



Gender pay gap report

BT Group plc 2017



Why it's important to us



Gavin Patterson
Chief Executive

Creating a diverse, inclusive and brilliant place to work, is top of our agenda. And we're being recognised for it. Last year, we were included in The Times' Top 50 Employers for Women, Top Employers for Race and in the VERCIDA Top 10 LGBT Employers of 2017.

5.2%

Median gender pay gap

But we know that's only the start. We've got plenty more to do to create a workforce that represents the society we work in and the customers we serve.

This is our first report on the gender pay gap. It includes details of our overall median pay gap of 5.2% in Great Britain – well below the 2017 Office of National Statistics (ONS) average of 18.4%. Here we outline the reasons for the gap and set out our plans to address it.

In summary, our gender pay gap is impacted by the demographics of our workforce. With our company roots firmly in engineering and technology, it is perhaps unsurprising that there are more men than women in the business. Having fewer women in engineering roles – which make up a large part of our workforce is a nationwide challenge. But it's one that we're working to solve through our Tech Literacy programme which has already reached more than 1.5 million children nationwide.

We're also working to create an environment where more women progress through to the most senior levels. To help achieve that we've built successful internal initiatives like the BT TechWomen programme and the Gender Equality Network to help support women as they progress.

Thousands of our people also make the most of our excellent flexible working policies, which are central to attracting and keeping women at senior levels.

We're serious about tackling gender balance. In April 2017, 29% of our senior management team were women. But we are committed to doing more. We've set ourselves a target of 40% by the end of 2020 and we are confident we can reach it.

We recognise that real, lasting change takes time. Some initiatives we are focussing on – like increasing the proportion of female apprentices or graduate engineers we hire – might have a short term negative impact on our gender pay gap, because the new roles are more likely to be at entry level. But we believe we've the right strategy in place to address the gap over the long term.

I'm totally committed to maximising the potential we have, by making BT a more diverse and inclusive company – at every level.

And I confirm the gender pay gap data set out in this report is accurate.

Gavin Patterson
Chief Executive

Our gender pay gap

About the data

We've combined the data from all our group companies across Great Britain, which have 250 or more employees. It accounts for 84,945 of our people. For total transparency, it includes our executive directors. The report covers BT plc (including Openreach) as well as our brands BT, EE and Plusnet. And it includes roles ranging from engineering, customer service and retail to R&D, cyber security and TV production.

We've made these calculations based on pay data at the 'snapshot date' of 5 April 2017 and bonuses paid over the 12 months before, in line with the new gender pay gap regulations.

For full pay gap information for each relevant company, have a look at pages 15 – 18.

Median
5.2%
Gender pay gap

11.2%
Gender bonus pay gap

Bonus proportion
59.7%
Proportion of females receiving bonus

Mean
7.0%
Gender pay gap

29.2%
Gender bonus pay gap

47.5%
Proportion of males receiving bonus

Gender pay gap

This shows the difference in the hourly rate of pay of men and women expressed as a percentage of the hourly rate of the male employees. The pay gap isn't a measure of equal pay. An employer delivering equal pay can still have a gender pay or bonus gap. That's because that gap can be affected by a number of factors, like having more men in senior higher-paid roles.

We're determined to tackle our gender pay gap and we're committed to continue paying our people fairly, regardless of their gender and in line with equal pay requirements.

Bonus pay gap

This shows the difference in bonus payments paid to male and female employees expressed as a percentage of the male figures. The report also includes the proportion of male and female employees who received bonus pay in the relevant 12 month period. Bonus pay includes bonuses, commissions and recognition payments.

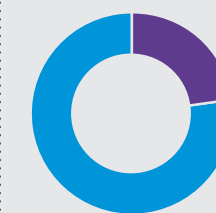
Mean and Median

The mean is the average. In other words the total of all hourly rates, divided by the number of employees. The median is the middle value, or the midpoint of hourly rates, when listed in order. The advantage of looking at the median is it's less affected by numbers at the top end of the pay spectrum, like the earnings of a small number of senior executives.

Overall pay distribution

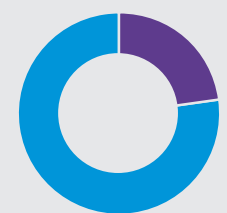
This shows the proportion of men and women in each quartile by pay band. To calculate it we ranked employees according to their hourly rate of pay, then divided them into four quartiles – with an equal number of people in each.

