

# BT Group Investor Relations Bulletin

News and events during Q3 FY23

3 January 2023

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## Upcoming events

- On 2 February, BT will publish its Q3 FY23 results

## BT Group – Environmental, Social and Governance

- On 5 October, [BT announced a new programme with Cisco aimed at reducing business customers' e-waste](#) by recycling end-of-life equipment and help BT achieve its targets of a circular economy
- On 30 November, [BT hosted a Manifesto ESG<sup>1</sup> business briefing](#) at BT's headquarters featuring CEO Philip Jansen, Non-Executive Director Sara Weller and Corporate Affairs Director Ed Petter. The briefing set out BT's ESG story and focused on the following messages:
  - BT is supporting customers, colleagues and families
  - BT is embedding the Manifesto across the Group including reward
  - BT is growing by connecting for good
- On 1 December, [BT announced phase two of its Green Tech Innovation Platform](#)
- On 13 December, [BT was awarded an A rating from CDP for its climate disclosures](#) for the seventh year running
- On 14 December, [BT announced a range of resources available to help bring independence and digital skills to the older generation](#)

<sup>1</sup> Environmental, Social, Governance

### **BT Group – Pay resolution with the CWU<sup>2</sup> and Prospect**

- On 28 November, [BT announced plans for a UK Cost of Living Pay Rise of £1,500](#) from 1 January 2023 for those colleagues who earn £50,000 or less. BT will move its 2023 pay review for UK colleagues to September 2023 and take into account the January Cost of Living Pay Rise
- On 12 December, Prospect announced its members voted in favour of the Cost of Living Pay Rise
- On 15 December, the CWU announced 81% of its members voted in favour of the Cost of Living Pay Rise, bringing an end to industrial action

### **BT Group – BTPS<sup>3</sup> publishes Annual Report for the year ended 30 June 2022**

- On 18 October, BTPS published its annual report for the year ended 30 June 2022. BTPS' reported pension deficit as at 30 June 2022 was £4.38bn. BTPS CEO Morten Nilsson commented 'our hedges have performed as expected, and whilst the value of the scheme's assets has fallen over this period, there has been no worsening in our estimated funding position'

### **BT Group – BT announces combination of Enterprise and Global to create BT Business**

- On 16 December, BT announced it will be combining its Global and Enterprise divisions into a single B2B<sup>4</sup> unit, BT Business from 1 April 2023. The combination will drive gross annualised cost savings of at least £100m by FY25. BT Business will be led by current Global CEO, Bas Burger

### **Government – Government issues Designated Vendor Direction in relation to Huawei**

- On 13 October, the Government issued a Designated Vendor Direction to 35 telcos in relation to Huawei, that must be removed from the UK's 5G public networks by end 2027. The direction sets out a number of controls including removal of Huawei equipment from the network core by 31 December 2023, an 11-month extension from the previous deadline of 28 January 2023

### **Regulation – Ofcom publishes its quarterly telecoms and pay TV complaints**

- On 18 October, Ofcom published its Q2 2022 telecoms and pay-TV complaints data:
  - The BT brand was below the industry average for number of broadband and landline complaints and above average for mobile and pay-TV
  - The EE brand was below average for number of broadband, landline and mobile complaints

### **Regulation – Net neutrality**

- On 21 October, [Ofcom published its net neutrality review consultation](#)
- On 21 October, [Consumer CEO Marc Allera published a blog](#) on Ofcom's consultation commenting 'new models are required to maintain the levels of quality and experience that all customers should expect'

### **Regulation – Ofcom investigates transparency of telecoms price rises**

- On 1 December, Ofcom launched an industry-wide enforcement programme into whether in-contract price rises were set out clearly enough by phone and broadband companies before customers signed up

### **Regulation – Ofcom publishes its future approach to mobile markets and spectrum**

- On 6 December, Ofcom published its conclusions on the future of mobile markets and spectrum. Ofcom outlined it will step up its work to monitor how well mobile markets are functioning, outcomes are being delivered and risks to those outcomes. It stated it is taking steps to clarify its future regulatory approach to markets and the allocation of spectrum and will continue its work to develop better information on network quality

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<sup>2</sup> Communications Workers Union

<sup>3</sup> BT Pension Scheme

<sup>4</sup> Business-to-business

### **Consumer/Enterprise – Networks and products**

- On 20 October, [EE launched new gaming bundles including PlayStation 5 and Nintendo Switch](#) and set out its ambition to become the UK's No.1 network for gaming
- On 27 October, [EE deployed Ericsson's latest ultra-lightweight radio technology to deliver improved 5G energy efficiency and network performance](#)
- On 23 November, [EE announced the addition of 150 new locations to its 5G network](#)
- On 15 December, [EE extended 4G coverage to over 500 more rural areas](#)
- On 19 December, [BT launched the trial of state-of-the-art 5G technology in Leeds](#)
- On 20 December, [BT published a blog on getting Digital Voice right for its customers](#)
- On 21 December, [EE announced 4G connectivity for six London Underground stations](#)
- On 21 December, [EE won the umlaut connect Mobile Benchmark in the UK for the eighth time](#)

### **Consumer – BT Sport JV<sup>5</sup>**

- On 18 October, [BT provided historical pro forma information to reflect the formation of Sports JV between BT Sport and Eurosport UK](#). The JV was formed on 1 September 2022

### **Consumer – EE partners with Verisure and Norton to launch new security products**

- On 26 October, EE announced plans to expand the UK security market through strategic partnerships and new customer packages with Verisure and Norton. The new offerings are EE Smart Home Security powered by Verisure and EE Cyber Security powered by Norton
- On 27 October, [Consumer CEO Marc Allera published a blog on EE's new security partnerships](#)
- On 7 December, [EE launched EE Cyber Security powered by Norton](#)

