

Progress against our strategic framework

This year we made excellent progress against our three strategic pillars. Next year we'll do more.

Build the strongest foundations

[Read more about our real world impact and the wider social value created by the Group.
bt.com/annualreview](#)

The best converged network

We want to give customers the very best connectivity. So this year we continued to enhance our network assets through our new 5G network and our c. £15bn investment in full fibre (aiming to reach 25m premises including 6m in hard-to-reach communities by the end of 2026).

Despite inflation and industrial action we continue to make excellent progress on upgrading the UK's digital infrastructure for our customers.

Market leader in full fibre

- This year we passed 3.1m homes and businesses with our full fibre network, 19% more than last year and on average 8.4k premises per day
- Despite inflationary pressure, we maintained build costs at £250-£350 per premises passed
- Over 3.1m customers are now connected to our full fibre network, up 76% on last year, resulting in an overall take-up rate of over 30%
- It was a record year for selling full fibre – with 32.5k customers connected a week



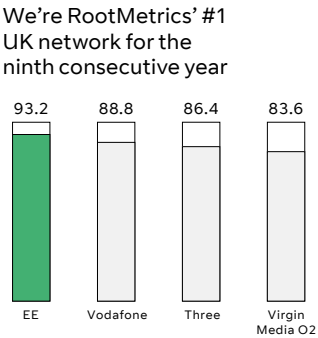
Braylsham Castle

The Universal Service Obligation supports BT Group to deliver fibre solutions in rural areas beyond normal commercial reach. Under the programme, Openreach fitted a new fibre solution to Braylsham Castle. This required overcoming a range of unique challenges including laying fibre through a moat!

Market leader in 5G

68%
Our 5G network now covers 68% of the population – with a target to reach 90% by 2028

60%
We have 8.6m 5G connections, increasing over 60% on last year



- We set up a private 5G network at the Port of Tyne while enhancing the existing private 5G network at Belfast Harbour to revolutionise processes, track assets and better understand productivity and sustainability

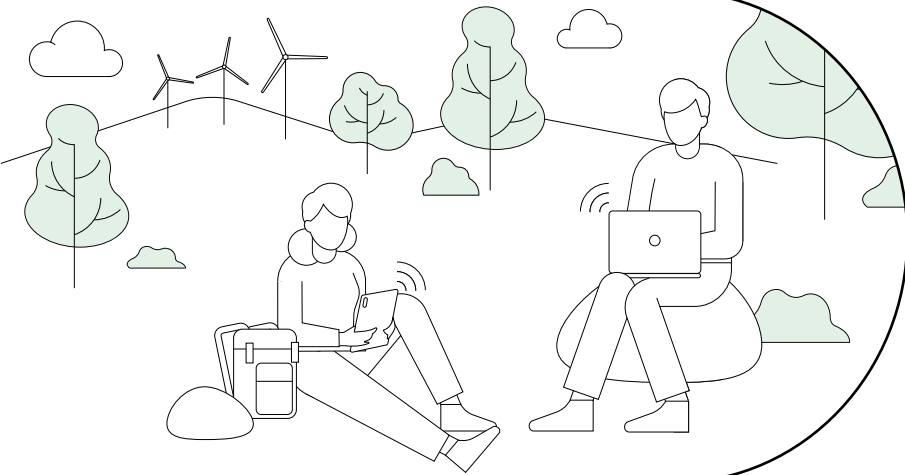
Broadest reach and enhanced capabilities

87%
Our mobile network now covers 99% of the UK population and 87% of UK geography, with 2,200km² added this year

An additional six London Underground stations now have 4G service available

>21m
More than 21m 4G and 5G data customers have migrated to our new Ericsson Mobile Cloud Core hosted on our Network Cloud for better, more reliable performance

- We're trialling High-Altitude Platform Station aircraft and satellites to bring mobile coverage to the most hard-to-reach locations
- We've signed a new partnership with Ericsson to deploy ultra-lightweight Massive MIMO radio technology which will deliver up to 40% reduction in energy consumption with improved network performance



5G innovation

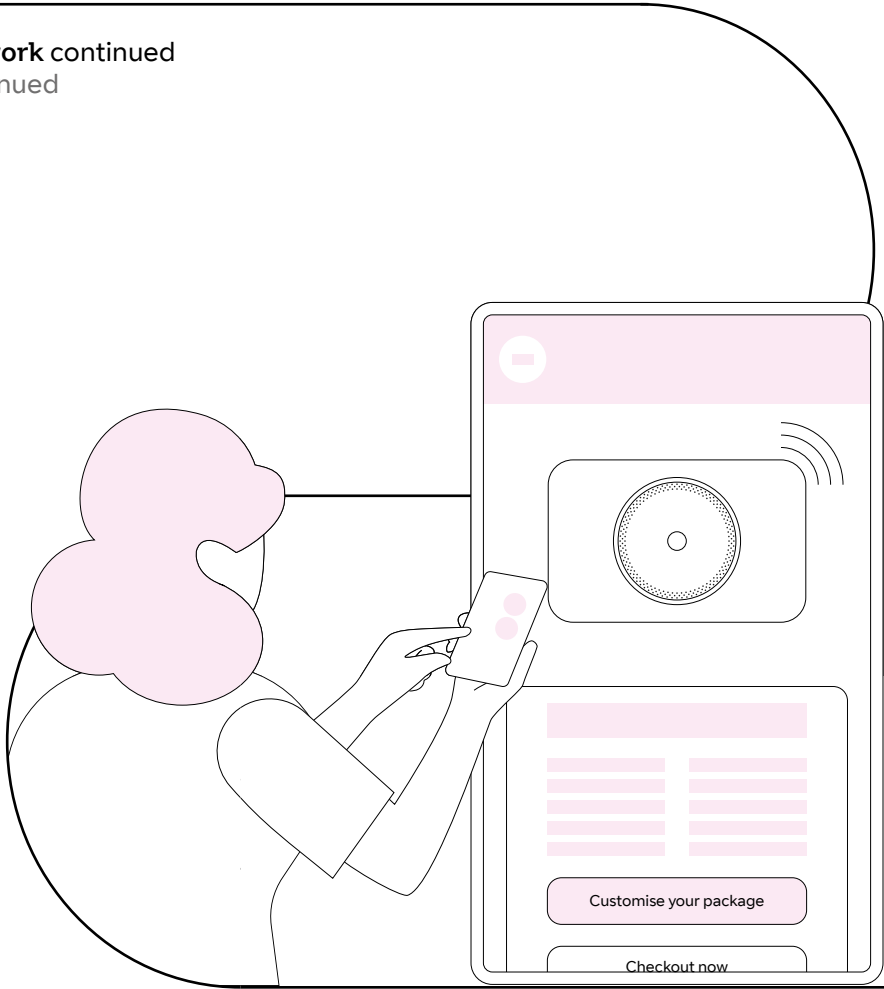
BT Group installed a 5G network to support the BBC's coverage of the 2022 Commonwealth Games. This was the first time 5G was used at an event of this size. The BBC used the private network to send footage for remote production which meant they didn't need any on-site broadcasting trucks.



