BT Group Manifesto: our ESG story

Accelerating growth through responsible, inclusive and sustainable tech

30 November 2022
Welcome

Ed Petter
Group Corporate Affairs Director
# Our Manifesto commitments

**Accelerating growth through technology that’s responsible, inclusive and sustainable.**

<table>
<thead>
<tr>
<th>Responsible</th>
<th>Inclusive</th>
<th>Sustainable</th>
</tr>
</thead>
<tbody>
<tr>
<td>New technology must earn trust and transform life for the better</td>
<td>The future of technology must be inclusive and diverse for everyone to benefit</td>
<td>Technology must accelerate our journey to net zero emissions and a circular world</td>
</tr>
<tr>
<td>Investing in new growth tech that will help us live and work better</td>
<td>Championing digital inclusion through connectivity Pass 25m households with full fibre by December 2026 (of which 6.2m are in rural locations) Expand 5G to 90% of the UK geography by 2028</td>
<td>Being a net zero carbon emissions business by FY31 and for suppliers and customers by FY41</td>
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<tr>
<td>Applying our responsible tech principles across the full value chain</td>
<td>Helping 25m people with digital skills by FY26</td>
<td>Helping customers avoid 60m tonnes of CO$_2$e (cumulatively) by FY30</td>
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<tr>
<td>Building a diverse talent pipeline to drive the UK’s digital economy and growth</td>
<td>Building a diverse and inclusive BT Group, supported by our diversity and inclusion targets</td>
<td>Building towards a circular BT Group by FY30 and circular tech and telco ecosystem by FY40</td>
</tr>
</tbody>
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### Contributing to the United Nations Sustainable Development Goals

- [8] Decent Work and Economic Growth
- [10] Reduced Inequalities
- [16] Peace, Justice and Strong Institutions
- [4] Quality Education
- [5] Gender Equality
- [9] Industry, Innovation and Infrastructure
- [12] Responsible Consumption and Production
- [13] Climate Action
<table>
<thead>
<tr>
<th>Agenda</th>
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</table>
| **01** Welcome | **Ed Petter**  
Group Corporate Affairs Director | |
| **02** Strategic overview | **Philip Jansen**  
Chief Executive | |
| **03** Governance | **Sara Weller**  
Non-Executive Director  
Chair of the Digital Impact and Sustainability Committee | |
| **04** Responsible  
Being responsible across the full value chain | **Lauren Kahn**  
Responsible Tech and Human Rights Director | |
| **05** Inclusive  
Driving access and inclusion for a fairer digital world | **Mark Murphy**  
Director of HR, Digital | |
| **06** Sustainable  
Accelerating our journey to net zero and circularity | **Sarwar Khan**  
Head of Global Digital Sustainability | |
| **07** Closing remarks | **Philip Jansen**  
Chief Executive | |
| **08** Q&A | **Ed Petter**  
Group Corporate Affairs Director | |
Strategic overview

Philip Jansen
Chief Executive
BT Group strategic framework

Purpose
Why we exist
We connect for good

2030 Ambition
Who we must become
To be the world’s most trusted connector of people, devices and machines

Values
What will guide us
Values drive our behaviour:
Personal, simple, brilliant
Being trusted: our code helps us to do the right thing

Strategy
How we’ll grow value for all our stakeholders

1
Looking in
Build the strongest foundations

2
Looking out
Create standout customer experiences

3
Looking to the future
Lead the way to a bright, sustainable future
Supporting our customers, colleagues and country

BT Home Essentials
Stay connected with our low-cost broadband and phone plans. Available if you’re on specific benefits, they’re perfect for everything from accessing services to video calls and streaming TV.

EE BASICS

Work Ready programme
Boosts opportunities for young people who aren’t in employment, education or training and prepares them for the world of work.

