

Strong foundations

Investing...
in strong people foundations

Our business starts with our colleagues. If they thrive, we thrive. We're investing in diverse talent to help us serve our customers and innovate for the future.

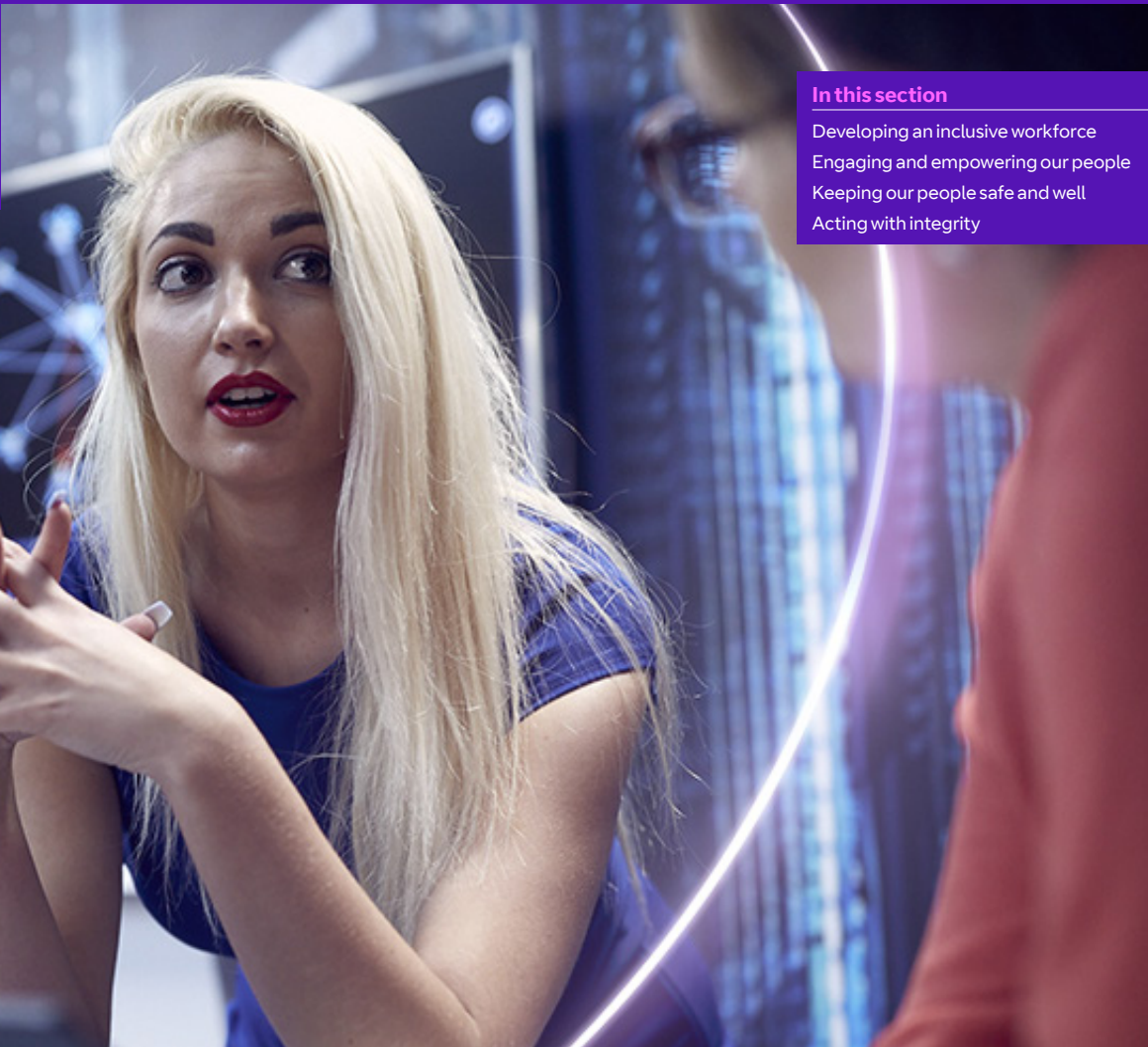
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Our colleagues bring diverse perspectives and life experience that make us a better business. We want to empower every one of them to achieve their goals at BT and we strive to create an inclusive, supportive and healthy working environment for them to do so. Their talent and enthusiasm is vital to enable BT to go beyond.



