



BT Group plc
Digital Impact and Sustainability Report
2019/20

Investing in a better tomorrow

Welcome

This report highlights our progress in 2019/20 as we seek to step up our leadership in digital impact and sustainability and go beyond limits for our customers, colleagues and communities.

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Investing ...in a cleaner tomorrow

Tackling climate change and environmental challenges

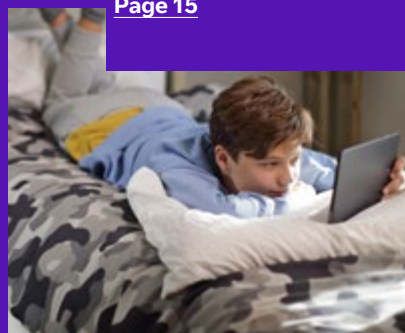
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Strong foundations

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Find out more

You can find additional information on our performance, governance, climate (Taskforce on Climate-related Financial Disclosures) and the environment in our online appendix and [download centre](#)

Tell us what you think

We welcome feedback on this report or its contents. Please complete the online feedback form or contact us via our Twitter account [@BTGroup](#).



Sustainability awards

CDP A list: We remained on the CDP's global A List of corporate climate leaders for the fourth year running, putting us in the top 2% of reporting companies. We also maintained our position in the CDP Supplier Engagement Leaderboard.

Clean200: We made the 2020 Clean200 list of the world's largest publicly traded firms, ranked by total clean energy revenues.

EcoAct: We retained our place in the top three of EcoAct's ranking of FTSE 100 companies for the seventh year in a row – and came tenth in their global rankings.

EcoVadis Gold rating: We achieved the Gold rating for corporate social responsibility for the seventh year running in May 2019.

Global 100: Corporate Knights included BT in its annual ranking of the 100 most sustainable corporations in the world.

Tortoise Responsibility100: We ranked fourth in the most recent quarterly index of FTSE 100 companies in March 2020.

Introduction from our Chairman and Chief Executive

The Covid-19 pandemic has seen rapid and radical changes to the way we live and work. Never have people and businesses been more dependent on us to stay connected in the UK and beyond.

BT is stepping up, standing by our customers, colleagues and communities in this time of need.

Our networks and services are essential to the UK's digital infrastructure. We're helping to keep our customers connected, and support more vulnerable people, as well as contributing to public health efforts and prioritising support for critical services – from connecting temporary hospitals to helping isolated patients stay in touch with loved ones.

That's why many of our frontline colleagues are designated by the Government as key workers.

The essential role we play in connecting people and businesses will not only support the nation through this crisis, but contribute to the UK's ambition to become a world-leading digital economy for everyone.

We're investing in faster networks and wider coverage that will help connect the UK to the future, but access alone isn't enough. The UK's digital skills gap is leaving millions of people behind.

We aim to empower 10m people by 2025, giving them the skills they need to flourish in a digital world. We've launched a major new programme to help us do this.



Jan du Plessis
Chairman

At the core of our Beyond Limits brand position, Skills for Tomorrow is a key pillar in each of our customer facing business units. It builds on our long-standing programmes such as Barefoot Computing which has reached more than 2.8m children since 2014.

Through Skills for Tomorrow, we're working with some of the country's leading digital skills organisations to offer everyone free access to resources that suit them. Many can be accessed online, offering invaluable support through the Covid-19 crisis – from helping people manage their lives online and work effectively wherever they are to providing ready-made lesson plans for homeschooling.

Digital technology offers a world of opportunities to transform people's lives, but the potential for its misuse also poses new challenges to human rights. We're working with other tech companies and human rights organisations to respond, and we remain firm supporters of the UN's Global Compact and Sustainable Development Goals.



Philip Jansen
Chief Executive

Events in the last year have highlighted the urgent need to tackle the climate emergency and the growing expectations on companies to take action. We've been leading the way on corporate climate action for over 25 years and we're targeting net zero carbon emissions in our business by 2045.

We want every one of our colleagues to play a part in delivering our digital impact and sustainability ambitions, and our business goals. Our new Colleague Board is giving our people a louder voice at the table, and a direct line to the BT Board. Despite the downturn in the economy caused by Covid-19, we've maintained our promise of introducing an annual award of shares through the yourshare plan that offers all our people a stake in our success.

The months ahead will bring many further challenges, but we'll continue to act as a force for good in support of customers, colleagues and communities.



Leena Nair
Non-executive director and chair of BT's
Digital Impact & Sustainability Committee

“

Being appointed chair of BT's *Digital Impact & Sustainability Committee* is an exciting opportunity for me to work with a company that is serious about taking on the challenges and opportunities of sustainability. BT has already made great progress on its ambitions. I see enormous potential to build on this strong track record by integrating sustainability even further into core business processes, products and services – and deepening engagement with customers about their own footprints, and the sustainability credentials of BT's retail and commercial services.

Our strategy

Our digital impact and sustainability (DI&S) strategy will help us deliver lasting positive impact in the UK and beyond.

We're focusing on three key areas where we can use our technology, our reach and our people to make the biggest possible contribution to the UK's ambitions and the UN's Sustainable Development Goals. We've set bold ambitions to drive progress in these areas and our DI&S strategy is built on strong foundations (see graphic).

The DI&S strategy supports our vision to be a leader in converged connectivity and services, brilliantly delivered. It enables us to grow demand for our products and services, build and enhance our reputation, manage risks, develop talent, make BT the best place to work, and create long-term value for our business and the UK.

We ensure clear accountability, from the top, for delivering the strategy. From April 2020, we're adding our digital skills and carbon emissions intensity targets to our Group key performance indicators (KPIs) and both will be linked to 10% of the bonus scheme, placing sustainability at the core of what we do (see the [appendix](#) for more on governance).

Our strategic focus areas

1. Building better digital lives



Our ambitions

Reach 10m people in the UK with help to improve their digital skills by 2025¹

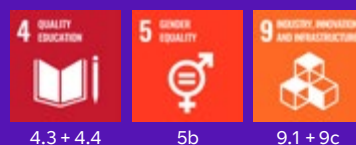
Our progress

- Launched Skills for Tomorrow, including an online portal containing free resources
- 2.8m people reached in total since 2014/15
- 20 Online Centres sponsored so far with Good Things Foundation
- 3,300+ Work Ready graduates since 2014

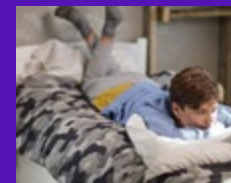
Supporting the UK's ambitions

The UK Government's Digital Strategy includes giving everyone access to the digital skills they need

Contributing to the UN Sustainable Development Goals and targets



2. Championing human and digital rights



Keep people secure online, protect privacy and free expression, and support efforts to tackle modern slavery

- Signatory to the UN Global Compact
- Approach steered by the UN Guiding Principles on Business and Human Rights
- Founding partner of the UK Modern Slavery Helpline and Tech Against Trafficking
- Joined World Business Council for Sustainable Development CEO call to action on human rights

The UK Government is committed to tackling the crime of modern slavery that affects an estimated 40m people globally



3. Tackling climate change and environmental challenges



Adopt a sector-leading approach to climate action, with a target to become a net zero carbon business by 2045

- 42% reduction in carbon intensity since 2016/17
- 92% of the electricity we consume around the world is now renewably sourced – and we're at 100% for directly purchased electricity in the UK
- We've now helped our customers save three times as much carbon as our end-to-end carbon emissions – one year ahead of target
- 12 key suppliers signed up to climate clause
- New plastics policy and commitment

The UK Government's target is to achieve net zero emissions by 2050



Supported by strong foundations

Behaving ethically

Developing diverse talent

Keeping our people safe and healthy

¹ We've revised the wording of this ambition from providing 'training' to 'help' to improve digital skills to reflect the broader range of support we're providing as part of our Skills for Tomorrow programme.

Our priorities

In our strategy, we prioritise what matters most to our stakeholders.

Every year, we engage with stakeholders and map their concerns against key risks and opportunities for our business, including how we can contribute to global challenges. The resulting materiality analysis is shown in the graphic (right).

This year, customer experience topped the list of stakeholder concerns. The topics of network investment, data/cybersecurity and digital lives (including skills and online safety) are also of high importance to stakeholders.

Climate change, human and digital rights, and diversity and inclusion have increased in prominence as hot topics among our stakeholders, alongside business ethics. The focus on sustainable consumption has heightened, with particular emphasis on plastics; we've introduced a new policy and target to reduce single-use plastics in our operations. Economic impact has increased in stakeholder importance, citing Brexit and financial downturn concerns, heightened by Covid-19 impacts in recent months.

We address our most material issues within this report, with the exception of network investment, customer experience and economic impacts, which are covered in our [Annual Report](#).

See the [appendix](#), governance section, for more information on how we listen to stakeholders, identify our material issues and manage risk.

Stakeholder materiality analysis



- Customer experience ★
- Data/cybersecurity ★
- Network investment and innovation ★
- Business ethics ◀ ★
- Climate change ◀ ★
- Human and digital rights ◀ ★
- Digital lives ◀
- Economic impacts ★
- Sustainable consumption ◀

- Diversity and inclusion ◀
- Clean energy ◀
- Health, safety and wellbeing ◀ ★
- Community and charity ◀
- Air pollution ◀
- Emergent tech
- Electromagnetic frequency and health concerns
- Disaster response

◀ Policy
 ◀ Target/KPI
 ★ Principal risk

Case study:

Investing in society

We make a significant contribution to society through our core business by investing in our networks, products and services to improve connectivity and communications.

We also maintain our long-standing commitment to invest in community programmes that are designed to accelerate progress towards our digital impact and sustainability ambitions, as highlighted throughout this report. This year, our investment totalled £29m worth of cash, time volunteered and other in-kind contributions.

That's equivalent to 0.90% of the previous year's adjusted profit before tax, falling short of our annual target of 1% as a result of lower in-kind contributions in areas such as volunteering. We are refocusing our efforts behind Skills for Tomorrow and aim to improve the efficacy of our volunteering.

We have invested £164m at an average of 0.98% of adjusted profit before tax over the last five years.



Our ambitions

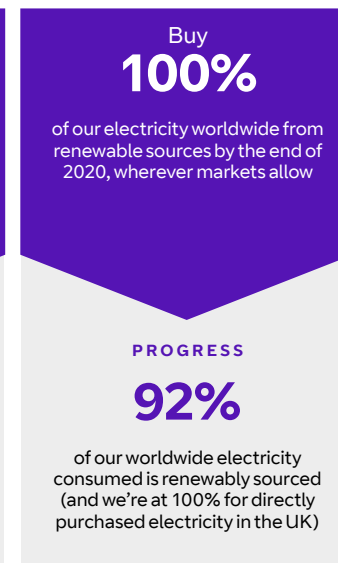
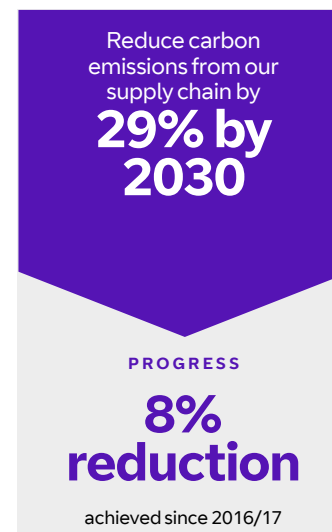
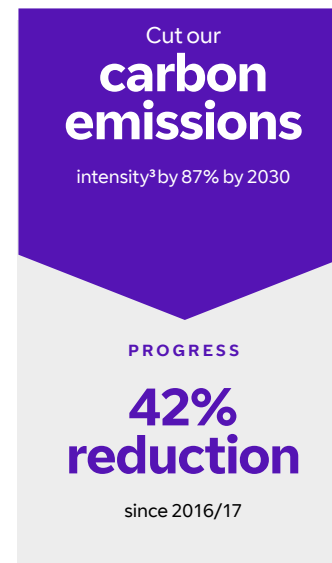
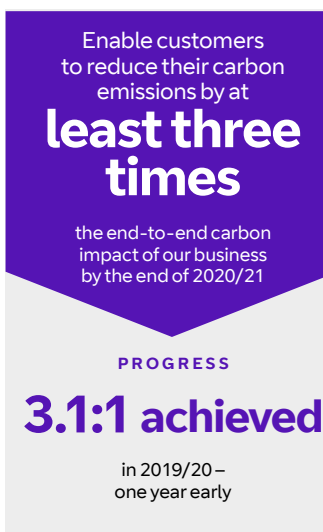
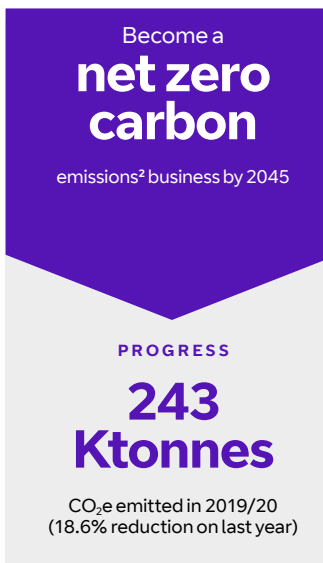
Building better digital lives



¹ We've revised the wording of this ambition from providing 'training' to 'help' to improve digital skills to reflect the broader range of support we're providing as part of our Skills for Tomorrow programme.



Tackling climate change and environmental challenges



² Scope 1 and 2 greenhouse gases.
³ Scope 1 and 2 greenhouse gases per unit of gross value added.

Building better digital lives

Investing... in skills for tomorrow

We want to help everyone make the most of technology and thrive in our increasingly digital world. We're empowering people with the skills they need today, for a better tomorrow.

“

Our presence across the UK means that we have an opportunity – and a responsibility – to go further than ever to connect more people and businesses, help them make the most of technology and equip them with the skills they need both now and for the future. Through our new Skills for Tomorrow programme, we're going above and beyond to help UK families, communities and companies reach their full potential.



Marc Allera
CEO, Consumer



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Building better digital lives continued

Helping everyone make the most of technology

The challenges and opportunities of the digital world can be daunting, particularly as we live through such uncertain times. Technology is a powerful enabler, but many people lack the skills and the confidence to make the most of it in their home and work lives.

We're well placed to tackle this challenge with our reach, partnerships and strong track record on digital skills training. By building tech confidence, we can help to unlock the UK's potential.