Progress against our strategic framework continued
Build the strongest foundations continued

A simpler, more efficient and dynamic BT Group

This year we've continued to transform, delivering £0.7bn of cost saving efficiencies this year. To date, we have delivered 71% of our £3bn cost savings target by March 2025, at a cost of £1.1bn. We further simplified our products, processes, digital and network technologies and continued to build our new strategic IT landscape. We made progress, but there is more we need to do.



Simplified product portfolio and transformed customer journeys and processes

30%

We cut the number of Consumer tariffs by 30% – making it easier for customers to pick the right product for them

50%

By shortening our Consumer broadband journey to six steps, we cut the time it takes to buy our broadband by 50%

80%

We automated 80% of our Enterprise back-end manual billing activities

- 46% of our small and medium business customers' inbound service calls that are offered the validation option in our IVR system are now automatically validated, up from 15% last year
- The digital channel conversion rate for our Global solutions has almost tripled
- We cut our Global product portfolio by nearly 8%, helping to concentrate on our new, strategic product portfolio
- Openreach's intelligent scheduling system enables us to send the right engineer, equipped with the right skills, at the right time, to each customer. Saving £39m and 22 tonnes of CO₂ annually while increasing on-the-day closure of complex jobs by 35%
- AI powered intelligent automation in Openreach now supports leaner operations across our desk and field based teams, saving us over £35m annually
- Our Making Finance Brilliant programme has delivered over £8m of total efficiencies in FY23. The latest phase involved migrating c. £60bn of gross costs, over 220k projects, c. 1m internal orders and nearly 14m fixed assets into SAP
- We simplified our HR system landscape by consolidating to one primary system globally, resulting in a £4.5m saving in annual licences and standardising over 100 HR processes

Modern, modular digital architecture and migrating to strategic networks

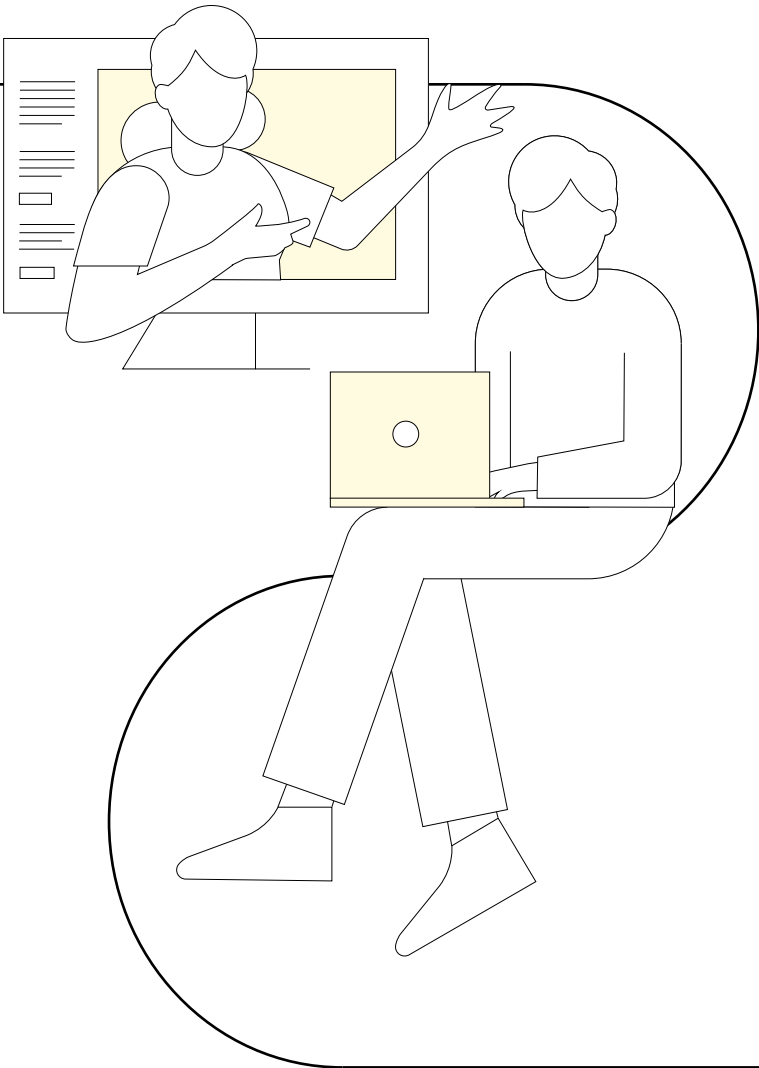
343

We stopped using 343 legacy applications in FY23

>2.3m

We cut the number of units on legacy networks by over 2.3m in FY23, including a 19% drop in the PSTN base

