

# Appendix

This appendix to our Digital Impact and Sustainability Report 2019/20 provides additional context and supporting information on our progress and performance.



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## Governance

We have strong governance in place to oversee our focus on digital impact and sustainability. Our approach is informed by feedback from a wide range of stakeholders, and this feeds in to our strategy and plans.

### Listening to stakeholders

In our fast-moving industry, understanding what matters to stakeholders is critical to business success and advancing our digital impact and sustainability (DI&S) strategy. Stakeholder feedback provides valuable intelligence to help us respond to evolving concerns and trends.

We're in constant contact with our customers, colleagues and suppliers as part of how we work. This year, we commissioned a Populus survey of over 4,000 UK adults to gain wider insights into what sustainability topics matter most to the general public and our customers. We also interact regularly with investors, government

agencies, regulators and non-governmental organisations (NGOs).

The partnerships and groups we belong to offer a broader perspective and we collaborate on initiatives to create a more sustainable world. Examples include Aldersgate Group, RE100 and EV100 on climate action; the Global Network Initiative, Unseen and the World Business Council for Sustainable Development. This is of key importance to the success of our Skills for Tomorrow programme, where we work with leading digital skills organisations. See the building better digital lives chapter of the [DI&S Report](#) for more information.

### Stakeholder priorities

The grid (below) highlights the main issues that stakeholders raised with us this year, and shows which sustainability-related topic areas are most significant to each group.

Customer experience rose in significance for stakeholders, while network investment, data/cybersecurity, digital lives (including skills and online safety), climate change, human and digital rights, business ethics and diversity and inclusion all remain as materially significant. We also saw a rise in the subjects of economic impacts (mainly relating to Brexit, cost of living rises, pensions) and sustainable consumption (reflecting increased societal concerns relating to plastics, recycling and a shift towards a circular economy).

### Identifying material issues

We conduct a materiality process at the end of each calendar year to map the issues stakeholders in our business view as most significant, set against the potential impact this might have on our business. This process also

helps us consider how and where we can contribute to global efforts such as the UN Sustainable Development Goals.

Our materiality analysis is assured against Accountability's AA1000AS (2008) with 2018 Addendum. It draws on many sources of information including stakeholder interviews, industry experts, research studies and social media. (For more information, see materiality methodology under [our reporting methodology](#).)

### 2019/20 stakeholder analysis

	Better Digital Lives		Human and Digital Rights			Climate and Environment					Strong Foundations				Other		
	Digital lives	Communities and charities	Human and digital rights	Emergent tech (IoT/AI)	Data/cybersecurity	Climate change	Energy	Air pollution	Disaster response	Sustainable consumption	Ethics	Equality and diversity (incl fair pay)	Health, safety and wellbeing	EMF/RF	Customer experience	Economic impacts	Network investment and innovation
Customers	●	○	○	○	●	●	●	○	○	●	●	○	○	●	●	●	●
Employees	●	●		○	●	○			○	○		●	●	●	●	●	○
Suppliers	○		●		●	●	●	○	○	○	●	○	○	●	●	●	○
Socially responsible investors	●	○	●		○	○	○			○	●	○		○	○	●	○
Mainstream investors					●						●	○		○	●	○	○
Government and regulators	○		○	○	●	○					○	○		○	●	●	●

● Most significant topics for each group of stakeholders ○ Other significant topics

## Governance continued

We use the results to help shape our strategy and plans – it also helps to prioritise our goals and ambitions, and our reporting. The matrix (right), shows the findings of this year’s materiality analysis. Customer experience moved to become the most material issue when mapping stakeholder importance versus business impact, with particular emphasis on the importance of BT providing an innovative and reliable product range, fair pricing and excellent customer service.

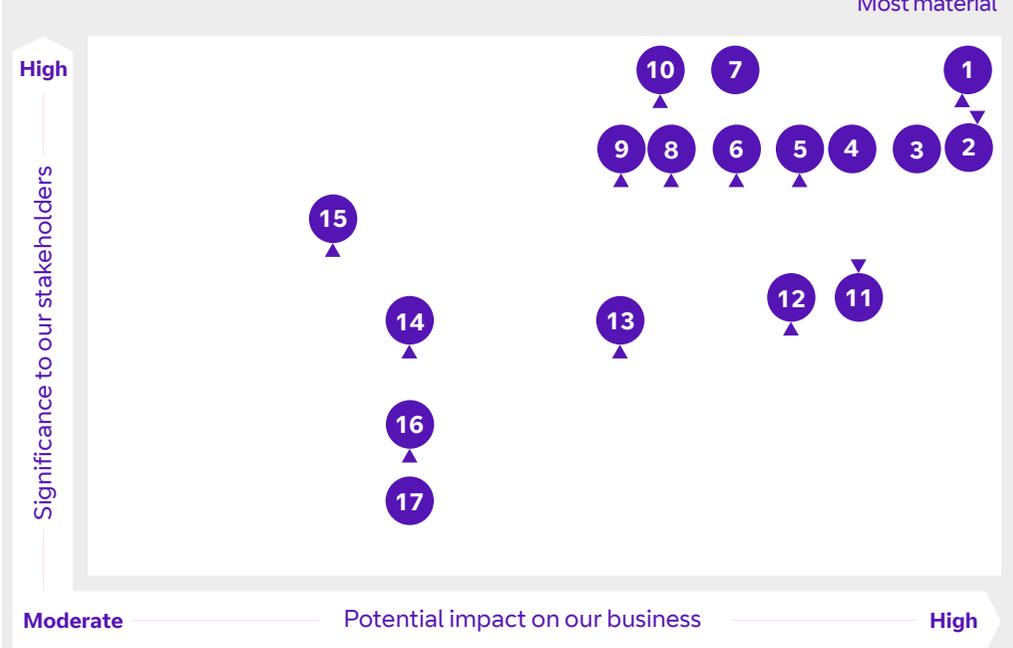
Addressing the digital skills gap and online safety concerns are of high importance to stakeholders and together make up the digital lives topic – a priority for both BT and the UK Government. Climate change is an increasing concern for many groups, and the potential impact this could have on our business, and is factored in to one principal risk, but we now consider climate change as an emerging, long-term risk. Additionally, we have mapped out our approach to the recommendations raised by the Taskforce for Climate-related Financial Disclosures (see page 63 of our [Annual Report](#)). Other areas of material significance include business ethics (issues such as governance, transparency and fair payment of tax), human and digital rights, and diversity and inclusion.

We report on our strategy and impacts that relate to customer experience, economic impacts and network investment in our [Annual Report](#). Our DI&S strategy, and our reporting are designed to address our stakeholders’ other key concerns through its focus on digital lives, human and digital rights, climate and environment, and strong foundations (including business ethics, diversity and inclusion, health, safety and wellbeing). For more information, see our [DI&S Report](#).

Beyond our most material issues, there was a rise in significance in other topics receiving increased public and media attention. These included emergent technologies (e.g. artificial intelligence and the Internet of Things), as well as electromagnetic fields (EMF) and related public health concerns.

As the rollout of 5G services accelerates, public interest in potential health risks from EMF and radio frequency emissions from masts and mobile phones is reviving. We continue to monitor the latest research through our EMF forum. The most recent factsheet from the World Health Organization (WHO) states there are no known adverse effects on health from emissions at levels below internationally recognised health and safety standards.

