



BT's Sustainability Report 2007

Employees



let's make a
better
world

Employees

We employ approximately 106,000 people around the world, including around 93,000 in the UK, where we are one of the largest employers. BT now serves customers in more than 170 countries and has employees in over 55.

Our people are crucially important to our reputation and success. They are our ambassadors and our public face, while on business and out of hours too.

Our approach is to treat our people fairly and responsibly, helping them achieve their full potential, while respecting their personal and community commitments.

Here we describe how we manage:

- [Workforce agility](#)
- [Pay and benefits](#)
- [Employee relations](#)
- [Diversity and inclusion](#)
- [Learning and development](#)
- [Health and safety](#)

Workforce agility

Agility and flexible resourcing help BT to adapt to changing business requirements and create sustainable value.

This includes:

- Insourcing: BT manages IT services on behalf of major customers. Employees that previously worked in the customer's IT department become BT employees
- Outsourcing: BT is transferring some of our non-core activities to suppliers who can manage these parts of the business more efficiently. Some employees that previously worked at BT will join the supplier company
- Global sourcing: some outsourced services are provided from a different country to that in which the customer is based.

Flexible working

By flexible working, we mean giving our people the ability to take control of their work-life balance. We do this by raising awareness of the various working patterns available, using information and communications technology (ICT) to help our people work from different locations and by offering different ways of working, such as job share. Our flexible working policies help our people to balance their different commitments in a changing world.

Achieving the Balance, our flexible working portfolio, covers flexible working, home working, part-time working, job sharing, maternity and paternity leave, adoptive leave, parental leave, special leave and leave for carers.

Our people tell us that they benefit from flexible working. Employees can continue in their careers while being able to take their children to school, avoid long commutes to the office or look after elderly or sick relatives, for example.

In our experience, there are business benefits too, as employees work hard to repay the trust placed in them to do a good job without direct supervision. We have in place a number of practical tools to help line managers make informed decisions about requests for flexible working, to balance the needs of the individual with those of the business.

In March 2007, we had approximately 5,000 part-time employees, nearly 435 job sharers and around 10,000 people working from home.

Using ICT to support flexible working

Mobile technologies such as laptops with wireless internet connections and handheld personal organisers make possible flexible ways of working such as hot-desk office sharing and working from home.

This flexibility helps to create a more inclusive workplace for people with disabilities, carers and those returning to work after a career break. BT is a strategic partner of [Work Wise UK](#), a five-year initiative which aims to encourage the widespread adoption of more flexible working practices.

Global flexibility

In the 2008 financial year, BT will focus on providing the same flexibility we offer in the UK to our global workforce. We will analyse the current situation in each country, to help us build on the benefits we have experienced in the UK.

Flexibility benefits customers

Customer service is a critical element of our business. Our flexible working policies help us attract and retain the

best people. We believe our customer service is improved when our employees feel satisfied with their work-life balance.

Insourcing

BT now manages ICT services for many of our major customers including [PepsiCo](#), [Bristol Myers Squibb](#) and [Schlumberger](#).

Employees who previously worked in the customer's ICT department become BT employees. From BT's perspective this is known as insourcing. In the UK, insourcing is governed by the [Transfer of Undertakings \(Protection of Employment\) Regulations \(TUPE\)](#).

BT's approach

BT works closely with our customers to manage the transition. We want future employees to feel that they have been treated fairly in regards to the transfer.

We try to set realistic target dates so that we meet trade union and employee expectations. The BT human resources project manager is supported by a team with expertise in employee communications, employment law, pensions, employee services and payroll.

Employee communication is vital. We work hard to communicate the benefits of the change and give employees access to the information they need. Communication methods include:

- Employee intranet site (including a newsletter and facility for answering employee questions)
- Road shows that provide information on BT and enable potential employees to ask questions
- One to one sessions with employees
- Welcome/induction sessions.

Outsourcing

Some of our support and transactional operations are provided by external contractors where it is operationally and commercially effective.

Outsourced operations include:

- Human resources contracts, pensions, recruitment and training (by [Accenture HR Services](#))
- Payroll, finance and accounting activities (by [Xansa](#) and [Accenture](#)).

We used to do this work ourselves. In the UK, the transfer of BT employees to a supplier is regulated by the [Transfer of Undertakings – Protection of Employment \(TUPE\) regulations](#).

Responsible outsourcing is a must

Automatically favouring the lowest bidder can lead to expensive mistakes when outsourcing services. This was the warning of Andy Green, CEO of BT Global Services, during a debate on the issue at the [World Economic Forum \(WEF\) held in Davos, Switzerland](#).

He said managers should always ask "what is the long-term competitive advantage that will allow a vendor to do a particular job cheaper than us?"

BT outsources some of its activities and also supplies services for others (known as insourcing). Outsourcing services is a key part of modern business because it has the potential to improve efficiency. The long-term success of the practice depends on acting responsibly when choosing vendors and dealing with people.

Global Sourcing

Global sourcing is a form of outsourcing where services are based in a different country to the customer. It includes the practice known as offshoring. All BT divisions have elements of customer care provided by globally-sourced companies in countries such as Brazil, India and Hungary.

- **OneIT**, BT's IT arm, outsources some of our software development to India. Much of this is done by [TechMahindra](#), a joint venture software development company in which we have a 43% stake
- **BT Retail** has the majority of its call centres in the UK and operates two offshore contact centres in India. These are provided by our strategic offshore partners, [Infosys BPO](#) and [HCL](#), in Bangalore and Noida respectively. These are managed on a remote basis against the Retail Customer Services operational blueprint with BT providing on-site management.
- **BT Global Services** outsources elements of market intelligence to specialist providers in India. They support the BT Global Services marketing teams across the world.

We don't believe that global sourcing is socially irresponsible or incompatible with our stance on corporate social responsibility. It helps us find the right skills to meet the needs of our customers, wherever they are based.

But it is important that we work with our suppliers to make sure their employment and environmental standards match our own. See [Suppliers](#) for more information. In 2004, we commissioned an independent Hot Topic on global sourcing, see [Good Migrations](#).

Pay and benefits

Our benefits package must be competitive if we are to continue to recruit and retain the best talent. This section explains our approach to:

- [Benefits and reward](#)
- [Equal pay](#)
- [Pensions](#)

Benefits and reward

We provide competitive salaries and a range of other benefits, such as share ownership, pensions and bonuses, to help us recruit and retain the best people.

We have three share schemes to promote employee ownership:

- Saveshare – an option to buy shares at a discounted rate. More than half of BT employees participate
- Allshare – gives employees the right to receive free shares based on company-wide performance
- Directshare – employees may buy shares from their pre-tax salary each month. More than 15% have done so.

In the 2007 financial year, our lowest main scale starting salary was £10,400 for a 36-hour week (£5.53 per hour).

Choices, our flexible benefits programme for UK managers and professionals allows individuals to customise their benefits package by trading salary for additional benefits..

In our 2007 employee survey, 52% of respondents agreed with the statement 'Overall, I think that my benefits package (holidays, pensions etc.) is good compared to the package offered to people in other companies who hold similar jobs'.

Equal pay

Our approach to equal pay encompasses gender, ethnic origin and disability. We have played an active role in the gender pay debate over a number of years, see our [previous reports](#).

BT continues to address these issues holistically. We have Board support to close the pay gap and our pay review processes include guidance on creating a fair and equitable performance-based reward system. All employees of non-managerial grades are now on the same pay structure and this has significantly reduced the scope for inequality.

In recent years we have:

- Changed our promotion remuneration procedures, from a percentage of base salary to a comparison with peers and the market
 - Focused our pay review on the lower end of our pay scales, where there are more women
 - Carried out a pay audit following each pay review, based on key measures agreed with our unions.
- Work-life balance is key to eliminating barriers to the progress of women in the workforce.

Equal value

While jobs may be different they can be of equal value because of the similar demands made of the employee.

A recent UK court case (Enderby v National Health Service) concluded that collective bargaining and market value could not justify the difference in pay between men and women – equal work must be given equal value. The UK's Equal Opportunities Commission (EOC) has made this issue a priority.

Equal pay for equal value remains high on the BT agenda and we believe we are making good progress on the matter.

Pensions

The BT Pension Scheme, now closed to new entrants, is one of the largest funds in the UK, with assets of more than £38 billion. The scheme currently has 74,391 contributing members, 176,592 pensioners and 97,634 deferred members.

Most employees have chosen to belong to the scheme and contribute six per cent of their salary. BT pays the balance of cost (currently 13.5% of salary). In addition, the company is paying £280 million per annum to reduce the scheme deficit. The BT Pension Scheme is a defined benefit scheme, with the benefits linked to members' final BT salary (not the performance of the pension fund). The normal retirement age is 60 although members may retire later.

In 2006, new tax rules were introduced in the UK to simplify pensions. BT Pension scheme members now have more flexibility in their pensions, including the ability to draw their pension from age 50 onwards while still in employment. The scheme has introduced a number of changes to comply with both pension simplification and new UK age discrimination legislation.

The BT Retirement Plan was introduced for employees joining BT from 2001 onwards. The Plan is a defined contribution scheme, with the pension that members receive linked to the contributions paid, the performance of the fund, and annuity rates at retirement (rather than their final BT salary). There are currently 14,368 contributing members and 1,146 deferred members. The value of the fund is approximately £143,503,452 million.

Hermes Pensions Management Limited

The BT Pension Fund is managed on behalf of the fund trustees by Hermes Pensions Management Limited, a wholly-owned subsidiary of the BT Pension Scheme. During the 2007 financial year a trust corporation, BT Pension Scheme Trustees Ltd, became the sole trustee of the scheme. The former individual trustees became directors of the new company. These include BT and trade union nominees, with an independent chairman. See [BT Pension Scheme](#).

Hermes is considered a leader on issues of corporate governance and shareholder involvement. More information is available on the [Hermes](#) website.

Employee relations

Good employee relations are vital to a strong, healthy and successful company. Here we explain our approach to:

- Employee engagement
- Trade unions
- Employee grievances
- The BT European Consultative Works Council
- Employee communications
- Employee privacy

Employee engagement

We conduct a number of formal employee surveys. The most important is the annual BT-wide Communications and Attitude Research for Employees (CARE) survey. This gives all our people an opportunity to express their views on a range of issues.

We contracted specialist consultancy [Kenexa](#) to run the CARE 2007 survey on behalf of BT. Kenexa has strong experience and expertise in employee engagement and surveys and is helping BT enhance the CARE survey process.

In 2007, we received 78,404 completed CARE questionnaires, representing 74 percent of employees.

Employee engagement index

A key indicator in the CARE survey is the Employee Engagement Index. This is a measure of BT peoples' overall level of engagement and motivation with regard to their job, colleagues and customers. The index for the 2007 financial year was 65 percent – the same as in both 2006 and 2005.

A specific employee engagement report is produced from the survey results. This contains the scores for each question that makes up the index, and helps us understand what engages or disengages a team.

Responses to the four questions that experts say give the best indication of engagement were:

- The work I do provides me with a sense of achievement – 68% (new question in 2007)
- Overall, how satisfied are you to be working for BT? – 67% (66% in 2006)
- I feel proud to work for BT – 68% (70% in 2006)

- Working for BT makes me want to go beyond what is required of me, to help the company to achieve its goals – 68% (new question in 2007).

We also ask our employees about other aspects of their work that relate to our CSR strategy. Examples include diversity, work-life balance, legal and regulatory compliance and safety:

- My manager's actions show they value and respect diversity – 76% (77% in 2006)
- The actions of the people in my team reflect the organisation's values – 78% (78% in 2006)
- My personal life suffers due to the demands of my job – 54% (52% in 2006)
- My manager is supportive if I have to take time off for home/family emergencies – 83% (83% in 2006)
- The company helps me to comply with our legal and regulatory obligations – 78% (80% in 2006)
- My manager actively promotes safe working behaviours – 80% (80% in 2006)

Follow-up action

Each manager receives a report of the CARE survey results for their team. We encourage them to work with their team to analyse this feedback and use the results to make improvements. This helps them monitor the impact of their decisions and review their management style.

All line managers have access to CAREport. This is a website containing tools, information and resources to help interpret their report, discuss the results with their team and develop an action plan.

