

Strong foundations

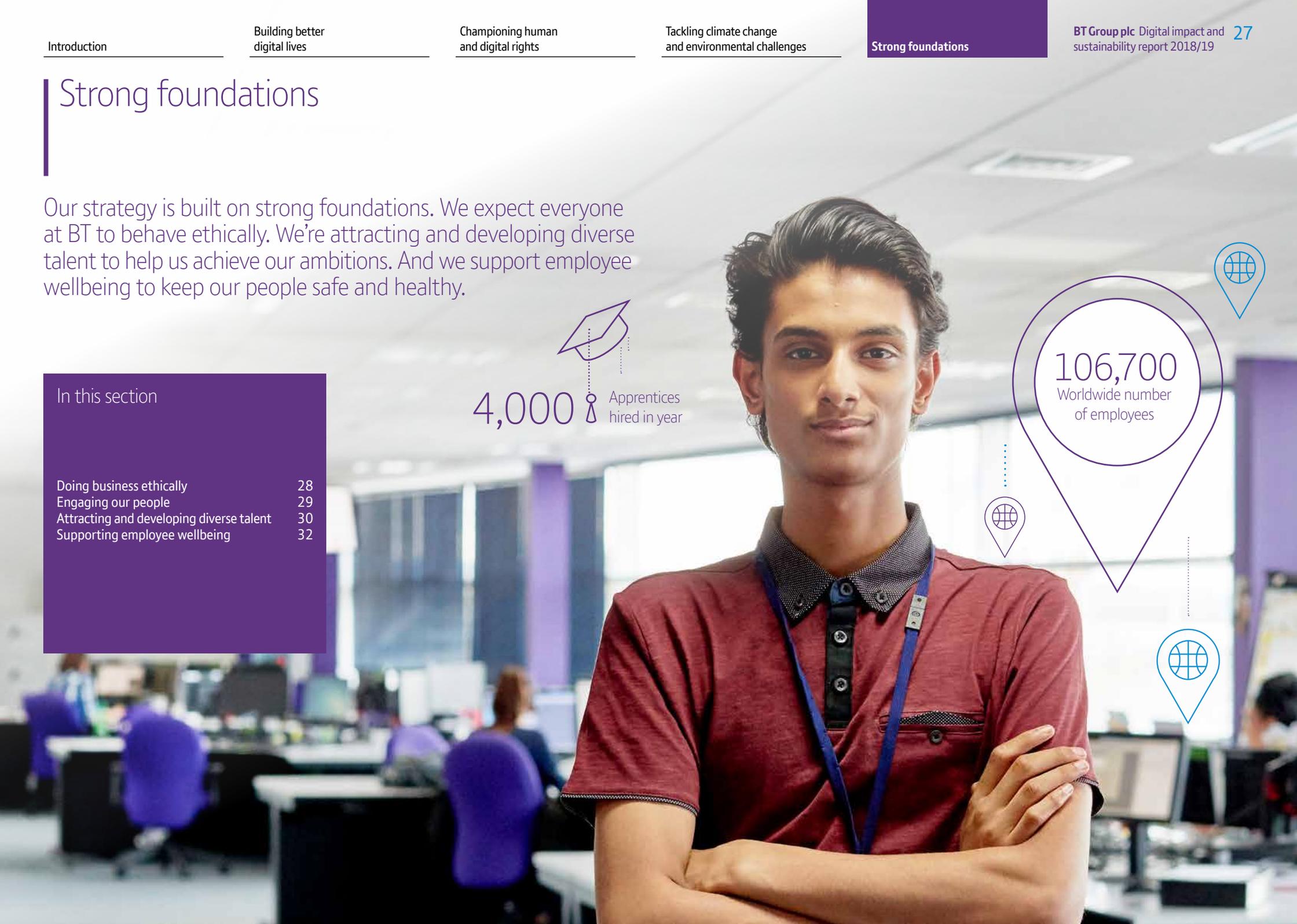
Our strategy is built on strong foundations. We expect everyone at BT to behave ethically. We're attracting and developing diverse talent to help us achieve our ambitions. And we support employee wellbeing to keep our people safe and healthy.

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4,000 Apprentices hired in year



Doing business ethically

Everyone who works with us has a part to play in our company success. Our [ethics code](#) sets out our expectations to help our people make the right decisions. We relaunched it this year as part of The BT Way. This is our new guide to the company culture and organisational structure, including the values we aim to live by every day.

The ethics code is designed to be clear, simple and accessible. It explains how we do things at BT – how we work, how we treat each other and how we expect everyone to behave. It applies to everyone who works for, with, or on behalf of BT, anywhere in the world.

Building awareness

Everyone working at BT must complete annual training on our ethics code – 99.7% of our people did so this year.¹ We promoted the code as part of the launch of The BT Way with leader videos, quizzes and news stories. We also encourage our leaders to lead by example and promote doing the right thing to their teams.

