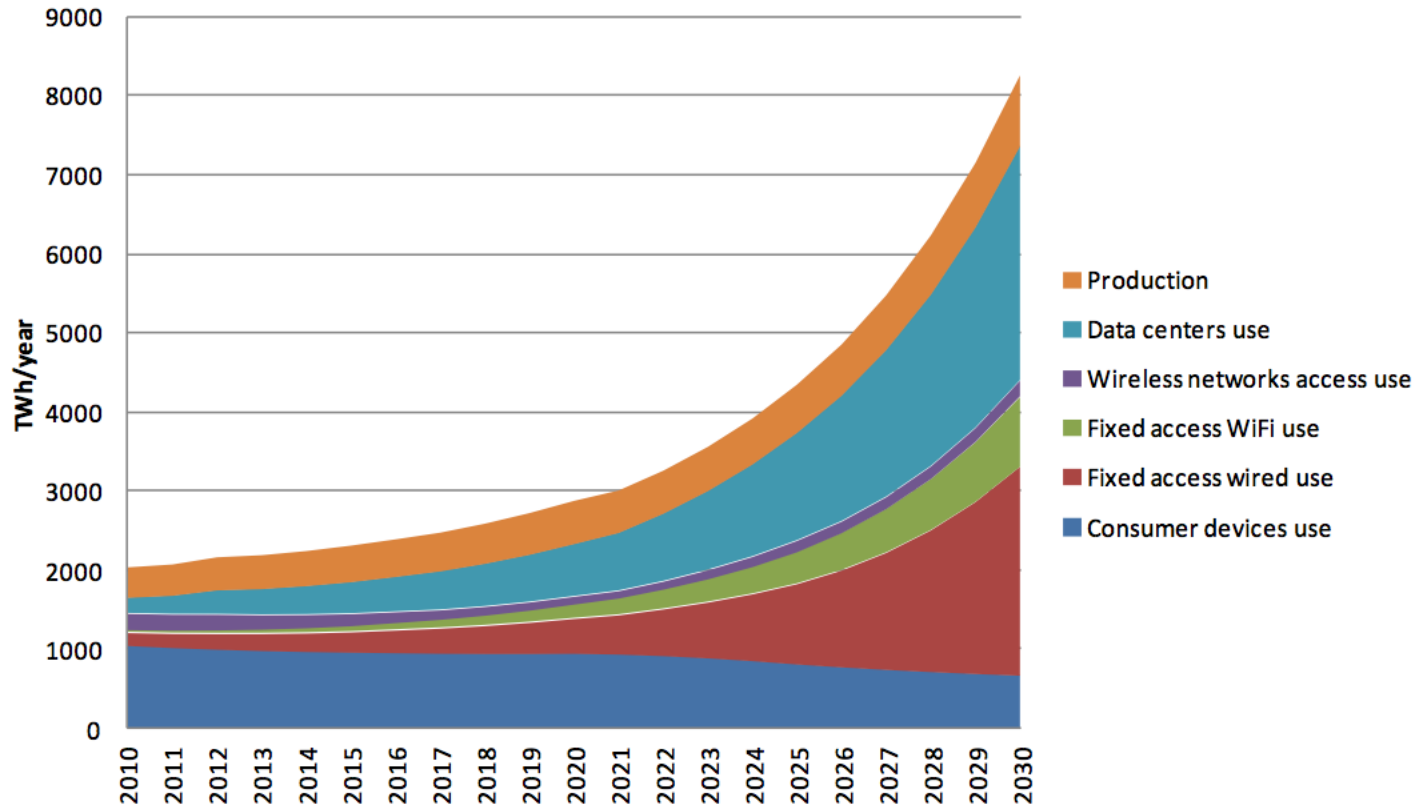
\$62.5BN Market Cap



Global Services accounts for ~38% of BT's revenues

The Sector – Global View

Worldwide Energy Consumption – Service Providers



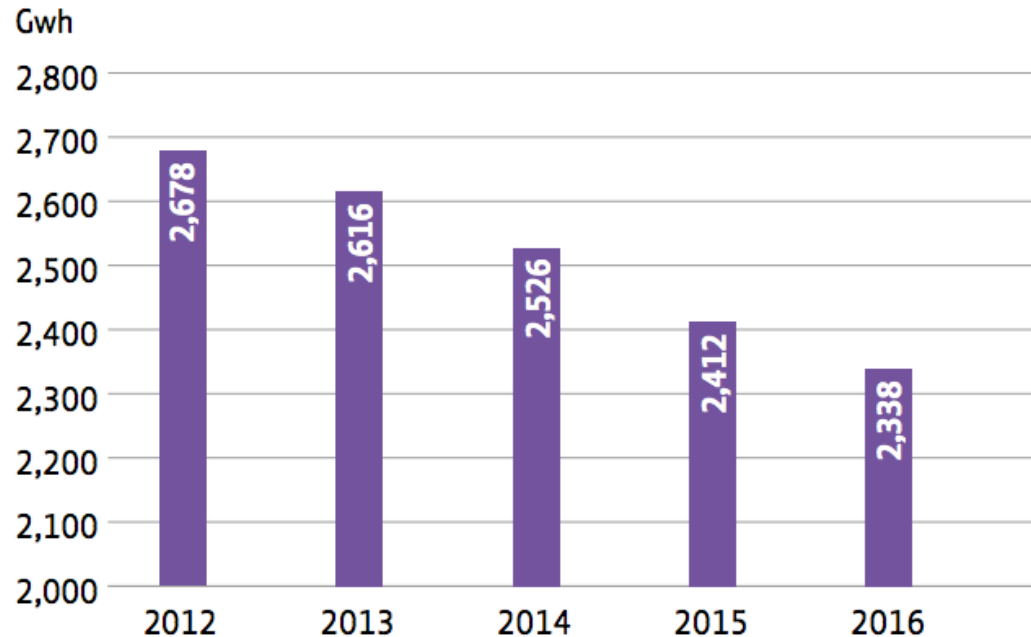
Source - Challenges 2015, 6, 117-157; doi:10.3390/challe6010117

Our industry accounts for ~8% of global consumption and growing....

