



Gender pay gap report

BT Group plc 2018

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Why it's important to us



5.0%

Median gender pay gap

“

Attracting a diverse team means we can tap into a range of perspectives, ideas and approaches. By doing this we will continue to make great things happen... I know there is more we can do to champion diversity in the workplace and hire a workforce that better represents society and I look forward to supporting this as Chief Executive.

Philip Jansen
Chief Executive

As BT's new CEO, I've been impressed by the dedication and focus of the team who are working to improve diversity at BT. I joined the company in January 2019 and my first impressions are that we're a dynamic, inclusive and innovative workplace. And we have great plans in place to drive diversity. Our overall 2018 mean pay gap in Great Britain was 5.9 per cent and median pay gap was 5.0 per cent. Both are well below industry national averages,¹ but we're not stopping there.

Attracting a diverse team means we can tap into a range of perspectives, ideas and approaches. By doing this we will continue to make great things happen. Our long-term initiatives – TechWomen, furtHER and STEM Returners – will help us to retain and nurture valuable female talent.

I'm delighted the progress we have made this year has been recognised again by The Times who rank BT in their Top 50 Employers for Women and Top Employers for Race. And our TechWomen development programme was recognised by three separate award bodies: Inclusive Companies, British Quality Foundation and the Training Journal awards, for being best in class.

I know there is more we can do to champion diversity in the workplace and hire a workforce that better represents society and I look forward to supporting this as Chief Executive.

Philip Jansen
Chief Executive

Philip Jansen

¹ ONS 2018 figures indicate that in the Telecommunications sector the mean pay gap was 26.7 per cent and median was 19.6 per cent.

Our gender pay gap

About the data

We've combined data from all of our group companies across the United Kingdom, which have 250 or more employees. It accounts for 84,931 of our people. For transparency, we've also included our executive directors. The report covers BT Group including our brands BT, EE and Plusnet.

This report includes roles ranging from engineering, customer service and retail, to research, cyber security and TV production. We've made these calculations based on pay data at the 'snapshot' date of 5 April 2018 and bonuses paid over the 12 months before, in line with gender pay gap regulations.

This year, we've been able to include more data as we've improved the way we collect pay information. This means we've expanded our data collection process to include all of our recognition voucher awards paid to employees for outstanding work and long service awards.

We added this information to make our report more comprehensive. But in order to draw a meaningful year on year comparison, we have applied the same parameters to last year's figures. This has resulted in a minor adjustment to the 2017 data set. These adjustments can be seen in the tables at the back of the report.

Openreach

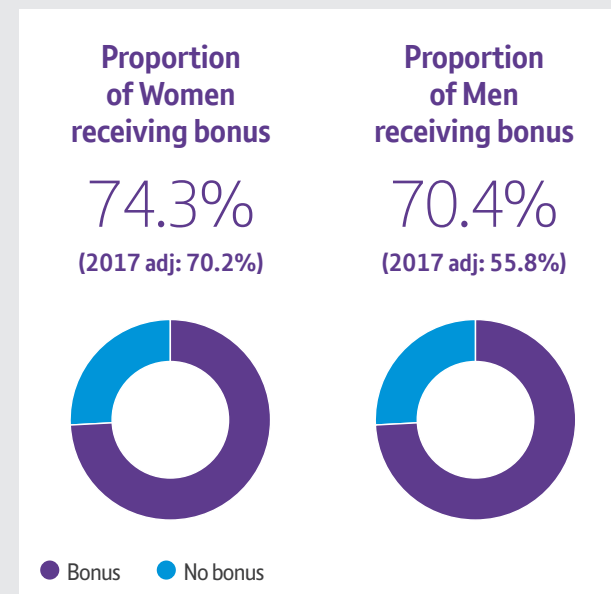
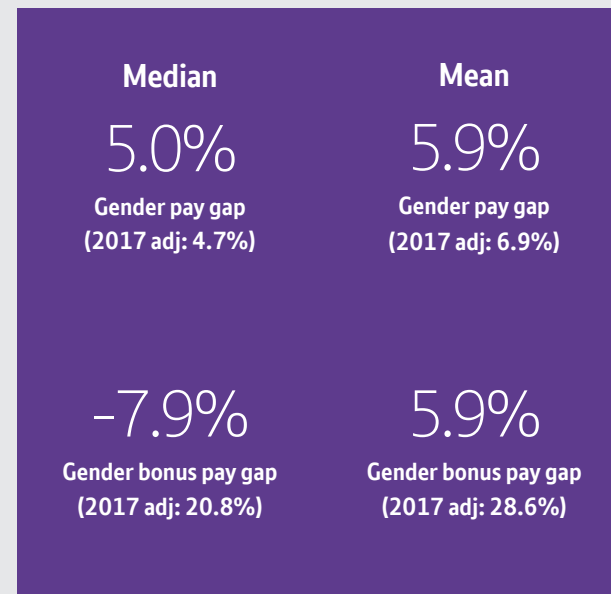
Because Openreach Limited had less than 250 employees at the snapshot date of 5 April 2018 their figures are not included in our gender pay gap report. From next year though, Openreach Limited will report on their gender pay gap as a new entity as they have more than 250 employees (transferred from BT Plc in October 2018).

Interpreting the data – 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.