### Stakeholder materiality analysis



- 1 Customer experience ■ ★
- 2 Data/cybersecurity ★
- 3 Network investment and innovation ★
- 4 Business ethics ◀ ■ ★
- 5 Climate change ◀ ■ ★
- 6 Human and digital rights ◀ ■
- 7 Digital lives ◀ ■
- 8 Economic impacts ★
- 9 Sustainable consumption ◀ ■
- 10 Diversity and inclusion ◀ ■
- 11 Clean energy ◀ ■
- 12 Health, safety and wellbeing ◀ ■ ★

- 13 Community and charity ◀ ■
- 14 Air pollution ◀
- 15 Emergent tech
- 16 Electromagnetic frequency and health concerns
- 17 Disaster response

**Movement since last year**  
 ▲ More significance  
 ▼ Less significance

◀ Policy  
 ■ Target/KPI  
 ★ Principal risk

## Governance continued

### Leading from the top

Our governance structures help us build our business on strong foundations and drive progress towards our ambitions.

Our Board-level *Digital Impact and Sustainability Committee* (DISC) oversees our DI&S strategy and tracks progress towards our ambitions. The DISC is made up of non-executive directors. Leena Nair, who took over from Jasmine Whitbread as chair this year, reports to the Board on the committee's activities. Ed Petter (corporate affairs director), Alison Wilcox (HR director) and Andy Wales (chief digital impact & sustainability officer) regularly attend the meetings.

#### Meetings

Members (as at 31 March 2020)	Eligible to attend	Attended
Leena Nair (chair) <sup>1</sup>	3	3
Jan du Plessis	4	4
Isabel Hudson <sup>2</sup>	4	4
Mike Inglis <sup>3</sup>	4	4
Jasmine Whitbread <sup>4</sup>	3	3

1 Leena was appointed to the DISC on 10 July 2019

2 Isabel joined the committee on 3 April 2019

3 Mike joined the committee on 3 April 2019

4 Jasmine stepped down from the committee on 6 December 2019

The committee met four times this year. It reviewed and endorsed our Skills for Tomorrow programme and our wider DI&S initiatives. It also reviewed updates and progress in relation to human and digital rights and climate-related risks and opportunities, including our focus on carbon reduction targets.

### Accountability

We believe that single-point accountability supports good governance. In practice, this means strategic decisions are taken by our chief executive, Philip Jansen, who exercises delegated authority from the Board. He's advised by our *Executive Committee* (ExCo), which provides input, offers recommendations and acts as a forum for robust debate.

As BT's executive management team, the ExCo creates and communicates a compelling vision, oversees performance and risk mitigation, sets the tone for our organisation, culture and people, and establishes a governance framework. Our chief digital impact & sustainability officer met with ExCo during the year to discuss how we're advancing the DI&S strategy.

Our governance structure is designed to enable timely and appropriate decisions at the right level of the organisation. Board committees act on responsibilities and authorities delegated by the Board. For example, our *Audit & Risk Committee* oversees, assesses and reviews our financial and narrative reporting, internal controls and risk management, including internal and external audit and pan-BT finance, control and compliance related transformation programmes. And our *Disclosure Committee* reviews all significant announcements for accuracy and compliance requirements. For more on governance, see our [website](#).

From April 2020, we are introducing key performance indicators (KPIs) on DI&S into our incentive scheme for all managers, placing sustainability at the core of what we do. These KPIs will focus on progress towards our digital skills ambition and our 1.5°C science-based climate target and will amount to 10% of the overall bonus.

### Managing risk

Like any business, we must manage risks and uncertainties. Our enterprise risk management (ERM) framework provides reasonable (but cannot give absolute) assurance that we've identified and are addressing our biggest risks. We work to predict and manage risks, as well as to capture opportunities.

Overall responsibility for making sure risks are managed appropriately rests with the Board, supported by the *Audit & Risk Committee*. The ExCo oversees risk management, including sustainability-related risks.

We've considered the impact of climate change as part of our ERM framework under one of our principal business risks – service interruption. This year, we've also focused on climate change as an emerging risk and carried out an in-depth review of the impact of climate change on our business as part of the Taskforce on Climate-related Financial Disclosures framework (see page 63 of our [Annual Report](#) for further details). For the coming year, we are developing a process for the Board to review emerging risks at least annually, with deep dives into specific risks throughout the year.

See our [Annual Report](#) for more information on our risk management approach and principal risks.

 See our [Annual Report](#) for our approach to risk management.

## Environmental management

Our governance structure, Group-wide environmental policy and environmental management systems (EMS) help us manage risks, minimise our impacts and comply with relevant regulations.

We manage and monitor environmental risks across our business. Our senior leadership provides global oversight through the environmental management governance group (EMGG). Set up last year to streamline our approach, the Group is chaired by our chief technology and information officer, and reports regularly to our ExCo.

In the UK, management of our most significant environmental risks, is led by the environmental management compliance steering group. This group meets every month and reports to the EMGG quarterly. Its members are senior managers responsible for addressing environmental risks and delivering performance improvements under our ISO 14001-certificated environmental management system.

We recognise that some climate-related impacts are already affecting the business or exacerbating current risks, such as flooding. These impacts are considered as part of our core risk management processes and risk register, overseen by the *Audit & Risk Committee*.

### Managing environmental risks and impacts

Environmental factors inform decisions we make across the value chain – from mitigating risks to our infrastructure, to developing products and buying goods and services.

We employ EMS across the business, as well as energy management systems (EnMS), to drive continual improvements that help reduce our impacts. Our EMS in Belgium, Brazil, Colombia, France, Germany, Ireland, Italy, the Netherlands, Spain and the UK are certificated to the ISO 14001:2015 standard. Our EMS in Spain is also certified to EMAS (EU Eco-Management and Audit Scheme). And our EnMS in Germany and the UK are certificated to ISO 50001. Our corporate certifications can be viewed on our [website](#).

Risks and impacts covered by our EMS include energy use and greenhouse gas (GHG) emissions, waste and recycling, water use, the natural environment, procurement, product stewardship and transport. We ask our colleagues to do their part by using less energy, reducing travel, recycling waste and helping us phase out single-use plastics. See our [DI&S Report](#) for more on these topics.

Our most material environmental risks and impacts relate to climate change (see [page 6](#)). We also monitor and manage operational environmental risks, such as the potential for fuel or fluorinated GHG leaks.

We collaborate with suppliers to incorporate environmental considerations in our product design. Following the introduction of BT branded SIM cards with smaller plastic surrounds last year we plan to introduce these to EE customers later this year and we've reduced packaging for our Whole Home Wi-Fi products.

We've also added plastics usage to our supplier environmental questionnaire, which we ask all suppliers to complete on renewing or signing new contracts with us.

### Ensuring environmental compliance

We work with relevant authorities to manage environmental issues that arise at our sites. This year, we had three complaints from Natural England relating to work carried out for Openreach which damaged a site of special scientific interest (SSSI). As a result, it has been agreed that all future work in the New Forest SSSI will be carried out by Openreach engineers, not contractors, to help ensure legal requirements are understood and met.

Our products are subject to environmental legislation that helps drive our efforts to support sustainable consumption and contribute to a circular economy (see [DI&S Report](#)). These regulations include the EU Waste Electrical and Electronic Equipment (WEEE) Directive, the Restriction on the Use of Certain Hazardous Substances (RoHS) Directive, the Registration, Evaluation, Authorisation and Restriction of Chemicals Regulation (REACH) Regulation and the Packaging (Essential Requirements) Regulations 2015. We conduct due diligence to ensure electrical or electronic equipment sold to our UK business is compliant.

This year, we discovered two non-compliance issues relating to products supplied to us, and worked with regulators to correct them. First, we applied corrective stickers to warehoused SIM cards that were not branded in line with EU regulations on hazardous substances. Second, we're isolating products from China found to contain phthalates in excess of permitted limits and returning them to the supplier. No enforcement action was taken against us in either case.