Trade unions

In the UK, BT recognises two trades unions: the [Communications Workers Union](#) (CWU), which represents over 60,000 UK based BT people in non-management grades; and Connect, which represents around 15,000 UK based BT people, predominantly managers and professionals.

The CWU is the biggest union for the communications industry in the UK, with members working for the Post Office, BT and other communication and IT companies, cable TV and the Alliance & Leicester. BT conducts its relationship with the CWU through Officers and their [National Executive Council](#). There is constructive dialogue at national level and a practical working relationship at branch level.

[Connect](#) is a specialist union representing managerial and professional employees in the communications industry - largely in BT. Again, there is a constructive dialogue.

Both unions engage with BT to improve the terms of employment for their members and play a constructive role in helping BT implement change effectively. We maintain a good working relationship with both unions and provide facilities for their representatives to facilitate effective dialogue.

Examples of the issues we have discussed with the unions include:

- Remote sourcing of work
- Changes to work patterns to implement customer-friendly working practices
- Agile (flexible) working and growing our people's skills to meet new business needs.
- Workfit employee campaigns

Managers are expected to consult their employees and relevant union officials before introducing significant employment change. The unions have a good track record of co-operation with BT. In the 2006-07 financial year, no industrial action was taken.

Social Dialogue

As a member of the [European Telecommunications Network Operators' Association](#) (ETNO), BT takes part in sectoral social dialogue with our social partners, employee representatives [Uni Europa](#). In 2006 Diversity experts from BT participated in a Diversity Working Group that received funding from the [European Commission](#) to create a brochure, available in 6 European languages, which shares good practice in Equality and Diversity amongst ETNO members. This was completed in 2007, [European Year of Equal Opportunities for All](#).

Employee grievances

BT has a grievance procedure that gives employees the chance to have their complaints and issues formally investigated in a comprehensive, professional manner.

There is an appeal stage for employees who remain concerned after the first stage of investigation. We also go beyond the best practice recommended by [ACAS](#), the UK advisory service on employment relations, by offering a high-level review by a senior manager who is independent of the case.

Each high-level review is analysed by the management team of the relevant business line. Learning points are regularly reviewed across BT.

In 2006 BT trialled an innovative new approach to managing grievance cases. This project management based approach has halved the average cost and time taken to handle a case. Those involved in the process report that it has significantly improved the experience of handling grievance cases. The process will be implemented across the company in April 2007.

The BT European Consultative Council

The BT European Consultative Council (BTECC) provides an opportunity for trans-national dialogue and exchange of views between management and employee representatives in the UK, Ireland and continental Europe.

We believe that the interests of our business – and all those involved in it – are best served through a common understanding of our performance, operating environment and market places.

The BTECC focuses on the performance and strategy of the BT group, on jobs and employment plans, and on the commercial and regulatory factors affecting our operations. Other relevant issues such as training, health, safety and the environment may be included.

The BTECC is chaired by BT's CEO and attended by other senior executives. Employee representatives are drawn from BT's operations across Europe. Participants are chosen according to the practice and legislation in each country. The representatives chosen must reflect BT's equal opportunities policies. Representatives serve on the Council for four years, long enough to understand and follow up the issues.

The BTECC meets at least once a year – normally within three months of the announcement of the group's annual results. There is also the opportunity to convene an extraordinary meeting.

A sub-committee of the BTECC meets four times a year to discuss specific issues in BT Global Services. The sub-committee is chaired by a senior representative of Global Services. Employee representatives are drawn from UK trade unions, works councils and other bodies.

Most of our continental European operations have works councils representing employees.

Employee communications

We strive to keep our people informed of company activities. This is essential if we want to keep everyone motivated and supportive of BT. Equally, we create opportunities to listen to and act on our people's views and ideas.

BT Today, our in-house newspaper, is sent to more than 174,000 employees, pensioners and opinion formers. It helps make sense of what's going on in the company and contains a letters page where our people can express their views.

BT Today is updated on our intranet regularly throughout the day and features a constant flow of news about BT and our industry. The site covers all media releases, comment and features about BT.

Talking Point – part of BT Today online – is a forum for employee opinion, feedback and debate on topics such as work-life balance, driving safety and broadband.

We are enhancing our intranet with a suite of new social media tools. Users can:

- Share knowledge, ideas and opinions through BTpedia – a company-wide, collaborative encyclopaedia
- Manage the information they receive by subscribing to relevant news, or RSS, feeds
- Chat with colleagues and share thoughts and ideas on a weblog using MyPages, our internal social networking service.

We communicated our third quarter results across the group using a podcast, among other channels, to be as inclusive as possible in our internal communications.

BT's CEO holds regular web chats where employees can raise questions and put forward views and ideas to which he responds in real time. Each line of business has a strategy for two-way employee communications on more local issues, in addition to these corporate channels.

Employee privacy

We have several policies governing the use of BT telephones, email and the internet by employees. All employees have been made aware that email and internet access may be monitored and that certain types of message and use of the internet are considered inappropriate while at work. This is common business practice. BT does allow reasonable use of personal email.

Diversity and inclusion

We believe that inclusion is essential to social stability and long-term economic growth – two important foundations for profitable business.

Creating an inclusive society is a key part of our CSR strategy, and making BT an inclusive company is an important part of this.

Our approach is one of leadership and best practice:

- Leadership in diversity – We develop diversity programmes that lead the way for others, and contribute to external debate on diversity policy
- Best practice – By using best practice, we create a workplace where all employees are treated fairly and without discrimination. We enable all our employees to give their best and ensure our workforce reflects the diversity of the countries in which we operate, and the customers we serve.

Equal opportunities policy

Our Statement of Business Practice states that we will "treat all individuals fairly and impartially, without prejudice, and never tolerate harassment in any form".

This principle is supported by our [Equal opportunities policy](#), available as a PDF download.

Leadership in diversity

We aim to lead by example in our diversity policies. We share our experiences with others and contribute to the development of diversity legislation.

We are proud to highlight a few of the initiatives in which we participated during the 2007 financial year:

- Disability – Our [award winning](#) Able to Work project is increasing the number of people with disabilities applying for opportunities to work with BT
- Sign language – We use [British Sign Language on our website](#)
- Globalisation – BT CEO Ben Verwayeen hosted a breakfast on equality and diversity at this year's [World Economic Forum](#) in Davos
- Mental health – Our Positive Mentality campaign tackles mental ill-health, the most common cause of incapacity in the developed world
- Age – Changes to our policies mean that in January 2007 we have almost 1,500 more employees aged over 50 compared with March 2006

We are members of the following organisations in the UK:

- [Business in the Community](#)
- [Employers Forum on Disability](#)
- [Opportunity Now](#)
- [Race for Opportunity](#)
- [Employers Forum on Age](#)
- [Stonewall](#)
- [Working Families](#)
- Employers for Fathers
- Employers Forum on Belief.

BT works with several organisations to benchmark its practices and promote equality and diversity. For example, BT came 13th in Stonewall's 2007 [Workplace Equality Index](#) of the top 100 employers for gay people in Britain. We achieved the top standard in Business in the Community's [Opportunity Now](#) programme, which promotes inclusiveness for women. We have also signed up to the [UK Resource Centre](#)'s chief executive officer charter, which aims to increase the participation of women in science, engineering and technology.

BT's equality and diversity champion in the UK is Clive Ansell, Group Strategy Director, who chairs our Global Equality and Diversity Forum. The forum is composed of Diversity Champions, senior managers from each of our business units. Their role is to create, sustain and deliver our global equality and diversity strategy. Senior managers also lead specific groups, including race, gender, age, disability and sexual orientation.

We followed best practice diversity guidelines when designing our company-wide Global Leadership Capabilities Model. We interviewed a number of role-model leaders, some of them from minority groups, to ensure all views were reflected. The model was validated using a series of workshops and further interviews, and we held a specific workshop for representatives of our diversity networks to provide feedback. The group were positive about the model and are keen to help us promote it within their networks. The final product is a robust and valid model of leadership behaviour. We will monitor this over the next year to ensure there are no adverse impacts on minority groups.

Diversity in recruitment

It is crucial that our people reflect the diversity of our customers and are able to meet their ever-changing needs. We work with a range of employment agencies, universities, schools and college careers offices. We inform them of the variety of jobs available in BT and that we welcome a wide diversity of people into our business. Representatives of BT's People Networks attend careers fairs to promote BT as a place to work.

In the 2007 financial year:

- 15% of our new recruits were from an ethnic minority background – including 17% of new graduates and modern apprentices – compared with 9% of BT's total workforce
- 26% of our new recruits were women – including 30% of new graduates and 20% of modern apprentices – compared with 22% of BT's total workforce
- 0.18% of our new recruits had a disability as defined by the [UK Disability Discrimination Act](#) (DDA) – including 4% of new graduates and 0% of modern apprentices – compared with 2% of BT's total workforce.

Opportunities for career progression are very important. In the 12 months to March 2007, of those promoted into or within management positions, 26% were women and 10% from ethnic minority groups.

These figures do not include BT people who work outside of the UK.

Encouraging diversity in engineering

BT Openreach began to recruit a significant number of engineers during the 2007 financial year. This provided an opportunity to redress imbalances in the workforce by encouraging applications from women and people from ethnic minority backgrounds.

At the start of the recruitment campaign, 1.2% of Openreach engineers were female and 6.5% were from an ethnic minority.

BT's recruitment agencies encouraged applications from women and ethnic minorities through niche marketing strategies and specialist organisations.

Interviewers for the engineering jobs received refresher training that focused on diversity. They were encouraged to identify people with the potential to develop technical skills, rather than with direct technical experience.

As of 31 March 2006, 10% of applications were from ethnic minority people and 7% from women.

Ethnic Minorities

9% of BT people have declared themselves to be from an ethnic minority. This represents 9% of non-managers, 10% of managers and 10% of senior managers.

In 2006-07, 15% of our new recruits came from an ethnic minority background, including 17% of new graduates and modern apprentices.

Race for Opportunity

We took part in Business in the Community's Race for Opportunity benchmarking survey in 2006. Race for Opportunity is a growing network of UK private and public sector organisations that promotes the business case for race and diversity. A total of 104 organisations participated this year – 68 from the private sector and 36 public sector organisations.

We scored 92 percent, an increase of 2 percent from last year, achieving the benchmark's gold standard. The average score was 68 percent, and the average for our sector was 56 percent.

BT's Ethnic Minority Network

The vision of BT's [Ethnic Minority Network](#) (EMN) is to develop and encourage our ethnic minority community to achieve their full potential, and to support BT's global aspirations. The network is sponsored by [Robin Pauley](#), BT President of European Affairs.

The EMN's objectives are to encourage greater diversity at all levels of BT's workforce while creating commercial, community and individual benefits for BT and its people. The network also aims to help create a level playing field for all BT people and to inform decisions about recruitment, development and training.

The EMN is open to all ethnic minority employees. It runs a series of workshops covering areas such as career planning and managing cross-cultural communications. Most members – 84% – feel these events have been useful to their careers.

The network communicates through formal events, their intranet site and a quarterly newsletter, Aequalis.

The EMN participated in BT Diversity Week in December 2006. It provided a lively schedule of events including webchats, podcasts, quizzes and interviews. These aimed to increase awareness of BT's policies on ethnic minority inclusion, and to celebrate the different cultures of BT people.

People with disabilities

A significant number of people in our society have disabilities and BT's employees are naturally representative of the society in which we operate. Many BT people have, or may develop, a disability and we are committed to developing leading edge policy and approach to supporting our people with disabilities. We scored 98% - first place - in the latest [Employers Forum on Disability Benchmarking exercise](#), demonstrating our commitment and leadership in this area. 2% of our employees have declared a disability; that's 2% of non-managers and 1% of managers. We believe that there is under-declaration in this area as 4% of people who responded to CARE 2007 believes they have a disability. In March 2006 we launched our personal data validation exercise to offer people the opportunity to check their personal data and declare their disability if they had not before.

Disability and recruitment

BT is a [Two Ticks employer](#). This is a UK scheme recognizing companies that employ disabled people. We interview all disabled applicants that meet the minimum criteria for a job and consider them based on their skills and experience.

We provide placements for disabled people through [Scope's Leadership Recruitment scheme](#) and, more recently through a pilot with [Prospects](#), the employment arm of the National Autistic Society.