We measure how engaged our people are on ethical issues as part of our employee survey, Your Say. This year we added seven new questions on ethics in addition to the four already in the survey. This will help us to gain broader insights into our peoples' views on ethics.

1 Excludes those on maternity, paternity, long-term sick leave or with other extenuating circumstances.

2 UK only, excludes EE and Plusnet.

In the latest survey, 86% agreed or strongly agreed that we do business ethically, up from 83% the year before.

Targeting bribery and corruption

We don't tolerate bribery or corruption in any form. Our [anti-corruption and bribery policy](#) makes this clear and we reinforce this message through mandatory annual training on our ethics code.

We provide further training on anti-corruption to people working in higher-risk roles or environments. This year, over 27,000 of our people completed that additional training. We also require our people to formally register potential conflicts of interest.

Speaking up

If anyone is worried about an ethical issue, we want them to feel safe and confident to report it.

This year, we launched a new web page called Tell Us. This is a one-stop-shop with everything our people need to know about how to report a concern or ask for help.

Applying our ethics code

Everyone's expected to:

- be familiar with the ethics code and apply it every day
- follow the ethics code – even if it goes against a local custom
- live our values
- know where to go for help
- call out wrongdoing.

People managers also need to:

- be a strong ethical role model
- create an open culture where people can raise concerns without fear of retaliation
- trust their team to make decisions but verify their approach and understanding
- regularly discuss the ethics code with their team
- recognise people in their team who do the right thing.

They can report their concerns through our confidential Speak Up hotline – anonymously if they prefer (subject to local laws). It's also open to contractors and suppliers. People raised 525 concerns this year, approximately 9% more than in the previous year.

Acting on improper behaviour

We investigated concerns and took further action on 29% of the cases we closed this year, including disciplinary action, coaching or training, and improvements to our policies or procedures. The rest were unsubstantiated, duplications, follow-ups of existing cases, or redirected to more appropriate reporting channels.

Despite our efforts, not everyone gets it right every time. We disciplined 231 employees as a result of ethical misconduct this year, and 98 left the company². The most common issue related to company vehicles, for example the unauthorised use of vans outside of company hours.

A responsible approach to tax

We're committed to paying our fair share of taxes and conducting our tax affairs ethically. Our [tax strategy](#) explains how.

We're proud to be a major contributor of taxes in the UK. This year, we paid £317m in corporation tax and the One Hundred Group 2018 Total Tax Contribution Survey ranked us the fifth highest contributor in the country for the third year running.



See our [Annual Report](#) for more on our tax payments this year.

Engaging our people

We employ 106,700 full-time equivalent people in 60 countries. They are central to our business success. We listen to what they have to say because it's important to us. And we empower them to deliver our purpose and live our values: Personal, Simple, Brilliant.

Engaging people through our purpose

We want every one of our people to be involved in helping us use the power of communications to make a better world. We asked our colleagues if they thought their work contributes to BT's purpose. 92% told us they did, up from 91% last year.

The BT Challenge Cup competition is one way we bring our purpose to life. Anyone from across BT can take part and more than 6,000 did this year. We received 1,100 team entries spanning 38 countries. Around 20% of entries were in the Delivering our Purpose category, including efforts to support us in tackling issues like reducing our environmental footprint.

We also encourage our people to volunteer their time to support our digital impact and sustainability strategy, through programmes like Barefoot Computing (see page 08).



We also encourage our people to volunteer their time to support causes linked to our purpose (see page 12).

Listening to our people

Our Your Say survey had an increased response rate this year, with 87% of people giving feedback in January 2019 compared with 86% at the same time last year.

Overall employee engagement has gone up by three points to 77%, in line with our target to improve our relationship with our people year on year. Of those surveyed, 77% feel proud of the service we're providing to our customers (a five point increase from last year) and 91% are clear about what's expected of them at work.

Although this year's survey results showed a largely positive improvement, there are still areas to address. Change management is one. 69% of our people understand our plans for transformation (see box). But they want us to speed up the process to overcome uncertainty as the business evolves.

Your Say survey results

	June 2017	January 2018	June 2018	January 2019
Employee engagement	72%	74%	76%	77%

Responses to driver categories



Transforming BT



We've set an ambition to make BT a brilliant place to work, focusing on three of the most impactful areas of employee experience: a brilliant career, a workspace that works and a culture our people can thrive in. This is part of the One BT plan that will see the business change radically over the next three years.

The transformation programme includes introducing new career levels and pay ranges, refreshing our office estate, and developing new tools, skills and processes to enable more collaborative and agile working. By the time we've finished, we'll have created a simpler, more agile and modern BT.