### Managing fuel storage risks

We have an extensive network of mobile base station sites across the UK to support our networks. Some sites are not connected to the grid so we use diesel fuel to power them. We also have diesel generators as a back-up power source for our telephone exchanges.

We invest in maintaining and upgrading our fuel storage tanks, and we train our people and suppliers to minimise the risk of any spillages. This year, we completed upgrades in Wales, ensuring that all our UK sites are now in line with legislation, ahead of compliance deadlines. Should any leakages occur we have procedures in place to respond. We ran best practice response drills and invested in more sump pump units that sound an alarm and stop pumping when they detect oil. Any spillages are cleaned up by specialist contractors.

For the past several years, no leaks at BT sites have met the severity criteria for notifying the regulator or been subject to legal proceedings.

 [See our DI&S Report](#) for how we're turning our strategy into action.

### Our policies

- [Environment policy](#)
- [Plastics policy](#)

## Task Force on Climate-related Financial Disclosures

We've been a climate action leader for more than 25 years. Now we're stepping up even further.

We're committed to implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), fully embedding them over the coming year. They're an important step towards enabling a net zero carbon economy.

### Climate scenario analysis

Climate-related risks and opportunities extend beyond normal business strategic planning cycles. And they have both near and long-term potential impact. In line with the TCFD recommendations, we've carried out scenario analysis on the impacts of 2°C and 4°C rises in global temperatures above pre-industrial levels by 2100. This helps us understand the potential impact of climate on our business. We looked at impacts out to 2030. First, assuming no changes to our activities. Then, accounting for the transition and mitigation plans we have in place.

**The 2°C scenario** – We looked at the disruptive policies and regulatory changes of moving from today's business-as-usual to a low carbon economy. The main risks for BT of a 2°C scenario include the effect of accelerated and widespread carbon pricing; diesel and petrol vehicle bans; and higher costs for renewable energy if demand outstrips supply.

**The 4°C scenario** – We considered physical risks, like more regular extreme weather, and big temperature and rainfall changes. In the UK, more storms and floods could lead to more service disruption, damage to our assets (like exchanges) and provide access problems for our engineers. These could all increase our operational costs. Globally, extreme weather could affect our customers and cause service disruption. It could also make it harder for us to source raw materials from key suppliers who operate in nearly 100 countries.

Under both scenarios we face financial risks by 2030. The most likely impact will be somewhere between the two. But there are also opportunities in a low carbon economy – particularly in how our products, services and infrastructure can help. We respond to physical climate change impacts identified. So, in the UK we plan on updating our flood defence strategy in light of higher overall flood risks. And we'll keep monitoring the effect of other extreme weather events, like increases in lightning.

We will work on implementing the TCFD recommendations over the coming months, to include fully embedding the climate risk scenario planning conclusions and risk mitigation strategies into our business.

### Our climate change strategy

Climate change is the most material environmental issue for our stakeholders and business. Our ambition is to become a net zero carbon emissions business by 2045. Our climate change strategy aims to reduce our end-to-end emissions, improve the resilience of our assets and support a low carbon economy by:

- Investing in energy efficient and climate resilient networks.
- Reducing our energy needs and decarbonising the energy we buy and use, including through the purchase of renewable electricity.
- Working with suppliers to design products and packaging that minimise energy and materials use, and support reuse and recycling, as well as encouraging them to reduce their own GHG emissions.
- Collaborating with others to accelerate the transition to a low carbon economy.
- Developing low carbon products and solutions that enable our customers to reduce their carbon footprints.
- Engaging our colleagues to help them reduce their personal carbon footprints.

## Privacy and free expression

A summary of the lawful interception and data disclosure requests received in 2019 by country can be seen to the right.

Where we don't provide this information, we give a reason why. This could be because:

- It's illegal – in some countries, publishing this type of information is against the law.
- We can't disclose it – in other countries the law might not expressly stop us from disclosing, but authorities have told us we can't publish this type of information.
- It's published somewhere else – if information is published for the whole industry by a government or other public body, we refer to those publications.

Also shown is a summary of where we've blocked illegal activity in the UK for 2018 and 2019.

We support people's right to express themselves. So we won't block access to material online unless it's illegal, such as images of child sexual abuse flagged by the Internet Watch Foundation. Here we provide data about the material and sites we've blocked in the UK (see table to the far right).

We provide more details about how we handle and deal with these issues, together with data from the previous year, in our [Privacy and Free Expression Report 2019](#).

### Summary of interception and data disclosure requests (1 January to 31 December 2019)

Country <sup>1</sup>	Lawful interception requests (total number of orders and warrants we've received, including renewals for existing lawful interceptions)	Data disclosure requests (total number of legally valid requests)
Australia	See information published annually by the Department of Home Affairs	
Belgium	0	1,427
Brazil	0	3
Canada	0	0
Colombia	0	0
France	Can't disclose	
Germany	See information published by the Federal Office of Justice	
Hong Kong	0	0
India	Illegal to disclose	
Indonesia	0	0
Italy	See information published by the Ministry of Justice	3,292
Japan	0	2
Netherlands	See information published by the Ministry of Justice	
Republic of Ireland	Can't disclose	
Singapore	0	0
South Africa	Illegal to disclose	
Spain	1	46
Sweden	0	0
Switzerland	Can't disclose	10
UK	Under review <sup>2</sup>	
USA	Can't disclose	

<sup>1</sup> These countries accounted for more than 90% of our business in 2018/19.

<sup>2</sup> New UK regulations now permit disclosure of aggregated figures for certain warrants. But the information can only be disclosed after a period of time, and other disclosures remain illegal. We're engaging with the regulator on the issue, and will continue to review our position with relevant stakeholders.

### Blocking activity in the UK

	2018 calendar year	2019 calendar year
Number of child sexual abuse images blocked <sup>1</sup>	6,000	5,500
Number of reports received of incorrect website blocking due to parental control tools	579	704
% of sites recategorised after review	45%	47%
Number of requests to remove material from bt.com	3	8
% of customers who are using parental controls	47% <sup>2</sup>	47%
Number of requests to erase personal data ('right to be forgotten')	75	288 <sup>3</sup>
Number of 'phishing sites' falsely impersonating BT that we closed	6,610	11,057

<sup>1</sup> Average number blocked per day.

<sup>2</sup> Around 60% including customers using our combined parental controls and traffic blocking tool.

<sup>3</sup> This year we're reporting across all our brands – BT, EE, and Plusnet.

## Global Reporting Initiative index

BT's [DI&S Report 2019/20](#) has been prepared in accordance with the [Global reporting initiative \(GRI\) standards: Core option](#).

We've used the Sustainable Development Goals (SDG) Compass tool to map our response and increase transparency.

ISO 26000 'Guidance on social responsibility' provides a guidance framework to help businesses and organisations operate in a socially responsible way. This is the ninth year that we have cross referenced our report to the core subjects and issues of the guidance.

We're signatories to the Climate Disclosure Standards Board (CDSB) Statement on fiduciary duty and climate change disclosure. We're committed to producing and using climate change-related information in mainstream corporate reporting as a matter of fiduciary duty.

We report on our material environmental impacts and performance on an annual basis in our [Annual Report](#) and our [DI&S Report](#). These reports aim to serve different stakeholder groups – the [Annual Report](#), investors, analysts and shareholders – the [DI&S Report](#) a wider audience, including customers,

employees, suppliers and society. We aim not to duplicate information unnecessarily so have provided this index showing how and where our environmental and natural capital reporting meets the principles and requirements of the CDSB Framework (June 2015).

