



Pathways

**BetterWorld Telecom 2008
Corporate Citizenship Report**



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About *Pathways*

In 2008, BetterWorld Telecom introduced a new reporting approach, highlighted in this report, that serves as an annual snapshot of our social and environmental activities. ***Pathways*** was designed to provide the reader a basic understanding of BetterWorld's corporate philosophy and the actions we are taking to help affect positive social and environmental change in both our industry and society at-large. More detailed information on our policies and programs can be found on our website at www.betterworldtelecom.com/commitment.

We welcome your comments as to our progress thus far and future direction in the area of corporate responsibility. Please direct any thoughts or suggestions to wecare@betterworldtelecom.com.

About BetterWorld Telecom

In the \$900B US telecom carrier market, BetterWorld Telecom, LLC is the only nationwide, full-service voice and data telecommunications carrier focused on serving businesses and organizations that support social justice and sustainability. BetterWorld provides business-grade telecommunications solutions to thousands of customers in more than 40 states. Our products include local, long distance, toll-free, conferencing, Internet access, VoIP and unified communications products. BetterWorld is the first certified carbon neutral carrier in North America and offers on average 28% savings off the competition, a 100% service guarantee, while donating 3% of revenues to causes that benefit children, education, environment and fair trade.

BetterWorld Telecom was formed with a strong social mission to support children, education and the environment that is neither politically nor religiously biased. We support such diverse and critical organizations as: *The Nature Conservancy, Room to Read, Appalachian Voices, the Fair Trade Federation, Brooklyn Center for Urban Environment* and the *Social Venture Network*. The Company's

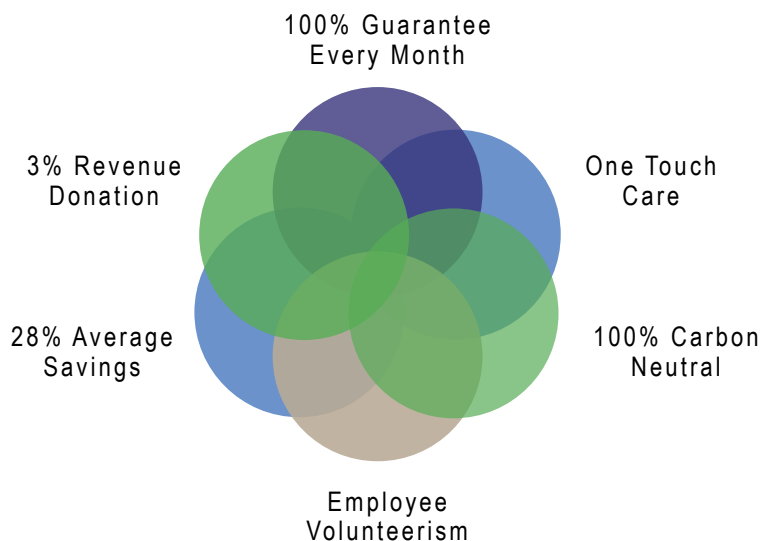


commitment to donate 3% of revenue each year to qualified non-profit organizations has been honored each year that we've been in operation. BetterWorld Telecom's social mission and environmental commitment are key differentiators and provide mission-oriented organizations with a compelling reason to do business with BetterWorld Telecom.

BetterWorld Telecom offers solutions-based sales focused on small, medium and large organizations with social and sustainable "green" missions. Our products include:

- Switched Local, National and International Long Distance / 800
- Dedicated Long Distance and Toll Free – DS3, T1
- Dedicated Data/Internet – DS3, T1, DSL
- Unified Communications, VoIP, SIP Trunking, MPLS

The above listing encompasses products that all organizations use every day. Our footprint allows origination in all Lower 48 States, terminating anywhere in the USA and over 230 countries. Full vertical integration of products on one BetterWorld bill with personalized, one call, "single necktie" support. BetterWorld's business model is unique to the industry.