Percentages

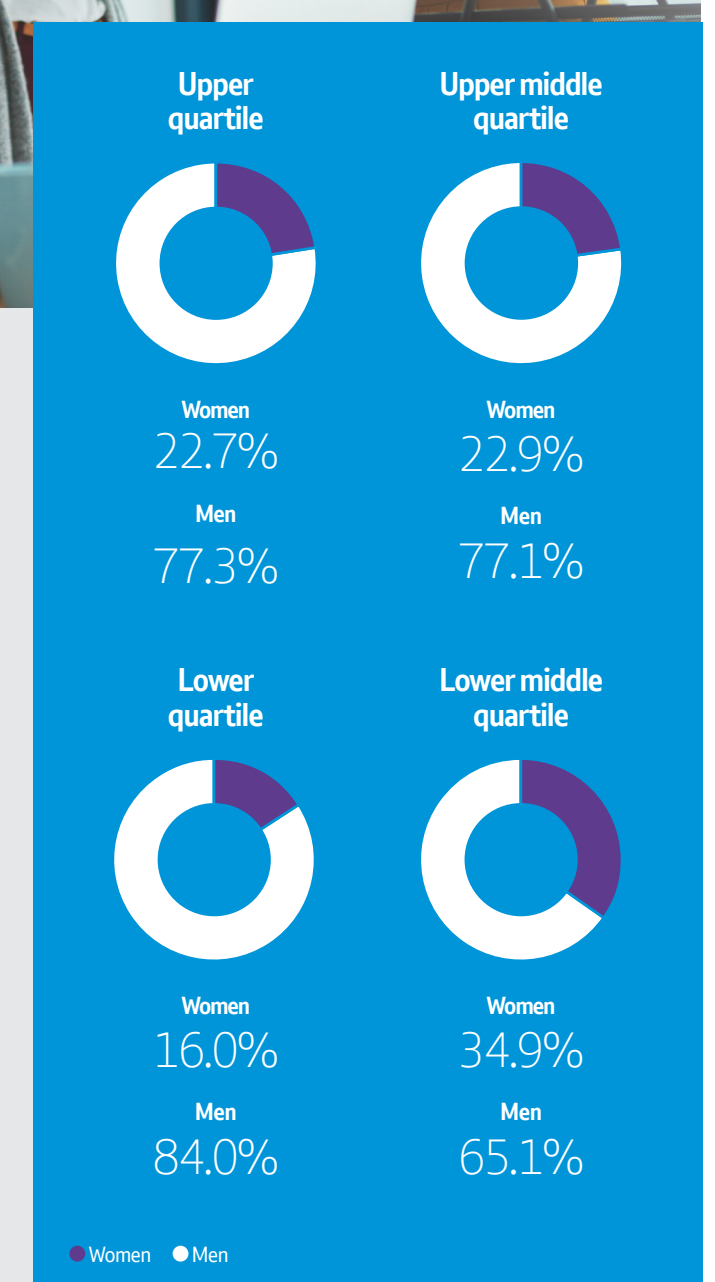
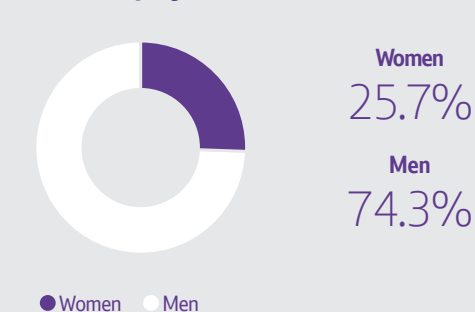
Throughout this report we use percentages to illustrate the gap between men and women's pay. A positive percentage indicates that the pay gap is in favour of men. A negative percentage indicates that the pay gap is in favour of women.



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.

Total employees



Understanding the gap

In 2018 a quarter of our workforce were women – the same as last year.

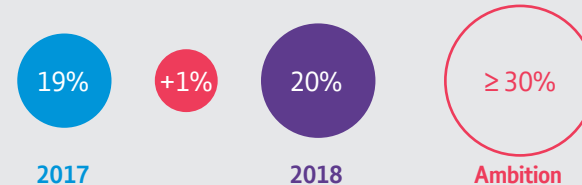
We've focused on retaining and nurturing our female talent this year as BT Group goes through a transformation programme to make us a more agile and less complex business. We're in the second year of reshaping our business and it remains critical that we build on the good work we've already done to make BT even more inclusive, with diverse talent at every level.

We've more men than women working at all levels of our company, which impacts our pay gap.

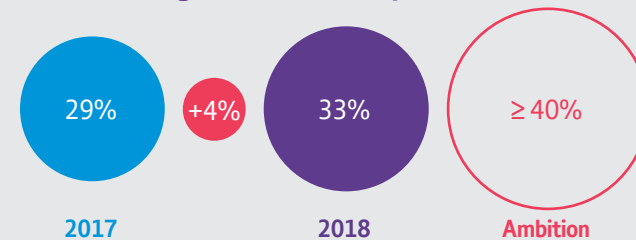
We're determined to tackle our gender pay gap. And we're committed to paying our people fairly, regardless of their gender and in line with equal pay requirements.