We're also reshaping our workforce as part of our drive to transform our operating model. This year, 14,700 people left the company: 10,800 through natural attrition, and 3,900 through paid leaver programmes. To support people through this journey we've consulted with unions, work councils and employee representatives, as well as the individuals directly impacted, and we continue to provide outplacement support, pension advice and access to our employee assistance programme.

Attracting and developing diverse talent

We want everyone to feel able to be themselves at BT. We see the value in diversity and strive to provide a fair and inclusive workplace for everyone. We've set bold targets for gender balance and ethnic diversity at the most senior levels of the business. And we remain firmly committed to these ambitions through times of transformation.

Our diversity and inclusion strategy



Creating an inclusive workplace

Executive sponsors for our active people networks – disability, gender balance, LGBT+, and ethnicity – champion our agenda on diversity and inclusion.

We're committed to reducing bias. Our leaders set the tone. This year, we've been training our senior leaders to help them identify their own bias and understand how it affects their actions and leadership style. Leaders at all levels can access discussion guides, videos, podcasts and other online resources to help them make decisions and build more inclusive teams.

We've also introduced structured training around particular aspects of diversity to build our senior managers' confidence on these topics.

Our employee networks connect people from around the business with similar experiences and values. Our networks include carers, disability, ethnicity, ex-armed forces, faith, gender, LGBT+, and neurodiversity. Volunteers from the networks were on hand to answer questions and speak from personal experience at a series of roadshows this year that encouraged people across the business to chat about diversity.

Embracing diversity

We want to make sure no one faces barriers to working at BT. We're working hard to build a pipeline of diverse talent for our business by supporting:

Armed forces veterans

Skills developed in the armed forces are highly transferable to many of the roles we offer, particularly in Openreach and in our cyber security teams. We actively recruit armed forces leavers and veterans to work with us. This year, we ran 34 Transition Force workshops around the UK with members of our armed forces network on hand to talk to potential employees.

Disability

Business Disability Forum named us a Disability Confident Leader in recognition of our work to remove barriers to employing disabled people at BT. This year, we hosted an event at BT Sport Studios to showcase how diversity initiatives have benefited our business as part of our efforts to encourage others to become Disability Confident employers. We also continued our partnership with the Premier League (see box on next page).

Gender balance

We've set targets to achieve greater female representation at senior levels of the business. We're members of the 30% Club, a campaign to achieve at least 30% women on FTSE 350 boards, and three out of 11 of our board members are women. We've made good progress towards our 2021 target (30% of our senior leadership team, the top 100 leaders, to be women), we're now at 25%, up from 20% last year. But following restructuring, the number of women in our most senior roles (our top circa 600 leadership and management positions) has reduced from 32% to 31% overall against a 40% target by 2021. We were listed in the Times Top 50 Employers for Women and the Bloomberg Gender Equality Index this year.

LGBT+

Led by our LGBT+ network, we attended various regional Pride events around the UK and Ireland during 2018. We also broadcast an event globally via WebEx that focused on the importance of building LGBT+ allies across the business and encouraged people to join in and support their colleagues.

Neurodiversity

This year, we launched a new employee network for neurodiversity to build understanding and minimise barriers in the workplace for neurodivergent individuals. We advertise jobs, particularly in the cyber-security space, that encourages and enables neurodivergent individuals to apply. And we take part in an employers' forum chaired by Cyber Exchange to help us better understand how to attract, recruit and retain neurodivergent employees.

People from black, Asian or minority ethnic backgrounds

By the end of 2020/21, we want 15% of our senior management team to be black, Asian or another minority ethnicity. We're supporting people who want these roles to build our talent pipeline. Our ethnic diversity network hosts meetings and networking events to support people with high potential through the Aleto Foundation and we're working with Business in the Community (BITC) to mentor black and ethnic minority people. BITC listed us as one of the UK's Best Employers for Race in 2018.

Attracting and developing diverse talent continued

Inspiring disabled people through sport



We firmly believe that everyone should have access to the same opportunities – not just at BT, but in society. And sport is a powerful enabler of change. That's why we've partnered with the Premier League since 2016 to create opportunities to inspire people with disabilities through sport.

We're supporting dedicated disability officers at 28 football clubs within the Premier League and English Football League, who work in their local communities to make sport an inclusive pathway to education, apprenticeships and employability.

BT volunteers also helped them run 662 disability sports festivals around the country this year.

Together, we reached more than 24,000 people with disabilities this year and we helped to professionally develop 501 people on how to be more inclusive in their approach to involving disabled people in sport.

BT Sport also produced and broadcast short films to raise the profile of this project and to send a message about making sport – and society – more inclusive for all.



Building the pipeline

We're determined to build a strong pipeline of diverse talent to take on leadership roles in the future. Programmes like TechWomen and our furthER programme in partnership with Code First: Girls are encouraging women to gain tech skills and enter tech careers at BT (see pages [10–11](#)).