We've broadened and deepened our commitment this year with the launch of our Skills for Tomorrow programme. It's designed to support communities across the UK – from schoolchildren, jobseekers and small businesses to older and more vulnerable members of society. We want to help millions of people, and we've already started.

BT has a critical role to play in connecting families and businesses through the Covid-19 crisis. And we're going beyond by enabling everyone to access free resources to help them learn how to use digital technologies and manage their lives online. We're working to increase our superfast and ultrafast broadband reach, along with 4G coverage and 5G roll-out to best enable those connections (see case study above).

Case study:



Connecting the UK to the future

Getting people connected is the first step to helping them make the most of technology. Our high-speed broadband reaches over 28m (87.8%) of all UK premises and we've extended ultra-fast broadband to 14.6m.

Around 600,000 premises in remote areas still lack any broadband connection and Ofcom has tasked us with delivering a minimum speed of 10Mbps to all premises across the country. Openreach has already connected more than 100,000 hard-to-reach homes and businesses through community fibre partnerships.

We're powering the UK's next generation mobile services, extending 4G coverage and switching on the first 5G connections. Our mobile network now covers 99.3% of the outdoor population of the UK.

Through the Shared Rural Network, we're partnering with other mobile operators, the government and Ofcom to extend 4G coverage to rural areas across the country by 2025 – whatever network provider people use. We're also continuing to build the UK's new network for emergency services.

 **See our Annual Report** for more on how we're extending connectivity.

Skills for Tomorrow

By 2025, we aim to empower 10m people by helping to give them the skills they need to flourish in the digital world.

We're partnering with some of the UK's leading digital skills organisations to offer everyone free access to the resources that work for them – either online or face-to-face. Our [Skills for Tomorrow online portal](#) is the gateway to free courses and guidance. It covers everything from getting started and staying safe online to digital skills for working lives.

We're also growing our long-standing programmes, such as Barefoot Computing in primary schools and Work Ready for young people. And we've launched new partnerships to sponsor over 90 Online Centres and support one million small business owners and their employees.

Bridging the tech divide will need a concerted effort by government, businesses and non-governmental organisations. We're a founding partner of [FutureDotNow](#), a new coalition of leading companies and NGOs working with the Government and others to boost digital skills.

We're also exploring ways to extend our impact beyond the UK through our partnerships in India and other key markets. Colleagues from across the business are sharing their expertise to help.



Poppy, a young coding enthusiast and Barefoot student, starred in TV commercials showcasing our vision for empowering people in a digital world.

Case study:

Record-breaking drone show goes beyond limits

Schoolchildren displayed their tech know-how at the launch of our new Beyond Limits brand in October 2019. Singer Jess Glynne headlined the event at London's Wembley Arena, but students from St. Joseph's School in Islington stole the show.

Applying coding skills learned in our nationwide Barefoot Computing programme, they helped create a synchronised performance by 160 drones that broke the world record for indoor drone displays.

At another Beyond Limits event, the iconic advertising screens at Piccadilly Circus lit up with images of avatars coded by schoolchildren.



Building better digital lives continued

Case study:



Supporting people and businesses through the Covid-19 crisis

BT has a unique role in powering the UK's digital infrastructure. So we have an essential part to play in keeping people and businesses connected through the global Covid-19 pandemic. We're coordinating with the UK Government, and we communicate local government guidelines in all the countries in which we operate globally, to support our customers, colleagues and local communities.

We're offering business customers additional support to help them stay operational and we have more than enough capacity in our UK broadband network to handle the massive increase in people working from home. We've taken steps to protect our colleagues (see [page 32](#)) and ensure essential Openreach engineering visits can proceed safely to keep customers connected.

With large numbers of people practising social distancing, self-isolation or confined to their homes during the Covid-19 pandemic, it's more important than ever to ensure that those with low or no digital skills can keep in touch with family and friends, and access vital health services.

Our Skills for Tomorrow programme offers a wide range of free resources and information to help people build their digital skills and work online effectively wherever they are. Although face-to-face training has been cancelled during the Government-mandated lockdown,

the programme's 'digital first' approach means participants can still access extensive resources through the Skills for Tomorrow portal.

The portal includes key topics such as how to navigate the NHS website, how to access GP online services, how to make video calls, and how to do online shopping or banking. There are also engaging activities to help children develop their computational thinking skills and families learn how to stay safe online. We've launched webinars to provide advice and support for small businesses, jobseekers and teachers, and have shared regular tips and guidance on the digital skills people need to manage their lives and work online.

We've also made changes to our charges to support people through the crisis, including temporarily lifting caps on broadband use, enabling access to the NHS online without using data allowances and placing a £5 a month cap on call charges for our most vulnerable BT landline only customers.

In addition, we're partnering with the UK [National Emergencies Trust](#) that's been set up to support communities in times of greatest need. We'll help to fund the Trust's operations and offer support through the partnership, via our Skills for Tomorrow programme, to help people harness technology to remain safe, healthy, connected and resilient.

Partnering

With the UK National Emergencies Trust.

Temporary lifting of data cap

on broadband usage.

£5 a month cap

We've placed a cap on call charges for our most vulnerable BT landline only customers.



See our website for the latest on BT's response to Covid-19.

Preparing children to succeed in a digital world

Two-thirds of children who started school in 2016 are likely to do jobs not yet invented. We're helping them gain the skills they'll need to think, learn and thrive in a digital world.

Our Barefoot Computing programme gives teachers the resources and skills to bring computing lessons alive. Run in partnership with Computing at School (CAS, part of the British Computer Society), the Barefoot website has been accessed by teachers from the majority of primary schools across the UK.

Fun and easy lesson plans and supporting materials, available online, show computational thinking doesn't have to be difficult. Lessons use real-world tasks like cracking codes and planning parties to teach logic, algorithms and other computational thinking concepts (see case studies on [page 10](#)).

Volunteers introduce these plans and concepts at workshops to build teachers' confidence in delivering the primary computing curriculum. Of the teachers attending Barefoot workshops this year, 95% said the experience made them more confident teaching computing.

Through Barefoot, we've trained more than 85,600 teachers and reached 2.8m children in the UK since 2014/15. We aim to increase this to five million as part of our wider ambition to reach 10m people with help to improve their digital skills by 2025.

Over 250 of our colleagues supported Barefoot this year by volunteering their time and technical know-how. We also enhanced training for our volunteers to help them add more value and get the most from the experience.

Building better digital lives continued

Up to now, Barefoot has focused primarily on computational thinking rather than computer programming. This year, we helped teachers take their programming skills to the next level. A network of 78 expert CAS ambassadors began introducing teachers to a wider set of digital skills, including computer programming skills, so they could pass these on to their pupils. Pilot workshops were held in schools and at local hubs run by the National Centre for Computing Education.

We've also added fun, interactive resources to the Skills for Tomorrow portal to help parents reinforce digital [learning at home](#).

Case study:

Cracking codes, expanding minds

Barefoot students learned about code-breaking during the Second World War this year, retracing Alan Turing's footsteps to decipher submarine codes. Designed for pupils aged 9-11, the 'top secret' lessons including making documentary films and ended with a Code Cracking Cup competition. Students from the winning school won a VIP trip to Bletchley Park, home of the original WW2 code crackers.



“

I'm married to a primary school teacher so I hear about the challenges teachers face in developing and delivering the computational thinking aspects of the curriculum. And I can see that BT has a massive opportunity to make a real difference. As a Barefoot volunteer, I get the chance to share my passion with others who want to learn. It's been great for my self-confidence and presentation skills, and I get a sense of genuinely leaving a positive mark on the generations to come.



Alistair McCormick,
BT software engineer
and Barefoot volunteer

“

One of the challenges of teaching computing in schools is having the subject knowledge about how to use the technology, so we help teachers with that. Pupils get really excited about the prospect of being able to create games from scratch. When you introduce coding to them, they realise that it's an incredibly creative pursuit. We get fantastic feedback on the workshops because we know that we can help teachers teach computing.



Dr Jon Chippindall,
Barefoot ambassador and
primary school teacher

Case study:

Lessons from life

Relating technology to children's everyday interests gets results. This year, Barefoot cooked up new lessons based on planning a pizza-making party. Pupils learned how data works by recording names, dietary requirements and pizza topping choices in spreadsheets. They then used this data to calculate ingredient quantities and baking times.

Another new lesson pack used sports to teach pupils data analysis, logical reasoning and debugging skills. Under-sevens corrected mixed-up uniforms of athletes from different nations and older students measured their sprints to carry out speed, distance and time calculations.



Getting young people ready for work

In comparison to 2018, by 2022 the UK will need half a million more workers in digital industries. Bridging this gap is vital to the country's competitiveness – and for companies like us that need tech talent. With youth unemployment stuck around 11%, compared with less than 4% for the general population, tech skills can offer young people a path to a brighter future.

Our Work Ready programme is designed to help. We work with 18 to 24-year-olds not currently in education, employment or training to empower them to take the first step on the career ladder. Participants learn digital and other key employability skills, and gain work experience to improve their prospects. This year, over 600 of them shadowed Openreach engineers, getting an insight into what it takes to keep Britain connected. We also offer Work Ready participants mock interviews, and advice on how to improve their CVs and promote themselves online.

Over 3,300 young people have graduated from Work Ready since the programme began in 2014 and 1,891 have gone on to further education, apprenticeships or jobs. Of these, 183 have landed full-time jobs with BT and others have taken up opportunities elsewhere. For example, one recent graduate is doing an apprenticeship with a Welsh local Council and another is studying cybersecurity at Aston University in Birmingham.

In 2019/20, 786 young people started Work Ready and 655 (83%) completed the programme – 258 of whom have already moved on into jobs or education. The charity Movement to Work named BT 'Employer of the Year 2020' in recognition of our results.

Building better digital lives continued

We're diversifying the Work Ready model, developing new partnerships to enhance the focus on digital skills and careers, and broadening the scope so we can help more people in different ways.

This year's pilots in Birmingham, Glasgow and London, led by more than 130 BT and Openreach volunteers, produced promising results. As part of the ten-day programme, young people were given the opportunity to work in a simulated tech start-up environment and gain insights into coding, user experience and managing online safety. They went on to develop inventive app prototypes, including one designed to connect lonely people to like-minded individuals doing the same commute and 'Glasknow' – a digital guide to exploring the city of Glasgow.

We are rolling out this successful model with events around the UK, prioritising disadvantaged areas where we can make the most impact. Work Ready will also play a role in BT's new 4-3-3 partnership (see box).

“

I think the programme is absolutely incredible. It gives young people who are about to embark on life in the workplace the skills and experiences they need to be ready to go and have an interview – and absolutely smash it to get their dream job.



Hayley Cassidy,
BT Work Ready volunteer

“

The training I received was very, very helpful. It helped me with my CV, my interview technique, the way I portrayed myself and communicated. It's real life skills that you need in the real world. I was nervous at first, but the mentor managed to break the ice. It's made me think of a long-term career and it gave me the opportunity to get where I am now.

Jordan George,
Work Ready graduate and
Openreach trainee engineer



Case study:

Combining the power of football and technology to change lives

BT's 4-3-3 partnership with football associations (FAs) in the home nations, will use technology, innovation and digital skills to help change the lives of millions of players, coaches and fans in footballing communities over the next five years.

Activities will boost support for grassroots, women's, and para and disability football. Building connected clubs and digital skills is a big focus. 4-3-3 will include access to Work Ready programmes for young people and support for small businesses, in partnership with the FAs, using football as a motivator.

Helping families build digital confidence

The pace of change in technology can be daunting for parents and raises concerns about what it means for their family. So it's not surprising that 74% want more advice to help keep their child safe online.

Case study:

Plusnet Plays on the Internet

Plusnet and Internet Matters partnered with children's author Konnie Huq to produce three original plays that use aliens and ghosts to get the message across on online safety.

Young actors from London's Chickenshed theatre brought the shows to life to highlight issues that they have experienced themselves and resonate with people their age – including cyberbullying, grooming and online reputation. The scripts, along with workshop plans and tips for schools, youth groups and parents, are available [online](#).

“

Sometimes it can be awkward speaking to my parents about internet stuff. These plays were so fun to act in and we realised that we actually had learned a lot about the internet...and aliens!

Marianna McInanny,
Chickenshed actor, aged nine



BT is a founding partner of child online safety organisation Internet Matters and our three consumer brands – BT, EE and Plusnet – are all supporters. Together, we promote activities to protect young people online, ranging from parental education to engaging children through theatre (see box).

With Internet Matters, we've made training and resources available via our Skills for Tomorrow portal to enable parents to build their confidence about the digital world and help their children navigate the internet safely. This includes tips on how to explain online risks to children and deal with sensitive topics like cyberbullying.

Parents can use the portal to find out how to set filters and controls to manage privacy, limit screen time and restrict access to inappropriate content.

“

Technology is a fantastic force for good when used responsibly. Therefore, it's essential parents are equipped with the necessary tools to give them the confidence to allow their children to explore all the benefits the online world has to offer. From parents to industry, we all have a role to play in creating a safe digital environment for children. Skills for Tomorrow marks Internet Matters' ongoing partnership with BT and highlights the importance of working together to help parents feel empowered to keep their children safe online.



Carolyn Bunting,
CEO, Internet Matters

Building better digital lives continued

We offer crash courses on how teens use technology – from social media and popular apps to gaming and livestreaming – and how to help them do so safely. And we plan to broaden resources for parents to include further information on supporting children's wellbeing online.

We supported Safer Internet Day again this year. It's a public campaign that aims to get people talking about using tech responsibly. On the day, we announced the launch of our new Set Up Safe service. This enables parents to set up spending limits and content locking for their children's smartphones and offers recommended safety profiles for different ages. We're also helping to protect children from online harm as a result of illegal activity (see [page 18](#)).

“

I think it's imperative that every parent takes a look at the [Skills for Tomorrow](#) portal if their children are on the internet. One really good tip was that unless you're happy to walk around with whatever you're putting on the internet on your T-shirt, for everyone to see, then don't put it out there. The portal also suggested a family contract, which I thought was a great idea.

Nicki Mayer,
Mother-of-two



Tackling the digital divide

The digital world offers a wealth of opportunity. We want to make sure no one is left behind because they don't know how to access it.