Able to Work

Our [award-winning](#) Able to Work initiative increases the number of disabled people employed in our Customer Contact Centres. More than 500 people have applied for work through the initiative, 200 have been offered jobs and 70 are in post.

Enable

People with sometimes require changes to their job, or new equipment, technology or services. BT's Enable programme provides advice from independent disability consultants, [Churchill, Minty and Friend](#) as to what is available and how to implement any such adjustments. Enable has helped around 600 employees since 2003. We have also created a Guide to Reasonable Adjustments, to help our line managers handle these changes.

AbilityNet

We provide support and office space to [AbilityNet](#), a national charity that adapts technology to help disabled people use computers. AbilityNet offers these services to BT people.

Raising awareness

Able2

Able2 is our disability People Network. It provides advice for disabled people, their line managers and colleagues, and those serving customers with disabilities.

During BT Diversity Week 2006, Able2 held road shows in Belfast, Glasgow and Gatwick. Disability organisations including the [RNIB](#), [RNID](#), the [MS Society](#) and [Ulster Supported Employment Ltd](#) attended.

Positive Mentality

Positive Mentality is a campaign to encourage employees to care for their mental health. In 2006, we ran a series of road shows around the UK with mental health specialists the [Sainsbury Centre for Mental Health](#) and [MIND](#).

Working with... fact sheets

We have produced a series of fact sheets to help our workforce understand common disabilities. They include personal perspectives from BT people on living and working with each condition, challenge common stereotypes and give links to further information.

The Asperger's Syndrome SharePoint

This website was created by an employee who has Asperger's Syndrome. It supports a community of employees with Asperger's, their managers, parents whose children have the condition and others with an interest.

Development for people with disabilities

Valuing Ability workshop

Sponsored by BT Retail and developed in partnership with the Able2 network, Valuing Ability is an annual personal development workshop for BT people.

Age

People can make assumptions about others based on their age. This can cause them to treat people differently just because they are younger or older than them.

Individuals can experience discrimination as a result of these assumptions, and be denied fair treatment in areas ranging from recruitment to training and promotion. Younger workers are sometimes overlooked because people think they lack responsibility or experience. Equally, older people are often considered unsuitable for jobs in technology and other newer areas.

At BT, we believe in merit. All employment decisions are based on the skills and attributes of individuals. Mixed-age teams help us to understand all our customers' needs and benefit from a richer diversity of opinions and experiences.

Using age stereotypes to determine who is recruited or promoted fails to take into account the individual and the skills they offer. This is not only poor business, but also unlawful. In the UK, the [Employment Equality \(Age\) Regulations 2006](#) came into force on 1 October 2006.

But age equality has been part of BT's agenda for much longer. In 1996, we were a founding member and the initial chair of the [Employers Forum on Age](#), an independent network of leading employers who recognise the value of an age-diverse workforce. Our Age Champion Aaron McCormack, CEO of BT Conferencing, sponsors age diversity in BT.

BT sponsored the charity [Help the Aged's Living Legends Awards 2006](#), which recognised older people who have achieved amazing things. BT was also a lead sponsor of the [Employers Forum on Age's](#) 10 year anniversary gala dinner in October 2006. BT manager [Becky Mason](#) received an award for her contribution to the age diversity agenda.

Click on the icons below for comprehensive employee age data since 2001.

Age of Change

To prepare for the UK Employment Equality (Age) Regulations 2006, we conducted a thorough audit of our policies and practices. We used the results to create an action plan, which was implemented across BT by our Age Action Team of human resources specialists.

We also ran an internal communication campaign called Age of Change to help affect cultural change in UK society. This included an e-learning course, fact sheets for managers, guidance and quizzes to inform people about the UK Age regulations, BT's policies, and our people's responsibilities.

Flexible retirement

On 1 October 2006, BT introduced a flexible approach to retirement. There is now no fixed retirement age, so people who wish to can continue to work for us beyond our previous retirement age of 60. More than 1% of our employees are now aged over 60.

Gender

Our gender equality strategy aims to ensure that women and men have equal opportunities to work for and progress in BT.

Employee profile

In the 2007 financial year, 22 % of all BT employees were women – 21 percent of non-managers, 24 % of managers and 16 % of senior managers.

26% percent of our new recruits were women – including 30% of new graduates and 20% of modern apprentices.

Click on the icons below for comprehensive data since 2001.

Ensuring gender equality

Chris Ainslie, Vice President of Systems Integrators and Channel Partners, is BT's Gender Champion and sponsors gender diversity. We take part in a number of initiatives to promote gender equality.

BT has signed up to the [UK Resource Centre's](#) CEO charter. This is a quality mark that recognises science, engineering and technology companies that have addressed issues important to women when choosing an employer. These include flexible working, opportunities for development and progression based on merit, and fair and equal pay.

The [BT Women's Network](#) supports women to achieve their full potential. The network provides contacts, mentoring, coaching, advice and guidance. It keeps a job-share register for anyone in BT wishing to find a job-share partner. There are satellites of the Women's Network in Benelux, Germany, Spain and the USA. We also have an Executive Women's Network to provide focused support for women who aspire to the highest levels in BT.

BT is a member of [Opportunity Now](#), a network of employers promoting inclusiveness for women. In their most recent benchmarking exercise, we were rated platinum – the highest possible rating – with a score of 98 percent. The average score was 72 percent overall and 61 percent in our sector.

BT is an [exemplar employer](#). This initiative was launched in response to the UK Women and Work Commission's recommendation that the Government identify best practice employers to share their expertise with others. Exemplar employers offer women flexible career paths and work options, including quality part-time work.

BT parents

BT has long provided more than the statutory minimum requirements for new parents. Our Maternity Checklist ensures we provide appropriate support and keep in touch with new mothers. Fathers can take two weeks paid and two weeks unpaid paternity leave.

At BT, 99 percent of new mothers return to work after maternity leave, compared with a national average of 47 percent. Read more about our success in this area [here](#).

The [BT Childcare Salary Direct](#) scheme allows employees to save up to £1,000 on the cost of childcare. Employees can also visit the BT-sponsored [Netmums](#) website, which provides access to local support networks.

Recruiting women

Men and women choose different occupations. Women in the UK are more likely than men to work in administrative, secretarial and caring roles. Men are more likely to work in technical and engineering roles. This is true in BT. More than 60 percent of our Customer Service Contact Centre advisors are female, compared with only 1 percent of BT Openreach's engineers.

Find out how we are addressing this challenge [here](#).

People networks

BT people networks are groups of employees who come together because they have a mutual interest. They help provide a sense of identity and support for our people and facilitate greater understanding about minority groups within our workplace. The networks help BT contribute to an inclusive society.

Each network is sponsored by a senior manager, to provide a two-way link with management. Our people networks provide members with mentoring and networking opportunities, development programmes, annual conferences, information websites and regular road shows. They also ensure that resources such as community investment and education are fairly distributed. The networks help our business and marketing departments to create products and services that better meet the needs of our diverse customer base. A number have internal satellites.

There are currently nine BT People Networks:

- Able2, our network for employees with disabilities
- BT Apprentices
- BT Asian Network
- BT Christian Network
- [BT Ethnic Minority Network](#)
- [BT Kaleidoscope](#), for employees who are gay, lesbian, bi-sexual or transgender
- BT Muslim Network
- BT Women's Network
- BT Women's Executive Network.

Highlights of the year

BT Kaleidoscope was named runner-up in the 2007 [Stonewall Workplace Equality Index](#) Network of the Year.

Our Women's Network celebrated its 20th anniversary in October 2006. The group held an anniversary networking and fundraising gala, raising more than £20,000 for children's helpline ChildLine. The BT Women's Network also launched an online network, called Connecting for Success, to connect its members across our global organisation.

In November 2006, our Ethnic Minority Network hosted an event for 30 pupils, aged 14-16, from secondary schools across Greater London. The Working in the City event was run by [MERLIN](#), a Business in the Community programme that aims to raise the aspirations of young people from ethnic minorities through interaction with adults of similar ethnic backgrounds.

In December 2006, BT people networks took part in BT Diversity Week, a company-wide celebration of the diversity of our people.

Employee disputes

In the 2007 financial year there were 36 discrimination-related cases involving BT in the UK. Of these, 12 were withdrawn, none judged against BT, 9 settled and 15 judged in favour of BT. There were 44 cases involving BT in the 2006 financial year, 58 in 2005 and 14 in 2004.

Click on the icons below for data relating to discrimination-related litigation in the UK since 1999.

Learning from discrimination cases

Every discrimination litigation case is one too many. We have a number of measures in place to keep them to a minimum.

We provide regular monthly reports to managers that highlight cases in their area. Multi-disciplinary teams and working groups review developments in discrimination law as they emerge. We ensure that our case management continues to be robust and, at the same time, that we educate our people to address any issues that arise. We make sure that learning from other employment tribunal cases is shared with our equality and diversity specialists.

Sexual orientation

We aim to ensure that employees of all sexual orientations are supported, represented and heard in BT. The same is true for our customers, as we are committed to support and reflect an inclusive society.

We have a close working relationship with BT Kaleidoscope, our network for lesbian, gay, bisexual and transgender (LGBT) employees. During the 2007 financial year, senior manager Anne Heal was appointed BT LGBT Champion, demonstrating our commitment to inclusion from the top of the Company.

We have strengthened our relationship with [Stonewall](#), a UK campaign group supporting lesbians, gay men and bisexual people. We came 13th, with an overall assessment of 87%, in their 2007 [Workplace Equality Index](#) of the top 100 employers for gay people in Britain. BT Kaleidoscope was voted runner-up in Stonewall's Employee Networks Review and has been a key player in the Stonewall Diversity Champions Programme in Scotland. We are committed to maintain and improve our position in this area and have begun a formal review with Stonewall to assess how this can be done.

We are part of the external debate on sexual orientation and inclusion. In September 2006, a BT representative spoke at the [Out & Equal 2006 Annual Summit](#) in Chicago. During BT Diversity Week in December 2006, Anne Heal hosted a speaker from [FFLAG](#), a UK organisation that supports families and friends of lesbian, gay and bisexual people, on a video webcast. BT Openreach sponsored the [Faith, Homophobia and Human Rights Conference](#) in February 2007, which discussed the right of people of faith to their beliefs and the right of lesbians and gay men to be protected from discrimination.

During March 2007, we wrote to all UK employees asking them to complete, or refresh, their personal information. This included, for the first time, the option to declare their sexual orientation. Although this information is given on a voluntary basis, it will help ensure that everyone in BT is treated fairly and that there is no discrimination based on sexual orientation. The 2007 employee survey also gave employees the opportunity to declare their sexual orientation.

Religion and belief

Respecting one another and valuing individuality are key aspects of BT's culture. These values create a positive and supportive working environment and enable people to perform to the best of their ability. By understanding our employees' and customers' religious beliefs, we can ensure we respond appropriately and respectfully to their needs.

BT chairs the Employers Forum on Belief, which was created to establish and share good practice towards religion and belief in the workplace. Forum members include, Accenture, B&Q, Barclays, the BBC, the Cooperative Group, the Land Registry, the London Underground Race for Opportunity, the Royal Bank of Scotland Group, and Shell. The Forum met several times during the 2007 financial year.

Phil Moses, Group Controller and Director of Investor Relations, is BT's Belief Champion. His role is to ensure that people of all faiths have a right to practice their beliefs proudly and openly in our workplace. We provide multi-faith rooms and work with our Faith People Networks to understand and accommodate our employees' needs.

We have produced a booklet on religion, called RESPECT, which offers our people an insight into the many religions practiced by their colleagues and customers. The booklet also provides advice for line managers to strike a good balance between the needs of individuals and the needs of the company.

During BT Diversity Week 2006, we celebrated the diversity of our people and the strength this brings to our organisation. Events included a webchat on race hosted by Phil Moses, a race and belief quiz to raise awareness of BT's policies and practices in this area, and a series of podcasts of BT people talking about their religion and what it means to them.

Bullying and harassment

BT takes a zero tolerance approach to bullying and harassment.

We believe that people can only give their best if they are treated with dignity and respect at work. We are members of the [Dignity at Work Partnership](#) led by the UK Department of Trade and Industry and the Amicus trade union.