We're investing more in front-line engineers and we're one of the largest private sector recruiters of apprentices in the UK with almost 6000 learners currently on apprenticeships with us – this year, we took on almost 4,000 new apprentices. We also took on over 400 graduates globally.

As well as professional and technical skills, one of our talent programmes focuses on building future leaders. Of the 300+ people who began our 2017/18 12–15-month Future Leaders programme, over 270 have either completed it or are nearing its completion – 30% of which have already become managers. 96% of participants say the programme has prepared them for leadership and 92% of line managers agree. In addition, more than 300 people have joined a new cohort and begun the next Future Leaders programme.

All of our people have the opportunity to discuss their development needs with their managers regularly. We also offer training to help colleagues enhance their skills and careers with us. Our people completed an average of 28 hours of training this year and our online learning portal, the BT Academy, received around 45,000 visits per month.



As we go through a period of change and transformation at BT, diversity and inclusion is more important than ever. Our new organisational design is an opportunity to attract, identify and develop both existing and fresh talent and grow an ever-more diverse workforce – safeguarding our business for the future.”

Alison Wilcox
BT's HR director

+300
people started our
12–15-month
Future Leaders
programme this year

30%
have already
become managers

Reporting on the gender pay gap

For our second annual gender pay gap report, we've changed the way we collect pay data. We've adjusted our figures in order to draw a meaningful year-on-year comparison.

Our median gender pay gap for 2018 was 5.0%, up from an adjusted 4.7% the year before. This is well below the average of 19.6% for the telecommunications sector, but we recognise there is still more we can do.



Find out more in our [gender pay gap report](#).

Supporting employee wellbeing

We care about our people and their wellbeing supports the wellbeing of our business.

Our first priority is to keep people safe at work by preventing physical injuries. Supporting their health and mental wellbeing is also vital to help them thrive.

We have implemented a company-wide and Board-endorsed health, safety and wellbeing strategy. Our health, safety and wellbeing policy outlines our approach and we regularly review our performance with our senior leaders through twice-yearly Board review and quarterly health, safety and wellbeing forums chaired by our Human Resources Director.

Keeping people safe

This year, our lost time injury rate remained low at 0.238 incidents per 200,000 hours worked. This is a slight increase from last year, but with such low rates, small numbers can impact significantly on the results.

Falls from height and slips, trips and falls were the main types of injury recorded – around half by Openreach engineers. Incidents are investigated so we can learn from them and take steps to prevent similar incidents happening in future. This year, we introduced a new ladder system to reduce risk of injury from one of the biggest safety risks in our business, working at height (see case study).

Our [new global procurement standard](#) extends specific health and safety requirements to all our contractors and suppliers and we have additional rules for suppliers doing high risk work, including working at height or with high voltage electricals.

The Health and Safety Executive have not issued us with any prohibition or improvement notices this year and we have not faced any prosecutions.

Promoting wellbeing

Sickness absence has slightly increased this year to 2.36% of calendar days lost, compared to 2.30% last year. Work-related mental health issues have continued to decline, with most reasons being related to issues outside work, such as personal relationships, caring responsibilities and financial worries.

Making ladders safer



Openreach engineers use ladders to climb poles and also access customers' properties and we've introduced a new system that mitigates the risk of falls in two ways. Firstly the system anchors the ladder to the wall or pole, and secondly the engineer is attached to the ladder itself by a harness.

We're rolling this system out across Openreach. We've already trained more than 2,000 people on how to use it and initial feedback has been positive. By December 2020, all our Openreach engineers will be using this system.

2,000+ trained

We've already trained more than 2,000 people

We've increased our focus on mental health training across the business and created an online training course designed to help managers spot signs of poor mental wellbeing and respond appropriately. We're also providing targeted support for managers and their people in absence hotspots. Absence due to mental health issues is relatively high among younger colleagues, so we ran a campaign to raise awareness among young people on World Mental Health Day in 2018.

We know change, and the impact of change, can be unsettling so we provided additional support to help people through a period of transformation at BT. This includes videos, additional training for senior managers and tips on how to manage personal wellbeing through times of change. Financial problems can also be a significant cause of stress. This year, we began offering colleagues the opportunity to apply for loans at affordable rates to help pay off debts.

More than 1,200 colleagues joined a masterclass on how to identify and manage stress this year. We offer a weekly online mindfulness class to help reduce stress, improve productivity and help people sleep better. And 14 people trialed a five-week training programme called the Zen Den.

We recognise the impact of early intervention for mental health issues and offer a service for UK colleagues to access cognitive behavioural therapy counselling. We've also expanded our peer-to-peer support network and it is now available in some locations outside of the UK, including Ireland, France and Switzerland. Trained volunteers offer confidential support and signposting to colleagues who need someone to talk to. More than 200 people have joined the network and completed the training to date.