As many as 11.9m UK adults lack the essential digital skills needed for day-to-day life. Those who need most help getting connected – including older and more vulnerable people and those without internet access – are often isolated and don't know where to start. Our research with the Oxford University Internet Institute found that non-internet users are 35% lonelier than those who are online and that 49% of retired people, who are especially prone to loneliness, are still offline.

We're sponsoring face-to-face training sessions in local community Online Centres, coordinated by our partner, Good Things Foundation. We've launched training at 20 Online Centres this year and another 50 centres are in the pipeline. Each is partnered with our nearest store, contact centre or office which will provide volunteers, host events or offer other support. Openreach will be sponsoring training for an additional 2,500 people.

Trainers, many of whom are volunteers, deliver workshops with one-to-one support to help learners get to grips with basic tech skills. People who've never used a computer or sent an email can learn how. And learners are then able to use the online training content available on our Skills for Tomorrow portal to build on their new skills either at the centre or at home.

The portal offers free, easy-to-understand advice and resources to help everyone make the most of the opportunities of the digital world. Created by our partner, Good Things

Foundation, these 'Learn My Way' resources cover a wide range of topics – from staying in touch with family to online banking and shopping, and accessing services like the NHS online.

Over the next year, we plan to integrate information from Skills for Tomorrow into the advice that our contact centre colleagues provide to customers.

Our customer service teams and our 900 new Home Tech Experts, who visit homes to help set up devices, are able to support people with additional needs. For customers with disabilities, we offer accessibility advice and products through our [Including You](#) website. We also sponsor the annual Tech4Good Awards to promote accessible product development (see box).

“

When you don't know how to use technology properly, people just assume that it's boring. Once you know it, it does become more interesting and you realise what you can do with it. It's great that BT offers this opportunity to local communities to provide support for those who don't know how to do it, or feel less confident, and to empower them. I feel like I am more confident now. The training is simple and easy and free.

Tarana visited her local training centre for help learning the basics.



“

Good Things Foundation is thrilled to be working with BT to help fulfil our shared vision where everyone benefits from digital. The BT Skills for Tomorrow programme means Online Centres can provide more vital face-to-face support to enable 60,000 socially excluded people to gain essential digital skills and live more fulfilling lives.



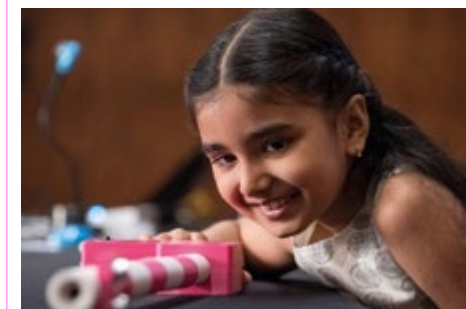
Emma Ward,
Head of digital social inclusion,
Good Things Foundation

Case study:

Tech4Good award for schoolgirl's invention

When nine-year-old Mihika Sharma saw a woman with sight loss stumble while crossing a road, she wanted to help. Her solution? To invent a next-generation smart walking stick that uses vibrating alerts, a water sensor, LED lights and a camera with artificial intelligence to track obstacles.

Mihika's invention will enable people with sight loss to walk more safely and with greater independence. She was named the BT Young Pioneer at the 2019 Tech4Good Awards. Our experts are now helping her refine the smart stick, which operates using Bluetooth and GPS in mobile phones.



Building better digital lives continued

Supporting businesses in the digital economy

The UK's 5.6m small businesses are the engines of communities and the backbone of the economy. To continue to thrive as 5G coverage increases and tech becomes even more central to running a business, they need to know how to make the digital world work for them.

Yet many lack confidence in their economic prospects, particularly in a post Covid-19 world, and cite connectivity, employment costs and business rates among key concerns, according to the Federation of Small Businesses. In our own recent survey, almost three in ten small business owners said that getting the right digital skills was a key challenge for them in 2020. Almost half of those surveyed wanted BT to help provide training – and we're responding.

We're teaming up with partners like Google Digital Garage and LinkedIn Learning to offer free online and face-to-face training to people running and working in a variety of small businesses. By 2025, we aim to reach one million small business owners and their employees across the UK.

This year, we hosted five regional events in Birmingham, Bristol, Glasgow, London and Manchester. Hundreds of entrepreneurs learned tools and techniques for business success. Topics included digital marketing, online visibility, and using social media and data analytics to reach new customers.

We've also launched a new partnership with Small Business Britain (SBB) to work with, support and engage small businesses across the UK.

Tapping into SBB's local networks, we ran workshops and interactive webinars covering a variety of practical topics.

The daily demands of running a business can make it hard for time-pressed entrepreneurs to attend in-person workshops. Our Skills for Tomorrow portal, featuring content from expert partners, gives them access to practical training online.

Courses on launching, expanding and marketing a business empower users to compete successfully in the digital marketplace. We're also creating new content on critical topics like cybersecurity to help businesses protect their staff, customers and data online.

“BT is going further to support small businesses. We're not just meeting their connectivity needs, we're also offering free support to help small businesses understand what technology can do for them and to improve their digital skills. This is good for them, good for national productivity and good for BT.”



Gerry McQuade,
CEO, Enterprise

“

I manage a small business. I'm not very tech savvy and I thought the trainers explained it really well to a lot of different people of different ages. They were really helpful looking at our individual website afterwards to help us improve. Our social media has boomed since and we were trending at one point, which is brilliant. It feels really good to know that our business is reaching all sorts of places that we never thought it would before.

Lana Andrews

Assistant manager of her family pub and Google Digital training attendee



Using our global reach to boost digital skills

We recognise that the need to build digital skills resonates globally and we're working with partners to extend our support beyond the UK. In India, one of our key international markets, our ongoing efforts to empower the next generation (see box on [next page](#)) won the Social Impact Project of the Year at the 2019 UK-India Awards.

Resources offered through our Barefoot programme are gaining popularity internationally, with people from all around the world downloading lesson plans and materials. We're now exploring how to make this successful model available beyond the UK so more children can benefit.

This year, we began two new initiatives with Unicef. In South Africa, we aim to embed science, technology, maths and digital skills development in primary schools through the Technokidzz programme by establishing robotics hubs for teachers and students. And in Brazil, we're focusing on digital skills development for young people and helping them become social innovators in their communities.

In Australia, we've partnered with the Government and major banks to fund lessons on cybersecurity for teenagers to help equip them for a career in this understaffed industry. We're also sharing learning and best practices with other businesses to help young people around the world prepare for work as part of the Global Alliance for YOUTH, led by Nestlé.

Building better digital lives continued

Case study:

Empowering India's next generation

Around 150m school-age children in India are illiterate, contributing to a youth skills crisis. We're partnering with the British Asian Trust (BAT) to help meet this challenge.

Launched in 2018/19, the programme harnesses technology to break down social barriers and improve students' health, education, life skills and economic prospects. Its prime focus is to empower over 100,000 adolescent girls through tech-enabled interventions within schools and communities.

We're also backing the Quality Education India Development Impact Bond (DIB) led by BAT in collaboration with the Michael and Susan Dell Foundation and UBS Optimus Foundation. The DIB aims to improve learning outcomes in literacy and numeracy for more than 200,000 children aged between five and 13 across four Indian states, most from marginalised or migrant families. In its first year, the DIB has already reached over 100,000 girls and boys and enabled 30% more children to achieve basic education skills.

In a separate programme with our long-term partner Katha, we've helped 200 young adults in India train as digital entrepreneurs. Using their new skills, they've developed an interactive tech platform to reach an anticipated 300,000 more young learners as well as educators in schools, libraries and other learning centres.

BT people contribute their skills and time by volunteering locally on BAT programmes and continue to support other organisations that they themselves have ties to.



66

Hundreds of millions of people will need to be upskilled and reskilled across the globe over the next decade. BT aims to empower the next generation by equipping young people with the skills to succeed in a digital world and harnessing the power of technology to reach some of the world's most marginalised groups. Collaboration will be key. That's why we're mobilising colleagues, aligning with customers and investing in community partnerships around the globe.



Bas Burger
CEO, Global

Partnering with charities

We're working with charity partners to use the power of technology to improve lives in the UK and beyond – supported by volunteers from across the business.

We've used our technology and expertise to help generate over £700m for good causes since 2012/13, and £55m this year alone. BT colleagues are leading the charge, donating over £13.5m through payroll giving in the last five years, and we've topped this up to over £17.5m. This year, over 1,400 individual charities were supported – and BT were recognised with a National Payroll Giving Excellence Award for Most Sustained Scheme in 2019.

More than 13,500 (15%) of our colleagues volunteered their time and expertise to help out this year – an enriching experience both for the beneficiaries and for our volunteers (see quotes on [pages 10 and 11](#)).

This year, we channelled our fundraising and volunteering support towards our long-standing charity partners and new initiatives that reinforce our Skills for Tomorrow focus.



- Our Consumer teams have an ambition to raise £225,000 for Sport Relief and the BT Supporters Club raised £1.8m for Comic Relief projects, including an app to make lessons more engaging for children struggling at school.
- Colleagues made strides in the year-long BT Walk for Unicef, raising £22,800 to help give young people the skills they need for a successful future, and our Gradventure volunteer fundraiser brought in nearly £26,000 more.
- Colleagues volunteered for TeenTech's programmes with young people and we supported the [Digital Skills TeenTech Award](#) with BT.
- We launched a new partnership with the Rio Ferdinand Foundation to help young people in Greater Manchester gain digital and employability skills.
- Openreach colleagues raised over £55,000 for SSAFA, the armed services charity, with 18 hardy volunteers leading the way on a sponsored trek in Morocco.
- Food collections at our buildings across the UK stocked food banks for our neighbours in need through the Trussell Trust.

We plan to encourage more colleagues to give their time in support of Skills for Tomorrow programmes and partnerships in future.

Championing human and digital rights

Investing... in a safer digital future

We work to support and respect human rights – both on and offline – for everyone affected by our business.

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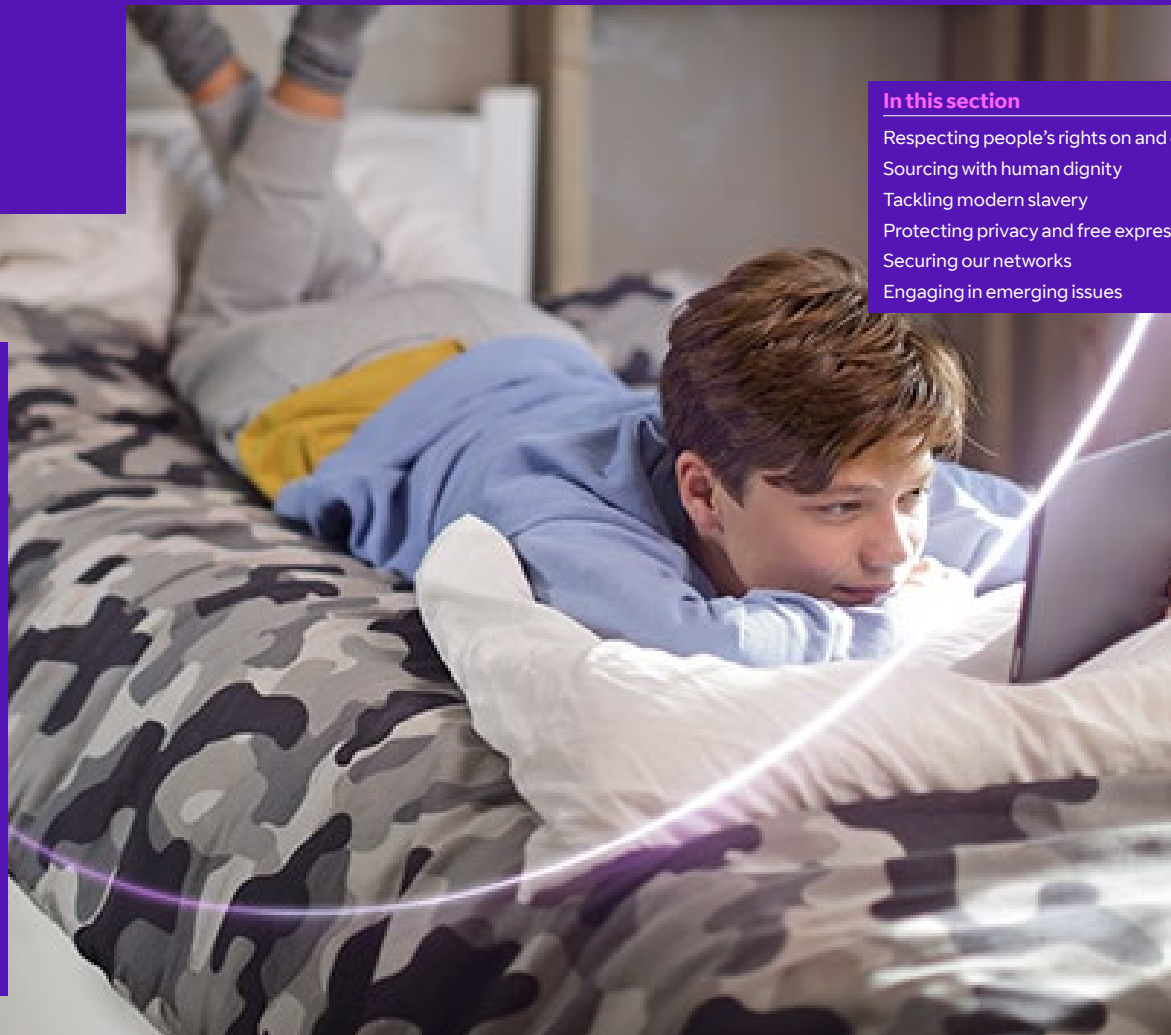
Respecting the human rights of everyone who comes into contact with our business is one of our most basic responsibilities. We pay close attention to identifying and managing human rights risks, both on and offline. We also look beyond our own business to our supply chain and how our products and services might be used, and use our influence to contribute to wider positive change.



Ed Petter
Corporate affairs
director
(executive human
rights sponsor)

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Championing human and digital rights continued

Respecting people's rights on and offline

Everyone is entitled to basic human rights and freedoms. We work to support and respect the rights of our colleagues, supply chain workers, customers, the communities where we operate and anyone else affected by our business.