In June 2005, BT's Chairman, Sir Christopher Bland, and CEO, Ben Verwaayen, launched our "Let's Cut it Out" anti-bullying campaign.

In September 2006 we launched a further three videos tailored to the specific requirements of different business areas.

These form part of a comprehensive intranet site, which enables BT people to understand the personal and business impacts of inappropriate behaviour at work.

Learning and development

We seek to encourage and provide opportunities for personal growth and professional development.

We believe that talented people increasingly want to work in companies that commit to the long-term development of their employees.

Here we present our approach to learning and development:

- Learning and development principles and commitment
- Career development
- Investors in People
- Career-life plan
- Life long learning

Learning and development principles and commitment

We make the following commitment to promote learning and development for our people:

We will set up a partnership with each individual who makes the most of their personal performance, commitment and prospects for employment. We will give our people the appropriate opportunities to develop business capabilities and will evaluate how effective our investment is.

We will do the following:

1. Give our managers the necessary resources and personal development to enable them to support their people's learning and development.
2. Give our employees ongoing information on the skills and behaviour which we believe are essential to future success and how these can be developed.
3. Analyse needs at a business level and an individual level to see what development is appropriate and to assess the value to our business.
4. Give our employees opportunities to develop their capabilities and prospects for employment so they can deal confidently with organisational and commercial change.
5. Offer a broad range of solutions including work-based activity, formal and informal learning, encouraging the use of group-wide learning solutions through the BT Route2Learn portal and taking account of individual learning styles.
6. Provide an appropriate induction programme for all new employees and those who are changing jobs to make sure they can be effective in their new work as soon as possible.
7. Provide a range of support and information to enable the career development of our employees. We will encourage learning by setting up and developing formal and informal communities.
8. Manage actively the way we develop identified groups or individuals (with the group or individual involved) so we can make the best use of the talent across BT.
9. Make the best use of learning and development suppliers so we can get the best commercial value possible across BT.
10. Evaluate our investment in learning and development at all levels of the business.
11. Work closely with the [e-skills UK](#), the skills council for the IT and telecoms sector, to maximise government support for learning.

Career development

There are many opportunities for promotions within BT. We have a centralised application system and an on-line Job News facility.

To develop their career in BT, employees take on challenging tasks in daily activities and can participate in 'buddying', mentoring, job shadowing and secondments.

Initiatives such as the Aspiring Leaders Programme enable team members to assess their skills and develop plans for the future.

Regular monthly meetings and annual development reviews help employees and their managers communicate directly on career development.

In the UK, our NewStart initiative provides a comprehensive toolkit to enable our employees to plan and address career changes constructively.

Investors in people

BT is recognised as an [Investor in People](#) (IiP). IiP is a standard of good practice for training and development devised by leading UK business and employee organisations. Assessments are primarily based on interviews with employees. We remain one of the largest companies to pass this challenging outcomes-based test.

Career-life plan

Career-life planning encourages people to consider their careers in the long-term and to choose employment options that best suit their changing needs and those of our business.

BT provides the information and services for our people to benefit from the various services available to them at different times in their careers and lives. These might include:

- Changes to their job
- Periods of ill health
- Parenting/caring
- Lifelong learning
- Volunteering
- Financial/pension planning
- Retirement.

We are committed to creating an environment where change is anticipated and dealt with constructively.

Relationships and discussions between managers and their people are fundamental to this. Managers must work with their people to match the aspirations of individuals with the needs of the business.

We have developed a number of initiatives to help our people take control of their careers, and their managers to support them.

Newstart

Newstart is a comprehensive toolkit that enables employees to plan ahead for their career. Employees can continually develop and revise the plan throughout their working life in BT. We recognise that employees who lead an active and involved life outside of work gain broader experience, and Newstart encourages our people to maintain a healthy work-life balance.

Achieving the Balance

NewStart is supplemented by Achieving the Balance, an intranet site that promotes flexible working and presents the range of work-life balance options available to BT people. [Flexible working](#) is a key element of career-life planning. Flexible hours and working practices help our employees to achieve a good balance between their work and personal life.

Career Corridors

Introduced in the 2007 financial year, our Career Corridors programme provides a suite of internal and external resources to help people make informed decisions about their career.

The programme was initially piloted in BT Wholesale, and is being implemented company-wide. To ensure it is successful, we have introduced training for line managers, introductory workshops for our people and 'ready for change' modules within the programme.

Life long learning

We invest in learning and education for all BT people.

We have a Learning Council of learning and development professionals. This council ensures our training programmes are aligned with our strategic business objectives. It provides employees with the skills needed by our lines of business and to implement major initiatives such as our 21st Century Network.

BT Route2Learn (R2L), a web-based learning portal, is available to all BT employees globally via our intranet. R2L is a key part of our commitment to lifelong learning and provides an extensive range of instructor-led and e-learning programmes and facilities. R2L helps people acquire skills useful for their job and helps them take advantage of future career opportunities in an industry where the skills required change rapidly.

The system has around 170,000 users, of which just over 106,000 are full-time equivalent employees (FTE). A significant number of contractors use the system, and as many contracts are short-term there is a high user turnover rate. Just over 106,000 accounts have been logged in to since the site went live.

More than 430,000 courses have been taken since 20th March 2006, and the majority were e-learning programmes.

A number of the courses on the system are mandatory, so more than 90% of FTE employees take part in learning. Contractors also take part in a small number of mandatory courses, such as basic health and safety training.

R2L includes accredited programmes that lead to professional and post-graduate qualifications. These include a Master of Science (MSc) degree in telecommunications studied part-time over 20 months.

The 'BT Leadership Portal' helps our people learn about BT's leadership capabilities, and identify areas for development and appropriate resources to help them. These include access to via the BT Global Leadership Pathway to a series of leadership programmes for managers, depending on their role and stage of development.

Health and safety

One of our business principles is to care for the health and safety of people across all BT's operations and products.

Health and safety is not just about avoiding accidents – it requires a broader commitment to protecting our employees' physical and mental health. We promote healthy lifestyles through our health and wellbeing programme.

We focus on a number of major health and safety risks:

- Driving
- Fire and incidents on BT property
- International travel health
- Contact centre health
- Injuries while working on the network
- Mental wellbeing
- Physical wellbeing
- Managing outsourced work.

We use key performance indicators to help us measure our performance more accurately. Our measures are:

- Lost Time Injury rate – the number of accidents resulting in sickness absence per million working hours
- Rate of total sickness absence – the percentage of calendar days lost due to all causes of sickness absence.

In the 2007 financial year, we have achieved a 10.1% reduction in the rate of Lost Time Injuries and a 3.5% reduction in the rate of general sickness absence. During 2007 financial year, there were 3 work related fatalities involving BT People.

Here we discuss:

- Health and safety guiding principles
- Health and safety implementation
- Health and wellbeing
- Stress management
- Occupational road risk management
- Musculoskeletal disorders
- Health and safety partners in the BT Unions

Health and safety guiding principles

Our [health and safety guiding principles](#) are available as a PDF download.

Health and safety implementation

These processes and structures support the implementation of our health and safety guiding principles.

Each of BT's lines of business will:

- Appoint a health and safety champion who is a direct report of the line of business CEO
- Produce an annual health and safety plan, with objectives, targets and responsibilities

- Prepare an annual health and safety report demonstrating the work done towards meeting its health and safety commitment and measuring its performance against the standards set in the annual plan
- Maintain a comprehensive inventory of physical, chemical and psycho-social hazards
- Carry out formal risk assessment and profiling of all hazards within the inventory and ensure that a system is in place to implement competent task-based risk checks
- Put systems in place to ensure that managers, employees, contractors and customers receive appropriate advice on relevant hazards that have not been eliminated and the potential risks from them
- Ensure risk-awareness training and risk management systems are in place to successfully implement risk control measures
- Ensure that arrangements are in place for the health surveillance of those identified by risk assessment as requiring it
- Arrange for sufficient competent support in the areas of safety, health and hygiene
- Ensure compliance with the reporting requirements laid down by the BT health and safety champion
- Ensure the safety champion has the responsibility to undertake an adequate independent audit of the management of health and safety, commit to an action plan to deal with recommendations and have the completion of actions verified
- Communicate health and safety strategy, planning and performance to all employees and others involved, and involve them in the continuous improvement process.

Health and wellbeing

In 2005, we launched the Work Fit programme to help employees understand how diet and exercise can reduce the risk of heart disease and to adopt a healthier lifestyle. Over 16,000 BT Employees took part, making it one of the largest and most successful initiatives of its type anywhere in the world.

We continued the programme in 2006, with a focus on stopping smoking, increasing physical activity and building a positive mentality.

Employees taking part in Work Fit received advice and educational material via e-mail and the intranet. These emphasised how small lifestyle changes can bring big changes in vitality and health.

All initiatives were developed in partnership with the BT Unions and specialist charities including the [Men's Health Forum](#), the [Sainsbury Centre for Mental Health](#) and [Sport Relief](#).

Stress management

We are committed to help BT people recognise and deal effectively with everyday pressure and work-related stress.

BT's strategy for mental wellbeing

People feel stressed when they cannot cope with pressure in their lives – at work and at home.

We try to make sure that we do not make unreasonable demands of our people. We do this through job design, resourcing (making sure jobs are done by people with the right skills), training and development, and people management. We provide support to employees affected by stress in their private lives.

Work-life balance is an important aspect of mental wellbeing and we strive to balance good customer service with the needs of our employees. We believe our record is good, although there is still more to do to promote best practice across BT.

Our strategy has three phases:

Primary: Reducing stress at source through workplace and job design

We guide employees and managers on the causes of stress and how to avoid problems, for example through our Dealing with Stress intranet.

Secondary: Identifying early signs of stress and supporting individuals

STREAM, BT's Stress Assessment and Management tool, helps us identify and address work pressures that cause stress. STREAM provides essential management information on the mental wellbeing of our employees.

Tertiary: Helping established cases cope and recover

Work can play an important part in recovery from mental health problems. It is very important that managers and colleagues keep in touch with individuals during stress-related absences to minimise the problems of isolation and de-motivation. Absence Case Advisors send letters of support to people who are off work with a stress-related illness.

We also offer support through our Employee Assistance Programme – a confidential service available online and via a 24-hour helpline.

Occupational road risk management

BT has a fleet of more than 43,000 vehicles in the UK. This means there is a significant risk of injury to our people and the general public from road accidents.

Starting Point is our programme for reducing occupational road risk. Drivers are individually assessed and the factors contributing to a higher risk of accidents identified. Drivers are offered tailored support to minimise those risks. By the end of the 2006/07 financial year, more than 40,000 BT drivers had taken part.

Musculoskeletal disorders

BT contributed to the development of a good practice guide and industry wide review of musculoskeletal disorders in the European Telecommunications sector under the auspices of the EU social dialogue arrangements. Full details of the project can be found [here](#).

Our multimedia training package for employees highlights the risks associated with manual handling activities. It uses video and computer generated graphics to deliver health and safety training which is both relevant and engaging for the target audience.

Health and safety partners in the BT unions

We have an agreement with the Communication Workers Union and Connect on the role of safety representatives. The agreement formalises the arrangements for the training of safety representatives and establishes a framework to promote co-operation between BT managers and the employee representative bodies. This partnership enables us to deal with health and safety issues in a non-political and non-confrontational manner. This ultimately helps us improve the protection of our people.

Employees - Key Performance Indicators

Indicator	Description	Measure	Target
Employee Engagement Index	A measure of the overall success of BT's relationship with its employees	The Employee Engagement Index was 65% during the 2007 financial year.	To achieve an Employee Engagement Index of at least 65% †
Diversity	A measure of the diversity of the BT workforce	BT is in the top 10 placement in 3 out of the 4 main UK Diversity Benchmarks. ‡‡	BT will maintain a top 10 placement in 3 of the 4 main UK Diversity Benchmarks.
H&S: Lost Time Injury Rate	Rate of Lost Time Injury Incidents expressed as a rate per 100,000 hours worked on a 12-month rolling average	0.238 cases per 100,000 working hours	Reduce to 0.235 cases per 100,000 hours during the 2008 financial year.
H&S: Sickness Absence Rate	Percentage of calendar days lost to sickness absence expressed as a 12-month rolling average	2.43% calendar days lost to sickness absence	Reduce to 2.40% calendar days lost due to sickness absence during the 2008 financial year.

