BT Group plc
Manifesto Report 2022

We connect for good

Growth through tech that's responsible, inclusive and sustainable

We connect for good

By 2030, we aim to become the world's most trusted connector of people, devices and machines. This year, we launched the BT Group Manifesto to accelerate growth through technology that's:

Responsible 6
Inclusive 12
Sustainable 18

Here we report on progress in 2021/22, **as we lead the way to a bright, sustainable future** – one of BT Group's three strategic priorities that will enable us to grow value for all of our stakeholders.

In this document, references to 'BT', 'BT Group' and 'the group' are to BT Group plc, comprising its subsidiaries, customer-facing units and internal corporate units and technology units.

See our **Annual Report** for more on our strategy and progress, and our ESG Addendum for more detailed environmental, social and governance (ESG) data and disclosures.

Leading the way to a bright, sustainable future

The BT Group Manifesto boldly focuses on accelerating growth – through responsible, inclusive and sustainable tech.

Some may question how these things go together, but when I look at this ambition, I don't see conflict or trade-offs. I see alignment and opportunity.

BT Group will only succeed as a business if we use our scale and technology to help solve the problems faced by the customers and communities we serve. That's how we grow and stay true to our purpose: we connect for good.

BT Group has been on this journey for a long time; we have a strong track record on digital impact and sustainability. This year, we continued to drive progress as we sharpened our focus.

We're investing in the fast networks and new tech that will help us live and work better. We're applying strong principles to make sure we develop, use, buy and sell tech responsibly. We're also launching a new movement to build the pipeline of diverse talent needed to power the UK's future digital economy.

At the same time, we've stepped up our social impact by helping millions more people improve their digital skills. We're taking a stance and tackling online hate, and we're working towards ambitious targets on gender, ethnicity and disability within our own business.

Bolstered by our three decades of climate leadership, we've brought forward BT Group's commitment to become a net zero business by 15 years as we continue to decarbonise our networks, buildings and fleet. We're also going further by targeting net zero for our supply chain and customer carbon emissions by the end of March 2041.

Our Manifesto commitments will help us accelerate the pace of change the world desperately needs through technology that's responsible, inclusive and sustainable.

Leadership in these areas is fundamental to our strategy for growth as we lead the way to a bright, sustainable future.

Philip Jansen
Chief Executive

"As incoming Chairman, I'm impressed by BT Group's role as a national enabler, connecting for good in the UK and beyond. It's great to see the level of ambition set out in the Manifesto. This will not only contribute to society, but also help to grow the business and build trust with stakeholders."

Adam Crozier
Chairman

"As I step down as chair, I'm excited to see BT Group working hard to integrate sustainability into the future of the business. The new Manifesto brings together BT Group's growth plan with its digital impact and sustainability ambitions.

I've seen the business step up in many ways – from accelerating its net zero pathway to integrating carbon and digital skills targets into the annual bonus for all BT managers.

BT Group's responsible tech approach is fundamental to building trust in the products and services it brings to market. As one of the most recognised brands in the UK, there's a really important role to play in showing what trust in technology can look like."

Leena Nair
Chair of the Digital Impact & Sustainability Committee (DISC)

See Leena's full DISC report in our **Annual Report**.

Launching our Manifesto

We invited over 700 colleagues, investors, partners, policymakers and tech leaders to join the launch of the BT Group Manifesto in December 2021. Our chief executive, Philip Jansen, led the event and executives from across the business took part in a series of panel sessions and roundtables with stakeholders. The responsible, inclusive and sustainable sections of this report offer a flavour of the discussions.

Views from financial analysts

"We see BT clearly attempting to reposition the narrative towards being part of the solution for society."
Maurice Patrick, Barclays

The event was introduced by BT's Group CEO with representation from the Board. It was noted several times that management bonus awards have ESG criteria to meet."
Terence Tsui, Morgan Stanley

There is clearly a tech skills shortage. This impacts BT from an employee-side, but also from a customer-inclusion angle – and BT is working hard on both."
Carl Murdock-Smith, Berenberg

Views from partners and peers

"This manifesto at its heart has a lot of action. BT have laid out what they're going to do to deliver very ambitious targets which will bring sizeable change in the UK."
Mark Creighton, Avado CEO

This is really about how inclusion, accessibility and sustainability are going to be inherent in the way businesses will lead and transform over the next decade. It was great to hear the bold ideas."
Clare Barclay, Microsoft UK CEO

What I like about BT is this open, honest, transparent commitment to asking the question: how can we push things forward? That's going to make a difference and this is a brilliant starting point."
Peter Grigg, Home-Start CEO

Our progress in 2021/22

	We're committed to...	This year we've...	Contributing to UN SDGs
Responsible	Invest in new growth tech that will help us live and work better	Invested £604m in R&D and launched a new Digital Unit to fast-track innovations in growth areas like healthcare, AI and data. Our investment of approximately £15bn in full fibre will support the UK's digital economy into the future.	
	Apply responsible tech principles across BT's full value chain	Refreshed our ethics code to explicitly include our commitments on responsible tech and human rights, updated sourcing and selling processes to further embed our responsible tech principles, and scrutinised ethical issues raised by solutions like AI through our responsible tech steering group.	
	Partner to build a diverse talent pipeline to drive the UK's digital economy and growth	Launched BT Accelerate Digital, our digital talent movement, to inspire people from diverse backgrounds to enter digital careers.	
Inclusive	Pass 25m households with full fibre by December 2026, including 6.2m homes and businesses in hard-to-reach rural communities	Reached over 7.2m households with full fibre, including over 2m in rural areas. Extended access to broadband for low-income households through the BT Home Essentials social tariff and Openreach's Connect the Unconnected offer.	
	Expand 5G to 90% of the UK geography by 2028, and continue to expand 4G , including rural coverage	Maintained the UK's largest, fastest 4G network, and continued the rollout out of 5G that now reaches 50% of the population in the UK. Improved rural 4G coverage in over 800 areas since March 2020 and this year announced plans to boost coverage in 1,500 more locations by 2024.	
	Help 25m people with digital skills by the end of March 2026	Helped a further 4.6m people improve their digital skills (14.7m since 2014/15), including supporting small businesses with 'Get Mentored, Get Growing', helping jobseekers through FastFutures, empowering young people to get PhoneSmart and tackling online hate with Hope United.	
	Build a diverse and inclusive workforce through our diversity and inclusion targets	Set commitments to build a diverse and inclusive workforce by 2030, supported by female talent development programmes and rapid action plans on ethnicity and disability.	
Sustainable	Be a net zero carbon emissions business by the end of March 2031, and for suppliers and customers by the end of March 2041 Science-based targets[1]: • Reduce the carbon intensity of our operations by 87% by the end of March 2031[2] • Cut supplier carbon emissions by 42% by 2031	Brought forward the net zero pathway for our operations by 15 years, to the end of March 2031, and set a net zero target for our supplier and customer emissions by the end of March 2041. Cut our carbon emissions intensity by 55% and reduced our scope 1 and 2 emissions by 55% since 2016/17, by maintaining 100%[3] renewable electricity, introducing more electric vehicles to our fleet and decarbonising our buildings. Cut our supplier carbon emissions by 28% since 2016/17 by continuing to work with suppliers and supported small businesses to set net zero targets.	
	Help customers avoid 60m tonnes of CO_2e by the end of March 2030	Researched the potential for tech to enable a lower-carbon economy, and partnered to scale up solutions developed through our Green Tech Innovation Platform to help public sector and business customers transition to net zero.	
	Build towards a circular BT by the end of March 2030 and circular tech and telco ecosystem by the end of March 2040	Set an ambitious new circular commitment, refurbished or recycled 170k mobile devices and 1.35m home hubs and set-top boxes, and recovered or recycled 97% of our operational waste worldwide.	