Alison Wilcox

HR director



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Developing an inclusive workforce

We value the unique skills and experience that every individual brings to BT. We want all our colleagues to progress with us. Helping them develop the skills they need to excel now and in the future is an important part of our wider commitment to deliver Skills for Tomorrow.

 See page 9

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BT's statement of leadership helps further progress globally and serves as an example to others in the business community. With rising tensions across the world, business can play an important role in furthering the cause of LGBTI equality.



Dan Bross
Executive director,
Partnership for Global
LGBTI Equality

Championing inclusivity

We want to ensure everyone feels included within our business. Our new strategy will help make diversity and inclusion a clear differentiator for BT in the next ten years. We aim to create a workforce that reflects all aspects of the diverse societies in which we work. To make inclusive design the norm for our colleagues and our customers. And to use our strengths to support disadvantaged groups in society.

This year, we've bolstered our ability to make this happen. We've created a centre of excellence for diversity and inclusion with four specialists. A further 22 colleagues have been through extensive training to provide advice and drive improvements in diversity and inclusion across the business. And we ran a series of immersive diversity and inclusion training sessions for senior managers in our human resources teams.

We've created new tools to help colleagues across the business better understand the value of inclusiveness. A dedicated knowledge hub within the BT Academy – our online training and development portal – offers a one-stop-shop for resources, guidance and inspiration. An inclusion impact assessment toolkit supports better decision-making to avoid negative impacts or exclusion.

To help us target action effectively, we need to get a more accurate picture of diversity at BT. We're using behavioural science to find the best ways of encouraging colleagues to voluntarily self-declare personal information related to diversity. We're also working with behavioural science organisation [More Than Now](#) on a series of inclusion by design experiments to make progress on diversity and inclusion even faster.

Building on shared experiences

No one is defined by a single characteristic and we all have shared experiences that connect us. Our colleague networks offer people the chance to connect with others. They're there to support people and help create an inclusive workplace, with backing from executive sponsors. We relaunched the networks this year and supported their chairs with specialist training:

- [Able2 network](#) – works to make sure BT is somewhere where people who identify as disabled can give their best and are supported in all aspects of their work and development. Includes our neurodiversity network.
- [Armed forces network](#) – engages ex-military colleagues across the business.
- [Carers network](#) – promotes a culture that supports carers.
- [Ethnic diversity network](#) – helps us realise the full potential that people from different ethnic backgrounds can bring to our digital future.
- [Gender equality network](#) – focuses on support and flexible working options to enable gender parity across BT.
- [Peer2Peer network](#) – a team of volunteers who talk, and listen in confidence, to anyone who's looking for support (see [page 32](#)).
- [Pride network](#) – for LGBT+ people, allies and anyone who wants to support their colleagues, family and friends.
- [Religion](#) – three separate networks for colleagues who are Christian, Jewish or Muslim.

Partnering to promote inclusion

We promote more inclusive attitudes across our business and beyond through [Inclusive Employers](#) and other partnerships. This year, we signed up to both the UK [Trans in the City Charter](#) and the UN's [LGBTI Standards of Conduct](#), which aim to eliminate discrimination against LGBT+ colleagues in the workplace. We're also a corporate member of [Stonewall](#).

We've joined the Valuable 500, as part of our commitment to embedding disability inclusion across our business. We're also working with Global Disability Innovation Hub to explore how to create an online network to promote collaboration among disability innovators, and to develop an inclusive design online training module for the BT Academy.