† In 2007-08 the Employee Engagement Index will be based on an average of the mean results across a reduced number (4) of key questions.

‡‡ see archived reports for earlier measures

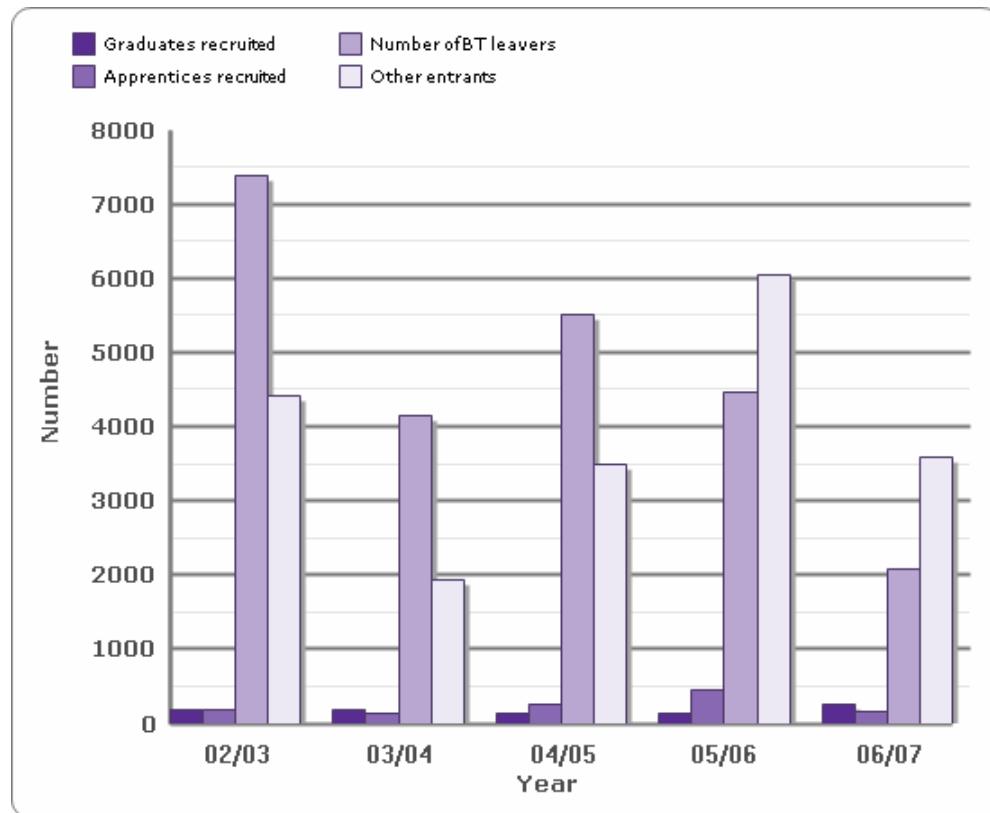
Employees Targets

Start Date	End Date	Description	Update	Target Status
April 2007	April 2008	BT will maintain or improve on its 2007 Employee Engagement Index score of 65%.		New
April 2007	March 2008	BT will achieve a top 10 placement in 3 of the 4 main UK Diversity Benchmarks.		New
April 2007	March 2008	BT will compare the relative Employee Engagement Index score for disabled and non-disabled people (obtained from CARE 2007 employee census) and create an action plan to reduce any differential in CARE		New

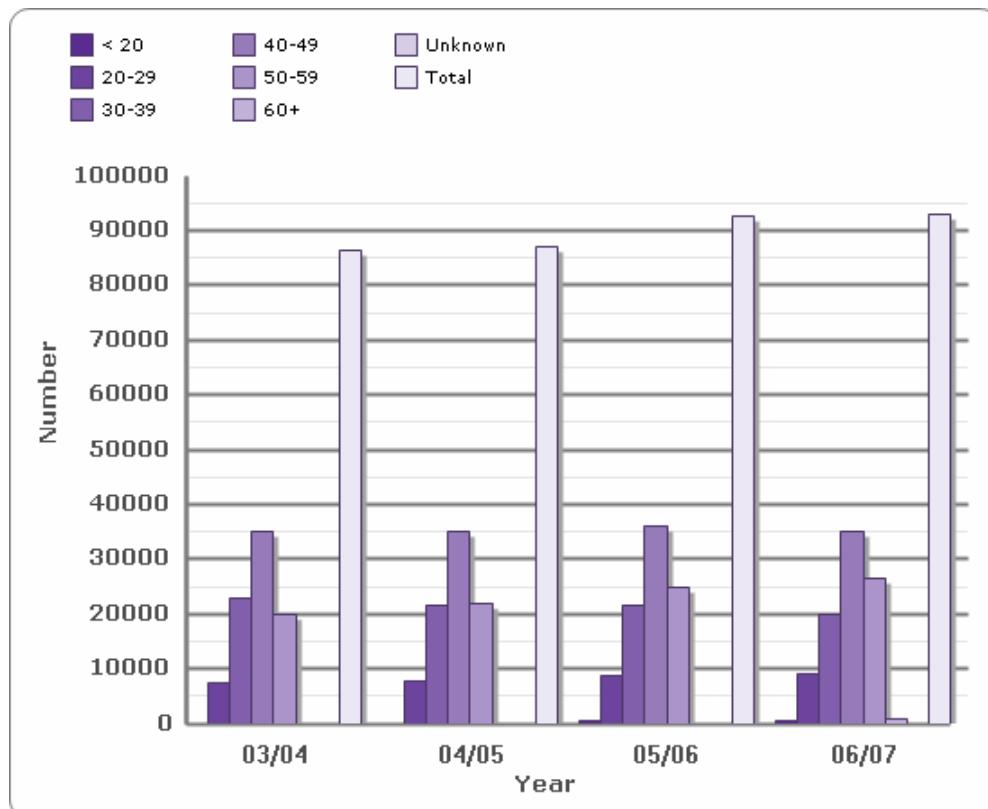
		2008 employee census.		
April 2007	March 2008	BT will expand its diversity metrics, via self-declaration and the CARE 2008 employee census, to include sexual orientation and religious belief.		New
April 2006	March 2007	BT will have no successful health and safety prosecutions or prohibition notices served against the company.	There were no successful prosecutions of the company or prohibition notices served in the 2007 financial year.	Completed
April 2006	March 2007	BT will deliver business unit Diversity Plans across the Global Services division through the newly created Global Services Diversity Forum, aimed at improving the diversity and inclusivity profile / environment of the global business. (This will be measured through 6 existing Global Services KPI's and the new BT Diversity Index to be created in 06/07).	A GS Diversity Forum has been formed and meets quarterly, with each business unit having a senior representative on the Forum responsible for developing and delivering their unit diversity plan.	Completed
April 2006	March 2007	BT shall identify a core number of qualitative and quantitative measures so that we can establish a Diversity index for BT which will provide a tracking mechanism.	A BT wide diversity centre of expertise has been established who review a set of quantitative diversity measures, produced by Peoplesoft, on a monthly basis.	Completed
April 2006	March 2007	BT will maintain or improve BT's EEI, which is currently 65%.	The employee engagement index for the 2007 survey was 65%.	Completed
April 2006	March 2007	BT will undertake supportive actions to move BT towards a balanced representation level of people over 50, proportional to that which exists in the local labour force.	We now have 1,950 more people aged over 50 than at March 2006 on a par with the local labour force.	Completed
April 2006	March 2007	BT will establish a new diversity index to take account of BT's growing global activities.	BT's new measure is to be in the top 10 placement in 3 out of the 4 main UK Diversity Benchmarks. BT will benchmark its global performance via the Schneider Ross Global Diversity Network, which will be run for the first time next year.	Completed
April 2006	March 2007	BT will research and agree a set of measures for BT, which will enable us to benchmark diversity profiles both internally and externally on a global basis, (where effective benchmarking material exists globally).	BT will benchmark its global performance via the Schneider Ross Global Diversity Network.	Completed
April 2006	March 2007	Based on our extensive statistical analysis and action plan developed in the last financial year, BT shall monitor the outcomes of our action plan to address the statistical distribution of performance ratings amongst ethnic minority employees. Our measure will be a positive movement towards a "normal distribution".	BT Internal audit have monitored performance against the action plan and have reported all actions as complete. We will continue to monitor these statistics on an ongoing basis.	Completed
April 2006	March 2007	BT will ensure that the proactive diversity management of the executive appointments process	Statistics are now available on all external appointments and are	Completed

		continues and that shortlists are representatively constituted in terms of gender and race.	provided to Director People and Policy quarterly.	
April 2006	March 2007	BT will continue to work with its external executive search suppliers to provide sufficiently diverse short-lists to enable us to select candidates with diverse demographic backgrounds.	Statistics are now available on all external senior appointments and are provided to Director People and Policy quarterly.	Completed
April 2006	March 2007	BT will measure the EEI of BT people who have declared themselves to have a disability against the BT norm. If there is a difference, we will research what the points of difference are and will develop a strategy and action plan to address those issues wherever possible.	The EEI has been measured and action plans are in place to address the issues identified.	Completed
April 2006	March 2007	BT will achieve a 14% reduction in the Lost Time Injury rate, expressed as the number of incidents per million working hours.	We failed our target with a 10.13% reduction over the year.	Failed
April 2006	March 2007	BT will achieve a 4% reduction in the total sickness absence expressed as percentage of Calendar Days lost.	We failed our target with a 3.46% increase over the year.	Failed
April 2006	March 2007	BT will achieve a 19% reduction in the incidences of ill health meriting referral to occupational health which may be possibly attributable to work activity within the UK expressed as cases per 10,000 people in post.	There was a 16.4% increase over the year, therefore failing our target to reduce by 19%.	Failed