1 Approved by the Science Based Targets initiative as in line with 1.5°C climate pathway.
2 Based on reductions since FY17 (scopes 1 and 2 worldwide emissions tonnes CO_2e per £m value added).
3 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.

We believe:

New technology must earn trust and transform life for the better.

Responsible

Our responsible tech principles:

For good

We design and deliver tech to empower people and improve their lives.

Accountable

We are accountable for our actions and take care to avoid, and protect against, tech misuse.

Fair

We work hard to ensure everyone is treated fairly and with respect.

Open

We listen, collaborate and are transparent about our actions.

Harnessing the power of tech to connect for good

BT touches the lives of nearly every person in the UK in some way – and thousands more around the world. I can't think of a bigger or better platform for harnessing the power of tech to connect for good and transform lives.

Working collaboratively with others will help us speed up innovation and make the most of the opportunities that new technologies bring – whether that's supporting healthcare, security or the shift to a low carbon economy.

Successful adoption of new tech depends on public trust in both the technology and the organisations developing and deploying it. Trust is key to unlocking the full value of data, AI and other innovations at scale for consumers, industry, society – and our business.

We aim to build and maintain that trust: by putting people and purpose at the heart of our products and solutions; by really listening to our customers' hopes and fears; and by making sure we embed ethics and human rights into the way we design and market our products.

Guided by our responsible tech principles, we've committed to consistently develop, use, buy and sell tech in a way that benefits people and minimises harms. Our aim is to be the most trusted connector of people, devices and machines in the world by 2030.

To make this happen, we need talented people who understand cutting edge tech. That's why we're investing to supercharge a digital talent movement that will build the skills and diverse talent that BT and the UK need for the future.

Harmeen Mehta
Chief digital and innovation officer

Responsible in action: Developing AI responsibly

Artificial intelligence (AI) enables data systems and machines to learn, adapt, personalise and prioritise.

When AI first took off there was huge excitement about this incredible new capability. But there were also, rightly, concerns over things like the use of data. The industry really needs to come together to work out how we get the pace of innovation we all want – but to get it right.

We need checks and balances, but one of the challenges is that regulators find it hard to keep up with the pace of innovation. So it's really on organisations themselves to think about what they need to do and what processes they need to build into product development and innovation to make sure they get it right first time. It's amazing to see BT taking such a strong initiative on this."

Charlie Muirhead, Founder & CEO, CogX (an organisation that aims to help ensure a safe and responsible transition to an AI-driven society)

In a world of billions of devices and possible connections – both positive and negative – connecting for good has never been more important.

The role of AI in this increasingly digital world has led to one of the biggest debates we've had. Take diversity, for example. Because AI is data-led, there's a risk that bias will automatically be built into AI solutions if you don't ensure diversity in the data up front.

Often with rapidly evolving tech, like AI, there are not yet set rules. That's why we're taking the lead in applying new technologies in a way that strives to be fair to everyone – to connect for good."

Ed Petter, Corporate affairs director (executive sponsor, responsible technology and human rights)

Investing in tech to help us live and work better

We're investing to accelerate the tech innovations of the future that will enable people to live and work better.

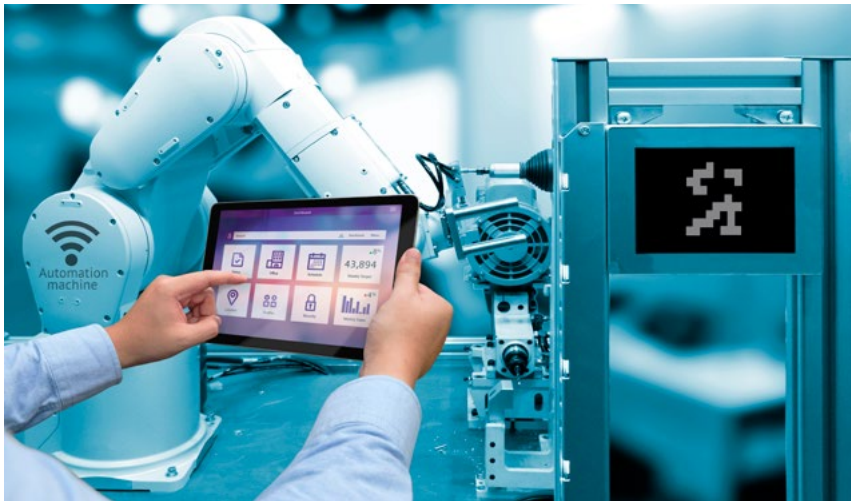
We're leveraging our responsible approach to build trust in new tech and make our solutions inclusive. This will help us differentiate our propositions and lead in future growth areas and innovation.

We've spent £604m on research and development this year alone. Our new Digital unit will enable us to fast-track innovations in key areas including healthcare, AI and data.

See our **Annual Report** for more on investment in innovation

£604m

spent on research and development this year



Applying responsible tech principles across the value chain

Our responsible tech principles help us think carefully about how to benefit people and minimise harms – every time we develop, use, buy and sell tech.

Grounded in the UN Guiding Principles on Business and Human Rights, the principles are part of our new business risk management framework. Our responsible tech steering group, chaired by our corporate affairs director, oversees their implementation as part of our broader human rights strategy and governance. This year, the group continued its deep dive into emerging risks and strategic growth areas for BT Group (see box).

We communicate our approach to responsible tech governance and respecting people's rights through our Human Rights Policy. Our updated ethics code – Being trusted: our code – spells out our commitments on responsible tech and human rights. All colleagues are required to complete mandatory annual training on the code, and 96% of them did so this year.

We encourage anyone with concerns about human rights in our operations to contact our Speak Up helpline.

96%

of colleagues completed mandatory annual training on the code

Tackling tough tech questions

Using people's data, especially to make money, raises a whole host of ethical issues.

This year, we invited external experts to help us think through the benefits and risks of data monetisation and custodianship. The discussions identified ways to strengthen our approach by helping customers better understand how we use their data, showing them we use it fairly and demonstrating the value to them.

> "Companies can be trusted data institutions and make money off that data if they take on a real fiduciary duty. Let me define what's good for me. Show me the benefits. Transfer power back to me."

Fergus Gleeson, Data Researcher, Human Sciences Studio, The Dock, Accenture

Putting our principles into practice when we...

Develop tech

We apply our principles right from the start when we design new tech. Our responsible tech and data ethics teams (guided by the responsible tech steering group) lead our thinking as we work to systematically build ethical decision-making into product design processes.

One of our priorities is to keep customers' data secure and private. This year, we strengthened our privacy impact assessment process with a new online tool that integrates responsible tech and human rights considerations into our business decisions.

Building on our deep-dive into healthcare solutions last year, we're creating specific guidance to help product teams embed data ethics into healthcare propositions.

8,000

professionals trained since 2015 to help them support children who have been harmed or abused online

Use tech

We want to make sure our products and services are used for good. We focus on protecting privacy and free expression, and helping to prevent online harms.

We support the Global Network Initiative Principles on Freedom of Expression and Privacy. Following a self-assessment last year, we're undergoing an external assessment against the principles and we'll share the findings next year.

Sometimes authorities can legally request access to data or communications to help tackle serious crime or protect national security. We're obliged by law to provide information requested under these investigatory powers, but we have processes in place to assess each request carefully. See our ESG Addendum for a summary of lawful interception and data disclosure requests received in 2021 by country.