We have made progress towards our ambition to have greater female representation at more senior levels:

Senior Leadership Team (top 100)



Senior Management Team (top 600)



There are two main factors that we are working hard to address:

- 1 Increasing female representation in the top levels of our organisation and progressing women's careers in our technical areas, particularly our technology division.
- 2 Women are underrepresented in technical and engineering jobs – especially in Openreach. It's a problem across the UK, but we've all got our part to play. The new initiatives we have launched this year show just how serious we are about it. You can read more about these initiatives on page 17.

What we're doing on diversity and inclusion

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

Our ambition is to bring people with different perspectives, skills and experience who represent our customers into our business.

So what?

We have a Diversity and Inclusion Team. And a range of people networks; gender equality, neurodiversity, ethnicity, LGBT+, ability, armed forces, faith and carers' networks. This year British Quality Foundation, Training Journal and Inclusive Companies recognised us for providing best in class diversity development programmes for women. We're proud to have made good progress with female representation in our senior leadership and management roles through our initiatives and programmes.

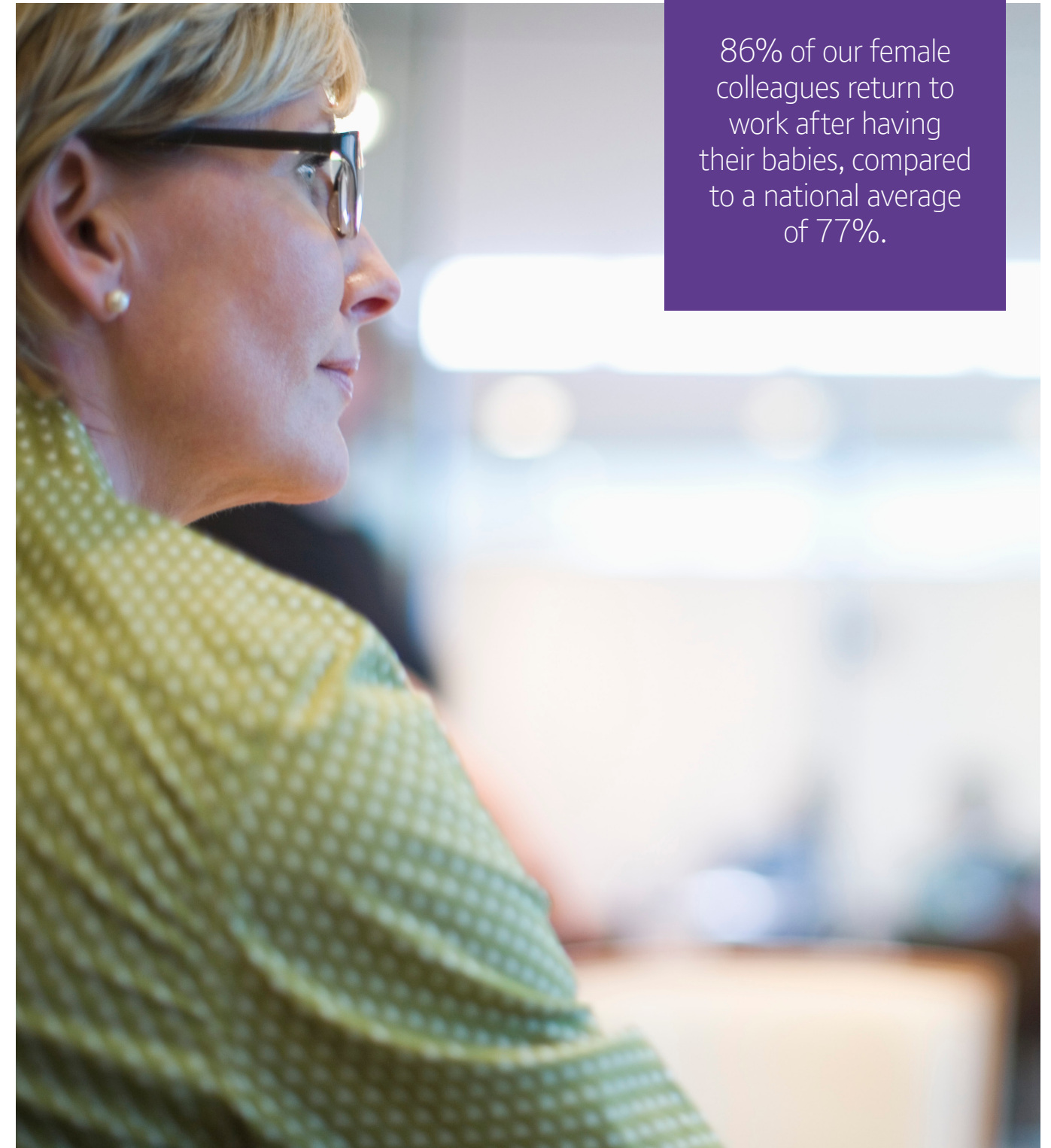
Recruiting more women at all levels

Our policies make sure we recruit in a gender neutral way. That means advertising jobs with gender neutral language and creating diverse shortlists. Our focus on recruiting this way means that in 2018, 42 per cent of our new senior leadership appointments were women – up from 38 per cent in 2017. We're working hard to achieve our ambitions across the rest of the organisation, and hope that by hiring inspirational female leaders we'll see more women applying for senior positions.