Our products and services help people enjoy their rights and freedoms by accessing information and education, communicating with their families and staying safe online. But the digital age also brings new challenges to human rights, including threats to privacy and free expression, and the potential for misuse of digital technology. Complex global supply chains also carry risks to human rights.

We don't back away from these challenges. We adopt a principled approach in our business and supply chain. We engage in the debate on complex human rights issues and we work with others to harness the power of technology to contribute to positive change.

Respecting human rights in our own business and beyond

We're committed to respecting human rights in our business and through our broader relationships. BT was an early signatory of the UN Global Compact and we follow the UN Guiding Principles on Business and Human Rights.

Our [human rights policy](#) sets out our approach to human rights. It's supported by the [BT ethics code](#) that guides all our colleagues to recognise and respect the dignity and equality of everyone we work with.

Our people complete mandatory annual training on human rights as part of their training on the ethics code (see [page 33](#)).

This year, we asked the teams most likely to come across human rights issues – including colleagues involved in legal affairs, procurement and security – to complete a new additional online training module on human rights. The course helps them understand how to deal with potential real-life scenarios that could affect human rights.

We have due diligence processes in place for high-risk sales that have enabled us to identify the potential human rights impacts of a number of transactions this year. Where necessary, we followed up by conducting enhanced human rights impact assessments and taking specific actions to mitigate risks.

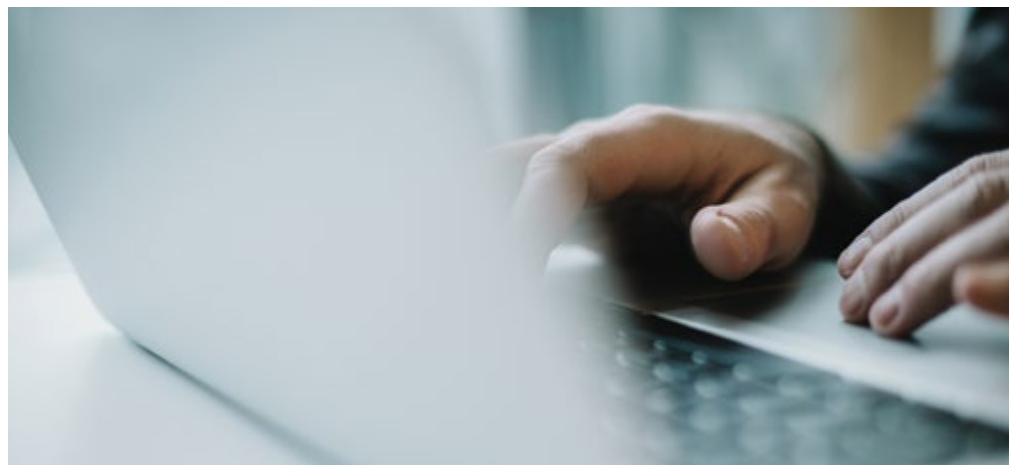
This year, we've expanded our dedicated human rights team to four experts, including one focused on privacy and free expression. We also raised Board awareness of emerging human rights issues for the tech sector through an expert briefing session for our *Digital Impact & Sustainability Committee*, which [oversees](#) our human rights programme.

If anyone has concerns, we want to hear them. We encourage our colleagues, contractors or suppliers to contact our human rights team or our confidential Speak Up helpline (see [page 33](#)) to raise concerns. BT colleagues can also use our internal 'Ask a Question' portal.

Championing human and digital rights

We advocate to accelerate change for the better across our sector and beyond. Our chief executive Philip Jansen signed the World Business Council for Sustainable Development [CEO call to action](#) to urge business leadership on human rights.

We take part in the debate to shape the conversation on human and digital rights issues – from modern slavery and privacy to emerging issues raised by technologies such as artificial intelligence (see [page 19](#)). This year, we gave input to the draft UN Business and Human Rights Treaty and the UN Human Rights in Technology Project ([B-Tech](#)). We're also continuing to sponsor [RightsCon](#), the world's leading summit on human rights in the digital age.



Sourcing with human dignity

More than 14,000 direct suppliers in nearly 100 countries provide products and services to support our business – to the tune of around £13.8bn this year.

We expect our suppliers to share our commitment to respecting human rights. To sell to us, they must commit to our [Sourcing With Human Dignity](#) labour standards or equivalent, as well as our standards on climate change, environment, ethics, health and safety, and product stewardship.

Our pre-qualification questionnaire helps us decide whether or not to work with a new supplier by flagging potential risks, including those related to modern slavery (see [page 17](#)). We also use a risk-based approach that includes further research to check that our existing suppliers – and their suppliers – meet our standards.

This year, we identified 95 high and medium-risk suppliers that we needed more information from to better understand the risks and assess whether to take further action. In 53 cases, we undertook on-site assessments and we track progress on any issues identified to check improvements are being made.

If our assessments reveal any issues with compliance against our standards, we work with the suppliers in question to help them understand how to put the right systems in place and improve their performance (see box on [next page](#)).

Championing human and digital rights continued

If a supplier doesn't show any commitment to improve, we may stop working with them.

We expect our suppliers to share our commitment to respecting human rights. To sell to us, they must commit to our sourcing with human dignity labour standards or equivalent, as well as our standards on climate change, environment, ethics, health and safety, and product stewardship.

Looking deeper into our supply chain

We assess and follow up with all the high-risk suppliers that we purchase directly from. That's Tier 1 of our supply chain. But we're also checking standards further down the chain among suppliers that are less visible to us. This year, we've audited more of our suppliers' suppliers (our Tier 2) and some Tier 3 suppliers that were identified as high risk.

For one of our products, a cordless phone made in China, we followed the chain to assess suppliers at each tier down to the Tier 4 supplier that makes the plastic granules used to make the moulding that goes into one of the components of the phone itself. We also looked deeper into the supply chain of suppliers that provide services to us, such as engineering and call centre services.

We are members of the Responsible Business Alliance (RBA), who provide us with access to in-depth assessments of shared suppliers. We worked with the RBA to launch a new e-learning tool to help suppliers recognise and address the risks of modern slavery.

Supplier assessments on social and environmental criteria

| | | 2018/19 | 2019/20 |
|--|--------|---------|-------------------|
| Self-assessments by new or renewed contract suppliers | | 782 | 340 ¹ |
| Suppliers identified as high or medium risk | | 368 | 95 ¹ |
| % of high or medium risk suppliers reviewed within three months as follow-up | | 100% | 100% ¹ |
| On-site assessments (Tier 1, 2 and 3 suppliers) | Tier 1 | 40 | 15 |
| | Tier 2 | 13 | 33 |
| | Tier 3 | 0 | 5 |
| | Total | 53 | 53 |

¹ Numbers now only relate to contracted suppliers.

Case study:

Working with suppliers to improve

We uncovered some issues during an audit of one of our SIM card suppliers that subcontracts its manufacturing to a company in Taiwan.

We assessed both companies – our direct (Tier 1) supplier and the subcontractor – and found several areas where they weren't meeting our standards. Some workers were being fined for sub-standard work, migrant workers in Taiwan had been charged recruitment fees, and we spotted health and safety issues too. We spoke to the suppliers to explain what we'd found and demanded urgent action to remedy the issues.

The Tier 1 supplier has since produced a development plan to rectify the issues and hired a dedicated manager to make sure it's implemented. Workers are already seeing improvements. Recruitment fees have been reimbursed to migrant workers and the other issues have also been resolved as the suppliers enhanced their focus on areas such as health and safety.

Checking for conflict minerals

Electronic devices often contain small amounts of tantalum, tin, tungsten and gold. If these materials come from mines in conflict regions, there's a risk they could be funding armed groups or contributing to human rights abuses.

We work with suppliers to help prevent such conflict minerals being used in our products. Our [conflict minerals policy](#) sets out how. Each year, we report progress based on supplier assessments in our annual regulatory disclosure. And we keep track of best practices through the [Responsible Minerals Initiative \(RMI\)](#).

Cobalt, another mineral used in electronics, has recently been in the spotlight because of potential issues with working conditions and child labour. We're adding requirements on cobalt to our conflict minerals policy and due diligence process, using the RMI [template](#).

Our responsibility to suppliers

Our relationship with suppliers is not one-way. We have responsibilities to them too. We're mindful that smaller companies in particular may rely on regular income from our business.

This year, we've paid the majority of invoices within their contractually agreed terms. BT Plc is a signatory to the [Prompt Payment Code](#), but we weren't doing enough to meet its requirements to pay 95% of our invoices within 60 days and our membership to the code was suspended. We agreed an improvement plan with the Chartered Institute of Credit Management in July 2019. BT plc has since improved its 'suppliers paid in 60-days' monthly run rate from around 60% to over 90% during 2019/20. BT plc paid 94.5% of supplier invoices in line with the terms we had agreed with them and aim to comply with local regulations globally.

Tackling modern slavery

Modern slavery is a threat to human rights on a global scale. We take steps to make sure anyone who works for us or our suppliers freely chooses to do so. And we're using our technology to tackle modern slavery more widely.

Preventing slavery in our business and supply chain

Our [Modern Slavery Statement](#) explains what we do to prevent modern slavery – including forced, bonded or child labour – within BT and our supply chain. We provide training on this for buyers in our procurement teams and make a recording available to all BT colleagues online.

We assess risk among our suppliers based on the product or service they provide, the country where they operate and the skill level of their workers. Visits to high-risk suppliers let us see working conditions first-hand. We address any concerns with suppliers and we'll cancel our contracts with them if they don't improve.

We're aware of recent allegations of forced labour at Xinjiang, China, involving the supply chains of 17 of our direct suppliers and we're working with these suppliers to investigate.

We'll provide more detail on this in our Modern Slavery Statement for 2019/20.

Partnering to lead change

We work with other leading companies and experts involved in [Tech Against Trafficking](#) to explore new and better ways to use technology to combat modern slavery.

The Group has so far identified more than 300 existing solutions, and aims to accelerate development of those with the most potential to have a greater impact. For example, the Group ran a tech accelerator programme focused on privacy and data standards issues with the

Championing human and digital rights continued

[Counter Trafficking Data Collaborative](#) – a global initiative to analyse and access the world's largest global dataset on human trafficking victims – to improve their ability to scale further.

We share our experience to inform emerging policy on human trafficking and modern slavery. We met with the new Independent Anti-Slavery Commissioner to discuss how businesses can become more engaged on this issue. And we responded to the consultation on section 54 of the Modern Slavery Act, which requires certain organisations to develop a slavery and human trafficking statement each year.

Our partnership with the anti-slavery charity [Unseen](#) continued this year. Unseen runs the UK Modern Slavery Helpline and Resource Centre, offering 24/7 advice and support to anyone who calls. During 2019, the Modern Slavery Helpline has taken over 9,000 calls, online reports, and contacts via the Unseen app, indicating more than 4,700 potential victims of modern slavery. Almost 50% of modern slavery cases reported to the Helpline were related to those in situations of forced labour, from across a diverse range of sectors. Some UK police forces and businesses are also using the Unseen app we helped develop last year to support frontline officers and workers in identifying and responding to potential cases of modern slavery.

Protecting privacy and free expression

As a network and service provider, it's important to keep our customers' information safe so they can communicate freely. By safeguarding our customers' privacy and security online, we in turn support their right to free expression.

Safeguarding our customers' privacy

We use a privacy impact assessment tool to build privacy into the design of new products or services. And we closely monitor and manage cybersecurity threats to keep our networks, our customers and their data, secure and private (see [page 19](#)). For example, this year we trialled new technology designed to protect information about which websites a user visits by encrypting the website name as it passes over the internet.

We also make sure all our colleagues understand their role in data security and what to do if there's a breach.

Balancing privacy and government investigatory powers

In certain situations, authorities can legally override the right to privacy because they need access to people's data or communications to help fight serious crime, or for other reasons relating to national security. The government has to find the right balance between protecting the security of all its citizens and the rights to privacy and free expression of individuals.

We're legally obliged to provide information requested under these investigatory powers. But we have processes in place to ensure these requests are properly assessed, and we seek clarification if we have questions about what we're being asked to provide or the legal validity of the request.

Our Board-level [Investigatory Powers Governance Committee](#) oversees all our activity in this area, and their terms of reference are publicly available on our website.

We work with other tech companies and human rights organisations to understand and respond to evolving challenges in this area through the [Global Network Initiative \(GNI\)](#). We're committed to the GNI [Principles on Freedom of Expression and Privacy](#) and this year we assessed our performance against these in order to present our findings to the GNI Board.

We provide a summary of the lawful interception and data disclosure requests received in 2019 by country in the Privacy and free expression section of the [appendix](#).

We provide more details about the types of requests and how we handle them, together with data from the previous year, in our [Privacy and Free Expression Report 2019](#).

Addressing online harms and illegal content

We support people's right to express themselves. So we won't block access to material online unless it's illegal, such as images of child sexual abuse flagged by the Internet Watch Foundation. We provide data about the material and sites we've blocked in the UK in the [appendix](#). Our [Privacy and Free Expression Report 2019](#) explains more about these complex issues and how we approach them.

We welcome the UK Government's recent focus on tackling online harms and keeping users safe whilst using online platforms and services. We also support the proposal for an independent regulator on the issue.

We've contributed to this debate through consultations and dialogue with key industry and government stakeholders, including responding to the Government's consultation on online harms.

We've also engaged on the impact of specific online harms, partnering with the Royal Society of Arts and the Department for Culture, Media and Sport to [investigate](#) the impact of online disinformation on democracy and society, and explore approaches to mitigate harm.

This year, we renewed our partnership with the [Marie Collins Foundation \(MCF\)](#), which supports children and their families who have been harmed or abused online. We funded their CLICK: Path to Protection service to train frontline professionals to carry out more effective interventions with victims of abuse. We also gave evidence to the ongoing public independent [inquiry](#) into child sexual abuse and exploitation facilitated by the internet.

We also offer parental controls for our products and work with Internet Matters to help parents keep their children safe online (see [page 12](#)).

“

The support we've received from BT over the past five years has enabled us to meet the recovery needs of many children and young people who have been harmed online, through the promotion and delivery of our Click: Path to Protection training programme for professionals. BT has doubled the funding for this project for a further three years in recognition of the impact our work has on upskilling professionals to better identify, understand and respond to child victims of online harm.