We announced plans for a UK cost of living pay rise
A year of progress

01 Net zero for BT and our customers

02 Fostering diverse digital talent

03 Responsible tech as a differentiator
Overview

Supporting customers, colleagues, families and businesses

Embedding the Manifesto across BT Group including reward

Growing BT by connecting for good
Governance

Sara Weller
Non-Executive Director
Chair of the Digital Impact and Sustainability Committee
The role of the DISC is to:

- Review progress on the BT Group Manifesto – providing challenge and encouragement
- Act as a sounding board for management, sharing external perspectives
- Drive alignment to Group strategic framework

<table>
<thead>
<tr>
<th>NED Sara Weller</th>
<th>NED Steven Guggenheimer</th>
<th>NED Isabel Hudson</th>
</tr>
</thead>
<tbody>
<tr>
<td>Digital impact &amp; sustainability committee</td>
<td>Colleague board</td>
<td>Nominations committee</td>
</tr>
<tr>
<td>Remuneration committee</td>
<td>BT compliance committee</td>
<td>National security and investigatory powers committee</td>
</tr>
</tbody>
</table>

Strong Board governance supporting delivery of the Manifesto plans
November 2022

**Responsible**

- Expand our responsible tech principles across our value chain
- Drive diverse digital talent
- Invest in new growth tech to help us live and work better

**Inclusive**

- Help 25 million people improve their digital skills by 2026
- Connect homes and businesses to FTTP and 5G
- A diverse workforce by 2030

**Sustainable**

- Net zero business in 2031 and net zero in our value chain in 2041
- Help customers avoid 60mt of CO₂e cumulatively by 2030
- A circular BT Group by 2030, and a circular ecosystem by 2040
The BT Group
Manifesto

How the Manifesto is coming to life across the business

Responsible
Being responsible across the full value chain

Inclusive
Driving access and inclusion for a fairer digital world

Sustainable
Accelerating our journey to net zero and circularity
Responsible

Lauren Kahn
Responsible Tech & Human Rights Director
Our responsible tech principles are...

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.
Managing emerging tech risk to build trust

Our risk management framework provides the tools to help us be smart with risk, enabled by culture, process, leadership and governance.

- **Data & cyber security**
  - 4m per week Scam calls blocked
  - 200k per month Cyber attacks prevented
  - 3,000 security professionals and an elite team of 80 ‘ethical hackers’.
  - CTO\(^1\) role expanded to Chief Security & Networks Officer

- **High risk geographies**
  - 180 # countries we provide services
  - 100 # countries we source from

- **At risk user groups**
  - 8 out of 10 children have had at least one harmful experience online\(^3\)

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\(^1\) Chief Technology Officer

\(^2\) Artificial Intelligence

\(^3\) Source: Ofcom: Children and parents: Media use and attitudes report 2022
Trust as a commercial differentiator

Data and cyber security are also a big part of our growth story

Helping all our customers stay safe and secure

- SAFE
- Eagle-i
- Verisure
- Norton
Trust as a commercial differentiator

Data and cyber security are also a big part of our growth story

Using data safely and ethically to drive value

- AI Accelerator
- Active Intelligence

29PB
Petabytes of data (approx.) across the estate

£500m
Goal for internal value from data and AI in aggregate over 5 years
Inclusive

Mark Murphy
Director of HR, Digital
We believe...
The future of technology must be inclusive and diverse for everyone to benefit.

Creating an inclusive digital world

- 19m people reached with help to improve digital skills since 2014/15.
- 550,000 small businesses and their employees upskilled with digital skills.
- c.9m homes and businesses reached with full fibre.
- 2.8m in rural locations.
- 2030 We’ve set bold ambitions to build a diverse and inclusive BT Group.
Building a diverse workforce

Our work for an inclusive digital society must start at home, so we’re holding a mirror up to ourselves to improve inclusion and diversity across our workforce.