Building on our focus on disability in sport with the Premier League, our new 4-3-3 partnership with football associations aims to make football more inclusive. BT Sport will broadcast the Disability Cup live for the first time and use technology to enable people who currently can't play physically to play with their minds. Through 4-3-3, we'll also empower more women to get involved in grassroots coaching and boost digital skills for communities.

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Strong foundations continued

Case study:

Reporting on the gender pay gap

This is our third year producing a [Gender Pay Gap Report](#). Our median gender pay gap for 2019 was 4.8%, down from 5.0% the year before. This is well below the national average (17.3%) and the telecommunications sector average (12%), but we still have more to do to narrow our gender pay gap even further.



3,800

New apprentices this year

34,000

Visits to the BT Academy per month

To read our full Gender Pay Gap Report please visit [our website](#).

Developing diverse talent

We're investing in talent and leadership development programmes to make sure we get the best people for the job, whoever they are and whatever their background.

We are one of the UK's leading private sector employer of apprentices. This year, we took on almost 3,800 new apprentices (including c.2,800 apprentices in digital and engineering roles), 13% of them women. We also welcomed nearly 500 new graduates, 32% of them women.

Colleagues check in regularly with their managers to discuss training and development opportunities, and their personal development plan is part of this process. The BT Academy offers a range of online learning resources including support to build digital skills. This year, it got around 34,000 visits per month and colleagues completed an average of 24 hours of training each over the year. Our Skills for Tomorrow resources are open to all colleagues and we also encourage them to volunteer their time and expertise to support the programme (see [page 9](#)).

Our TechWomen programme continues to help women in key commercial, operational and technical roles develop their careers – from those starting out to those further along the career path. Last year, 95% of those completing the course said they felt confident driving their career. By the end of March 2020 almost 1,700 women had completed, or were progressing towards completion of the programme.

Ex-military personnel can bring many transferable skills to our business. Openreach is one of the leading recruiters of ex-forces in the UK. This year, Openreach ran 29 Transition Force workshops around the country, offering

career advice and mentoring to help enable the transition from military to civilian life, and to promote the opportunities that we have to offer them. We've also mentored 61 people and hired six through our Military Cyber Security recruitment programme.

We're building the pipeline for senior roles through our Future Leaders programme. More than 200 colleagues have completed the programme, and a further c.200 colleagues are nearing completion – and 35% of them have already taken on management roles. 85% of those surveyed earlier in the year said it's already helped them broaden their skills.

To help us drive diversity in our pipeline, we've set objectives to increase the number of women in senior roles (see table). We also want 15% of our senior management to come from black, Asian or other ethnic minority backgrounds by the end of 2020/21, we're currently at 10% (of those who declare their ethnicity).

Developing a diverse pipeline

	2018/19	2019/20	Target
% of women on the Board	27% (three out of 11)	25% (three out of 12)	33% by end of 2020/21
% of women in leadership (top 100 positions)	26%	29%	30% by end of 2020/21
% of women in senior management (top 600 positions)	31%	35%	40% by end of 2020/21

See our BT colleague data sheet in our online [download centre](#) for more detailed colleague information.

Engaging and empowering our people

We want BT to be a brilliant place to work. We ask colleagues for feedback and share our ambitions with them. We want to understand what's working and what's not. And to ensure we are working together towards a common purpose.

Our new reward share scheme gives colleagues a stake in the business to enable them to share in our success. From summer 2020, everyone on a BT employment contract will receive an award of around £500 of shares, or a cash equivalent where there are commercial restrictions. After that, we'll make an annual award, with the amount agreed at the end of each year. Colleagues can cash in shares once they've had them for three years, or keep them invested in the business.

We want to empower people to work together towards a shared purpose. This year, 81% of our people said they thought their work contributes to BT's purpose.

The annual BT Challenge Cup encourages people to share ideas that could make a difference to our business and our communities. This year, more than 700 teams entered – made up of nearly 3,700 people from 30 countries. Winners included Openreach's 'Waste Warriors' with a focus on eliminating excessive packaging and single-use plastics (see [page 26](#)). And a campaign to get colleagues to 'Give a little bit', volunteering just half an hour at a time to have a chat on the phone with an older person to support Age Concern's work to tackle loneliness.