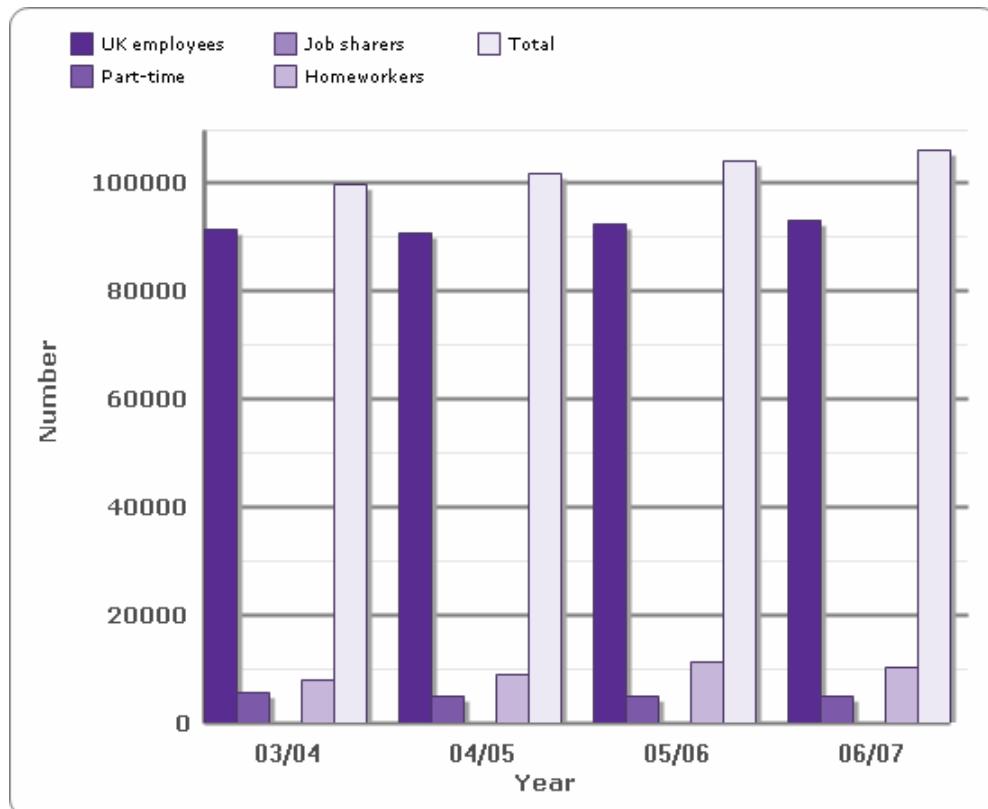
Recruitment



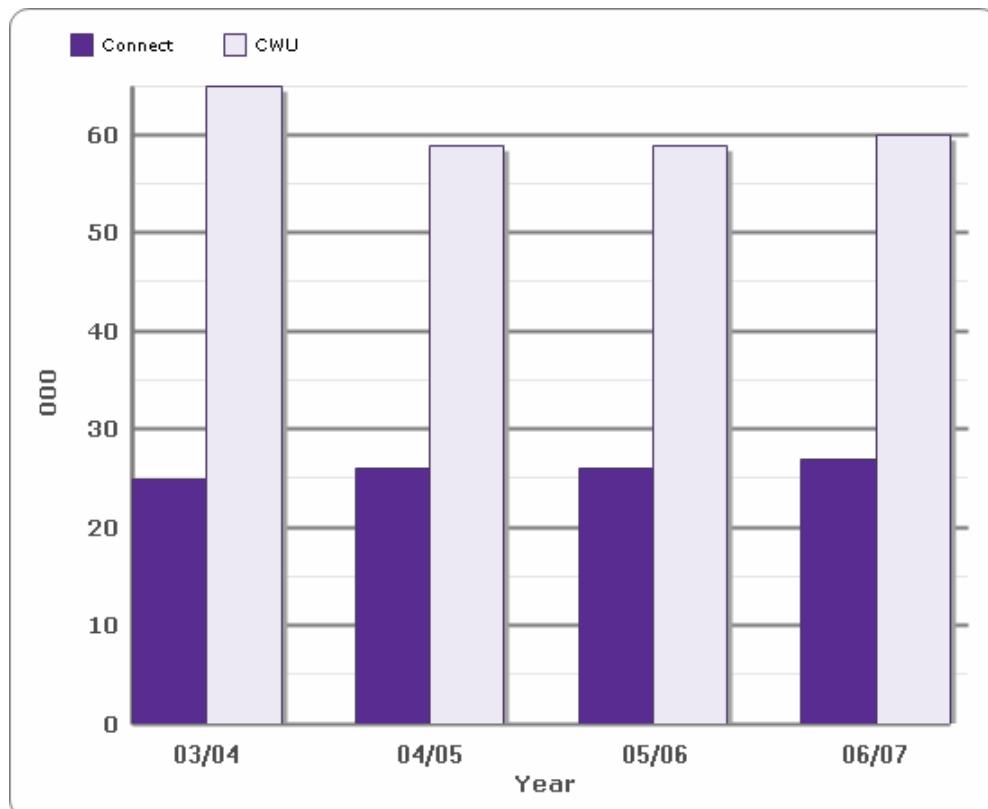
Age Profile (UK)