<table>
<thead>
<tr>
<th>Build a diverse workforce through our diversity and inclusion targets:</th>
<th>Last year FY22</th>
<th>FY25 target</th>
</tr>
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<tbody>
<tr>
<td>By 2030, BT Group (excluding Openreach) will have a workforce made up of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women¹:</td>
<td>50%</td>
<td>34.9%</td>
</tr>
<tr>
<td>Ethnic minority colleagues²:</td>
<td>25%</td>
<td>11.9%</td>
</tr>
<tr>
<td>Disabled colleagues²:</td>
<td>17%</td>
<td>6.9%</td>
</tr>
<tr>
<td>By 2030, Openreach will have a workforce made up of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women¹:</td>
<td>13%</td>
<td>10.3%</td>
</tr>
<tr>
<td>Ethnic minority colleagues²:</td>
<td>10%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Disabled colleagues²:</td>
<td>6%</td>
<td>6%</td>
</tr>
<tr>
<td>By 2030, BT Group (total) will have a workforce made up of:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women¹:</td>
<td>33%</td>
<td>25.7%</td>
</tr>
<tr>
<td>Ethnic minority colleagues²:</td>
<td>17%</td>
<td>10.8%</td>
</tr>
<tr>
<td>Disabled colleagues²:</td>
<td>12%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Board gender:</td>
<td>To maintain that we want at least 33% of the Board to consist of women</td>
<td>Four out of 11 (36%)</td>
</tr>
</tbody>
</table>

¹ Global workforce  
² UK workforce only, due to data limitations, and based on declared data only
BT Group people strategy

Our overarching strategy

Looking in

Looking out

Looking to the future

Our D&I strategy

01  A balanced workforce that reflects diverse societies

02  Inclusive design built into all products and customer offerings

03  A consistent approach to inclusivity for colleagues and customers

04  Improved outcomes for disadvantaged groups in society

05  A strong external reputation for leading the D&I agenda
BT Digital in numbers

Our people

4,000+ BT people

13k Subcon\(^1\) partners

80% Outsourced work

Insourcing 2,800 colleagues by 2024

Our strategy

Doubling Digital’s productivity and transform our ways of working

\(^1\) Subcontractors
World class training with Digital Campus

Building a one-stop learner experience platform

101 Digital for everyone

201 Developing role-specific capabilities for current, maturing technologies

301 Building capabilities that leverage opportunities from emerging tech, keeping us ahead

Win with tech
Train our people
Attract & retain talent
Accelerate growth

BT Group Manifesto 2022 | 24
Unlocking all routes to diverse digital talent

Knocking at every door

- Partnerships
- Universities
- Apprenticeships
- Entry schemes
FastFutures

Built with impact, diversity and inclusion at its core

5,700 learners on programme to date

66% secured a role after completing the programme

78% found jobs within 6 months

64% from ethnically diverse backgrounds

63% have a low socio-economic status

7% have learning difficulties or a disability

65% female

14% LGBT+

65% female

Ability to use **smart matching support** from FastFutures to recruit directly into entry level roles.
Sustainable

Sarwar Khan
Head of Global Digital Sustainability
Sustainable

We believe...

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

On our way to net zero and a circular world

Net zero
Net zero business in 2031 and new zero in our value chain in 2041

55%
cut in carbon emissions intensity since 2016/17

60m
Helping customers avoid 60m tonnes of carbon emissions in 2030

Circular
Building towards a circular BT Group in 2030 and circular ecosystem in 2040

1 By 31 March 2031, to be a net zero carbon emissions business (GHG emissions scopes 1 and 2) and by 31 March 2041 for our full e2e emissions (scope 3).
2 Scope 1 and 2 worldwide emissions tonnes CO₂e per £m value added.
3 Helping customers avoid 60m tonnes of carbon emissions cumulatively by end of March 2030.
BT’s sustainability strategy

Our priorities fall into five areas:

- Becoming net zero in our operations and value chain
- Helping customers to reduce their carbon footprint
- Promoting a circular economy through our products and partnerships
- Leading the public debate and inspiring others
- Being accountable through enhanced reporting and transparency
Becoming net zero in our operations

We’re committed to net zero for our business by FY31 – and for our supply chain and customer emissions by FY41.