Message from the President

Thank you for continuing to be a part of BetterWorld! As our next five years unfold, we expect to expand our mission and reach even further into one of the world's largest industries. Along the way, we'll continue to make friends, give everything we have to help our customers function better and save precious dollars to be used in their respective missions; and most importantly, leave the world a better place than how we found it.



Matthew Bauer
BetterWorld Telecom
President & co-Founder

Welcome to the first official BetterWorld Telecom Corporate Citizenship Report, I want to thank you on behalf of the entire BetterWorld team for your interest in our unique company and what we represent in both the huge US telecoms market, as well as the social and sustainable movement in general. Going forward, we will be publishing this report each year in the March timeframe and will be using it as a touchstone for our progress and impact that we are affecting in the above areas.

2008 was an exciting transition year at BetterWorld. We made advances on many fronts: rounding out our product mix so we could truly serve the voice and data needs of practically any social and/or sustainable-minded organization in America; increasing our donations, volunteering and advocacy programs, and; adding many exciting and influential customers, which helped move us to unique ground in the US telecoms market.

Additionally, we became certified as the first carbon neutral telecom carrier in North America, and certified by B Labs as a *Founding For Benefit or B Corporation*, as well as *One Percent For The Planet* while qualifying for the *WorldBlu 2008 World's Most Democratic Organizations* inaugural list. A business cannot just join these organizations, you must qualify and go through their respective rigorous processes. This was an important moment for our team, customers and other stakeholders as our words and actions were now independently audited, giving BetterWorld's mission and operational philosophy certified authenticity. In addition, we performed an extensive survey of our customers and found an over 95% satisfaction and over 90% recognition and importance of our mission — numbers far above those of any other telecom company in the US for sure.

Message from the President

As we are now transitioning into 2009 and our second five years, we have met with many leaders in the sustainability movement and have concluded that getting our own shop in order is just not enough. The telecoms industry in the States, to put it kindly, is a silent player in the mounting debate and efforts towards business as the lever of change in the sustainability movement. Absent from the debate are all the major players in the industry and essentially just about every other carrier serving customers in the USA.

There has been some lip service paid, but I've been amazed how the telecom industry, over \$900 Billion in revenues and one of the biggest power consumers in the world, is essentially off everyone's radar screen. As we head into 2009, things finally are beginning to turn, but there is a long way to go.

So we have decided to steer much of our efforts in 2009, and for the foreseeable future, into creating standards and certifications. From establishing a pilot applying for LEED innovation points, through telecoms, to actual product and service combinations, along with corporate practices and methods, we believe telecoms can be purposed in a sustainable way. There are solutions and technologies available today that can lower an organization's footprint, and the dialogue also needs to begin as to how the telecom industry's (according to the EPA, data centers alone use almost 2% of the total power generated in the US) feet can begin to be held to the fire and new best practices implemented.

A tall order for a small company from Reston, Virginia. But when Jim's mother turned to him in her Vermont kitchen back in late 2001, in the wake of the 9/11 tragedy, and sagely suggested, "for the next company you start, why don't you do something good for people?," he was

inspired to develop the BetterWorld model. And it didn't take much convincing by him for me to jump in with everything I had at the time. We've truly believed from the beginning that we could make a difference in people's lives and in this monolithic industry that we have come to know and understand.

The entire BetterWorld team agrees that our number one inspiration is from all the great organizations that we get to serve on a daily basis. In 2008, we were blessed to welcome many leading social and environmental organizations such as *Patagonia*, *Coop America*, *Green Mountain Energy* and *Greenpeace* to the BetterWorld family, and are looking to grow with them for years to come.

As we only focus on organizations that have a social and/or environmental mission, it creates a two-way benefit as we strive to improve their operational and communications infrastructure, while lowering costs and, at the same time, we get to learn and benefit from all their pioneering wisdom and good deeds.

Thank you for continuing to be a part of BetterWorld! As our next five years unfold, we expect to expand our mission and reach even further into one of the world's largest industries. Along the way, we'll continue to make friends, give everything we have to help our customers function better and save precious dollars to be used in their respective missions; and most importantly, to help leave the world a better place than we found it.