People have a fundamental right to express themselves, but we will block access to illegal content – including malicious traffic, intellectual property violations and images of child sexual abuse flagged by the Internet Watch Foundation. See our ESG Addendum for data on the material and sites we've blocked in the UK this year.

See our **ESG Addendum**

In 2021, we partnered with the Marie Collins Foundation to train around 1,000 professionals in the UK (over 8,000 since 2015) to help them support children who have been harmed or abused online. We're also empowering young people to stay safe online through EE's new PhoneSmart Licence.

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BT Sport's Draw The Line campaign encouraged people to step up and stand against hate speech and abuse on social media – with support from our Hope United team of footballers.

An estimated 1.8m people in the UK have suffered threatening behaviour online in the past year.[1] BT Sport's Draw The Line campaign encouraged people to step up and stand against hate speech and abuse on social media – with support from our Hope United team of footballers.

See page 17

Buy tech

We strive to only buy products and services from responsible companies. To work with us, suppliers are required to meet our standards, and we monitor risks and compliance through various assessments and audits. This year, we identified 74 high or medium-risk suppliers from our Human Dignity, Environmental and Climate Change supplier assessments, and conducted 31 on-site assessments.

We've upped the weighting of responsible and sustainable criteria from 10% to 15% in our initial supplier assessments. BT Sourced, our new procurement company, has embedded these considerations into its policies and processes to give buyers a clearer view of risks and opportunities associated with new and existing suppliers.

See our Modern Slavery Statement for more on our responsible sourcing approach, supplier assessments, audit findings, and how we're tackling modern slavery and conflict minerals.

15%

We've upped the weighting of responsible and sustainable criteria from 10% to 15% in initial supplier assessments

Sell tech

Our global sales due diligence process helps us identify and address potential human rights impacts of our products and services.

We look at what we're selling, who the customer is, and whether our product is likely to directly or indirectly support high-risk activities like military, security or law enforcement applications. Based on what we find, we may decide to conduct a more detailed human rights impact assessment, sometimes with external support.

This year, following guidance from BSR, we have further enhanced our due diligence process and expanded its scope to include our Enterprise business.

1 YouGov research commissioned by BT.

Engaging on responsible tech and human rights

We're committed to sharing, learning and working with others to encourage open debate about responsible tech topics.

This year, we joined the techUK Digital Ethics Summit, presented our governance and due diligence process to the BSR Human Rights Working Group, and responded to UK Parliamentary consultations on the Online Safety Bill. We also commissioned a report by the RSA exploring the online harms of disinformation and misinformation, which includes a number of policy recommendations.

In May 2021, we presented the findings of our research with Demos on the UK public's views about responsible tech (see box) and held a multi-stakeholder panel debate to discuss what we found. We followed this up with a poll of our colleagues on responsible tech questions. Most said they would leave a company they worked for if they didn't feel it was taking a strong enough stance against unethical uses of tech.

Engaging with the public on responsible tech

We've partnered with thinktank Demos to hold a national conversation on responsible tech.

Our research showed evidence of a two-way crisis in trust. On the one hand people don't trust how their data is used but on the other hand they also feel they are not being trusted to make their own decisions about how they use data. The need to build trust – and improve people's understanding about data use and new technologies – is vital.

Key findings[1]

47%

said that as long as companies were transparent and clear about their intentions, they weren't worried about how their personal data is used.

50%

would support any use of their personal health data by private companies that could help improve their health.

67%

were worried that their data is going to be used against them without their knowledge.

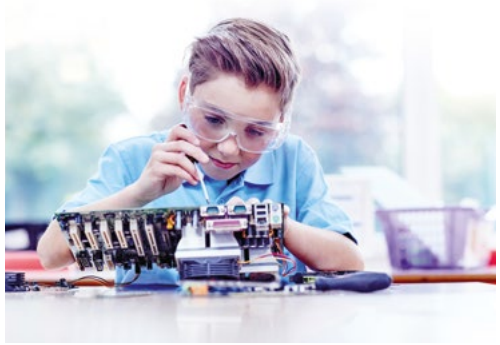
65%

often worry about the unintended consequences of new technological developments.

1 2021 Demos poll of nationally representative sample of over 1,000 adults.

Supercharging digital talent

We're creating a movement to supercharge a diverse pipeline of digital talent for the UK.



We need people with the right skills and a rich variety of experience to fulfil our growth agenda, but they are few and far between. Under half of UK employers feel that young people leaving full time education have the advanced digital skills they need, and seven in ten UK companies (including BT) struggled to fill AI posts in the past year.

1,500

We're partnering with Avado to provide mentoring support for a further 1,500 young people to help them develop digital business skills

Through BT Accelerate Digital, our digital talent movement, we will future-proof BT and the UK's digital talent pipeline by engaging and inspiring people from diverse backgrounds to enter digital careers.

To kick off the movement, we'll partner with Avado to provide mentoring support for a further 1,500 young people to help them develop digital business skills through FastFutures, a 12-week training and mentoring programme (see page 16). We'll also support 80 young people through Bootcamps designed to build advanced digital, data and AI skills without the need for a STEM degree. We'll report on progress next year.

More on being responsible

- **Annual Report** – investment in R&D, human rights, and anti-bribery and corruption.
- **Website** – our approach to **responsible tech and human rights**.
- **ESG Addendum** – privacy and free expression data on lawful interception and blocking activity.
- **Modern Slavery Statement** – training colleagues, assessing supply chain risks and partnering to tackle modern slavery.

We believe:

The future of tech must be inclusive and diverse for everyone to benefit

Inclusive

Making tech and BT more inclusive

7.2m
homes and businesses reached with full fibre

14.7m
people reached with help to improve digital skills since 2014/15

277,000
small business owners and employees reached with digital skills support this year

2030
We've set bold ambitions to build a diverse and inclusive workforce

We're building inclusive connections, digital skills and a diverse BT

The future is here, and it's digital. But not everyone is getting the benefits that tech can offer. Around 2.6m people in the UK remain almost completely offline and nearly 11m lack basic digital skills.

To unlock the transformative power of technology, it needs to be available and accessible to everyone.

We're working to develop the right digital infrastructure so no-one gets left behind. Our next-generation, full fibre broadband already passes 7.2m homes and businesses, and we're targeting 25m by 2026. We have the UK's largest and fastest 4G mobile network and we're rapidly rolling out 5G across the country.

High-speed connectivity can make an enormous difference to people and businesses across the UK. It offers the potential to access the benefits that tech can bring. But it's skills and training that turn that potential into reality by helping people make the most of tech.

We've helped more than 14m people improve their digital skills and we're targeting 25m by 2026.[1] This year, we've supported struggling small businesses through the pandemic, helped jobseekers get ready for work, tackled online hate and empowered children to stay safe and be kind online.

At the same time, we need an inclusive BT that reflects the communities we live and work in to help us serve our diverse customer base. We have a rich legacy of inclusion. But we know there's still a lot to be done. We've set bold targets for diversity in our own business, backed by rapid action plans on ethnicity and disability.