- There are 50% fewer Consumer mobile customers on 3G plans since January 2021, and 229k fewer 3G business subscribers compared to March 2022
- We're developing cloud and AI led strategic technology platforms to increase our agility and reduce costs, as well as create new products and platforms to help revenue growth and create brilliant customer experiences and digital engagement



A culture where people can be their best

Over 99,000 colleagues are central to delivering our ambitions. Although this year was difficult – especially because of industrial action – we made big progress in areas like organisational development, occupational health, wellbeing, diversity, equity and inclusion. We continue to invest in our people. But we recognise there's work still to do.

For information on our workforce and gender and ethnicity pay gap see page 34.

Award-winning colleague development

23,000

We trained over 23,000 Openreach engineers across 10 facilities – including our award-winning real-life 'Openstreet' environment

26hrs

On average, our colleagues completed 26 hours of learning (this excludes self-directed and micro learning)

– This year we ran a number of award-winning learning programmes to support our colleagues' development such as Digital Campus, CAPSLOCK and Aspire, a career development programme in Consumer (see page 32)



2,267

Apprentices hired

221

Graduates hired

Apprentice programme

As one of the largest private sector employers of apprentices and graduates in the UK, we continue to recruit and attract brilliant people into our business. We offer unparalleled development opportunities to those who join us, building a future pipeline of talent and developing our existing workforce to help drive growth across our business and deliver great outcomes for all our customers.

Progress against our strategic framework continued
Build the strongest foundations continued

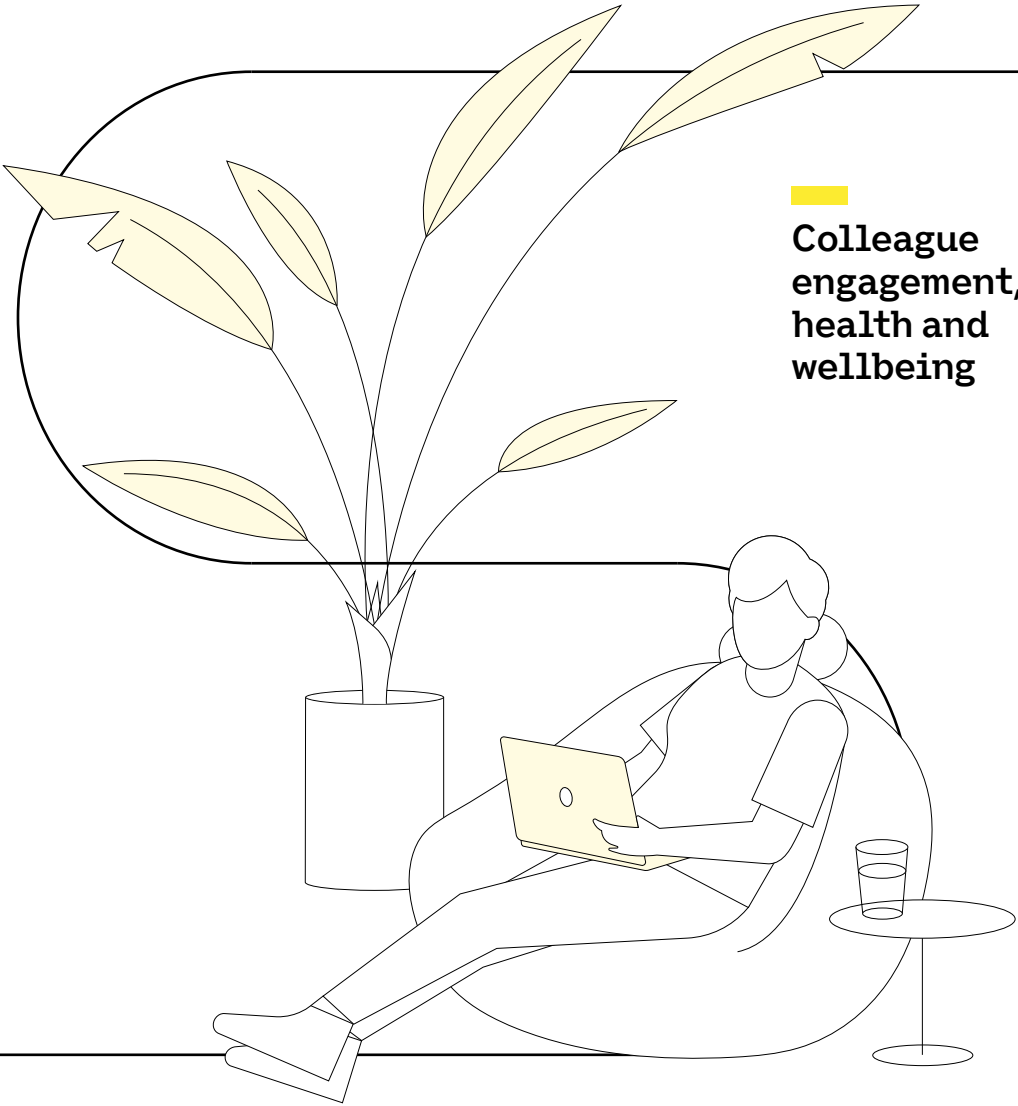
A diverse and inclusive workforce

“I’m pleased that BT Group has made progress and narrowed our gender pay gap this year. But we’re far from perfect, and we recognise that we still have more to do to make sure we build a truly equitable and inclusive culture across our business.