CASE STUDY – BT - Electricity Consumption

BT's worldwide energy use^{a,b}

Year ended 31 March

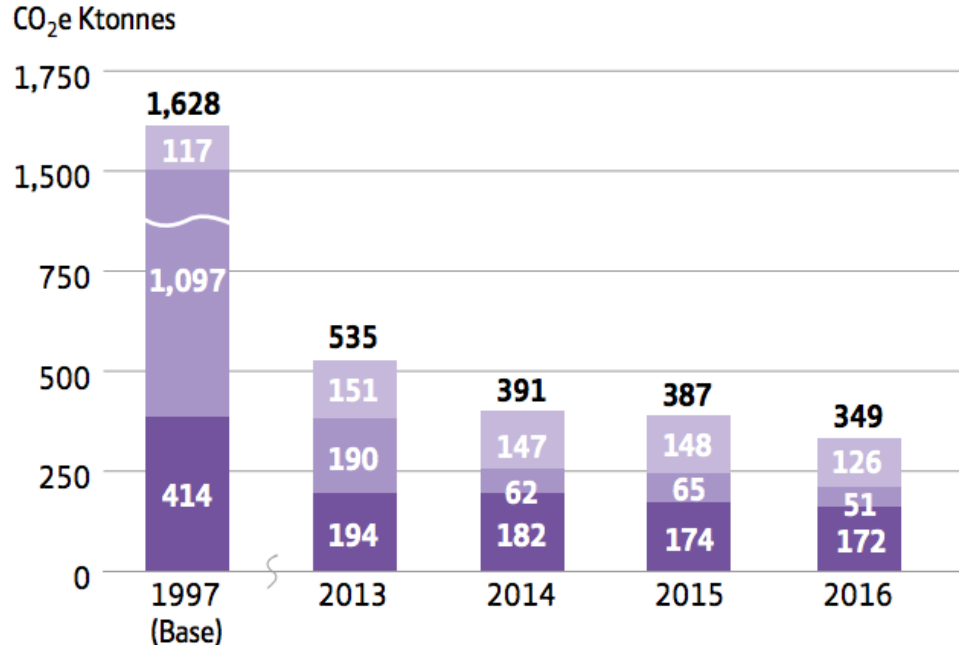


- ~\$400m electricity spend (av. ~¢10 kW/h)
- One of the largest energy consumers in the UK at ~1% of the total UK's electricity use
- Consistent energy reduction over past 5 years driven by rationalization and new technology