In service,

Matt

Mathew Bauer, President
mbauer@betterworldtelecom.com

2008 Action Items

Category

Highlights

Environment

Complete Phase One of BetterWorld Environmental Impact Plan

- Certified as first carbon neutral telecom carrier in North America, completion of Phase One of BetterWorld's Environmental Impact Plan
- Certified as donating at least 1% of revenues specifically to approved environmental causes by One Percent For The Planet
- Continued tree planting program in the Tropics with Trees for the Future – planted 12,000 trees in 2008
- Scoped and began planning for Phase Two of Environmental Impact Plan

Donations

Continue 3% of Revenue Donation Goal

- Fifth consecutive year donating at least 3% of top line revenues to causes benefiting children, education, the environment and fair trade, totalling more than \$200K to date
- Established 2012 goal of donating \$1M per year to above cause categories

Volunteerism

Increase Commitment Beyond One Day Per Employee Per Month, Formalize Programs

- Implemented BetterWorld Corporate Volunteer Program — every employee donates at least one work day per month, realized average was 2.5 days per month
- Participated in corporate volunteering programs and forums, helping to establish best practices at the NetImpact 2008 National Conference and the Points of Light Foundation 2008 National Conference
- Increased scope, geography and number of volunteer partners, now with more than 10 partners in 5 states

Advocacy

Increase Impact of Socially Responsible Businesses Across the US

- Founded and helped fund Charleston, SC-based Lowcountry Local First, the 44th chapter of the Business Alliance for Local Living Economies (BALLE)
- BetterWorld principals now active and hold seats on nine regional and national boards of organizations serving sustainability and social justice
- BetterWorld helped sponsor and fund a number of regional and national forums/symposia including Bioneers, Baltimore Green Week and Green Brooklyn

Certifications

Codify BetterWorld's Commitments and Mission

- BetterWorld sought and achieved four certifications in the area of social justice and sustainability in 2008:
 - For Benefit, B Corporation Founding Member
 - One Percent For The Planet
 - Zerofootprint, Carbon Neutral Certification
 - WorldBlu 2007 World's Most Democratic Workplace Designee

Products

Increase Awareness of the Green Movement in Telecoms, Develop Solutions that Help to Green Organization's Supply Chains

- Integrated many new products into BetterWorld's overall solution suite in 2008 – special attention and focus placed on Virtual PBX and Enterprise VoIP applications and platforms that require less power, wiring, hardware and provide overall operational savings versus traditional or digital customer-based products
- Initiated integration of a much more dynamic and feature-rich conferencing suite of products, including integrated video, web and audio options which can serve to reduce commuting and corporate travel
- Began moving significant portion of BetterWorld customer base towards these solutions

The Future

Begin Phase Two of BetterWorld's Environmental Impact Plan, Developing Standards and Certifications to Help Green the Telecom Industry

- Work with the US Green Building Council and construction firms in the US to create a pilot for telecom infrastructure, design and services to become an innovation point in the LEED process
- Create a framework and establish an environmental standard for the telecom services/carrier sector via a white paper or certification standard
- Concentrate 15% to 25% of donations towards Appalachian Forest and specifically mountaintop removal for coal harvesting
- Develop framework for telecom usage offset

BetterWorld is proud to be the only telecom carrier in the United States to qualify as a member of these leading CSR standards organizations:



The Environment

What is BetterWorld Doing to Set the Environmental Standard in the Telecoms Industry?

BetterWorld places environmental advocacy as a top corporate priority — we set out from day one to be a force for change and help lead the US telecoms industry into a new era of sustainability.