Athalie Williams
Chief Human Resources Officer

- We improved both our gender and ethnicity pay gaps (see [page 34](#))
- We’ve increased our representation of female, ethnic minority and disabled colleagues since 2018
- We were a Gold Sponsor of London PRIDE 2022 and partnered with many other organisations such as ‘Code First Girls’ to support diversity and inclusion (D&I) (see [page 33](#))
- We were nominated for the British Diversity Awards 2023 Outstanding Ethnic Diversity Network of The Year

78%
More than 78% of UK colleagues gave us better data to understand our demographics



Colleague engagement, health and wellbeing

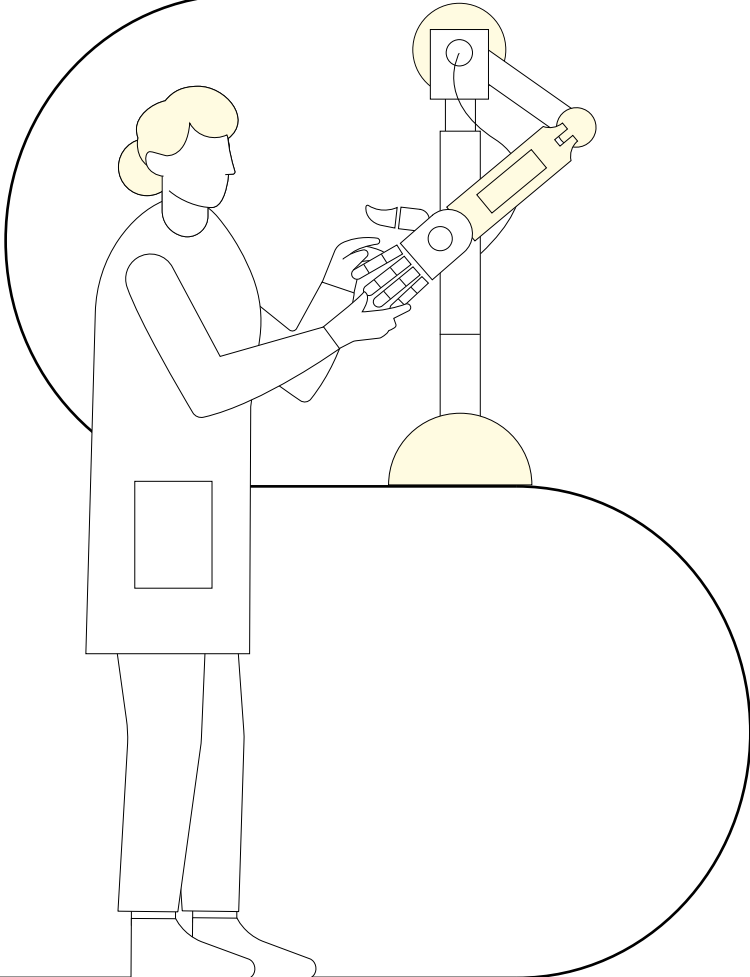
- Engagement is still above external benchmarks but went down 6 points in our March 2023 Your Say survey – driven by the cost of living crisis and industrial action
- We launched our new ‘My HR’ system to simplify and digitise our HR technology landscape and give colleagues a better experience
- Driven by our Health, Safety and Wellbeing Centre of Expertise, we continued to find ways to better support our colleagues this year – see [page 35](#) for more detail

Top 10%
The CCLA report on mental health for investors places us in the top 10% of the FTSE 100



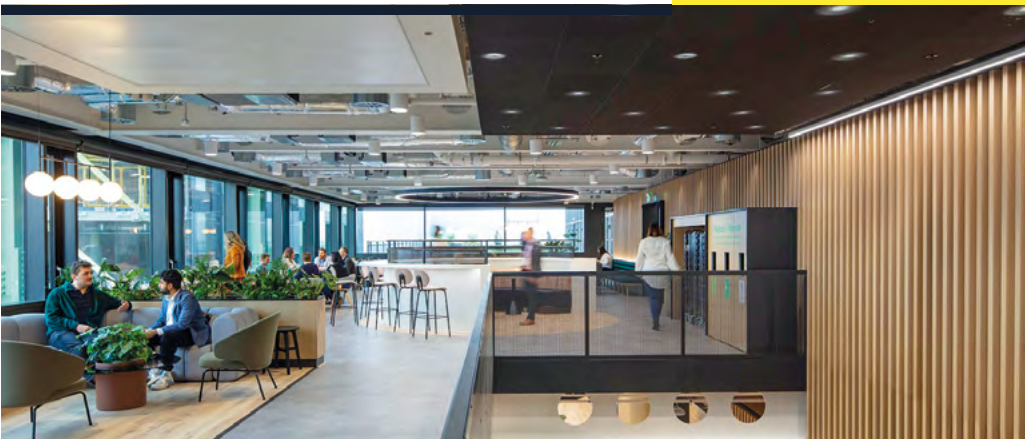
Openreach engineers
At Openreach, we’re dedicated to building an inclusive culture and supporting our engineers’ development. We’ve been working hard to recruit a more diverse pool of candidates by training our hiring managers in the use of inclusive recruitment tools and launching recruitment campaigns aimed at individuals from diverse backgrounds.