Tink Palmer
CEO, Marie Collins Foundation

Championing human and digital rights continued

Securing our networks

We want people to be able to make the most of technology and realise their rights online. To do so they need to feel safe. We need to secure our network from threats and we want our customers to have the knowledge and tools to protect themselves, their families and their businesses online.

We provide [home](#) and [business](#) customers with tips to stay safe online and protect their data and files. Products like BT Virus Protect and BT Web Protect help protect our customers from viruses, scams, identity theft and phishing attacks.

We're also using our security expertise to support customers through our new Security Advisory Services. It will offer strategic security guidance and solutions to organisations around the world to help them navigate today's complex cybersecurity landscape.

Managing cybersecurity risks

Behind the scenes, we work around the clock to monitor risks to our customers' devices. Around 3,000 colleagues on the global BT Security team are supported by 24/7 automated security systems. Our security council is responsible for managing cybersecurity risks and reports to our *Executive Committee*.

This year, we used artificial intelligence (AI) to anticipate emerging threats and help protect the UK from up to 4,000 cyberattacks a day. We also carry out due diligence to check our cloud providers meet the latest industry security standards.

Our security teams completed over 215,000 hours of training this year to maintain their effectiveness. And we're bringing in new talent to build essential cyberskills for the future. This year, 36 apprentices and 116 graduates joined the BT Security team. We also recruit ex-armed forces personnel with transferable skills through our Military Cyber Security recruitment programme.

To broaden awareness of cybersecurity risks, we publish data on the number and type of threats we're detecting through our [Cyber Index](#) website. This year, we blocked on average over 196m connections to malware sites every month.

Enabling a safer connected world

Cybercrime is an issue without borders. Tackling it effectively requires national and global partnership.

We work closely with the National Cyber Security Centre (NCSC) and its Active Cyber Defence programme to help make the UK safe for citizens and businesses to operate online. We continue to share information about threats to security and privacy with NCSC, and with law enforcement agencies such as Europol and Interpol, to combat cybercrime in the UK and beyond.

BT was the first communications provider in the world to start sharing information about malicious software and websites with peers. And we've partnered with the NCSC to create a free online platform to enable others to do the same.

This year, we contributed to the Cybercrime [Prevention Principles](#) for Internet Service Providers, published through the World Economic Forum Platform for Shaping the Future of Cybersecurity and Digital Trust.

Engaging in emerging issues

We work with others to stay ahead of emerging issues and understand potential implications for human and digital rights. Being part of the debate helps us prepare for new opportunities and challenges – and take action.

Covid-19 response

We are supporting a range of national public health efforts against Covid-19. At the Government's request, this includes providing a limited amount of aggregated and deidentified network data such as generalised patterns in the movement of people to assist with planning the public response to Covid-19.

Using artificial intelligence (AI) responsibly

AI holds great promise. It could help to tackle some of the world's biggest challenges, from climate change to cancer care. At BT, we already use AI for things like tackling nuisance calls, detecting cyber threats and network planning. We're also exploring other uses like modelling our energy consumption to support our journey to become a net zero carbon emissions business.

But we need to understand any potential negative impacts of AI too and explore the ethical questions it raises. How do we make sure the decisions made by AI systems aren't biased towards some people? How do we prevent our networks being used for unethical AI applications? And how will AI impact jobs in the future?

This year, we set up a Responsible AI Working Group. It's tasked with exploring the risks and opportunities of AI technology for our business and with developing a responsible approach to AI that respects human rights throughout our value chain.

We also work with others to help develop best practice. We're part of industry working groups on digital and AI ethics – like [techUK](#), [Digital Catapult](#) and the [Digital Leadership Forum](#) – and we sponsor research on machine learning at Massachusetts Institute of Technology.

We take part in public debates about AI to help make sure any new rules or standards are fit for purpose and enable responsible innovation. This year, we responded to consultations on proposals by the UK Information Commissioner's Office and the Office for AI. We also gave input on new and emerging digital technologies and human rights to the Advisory Committee of the UN Human Rights Council. And our human rights team spoke at events on AI and human rights, including RightsCon 2019.

Safeguarding human rights in sports broadcasting

Human rights are as relevant on the pitch as they are online. But there's more to be done to make sure rights are respected and supported in the world of sport. Broadcasters like us have an important role to play.

We're on the advisory council of the Centre for Sport and Human Rights. We also gave evidence to the All-Party Parliamentary Group on Sport, Modern Slavery and Human Rights this year, sharing our approach, progress, challenges and opportunities to tackle human rights issues through our broadcasting.



Jake Humphrey highlights human rights issues during commentary on the 2019 UEFA Europa League Final.

Tackling climate change and environmental challenges

Investing... in a cleaner tomorrow

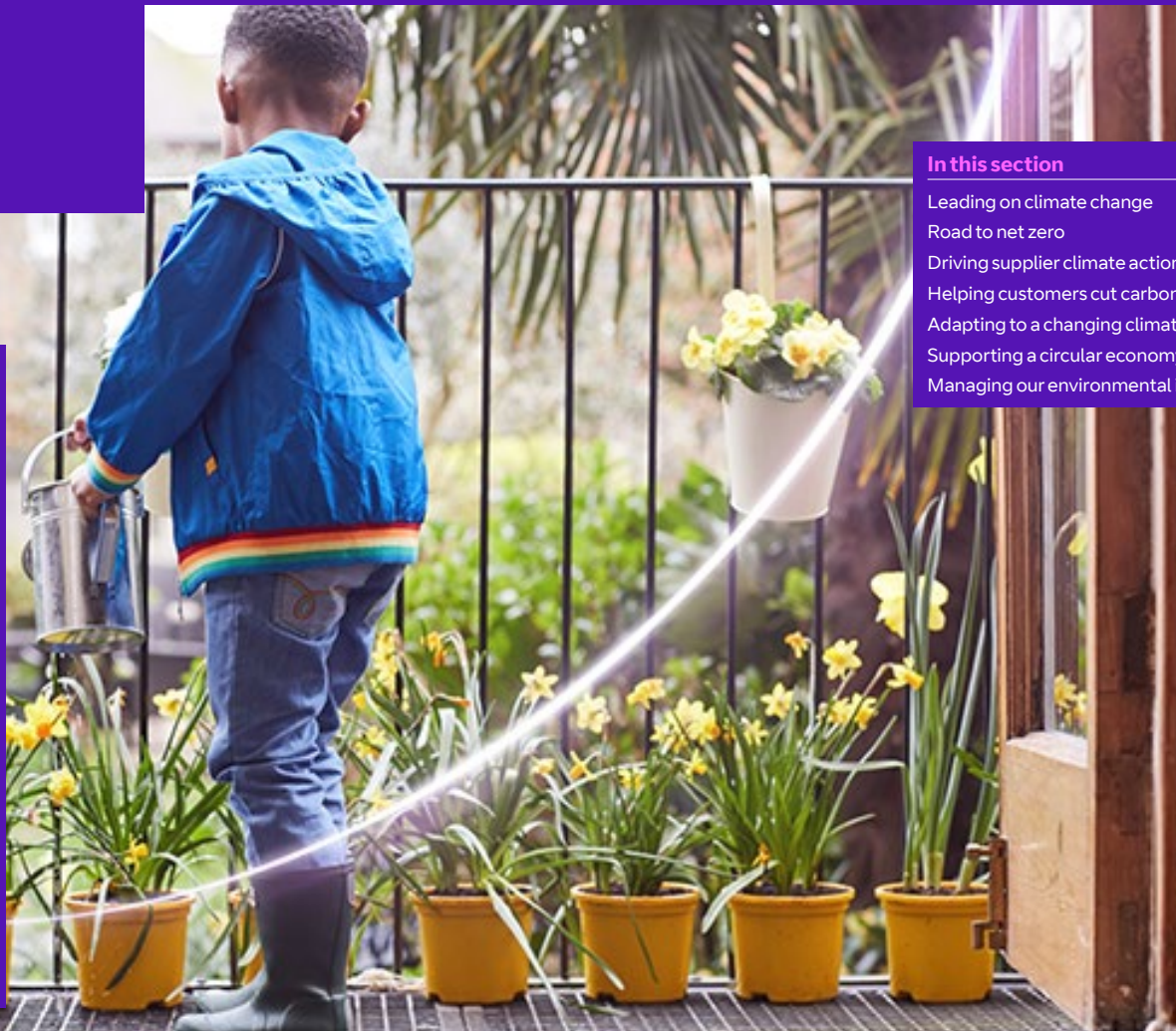
We've been leading on climate action for more than 25 years. Now we're going even further to help tackle the climate emergency – and other environmental challenges.

“

Our technology and networks have a huge role to play in enabling the innovative solutions and exponential change needed to achieve a zero carbon economy. We're already purchasing 100% renewable electricity in the UK, and plan to extend that globally in the year ahead. This, together with our plans to decarbonise our buildings and vehicle fleets, will help us to achieve our goal to become a net zero emissions business by 2045.



Howard Watson,
Chief technology and
information officer



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Tackling climate change and environmental challenges continued

Leading on climate change

Climate concerns hit new heights this year with widespread protests, school climate strikes and the latest warnings from the International Panel on Climate Change. Citizens and scientists are demanding urgent global action from governments and businesses.

BT has a long-standing track record on leading the way on corporate climate action. We achieved our first science-based target four years early – cutting the carbon intensity of our operations¹ by 80% in 2016. Now we're accelerating action to reduce our carbon intensity² by a further 87% by 2030, in line with the latest science to keep global warming to 1.5°C above pre-industrial levels. By 2045, we aim to be a net zero carbon emissions business.

Our focus on climate doesn't begin and end with our own operations. We're using our influence, technology and reach to inspire and enable wider action to tackle the climate emergency – by our customers, our suppliers, our industry and beyond.

We made £5.5bn of our revenue this year from products and services that helped customers avoid using c.13m tonnes of carbon emissions. We're partnering with suppliers to reduce their emissions and spur eco-innovation. And our stretching goals are helping to drive industry progress towards the UK Government's new 2050 zero emissions target for the economy.

Inspiring climate action

In June 2019, the UK became the first major economy to pass a net zero emissions target into law – setting a deadline of 2050.

The Government also plans to bring forward, from 2040 to 2035, the phase out of sales of new petrol, diesel and hybrid cars.

Our own 2045 net zero ambition will contribute to these goals and we welcome the role national policy can play in encouraging other big companies to join us. We held several events for peers and policymakers this year to help accelerate action to turn the UK's net zero vision into reality.

During London's first Climate Action Week in July 2019, we brought together tech, power, finance and infrastructure leaders to discuss how information communications technology (ICT) can support the economy's low carbon transition. In November, we invited MPs from four parties to lay out their climate plans at a Question Time style event in the run up to the UK general election. We ran both these events with our long-standing partner Aldersgate Group.

How innovation and technology are enabling businesses to win in the race to sustainability was also the main topic at the Nextipedia summit we hosted for business leaders at this year's BT Young Scientist and Technology Exhibition in Dublin.

On the global stage, we were an active business voice for progress during Climate Week NYC and at the COP25 climate summit, where more major companies followed our lead by announcing science-based carbon targets. BT was one of the first three companies in the world to set 1.5°C science-based targets, back in 2017. Now, over 200 companies have signed up to the [UN Global Compact 1.5°C pledge](#). We aim to play a leading role at the next COP, due to be held in Glasgow in 2021.

Case study:

Climate risks and opportunities for our business

A changing climate brings risks and opportunities for our business, and we're responding to both.

We're working to reduce our emissions across our value chain and implementing efficiency measures that save on energy and bills. We're taking steps to improve our operations' climate resilience in the face of more extreme weather that could otherwise prove costly. And we're driving revenue growth with products and services that help customers avoid carbon emissions.

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). See our 'Task Force on Climate-related Financial Disclosures (TCFD)' section of the [appendix](#) in our download centre, for more information on our approach to climate-related financial risks and opportunities in line with the TCFD.



BT is a uniquely active and progressive member of the Aldersgate Group. It has delivered on all its key environmental targets to date and has now taken on an industry leading target of net zero emissions by 2045. BT also invests significant time in helping strengthen the UK's climate policies, including contributions to numerous policy reports from the Aldersgate Group.



Nick Molho,
Executive director,
Aldersgate Group

¹ From 1996 levels, scopes 1, 2 and operational scope 3 emissions per unit of gross value added (calculated as EBITDA adjusted (before specific items) plus employee costs).

² Scopes 1 and 2 emissions per unit of gross value added (calculated as EBITDA adjusted (before specific items) plus employee costs).

Road to net zero

We're focusing on three areas to become a net zero carbon emissions business by 2045. Complete the switch to renewable electricity. Decarbonise our buildings. And transition to a low carbon fleet.

Switching on to renewables

BT consumes nearly 1% of the UK's entire grid electricity supply and have long been a pioneer in the use of renewable supplies. We're part of the [RE100](#) campaign and we're using our purchasing power – and our relationships with colleagues, customers and suppliers – to drive the market for renewable power.

100% of the electricity we directly purchase in the UK from energy suppliers is renewably sourced, of which 16% is from our Power Purchase Agreements. Worldwide, 92% of our total electricity consumed is renewably sourced, an increase from 86% last year. This is despite extending the scope of our reporting to include all countries where we use electricity, not just where we purchase it directly, in line with the new UK Streamlined Energy and Carbon Reporting regulation. By the end of 2020, we aim to source 100% renewable electricity worldwide, where markets allow.

Decarbonising our buildings

Shrinking carbon emissions from the 6,000 buildings in our UK operations can make a sizeable difference to our footprint. This year, we invested £45.3m in energy management projects in the UK, which cut operating costs and contributed to a global energy reduction of 65GWh (2.3%) in our energy consumption. Overall these investments have saved us £343m since 2009/10.

Tackling climate change and environmental challenges continued

With the switch to renewable electricity, using less no longer translates directly into emissions reductions. That’s why we’re also focusing on ways to reduce other types of energy use and emissions, for example from heating and cooling. This year, we replaced over 2,000 cooling systems with those that use water and fresh air instead of greenhouse gases.

Transitioning to a low carbon fleet

We have nearly 34,000 vehicles in our fleet, including more than 28,000 used by Openreach engineers to build and maintain our networks across the UK. This fleet – the country’s second largest – makes up two thirds of our operational emissions.