In 2008, BetterWorld completed its certification and program implementation with Zerofootprint, making BetterWorld the FIRST carbon-neutral telecom carrier in North America. In addition to our other initiatives, we achieved our Environmental Impact goals for 2008 and are embarking on Phase Two of our plan, which will be completed in stages by 2010. Here are the highlights of Phase One:

- Carbon-Neutral: *Zerofootprint* carbon-neutral certification completed and offset program implemented
- Website Powered by the Wind: BetterWorld website moved to wind powered/offset provider — Sustainable Hosting.
- Environmentally Efficient Corporate Design: Our paperless back office is 100% web-based.
- Paper Reduction: We have significantly reduced our paper output. Over 80% of our customer revenue is now eBilled per month, all paper bills are 100% recycled, as well as all of our marketing materials, which also use soy inks
- Tree Planting: Through our partner *Trees for the Future*, we are now planting 1,000 trees every month in the tropics, where it is most effective. We've planted over 30,000 to date
- Donations: Continuation of our 3% of top-line revenue donation to causes supporting social justice and the environment, certified by *One Percent For The Planet* as donating at least one percent of revenues to environmental causes
- Volunteerism: Each person donates on average one-half of one workday per month to causes that support children, education and the environment
- Products: In 2008, we introduced new VoIP and unified communications products that use less power and have less equipment and wiring



We divide our environmental efforts into two main categories, those things we can physically change and affect to reduce our footprint and then offsetting those items that we cannot change at this juncture such as air travel, commuting and some of the paper billing that we still support, etc.

Environment

Our corporate footprint was intentionally designed to create the most value with a minimal environmental impact. For example, we have created a paperless back office and our internal systems are all hosted in a wind-offset facility through *Sustainable Hosting*. In addition, in 2008, we achieved our first-phase goal of moving over 80% of our customers to eBilling options and away from paper. This not only saves paper, but on the production of the bills, and the carbon created through the shipment of the bills.

While our goal is to be Environmental Neutral by 2012, we use offsets for those parts of the business that we have not been able to physically change as of yet. In the area of offsets, we have been audited and certified by Toronto-based Zerofootprint – from air travel, to shipping, paper, to commuting and physical power consumed, the audit is a comprehensive scope of our footprint.

The BetterWorld offset contributes to the Zerofootprint forestation project in Maple Ridge, British Columbia. In 2007, this project developed over 200,000 tonnes of carbon credits in the District of Maple Ridge over an area of approximately 83 hectares, and involved the planting of over 25,000 indigenous Douglas firs, Sitka spruces, Western red cedars, Western hemlocks and cotton woods.

The project methodology utilized has been ISO 14064-2 validated by a qualified greenhouse gas auditor. This project has met the criteria for the Canadian Standards Association's GHG CleanProjects™ Registry. The 2008 program kicked off in March, and by the end of the year, another 100,000 trees had been planted.

On another front, BetterWorld continued its tree planting program with partner *Trees For The Future* (TFTF). By the end of 2008, BetterWorld had planted nearly 30,000 trees in total through TFTF. Trees for the Future acts as an agroforestry resource center, helping people in developing countries improve their rural livelihoods through the introduction of environmentally sustainable land management projects focused on beneficial tree planting.



In partnership with The Nature Conservancy, BetterWorld has adopted a section of the George Washington Memorial Parkway in suburban Washington, DC and in 2008 eradicated acres and acres of non-native species in the old growth forest along the banks of the Potomac River.

Most communities around the world recognize that they need to plant trees on their degraded lands if they are to improve their lives. TFTF provides the technical knowledge on agroforestry and sustainable development, along with planting materials so that communities can return their degraded lands and struggling farms back to sustainable production.

Since 1988, Trees for the Future has helped thousands of communities in Central America, Africa and Asia improve their livelihoods and their environment by planting nearly 50 million trees. The collective impact of these trees removes approximately one million tons of CO₂ from the atmosphere each year.

Now with Phase One of our Environmental Impact plan completed, we have now moved into Phase Two, which will include a number of items from helping to create a new green standard for the telecoms industry, as well as an offset for our customer's usage, to a personal impact plan for each employee. (Please see the last section of this report for more details.)