Upper quartile



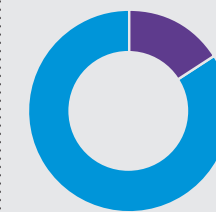
Female 22.7%
Male 77.3%

Upper middle quartile



Female 23.1%
Male 76.9%

Lower middle quartile



Female 16.0%
Male 84.0%

Lower quartile



Female 35.3%
Male 64.7%

Understanding the gap

We've more men than women working at all levels of the company, which impacts our pay gap. The balance is getting better. But we want to do more.

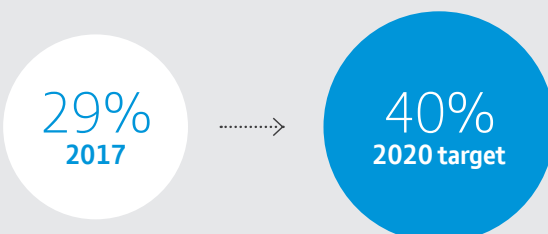
Changing proportion of women working at BT over the past 10 years



There are two main factors, that we are working hard to address.

First, we've a lower proportion of women at more senior levels. But we have bold ambitions for the future.

Proportion of women in senior management



Second, women are underrepresented in technical and engineering jobs – especially in Openreach. It's a national problem, but we've all got our part to play. And we'll keep working to attract more women into engineering.

Bonus gap

Our bonus gap is bigger than our pay gap. That's partly because the bonus gap takes into account all bonuses, regardless of whether they are earned by a part time or full time employee (as per regulations).

More of our women work part time – in fact part time work is one of our key inclusion programmes. So, if we adjust the bonus data to reflect part time hours, the median gap would be significantly smaller.

	Median	Mean
Bonus gap	11.2%	29.2%
Bonus gap – adjusted for part time hours	3.5%	26.1%



What we're doing on diversity and inclusion

We're focused on creating an inclusive environment so everyone can flourish and bring their best to BT.

Our aim is to look harder at bringing in different perspectives, experience and customer representation. We have a team dedicated to working with all parts of our business to achieve our ambitions.

Increasing women's representation

- When we're recruiting, **our policies** make sure we do it in a gender neutral way. That means looking in broader pools for talent, advertising jobs with gender neutral language and creating diverse shortlists.
- **Our HR policies** make sure we consider flexible working for every job, so we attract the best people. We also offer brilliant maternity policies, 89% of our women return to work compared to 77% national average.
- We focus on **talent and succession** to increase women's representation. For example, we check gender balance across our talent and performance rating processes.
- We're proud to be part of the **30% Club** – an ambition to have at least 30% women at board level by 2020.

Bringing women into tech

- We're already preparing the next generation to thrive in a digital world, through our **Tech Literacy programme** – helping young people develop their tech skills and equip them for the jobs of the future.
- Our **TechWomen Programme** offers our female leaders continued development – the 2017-18 programme is supporting 360 women globally.
- We identify and develop our **high potential** women through mentoring and sponsorship.
- We proudly sponsor the Institution of Engineering and Technology's (IET) Diamond Jubilee Scholarship Programme, which gives 75 of the UK's brightest engineering and technology students invaluable financial and practical support for the full duration of their degree courses. The programme encourages female participation by guaranteeing at least half of the places to female students.

What we're doing on diversity and inclusion continued

Creating an inclusive place to work

- We work hard to create an environment where everyone can flourish. We were included in The Times' Top 50 Employers for Women, **Top Employers** for Race and in the VERCIDA Top 10 LGBT Employers of 2017.
- Our Gender Equality Network champions improving female representation and creating an environment for women to thrive.
- We're training all of our **senior leaders** on inclusion, diversity and unconscious bias. And we're reviewing **all of our policies to make sure that they're fully inclusive.**



Building sponsorship of women

- We've an active Inclusion Steering Board, made up of senior leaders from across our business, and chaired by an Executive Committee sponsor.
- We've a separate Executive leader who sponsors our **TechWomen Programme.**
- We share our **inspirational stories** through internal communications and videos.
- And we make sure we're reaching objectives at quarterly reviews. This means looking at trends in who we have hired, who's left the business, and who's been promoted.



What we're doing on diversity and inclusion continued



30% Club

Launched in 2010, the 30% club is a global campaign to get 30% women on FTSE 100 boards by 2020.

Chairs and CEOs from around the UK have signed up to create a better balance of men and women at senior levels. We're almost there with 27% of our board made up of women (as at April 2017).



Tech Literacy

We've made a long-term commitment to build a culture of tech literacy for the next generation, so they can thrive in a digital world and step up to the jobs of the future. Our first goal is to reach five million young people by 2020.