Disclosure number	Disclosure title	Where reported	SDG	ISO 26000 clause	CDSB Framework
102-1	Name of the organisation	<a href="http://www.btplc.com">BT Group plc</a> (www.btplc.com)			
102-2	Activities, brands, products, and services	We develop and sell communications products and services and build and operate networks that are an essential part of modern lives, businesses and communities We have four customer-facing lines of business: Consumer, Enterprise, Global and Openreach. They are supported by our internal service unit, Technology			
102-3	Location of the headquarters	London (UK)			
102-4	Location of operations	BT is one of the UK's best-known companies but we are also a truly global organisation that provides products and services in around <a href="#">180 countries</a>			
102-5	Ownership and legal form	British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange. For more information, visit <a href="http://www.btplc.com">www.btplc.com</a>			
102-6	Markets served	<a href="#">Group businesses</a> AR – Customers and markets, page 10			
102-7	Scale of the organisation	AR – Our business model, page 14		6.2.3 Decision-making processes and structures	
102-8	Information on employees and other workers	AR – Colleagues, page 25, and AR – Culture and colleagues, page 30 DI&S – Colleague data in our <a href="#">download centre</a>		6.4.3 Employment and employment relationships	
102-9	Supply chain	AR – Suppliers, page 28 DI&S – Sourcing with human dignity, page 16			
102-10	Significant changes to the organisation and our supply chain	AR – Creating a simplified, leaner and more agile business, page 22, and AR – Divestment-related items, page 146			

Key: AR – [BT Group plc Annual Report](#)

DI&S – [Digital Impact and Sustainability Report 2019/20](#)

## Global Reporting Initiative index continued

Disclosure number	Disclosure title	Where reported	SDG	ISO 26000 clause	CDSB Framework
102-11	Precautionary principle or approach	Our <a href="#">environmental policy</a> sets out our approach		6.2.3 Decision-making processes and structures	REQ-02: Policy, strategy and targets
102-12	External initiatives	We are a signatory to the UN Global Compact principles and we're actively contributing to the UN Sustainable Development Goals DI&S – Championing human and digital rights, page 15		6.2.3 Decision-making processes and structures	REQ-02: Policy, strategy and targets
102-13	Membership of associations	Our memberships are referenced in our DI&S Report, for example: We're a founding partner of FutureDotNow, a new coalition of leading companies and NGOs working with the Government and others to boost digital skills BT is a founding partner of child online safety organisation Internet Matters and our three consumer brands – BT, EE and Plusnet – are all supporters We work with other tech companies and human rights organisations to understand and respond to evolving challenges in this area through the Global Network Initiative (GNI) We're part of the RE100 campaign to promote greater uptake of renewables We're part of the EV100 campaign and we're launching an industry EV Coalition to highlight the need for progress towards fleet decarbonisation		6.2.3 Decision-making processes and structures	
102-14	Statement from senior decision-maker	DI&S – Introduction from our chairman and chief executive, page 3		6.2.3 Decision-making processes and structures	REQ-01: Governance REQ-02: Policy, strategy and targets REQ-06: Outlook
102-15	Key impacts, risks, and opportunities	AR – Our principal risks and uncertainties, page 53 DI&S – Our priorities, page 5, and DI&S (appendix) – Governance, page 4		6.2.3 Decision-making processes and structures	REQ-03: Risks and opportunities REQ-04: Sources of environmental impact
102-16	Values, principles, standards and norms of behaviour	The BT Way – <a href="#">our ethics code</a>			REQ-01: Governance REQ-02: Policy, strategy and targets
102-17	Mechanisms for advice and concerns about ethics	DI&S – Acting with integrity, page 33 Speak Up is BT's confidential independent managed <a href="#">hotline</a>			
102-18	Governance structure	Our <a href="#">Board</a> DI&S (appendix) – Governance – Leading from the top, page 4		6.2.3 Decision-making processes and structures	REQ-01: Governance
102-19	Delegating authority	DI&S (appendix) – Governance – Leading from the top, page 4		6.2.3 Decision-making processes and structures	REQ-01: Governance
102-20	Executive-level responsibility for economic, environmental and social topics	DI&S (appendix) – Governance – Leading from the top, page 4		6.2.3 Decision-making processes and structures	REQ-01: Governance

Key: AR – BT Group plc Annual Report

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## Global Reporting Initiative index continued

Disclosure number	Disclosure title	Where reported	SDG	ISO 26000 clause	CDSB Framework
102-21	Consulting stakeholders on economic, environmental and social topics	AR – Our stakeholders, page 24, and AR – Corporate governance, page 71 DI&S (appendix) – Governance – Listening to our stakeholders, page 2		6.8.3 Community involvement	REQ-01: Governance
102-22	Composition of the highest governance body and its committees	AR – Corporate governance, page 65 DI&S (appendix) – Governance – Leading from the top, page 4 Our <a href="#">Board</a>		6.2.3 Decision-making processes and structures 6.3.7 Discrimination and vulnerable groups	
102-23	Chair of the highest governance body	The roles of the chairman and chief executive are separate and we judged our chairman to be independent at the time of his appointment		6.2.3 Decision-making processes and structures	
102-24	Nomination and selecting the highest governance body	AR – <i>Nominations Committee</i> , page 76		6.2.3 Decision-making processes and structures	
102-25	Conflicts of interest	AR – Power to authorise conflicts, page 111		6.2.3 Decision-making processes and structures	
102-26	Role of highest governance body in setting purpose, values, and strategy	AR – Board leadership, page 70 DI&S (appendix) – Governance – Leading from the top, page 4		6.2.3 Decision-making processes and structures	REQ-01: Governance
102-27	Collective knowledge of highest governance body	AR – Board leadership, page 70		6.2.3 Decision-making processes and structures	
102-28	Evaluating the highest governance body's performance	AR – Board leadership, page 70		6.2.3 Decision-making processes and structures	
102-29	Identifying and managing economic, environmental and social impacts	AR – Board leadership, page 70 DI&S (appendix) – Governance, page 2		6.2.3 Decision-making processes and structures	
102-30	Effectiveness of risk management processes	AR – <i>Audit &amp; Risk Committee</i> , page 78			REQ-01: Governance
102-31	Review of economic, environmental and social impacts	DI&S (appendix) – Governance – Leading from the top, page 4			REQ-01: Governance
102-32	Highest governance body's role in sustainability reporting	The <i>Digital Impact and Sustainability Committee (DISC)</i> reviews and approves this report prior to publication The <i>Disclosure Committee</i> ensures the Company meets its disclosure obligations and reviews and approves regulatory and other announcements before publication DI&S (appendix) – Governance – Accountability, page 4			REQ-01: Governance

Key: AR – BT Group plc Annual Report

DI&S – [Digital Impact and Sustainability Report 2019/20](#)

## Global Reporting Initiative index continued

Disclosure number	Disclosure title	Where reported	SDG	ISO 26000 clause	CDSB Framework
102-33	Communicating critical concerns	Contact <a href="#">BT</a>			
102-34	Nature and number of critical concerns	DI&S (appendix) – Governance – Leading from the top, page 4			
102-35	Remuneration policies	AR – Report on directors’ remuneration, page 84			
102-36	Process for determining remuneration	AR – Report on directors’ remuneration, page 84			
102-37	Stakeholders’ involvement in remuneration	As part of our policy to involve shareholders fully in the affairs of the Company, our <a href="#">AGM</a> gives them the opportunity to ask questions about BT’s activities. We also give shareholders the opportunity to vote on every important issue by proposing a separate resolution for each			
102-40	List of stakeholder groups	DI&S (appendix) – Governance – Listening to stakeholders, page 2			P1: Relevance and materiality
102-41	Collective bargaining agreements	AR – Pay and benefits, page 31 DI&S – Making BT a brilliant place to work, page 31			
102-42	Identifying and selecting stakeholders	DI&S (appendix) – Governance – Listening to stakeholders, page 2			P1: Relevance and materiality
102-43	Approach to stakeholder engagement	DI&S (appendix) – Governance – Listening to stakeholders, page 2			P1: Relevance and materiality
102-44	Key topics and concerns raised	DI&S (appendix) – Governance – Listening to stakeholders, page 2			P1: Relevance and materiality
102-45	Entities included in consolidated financial statements	The Group financial statements consolidate the financial statements of BT Group plc and its subsidiaries, and include its share of the results of associates and joint ventures using the equity method of accounting			REQ-07: Organisational boundary
102-46	Defining the report content and topic boundaries	DI&S – Our priorities, page 5, and DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			P1: Relevance and materiality
102-47	List of material topics	DI&S (appendix) – Governance – Identifying material issues, page 2			P1: Relevance and materiality
102-48	Restatements of information	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			REQ-10: Restatements
102-49	Changes to reporting	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			
102-50	Reporting period	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			REQ-09: Reporting period
102-51	Date of most recent report	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			