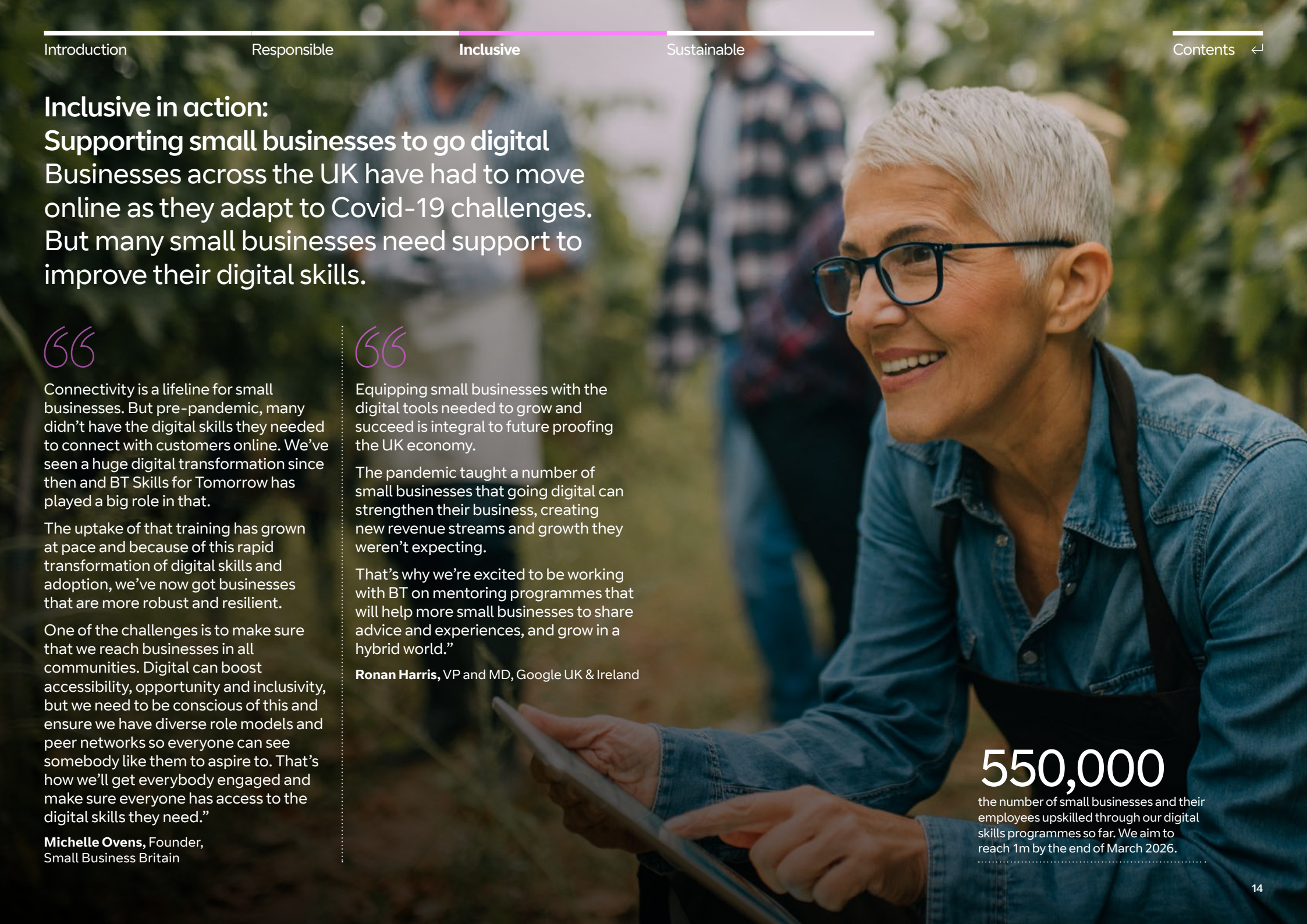
Creating a more inclusive digital landscape will help us drive productivity, innovation and growth for our business and for the UK.

Rob Shuter
CEO, Enterprise

1 By end of March 2026

Inclusive in action: Supporting small businesses to go digital

Businesses across the UK have had to move online as they adapt to Covid-19 challenges. But many small businesses need support to improve their digital skills.



Connectivity is a lifeline for small businesses. But pre-pandemic, many didn't have the digital skills they needed to connect with customers online. We've seen a huge digital transformation since then and BT Skills for Tomorrow has played a big role in that.

The uptake of that training has grown at pace and because of this rapid transformation of digital skills and adoption, we've now got businesses that are more robust and resilient.

One of the challenges is to make sure that we reach businesses in all communities. Digital can boost accessibility, opportunity and inclusivity, but we need to be conscious of this and ensure we have diverse role models and peer networks so everyone can see somebody like them to aspire to. That's how we'll get everybody engaged and make sure everyone has access to the digital skills they need."

Michelle Ovens, Founder, Small Business Britain

Equipping small businesses with the digital tools needed to grow and succeed is integral to future proofing the UK economy.

The pandemic taught a number of small businesses that going digital can strengthen their business, creating new revenue streams and growth they weren't expecting.

That's why we're excited to be working with BT on mentoring programmes that will help more small businesses to share advice and experiences, and grow in a hybrid world."

Ronan Harris, VP and MD, Google UK & Ireland

550,000

the number of small businesses and their employees upskilled through our digital skills programmes so far. We aim to reach 1m by the end of March 2026.

Championing digital inclusion

We're working towards an inclusive digital future for the UK by making our networks and tech available, affordable and accessible to everyone.

Investing in our networks

Access to strong, secure, ultrafast, full fibre broadband from Openreach is now available to more than 7.2m UK homes and businesses, and we aim to reach 25m premises by 2026. The target includes reaching 6.2m homes and businesses in hard-to-reach rural communities and this year we reached over 2m in rural areas. As the designated universal service obligation (USO) provider for broadband, we supply faster connections for those unable to get decent broadband if the cost of doing so is less than the threshold of £3,400 set by Government.

Our 4G mobile network remains the country's biggest and fastest, and we've continued rolling out 5G with even higher speeds, more reliable service and near-instant connections. We've already extended 5G coverage to half the UK population, and we've committed to reach 90% of the UK geography by 2028. We're extending 4G rural coverage through the Shared Rural Network (SRN) initiative which will extend coverage to 95% of the UK's geography by the middle of this decade.

See our **Annual Report** for more on network investment, the USO and SRN.

90%

We've committed to reach 90% of the country with 5G by 2028

Making our products affordable and accessible

Better broadband connections can open opportunities in education, employment and social inclusion – and transform access to healthcare and vital local services. Nearly three quarters (74%) of British adults say they would struggle to improve their financial situation or job prospects without a home connection.[1]

We want to help as many people as we can to access these opportunities – including helping more low-income households get online. Over 800,000 of our customers are on a range of subsidised or discounted tariffs.

Launched in June 2021, BT Home Essentials expands the eligibility of our previous social tariff to include all customers on Universal Credit as well as other means-tested benefits. It offers broadband and calls at around half the price of our standard fibre package.

Openreach's offer to Connect the Unconnected, launched in September 2021, waives broadband connection fees for customers on Universal Credit with no other earnings, who aren't already connected to its network.

800,000

Customers on subsidised or discounted tariffs

Our Customer Inclusion Panel, which includes experts from Age UK, Mind and RNIB, helps us make our products and services as accessible as possible for vulnerable customers or those with additional needs.

This year, we launched our Here for You campaign to make sure any customers who need extra help know where to find it (see box). We're also providing extra training to our customer service colleagues to help them identify those who require assistance and keep them connected.

1 BT research based on nationally representative sample of around 2,000 British adults in April 2021.

Here For You

More than one in five British adults say unexpected life changes during the pandemic mean they now need additional support.

Fewer than half are comfortable sharing their problems with others – and would be unlikely to tell their mobile or broadband provider they may need help. But four in ten said they would feel more comfortable asking for help from their supplier if they knew that specific support was in place.