We're focusing on three crucial points in young people's lives:

- **Primary education** – We're powering up primary school teachers across the UK through the Barefoot Computing Project. It's a programme we run with BCS (The Chartered Institute for IT) to provide materials and workshops for teachers building their confidence, knowledge and skills to teach computer science. So far we've reached over 1.5 million children across the UK, in over 50% of primary schools.
- **Teenage years** – We're showing young people that technology is a huge part of the things they already love, like sport and music, rather than something to avoid. We're working with 5Rights to empower young people to navigate life online and build their tech know-how.
- **Transition to work** – We're supercharging social mobility for disadvantaged young people through Work Ready, our work placement programme for 16-24 year olds.

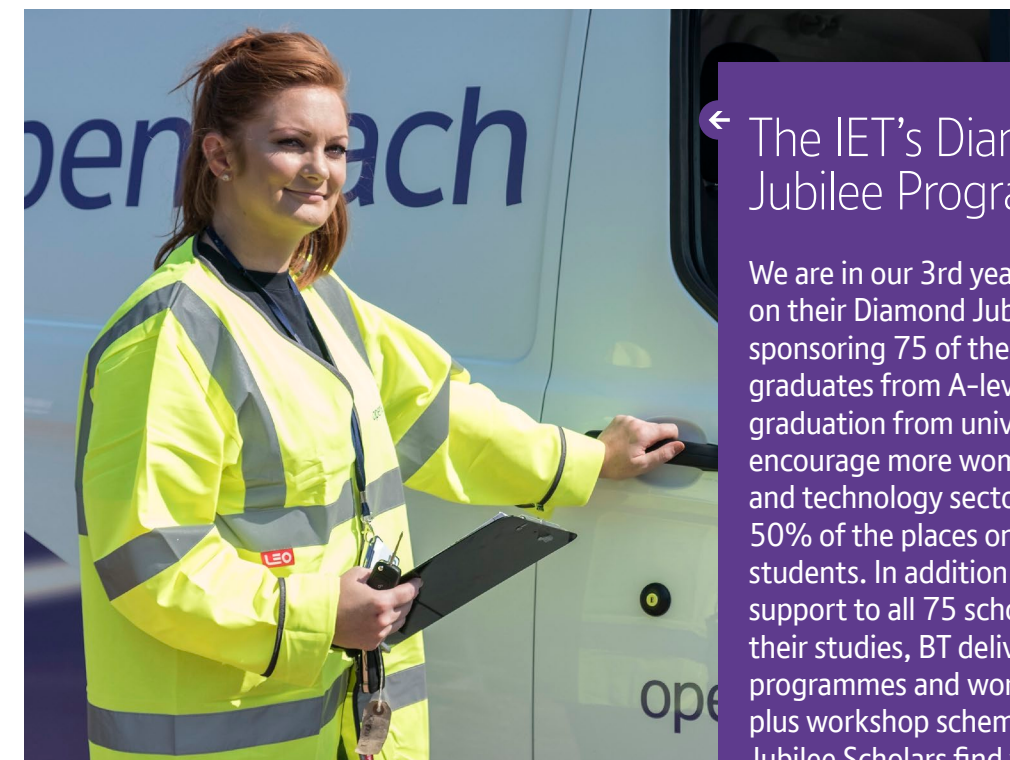
What we're doing on diversity and inclusion continued

TechWomen

We have a leadership development programme designed specifically for fantastic women working in key commercial, operational or technical roles. The year long programme is offered across the globe and focuses on:

- Creating an inclusive and supportive environment where women can thrive.
- Developing the core skills that women tell us are important to them – improving confidence, managing conflict, networking, and commercial/financial acumen.
- Building a big network of role models and mentors who go on to support women at all levels in the organisation.
- Developing ambassadors for technology. Our TechWomen go on to speak at external events to promote the programme, volunteer at STEM workshops and give their time to Tech Literacy programmes.

Since we launched in 2015-16, the group has grown fourfold, with aspirations to reach 500 women next year. The programme is hugely successful, with 9 in 10 women saying it meets their development needs, 7 in 10 saying their programme directly helped them get a bigger role and over 9 in 10 recommending the programme to others.



← The IET's Diamond Jubilee Programme

We are in our 3rd year of working with the IET on their Diamond Jubilee Scholars Programme, sponsoring 75 of the brightest engineering graduates from A-levels through to their graduation from university. The scholarships encourage more women into the engineering and technology sectors by guaranteeing at least 50% of the places on the programme to female students. In addition to offering annual financial support to all 75 scholars during the full term of their studies, BT delivers regional mentoring programmes and work placement opportunities, plus workshop schemes to help the Diamond Jubilee Scholars find work after their undergraduate studies.