Donations

Three Percent of Usage Revenues Donated to Children, Education, the Environment and Fair Trade

Donating 3% of revenues creates a built-in level of commitment: with 2008 being our largest donation year to date, we are on target to reach our 2012 goal of donating \$1M per year to causes for social justice and the environment.

A fundamental challenge facing our society is to create systems that promote human welfare, peace and sustainability of the environment. BetterWorld believes that the best way to meet this challenge is to encourage initiatives by those living and working closest to where the problems exist. Therefore, we are dedicated to working in collaboration with non-profit groups, governmental entities and the business sector to ensure participation from diverse communities at all levels of society.

At BetterWorld, our triple bottom-line (people, planet, profits) commitment extends into everything we do as a company. Since our inception, we have donated 3% of top-line usage revenues to causes that benefit Children, Education, the Environment and Fair Trade. To date, we've donated more than \$250,000 from the 3% formula. The following are the organizations we donated to in 2008:

Children/Education

- Room To Read
- National Center for Family Literacy
- National Foundation for Teaching Entrepreneurship
- Rugmark Foundation
- Brooklyn Center for the Urban Environment

Environment

- The Earth Policy Institute
- Trees For the Future
- The Clean Energy Partnership
- The Sierra Club
- Appalachian Voices
- Waterkeeper Alliance
- William James Foundation
- Bioneers

Fair Trade

- Fair Trade Federation
- Global Exchange

Organizations Connecting Social Justice and the Environment with Business

- Social Venture Network
- Chesapeake Sustainable Business Alliance
- Greater Philadelphia Sustainable Business Network
- Lowcountry Local First
- Sustainable Business Network of Washington
- The Business Alliance for Local Living Economies
- One Percent For The Planet
- Coop America

Volunteerism

Connecting with People and the Environment in Communities We Live and Serve



Some of the BetterWorld team creating meals for Food & Friends in Washington, DC. Since its start, Food & Friends has provided more than 9.75 million meals to more than 15,000 individuals.

There is a resurgence of interest in the inner workings of government, schools, community and social change. There is a new energy around the idea of individual and collective exchange to create value and meaning that results in safe, connected and healthy communities.

Once in a generation, a seismic shift occurs that fundamentally transforms our civic landscape. In the world of volunteerism and civic action, that moment is now. Cultural shifts are opening new avenues to address the challenges of volunteerism. Across America, technology-driven social networking and mobile technology are redefining the nature of interaction, shaping a new culture of communication.

As a response to this growing trend, BetterWorld instituted volunteerism as a core aspect of our mission in 2005. In 2008, we worked with the *Points of Light Network* to create more impact

and help formalize our volunteer efforts. In addition, we participated in and helped lead best practices forums on Volunteering in the Workplace at both the Points of Light national conference in Philadelphia as well as the NetImpact Annual Conference which was held in Nashville.

At BetterWorld Telecom, our employees volunteer at least one-half day each month (one week per year) to non-profit causes in the communities we serve. In addition, we help lead a number of regional and national nonprofits creating social and environmental impact such as the *Social Venture Network*, *Lowcountry Local First* (Business Alliance for Local Living Economies Chapter) and the Environmental Forum for the *Young Presidents' Organization*.

Here are some examples of organizations where we served together in 2008. Collectively, our impact was nearly 2,000 hours:



Advocacy

We Believe in Business as the Agent of Change in Society

“...what does meet the eye is compelling: tens of millions of ordinary and not-so-ordinary people willing to confront despair, power and incalculable odds in order to restore some semblance of grace, justice and beauty to this world.”

- Paul Hawken
To Remake the World

As business is seeing the need and taking on a greater responsibility in areas of social justice and sustainability, BetterWorld is answering the call and helping to set an example and helping to create change not only in our own business, but others as well.

In 2008, we stepped up our monetary and volunteer support for a number of organizations that are providing a leadership forum centered around business as the catalyst for change we seek in society. It is truly amazing, with the leadership vacuum that has existed at the top levels of our government for so long, how business has responded to the call with such vigor and effectiveness.