Our HR policies include a number of flexible working options like homeworking, job shares and adjusted working patterns that mean our people can start late or finish early to fit in commitments like school runs. We do this so we attract and keep the best people. And our brilliant maternity policies continue to see 86 per cent of our colleagues return to work after having babies, compared to a national average of 77 per cent.

We focus on nurturing people to make sure that they feel supported and comfortable when going for promotions regardless of their gender. To make sure that both men and women are applying for these jobs, we regularly check gender balance across our talent and performance rating processes.

We're proud to be signatories of the 30% Club again this year— an ambition to have at least 30 per cent women at board level by 2020.



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What we're doing on
diversity and inclusion
continued

Bringing women into tech

“furthHER” – we launched a partnership with Code First Girls to help women from non-STEM backgrounds develop their coding skills. The four-month programme helps candidates move into software roles that may otherwise have been closed to them.

Switch – career changes can be daunting, so we launched the Switch programme which offers mentoring and development for 20 mid-career women who want to move into tech roles in BT. Our Switch programme developed tech skills which helped the participants gain apprentice-level qualifications. These qualifications meant we were able to offer STEM roles to all 20 women.

STEM Returners – we offer a 12-week placement for people who have previously worked in STEM careers and want to get back into employment. The programme helps them build confidence and refresh their skills for the roles they are interested in.

Successful programmes we're sticking with – we're already preparing the next generation to thrive in a digital world, through our **Tech Literacy programme** which helps young people develop their tech skills and equip them for jobs in the future.

We're already preparing
the next generation to
thrive in a digital world,
through our Tech
Literacy programme

Our popular
TechWomen programme
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Our popular **TechWomen programme has doubled in size** this year – from 360 to 760 members. To show our people how seriously we take growing our female talent, we've expanded the programme so it now accepts all applicants. We've also split the course into two streams because we recognise people need different kinds and levels of support at different stages of their career.



We participate in a seven-month mentoring and work experience programme – **Step into STEM**. We partnered with Girl Talk and every year we work with 10 female sixth form students who are interested in a career in STEM. A one-to-one mentor from BT supports them as they apply to university. We've been supporting this initiative for four years and, to date, have mentored 80 young women who have gone on to apply for degrees in STEM subjects.

We continue to **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 during their studies. The programme encourages female participation by guaranteeing at least half of the places to female students.

This year **British Quality Foundation, Training Journal and Inclusive Companies** recognised us for providing best in class diversity development programmes for women.

Some of our programmes

TechWomen

Our leadership development programme, designed specifically for fantastic women working in key commercial, operational or technical roles. We offer this year-long programme across the globe and focus on:

Creating an inclusive environment where women can thrive; developing 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; and nurturing ambassadors for technology.

Our TechWomen speak at external events, volunteer at STEM workshops, and give their time to Tech Literacy programmes.

Our programme aims to drive and encourage women who want to progress their career by building confidence and skills through training. We recognise that building a fair and inclusive workplace is not solely a UK challenge, which is why we've introduced the programme in India for the first time. Last year, our feedback showed that after the programme:

59%
said it directly helped
them secure
a bigger role

81%
said it met
their development
needs

95%
said they felt
confident in the
workplace

93%
said they felt
confident when
networking

92%
said they'd
recommend the
programme to others

Some of our programmes continued



The IET's Diamond Jubilee Scholarships Programme

We are in our fourth 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 women into engineering and technology sectors by guaranteeing at least 50 per cent of the applicants considered are women.

Gender Equality Network (GEN)

Our network aims to inspire and encourage an inclusive working environment for both men and women, by leading on a theme of flexibility at work. The GEN knows as well as we do that it's not what you are that's important, it's the work that you do well that counts.

Flexibility is core to the GEN's equality strategy to encourage greater take-up for shared parental leave and a move away from the outdated 9am-5pm work pattern.

The GEN:

- Promotes female leaders across our business and hosts events and workshops to help nurture future leaders regardless of gender, sexuality, socioeconomic background, ethnicity or any other factors.
- Meets with other companies to keep up to date with best practice so we can learn from one another. We also make sure men are part of the debate through events like International Men's Day, addressing issues like mental health, wellbeing and paternity.
- Recommends new policies or tweaks to existing ones to make sure that they are inclusive.



Tech Literacy

We've made a long-term commitment to build a culture of tech literacy for the next generation so that young people can thrive in a digital world and step up to future jobs. Our aim is to reach five million young people by 2020. In January 2019, we reached 2 million primary school aged children through our partnership with the Barefoot computing charity. The Barefoot computing programme is nation-wide and does a great job at inspiring pupils from every background regardless of gender.

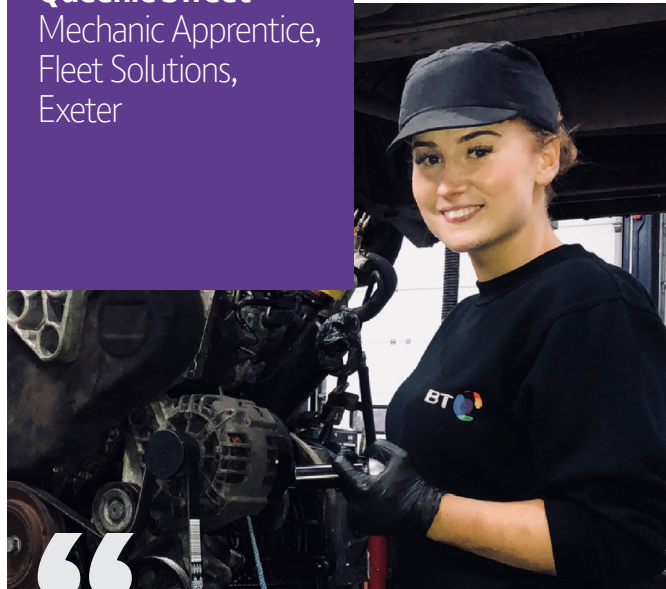
We're focusing on three crucial points in young people's lives:

- **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 2 million children across the UK, in over 50 per cent 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 help young people 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.