To shrink the carbon footprint of our fleet, we’re committed to make the transition from conventional diesel and petrol vehicles to those that run on electricity and alternative fuels. We aim to use electric vehicles (EVs) where this is the best technical and economic solution.

This year, we trialled 23 electric vans and we’ve ordered 46 more. These numbers are small so far because transitioning to an electric fleet is challenging. The market for electric vans is not yet well established and the UK lacks nationwide infrastructure for charging vehicles. We’re part of the [EV100](#) campaign and we’re launching an industry EV Coalition to highlight the need for progress towards fleet decarbonisation.

We’re also working to make our existing fleet more efficient. We replace older vehicles on an annual basis with new vehicles which meet the latest EU emissions standards, and coupled with lighter equipment racks, the latest models can cut fuel use and emissions.

We’re also using telematics technology to help drivers make fuel go further and we’re trialling specialist ‘green packs’ that use batteries rather than diesel engines to power roadside engineering equipment.

Our performance

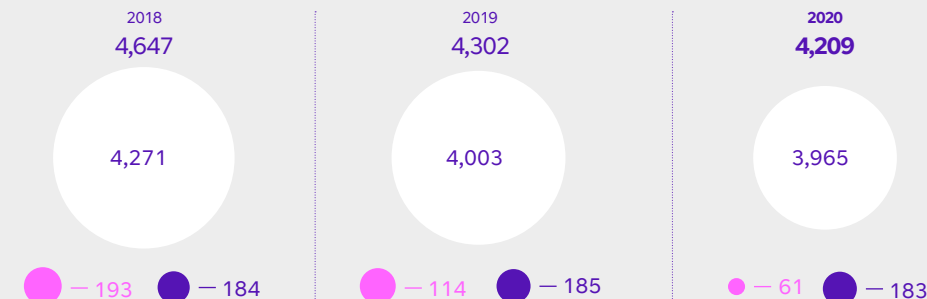
Overall, we cut the total Scope 1 & 2 emissions from our global operations by 18.6% this year to 243 Ktonnes of CO₂e. Since 2016/17, we’ve reduced our carbon intensity by 42% to 18 tonnes of CO₂e per £m value added¹ – on our way to our 87% reduction target for 2030. See supporting data for more on our performance.

¹ BT adopted IFRS 16 on 1 April 2019. Prior to adoption EBITDA used to calculate value added is on an IAS 17 basis.

Our worldwide greenhouse gas emissions

Year ended 31 March (CO₂e Ktonnes)

- Scope 1: Direct emissions from our own operations (eg fuel combustion).
- Scope 2: Indirect emissions from the generation of our purchased energy (mainly electricity).
- Scope 3: Including supply chain, customer use of our products, and other indirect emissions (such as employee commuting).

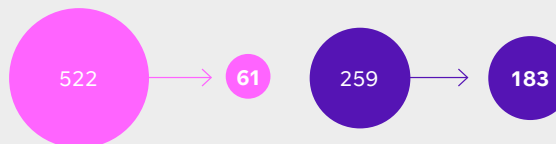


We now include all scope 3 emissions in our reporting. EE data is included from 2017 onwards. Figures exclude third-party consumption. Scope 2 data uses market-based calculations.

Scopes 1 and 2

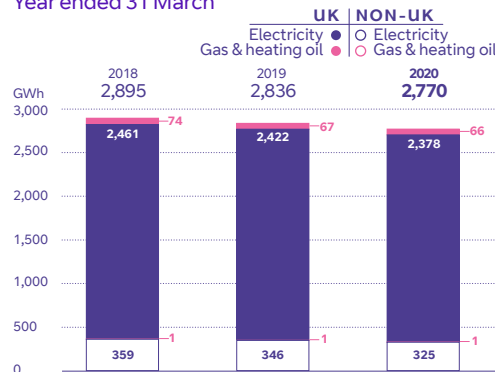
Improvement 2008 to 2020

How the carbon footprint of our business has improved since we set our first science-based target in 2008 to today.



Worldwide energy usage

Year ended 31 March



Driving supplier climate action

Over two-thirds of our end-to-end carbon emissions come from our supply chain. Our key suppliers include global corporations with large carbon footprints. Together, we’re demonstrating leadership by curbing emissions and paving the way for others to follow.

Pioneering climate contracts

We’re asking key suppliers to commit to cutting emissions by building an innovative climate clause into their commercial contracts with us. 12 of our key suppliers have signed up so far and we’ve opened discussions with several more.

Suppliers that adopt this clause must provide proof that they’ve made carbon savings as one of the deliverables of the contract. Nokia was one of the biggest suppliers to sign up last year (see quote on [next page](#)). As part of our collaboration, Nokia is working with its own suppliers to reduce emissions.

We also encourage key suppliers to follow our example by moving to clean green electricity. This year, 181 (up from 157 last year) of our larger suppliers have made the switch to renewable electricity.

Setting supplier standards

All our suppliers must meet procurement [standards](#) that include criteria on energy consumption and environmental performance. We monitor compliance, alongside our requirements on sourcing with human dignity, through supplier assessments (see [page 17](#)).

Tackling climate change and environmental challenges continued

Transparency helps drive climate action and we encourage our suppliers to report to CDP, which runs an environmental disclosure system used by over 500 investors with almost US\$100 trillion in assets. In 2019, 304 suppliers provided CDP with climate-related data (up from 292 last year). Together, they make up 52% of our total spend. Of these, 74% have targets to cut emissions and 55% report that their scope 1 and 2 emissions have gone down this year. CDP disclosures also showed that 60% of those reporting buy renewable electricity (up from 54% last year) and 69% work with their own suppliers on climate change.

Our performance

Our goal is to reduce scope 3 emissions from our supply chain by 29% from 2016/17 levels by 2030. So far, we've worked with suppliers to achieve an 8% reduction to 3m tonnes, mainly by encouraging suppliers to report to CDP, benchmark their performance and drive emissions reductions.

“

We are pleased to support BT with practical steps to reduce carbon emissions throughout the supply chain. Working in unison both with customers such as BT and jointly with our supply chain has the potential to deliver far greater impact on carbon emissions than some standalone initiatives. Combining best practice energy efficiency measures from two experienced companies delivers not just carbon reductions and a more sustainable supply chain, but also a highly competitive supply chain which benefits everyone, creating real shared value.

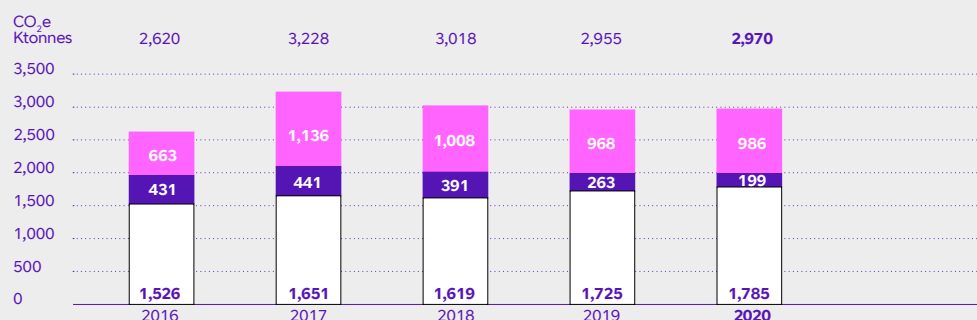


Cormac Whelan,
CEO UK & Ireland, Nokia

Supply chain emissions (breakdown of scope 3 emissions)

Year ended 31 March

- Embodied emissions of network, IT and retail electrical equipment.
- Interconnect (termination of calls on other Telco's networks).
- Other supply chain emissions (materials, cable, fuels and services).



Helping customers cut carbon

ICT could reduce the UK's carbon emissions by an estimated 24% a year in 2030. Such solutions to help tackle the climate emergency include established BT products and services like broadband, teleconferencing and cloud networking – and newer innovations such as the Internet of Things (IoT) technologies.

These carbon-saving products and services help our customers cut energy, fuel and emissions. They're also helping us grow our business, these products generated over £5.5bn in revenue this year.

Case study:

Streamlining CCTV saves Sussex Police time, money and carbon

Until recently, Sussex Police used nine different CCTV systems and control rooms, each with its own video management system. When officers needed to see video on different systems, they had to drive around the county – clocking up around 180,000 miles a year. This was putting a strain on police time and budgets for fuel and vehicle maintenance.

We helped them fix this by consolidating the system into a single control room in Lewes and plugging 500 public space CCTV cameras into this new network. Thanks to our technology, officers can now access any camera from any Sussex Police location, saving time, fuel and emissions.

How we help reduce CO₂e emissions

Impact

Reduces need for travel

Reduces energy use

Reduces amount of materials and manufacturing

Savings (CO₂e)

10.6m tonnes

1.3m tonnes

0.9m tonnes

Types of products and services

- Broadband
- Conferencing
- Teleconferencing
- Field Force Automation
- BT Apps (remote collaboration)
- Machine to Machine (M2M) connectivity, such as smart meters and vehicle telematics
- Auto Mate

- Broadband
- Ethernet
- IP communications (cloud-based VoIP phone systems)
- BT Mobility (BT One Phone)
- BT Apps (remote collaboration)
- BT Connect
- Cisco SD-WAN

- Broadband
- Ethernet
- IP communications (cloud-based VoIP phone systems)
- BT Mobility (BT One Phone)

Tackling climate change and environmental challenges continued

Expanding technology frontiers

IoT is one of the next generation technologies we're harnessing. It works by enabling machines and objects, such as sensors, to send and receive data that customers can then use to make their operations more efficient.

Engineers at our dedicated IoT centre of excellence develop solutions for businesses in sectors like retail, logistics and transport. Our own operations can provide a useful testing ground for trialling services that could benefit our business and others. This year, several customers have deployed Auto Mate from EE, a system originally trialled in our own fleet.

Auto Mate collects fuel economy and carbon footprint data to guide customers on how to save emissions, fuel and costs from running their fleets.

We've also tested new smart site management solutions that require fewer visits by facility managers. For example, we're trialling sensor technology to enable a social housing provider to monitor energy supplies, heating, water leaks and safety equipment remotely to help cut costs and carbon, and improve living conditions for tenants. In cities, councils are using data from our IoT solutions to explore how to better manage operations like street lighting. And we're working with Northumbrian Water to explore how sensors can help pinpoint water leaks.

Our performance

We've now helped our customers save three times as much carbon as our own end-to-end carbon emissions – achieving our 3:1 carbon abatement target one year early.

This year, our carbon-saving products and services helped customers save c.13m tonnes of CO₂e.

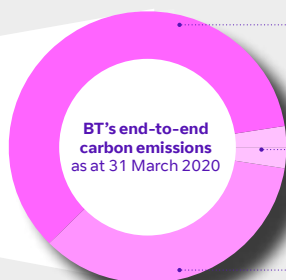
That means for every tonne of CO₂e emitted – in our operations, supply chain and from product use – we've helped customers save over three tonnes of greenhouse gases.

We have achieved our 3:1 goal one year early

Our 3:1 ambition

We will help customers reduce carbon by three times...

...BT's end-to-end carbon emissions



69%

upstream supply chain

7%

our own operations

24%

customers using our products

Our progress

Measured in tonnes of CO₂e

2019/20 result

12.8m 4.2m 3.1:1

2018/19

12.4m 4.3m 2.9:1

2017/18

11.5m 4.6m 2.5:1

2016/17

10.1m 5.1m 2:1

2015/16

7.8m 4.4m 1.8:1

Tackling climate change and environmental challenges continued

Adapting to a changing climate

We're already seeing the impact of climate change in the UK with longer heatwaves, more intense storms and heavier rainfall. These pose a growing risk to our business, customers and country (see our [Annual Report](#) for more on our reporting in line with the Taskforce on Climate-related Financial Disclosures).

BT provides essential communications services as part of critical national infrastructure across the UK. We must be ready and able to respond to more unpredictable and extreme weather to keep our networks up and running – and help people and businesses stay connected.

Monitoring weather extremes

Our weather resilience programme enables us to monitor and mitigate climate-related risks. This year, we launched a strategic programme to inform future-proofing of our estate, including improvements to fixed and mobile networks and our data centres.

We've also improved our daily risk reports that share weather intelligence across the business on possible threats to our UK assets. During near record temperatures in July, we issued a red level alert pinpointing 4,069 key BT buildings at risk from excessive heat and 2,106 at risk from lightning and related rainfall. These warnings enabled colleagues at vulnerable sites to safeguard equipment and vehicles, proactively deploy cooling and prepare operational and contact centre staff to respond to possible outages.

Monitoring, early warning systems and planning for severe weather also helped us minimise impacts on our operations and contact centres during the UK's wettest February on record with three major storms.

Preparing for flooding

To enhance resilience to climate-related risks, we've mapped our UK sites at highest risk of flooding and set up fully equipped flood hubs around the country with resources at the ready to protect them. We've invested in more high capacity pumps, flood barriers, tools and other emergency-related equipment this year. And we've trialled the use of drones to check for debris that could block rooftop gutters.

We run our operations from over 6,000 buildings, 19,000 base stations and 200,000 street cabinets around the UK so we prioritise exchanges that individually serve more than 10,000 customers. We've also strengthened our process for protecting street cabinets from water entry during floods.

Rapid emergency response

Extreme weather events are on the rise, and with them threats to people, property, infrastructure and services. Our emergency response teams and resources are always at the ready to deploy emergency communications services anywhere in the UK.

This year, we mobilised these teams to protect sites from flooding, including our telephone exchange in Shrewsbury that serves thousands of people and our Madley satellite station in Herefordshire that supports communications and media broadcasting services. The teams also provided emergency communications to support the police, local authorities and communities during several high-profile incidents – including the dam collapse at Whaley Bridge in Derbyshire (see box).

Case study:

Connecting emergency services to help avert a catastrophic flood

When Toddbrook Reservoir partially collapsed during heavy rain in August 2019, over 1,500 residents of nearby Whaley Bridge faced losing their homes under 1.3m cubic metres of water. Evacuated to nearby schools and sports centres, they waited while the emergency services raced to shore up the dam.

We stepped in to set up extra telephone lines and a superfast broadband circuit to support the emergency workers and civil authorities. Experts from our emergency response, major incident and civil resilience teams worked round the clock to help secure the site within 29 hours and enable emergency services to carry out their jobs effectively.