Our Here for You website brings together BT's wide range of products, services and support for those who need extra help in one easy-to-navigate place. It includes information about the newly launched Home Essentials social tariff, the latest accessibility options and priority services for customers with long-term illnesses or disabilities, and advice for dealing with scams.

See our **Here for You** website

Upskilling the nation

We've reached a further 4.6m people with help to improve their digital skills this year – from small businesses and jobseekers to kids getting their first mobile device.

Building on our Skills for Tomorrow resources and partnerships, we've reached a total of 14.7m people with digital skills support since 2014/15. We're aiming to reach 25m by the end of March 2026.

Leaving no business behind

Small businesses are the backbone of the UK economy. They employ nearly 13m people, which is nearly 50% of the UK workforce. But half expect a reduction in revenue due to the pandemic.

This year, we continued to support small businesses in building stronger digital foundations. We launched a Digital Marketing Hub, gifted digital advertising space on our new Street Hubs and pressed forward with our partnerships to boost digital skills.

This year, 42% of small businesses surveyed by Small Business Britain said they would like support with digital skills.

We've reached a further 2,200 small businesses and their employees with digital skills support through mentoring and 46,200 through webinars this year. Webinar topics ranged from digital marketing and e-commerce to social media and business strategy. And 86% of those taking part in our webinars said they would make changes to their business based on what they had learned.

2,200

small businesses and their employees helped through mentoring

'Get Mentored, Get Growing', our new campaign with Google, offered free, one-to-one mentoring sessions to help small businesses like Sleepgoddess (see quote) harness digital skills as a driver for growth. Our Let's Talk About series continued with short videos on YouTube and LinkedIn Live that offer practical tips presented by successful entrepreneurs.

We ran webinars for small businesses through our partnerships with Small Business Britain and our Lightbulb sessions with the Great British Entrepreneur Awards. We also offered specific guidance for small businesses on taking climate action.

See page 22

"I was inspired by my own struggles with sleep, to start a business that would help people wake up feeling their best. I started an Instagram page and built an email marketing list even before I officially launched. I watched on-demand digital skills webinars from Google and BT after I had put my children to bed and had one-to-one mentoring sessions to optimise my website and social media, as well as build a digital marketing strategy. Since then, business has exploded, with customers as far away as New Zealand."

Laurelle Darroux, 'Get Mentored, Get Growing' participant and Founder of Sleepgoddess – a one-stop shop for vegan, ethical British-made beauty sleep products

Helping jobseekers get into a digital workforce

We're helping jobseekers develop the skills they need to succeed in a digital economy. We reached over 33,000 people through our Work Ready virtual training sessions this year and ran a summer jobseekers campaign on how to gain confidence when applying for jobs.

Through FastFutures, we partnered with Avado to offer a 12-week digital business skills and mentoring programme that empowers 18 to 24-year-olds from diverse backgrounds. BT colleagues have mentored over 1,000 of the 2,800 young jobseekers who have completed the programme since it began in 2020.

FastFutures is one of the programmes supporting our digital talent movement.

See page 11

Empowering young people to stay safe online

Nearly half of eight to 11-year-olds in the UK have their own smartphone – rising to 91% for 12 to 15-year-olds. When a young person gets their first mobile device, they're entering a world full of opportunity. But there are also hazards they need to understand and avoid – from cyberbullying to fake news.

That's why we've created the UK's first phone licence, to help prepare kids for life online. EE's PhoneSmart Licence is a fun and educational online resource to help young people learn how to stay safe and be kind online. The one-hour course guides children through a series of interactive stories and quizzes on topics like cyberbullying and fake news to earn their PhoneSmart Licence.

To mark Safer Internet Day, we launched a new learning video that gives parents and guardians advice on how to navigate streaming and help their children stay in control of what they share online.

> "I think a lot of the storylines and examples were quite good because they weren't just random things that could happen, they were things that do happen."
>
> **PhoneSmart girl,** 11

Uniting against online hate

One in ten British people have received online abuse in the past year.[1] That's why we've formed Hope United – a diverse team of top footballers from all four home nations who are driven by their own experience of online hate.

Launched in May 2021 ahead of the UEFA European Championships, Hope United aims to raise awareness and give people the digital skills they need to beat online hate and be a good team player on social media.

Partnering with charities on digital skills

We extend our support for digital skills through our work with charities in the UK and beyond.

This year, colleagues voted for Home-Start UK as our new UK charity partner. Together, we're working to tackle the digital divide affecting the UK's most vulnerable people by helping families improve their digital skills.

In India, our partnership with the British Asian Trust has helped bring skills and education to over 738,000 young people across the country, and in doing so, we've exceeded our target of enabling 100,000 adolescent girls to stay in school and develop greater resilience and employability skills. Together, we've worked with more than 1.5m community stakeholders to reduce socio-cultural barriers for adolescent girls. We've also reached over 35m people in India with key messages on gender equality, employability and other issues through programmes that provide skills training videos on TV and online.

We've continued to work with UNICEF to support digital skills development around the world. We've supported the Digital Learning Passport – a tech platform which enables online and offline access to quality educational resources for schoolchildren – which now has 2m users in over 20 countries and was named one of the best inventions of 2021 by Time Magazine. In Brazil and South Africa, we've been able to reach even more young people with digital skills training this year through our partnership.

Our dedicated colleagues across the business support our charity partnerships through volunteering and fundraising.

See our **ESG Addendum**

Building a diverse workforce

We're holding a mirror up to ourselves to improve inclusion and diversity within BT.

Embracing diversity, inclusion, accessibility and equality is core to our people strategy and critical to the growth of our business. We've set some big ambitions to champion an inclusive culture at BT.

Our female talent development programmes, together with rapid action plans on ethnicity and disability, will help us get there.

Find out more about the progress we've made – and the work we still need to do – in our Diversity and Inclusion Report.

More on being inclusive

ESG Addendum – social and economic impact, charity partnerships, volunteering, support for suppliers and detailed colleague data.

Diversity and Inclusion Report – progress on gender, ethnicity and disability within BT.

1 YouGov survey of 4,753 people in Great Britain commissioned by BT

Our 2030 ambitions

BT Group (excl. Openreach)	
Women[2]	**50%**
Ethnic minority colleagues[3]	**25%**
Disabled colleagues[3]	**17%**
Openreach	
Women[2]	**13%**
Ethnic minority colleagues[3]	**10%**
Disabled colleagues[3]	**6%**
BT Group (total)	
Women[2]	**33%**
Ethnic minority colleagues[3]	**17%**
Disabled colleagues[3]	**12%**

2 Global workforce
3 UK workforce only due to data limitations, and based on declared data only

We believe:

Technology must accelerate our journey to net zero emissions and a circular world

Sustainable

On our way to net zero by 2031[3]

100%

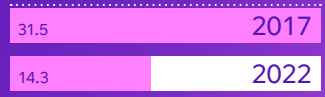
renewable electricity worldwide[1]

28%

cut in supply chain emissions since 2016/17 (towards our 42% target by the end of March 2031)

55%

cut in carbon emissions intensity since 2016/17 (towards our 87% target by the end of March 2031)[2]



1 99.9% of the global electricity BT Group consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.
2 Scope 1 and 2 worldwide emissions tonnes CO_2e per £m value added.
3 By 31 March 2031, to be a net zero carbon emissions business (GHG emissions scopes 1 and 2).

We're driving climate action

The COP26 climate summit in Glasgow brought into clear focus the need for governments and businesses to step up and help deliver emissions reductions faster.

The message is clear: it's time to take action on climate. Not Tomorrow. Today.

