BT Group

We connect for good

Accelerating growth through tech that's responsible, inclusive and sustainable

2023

(Enclosed content is based on year-ending 31 March 2023 data)

Our Manifesto commitments

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

Responsible	Inclusive	Sustainable
New technology must earn trust and transform life for the better	**The future of technology must be inclusive and diverse for everyone to benefit**	**Technology must accelerate our journey to net zero emissions and a circular world**
Applying our responsible tech principles across the full value chain	Building a diverse and inclusive BT Group, supported by our diversity and inclusion targets	Being a net zero carbon emissions business by FY31 and for suppliers and customers by FY41
Investing in new growth tech that will help us live and work better	Championing digital inclusion through connectivity *Pass 25m households with full fibre by December 2026 (of which 6.2m are in rural locations)* *Expand 5G to 90% of the UK geography by 2028*	Building towards a circular BT Group by FY30 and circular tech and telco ecosystem by FY40, while protecting nature and biodiversity
Partner to build a responsible tech ecosystem that builds trust and drives growth	Helping 25m people with digital skills by FY26, including building a digital talent pipeline	Helping customers avoid 60m tonnes of CO_2e (cumulatively) by FY30

Contributing to the United Nations Sustainable Development Goals
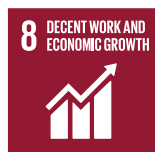
Responsible

We believe...

New tech must earn people's trust and transform lives for the better.

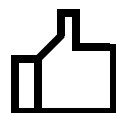## Our responsible tech principles are...

For good
We design and deliver tech to empower people and improve their lives.

Accountable
We are accountable for our actions and take care to avoid, and protect against, tech misuse.

Fair
We work hard to ensure everyone is treated fairly and with respect.

Open
We listen, collaborate and are transparent about our actions.

Applying responsible tech principles across our value chain

Putting our principles into practice when we...

Develop tech
We apply the principles right from the start when we develop and design new tech.

Buy tech
Our procurement company, BT Sourced, has responsibility and sustainability criteria set into its processes. This gives our buyers clarity on supplier risks and opportunities.

Use tech
We want to make sure our products and services are used for good to protect privacy and free expression, helping to prevent online harms. We support the Global Network Initiative (GNI) Principles on Freedom of Expression and Privacy.

Sell tech
We sell to customers around the world. Through our sales due diligence process, we work to make sure that our customers use our products and services in a way that benefits people and minimises harms.

Our Responsible Tech Steering Group oversees how we implement the principles. This year, it continued looking into our **emerging risks** and **strategic growth areas**. It invited external experts to help define our approach to topics like **children's digital rights**, **evolving high risk markets and customers**, and **new products and innovation**.

At risk user groups

High risk geographies

New products & innovation

Harnessing the power of tech to connect for good

Responsible in action – FY23 highlights

Develop tech

We launched an **AI accelerator** – shortening new AI rollout time by over 90% and built with security and ethics in mind.

Buy tech

We started embedding our '**Responsible AI for Buyers**' guide into our supplier onboarding processes

Use tech

We completed our **first external GNI assessment**. They said we were "making good faith efforts to implement the GNI principles with improvement over time".

Sell tech

We further **enhanced sales due diligence** in our Business unit. This will help us better identify and address potential human rights impacts of our products and services.

Responsible tech and human rights governance

⊘ BT Group human rights policy

⊘ Being trusted: our code

⊘ BT Group modern slavery statement

Inclusive

We believe...

The future of tech must be inclusive and diverse for everyone to benefit.
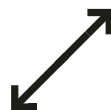
An inclusive digital world

19.3m
people reached with help to improve digital skills since 2014/15.

1m
the number of small businesses and their employees reached through our digital skills programmes, ahead of our 2026 target date.

+10m
homes and businesses reached with full fibre.

2030
We've set bold ambitions to build a diverse and inclusive BT Group.

Building a diverse workforce

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

Build a diverse workforce through our diversity and inclusion targets:		FY22	FY23	2025 Targets
BT Group (excluding Openreach)	Men[1]:	65.1%	65.2%	-
	Women[1]:	34.9%	34.8%	46%
	Ethnic minority colleagues[2]:	11.9%	13.4%	16%
	Disabled colleagues[2]:	6.9%	8.2%	14%
Openreach	Men[1]:	89.7%	89.7%	-
	Women[1] :	10.3%	10.3%	12%
	Ethnic minority colleagues[2]:	9.4%	9.1%	10%
	Disabled colleagues[2]:	6%	6%	6%
BT Group	Men[1]	74.%	74.3%	-
	Women[1]:	25.7%	25.7%	32%
	Ethnic minority colleagues[2]:	10.8%	11.5%	13%
	Disabled colleagues[2]:	6.5%	7.2%	10%

[1] Global workforce
[2] UK workforce only, due to data limitations, and based on declared data only

The future of tech must be inclusive and diverse for everyone to benefit

Championing digital inclusion

We want to support families worst hit by the cost-of-living crisis. We excluded a total of 3m eligible customers from the April 2023 price increase.