We also encourage colleagues to volunteer their time and skills to support our focus on digital skills (see [page 9](#)).

Strong foundations continued



Putting people at the heart of our business

We're giving our people a louder voice at the table with our new Colleague Board. It's chaired by our chief executive, and attended by our group human resources director and group general counsel. Anyone from across the business could apply to join, and 12 colleagues were selected, including two invitees from Openreach.

The Colleague Board met for the first time in January 2020, discussing topics such as BT's purpose and values, how to support recycling and steps to keep colleagues informed of key changes in the business. It will meet at least four times a year to share ideas, with a direct line to the BT Board via non-executive director, Isabel Hudson, who is a member of the Colleague Board. See our [Annual Report](#) for more on the Colleague Board.

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I'm really excited. Colleague Board is really taking shape and we have the chance to make it exactly what we want it to be.

Kirsty Moir

Technical delivery specialist

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I applied to the Colleague Board because I wanted to make a difference and be a part of the change. I want the voices of our engineers to be heard, and to make sure we do our very best at putting our customers at the heart of our business.

Tuseef Rahman

Outcome assurance manager

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We have the potential to really understand the voices that maybe BT doesn't otherwise hear – what's important right now for colleagues across the business. I think the Colleague Board is going to be something that will be with BT for a really long time. It's going to have a real impact.

Shane Allum

Research and innovation specialist

Making BT a brilliant place to work

We're going through a period of transition as we work towards our ambition to make BT a brilliant place to work. We want everyone at BT to experience a great career, a workspace that works and a culture they can thrive in. That's why we're transforming our business into a simpler, more agile and modern BT.

To do this, we're embedding new career levels and pay ranges, refreshing our workplaces, and developing new tools, skills and processes for collaborative and agile working. We're also reshaping our workforce as we transform our operating model and supporting colleagues through these changes.

This year, our overall employee turnover rate was 11.2%. A total of c.13,400 people left the Company – around 10,000 through natural attrition and 3,400 left through paid leaver programmes. During this process, we've continued to consult with unions, work councils and employee representatives, and the individuals directly impacted. We provide outplacement support, pension advice and access to our employee assistance programme (see [page 32](#)) for all those making a transition.

We respect the right to collective bargaining and 93% of our colleagues in the UK are covered by collective bargaining agreements.

Listening to our people

Twice a year, we ask colleagues for their views on what it's like to work at BT through the Your Say survey. The results tell us what's important to our people and where we need to do more to support and empower them, particularly through an ongoing period of transformation. We updated some of the questions in the survey this year to give us better insight into life at BT.

In January 2020, 85% of our people responded to the Your Say survey. Overall employee engagement was 79% (77% last year). Results show that colleagues are feeling more positive about the changes that are taking place across the organisation, but we're not doing enough to shift their perception of our senior leaders. Leadership capability will be an ongoing focus going forward.

Your Say survey responses	January 2018	June 2018	January 2019	June 2019	January 2020
Response rate	86%	84%	87%	83%	85%
Engagement outcome (average engagement)	74%	76%	77%	79%	79%
Leading our people (% favourable)	59%	60%	61%	63%	63%
Manager behaviours (% done well)	–	–	–	81%	80%
An environment where everyone can thrive (% favourable)	–	–	–	81%	82%
Wellbeing (satisfied with life % favourable)	70%	73%	72%	76%	71%

Strong foundations continued

Keeping our people safe and well

Case study:

Protecting our people in the Covid-19 crisis



Since the first reports of Covid-19 in mid-January, we've been planning for scenarios of how the spread of the virus could impact our customers and colleagues. Led by our chief medical officer, we're closely monitoring the situation and following international health guidance and government advice.