Hear it from them

Queenie Sweet

Mechanic Apprentice,
Fleet Solutions,
Exeter



I joined BT after qualifying from college two years ago with a Level 2 qualification in mechanics. I applied for the apprenticeship programme after spending a couple of days a week doing work experience at the company. I have really benefitted from the regular mentoring and support my apprentice coach and line manager provide me with – they are brilliant. Their support and encouragement have helped me become more confident and believe in myself.

I love being a mechanic and have always wanted to be one, and it's great that more women are discovering careers in mechanics. What keeps me passionate about my job are the people at BT who I can talk to. They support me not just through formal programmes, but informally and recognise the strengths I bring to the job.

Aminat Amoo

Trainee on
furtHER
programme



I graduated from UCL after doing a Chemistry degree. I hadn't even considered a career in technology until I discovered the furtHER programme. I am now a trainee on the course and am loving it – I've learned that there's no one way to solve a problem and that coding is really creative.

Before I joined BT I didn't think of myself as a creative person or that I could get into technology but I was wrong! The furtHER course has really improved my confidence and I have been inspired by the senior female leaders at BT who do coding as well. I haven't looked back and am so glad I discovered the course.

Katherine Ainley

Director,
BT Better World



I have been at BT for 11 years and worked in many areas of the business. During this time I've taken two maternity leaves so recognise how important it is for people returning from either maternity or paternity leave to have support networks if they need them, and I understand that a career is often not "linear".

The TechWomen programme supports women looking to develop their career – and contains lots of practical advice which is especially useful for women returning to work or looking to recharge their career. Having a network of likeminded people to turn to with questions can be invaluable and really help people hit the ground running. By sharing solutions and adapting to challenges we not only unlock opportunities but drive change for the better.

Driving change

5m

our 2020 ambition
for the rollout
of the Tech Literacy
programme

7 in 10

say the TechWomen
programme helped them
secure a bigger role

2m

children reached
by the Tech Literacy
programme nationwide

9 in 10

would recommend
the TechWomen
programme to others

We're conscious about confronting unconscious bias

We launched **Inclusion is Personal** development workshops in March 2018 to teach our senior leaders about unconscious bias and inclusive leadership. We know that we should always hire the right person for the job. But it is also true that there is not always a level playing field. There is a great deal of evidence that shows we all have bias which impacts our decision making and we are biologically programmed to 'like people like us.' This means that we might not always be great at recognising talent and capability when we see it in people who are different to us. That's why these workshops are important in changing the way we approach our teams.

We've also created an **inclusive behaviours toolkit** to support leaders at every level to think more inclusively. These are on-top of our diversity and inclusion training that every new recruit benefits from when they join us.

We'll keep holding ourselves to account

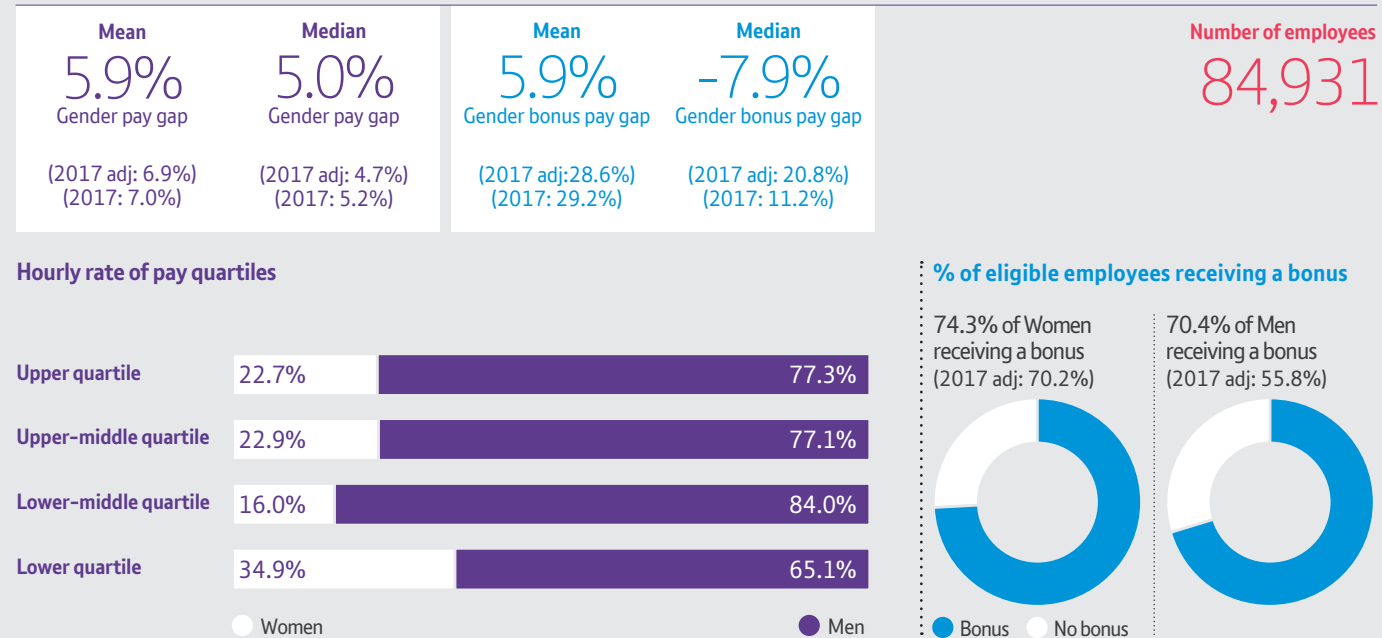
- We've an active Inclusion Steering Board, made up of senior leaders from across our business and chaired by an Executive Committee sponsor.
- We've a separate executive leader who sponsors our **TechWomen Programme**.
- We share our **inspirational stories** through internal communications and videos.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