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Disclosure number	Disclosure title	Where reported	SDG	ISO 26000 clause	CDSB Framework
102-52	Reporting cycle	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			REQ-09: Reporting period
102-53	Contact point for questions regarding the report	DI&S (Our methodology) – Our reporting methodology in the <a href="#">download centre</a>			
102-54	Claims of reporting in accordance with the GRI standards	BT's DI&S Report 2019/20 has been prepared in accordance with the GRI standards: Core option			REQ-08: Reporting policies
102-55	GRI Context Index	DI&S (appendix) – Global Reporting Initiative index			REQ-08: Reporting policies
102-56	External assurance	BT's DI&S Report 2019/20 is assured using Accountability's AA1000AS (2008) with 2018 Addendum by Lloyd's Register DI&S (appendix) – Independent assurance statement			

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This material references GRI 201 to GRI 206 (2016) economic standards.  
The following standards have not been identified as material: 202, 204.

Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clauses	CDSB Framework
201	<b>Economic performance</b> GRI 103: Management approach	The BT Group plc <a href="#">Annual Report 2020</a> covers our economic performance and governance			
201-1	Direct economic value generated and distributed	AR – Financial statements, page 117 <a href="#">The Economic Impact of BT Group plc in the UK (2018)</a>		6.8.3 Community involvement 6.8.7 Wealth and income creation 6.8.9 Social investment	
201-2	Financial implications and other risks and opportunities due to climate change	AR – Emerging risks, page 63 DI&S – Leading on climate change, page 21 Adapting to climate change, page 25, and DI&S (appendix) – Governance – Managing risk, page 4		6.5.5 Climate change mitigation and adaptation	REQ-03: Risks and opportunities
201-3	Defined benefit plan obligations and other retirement plans	AR – Retirement benefit plans, page 163			
201-4	Financial assistance received from government	AR – Government grants, page 132			
203	<b>Indirect economic impacts</b> GRI 103: Management approach	We undertake independent studies to better understand our indirect impacts, in particular from our network investments Openreach report (2018), <a href="#">The Impact of High-Speed Broadband for Communities</a> , and <a href="#">The Economic Impact of BT Group plc in the UK (2018)</a>			
203-1	Infrastructure investments and services supported	AR – Capital expenditure, page 46		6.3.9 Economic, social and cultural rights 6.7.8 Access to essential services 6.8.3 Community involvement 6.8.6 Technology development and access 6.8.7 Wealth and income creation 6.8.9 Social investment	

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clauses	CDSB Framework
203-2	Significant indirect economic impacts	Our research papers on this subject, can be found <a href="#">here</a> , see Openreach report (2018), <a href="#">The Impact of High-Speed Broadband for Communities</a> , and <a href="#">The Economic Impact of BT Group plc in the UK (2018)</a>		6.3.9 Economic, social and cultural rights 6.6.6 Promoting social responsibility in the value chain 6.6.7 Respect for property rights 6.8.5 Employment creation and skills development 6.8.7 Wealth and income creation 6.8.9 Social investment	
205	<b>Anti-corruption</b> GRI 103: Management approach	We do not tolerate bribery or corruption in any form <a href="#">Anti-corruption and bribery policy</a> AR – <i>Audit &amp; Risk Committee</i> , page 78			
205-1	Operations assessed for risks related to corruption	AR – Ethical culture, page 62 DI&S – Tackling bribery and corruption, page 33		6.6.3 Anti-corruption	
205-2	Communication and training about anti-corruption policies and procedures	DI&S – Tackling bribery and corruption, page 33		6.6.3 Anti-corruption	
205-3	Confirmed incidents of corruption and actions taken	AR – <i>Audit &amp; Risk Committee</i> , page 78 DI&S – Speaking up and acting on improper behaviour, page 33		6.6.3 Anti-corruption	
206	<b>Anti-competitive behaviour</b> GRI 103: Management approach	We compete vigorously but fairly, being honest, respectful and trustworthy in all our dealings The BT Way – <a href="#">our ethics code</a>			
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	AR – Communications industry regulation, page 55		6.6.5 Fair competition 6.6.7 Respect for property rights	

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This material references GRI 301 to GRI 308 (2016) environmental standards.

The following standards have not been identified as material: 304.

Disclosure number	Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
301	<b>Materials</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5 Product stewardship is an aspect of our EMS			
301-3	Reclaimed products and their packaging materials	DI&S – Supporting a circular economy, page 26	 	6.5.4 Sustainable resource use 6.7.5 Sustainable consumption	REQ-04: Sources of environmental impact
302	<b>Energy</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5 Energy use is an aspect of our EMS We do not measure energy use outside our operational boundaries, however, we encourage our suppliers to seek energy efficiencies in their operations and the products they supply us			
302-1	Energy consumption within the organisation	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>	   	6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact
302-2	Energy consumption outside of the organisation	Information not available – we do not measure energy use outside our operations DI&S – Driving supplier climate action, page 22	   	6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact
302-3	Energy intensity	Not applicable – We don't report energy intensity	   		REQ-04: Sources of environmental impact
302-4	Reduction of energy consumption	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>	   	6.5.4 Sustainable resource use	REQ-05: Performance and comparative analysis
302-5	Reductions in energy requirements of products and services	Not applicable – We don't report on energy used by our products and services DI&S – Helping customers cut carbon, page 23	   	6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact
303	<b>Water</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations Water use is an aspect of our EMS We report on water use for our UK operations only, outside the UK most of our operational sites are fully managed by landlords			
303-1	Water withdrawal by source	DI&S – Taking charge of our water supply, page 27, and Environmental data in our <a href="#">download centre</a>		6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact

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Disclosure number	Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
303-2	Water sources significantly affected by withdrawal of water	Not applicable – No water sources are significantly affected by the withdrawal of water used for cooling purposes		6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact
303-3	Water recycled and reused	Not applicable – We neither recycle nor reuse significant volumes of water at present		6.5.4 Sustainable resource use	REQ-04: Sources of environmental impact
304	<b>Biodiversity</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5 Natural environment is an aspect of our EMS			
304-3	Habitats protected or restored	DI&S – Nurturing biodiversity, page 27		6.5.6 Protection of the environment, biodiversity and restoration of natural habitat	REQ-04: Sources of environmental impact
305	<b>Emissions</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations GHG emissions are one of the most material environmental issues to BT and our wider value chain DI&S (appendix) – Environmental management, page 5, and Digital impact and sustainability targets and progress in our <a href="#">download centre</a>			
305-1	Direct (Scope 1) GHG emissions	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>		6.5.5 Climate change mitigation and adaptation	REQ-04: Sources of environmental impact
305-2	Energy indirect (Scope 2) GHG emissions	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>		6.5.5 Climate change mitigation and adaptation	REQ-04: Sources of environmental impact
305-3	Other indirect (Scope 3) GHG emissions	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>		6.5.5 Climate change mitigation and adaptation	REQ-04: Sources of environmental impact
305-4	GHG emissions intensity	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>		6.5.5 Climate change mitigation and adaptation	REQ-04: Sources of environmental impact
305-5	Reduction of GHG emissions	AR – Tackling climate change and environmental challenges, page 38 DI&S – Road to net zero, page 21, and Environmental data in our <a href="#">download centre</a>		6.5.5 Climate change mitigation and adaptation	REQ-05: Performance and comparative analysis