Everyone in BT and Openreach who is able to work from home has been doing so. For those colleagues who are not able to work from home – including network operations, field engineers, 999 operators and some customer contact centre teams – we've increased cleaning in areas where these teams work, and arranged for people to work at government-recommended safe distances.

The wellbeing of our colleagues is also very important and we have developed bespoke expert led webinars, resources and high profile communications to support our people. 84% of colleagues who responded to a recent survey said they have access to the information and support they need on health and wellbeing. We're paying our people fully, even if they need to isolate, giving them the security to make the right decisions for their health and the health of their loved ones. We're keeping colleagues up-to-date with the latest advice, and we'll continue to follow the advice and guidance of the Government and Public Health England and adjust our policies accordingly.

See our [website](#) for the latest on BT's response to Covid-19.

The health, safety and wellbeing of our colleagues is an absolute priority, and remains so during times of uncertainty as a result of the Covid-19 crisis (see box).

We aim to build a culture where everyone can thrive. Our health, safety and wellbeing strategy has a strong focus on mental wellbeing to help people get the most out of life at work and at home. It's supported by our health, safety and wellbeing [policy](#).

We continue to review progress through quarterly health, safety and wellbeing forums, chaired by our human resources director, and the Board reviews performance twice a year.

Promoting wellbeing and good mental health

Recent reports by [Business in the Community](#) and on behalf of the [UK Government](#) suggest that businesses need to do more to proactively support their employees' mental health and wellbeing. This is not only the right thing to do, it also helps improve business performance. Our research with the University of Oxford shows a clear link between happiness and productivity – over a six-month period, workers at six of our contact centres were 13% more productive when they were happy.

In our most recent Your Say survey, 71% of colleagues responded favourably to the question about wellbeing, a slight decrease from last year. We recognise that we need to do more to support our colleagues, and more than 2,600 of them in the UK completed an in-depth wellbeing survey to ask how we can help. The results provided detailed insight and helped refine our approach in addressing key wellbeing issues. Among the key areas identified were achieving a healthy work-life balance and managing stress.

We're putting wellbeing at the heart of our business transformation and building design as we strive to make BT a brilliant place to work. We're investing in new learning resources to enhance mental health and resilience. We've launched a new online portal, Your Wellbeing, to give colleagues help and guidance to stay well both in and out of work. In the last four months, it's already had over 150,000 views.

More than 1,800 managers and leaders have completed training this year to help them spot and respond to signs of poor mental wellbeing, and nearly 300 volunteers offer confidential support through a peer to peer network. We provide free mental health and physiotherapy services for UK colleagues and our employee assistance programme offers free confidential counselling and advice lines. We also support colleagues, past and present, who are facing financial hardship through the BT Benevolent Fund.

Over 1,900 colleagues took part in The Fit 4 Life challenge to do 20 minutes of exercise for 20 days a month from January to March, racking up a total of over 70,000 hours of exercise between them.

Sickness absence has increased this year to 3.00% of calendar days lost, compared to 2.64%¹ last year.

Keeping colleagues safe

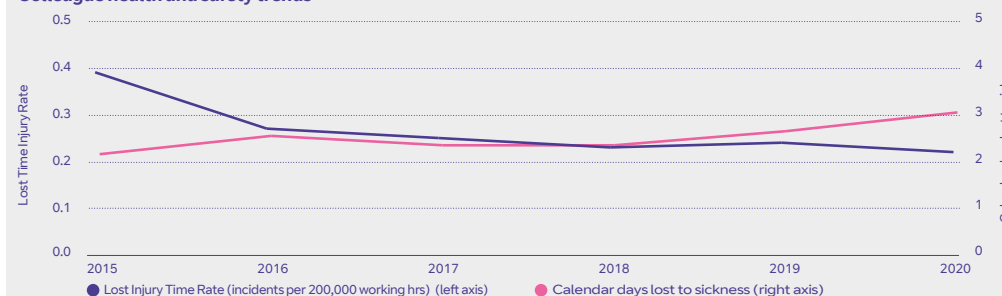
Our lost time injury rate reduced this year to 0.216 incidents per 200,000 hours worked. Around 9,600 colleagues participated in a survey to help us understand how to improve our safety culture. We've introduced a new system for reporting accidents, incidents and near misses that's designed to give us better insight into root causes of incidents so we can take action to stop them happening.