Disclosures

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

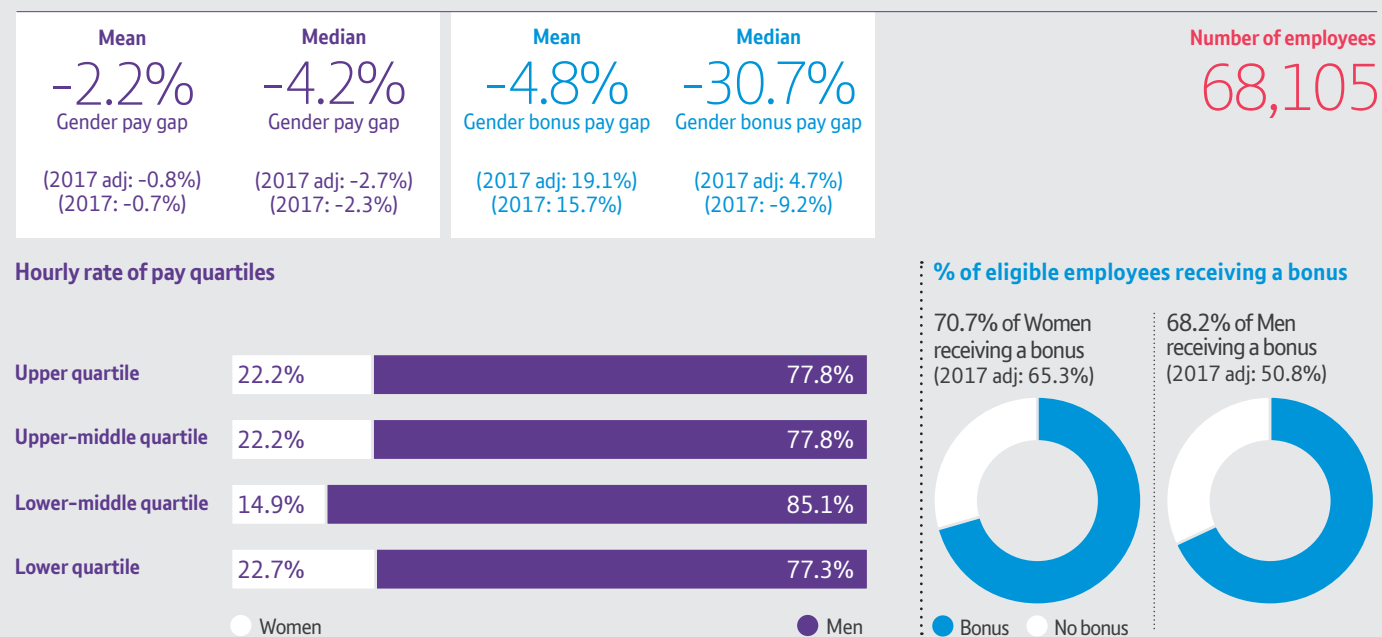
These gender pay reports are based on pay data at the 'snapshot date' of 5 April and the bonuses we paid over the 12 months before, in line with the new gender pay gap regulations.