The Gender Equality Network →

Our Gender Equality Network (GEN) aims to inspire and encourage a more inclusive working environment for both men and women at BT.

- To do this, we promote STEM careers for women. And we support recruitment programmes to increase the number of female engineering apprentices.
- GEN also promotes women leaders across the business and hosts events and workshops to help retain and develop future female leaders.
- To make sure we follow best practice, we actively engage with other companies to keep up to date with developments in the industry. We also make sure men are part of the debate. GEN works to encourage this through events like International Men's Day, addressing issues like mental health, wellbeing and paternity.



What we're doing highlights

7 in 10

say the TechWomen programme helped them secure a bigger role

9 in 10

would recommend the TechWomen programme to others

1.5m

children reached by the Tech Literacy programme nationwide

5m

our 2020 ambition for the rollout of the Tech Literacy programme

Disclosures

BT Group plc has seven group companies in Great Britain with at least 250 employees.

These gender pay reports are based on pay data at the 'snapshot date' of 5 April 2017 and the bonuses we paid over the 12 months before, in line with the new gender pay gap regulations.

BT Group combined data – At a glance

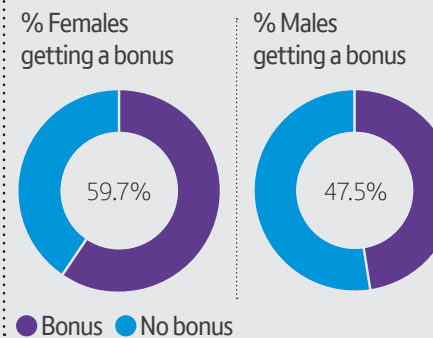
84,945

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	7%
Gender pay gap median	5.2%
Gender bonus pay gap mean	29.2%
Gender bonus pay gap median	11.2%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	22.7%	77.3%
Upper middle quartile	23.1%	76.9%
Lower middle quartile	16.0%	84.0%
Lower quartile	35.3%	64.7%

British Telecommunications plc

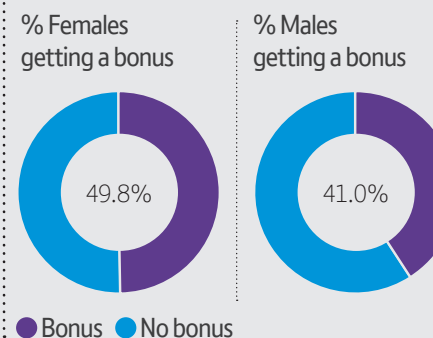
67,569

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	-0.7%
Gender pay gap median	-2.3%
Gender bonus pay gap mean	15.7%
Gender bonus pay gap median	-9.2%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	22.4%	77.6%
Upper middle quartile	20.7%	79.3%
Lower middle quartile	17.2%	82.8%
Lower quartile	22.9%	77.1%

- British Telecommunications plc is one of the world's leading communications service providers, and main BT employer in Great Britain. Currently all Openreach employees are employed by British Telecommunications plc.

EE Limited

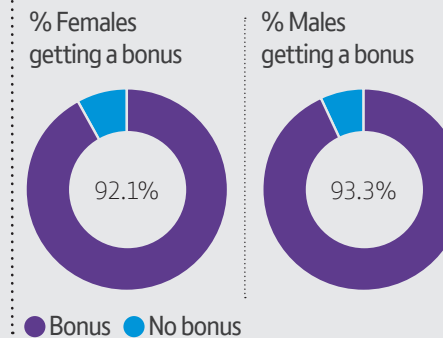
12,819

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	14.4%
Gender pay gap median	11.9%
Gender bonus pay gap mean	40.6%
Gender bonus pay gap median	35.3%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	33.2%	66.8%
Upper middle quartile	40.0%	60.0%
Lower middle quartile	47.5%	52.5%
Lower quartile	50.4%	49.6%

- EE is the largest and most advanced mobile communications company in the UK, delivering mobile and fixed communications services to consumers.