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Disclosure number	Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
305-6	Emissions of ozone-depleting substances (ODS)	The GHG emissions related to ODS are included in our carbon emissions model Environmental data in our <a href="#">download centre</a>		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
305-7	Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ), and other significant air emissions	We report on emissions related to our vehicle fleet. DI&S – Tackling air pollution, page 27, and Environmental data in our <a href="#">download centre</a>		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
306	<b>Effluents and waste</b> GRI 103: Management approach	Our Group-wide environmental policy and environmental management systems (EMS) help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5 Waste and recycling is an aspect of our EMS We don't monitor or measure waste outside our operational boundaries, however, we encourage our suppliers to seek efficiencies in their operations and the products they supply us			
306-1	Water Discharge by quality and destination	Not applicable – Less than 2% of BT properties in the UK require and have a licence or consent for these activities and measuring discharge volumes is not a requirement		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
306-2	Waste by type and disposal method	DI&S – Managing our waste, page 27, and Environmental data in our <a href="#">download centre</a>		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
306-3	Significant spills	DI&S (appendix) – Environmental management – managing fuel storage risks, page 5		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
306-4	Transport of hazardous waste	Around 12% of waste produced in the UK is classified as hazardous, most of this is WEEE. We hold waste carriers licences in the UK to transport waste DI&S – Managing our waste, page 27, and Environmental data in our <a href="#">download centre</a>		6.5.3 Prevention of pollution	REQ-04: Sources of environmental impact
306-5	Water bodies affected by water discharges and/or run-off	Not applicable – All waste water is discharged through municipal waste water systems		6.5.3 Prevention of pollution 6.5.6 Protection of the environment, biodiversity and restoration of natural habitat	REQ-04: Sources of environmental impact

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Disclosure number	Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
307	<b>Environmental compliance</b> GRI 103: Management approach	The BT Way – <a href="#">our ethics code</a> commits everyone in BT to follow the environmental laws and regulations that apply to them and our business, as well as following our environmental standards and commitments Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5			
307-1	Non-compliance with environmental laws and regulations	DI&S (appendix) – Environmental management – Ensuring environmental compliance, page 5, and Digital impact and sustainability targets and progress in our <a href="#">download centre</a>			
308	<b>Supplier environmental assessment</b> GRI 103: Management approach	Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5 Procurement is an aspect of our EMS			
308-1	New suppliers that were screened using environmental criteria	DI&S – Sourcing with human dignity, page 16		6.6.6 Promoting social responsibility in the value chain	
308-2	Negative environmental impacts in the supply chain and actions taken	DI&S – Sourcing with human dignity, page 16		6.5.4 Sustainable resource use 6.6.6 Promoting social responsibility in the value chain	REQ-02: Policy, strategy and targets REQ-03: Risks and opportunities REQ-04: Sources of environmental impact

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This material references GRI 401 to GRI 419 (2016) social standards.

The following standards have not been identified as material: 401, 402, 410, 411, 414, 415, 416, 417.

Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
403	<b>Occupational health and safety</b> GRI 103: Management approach	Our health, safety and wellbeing strategy has a strong focus on mental wellbeing to help people get the most out of life at work and at home. It's supported by our health, safety and wellbeing policy AR – Health and wellbeing, page 31 DI&S – Keeping our people safe and well, page 32			
403-1	Workers representation in formal joint management-worker health and safety committees	AR – Health and wellbeing, page 31		6.4.6 Health and safety at work	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	AR – Health and wellbeing, page 31 DI&S – Keeping our people safe and well, page 32, and Colleague data in our <a href="#">download centre</a>	 	6.4.6 Health and safety at work	
403-3	Workers with high incidence or high risk of diseases related to their occupation	AR – Health and wellbeing, page 31 DI&S – Keeping our people safe and well, page 32	 	6.4.6 Health and safety at work 6.8.3 Community involvement 6.8.4 Education and culture 6.8.8 Health	
403-4	Health and safety topics covered in formal agreements with trade unions	AR – Colleagues, page 25		6.4.6 Health and safety at work	
404	<b>Training and education</b> GRI 103: Management approach	We're investing in talent and leadership development programmes to make sure we get the best people for the job, whoever they are and whatever their background AR – Culture and colleagues, page 30 DI&S – Developing diverse talent, page 30			
404-1	Average hours of training per year per employee	DI&S – Developing diverse talent, page 30	  	6.4.7 Human development and training in the workplace	
404-2	Programmes for upgrading employee skills and transition assistance programmes	AR – Colleague engagement, page 59 DI&S – Making BT a brilliant place to work, page 31		6.4.7 Human development and training in the workplace 6.8.5 Employment creation and skills development	

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
404-3	Percentage of employees receiving regular performance and career development reviews	DI&S – Developing diverse talent, page 30		6.4.7 Human development and training in the workplace	
405	<b>Diversity and equal opportunity</b> GRI 103: Management approach	We have targets on gender and ethnicity balance at the top levels of the business DI&S – Developing diverse talent, page 30			
405-1	Diversity of governance bodies and employees	AR – <i>Nominations Committee</i> , page 76 DI&S – Developing diverse talent, page 30, and Colleague data in our <a href="#">download centre</a>		6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	
405-2	Ratio of basic salary and remuneration of women to men	We published our third annual <a href="#">gender pay gap report this year</a>		6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.4 Conditions of work and social protection	
406	<b>Non-discrimination</b> GRI 103: Management approach	We value and welcome diversity. We won't treat anyone differently to anyone else because of their race, sex, religion/beliefs, disability, marital or civil partnership status, age, maternity or paternity status, sexual orientation, gender identity, gender expression, caring responsibilities, or for any characteristic. The BT Way – <a href="#">our ethics code</a> DI&S – Championing inclusivity, page 29			

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
406-1	Incidents of discrimination and corrective actions taken	DI&S – Colleague data in our <a href="#">download centre</a>		6.3.6 Resolving grievances 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships	
407	<b>Freedom of association and collective bargaining</b> GRI 103: Management approach	Our Board committee, the <i>DI&amp;S Committee</i> monitor the execution of our DI&S strategy and the Company's progress on its long-term DI&S goals and targets, including those related to, human and digital rights We respect the right to freedom of association, collective bargaining and equal opportunity Our <a href="#">human rights policy</a> The BT Way – <a href="#">our ethics code</a> <a href="#">Sourcing with human dignity</a>			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Our <a href="#">Modern Slavery Act transparency statement</a>		6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.8 Civil and political rights 6.3.10 Fundamental principles and rights at work 6.4.3 Employment and employment relationships 6.4.5 Social dialogue	
408	<b>Child labour</b> GRI 103: Management approach	Modern slavery is an increasing global issue. It includes human trafficking, slavery, servitude and forced or compulsory labour. No form of modern slavery is acceptable in our operations, or in those of companies who work with us or on our behalf. And neither is child labour The BT Way – <a href="#">our ethics code</a> <a href="#">Sourcing with human dignity</a>			