Electrifying the fleet

Decarbonising our estate

Building energy efficient networks
We’re committed to net zero for our business by FY31 – and for our supply chain and customer emissions by FY41.

### BT Group emissions
Supplier and customer emissions makes up 93% of our total emissions

![BT Group emissions](chart)

- **Scope 1**: 181 (kTonnes CO\(_2\)e)
- **Scope 2 (MBM\(^1\))**: 0.2 (kTonnes CO\(_2\)e)
- **Scope 3**: 3,075 (kTonnes CO\(_2\)e)

### Working with suppliers
We’ve introduced:
- Net zero procurement (purchase)
- Net zero contracts (in-life)
- Net zero tracking with CDP\(^2\) (in-life)

### Working with customers
How we’ll get to net zero:
- Decarbonisation of the grid
- Energy efficiency of our products
- Circularity

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\(^1\) Market-based method for Scope 2 emissions accounting.
\(^2\) Carbon Disclosure Project
We want to become a circular business by FY30 and build towards a circular tech ecosystem by FY40.

Building on progress

- Increased return rate for CPE and mobile trade-ins
- 2-hour repair service expanding
- 280 tonnes of network equipment reused and recycled

New for FY23

- New sustainability partnership with Cisco supporting B2B customers
- Joined the Eco Rating initiative for mobile devices, launching in Q4.
- In Q4, a new Hub & TV Box with a more sustainable design

FY24 and beyond

Embed circularity throughout BT Group:

- Product design and support
- Network transitions
- Transforming our operations
Customers are prioritising sustainability

Global customer base with carbon reduction targets

- ~60%

Telco RFPs with mandatory sustainability criteria

- 5%
- 50%

Public sector bids up to 30% weighting on social value

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1 Based on a sample of 835 Global tier 1 multinational companies accounts Dec 21
2 Request for proposals
3 Gartner 2022
**Fuelling growth for BT through new value propositions**

<table>
<thead>
<tr>
<th>Sustainability propositions</th>
<th>Revenue opportunity</th>
<th>Upsell core</th>
<th>Scale across segments</th>
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</thead>
<tbody>
<tr>
<td><strong>Customer dashboards</strong></td>
<td></td>
<td>✔</td>
<td>▪ MNC &amp; UK Corporates</td>
</tr>
<tr>
<td>Real-time energy and carbon dashboard</td>
<td></td>
<td></td>
<td>▪ Public Sector</td>
</tr>
<tr>
<td>Optimises their networks and workloads</td>
<td></td>
<td></td>
<td>▪ SME</td>
</tr>
<tr>
<td>Cuts their scope 3 emissions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Sustainable products</strong></td>
<td></td>
<td>✔</td>
<td>▪ MNC &amp; UK Corporates</td>
</tr>
<tr>
<td>Sustainable end-of-life recycling scheme for Cisco equipment¹</td>
<td></td>
<td></td>
<td>▪ Public Sector</td>
</tr>
<tr>
<td>BT carbon-neutral eco-SIM proposition for mobile customers</td>
<td></td>
<td></td>
<td>▪ SME</td>
</tr>
<tr>
<td><strong>Using tech to reduce energy and emissions</strong></td>
<td></td>
<td>✔</td>
<td>▪ UK Corporates</td>
</tr>
<tr>
<td>AI in partnership with QiO² to help customers reduce energy use and carbon</td>
<td></td>
<td>✔</td>
<td>▪ Public Sector</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Consumer</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>▪ Wholesale</td>
</tr>
</tbody>
</table>

¹ BT helps customers accelerate towards a circular economy
² BT partners with QiO to help customers deliver on sustainability commitments
Closing remarks

Philip Jansen
Chief Executive
Top priorities

- Responsible Security
- Inclusive Picking up the pace
- Sustainable Circularity
In summary

Supporting customers, colleagues, families and businesses

Embedding the Manifesto across BT Group including reward

Growing BT by connecting for good
Q&A
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