### **Consumer – EE launches new mobile social tariff**

- On 15 November, BT launched its new EE Basics social tariff for mobile. Mobile Basics is a £12 per month, 30-day SIM-only package available for customers who receive certain means-tested benefits

### **Consumer – Consumer hosts business briefing**

- On 22 November, Consumer hosted a business briefing at BT's headquarters featuring Consumer CEO, Marc Allera, and members of his leadership team and focused on the following messages:
  - Consumer will drive growth through convergence and EE as our flagship brand:
    - Drive FTTP adoption
    - Increase Mobile and device penetration
    - Grow new subscription services
  - EE brand is at the core of the UK's largest subscription platform
  - Consumer is differentiating through propositions and reinvesting in our base
  - Consumer is creating a leaner, direct only, digital platform for growth

### **Enterprise – BT announces partnerships with Just Eat and Checkatrade**

- On 25 October, BT announced Just Eat and Checkatrade as the latest businesses to join its partnership network, aimed at helping the UK's smallest firms grow

### **Enterprise – BT opens new cyber Security Operations Centre**

- On 26 October, BT announced the opening of a new cyber SOC<sup>6</sup> in Belfast. The investment follows the award of a £6.3m contract win from the Department of Finance for the provision of Security Information Event Management and SOC managed services

### **Enterprise – BT announces new partnership board**

- On 9 November, Division X Managing Director Marc Overton published a blog on the formation of BT's Partner Advisory Board. The aim of the Partner Advisory Board is to collaborate and accelerate the co-creation of digital solutions alongside customers

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<sup>5</sup> Joint Venture

<sup>6</sup> Security Operations Centre

### **Openreach – Openreach publishes additional 32 exchange locations for copper stop sell**

- On 12 October, Openreach informed its CPs<sup>7</sup> of the 12-month notification period for copper stop sell to be activated in 32 additional exchange locations bringing the total to 672 locations

### **Openreach – Openreach CEO publishes blog on FTTP build**

- On 24 November, Openreach CEO Clive Selley published a blog confirming that the FTTP build is still accelerating as Openreach continue to build and connect 'like fury'

### **Openreach – Openreach notifies CPs of price increases**

- On 14 December, Openreach confirmed pricing applicable from 1 April 2023 including:
  - An increase of 11.1% to MPF Rental
  - An increase of 10.5% to SMPF Rental
  - An increase of 11.1% to WLR Rental
  - An increase of 11.1% to FTTC 40/10 Rental
  - An increase of 11.1% to FTTP 40/10 Rental where FTTC 40/10 Rental is not available
  - An increase of 11.1% to SOGEA 40/10 Rental
- On 20 December, Openreach confirmed pricing applicable from 1 April 2023 including:
  - An average increase of c.9% across all Ethernet products

### **Openreach – Openreach launches new Equinox 2 pricing offer**

- On 14 December, Openreach submitted its new FTTP wholesale offer, Equinox 2, for review by Ofcom. Equinox 2 supersedes Equinox 1 and introduces new rental and connection discounts effective from 1 April 2023. Openreach also introduced two new speed tiers; 1.2Gbps and 1.8Gbps
- On 14 December, [Ofcom announced it had been notified by Openreach of its new Equinox 2 pricing offer](#). Ofcom commented it will review the offer and publish a consultation with a provisional view by early February

### **Digital – BT unveils new internal Machine Learning platform AI<sup>8</sup> Accelerator**

- On 3 October, BT announced the deployment of a new internal Machine Learning Operations platform called AI Accelerator. The new platform is set to accelerate the production and ongoing support of AI models from six months to six days

### **Digital – BT announces it is working with enterprise data platform provider Ab Initio**

- On 18 October, BT announced it recruited Ab Initio to provide integration and smart, automated data management at scale. The Ab Initio software will accelerate data transfer into BT's new unified data platform, being built in partnership with Google Cloud, and allow BT to better protect and manage its data

### **Digital – BT Digital announces partnership to decommission legacy IT estate**

- On 7 December, BT announced a partnership with Tata Consultancy Services to manage and decommission its legacy IT estate. The deal is set to boost capacity for strategic technology build and deliver annualised savings of £65m by end FY25

### **Networks – CSNO<sup>9</sup> Howard Watson publishes blog on energy efficiency of BT's networks**

- On 11 November, CSNO Howard Watson published a blog on BT's intention to become more energy efficient. BT plans to remove or replace energy inefficient technologies, use energy more intelligently in its networks, innovate for the future and face into the short-term challenges in winter

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<sup>7</sup> Communications Provider

<sup>8</sup> Artificial Intelligence

<sup>9</sup> Chief Security and Networks Officer

### **Other news**

- On 7 October, [EE announced Google Pixel 7, Pro and Watch LTE are available for pre-order](#)
- On 12 October, [EE launched its new range of Connected Laptops for small businesses](#)
- On 18 October, [EE announced new iPad Pro, iPad and Apple TV 4K offers](#)
- On 18 October, [BT delivered a robotics platform and management system](#)
- On 20 October, [BT published a blog on why digital skills are essential for society](#)
- On 26 October, [BT commenced the trial of smart technology to support care home residents](#)
- On 27 October, [EE launched 'New Signing' with BT Sport](#)
- On 14 November, [Consortium led by BT wins UKRI Future Flight Challenge funding](#)
- On 24 November, [EE renewed sponsorship with EXCEL ESPORTS until 2025](#)
- On 30 November, [BT unveiled four new Street Hub 2.0 units in Sheffield](#)
- On 19 December, [EE launched new bundle with Samsung and Easology to make tech simpler](#)
- On 21 November, [BT published a blog on the impact of digital transformation on the workplace](#)
- On 13 December, [BT published a blog on space technology's impact on telecommunications](#)

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