BT Group combined data – at a glance



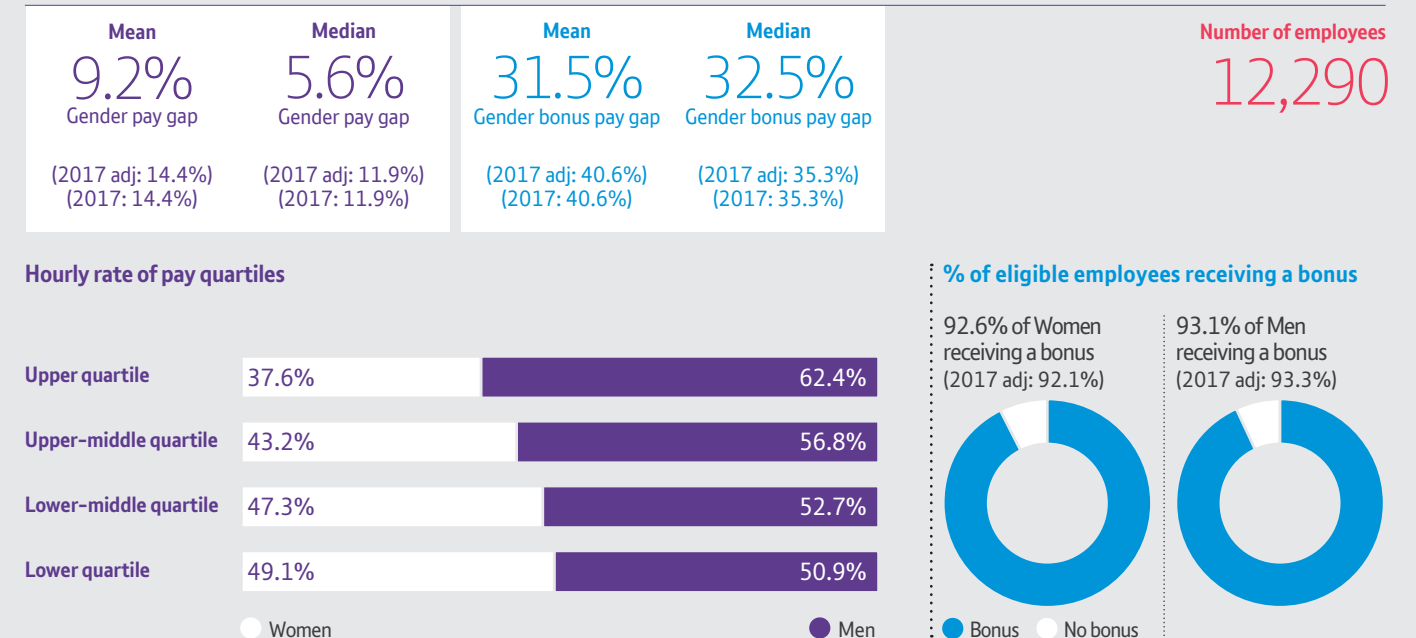
The BT Group combined data includes five executives contracted to BT Group Plc.

British Telecommunications plc



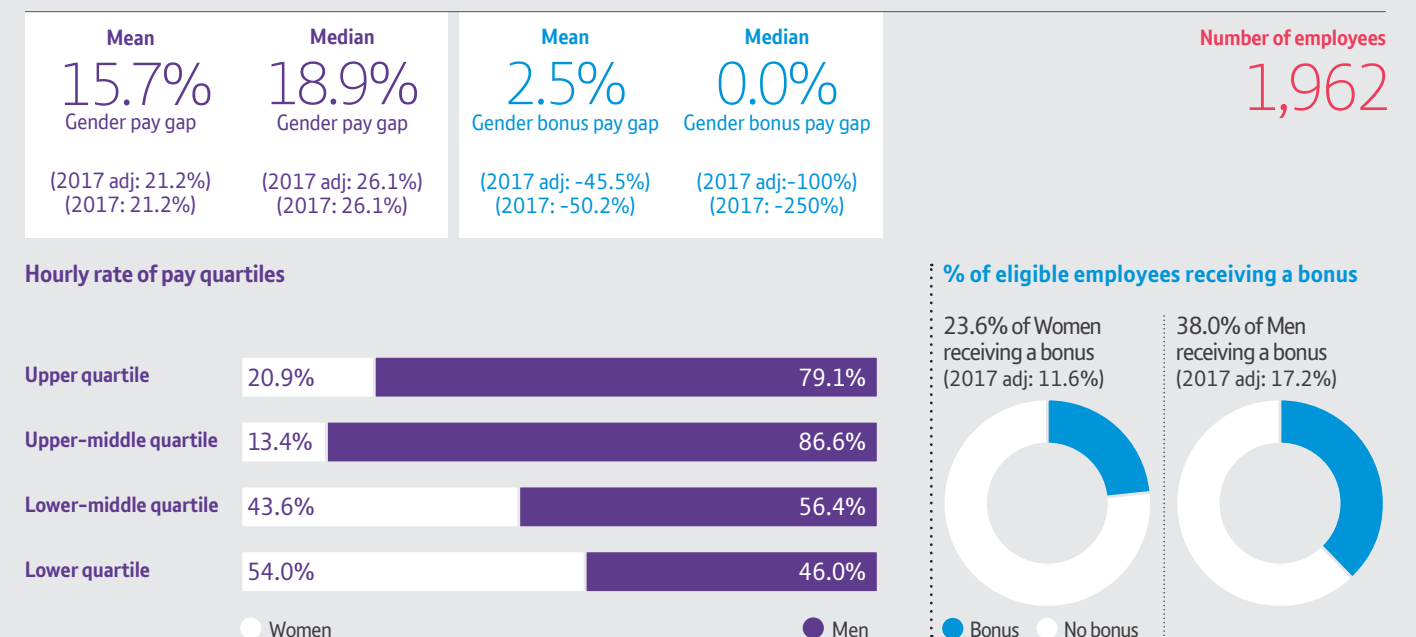
British Telecommunications plc is one of the world's leading communications service providers, and main BT employer in Great Britain. On 1st October 2018 all Openreach employees were employed by British Telecommunications plc.