1,900
New trainee engineers this year
17%
of them are women



Cost of living pay rise
To support our colleagues during the cost of living crisis we awarded a cost of living pay rise to 85% of our UK-based colleagues. Together with the increase in April 2022 this brings the total pay rise for the lowest paid colleagues to over 15% in the year.

£1,500
Pay rise (for all UK colleagues who previously earned £50,000 or less)
85%
Awarded to 85% of our UK-based workforce



Assembly Bristol
BT Group’s latest workspace, Bristol Assembly, is designed to cater to the needs of up to 2,500 colleagues, now and in the future. It features colleague-centric spaces including prayer and parenting rooms.

The workspace is close to public transport hubs, and encourages active travel through facilities like cycle parking, lockers, changing rooms and showers.

The building is designed to support our sustainability goals with features like lighting designed to maximise energy efficiency. These features have resulted in a short-term CO₂ reduction of c. 140 tonnes per year, this is anticipated to rise to over 500 tonnes.

Additionally, we’re hiring nearly 50 apprentices and graduates in Bristol to support the UK’s digital sectors.

2,500
Bristol Assembly is designed to cater to the needs of up to 2,500 colleagues
50
We’re hiring nearly 50 apprentices and graduates in Bristol

Progress against our strategic framework continued

Create standout customer experiences

[Read more about our real world impact and the wider social value created by BT Group.
bt.com/annualreview](#)

Outstanding service and experience

We’ve continued to invest in delivering positive experiences for our customers. This year, our overall performance was good despite service levels being affected by industrial action and customers’ cost of living challenges.



Improving the skills of our engineers to improve customer experience

Over 29,000 of our engineers are able to use our ‘skills passport’ to better themselves, and improve the levels of customer experience they provide.

This tool brings together all the resources needed for our field engineers to enhance service quality and improve customer experience. The investment in our engineers has resulted in more successful customer visits and positive feedback from customers.

“ Our engineer was very knowledgeable and polite, spending time explaining things to me. They were very meticulous and checked everything was as it should be and replaced what they could.

Customer testimonial

>91%

Customers rated over 91% of our engineer visits 8 out of 10 or higher

- Our overall net promoter score (NPS) marginally decreased this year. The cost of living challenges affected our Consumer brands and the wider market overall which was partially balanced out by positive perceptions from our corporate customers
- All of our brands were winners in the 2023 USwitch awards. EE won fastest mobile network, BT won most reliable broadband and Plusnet was the best broadband provider
- We were 2022 UK Customer Experience Awards winners for Best Customer Experience and Best Customer Experience in a Crisis
- There were 2 and 7 complaints to Ofcom per 100,000 customers for EE mobile and EE broadband respectively, both the second best in the industry
- There were 10 complaints to Ofcom per 100,000 customers for BT broadband, a rate that continues to be better than the industry average
- Perceptions of our BT Consumer fixed and EE Consumer mobile networks remained broadly flat across the year, despite a 9.1% increase in demand for fixed data and a 20% increase for mobile data
- Our network fault rate in Openreach (faults per 1,000 lines per annum) is 4.8% lower year on year
- Openreach recorded a 13.5% reduction in copper repair volumes year on year
- Despite facing unprecedented industrial action, Openreach was able to achieve 32 of the 35 regulated service measures set by Ofcom for both the business and residential markets, narrowly missing the remaining three

[For more information on our Group NPS see page 48](#)

2.4m

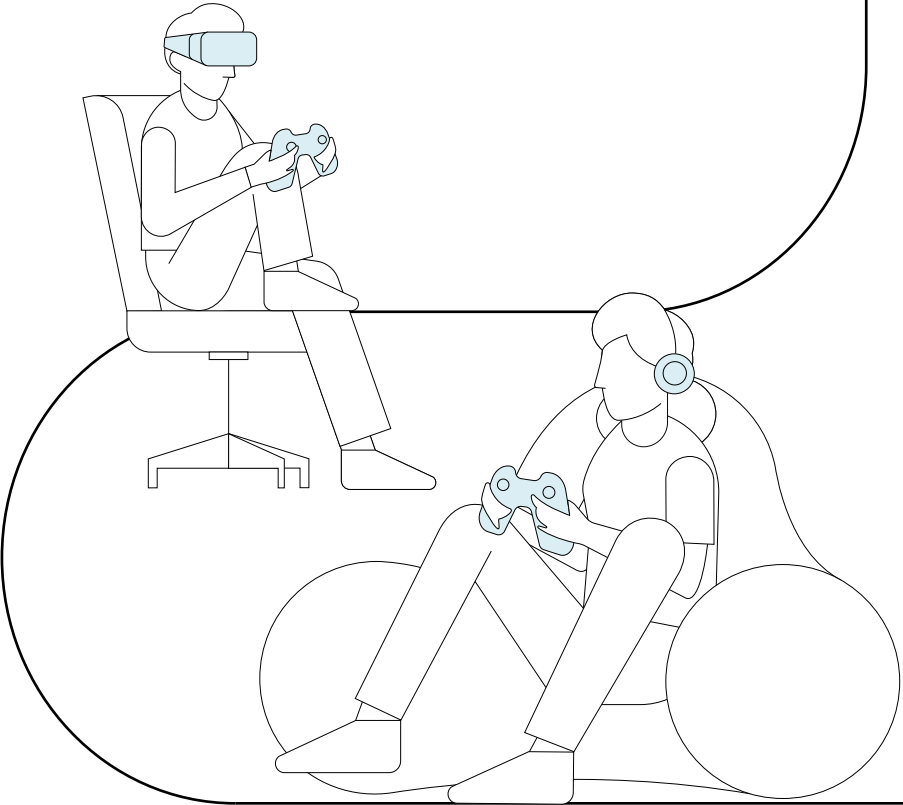
Aimee, our in-app messaging and automated assistant, completed over 2.4m conversations and delivered a +2 rise in NPS

The 2022 Samsung One Awards named us Network Operator of the Year

4m

On average, EE blocks over 4m unwanted calls and spam messages a week

Progress against our strategic framework continued
Create standout customer experiences continued



Smarter, differentiated solutions and outcomes

We want our solutions to improve customers’ lives and deliver the outcomes they want. This year we continued to enhance our offering as we seek to give our customers the latest converged, intelligent connectivity services.