To help protect flood-prone communities, we're partnering with Stobart using IoT technology to monitor key equipment around England and enable swift delivery of flood defence kit for the Environment Agency. We're also discussing with the water industry how we can further protect our assets from flooding related to mains water leaks. The volume and pressure of a mains leak can overwhelm our three-line defence system of seals, flood alarm sensors and sump pumps that protect our infrastructure under normal circumstances.

By working with the water industry, we're aiming to ensure that repairs to any mains leaks that impact on our critical infrastructure are repaired quickly to prevent service disruption.

Tackling climate change and environmental challenges continued

Supporting a circular economy

Waste is bad for the environment and bad for business. We want to contribute to an economy that drives down waste and uses resources again and again.

“

Hewlett Packard Enterprise (HPE) and BT have a long-standing partnership working to improve the sustainability of the technology industry. Over the course of 2019, BT purchased hundreds of HPE certified pre-owned IT assets to repair legacy systems and reduce the environmental impacts of their IT infrastructure. Together, we are contributing to a more circular economy by refurbishing and recycling used IT equipment, saving BT more than nine tonnes of emissions, 2,400kg of waste and 28MWh of energy.



Christopher Wellise,
Chief sustainability officer,
Hewlett Packard
Enterprise

Getting drastic on plastics

In total, half of all plastic produced is designed to be used only once – and then thrown away. Plastic waste is choking our waterways and oceans, and has become a global threat to biodiversity that no responsible business can ignore.

That's why we launched a new [plastics policy](#) this year. In it, we've set a goal to ensure that by 2025, 100% of the plastic packaging we procure and send to customers can be reused, recycled or composted.

We've already taken steps to meet this pledge. We cut plastic wrapping used to deliver bulk shipments of phonebooks across the UK from 67.8 tonnes in 2018 to 25.7 tonnes in 2019. Last year we shrunk the plastic surrounds for the SIM cards we send to BT customers and we'll do the same for EE customers later in 2020.

This goal is about the plastic we buy, so we need suppliers to play their part. This year, we added single-use plastic usage into the [environmental questionnaire](#) that informs our procurement decisions. Over the next year, we also plan to encourage relevant suppliers to adopt a plastics clause in our contracts similar to our climate clause (see [page 22](#)).

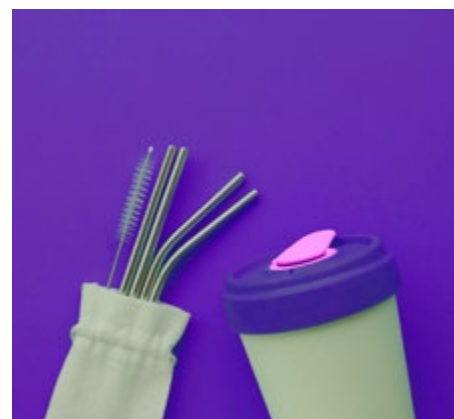
Openreach brought together engineers, suppliers and procurement teams to map out 600 opportunities to reduce plastic and other packaging, as well as single-use plastics, through their 'Waste Warriors' project this year. They've already worked with suppliers to eliminate plastic packaging for some of the gear most frequently used by Openreach engineers. For example, one supplier has stopped using plastic bags to package the 30,000 safety helmets it provides to us.

Our plastics policy also commits us to recycle more of the plastic we use in our own operations. We are working with our catering suppliers to engage with our colleagues to reduce single-use plastic in our restaurants – for example, last year we stopped using plastic straws, stirrers and cutlery. And our 'getting drastic on plastic' colleague engagement campaign won Ethical Corporation's 2019 award for purpose driven communications.

Case study:

Plastics hackathon

Colleagues and suppliers turned out in force for a hackathon to come up with plastics-free proposals. We're now exploring how to take the most promising ideas forward.



Giving old equipment new life

In order to reduce waste from our products, we firstly look to minimise the amount of materials used to make and package them. We build this principle into our product design and procurement approach.

Secondly, we aim to keep materials in circulation, even after a product is no longer needed. We encourage customers to return products for recycling or refurbishment through, for example, EE's [Recycle & Reward](#) programme which provides a free postal pack to trade in or return used phones.

This year, we introduced a clause in new BT customer contracts to incentivise return of products and reduce electronic waste. Customers are informed that they will incur a fee if they don't return home hubs and TV set-top boxes at the end of their contract. By refurbishing and recycling used equipment, we will reduce the amount of e-waste going to landfill sites.

In our own operations, we partner with recyclers and suppliers to recover and purchase used equipment like servers. We're partnering with Hewlett Packard Enterprises to buy and reuse pre-owned spare parts (see quote) and we're working with N2S, a technology lifecycle management company, to prevent old equipment from exchanges going to landfill. This year 319 tonnes of used BT equipment were processed by N2S, 315 tonnes were recycled and over 4 tonnes reused, saving over 952 tonnes of CO₂e emissions.

Tackling climate change and environmental challenges continued

Managing our environmental impacts

Tackling climate change and supporting a circular economy are the ways we can make the biggest difference to the environment as a business. But we're also careful to manage our other environmental impacts – from reducing waste and water use to tackling air pollution, nurturing biodiversity and preventing fuel leaks.

“

It's important for us to understand the levels of air pollution in the city as it can have a huge impact on the health and wellbeing of people who live and work here. We are exploring use of the new BT sensors alongside a number of initiatives already in place to measure air pollution and improve air quality.



Professor William Bloss, University of Birmingham, who leads the West Midlands Air Quality Improvement programme

To drive progress, we have a Group-wide environmental policy and Environmental Management System (EMS) – certificated to ISO 14001:2015 in ten countries (see the [appendix](#)). And we encourage colleagues worldwide to help us manage impacts by changing their behaviour, from recycling more to choosing our audio, video and web conferencing services over business travel.

Managing our waste

In the UK, where most of our operations are, we recycle or recover almost all our waste. We produced around 40.5 Ktonnes of waste this year worldwide (27% more than last year). 96% (99.5% in the UK) of this was recovered or recycled. The waste generated by our business increased for the second year in succession as a result of our network investments, disposal of legacy equipment and buildings rationalisation. Specialist contractors deal with the hazardous waste we produce, in line with regulations, and we're developing an app to track this waste. The app will provide clear guidance to our engineers on what types of waste are hazardous and simplify reporting to environmental regulators.

Taking charge of our water supply

We're increasingly using water in our adiabatic systems to cool equipment at our facilities as we work to reduce our climate impact by replacing older systems that run on greenhouse gases. The downside is that our water use is going up. It increased 5% last year and rose by a further 14% this year to 2.2m m³.

We're taking control of our water supply to help address this challenge. In 2018/19, we gained a licence as a water self-supplier in England. This means we now buy direct from a single water wholesaler, instead of multiple retailers.

Not only does this protect us against future price increases by buying wholesale, it also gives us better data and insight into how much water we're using where. This will help us to better manage our water use, and spot and fix leaks.

Tackling air pollution

Air quality can make a big difference to the health of our colleagues and communities. We're working to transition to electric vehicles so our fleet generates fewer carbon emissions (see [page 22](#)) and this will also reduce local air pollutants from diesel engines.

We're also using IoT solutions to help customers identify and address air pollution hotspots. For example, we're working with local councils in Bradford and Birmingham, where we've added air quality sensors to InLink street kiosks. The sensors take measurements every minute that are shared with the councils in real time to support effective action to improve air quality. Similarly, we support Swansea Council by using air quality sensors at CCTV sites to generate data.

Nurturing biodiversity

We recognise the growing global importance of biodiverse ecosystems. We're committed to minimising any negative impact from our business and we continue to monitor wildlife-related incidents or risks in our grounds. The natural environment aspect of our EMS helps us manage these impacts, and we're developing a new policy on waste and natural resources.

We're also exploring how we can support biodiversity at our sites around the UK, for example, by creating habitats on the roof of our new headquarters in London. Three peregrine falcon chicks hatched this year in the box we installed at our Adastral Park site with the Hawk and Owl Trust.

Managing fuel storage

When there's a power cut, and in some remote locations, we keep our customers connected by using generators to run our telephone exchanges, data centres and mobile base stations. These generators use diesel and BT has more than 6,500 oil storage tanks across the UK, largely to fuel this essential equipment, and we carefully manage the risks of oil spills or leaks from these tanks (see the [appendix](#) for more).

More on our environmental management and performance

See the [appendix](#) and supporting data for more on how we manage environment impacts, our performance, compliance and how we track risks.

Strong foundations

Investing...
in strong people foundations

Our business starts with our colleagues. If they thrive, we thrive. We're investing in diverse talent to help us serve our customers and innovate for the future.



“Our colleagues bring diverse perspectives and life experience that make us a better business. We want to empower every one of them to achieve their goals at BT and we strive to create an inclusive, supportive and healthy working environment for them to do so. Their talent and enthusiasm is vital to enable BT to go beyond.



Alison Wilcox
HR director

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| Engaging and empowering our people | 30 |
| Keeping our people safe and well | 32 |
| Acting with integrity | 33 |

Strong foundations continued

Developing an inclusive workforce

We value the unique skills and experience that every individual brings to BT. We want all our colleagues to progress with us. Helping them develop the skills they need to excel now and in the future is an important part of our wider commitment to deliver Skills for Tomorrow.

 See page 9

“

BT's statement of leadership helps further progress globally and serves as an example to others in the business community. With rising tensions across the world, business can play an important role in furthering the cause of LGBTI equality.



Dan Bross
Executive director,
Partnership for Global
LGBTI Equality

Championing inclusivity

We want to ensure everyone feels included within our business. Our new strategy will help make diversity and inclusion a clear differentiator for BT in the next ten years. We aim to create a workforce that reflects all aspects of the diverse societies in which we work. To make inclusive design the norm for our colleagues and our customers. And to use our strengths to support disadvantaged groups in society.

This year, we've bolstered our ability to make this happen. We've created a centre of excellence for diversity and inclusion with four specialists. A further 22 colleagues have been through extensive training to provide advice and drive improvements in diversity and inclusion across the business. And we ran a series of immersive diversity and inclusion training sessions for senior managers in our human resources teams.

We've created new tools to help colleagues across the business better understand the value of inclusiveness. A dedicated knowledge hub within the BT Academy – our online training and development portal – offers a one-stop-shop for resources, guidance and inspiration. An inclusion impact assessment toolkit supports better decision-making to avoid negative impacts or exclusion.

To help us target action effectively, we need to get a more accurate picture of diversity at BT. We're using behavioural science to find the best ways of encouraging colleagues to voluntarily self-declare personal information related to diversity. We're also working with behavioural science organisation [More Than Now](#) on a series of inclusion by design experiments to make progress on diversity and inclusion even faster.

Building on shared experiences

No one is defined by a single characteristic and we all have shared experiences that connect us. Our colleague networks offer people the chance to connect with others. They're there to support people and help create an inclusive workplace, with backing from executive sponsors. We relaunched the networks this year and supported their chairs with specialist training:

- [Able2 network](#) – works to make sure BT is somewhere where people who identify as disabled can give their best and are supported in all aspects of their work and development. Includes our neurodiversity network.
- [Armed forces network](#) – engages ex-military colleagues across the business.
- [Carers network](#) – promotes a culture that supports carers.
- [Ethnic diversity network](#) – helps us realise the full potential that people from different ethnic backgrounds can bring to our digital future.
- [Gender equality network](#) – focuses on support and flexible working options to enable gender parity across BT.
- [Peer2Peer network](#) – a team of volunteers who talk, and listen in confidence, to anyone who's looking for support (see [page 32](#)).
- [Pride network](#) – for LGBT+ people, allies and anyone who wants to support their colleagues, family and friends.
- [Religion](#) – three separate networks for colleagues who are Christian, Jewish or Muslim.

Partnering to promote inclusion

We promote more inclusive attitudes across our business and beyond through [Inclusive Employers](#) and other partnerships. This year, we signed up to both the UK [Trans in the City Charter](#) and the UN's [LGBTI Standards of Conduct](#), which aim to eliminate discrimination against LGBT+ colleagues in the workplace. We're also a corporate member of [Stonewall](#).

We've joined the Valuable 500, as part of our commitment to embedding disability inclusion across our business. We're also working with Global Disability Innovation Hub to explore how to create an online network to promote collaboration among disability innovators, and to develop an inclusive design online training module for the BT Academy.

Building on our focus on disability in sport with the Premier League, our new 4-3-3 partnership with football associations aims to make football more inclusive. BT Sport will broadcast the Disability Cup live for the first time and use technology to enable people who currently can't play physically to play with their minds. Through 4-3-3, we'll also empower more women to get involved in grassroots coaching and boost digital skills for communities.

 See page 11

Strong foundations continued

Case study:

Reporting on the gender pay gap

This is our third year producing a [Gender Pay Gap Report](#). Our median gender pay gap for 2019 was 4.8%, down from 5.0% the year before. This is well below the national average (17.3%) and the telecommunications sector average (12%), but we still have more to do to narrow our gender pay gap even further.



3,800

New apprentices this year

34,000

Visits to the BT Academy per month

To read our full Gender Pay Gap Report please visit our [website](#).

Developing diverse talent

We're investing in talent and leadership development programmes to make sure we get the best people for the job, whoever they are and whatever their background.

We are one of the UK's leading private sector employer of apprentices. This year, we took on almost 3,800 new apprentices (including c.2,800 apprentices in digital and engineering roles), 13% of them women. We also welcomed nearly 500 new graduates, 32% of them women.

Colleagues check in regularly with their managers to discuss training and development opportunities, and their personal development plan is part of this process. The BT Academy offers a range of online learning resources including support to build digital skills. This year, it got around 34,000 visits per month and colleagues completed an average of 24 hours of training each over the year. Our Skills for Tomorrow resources are open to all colleagues and we also encourage them to volunteer their time and expertise to support the programme (see [page 9](#)).

Our TechWomen programme continues to help women in key commercial, operational and technical roles develop their careers – from those starting out to those further along the career path. Last year, 95% of those completing the course said they felt confident driving their career. By the end of March 2020 almost 1,700 women had completed, or were progressing towards completion of the programme.