Just as an example, the Business Alliance for Local Living Economies or BALLE, in just six years has over 15,000 business members representing over \$35B in revenues. Also this year, the Young Presidents' Organization (YPO) launched a new center of learning around global business and sustainability, all with the help and leadership from BetterWorld.

Following are details about some of the organizations we provided support to or helped start/grow in 2008:

Social Venture Network

BetterWorld Chairman and co-founder, Jim Kenefick, continued his term on the SVN board of directors in 2008, providing critical leadership and helping to introduce new thinking and concepts to the SVN organization. SVN promotes a new bottom line for business, one that values healthy communities and the human spirit as well as high returns.

Founded in 1987, SVN is a community of leaders — company founders, private investors, social entrepreneurs and key influencers — who share a commitment to building a just and sustainable world through business.



Social Venture Network is unlike other business associations. SVN is made up of more than 460 of the brightest and most innovative engaging socially-conscious business leaders in North America. For more information, visit them at www.svn.org

Lowcountry Local First/BALLE

Inspired by a speech from Bill McKibben at the 2007 Annual Conference of the Business Alliance for Local Living Economies, BetterWorld President and co-founder Matt Bauer returned home to the Lowcountry coastal region of South Carolina with a mission in his heart. With farms dying by the day in the Lowcountry, and locally-owned businesses struggling to stay a part of

the region's fabric, Matt and the BetterWorld team helped form Lowcountry Local First (LLF) in 2008, the 44th Chapter of the Business Alliance for Local Living Economies.

In just a year, LLF has become a force for change in Charleston region and the Southeast



US – partnering with state and local governments, foundations, locally owned businesses, and farmers to map out how 10 percent of the local economy will be shifted to locally-owned and produced goods over the next five years.

Emerging research demonstrates that local and independent businesses generate more than three times the return to our local economies than do national chain stores. This is because business owners typically purchase support services (marketing, accounting, legal, design) from local firms and are often better employers, who pay living wages and offer benefits. Additionally, profits from local businesses tend to stay in our communities.

“Global corporations are increasingly dominating all aspects of society – our media, culture, government, schools, food supplies, the character of our hometowns, even our access to clean water... By organizing small businesses to provide an alternative where ownership is spread widely, our movement helps to protect democratic freedom. Good business is about more than money. It's about authentic, fulfilling relationships with your customers, your employees, your suppliers, your neighbors and your community's natural environment.”

- Judy Wicks,
BALLE National Co-Chair

Local businesses offer the greatest opportunities for jobs, innovation and other community contributions, which improve the quality of life for local residents. BetterWorld has contributed a significant amount of human and monetary capital to LLF, launching a new force for change in the Southeastern US and providing a common voice for locally-owned and operated businesses and agriculture. For more information: www.LowcountryLocalFirst.org

Appalachian Voices

In 2008, we joined the Appalachian Voices Business League (AVBL) and will be expanding our participation in the years to come as we begin to focus more of our donations and energy towards the Appalachian Forest, which as few understand, is a self-contained ecosystem stretching from northern Georgia all the way through Nova Scotia.

AVBL is instrumental in protecting and enhancing the health of the air, water and the natural amenities of our landscape that make the Appalachian region such a great place to live and visit. They are one of the largest groups of pro-environment businesses in the nation, and the only one in the Appalachian region, speaking for the protection of its treasured mountain environment. Members of the Appalachian Voices Business League are committed to spreading a simple message, with a unified voice, to their customers, neighbors and political leaders alike: that maintaining a healthy environment is essential for maintaining a healthy economy.



We will be supporting the Business League through our donations, affiliate program and volunteering activities. For more information, visit www.AppalachianVoices.org



Sierra Club

In 2008, our colleague David O’Leary served on the Executive Committee of the Maryland Chapter of the Sierra Club. Specifically, responsible for the chapter’s Smart Energy Solutions and Cool Cities campaigns, working on issues of global warming, clean energy, transportation, and many others. David is actively involved in coordinating on these issues with local leaders from across the country.