>50%

We were the first UK internet provider to offer an unbreakable wi-fi connection at home that’s backed up by the award-winning EE mobile network with Halo 3+ – and our subscriber base has grown over 50% year on year



- EE was the first mobile network globally to offer Apple One exclusively as part of our Full Works for iPhone offering
- BT TV is now available aerial-free – the BT TV Box Pro’s new internet mode lets customers plug in and connect to our Smart Hub to start streaming via wi-fi
- We launched EE Security – a smart security system powered by Verisure and Norton
- We launched EE Supercharged – a portfolio of leading gaming consoles bundled with cloud gaming access and unlimited gaming data
- The SoHo distribution network continues to grow – with partnerships including Barclaycard Payments, Checkatrade and Just Eat
- We launched EE connected laptops – making it easier for sole traders and micro-businesses to run and grow their business online from anywhere
- Our new multi-cloud connectivity solutions extend our network reach into important carrier-neutral facilities like Equinix. This means our customers can access a lot of different cloud-based apps and services without needing individual connections for each one



Social tariffs for broadband and mobile

Many people are dealing with financial uncertainty, and we know it’s difficult. We’re dedicated to supporting our most vulnerable customers in the cost of living crisis.

180k

EE Basics and Home Essentials is directly helping nearly 180,000 customers

3m

3m customers excluded from April 2023 price increases

We’re helping our most vulnerable customers during these tough times. Our research shows that many British adults struggle to improve their situation without connectivity and that is why we’re committed to providing connectivity support to those who need it the most.

We offer our BT Home Essentials broadband and EE Basics mobile to eligible customers which helped almost 180,000 customers this year. We also excluded 3m eligible customers, including those on social and discounted tariffs, from the April 2023 price increase.



999 call answering

Since 1937, BT Group has been handling 999 calls in the UK, providing support to the emergency services round the clock, every day of the year.

Last year, our seven BT Group 999 call centres handled over 40m calls. Our 999 advisors faced unprecedented demand during major events such as the Platinum Jubilee celebrations, the passing of Her Majesty the Queen and

the FIFA World Cup. Since June 2022, our advisors have supported ‘999 BSL’, a video relay service enabling people with hearing difficulties to contact 999 in British Sign Language through a mobile app or website 24/7.

>40m

Our 999 call centres handled over 40m calls last year

Progress against our strategic framework continued

Lead the way to a bright, sustainable future

[Read more about our real world impact and the wider social value created by BT Group.
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A portfolio positioned for growth

We've continued to simplify and strengthen our business portfolio, making sure we maximise the value of our assets and partnerships.