EE Limited



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

BT Facilities Services Limited

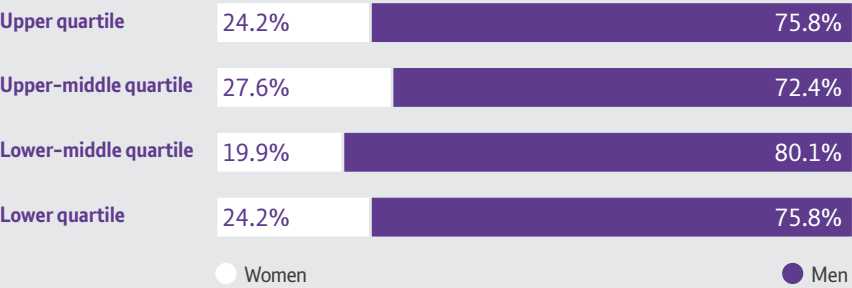


Disclosures continued

Plusnet plc

Mean	Median	Mean	Median	Number of employees
-1.5%	-6.3%	19.4%	12.3%	1,446
Gender pay gap	Gender pay gap	Gender bonus pay gap	Gender bonus pay gap	
(2017 adj: -5.4%) (2017: -5.9%)	(2017 adj: -3.6%) (2017: -3.8%)	(2017 adj: 12.2%) (2017: 12.0%)	(2017 adj: -8.5%) (2017: -9.2%)	

Hourly rate of pay quartiles

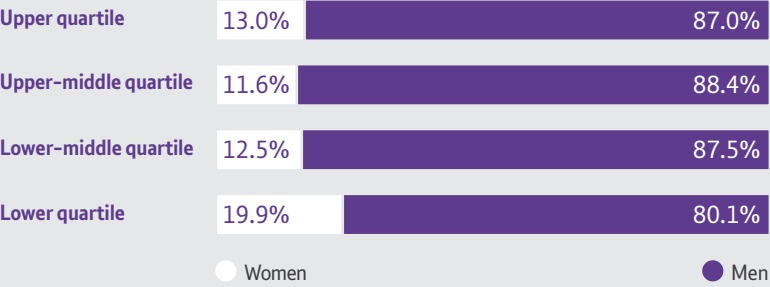


Plusnet is an award-winning communications provider that offers great value broadband, phone, TV and mobile services.

BT Fleet Limited

Mean	Median	Mean	Median	Number of employees*
-0.9%	4.6%	-21.9%	34.7%	873
Gender pay gap	Gender pay gap	Gender bonus pay gap	Gender bonus pay gap	
(2017 adj: -1.3%) (2017: -1.3%)	(2017 adj: 2%) (2017: 2.2%)	(2017 adj: -172.1%) (2017: -311.1%)	(2017 adj: -375.4%) (2017: -1193.5%)	

Hourly rate of pay quartiles



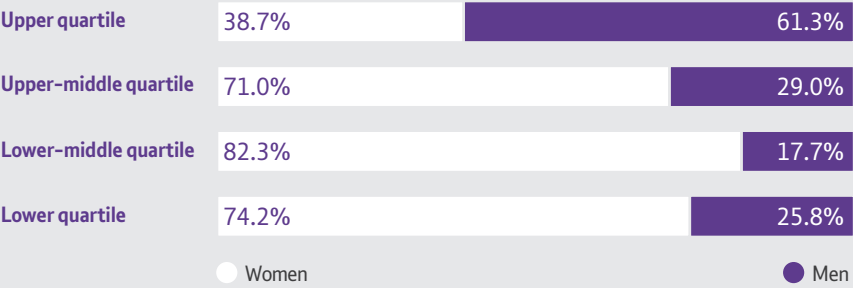
BT Fleet Limited provides fleet management and maintenance solutions to both BT Group and a wide range of external companies.

*Please note in entities with lower numbers of employees such as BT South Tyneside and BT Fleet, the percentage pay gaps can look more extreme. This is because when there are fewer data points in the average, the average can be more influenced by a single high number.

BT South Tyneside Limited

Mean	Median	Mean	Median	Number of employees
19.5%	25.3%	-1474%	-166.7%	250
Gender pay gap	Gender pay gap	Gender bonus pay gap	Gender bonus pay gap	
(2017 adj: 20.3%) (2017: 20.3%)	(2017 adj: 36.4%) (2017: 36.4%)	(2017 adj: -384.8%) (2017: No Bonus)	(2017 adj: -400%) (2017: No Bonus)	

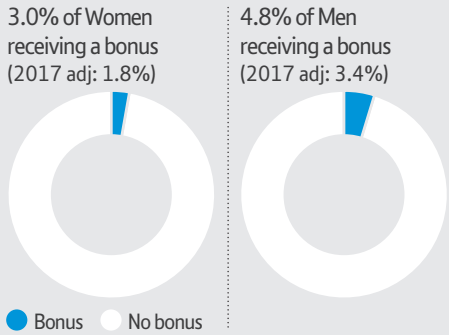
Hourly rate of pay quartiles



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

*Please note in entities with lower numbers of employees such as BT South Tyneside and BT Fleet, the percentage pay gaps can look more extreme. This is because when there are fewer data points in the average, the average can be more influenced by a single high number.

% of eligible employees receiving a bonus



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Registered in England and Wales No. 4190816

Produced by BT Group plc

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