Ex-military personnel can bring many transferable skills to our business. Openreach is one of the leading recruiters of ex-forces in the UK. This year, Openreach ran 29 Transition Force workshops around the country, offering

career advice and mentoring to help enable the transition from military to civilian life, and to promote the opportunities that we have to offer them. We've also mentored 61 people and hired six through our Military Cyber Security recruitment programme.

We're building the pipeline for senior roles through our Future Leaders programme. More than 200 colleagues have completed the programme, and a further c.200 colleagues are nearing completion – and 35% of them have already taken on management roles. 85% of those surveyed earlier in the year said it's already helped them broaden their skills.

To help us drive diversity in our pipeline, we've set objectives to increase the number of women in senior roles (see table). We also want 15% of our senior management to come from black, Asian or other ethnic minority backgrounds by the end of 2020/21, we're currently at 10% (of those who declare their ethnicity).

Developing a diverse pipeline

| | 2018/19 | 2019/20 | Target |
|---|--------------------------|--------------------------|----------------------------------|
| % of women on the Board | 27% (three out of 11) | 25% (three out of 12) | 33% by end of 2020/21 |
| % of women in leadership (top 100 positions) | 26% | 29% | 30% by end of 2020/21 |
| % of women in senior management (top 600 positions) | 31% | 35% | 40% by end of 2020/21 |

See our BT colleague data sheet in our online [download centre](#) for more detailed colleague information.

Engaging and empowering our people

We want BT to be a brilliant place to work. We ask colleagues for feedback and share our ambitions with them. We want to understand what's working and what's not. And to ensure we are working together towards a common purpose.

Our new reward share scheme gives colleagues a stake in the business to enable them to share in our success. From summer 2020, everyone on a BT employment contract will receive an award of around £500 of shares, or a cash equivalent where there are commercial restrictions. After that, we'll make an annual award, with the amount agreed at the end of each year. Colleagues can cash in shares once they've had them for three years, or keep them invested in the business.

We want to empower people to work together towards a shared purpose. This year, 81% of our people said they thought their work contributes to BT's purpose.

The annual BT Challenge Cup encourages people to share ideas that could make a difference to our business and our communities. This year, more than 700 teams entered – made up of nearly 3,700 people from 30 countries. Winners included Openreach's 'Waste Warriors' with a focus on eliminating excessive packaging and single-use plastics (see [page 26](#)). And a campaign to get colleagues to 'Give a little bit', volunteering just half an hour at a time to have a chat on the phone with an older person to support Age Concern's work to tackle loneliness.

We also encourage colleagues to volunteer their time and skills to support our focus on digital skills (see [page 9](#)).

Strong foundations continued



Putting people at the heart of our business

We're giving our people a louder voice at the table with our new Colleague Board. It's chaired by our chief executive, and attended by our group human resources director and group general counsel. Anyone from across the business could apply to join, and 12 colleagues were selected, including two invitees from Openreach.

The Colleague Board met for the first time in January 2020, discussing topics such as BT's purpose and values, how to support recycling and steps to keep colleagues informed of key changes in the business. It will meet at least four times a year to share ideas, with a direct line to the BT Board via non-executive director, Isabel Hudson, who is a member of the Colleague Board. See our [Annual Report](#) for more on the Colleague Board.

“

I'm really excited. Colleague Board is really taking shape and we have the chance to make it exactly what we want it to be.

Kirsty Moir
Technical delivery specialist

“

I applied to the Colleague Board because I wanted to make a difference and be a part of the change. I want the voices of our engineers to be heard, and to make sure we do our very best at putting our customers at the heart of our business.

Tuseef Rahman
Outcome assurance manager

“

We have the potential to really understand the voices that maybe BT doesn't otherwise hear – what's important right now for colleagues across the business. I think the Colleague Board is going to be something that will be with BT for a really long time. It's going to have a real impact.

Shane Allum
Research and innovation specialist

Making BT a brilliant place to work

We're going through a period of transition as we work towards our ambition to make BT a brilliant place to work. We want everyone at BT to experience a great career, a workspace that works and a culture they can thrive in. That's why we're transforming our business into a simpler, more agile and modern BT.

To do this, we're embedding new career levels and pay ranges, refreshing our workplaces, and developing new tools, skills and processes for collaborative and agile working. We're also reshaping our workforce as we transform our operating model and supporting colleagues through these changes.

This year, our overall employee turnover rate was 11.2%. A total of c.13,400 people left the Company – around 10,000 through natural attrition and 3,400 left through paid leaver programmes. During this process, we've continued to consult with unions, work councils and employee representatives, and the individuals directly impacted. We provide outplacement support, pension advice and access to our employee assistance programme (see [page 32](#)) for all those making a transition.

We respect the right to collective bargaining and 93% of our colleagues in the UK are covered by collective bargaining agreements.

Listening to our people

Twice a year, we ask colleagues for their views on what it's like to work at BT through the Your Say survey. The results tell us what's important to our people and where we need to do more to support and empower them, particularly through an ongoing period of transformation. We updated some of the questions in the survey this year to give us better insight into life at BT.

In January 2020, 85% of our people responded to the Your Say survey. Overall employee engagement was 79% (77% last year). Results show that colleagues are feeling more positive about the changes that are taking place across the organisation, but we're not doing enough to shift their perception of our senior leaders. Leadership capability will be an ongoing focus going forward.

| Your Say survey responses | January 2018 | June 2018 | January 2019 | June 2019 | January 2020 |
|---|--------------|-----------|--------------|-----------|--------------|
| Response rate | 86% | 84% | 87% | 83% | 85% |
| Engagement outcome (average engagement) | 74% | 76% | 77% | 79% | 79% |
| Leading our people (% favourable) | 59% | 60% | 61% | 63% | 63% |
| Manager behaviours (% done well) | – | – | – | 81% | 80% |
| An environment where everyone can thrive (% favourable) | – | – | – | 81% | 82% |
| Wellbeing (satisfied with life % favourable) | 70% | 73% | 72% | 76% | 71% |

Strong foundations continued

Keeping our people safe and well

Case study:

Protecting our people in the Covid-19 crisis



Since the first reports of Covid-19 in mid-January, we've been planning for scenarios of how the spread of the virus could impact our customers and colleagues. Led by our chief medical officer, we're closely monitoring the situation and following international health guidance and government advice.

Everyone in BT and Openreach who is able to work from home has been doing so. For those colleagues who are not able to work from home – including network operations, field engineers, 999 operators and some customer contact centre teams – we've increased cleaning in areas where these teams work, and arranged for people to work at government-recommended safe distances.

The wellbeing of our colleagues is also very important and we have developed bespoke expert led webinars, resources and high profile communications to support our people. 84% of colleagues who responded to a recent survey said they have access to the information and support they need on health and wellbeing. We're paying our people fully, even if they need to isolate, giving them the security to make the right decisions for their health and the health of their loved ones. We're keeping colleagues up-to-date with the latest advice, and we'll continue to follow the advice and guidance of the Government and Public Health England and adjust our policies accordingly.

See our [website](#) for the latest on BT's response to Covid-19.

The health, safety and wellbeing of our colleagues is an absolute priority, and remains so during times of uncertainty as a result of the Covid-19 crisis (see box).

We aim to build a culture where everyone can thrive. Our health, safety and wellbeing strategy has a strong focus on mental wellbeing to help people get the most out of life at work and at home. It's supported by our health, safety and wellbeing [policy](#).

We continue to review progress through quarterly health, safety and wellbeing forums, chaired by our human resources director, and the Board reviews performance twice a year.

Promoting wellbeing and good mental health

Recent reports by [Business in the Community](#) and on behalf of the [UK Government](#) suggest that businesses need to do more to proactively support their employees' mental health and wellbeing. This is not only the right thing to do, it also helps improve business performance. Our research with the University of Oxford shows a clear link between happiness and productivity – over a six-month period, workers at six of our contact centres were 13% more productive when they were happy.

In our most recent Your Say survey, 71% of colleagues responded favourably to the question about wellbeing, a slight decrease from last year. We recognise that we need to do more to support our colleagues, and more than 2,600 of them in the UK completed an in-depth wellbeing survey to ask how we can help. The results provided detailed insight and helped refine our approach in addressing key wellbeing issues. Among the key areas identified were achieving a healthy work-life balance and managing stress.

We're putting wellbeing at the heart of our business transformation and building design as we strive to make BT a brilliant place to work. We're investing in new learning resources to enhance mental health and resilience. We've launched a new online portal, Your Wellbeing, to give colleagues help and guidance to stay well both in and out of work. In the last four months, it's already had over 150,000 views.

More than 1,800 managers and leaders have completed training this year to help them spot and respond to signs of poor mental wellbeing, and nearly 300 volunteers offer confidential support through a peer to peer network. We provide free mental health and physiotherapy services for UK colleagues and our employee assistance programme offers free confidential counselling and advice lines. We also support colleagues, past and present, who are facing financial hardship through the BT Benevolent Fund.

Over 1,900 colleagues took part in The Fit 4 Life challenge to do 20 minutes of exercise for 20 days a month from January to March, racking up a total of over 70,000 hours of exercise between them.

Sickness absence has increased this year to 3.00% of calendar days lost, compared to 2.64%¹ last year.

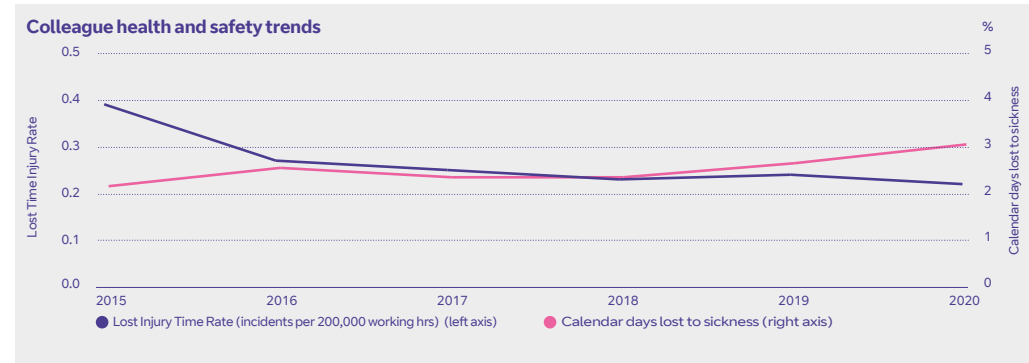
Keeping colleagues safe

Our lost time injury rate reduced this year to 0.216 incidents per 200,000 hours worked. Around 9,600 colleagues participated in a survey to help us understand how to improve our safety culture. We've introduced a new system for reporting accidents, incidents and near misses that's designed to give us better insight into root causes of incidents so we can take action to stop them happening.

We provide training to help colleagues stay safe, targeting key risks such as working from height. This year, we trained more than 9,200 Openreach engineers on ladder safety, and introduced new safety measures and training for around 1,500 engineers accessing lofts in our own buildings. We've also strengthened our safety management for contractors, including introducing new risk and compliance checks.

The Health and Safety Executive has not issued us with any prohibition or improvement notices this year and we have not faced any prosecutions.

¹ The 2018/19 figure has been restated upwards from 2.36%, due to more accurate systems capture of international absences.



Strong foundations continued

Acting with integrity

We expect everyone at BT to share our values. Our ethics code – part of The BT Way – offers clear guidance to help everyone who works for, with, or on behalf of BT make the right decisions.

Building awareness

Colleagues are expected to complete annual training on The [BT Way](#) and 99.4% did so this year¹. This includes some new role-based training that we've introduced for customer-facing colleagues working in our contact centres and Openreach engineers, so they're confident that they're doing the right thing. The online course takes participants through a series of scenarios they could face in their day-to-day work and asks the question, 'Is It OK?'.

We expect our managers to lead by example as ethical role models. During Global Ethics Day in October 2019, senior executives shared their personal stories about ethical dilemmas through our internal online team platform.

We use the Your Say survey to check how engaged BT colleagues are on ethical issues and how they think we're doing. In the latest survey, 93% agreed that we do business ethically, up six points from last year.

Tackling bribery and corruption

Our [anti-corruption and bribery policy](#) makes it clear that we don't tolerate bribery or corruption in any form. Mandatory annual training on our ethics code supports this message and reminds colleagues that they must report any conflicts of interest. People in higher risk roles or environments also complete additional anti-corruption training every other year – more than 30,000 have a current completion status.

Addressing compliance issues

We don't always get it right. In June 2019, the Information Commissioner's Office (ICO) fined EE for sending more than 2.5m direct marketing messages to its customers without consent. We're working to improve our processes to prevent anything similar happening again.

In March 2020, Ofcom fined BT £245,000 after an investigation found that we had overcharged EE mobile customers for making calls to 118 directory enquiries services over a period of three months due to a delay in implementing Ofcom's price cap on calls to 118 numbers. All customers affected were subsequently refunded, and the price cap implemented appropriately.

Speaking up and acting on improper behaviour

We want to know if something isn't right. And we want people to feel safe telling us. Our one-stop web page, Tell Us, gives colleagues all the information they need to report an ethical issue or ask a question.

Our confidential [Speak Up](#) helpline enables colleagues, contractors, agency workers and suppliers to report concerns wherever they are in the world – anonymously where local laws allow. It's hosted by an independent organisation. We introduced a new internal policy and standard this year to explain more clearly how the Speak Up process works and provide more information about everyone involved in the process for investigating concerns.

People raised 593 concerns this year, 13% more than last year. We reviewed all of them, and investigated where sufficient detail was provided. We took further action on 38% of the cases we closed. The rest were unsubstantiated, duplications, follow-ups of existing cases, or redirected to more appropriate reporting channels. Actions included coaching or training, disciplinary procedures, and improvements to our policies or practices. This year, we disciplined 171 colleagues as a result of ethical misconduct and 83 left the Company. The most common issues related to unauthorised use of company vehicles and falsification of records.

Case study:

Paying our taxes

Our commitment to doing business responsibly includes our approach to tax. Our [tax strategy](#) explains how we deal with tax affairs and commit to paying our fair share. We paid £147m in corporation tax this year and the One Hundred Group 2019 Total Tax Contribution Survey ranked us the sixth highest contributor in the UK.

 [Read more about our tax strategy](#) in our [Annual Report](#)



¹ Excludes those on maternity, paternity, long-term sick leave or with other extenuating circumstances.