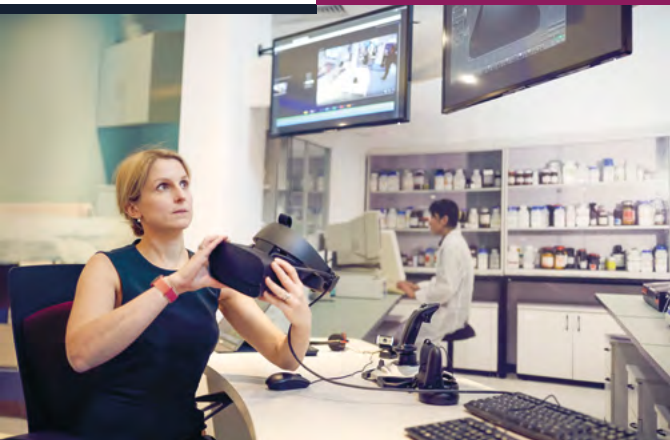
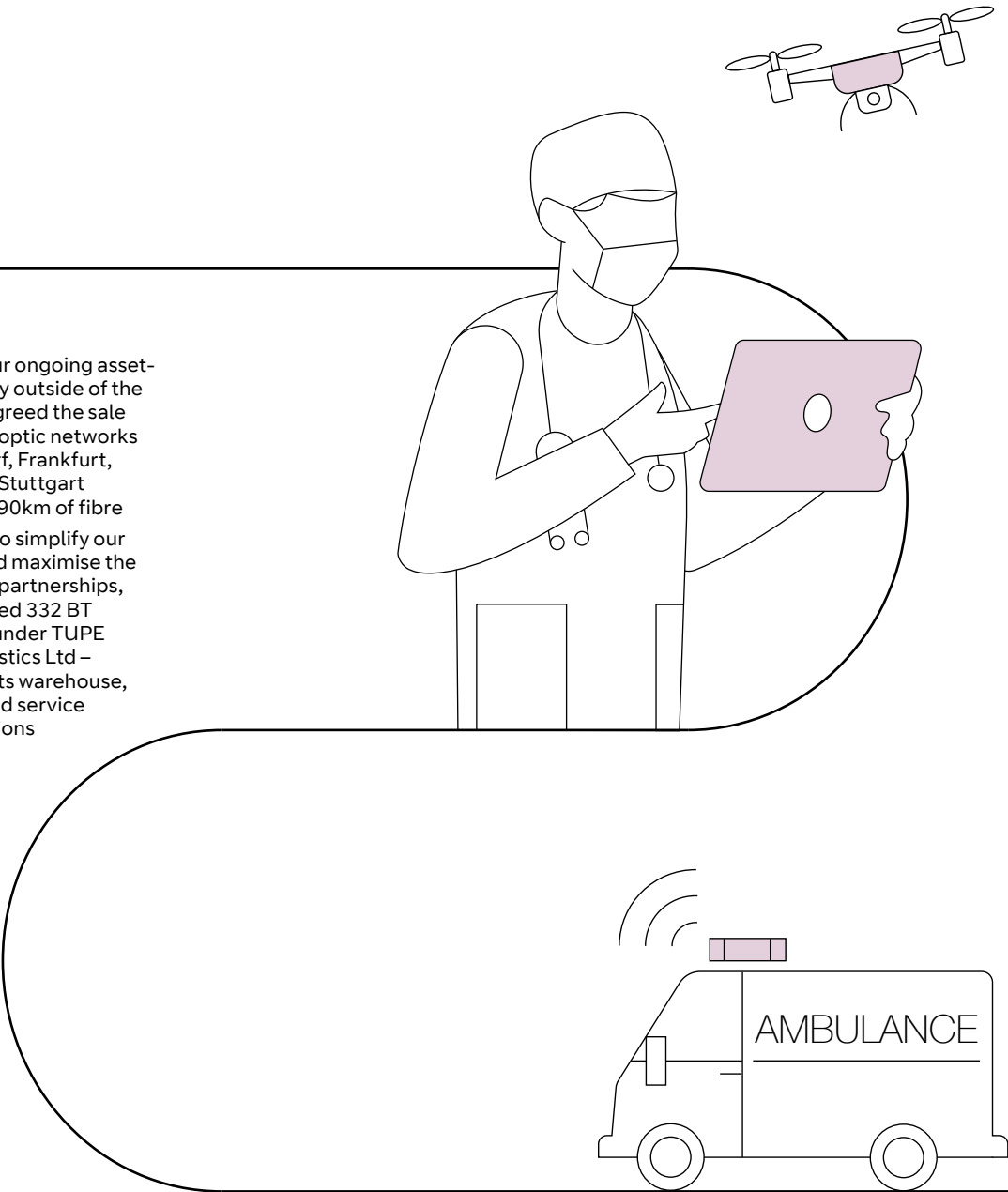


- To enhance the sports-related content available to our customers, BT Sport merged with Eurosport UK in September 2022, forming a 50:50 joint venture (JV) with Warner Bros. Discovery
- BT Sport has now transferred its assets and people to the new JV; both BT Sport and Eurosport UK brands will continue in the market for now but will be brought together as TNT Sports in the future
- As part of our ongoing asset-light strategy outside of the UK, we've agreed the sale of our fibre-optic networks in Düsseldorf, Frankfurt, Munich and Stuttgart totalling 1,590km of fibre
- In an effort to simplify our portfolio and maximise the value of our partnerships, we transferred 332 BT employees under TUPE to GXO Logistics Ltd – supporting its warehouse, transport and service desk operations



Incubating new tech-driven growth engines

We're investing in the future of connectivity. This year we've continued to focus on innovation and potential growth engines in areas where we feel we have a strong right to play.



Virtual Ward

BT Group is partnering with Feebris and my mhealth to provide virtual ward, virtual care and patient self-monitoring technology to support the NHS.

We're also developing a virtual care solution to improve the impact of these services for health providers. This technology can be used in hospitals, care homes and community nursing to monitor patients safely, reduce hospital admissions, and ease pressure on frontline services. Virtual ward has helped to reduce readmission rates by 50% and save £1,047 per patient.

50%

Virtual ward care has helped to reduce readmission rates by 50% and save £1,047 per patient

94%

Of patients felt more confident about being able to manage their condition from home

This year we...

£683m

Recognised £683m expenditure on R&D...

94

And our Adastral Park R&D facility made 94 inventions...

56


And published 56 key papers

- We saw 53% year-on-year sales growth on our Digital unit's Active Intelligence geospatial data insights platform
- We set up a Clinical Advisory Board with leading NHS professionals to make sure our new healthcare solutions meet NHS needs and will result in improved patient outcomes
- We invested £5m in Altitude Angel, the world's most trusted unified traffic management technology provider for drones

Progress against our strategic framework continued
Lead the way to a bright, sustainable future continued

A responsible, inclusive and sustainable business

We’ve made long-term commitments on how we’ll contribute positively to our country and society in the BT Group Manifesto. This year we’ve continued to deliver on our Manifesto commitments to be a responsible, inclusive and sustainable business.


 You can read our full Manifesto on page 36


56%

We’ve reduced our carbon emissions intensity by 56% since FY17

2030

We’re making investments to convert the majority of our fleet to electric or zero emissions vehicles by 2030


 Read more in our ESG Addendum at bt.com/esgaddendum

- We now have over 2,400 electric vehicles (EVs) in our fleet; over 1,000 were added this year which has saved over 2,200 tonnes of CO₂e (carbon dioxide equivalent emissions)
 - We helped customers avoid over 935,000 tonnes of carbon emissions
 - We recovered nearly 2m home hubs, set-top boxes and mobile phones for recycling and reuse
 - We recovered, reused and recycled 89% of our UK operational waste this year
-  See pages 38 to 39 for more information on our journey to net zero emissions and a circular economy



Skilling the nation

We’ve continued to champion digital inclusion and skilling the nation. This year we helped 4.6m people and over 465,000 businesses and their employees in the UK improve their digital skills – a total of 19.3m people since FY15.