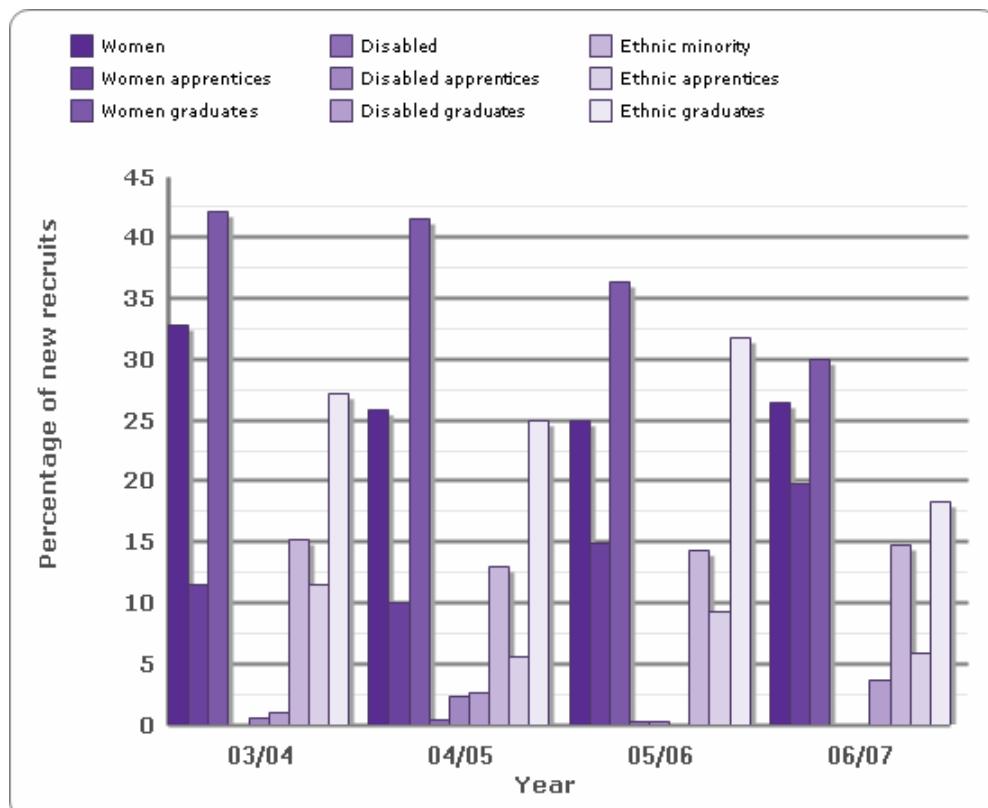
Number of employees



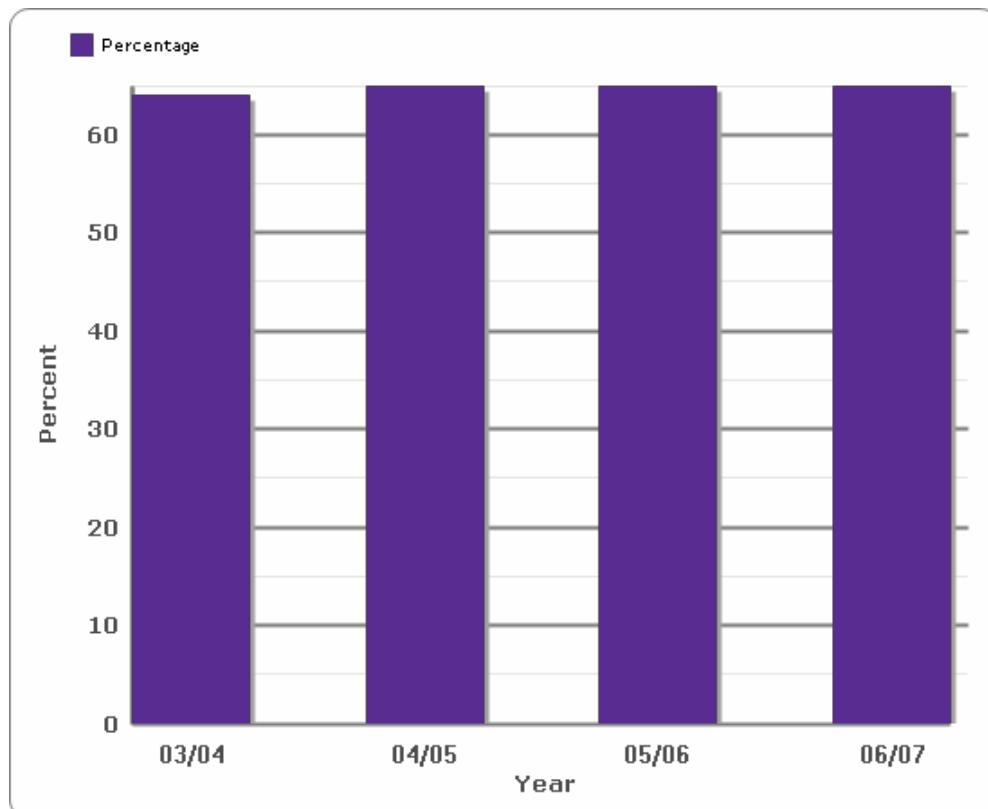
Employees represented by a trade union



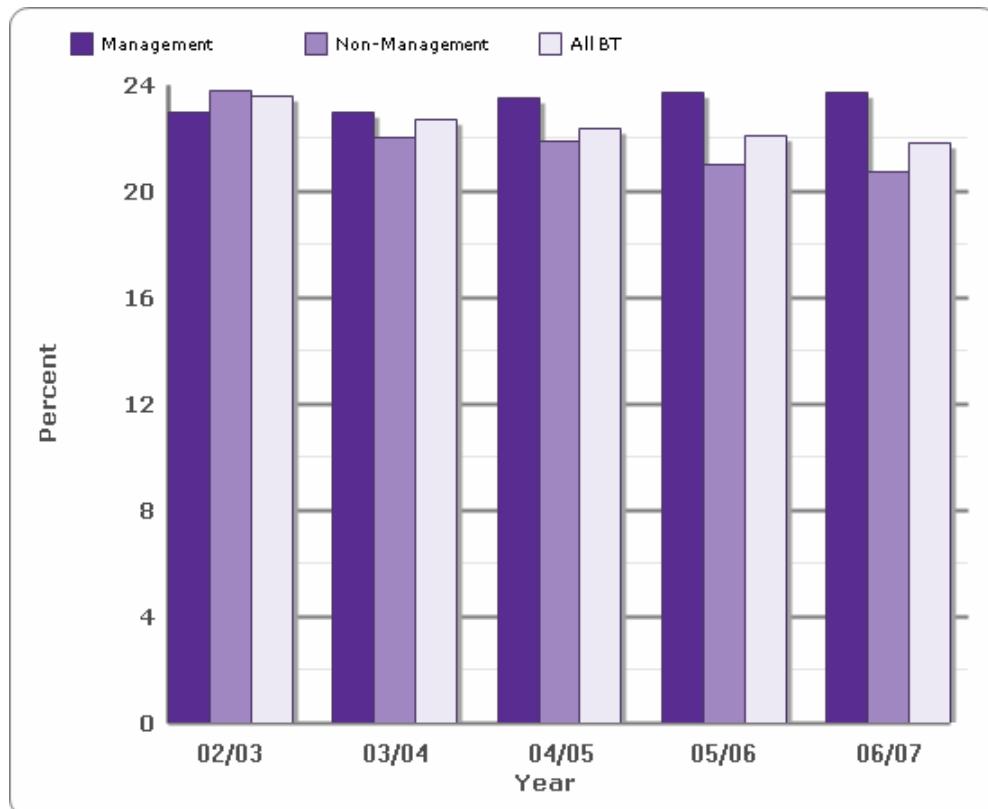
Diversity recruitment



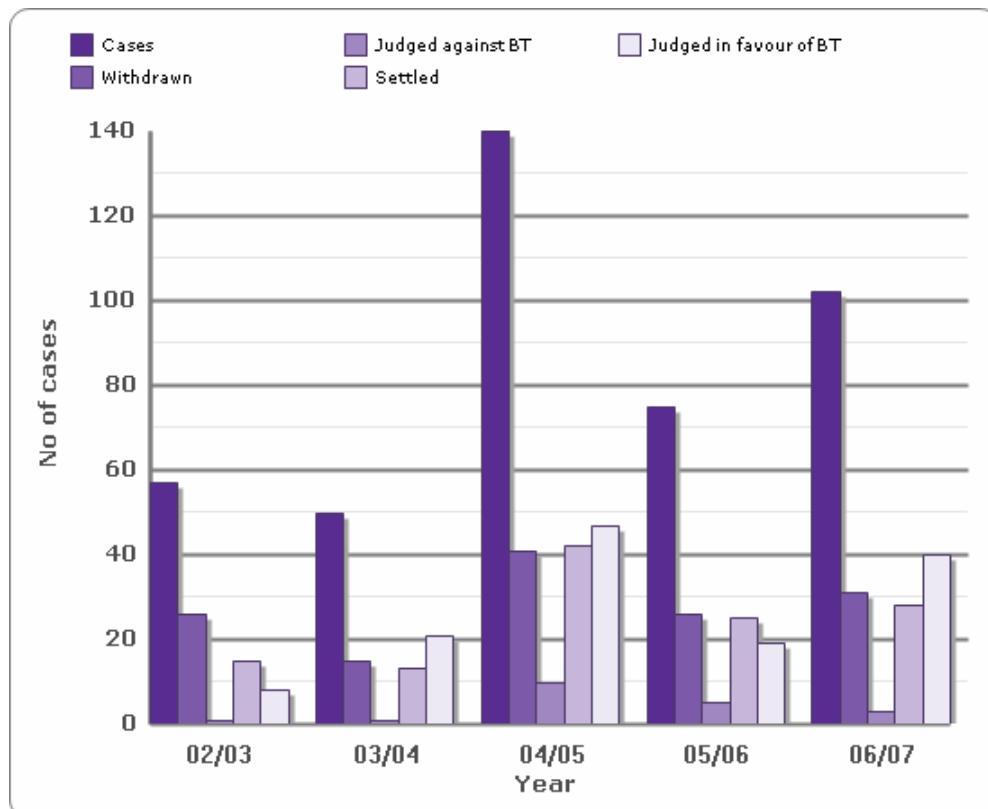
Employee Engagement Index



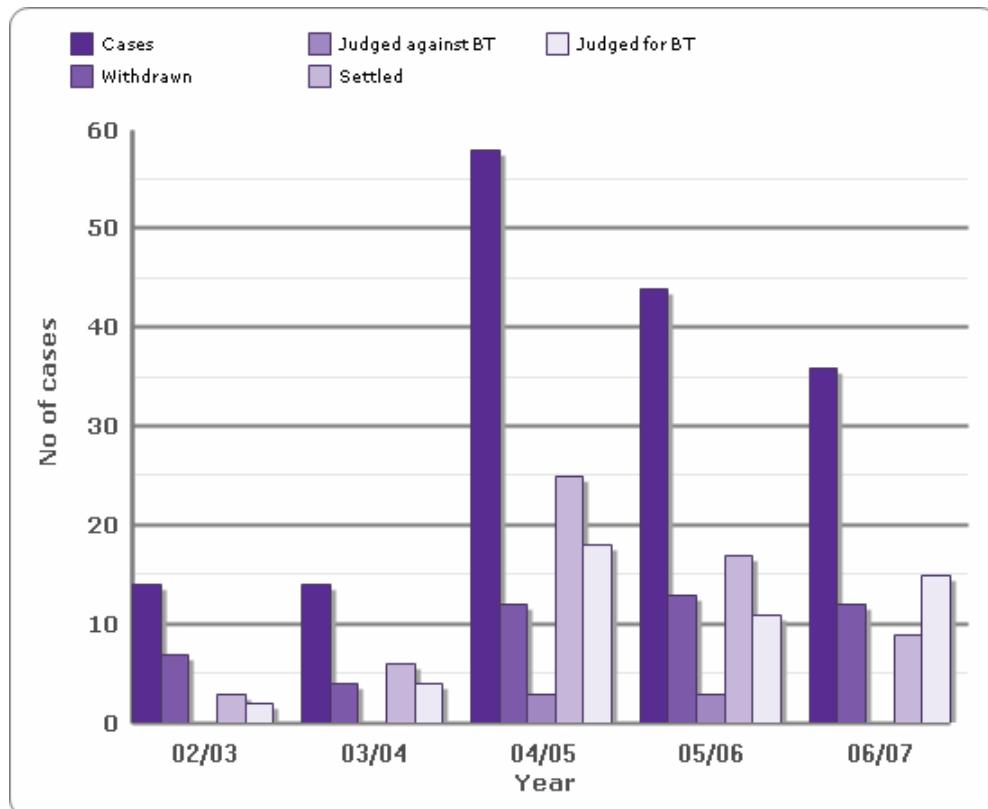
Diversity (Women Employees)



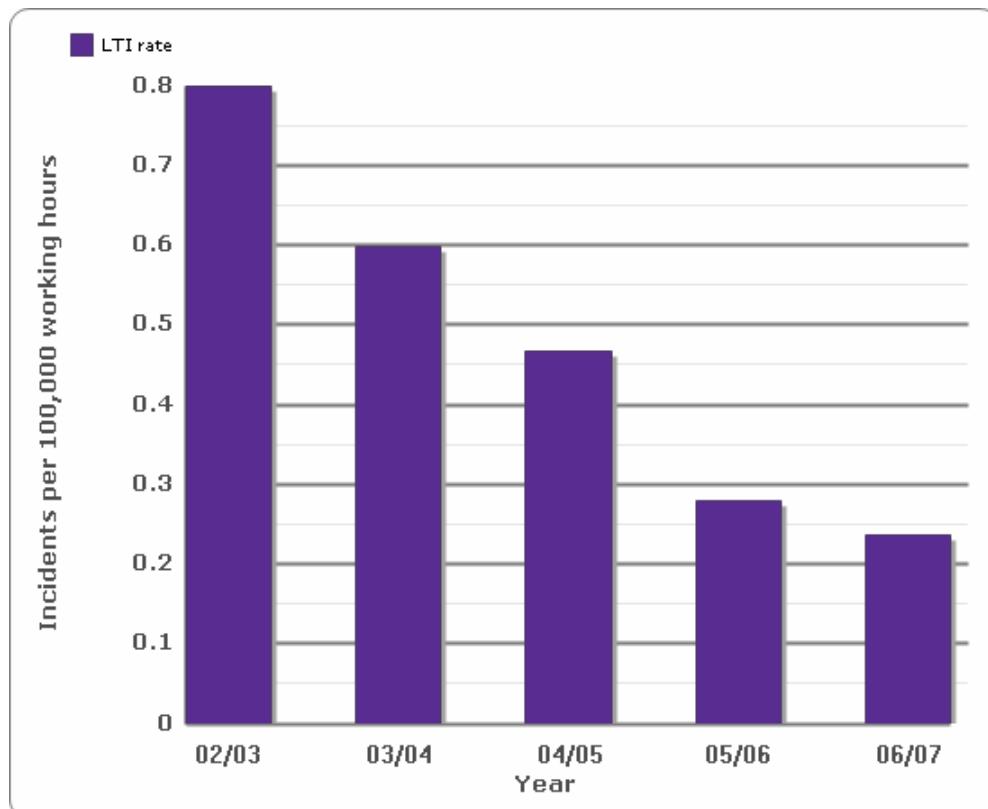
Employment Tribunal Cases



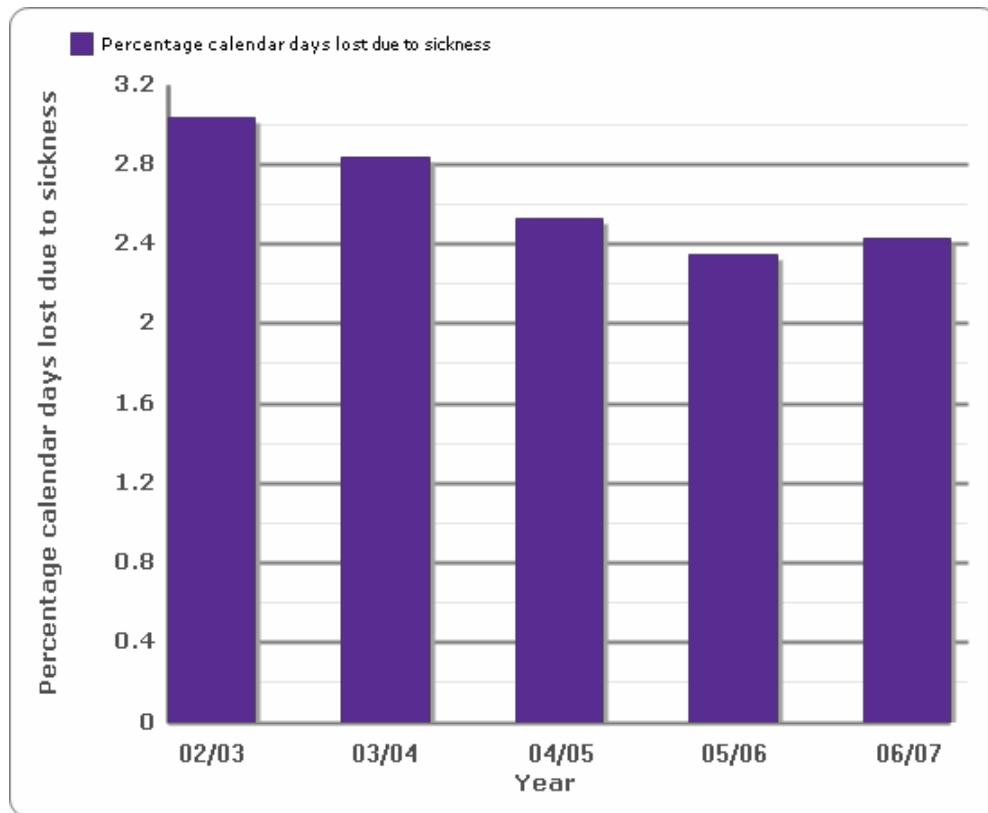
Discrimination Litigation



Lost Time Injury Rate



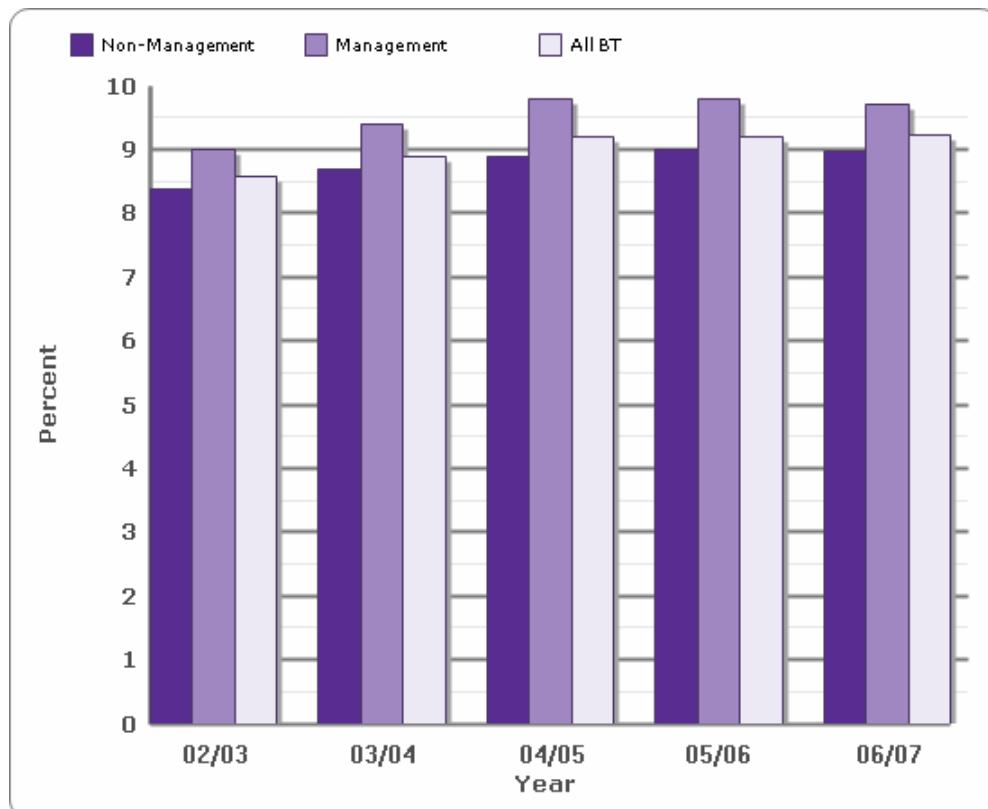
Sick Absence Rate



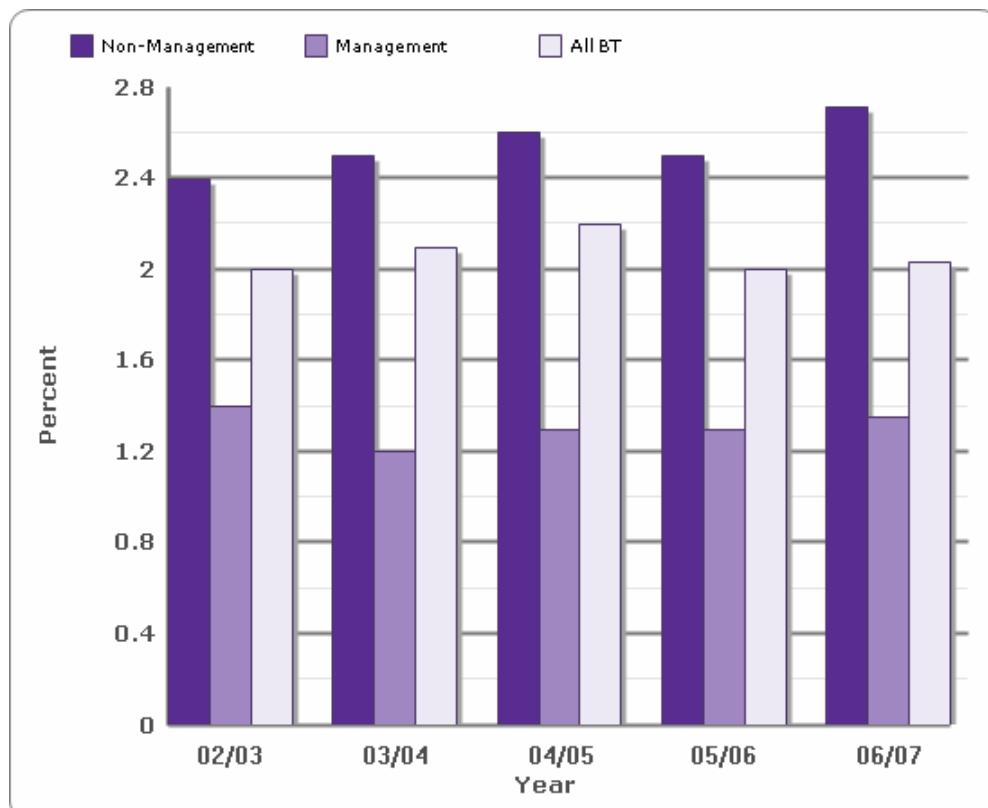
All figures (from 02/03 onwards) are now global