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
408-1	Operations and suppliers at significant risk for incidents of child labour	Our <a href="#">Modern Slavery Act transparency statement</a> DI&S – Sourcing with human dignity, page 16		6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work	
409	<b>Forced or compulsory labour</b> GRI 103: Management approach	Modern slavery is an increasing global issue. It includes human trafficking, slavery, servitude and forced or compulsory labour. No form of modern slavery is acceptable in our operations, or in those of companies who work with us or on our behalf. And neither is child labour The BT Way – <a href="#">our ethics code</a> <a href="#">Sourcing with human dignity</a>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Our <a href="#">statement on modern slavery</a> DI&S – Sourcing with human dignity, page 16		6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.3.7 Discrimination and vulnerable groups 6.3.10 Fundamental principles and rights at work	
412	<b>Human rights assessment</b> GRI 103: Management approach	The <i>DI&amp;S Committee</i> , a Board committee, oversees our human and digital rights programme worldwide <a href="#">Human rights policy</a>			
412-1	Operations that have been subject to human rights reviews or impact assessments	DI&S – Respecting human rights in our own business and beyond, page 16		6.3.3 Due diligence 6.3.4 Human rights risk situations 6.3.5 Avoidance of complicity 6.4.3 Employment and employment relationships 6.6.6 Promoting social responsibility in the value chain	

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
412-2	Employee training on human rights policies or procedures	DI&S – Respecting human rights in our own business and beyond, page 16		6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain	
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	DI&S – Respecting human rights in our own business and beyond, page 16		6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain	
413	<b>Local communities</b> GRI 103: Management approach	We have a long-standing commitment to invest in community programmes that are designed to accelerate progress towards our DI&S ambitions Our Board-level <i>DI&amp;S Committee</i> oversees our DI&S strategy and tracks progress towards our ambitions			
413-1	Operations with local community engagement, impact assessments, and development programs	DI&S – Building better digital lives, page 7		6.3.9 Economic, social and cultural rights 6.8.3 Community involvement 6.8.5 Employment creation and skills development 6.8.9 Social investment	
414	<b>Supplier social assessment</b> GRI 103: Management approach	We're steered by the UN Guiding Principles on Business and Human Rights Our supply chain initiative, <i>Sourcing with Human Dignity</i> , outlines a set of standards based on the United Nations Universal Declaration of Human Rights and International Labour Organisation Conventions. Our suppliers must comply with this policy to ensure a fair and ethical workplace, where workers are treated with dignity and respect and the highest standards of human rights are upheld <a href="#">Sourcing with human dignity</a>			

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Standard/ Disclosure number	Standard/ Disclosure title	Management approach/where reported	SDG	ISO 26000 clause	CDSB Framework
414-1	New suppliers that were screened using social criteria	DI&S – Sourcing with human dignity, page 16, and Digital impact and sustainability targets and progress in our <a href="#">download centre</a>		6.3.3 Due diligence 6.3.5 Avoidance of complicity 6.6.6 Promoting social responsibility in the value chain	
414-2	Negative social impacts in the supply chain and actions taken	DI&S – Sourcing with human dignity, page 16			
418	<b>Customer privacy</b> GRI 103: Management approach	We protect our customers from online harms and safeguard their privacy and security, supporting their right to free expression <a href="#">Our privacy policy</a> <a href="#">BT Privacy and Free Expression Report 2019</a>			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	DI&S – Addressing compliance issues, page 33		6.7.7 Consumer data protection and privacy	
419	<b>Socioeconomic compliance</b> GRI 103: Management approach	Our <i>Audit &amp; Risk Committee</i> 's responsibilities include reviewing the effectiveness of processes for compliance with laws, regulations and ethical codes of practice, including the Company's Speak Up arrangements AR – <i>Audit &amp; Risk Committee</i> , page 78			
419-1	Non-compliance with laws and regulations in the social and economic area	DI&S – Speaking up and acting on improper behaviour, page 33, and Digital impact and sustainability targets and progress in our <a href="#">download centre</a>		6.7.6 Consumer service, support, and complaint and dispute resolution	

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## United Nations Global Compact CoP

We have been a signatory to the Global Compact since 2000 and we reaffirm our support of the Ten Principles of the United Nations Global Compact in the areas of human rights, labour, environment and anti-corruption. This annual Communication on Progress summarises the key sections of our report as they relate to the Global Compact's principles and our business strategy, culture and operations. There are links to further information such as measures, lessons learned and our future plans.

Principles	Information in BT <a href="#">DI&amp;S Report 2019/20</a>	Information in BT Group plc <a href="#">Annual Report 2020</a> and elsewhere
<b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights	We're committed to respecting human rights in our business and through our broader relationships. BT was an original signatory of the UN Global Compact and we follow the UN Guiding Principles on Business and Human Rights Championing human and digital rights, page 15	Our <a href="#">human rights policy</a> Championing human and digital rights, page 38
<b>Principle 2:</b> Businesses should make sure that they are not complicit in human rights abuses	The <i>DI&amp;S Committee</i> , a Board committee, oversees our human and digital rights programme worldwide Championing human and digital rights, page 15	<a href="#">Human rights policy</a> <a href="#">BT Privacy and Free Expression Report 2019</a>
<b>Principle 3:</b> Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	We respect rights to equal opportunities, freedom of association and collective bargaining Putting people at the heart of our business, page 31	<a href="#">Our ethics code</a> 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 Pay and benefits, page 31
<b>Principle 4:</b> Businesses should uphold the elimination of all forms of forced and compulsory labour	Modern slavery is an increasing global issue. It includes human trafficking, slavery, servitude and forced or compulsory labour. No form of modern slavery is acceptable in our operations, or in those of companies who work with us or on our behalf. And neither is child labour Sourcing with human dignity, page 16	Our <a href="#">Modern Slavery Act transparency statement</a> , sets out our stance on modern slavery and human trafficking. We are founding partners of the UK's <a href="#">Modern Slavery Helpline and Resource Centre</a>
<b>Principle 5:</b> Businesses should uphold the effective abolition of child labour	Modern slavery is an increasing global issue. It includes human trafficking, slavery, servitude and forced or compulsory labour. No form of modern slavery is acceptable in our operations, or in those of companies who work with us or on our behalf. And neither is child labour Sourcing with human dignity, page 16	<a href="#">Our sourcing with human dignity standard</a> , introduced in 2001, specifies the minimum standards we expect of our suppliers
<b>Principle 6:</b> Business should uphold the elimination of discrimination in respect of employment and occupation	We want to ensure everyone feels included within our business. We aim to create a workforce that reflects all aspects of the diverse societies in which we work Developing an inclusive workforce, page 29	BT fully recognises the benefits of a diverse Board and the importance of diversity, in all forms, across the organisation Building future capabilities and careers, page 30
<b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges	Our environment policy and management systems are designed to help us comply with environmental legislation and continually improve our performance in these areas DI&S (appendix) – Environmental management, page 5	Tackling climate change and environmental challenges, page 38
<b>Principle 8:</b> Businesses should undertake initiatives to promote greater environmental responsibility	We take our environmental responsibility seriously. Our Group-wide environmental policy and EMS help us minimise our impacts, manage risks and comply with relevant regulations DI&S (appendix) – Environmental management, page 5	Since the early nineties, we've made social and environmental responsibility central to our business. We have incorporated environmental factors into our procurement processes. Our <a href="#">procurement standards</a> on product stewardship and climate change sets out our expectations and requirements from suppliers

## United Nations Global Compact CoP continued

Principles	Information in BT <a href="#">DI&amp;S Report 2019/20</a>	Information in BT Group plc <a href="#">Annual Report 2020</a> and elsewhere
<b>Principle 9:</b> Businesses should encourage the development and diffusion of environmentally friendly technologies	The UN's Sustainable Development Goals highlight the need to create a low-carbon economy and to ensure sustainable consumption of our natural capital Helping customers cut carbon, page 23 Our procurement standards for suppliers include criteria on energy consumption and environmental performance Driving supplier climate action, page 22	Our <a href="#">Digital impact and sustainability</a> web pages
<b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery	We don't tolerate bribery or corruption in any form Acting with integrity, page 33	Our <a href="#">anti-corruption and bribery policy</a>

## The UN Sustainable Development Goals

The UN Sustainable Development Goals (SDGs) call on governments, businesses and others around the world to meet three key objectives by 2030: to end extreme poverty, fight inequality and injustice, and limit climate change. They translate into 17 goals (shown here) and 169 targets.