But.... our electricity bill increased YOY from FY'14 to FY'15 by ~\$17M

Why? Our environmental commitment

BT's worldwide greenhouse gas emissions^{a,b,c,e}
Year ended 31 March



- Scope 3: Other indirect emissions (eg production of purchased materials and fuels)^e
- Scope 2: Indirect emissions from the generation of our purchased energy (mainly electricity)
- Scope 1: Direct emissions from our own operations (eg fuel combustion)

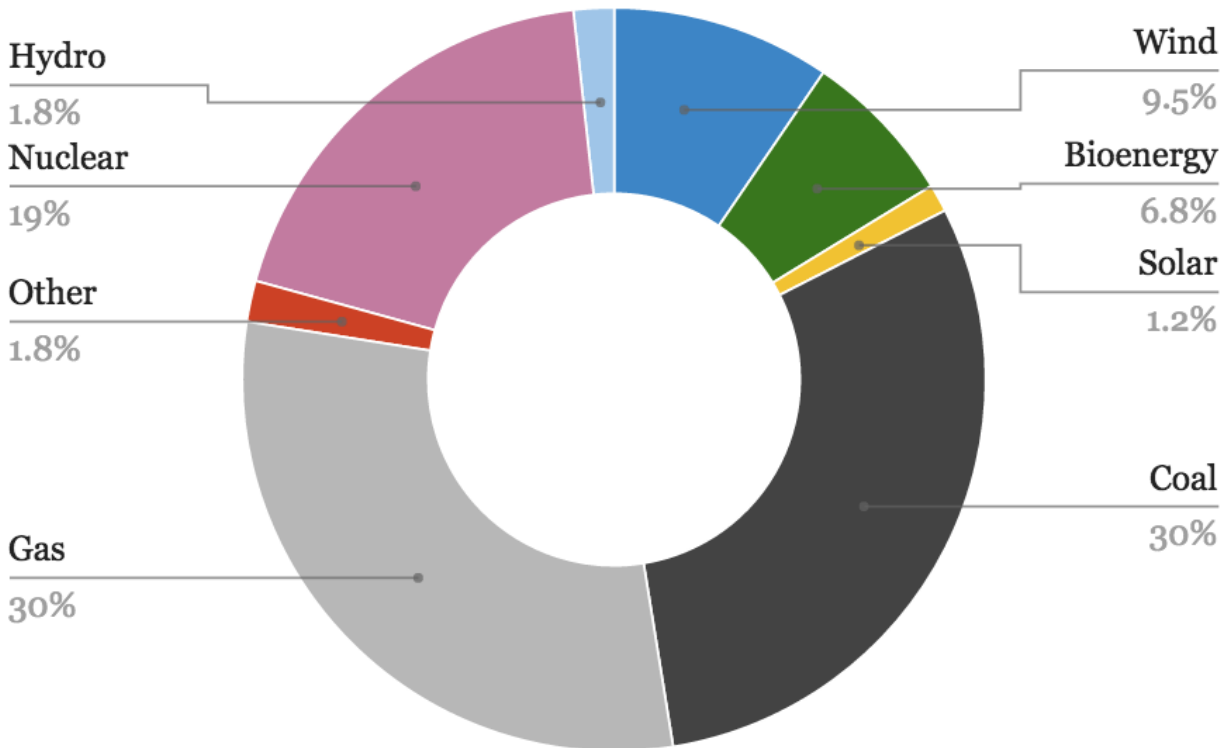
Figures exclude third-party consumption and EE.

- **Project 2020** – In **2009** BT committed to reduce our carbon emissions by **80%**
- BT **“SELLS”** its customers a commitment of a **3:1** carbon reduction through use of its products

We need renewable energy to meet these targets

Why? Our environmental commitment

Share of UK power mix



- The UK is the worlds 5th largest economy
- Considered a leader in renewable energy use
- Nearly 20% of power mix comes from renewable sources

Based on figures BT should be able to meet targets with minimum impact to costs.... However.....

Every other FTSE 100 has a target too....

nationalgrid



AVIVA



Unilever



vodafone

DIAGEO



Pearson

Reed Elsevier



BARCLAYS

The Selfish Imperative – Cheap clean energy

- We need an alternative energy source to meet the demands of our industry
- Renewable efforts, whilst laudable will not meet our growing demands at the current rate of deployment
- The impact of the sectors commitment to achieve carbon neutrality will inevitably hit the bottom-line