Source: Peoplesoft database

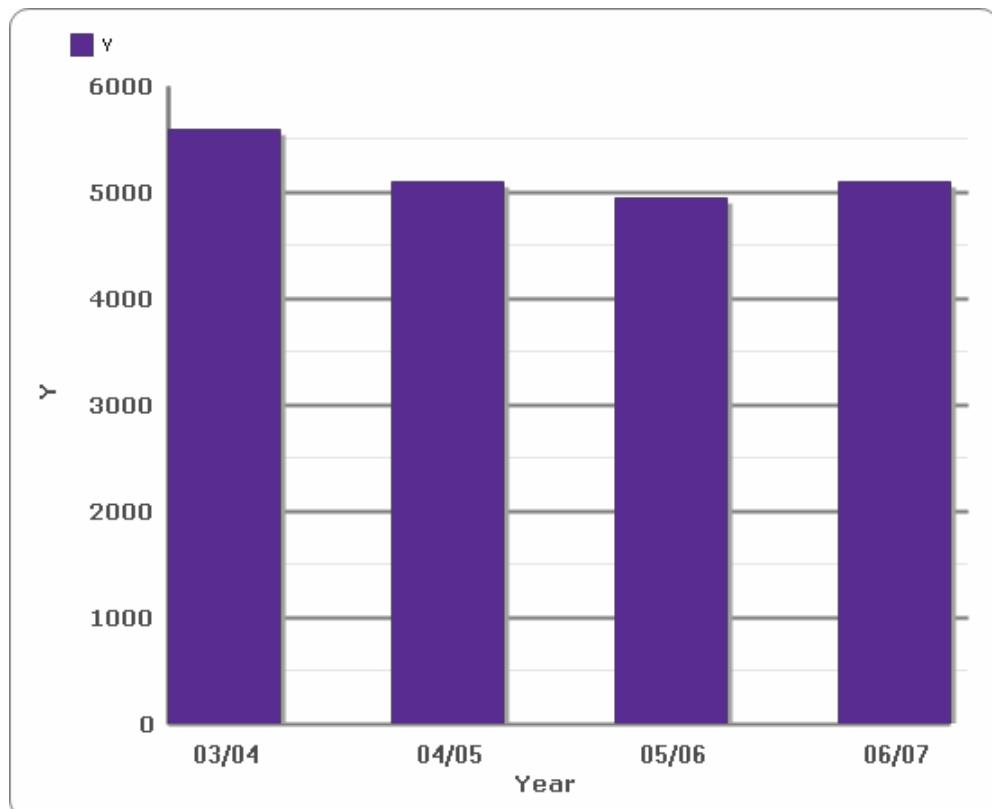
Diversity (Ethnic Employees)



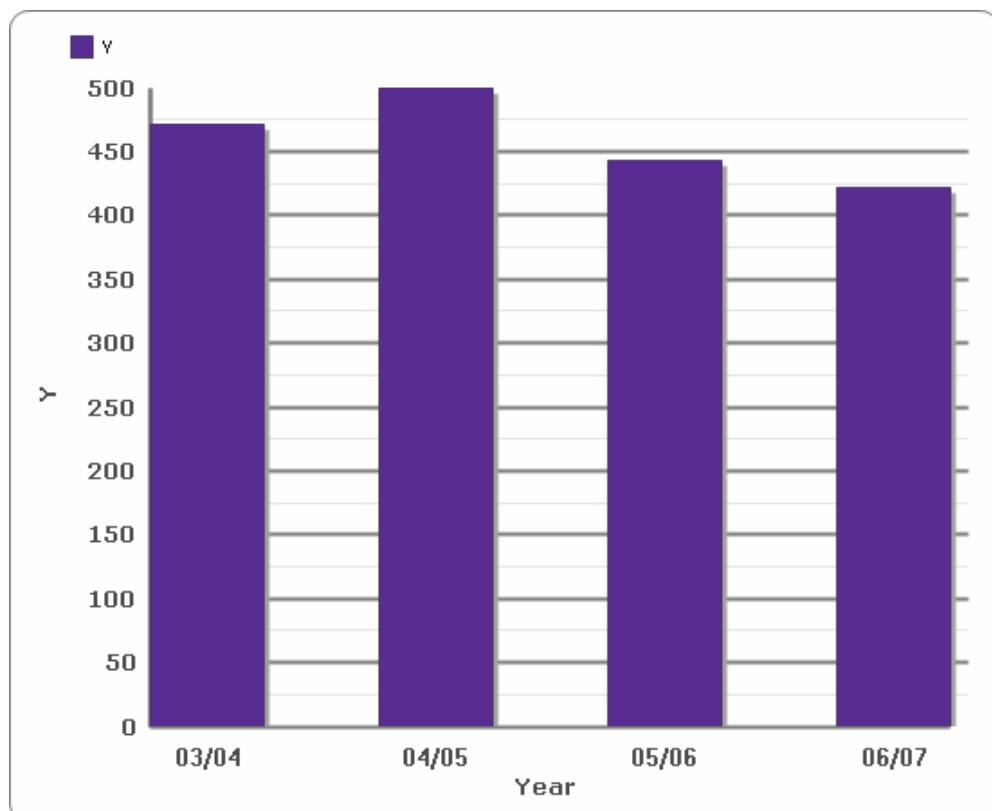
Diversity (Disabled Employees)



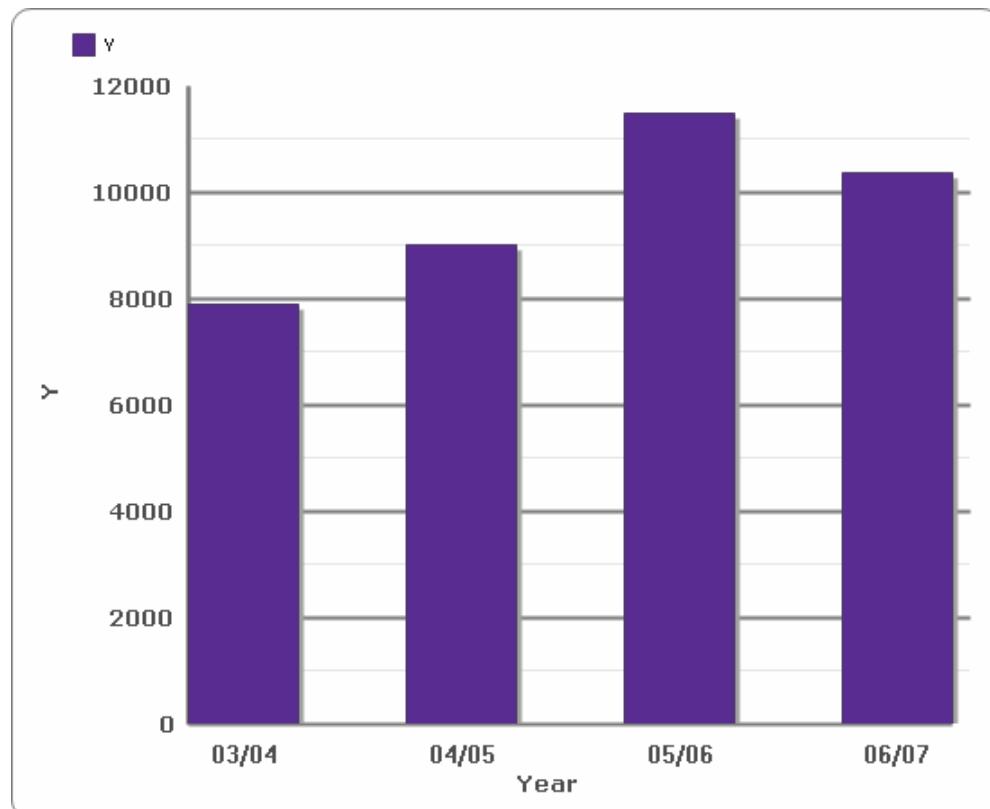
Part time employees



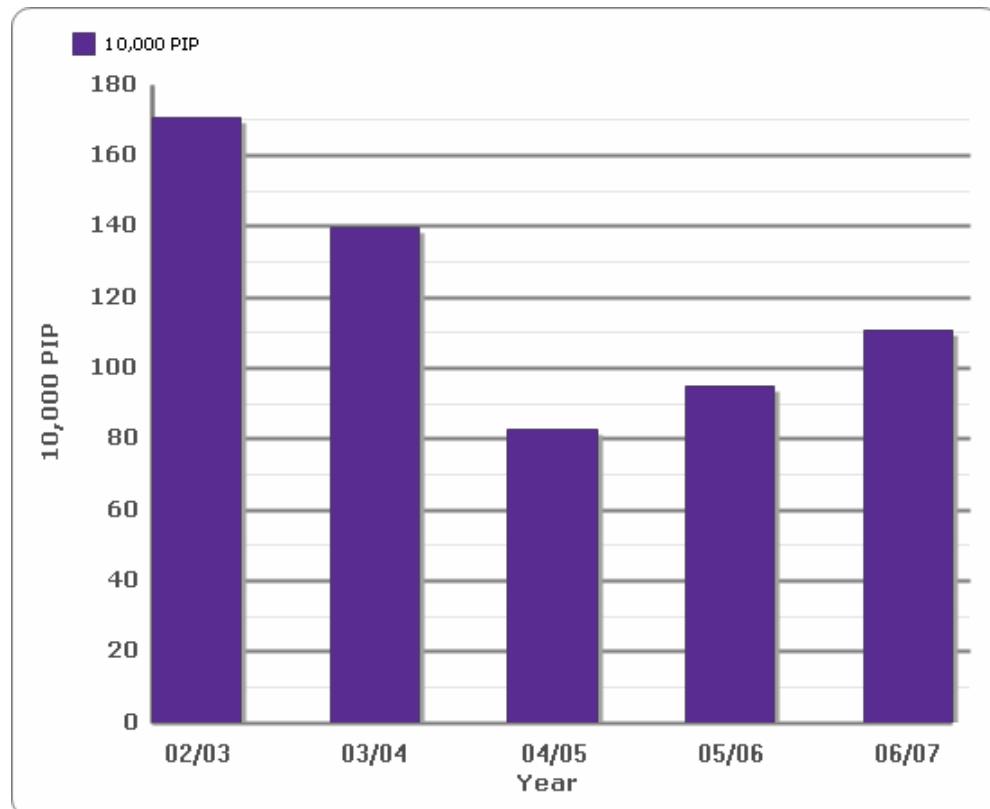
Number of job sharers



Homeworkers



III Health OHS Referrals



Number of Work Related fatalities