BT Facilities Services Limited

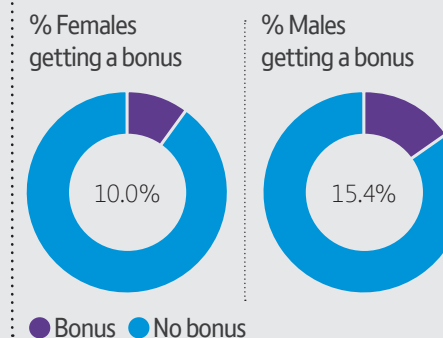
1,893

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	21.2%
Gender pay gap median	26.1%
Gender bonus pay gap mean	-50.2%
Gender bonus pay gap median	-250.0%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	19.9%	80.1%
Upper middle quartile	10.8%	89.2%
Lower middle quartile	40.9%	59.1%
Lower quartile	59.4%	40.6%

- BT Facilities Limited is BT's in-house facilities management company.

Plusnet plc

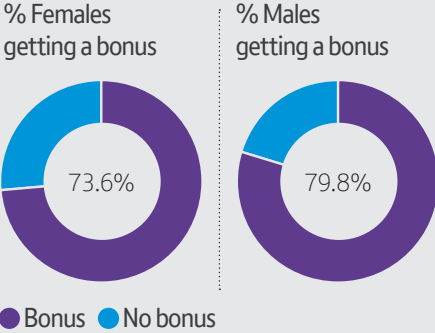
1,276

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	-5.9%
Gender pay gap median	-3.8%
Gender bonus pay gap mean	12.0%
Gender bonus pay gap median	-9.2%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	26.6%	73.4%
Upper middle quartile	23.9%	76.1%
Lower middle quartile	17.3%	82.7%
Lower quartile	28.1%	71.9%

- Plusnet is an award-winning communications provider that offers great value broadband, phone, TV and mobile services.

BT Fleet Limited

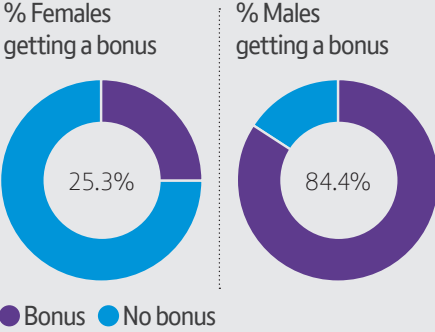
778

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	-1.3%
Gender pay gap median	2.2%
Gender bonus pay gap mean	-311.1%
Gender bonus pay gap median	-1193.5%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	11.5%	88.5%
Upper middle quartile	9.9%	90.1%
Lower middle quartile	9.4%	90.6%
Lower quartile	18.2%	81.8%

- BT Fleet Limited provides fleet management and maintenance solutions to both BT Group and a wide range of external companies.

BT South Tyneside Limited

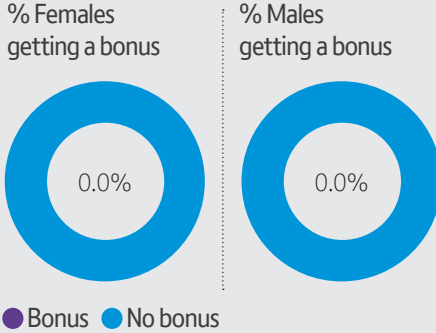
258

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	20.3%
Gender pay gap median	36.4%
Gender bonus pay gap mean	No Bonus
Gender bonus pay gap median	No Bonus

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	34.4%	65.6%
Upper middle quartile	73.4%	26.6%
Lower middle quartile	81.2%	18.8%
Lower quartile	73.0%	27.0%

- BT South Tyneside Limited employs mainly administrative employees who joined BT as part of a TUPE arrangement from an outsourced provider.

BT Managed Services Limited

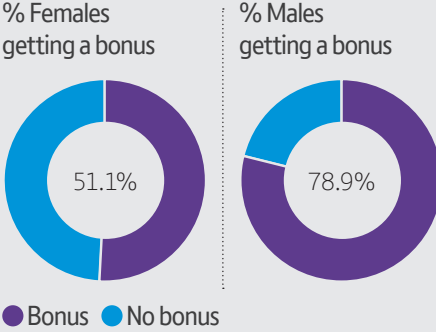
349

Number of employees (April 17)

Mean and median pay and bonus

Gender pay gap mean	14.1%
Gender pay gap median	10.2%
Gender bonus pay gap mean	41.5%
Gender bonus pay gap median	29.8%

Proportion of employees getting a bonus



Proportion of employees in each pay quartile

	Female	Male
Upper quartile	3.4%	96.6%
Upper middle quartile	5.7%	94.3%
Lower middle quartile	27.6%	72.4%
Lower quartile	15.1%	84.9%

- BT Managed Services is no longer an employer (during FY 2017-18) – all employees were moved over to BT plc. We're providing the data in line with the regulations in relation to the snapshot date of April 2017.

British Telecommunications plc

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