BT Group has been a leader on climate action for 30 years. We've been tracking our carbon reduction since 1992 and we went on to become one of the first companies to set a science-based target. Today, our networks and buildings are all powered by renewable electricity, and we're aiming to transition our fleet to electric or zero-emission vehicles by 2030.

We've come a long way, but we know we need to do more. This year, we've accelerated and expanded our climate commitments. We've pledged to become a net zero business by the end of March 2031 – bringing forward our previous target date by 15 years – and we're targeting net zero for our supply chain and customer emissions by the end of March 2041.

We've also set a bold new ambition to go circular in our own business and beyond. We aim to contribute to a circular economy by reducing waste and enhancing opportunities to repair, refurbish and recycle.

The new high-speed fixed and mobile networks we're rolling out across the UK are more efficient than the old ones and use less power. They'll also underpin a whole range of tech solutions that will help the country, companies and consumers cut their energy use and emissions.

Our networks and solutions can help our customers – businesses, public organisations and consumers – cut carbon too. Tech has enormous potential to make cities and factories smarter and manage homes more efficiently. We've set a new target to help customers avoid 60 million tonnes of CO_2-equivalent (CO_2e) by the end of March 2030.

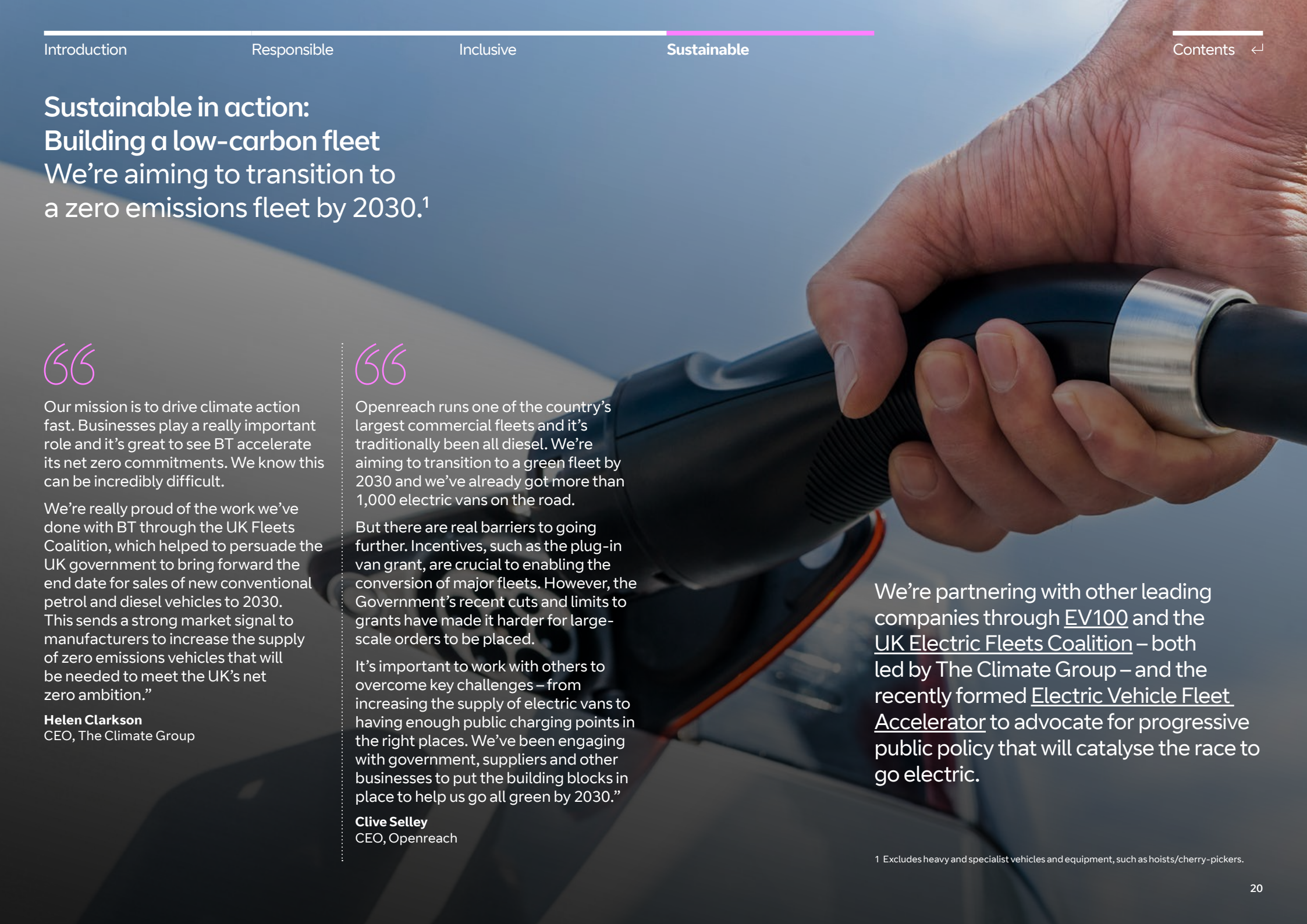
Carbon-cutting solutions already make up around 25% of our revenue – £5bn this year alone.[1] These offer huge potential for our business as we put sustainability at the heart of our growth agenda.

Marc Allera
CEO, Consumer

1 Based on our previous definition of carbon-reducing solutions. We are currently developing use cases to measure and report against our new target based on refined definitions of carbon-reducing solutions.

Sustainable in action: Building a low-carbon fleet

We're aiming to transition to a zero emissions fleet by 2030.[1]



"Our mission is to drive climate action fast. Businesses play a really important role and it's great to see BT accelerate its net zero commitments. We know this can be incredibly difficult.

We're really proud of the work we've done with BT through the UK Fleets Coalition, which helped to persuade the UK government to bring forward the end date for sales of new conventional petrol and diesel vehicles to 2030. This sends a strong market signal to manufacturers to increase the supply of zero emissions vehicles that will be needed to meet the UK's net zero ambition."

Helen Clarkson
CEO, The Climate Group

"Openreach runs one of the country's largest commercial fleets and it's traditionally been all diesel. We're aiming to transition to a green fleet by 2030 and we've already got more than 1,000 electric vans on the road.

But there are real barriers to going further. Incentives, such as the plug-in van grant, are crucial to enabling the conversion of major fleets. However, the Government's recent cuts and limits to grants have made it harder for large-scale orders to be placed.

It's important to work with others to overcome key challenges – from increasing the supply of electric vans to having enough public charging points in the right places. We've been engaging with government, suppliers and other businesses to put the building blocks in place to help us go all green by 2030."

Clive Selley
CEO, Openreach

We're partnering with other leading companies through EV100 and the UK Electric Fleets Coalition – both led by The Climate Group – and the recently formed Electric Vehicle Fleet Accelerator to advocate for progressive public policy that will catalyse the race to go electric.

1 Excludes heavy and specialist vehicles and equipment, such as hoists/cherry-pickers.

Accelerating progress towards net zero

We've brought forward our commitment to become a net zero carbon emissions business by 15 years.

Our climate strategy

We're committed to net zero for our business by the end of March 2031 – and for our supply chain and customer emissions by the end of March 2041. We've already made good progress towards our 1.5°C science-based target, approved by the Science Based Targets initiative.

Against our carbon emission intensity reduction target, we achieved a 55% reduction from our baseline year (2016/17). This was slightly down on last year's result of 57%, as a result of the rebound effect from the pandemic and due to an increase in vehicle emissions to support fibre roll out. However, we remain committed to achieving our carbon intensity target.

We'll achieve our targets by using 100% renewable electricity and decarbonising our networks, buildings and fleet. We're encouraging suppliers to go net zero and working together to make our networks as efficient as possible.