Young Presidents’ Organization (YPO)

BetterWorld Chairman and co-founder, Jim Kenefick is the co-Chair for the Young Presidents’ Organization (YPO) Corporate Social Responsibility

Network for CEO members worldwide. Comprised of more than 16,000 leaders, YPO is the largest network of peers that connects members to exchange ideas, pursue learning and share strategies in over 100 countries. The BetterWorld Telecom story, business model, experiences and partnerships are shared with a more mainstream forum, helping to make social justice and sustainability an issue for CEOs around the world.



Other Organizations Where We Are Members and Supporters:



Certifications

Deepening Our Commitment by Auditing and Improving Our CSR Standards

“We propose an updated notion of corporate social responsibility – global corporate social responsibility – that reflects the fact that people hold firms responsible for actions far beyond their boundaries, including the actions of suppliers, distributors, alliance partners, and even sovereign nations.”

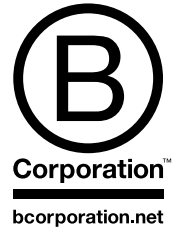
The Responsible Paradox
The Stanford Social Innovation Review

In 2008, our customers spoke loudly — over 90% of them confirmed in a survey that doing business with a socially and environmentally focused partner is important to them.

Building on this momentum, BetterWorld applied for and achieved four separate certifications, reflecting different areas of its mission: environment, corporate democracy/people and donations. BetterWorld is the only telecom carrier in North America to have achieved these certifications:

B Corporation / B Labs

BetterWorld the only Telecom carrier in the United States tested and certified as a For Benefit company by B Corporation™. To become certified, B Corporations must meet comprehensive and transparent social and environmental performance standards, and amend their corporate governing documents to incorporate the interests of employees, community and the environment.



One Percent For The Planet

Formed by Yvonne Choinard, founder of Patagonia, One Percent For The Planet is an alliance of companies that recognize the true cost of doing business and donate one percent of their sales to environmental organizations worldwide.



The WorldBlu List

In 2008, all BetterWorld employees participated in the first *WorldBlu Most Democratic Workplaces* evaluation process. All employees complete a survey evaluating their organization's practice of 10 democratic principles such as decentralization, accountability, choice and integrity on a leadership level, individual level and systems and processes level.



Zerofootprint

This certification is highlighted in the *Environment* section of this report. In 2008, BetterWorld Telecom became the is the first certified carbon neutral telecom carrier in North America.



Products

Leading the Dialogue Towards Sustainability in a \$900B Industry

“A dollar spent on telecom infrastructure produces an outsize impact on the U.S. economy as a whole. Indeed, a growing body of research has found that telecom investment plays a vital role in stimulating economic growth and productivity – more so than money spent on roads, electricity or even education.”

- BusinessWeek

The US Telecom Industry: Back From The Dead

With the US telecom industry trailing far behind the sustainable dialogue that has now pervaded most other major industries, BetterWorld has decided to forge new ground and help to create a positive and forward-thinking discussion that can help to create impact in our nearly trillion-dollar industry.

There are two major categories to consider how telecoms can begin to lighten an organization's footprint. First, is how the entity currently

works: Does it encourage telecommuting? How much travel is truly necessary? Utilizing newer technologies such as virtual PBX and VoIP can help to unify an organization and make working from home or remote offices seamless to employees and external stakeholders. New advances in conferencing help to now make voice/web/video conferencing easier and cheaper than ever — helping to reduce air travel and local travel.

Secondly, products such as Unified Communications, Virtual PBX and VoIP can help to also reduce an organization's physical footprint. The impact here: we can reduce the amount of wiring, equipment and power required to operate the internal telecoms infrastructure. Instead of having a separate office infrastructure for voice services and data services, it is now very common to run them over one, converged set of equipment and wiring. When combined with Virtual PBX technology, the environmental impact is improved through less infrastructure and less power requirements, which also are better for the bottom line.