Achieving these Global Goals is essential for the good of society, the environment and sustainable economic growth. If the world can't address global challenges effectively, national economies could slow down. This could have a knock-on effect on our business.



End poverty in all its forms everywhere.



End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.



Ensure healthy lives and promote wellbeing for all at all ages.



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.



Achieve gender equality and empower all women and girls.



Ensure availability and sustainable management of water and sanitation for all.



Ensure access to affordable, reliable, sustainable and modern energy for all.



Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



Reduce inequality within and among countries.



Make cities and human settlements inclusive, safe, resilient and sustainable.



Ensure sustainable consumption and production patterns.



Take urgent action to combat climate change and its impacts.



Conserve and sustainably use the oceans, seas and marine resources for sustainable development.



Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss.



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.



Strengthen the means of implementation and revitalise the global partnership for sustainable development.



Read more at [www.globalgoals.org](http://www.globalgoals.org)

## Independent assurance statement

Relating to BT Group plc's Digital Impact and Sustainability Report 2019/20 for the financial year ending 31st March 2020.



This Assurance Statement has been prepared for BT Group plc in accordance with our contract but is intended for the readers of this Report.

### Terms of engagement

Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410 and uses the following principles of – inclusivity, materiality, responsiveness and impact and reliability of performance data.

Our assurance engagement covered BT's worldwide operations and activities and specifically the following requirements:

- Reviewing adherence to AA1000AS's Accountability Principles of Inclusivity, Materiality, Responsiveness, and Impact and evaluating the reliability of the specified sustainability performance information (Type 2 engagement)
- Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard
- Verifying data and information related to the UK's Streamlined Carbon and Energy Reporting (SECR) Regulations requirements.

Our assurance engagement excluded the data and information:

- Accessed through links that take the reader out of the report, including video streams

- Presented by BT but originated from a second party. Here LR corroborate only that data and information was transcribed accurately and the correct reference was provided
- Communicated via social networks
- Included in BT's indexes for United Nations Global Compact, ISO 26000:2010 and Global Reporting Initiative.

LR's responsibility is only to BT, LR disclaims any liability or responsibility to others as explained in the end footnote. BT's responsibility is for collecting, aggregating, analysing and presenting all the data and information within the report and for maintaining effective internal controls over the systems from which the report is derived. Ultimately, the report has been approved by, and remains the responsibility of BT.

### LR's opinion

Based on LR's approach, we believe that BT has, in all material respects:

- Met the requirements above
- Disclosed accurate and reliable performance data and information
- Covered all the issues that are important to the stakeholders and readers of this report.

The opinion expressed is formed on the basis of a high level of assurance and at the materiality of the professional judgement of the verifier.

### LR's approach

LR's assurance engagements are carried out in accordance with our verification procedure. The following tasks though were undertaken as part of the evidence gathering process for this assurance engagement:

- Assessing BT's approach to stakeholder engagement to confirm that issues raised by stakeholders were captured correctly. We did this through reviewing minutes of meetings and reviewing associated documents and records.
- Reviewing BT's process for identifying and determining material issues to confirm that the right issues were included in their report. We did this by benchmarking reports written by BT and its peers to ensure that sector specific issues were included for comparability. We also tested the filters used in determining material issues to evaluate whether BT makes informed business decisions that may create opportunities that contribute towards sustainable development.
- Auditing BT's data management systems to confirm that there were no significant errors, omissions or mis-statements in the report. We did this by reviewing the effectiveness of data handling procedures, instructions and systems, including those for internal verification. We also spoke with those key people responsible for compiling the data and drafting the report.

## Independent assurance statement continued

- Reviewing BT’s Group Internal Audit’s (GIA)<sup>1</sup> process and evidence files to confirm that their internal verification was performed thoroughly. GIA checked the validity of data and information in the following sections of the report:
  - Strong Foundations: Acting with Integrity, Engaging and Empowering People, Keeping Our People Safe and Well, Inclusive Workforce.

### Observations

Further observations and findings, made during the assurance engagement, are:

- **Stakeholder inclusivity:** We are not aware of any key stakeholder groups that have been excluded from BT’s stakeholder engagement process. BT demonstrated that they have incorporated these stakeholder concerns into their management approach and decision-making processes in order to develop a structured engagement approach and response to sustainability issues.
- **Materiality:** We are not aware of any material issues concerning BT’s sustainability performance that have been excluded from the report. It should be noted that BT has established extensive criteria for determining which issue/aspect is material and that these criteria are not biased to the company’s management.
- **Responsiveness:** BT has processes in place to respond to its stakeholders especially government authorities, employees and the public, partners and suppliers, shareholders and investors.

- **Impact:** BT have demonstrated that they have processes in place to determine the impact of the programmes discussed in the Report. However, there could be further analysis of the impact of sub-programmes which contribute to the overall goals; for example, the use of supplier contract clauses to help deliver carbon reduction.
- **Reliability:** Data management systems are considered to be well defined and implemented. BT have acted upon the recommendations made by LR in 2019. The following additional recommendations are made this year:
  - It is recognised that there is no industry standard to calculate and report on the percentage of customers who are actually using parental controls, however, it would be beneficial to review the current internal processes and methodology to improve reporting.
  - Carry out a review of how data management processes are maintained when key individuals are no longer responsible for the data, for example, when they move to a different role.

### LR’s standards, competence and independence

LR implements and maintains a comprehensive management system that meets accreditation requirements for ISO 14065 Greenhouse gases – Requirements for greenhouse gas validation and verification bodies for use in accreditation or other forms of recognition and ISO/IEC 17021 Conformity assessment – Requirements for

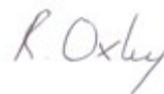
bodies providing audit and certification of management systems that are at least as demanding as the requirements of the International Standard on Quality Control 1 and comply with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants.

LR ensures the selection of appropriately qualified individuals based on their qualifications, training and experience. The outcome of all verification and certification assessments is then internally reviewed by senior management to ensure that the approach applied is rigorous and transparent.

LR is BT’s certification body for ISO 9001, ISO 14001, ISO 27001, ISO 22301, ISO 20000-1, OHSAS 18001, ISO 50001 and ISO 45001. We also provide BT with a range of related training services and supply chain assessments. The verification and certification assessments, together with the training, are the only work undertaken by LR for BT and as such does not compromise our independence or impartiality.

Signed

Dated: 16 May 2020




Richard Oxley  
LR Lead Verifier

Graham Colebeck  
LR Verifier

On behalf of Lloyd’s Register,  
1 Trinity Park, Bickenhill Lane,  
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LR reference: LRQ0772591



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<sup>1</sup> GIA is an independent, objective, review function for the BT Group. Its role is to provide independent and objective assurance to senior management and the Board as to the adequacy and effectiveness of key controls and of risk management activities across the organisation. The Director Internal Audit retains the right to report to the Board Audit & Risk Committee instances where the department’s independence or objectivity is impaired by the activity or behaviour of audit.