- We held 15 Skills for Work bootcamps for nearly 500 11–13-year-old children
 - We’re helping children stay safe online with our PhoneSmart licences (see page 38) – we’ve issued over 1,300 since 2020
-  For more information on how we’re helping the future of tech be more diverse and inclusive, see page 37

4.6m

People in FY23

465k

Businesses and their employees

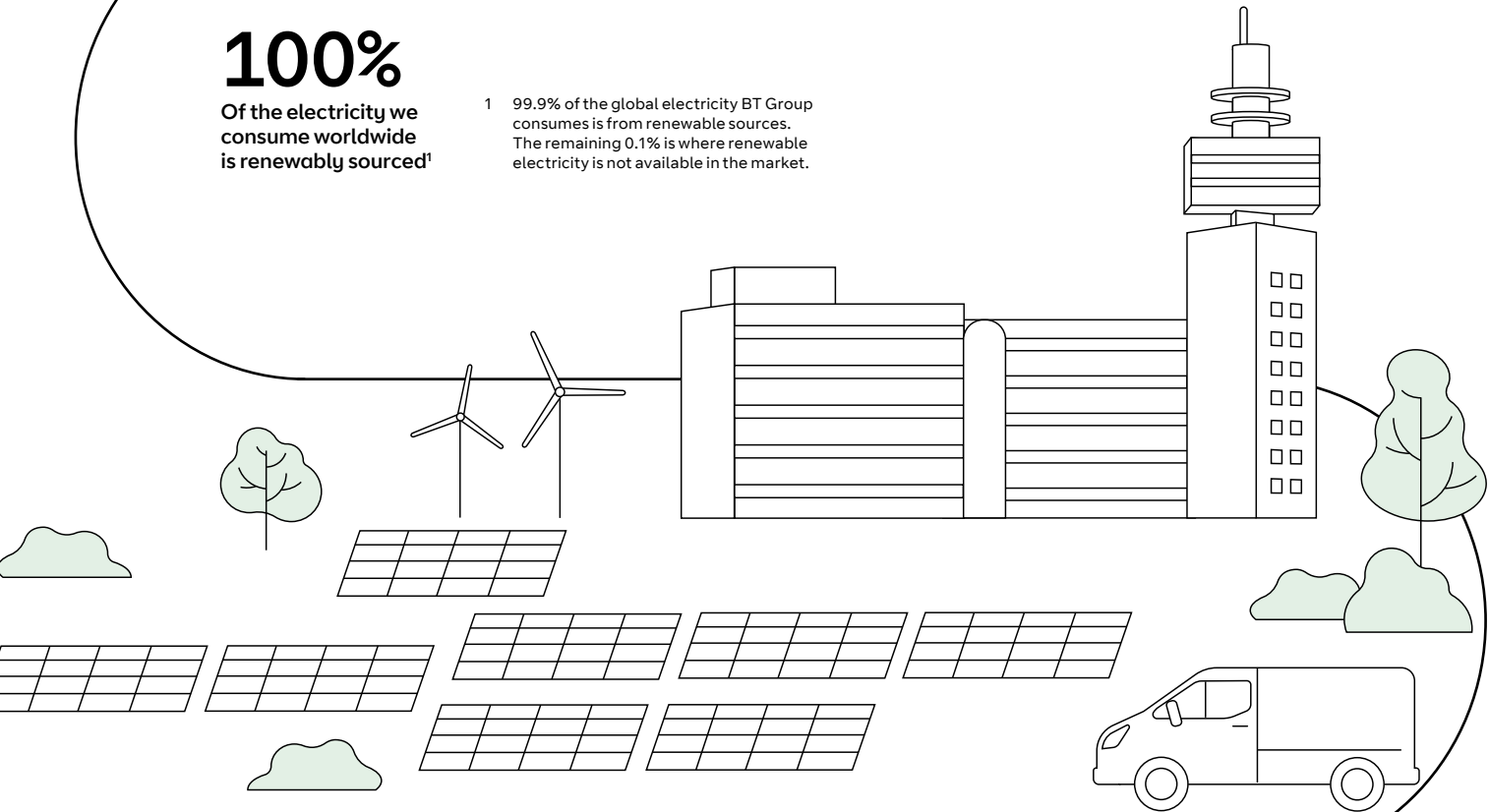
19.3m

People since FY15

100%

Of the electricity we consume worldwide is renewably sourced¹

¹ 99.9% of the global electricity BT Group consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.



Netwalks

Everyone is facing a lot of economic uncertainty and small businesses need more help than ever before. It’s not easy to provide support but BT Group and Small Business Britain have a chance to make a difference by supporting small businesses through this turbulent period.

This year we launched Netwalks which offers self-care, mental health support, early intervention and networking opportunities for small businesses. Over 100 businesses have joined,

and it offers networking events in 10 different locations through walks, gatherings and mentoring sessions.

95%

Over 95% of attendees would recommend these walks

40

Over 40 walks organised in two months, which helped hundreds of people



Hope United

We created Hope United to combat online hate. It is a team of elite footballers that raises awareness of different forms of hate, promotes understanding, and inspires action through marketing campaigns and our educational videos which teach people how to block, report, and mute online hate. This contributes to our goal of helping 25m people and business improve their digital skills by leveraging EE’s sponsorship of the Home Nations Football Associations.

7.4m

We’ve educated 7.4m people on how to be good digital citizens, tackling online hate through our Hope United campaign