We provide training to help colleagues stay safe, targeting key risks such as working from height. This year, we trained more than 9,200 Openreach engineers on ladder safety, and introduced new safety measures and training for around 1,500 engineers accessing lofts in our own buildings. We've also strengthened our safety management for contractors, including introducing new risk and compliance checks.

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

¹ The 2018/19 figure has been restated upwards from 2.36%, due to more accurate systems capture of international absences.

Colleague health and safety trends



Strong foundations continued

Acting with integrity

We expect everyone at BT to share our values. Our ethics code – part of The BT Way – offers clear guidance to help everyone who works for, with, or on behalf of BT make the right decisions.

Building awareness

Colleagues are expected to complete annual training on The [BT Way](#) and 99.4% did so this year¹. This includes some new role-based training that we've introduced for customer-facing colleagues working in our contact centres and Openreach engineers, so they're confident that they're doing the right thing. The online course takes participants through a series of scenarios they could face in their day-to-day work and asks the question, 'Is It OK?'.

We expect our managers to lead by example as ethical role models. During Global Ethics Day in October 2019, senior executives shared their personal stories about ethical dilemmas through our internal online team platform.

We use the Your Say survey to check how engaged BT colleagues are on ethical issues and how they think we're doing. In the latest survey, 93% agreed that we do business ethically, up six points from last year.

Tackling bribery and corruption

Our [anti-corruption and bribery policy](#) makes it clear that we don't tolerate bribery or corruption in any form. Mandatory annual training on our ethics code supports this message and reminds colleagues that they must report any conflicts of interest. People in higher risk roles or environments also complete additional anti-corruption training every other year – more than 30,000 have a current completion status.

Addressing compliance issues

We don't always get it right. In June 2019, the Information Commissioner's Office (ICO) fined EE for sending more than 2.5m direct marketing messages to its customers without consent. We're working to improve our processes to prevent anything similar happening again.

In March 2020, Ofcom fined BT £245,000 after an investigation found that we had overcharged EE mobile customers for making calls to 118 directory enquiries services over a period of three months due to a delay in implementing Ofcom's price cap on calls to 118 numbers. All customers affected were subsequently refunded, and the price cap implemented appropriately.

Speaking up and acting on improper behaviour

We want to know if something isn't right. And we want people to feel safe telling us. Our one-stop web page, Tell Us, gives colleagues all the information they need to report an ethical issue or ask a question.

Our confidential [Speak Up](#) helpline enables colleagues, contractors, agency workers and suppliers to report concerns wherever they are in the world – anonymously where local laws allow. It's hosted by an independent organisation. We introduced a new internal policy and standard this year to explain more clearly how the Speak Up process works and provide more information about everyone involved in the process for investigating concerns.

People raised 593 concerns this year, 13% more than last year. We reviewed all of them, and investigated where sufficient detail was provided. We took further action on 38% of the cases we closed. The rest were unsubstantiated, duplications, follow-ups of existing cases, or redirected to more appropriate reporting channels. Actions included coaching or training, disciplinary procedures, and improvements to our policies or practices. This year, we disciplined 171 colleagues as a result of ethical misconduct and 83 left the Company. The most common issues related to unauthorised use of company vehicles and falsification of records.

Case study:

Paying our taxes

Our commitment to doing business responsibly includes our approach to tax. Our [tax strategy](#) explains how we deal with tax affairs and commit to paying our fair share. We paid £147m in corporation tax this year and the One Hundred Group 2019 Total Tax Contribution Survey ranked us the sixth highest contributor in the UK.

 [Read more about our tax strategy](#) in our [Annual Report](#)



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