55%

cut in carbon emissions intensity since 2016/17 (towards our 87% target by the end of March 2031)[1]

And we're also offering tech solutions that enable customers to cut their carbon footprints.

Read more about our **climate strategy** and **carbon reduction plan**

Decarbonising our buildings and networks

We consume around 1.8Twh of electricity in the UK annually. We've already made the switch to 100% renewable electricity worldwide.[2] That's helped us cut our operational carbon emissions (scopes 1 and 2) by 55% since 2016/17.

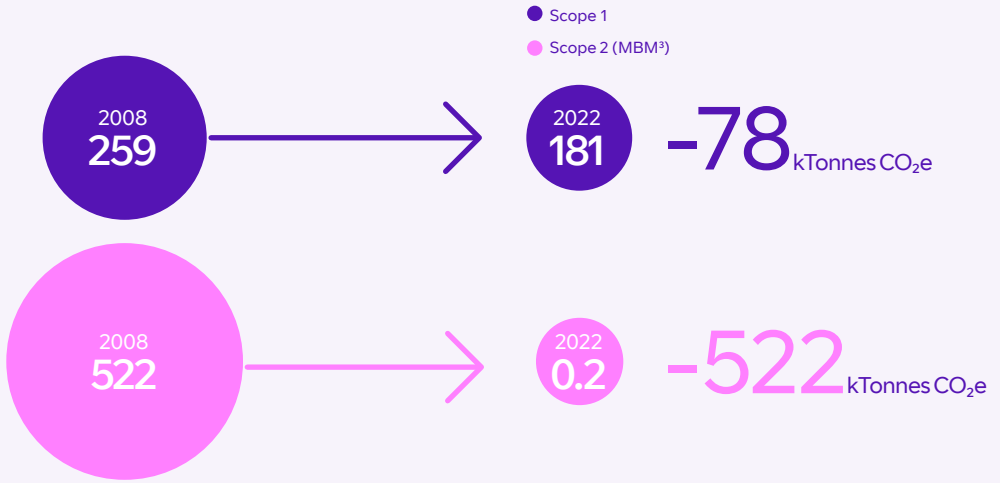
But we still want to reduce our electricity consumption to minimise our operating costs and free up limited supplies of renewable electricity for others to use to cut their emissions. And we know we've got more to do to replace fossil fuels used for heating.

We're downsizing our buildings estate and consolidating many of our offices from old, inefficient buildings into new ones designed to minimise environmental impact through energy-saving features like dimmable lighting and heat recovery systems. We opened two new BREEAM Excellent buildings this year.

Scope 1 and 2

Improvement 2008 to 2022

How the carbon footprint of our business has improved since we set our first baselined target in 2008 through to today.



The Three Snowhill site in Birmingham will initially avoid around 76 tonnes of CO_2e per year and our new purpose-built HQ in London is much more efficient than the old one. We plan to open more green buildings, including Bristol Assembly next year.

We're working with tech suppliers to help us cut energy use across our buildings and networks infrastructure.

We're looking into cost-effective low-carbon heating solutions for our existing buildings. By installing an efficient electric heating system at our Warrington contact centre, replacing the old site that used gas-fired boilers, we're avoiding 83 tonnes of CO_2e per year.

We're also investing in more efficient cooling systems, and the removing of legacy equipment from our exchanges is already saving energy in our core networks.

Overall, we've cut our global energy consumption by a further 9 GWh this year.

Our new HQ

577 Tonnes

less CO_2e per year[4]

3.1m kWh

less energy per year[4]

450

bike parking bays to promote cycling to work

1 Scope 1 and 2 worldwide emissions tonnes CO_2e per £m value added.
2 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.
3 Market-based method for Scope 2 emissions accounting.
4 Anticipated savings compared with previous HQ.

Transitioning our fleet

Our fleet makes up nearly two-thirds of BT Group's operational emissions, so switching to electric or low-emission vehicles is an important milestone on our journey to net zero.

This year, we added 700 more electric vehicles to our commercial fleet (now over 1,000 in total). We've increased the number of charging points at our sites and worked with electricity providers to install off-street chargers at over 600 engineers' homes. To date, our electric fleet has travelled around 3.5m miles, avoiding 1,500 tonnes of CO_2e.

BT Group and Openreach have continued to work with others to push for policy measures to support the transition to electric vehicles.

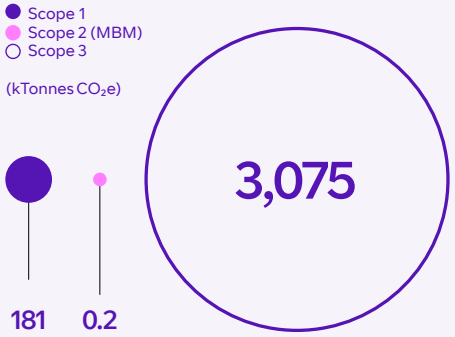
At the end of 2021, the Government introduced changes to its plug-in grant scheme, reducing subsidies for plug-in small and large vans and introducing a cap of 1,000 vehicles per annum per company. As a founding member of the UK EV Fleet Accelerator (EVFA), we are working with Government to address the impact of these subsidy changes on UK companies. The EVFA aims to positively influence the economics of EVs to increase wide-scale adoption.

Working with suppliers

We've cut our supply chain emissions by 28% since 2016/17, making good progress towards meeting our 42% reduction target by the end of March 2031.

All suppliers must meet our standard on climate change and we track compliance through supplier assessments (see page 10). For all new contracts worth over £25m, we've introduced a requirement for suppliers to have a net zero science-based target in place or commit to having one within six months.

Scope 3 (supplier and customer emissions) makes up the majority of our carbon emissions; illustrated below:



> "Working with BT has provided a real focus on sustainability throughout MJ Quinn and will enable us to deliver significant carbon savings, not just to meet the needs of BT, but also to meet our own sustainability goals."

Ian Moore, Managing Director, MJ Quinn Energy Division

Our pioneering climate clause commits key suppliers to make measurable carbon savings during the life of their contract with us. Ten active BT Group and Openreach suppliers have signed up to the clause so far. Network supplier MJ Quinn, for example, has cut 378 of tonnes of CO_2e (12% of its total carbon footprint) in the first year alone (see quote).

This year, we asked 405 suppliers to join us in reporting climate-related data to CDP and 77% responded. Of these, 59% are reporting their own operational carbon emissions, 76% have set future carbon reduction targets, and 73% engage with their own suppliers on climate.

Advocating for net zero

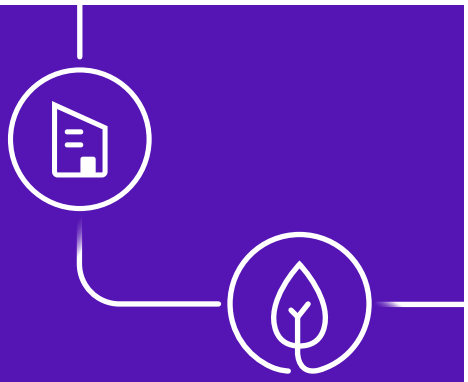
We partner with others to accelerate the transition to a low carbon future in our value chain and beyond – including the Aldersgate Group, Electric Vehicle Fleet Accelerator, European Green Digital Coalition, EV100, GSMA, RE100, techUK, UK Electric Fleets Coalition and We Mean Business Coalition.