Capitalizing on a number of intersections (technology advances, maturing of telecom systems, mission and the call for reducing corporate footprints), we began the dialogue with a number of players in the green and telecom industry space in 2008, and deployed many of these practices and solutions to both new and existing customers.

At the beginning of 2008, less than 5% of BetterWorld Telecom customers subscribed to these technologies, but by year's end, almost 20% of our customer base was using some form of Unified Communications/VPBX/VoIP technology! Seeing the trends and opportunities to help organizations further green their supply chains through these products, we rapidly stepped up our efforts with existing and new partners so that we could offer a full suite of these solutions to our customers. We expect in 2009 to further grow these important products alongside BetterWorld's traditional solutions.

The Future

Where Do We Go From Here

“The agenda of environment and sustainability has reached a tipping point where it’s now much more fully integrated into the business value that we’re all trying to drive. So it’s an integral component now of marketing, of supply chain management, of customers.”

- Jeff Seabright, VP, Environment & Water Resources, Coca-Cola
Forbes Magazine, January 2008

When we started BetterWorld in 2002 — the sights and sounds of 9/11 were still fresh in everyone’s minds, the scandals and bankruptcies plaguing corporate America were still unfolding and playing out in the courts. The telecom industry in particular had just suffered major write downs to the tune of more than \$350 Billion — not a great environment to start a telecom carrier in for sure!

Sustainability was still at the fringes of corporate business in the States, and we didn’t know what we didn’t know. We had a lot to learn about what was actually happening to the environment, how business could play a part in helping and specifically, telecoms.



The BetterWorld team reading and helping distribute books to inner city children through the *Heart of America Foundation*.

Since then, many companies and industries have taken up the cause of sustainability and are helping to lead us into our next phase of evolution. One of the leaders is the building/construction/design industry, behind the work of the UG Green Building Council and the LEED standard. Also, successful and pioneering companies such as Patagonia and REI have helped to provide examples of both the bottom line and societal benefits of CSR.

Far behind in the debate is the telecommunications industry — its leaders barely showing up on the radar, if at all. While the EPA’s recent report indicting data centers as one of the most concentrated hogs of energy, this only begins to scratch the surface of devices, wires and switching centers that all add up to a much higher and more concentrated figure than the EPA estimate for just co location/data center facilities.

At the intersection of new technologies and our desire to codify methods, techniques and corporate practices that can start to make a dent in this huge footprint, is where we have begun to focus our efforts. We have begun to and will be devoting a greater percentage of our donation dollars, time and energy in the coming months and years towards developing a green standard in the telecom carrier marketplace.

The Future

Specifically, we will capitalize on sociological trends such as remote workers, virtual offices, decentralization and democratization of the work place, alongside newer technologies such as virtual PBX, unified communications, integrated voice and data networks, and integrated video/voice/web conferencing to create best practices and a new category that professionals can now include in the list of possibilities for making their company or project more green.

In 2009, this will probably take the form of a “best practices” greenpaper, with firm recommendations, practices and procedures that organizations can adopt today, without huge expenditures and actually save money, reduce their footprint and create a more flexible and functional communications solution at the same time.

We will make this first phase publicly available and strongly encourage other carriers to use it. Our hope is that it will

actually serve as a catalyst to help start pulling our industry towards a more sustainable stance.

In addition, we will be working with our partners to create the first telecom offset that those not able to change out their practices can at least offset their usage and the downstream power that is used to support phone and Internet services.



Lastly, in cooperation with the Nature Conservancy and Appalachian Voices, we will be dedicating greater resources towards the Appalachian Forest and specifically, mountaintop coal removal, one of the greatest crimes transpiring against our environment today.

These are large goals, but we are firm that this dialogue and change must begin and we will be doing our part to help the telecom industry become a player at the table and part of the solution.



Change the world. One call at a time.™





Change the world. One call at a time.SM



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