This year, we joined the COP26 Climate Summit to discuss the role of tech and innovation in reaching net zero, our approach to fleet decarbonisation and the importance of working with suppliers. During the summit, we signed the Transport Declaration, launched a new net zero resource (see box), sponsored the UK's Heroes of Net Zero competition for micro and small businesses, and demonstrated the next generation Street Hub developed through BT Group's Green Tech Innovation Platform.

See page 23

28%

cut in supply chain emissions since 2016/17



Supporting small businesses on their net zero journey

Big businesses like BT Group have an important role to play in meeting the UN's global goal of net zero by 2050. But so do small businesses – and we're helping them understand how to do their bit.

At COP26, we launched the 1.5°C Supplier Engagement Guide with other members of the 1.5°C Supply Chain Leaders' initiative that aims to drive climate action throughout global supply chains via the SME Climate Hub. The new guide provides best practice examples on climate commitments, supply chain mapping, procurement, supplier engagement and reporting to support businesses on their journey to net zero.

We also supported nearly 800 businesses with guidance on taking climate action through this year's Small Business Saturday tour of the UK – from the COP26 Climate Summit in Glasgow to Downing Street in London.

800

We supported nearly 800 businesses with guidance on taking climate action

Helping customers cut carbon

Our networks and tech have a big part to play in tackling climate change and we've committed to help customers avoid 60 million tonnes of CO_2e by the end of March 2030.

Researching the potential

Research by BT Group and Accenture this year found that the tech sector could enable a 17% reduction in global emissions from four other areas of the economy – electricity and heat, agriculture, manufacturing, and transport and buildings. By end of March 2030, this could avoid around 8.5 gigatonnes of CO_2e worldwide.

The tech sector is expected to deliver these reductions while cutting its own operational emissions by 40% globally – and by up to 68% in the UK – despite an anticipated eight-fold increase in global data traffic.

We're well placed to help customers cut emissions through full fibre broadband, high performance 5G solutions, and growth technologies like cloud computing and the Internet of Things (IoT).

We're working with the Carbon Trust to develop use cases to refine our definition of carbon-reducing solutions and measure customer carbon savings so we can report progress towards our new target next year.

Creating carbon-cutting solutions

Through our Green Tech Innovation Platform, we're working with tech scale-up partners to develop breakthrough tech to support the race to net zero.

This year, we worked with iOpt on its IoT solution to monitor social housing conditions and with EverImpact to trial sensors, installed on our next-generation Street Hub units, that enable local councils to gather real-time data on CO_2e emissions and air pollution.

The platform's next focus is on innovative tech to support net zero smart manufacturing in the fast-moving consumer goods sector, working in partnership with Plug and Play and the Manufacturing Technology Centre. Together, we'll explore solutions to support circularity and resource management, improve resource efficiency in production, and redesign manufacturing processes to enhance sustainability.

We've also been working with Hertfordshire County Council, Ocado Group and the University of Hertfordshire to transform Hatfield Business Park into a Living Lab to test tech that will power the smart towns and cities of the future, including drones, robots and mobility solutions.

Promoting more sustainable consumer behaviour

This year, we reached out to consumers to encourage everyone to do their bit for the climate and show that even small changes can add up to big emissions reductions. Campaigns this year included the BT Big Sofa Summit (see box), BT Sport's Green Routine, and BT and EE's 'Not Tomorrow. Today'.

Our three-month Smarter Living Challenge, in partnership with Hubbub, found in June 2021 that a series of over 400 tech solutions and small actions could help an average household save 1.7 tonnes of CO_2e and £938 a year. Three quarters (76%) of the 61 participating households said they plan to stick with the changes they've made.

£900+

Potential saving per average household per annum

Celebrity Kimberly Walsh and family taking part in the BT Big Sofa Summit.

23%

of people learnt how to use tech to reduce their impact on climate change

Small changes make a big difference

As global leaders gathered for the COP26 Climate Summit in 2021, we wanted to show people that you don't have to be a world leader to make a difference.

The BT Big Sofa Summit challenged families, friends and small businesses across the UK to hold their own climate summits – from the comfort of their sofa. The eight-week campaign, fronted by celebrities, offered free online resources designed to spark conversations about small changes people can make using smart tech to be greener.

One in five people said they will take the learning from The Big Sofa Summit campaign to incorporate into their own lives and 23% learnt how to use tech to reduce their impact on climate change.

Building towards a circular BT and beyond

We're challenging ourselves to become a circular business by the end of March 2030 and build towards a circular tech ecosystem by the end of March 2040.

This year, EE started selling Fairphone, the world's first smartphone certified by Ecolabel Blue Angel. It's made with recycled plastic and designed to be easily repairable and recyclable.

We're also working with tech lifecycle management company N2S to extract valuable materials like copper and gold from decommissioning our legacy network. We recovered and recycled 444 tonnes of equipment (455kg of which were processed using N2S's innovative bioleaching techniques), avoiding 1,235 tonnes of CO_2e emissions.

Overall, we recovered or recycled 97% of the waste produced from our operations worldwide this year – and 99.4% in the UK – as we work towards our goal of zero waste to landfill. Openreach prevented 113 tonnes of plastic from going to landfill by trialling a new way to collect and recycle the blue rope used by engineers to draw cables through ducts.

As our business evolves, we want our new infrastructure to be sustainable and circular. We recycled 98% of waste generated from the fit out of our new HQ building in London.

We aim to embed circularity across our products, network and operations to keep materials in use and eliminate waste across our value chain. We will also work with our ecosystem of partners, peers and customers to drive a circular economy for the sector.

This is a big commitment and we're in the early stages of our circular journey. To get there, we know we'll need to accelerate our actions to:

- Reshape our products and packaging by using less and lower-impact materials, make devices last longer, and boost reuse and recycling by customers.
- Use materials more efficiently and recover as much waste as we can from our network and estate.
- Connect and collaborate with others to accelerate the transition to a circular tech sector.

We've already got programmes in place to support progress in the first two areas, and we plan to deepen our engagement with others in our industry to tackle the third.

More on being sustainable

- **Website** – **climate strategy** and **carbon reduction plan**.
- **ESG Addendum** – environmental management and detailed environmental data.
- **Annual Report** – Task Force on Climate-related Financial Disclosures (pages 66-69)

Recycling products and packaging

We encourage consumers to return products after use. For example, we charge a fee for BT home hubs and set-top boxes that are not returned at the end of the contract. This year, consumers returned 1.35m home hubs and set-top boxes – 46% of these were refurbished for reuse. This equates to 573 tonnes of Waste Electronic Equipment being reused in our BT circular economy. The remaining 54% will either be refurbished next year or sent to recycling partners.

Around 170,000 mobile devices were traded in through EE's Trade In scheme this year. We're also helping EE customers make their devices last longer. Fix My Device is a remote diagnostic tool designed to identify and resolve device or software issues, and selected EE stores offer a same-day or next-day repair service.

Finding ways to reduce use of virgin plastics in our products and packaging is an important part of our new circular commitment, which builds on our plastics policy

170,000

Around 170,000 mobile devices were traded in through EE's Trade In scheme this year

Inspiring upcycling innovation

At this year's Tech4Good Awards, the BT Young Pioneer Award invited young innovators to come up with solutions to cut carbon and waste from our day-to-day lives. The winning entry was an idea for an app to help people upcycle things they don't need, and we're helping to develop a prototype.

> **I believe FrankEinstein will make the connected global community take the concept of waste and turn it upside down. I want to help educate everyone about waste, encouraging people to connect through a shared purpose and think of waste as a creative opportunity and not a problem."**

Otto Sutton, 11-year-old inventor of the FrankEinstein upcycling app and winner of the BT Young Pioneer Award

BT Group plc

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