We're the market leader in social tariffs, helping around **1m low-income and vulnerable customers** through affordable fibre broadband and calls.

Working with charity partner **Home-Start UK**, we also support the most socially excluded households with thousands of laptops, mobiles and free broadband vouchers

Support available:

Our **Here for You** website brings together our range of products, services and support for those who need extra help.

Our **Home Essentials** social tariff enables customers on Universal Credit to get discounted broadband.

We've launched **EE Basics** which mirrors the Home Essentials offer for eligible mobile customers.

Openreach's '**Connect the Unconnected**' scheme waives connection fees for vulnerable customers, via their communications provider.

Investing in our networks

Access to strong, secure, ultrafast, full fibre broadband from Openreach is now available to more than **10.3m UK homes and businesses**, and we aim to reach **25m premises by 2026.**

Our target includes reaching **6.2m** homes and businesses in **hard-to-reach rural communities** and recently we reached over **3.1m in rural areas.**

90%

We've committed to reach 90% of the country with 5G by 2028

Creating an inclusive digital world

Skilling the nation

We've reached **19.3m people** since FY15 with help to improve their digital skills – from small businesses and jobseekers to kids getting their first mobile device.

Employability skills for young people

We're bridging the gap between education and employment by ensuring children and young people are included in the **UK's digital skills agenda**. **Just under 200 people** attended our work experience events, and nearly **500 school pupils** were reached through our **Skills for Work Bootcamps.**

Digital talent pipeline for BT Group and the UK

We're building a **Digital Campus** to develop colleague's digital skills. Together with other big UK employers, we're an **Avado FastFutures programme partner** and helping a diverse range of young people (aged 18-24) get into digital roles. So far, it's supported over 7,000 young people.

Child online safety

With **EE PhoneSmart**, the UK's first phone safety licence for kids, we're empowering young people to stay safe online. We've issued **1,300 licences** to children since launch and over **3,800** have signed-up to the scheme's online education training.

Leaving no business behind

We continue to support small businesses through our **free digital skills programme** – we reached a further **465k businesses and their employees** this year through our digital skills webinars, 'Let's Talk About' series and by sponsoring the Small Business Saturday Tour.

Uniting against online hate

We've formed **EE Hope United** – a diverse team of top footballers from all UK four home nations to teach the public how to tackle online hate. So far, it's helped educate **7.4m people** on how to be good digital citizens.
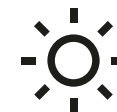
Sustainable

We believe...

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

On our way to net zero by 2031[1]

56%

cut in carbon emissions intensity since FY17 (towards our 87% target by the end of March 2031)[2].

100%

renewable electricity worldwide[3].

20%

cut in supply chain emissions since FY17 (towards our 42% target by the end of March 2031).

1.7m

tCO_2e we've helped customers save since 2021.

[1] By 31 March 2031, to be a net zero carbon emissions business (GHG emissions Scopes 1 and 2).
[2] Scope 1 and 2 worldwide emissions tonnes CO_2e per £m value added.
[3] 99.9% of the global electricity BT Group consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.

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

Our climate strategy

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

We'll get there by:

- Progressing towards our **1.5°C science-based target[1]**

- Continuing to purchase **100% renewable electricity[2]**

- Decarbonising our **networks, buildings and fleet**

- Cutting carbon emissions across **our value chain**

- **Helping suppliers and customers** cut carbon emissions

- Becoming a **circular business**

[1] Approved by the Science Based Targets initiative as in line with 1.5°C climate pathway.
[2] 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.

We're accelerating towards our targets

Sustainable: Our targets and progress

Ambition/target	FY22	FY23
By 31 March 2031, to cut our carbon emissions intensity by 87%, compared to 2016/17 levels[1]	55% reduction	56% reduction
To maintain the purchase of 100% of our electricity from renewable sources, where markets allow	100%[2]	100%
By 31 March 2031, to reduce our supply chain carbon emissions by 42%, compared to 2016/17 levels	25% reduction[3]	20% reduction
By 31 March 2031, to be a net zero carbon emission business (GHG emissions scope 1 and 2)	179,554 tonnes of CO_2e[4]	180,285 tonnes of CO_2e
By 31 March 2041, to be a net zero for our supply chain and customer carbon emissions (GHG emissions scope 3)	3,135,368 tonnes of CO_2e[3]	3,289,171 tonnes of CO_2e
By 31 March 2030, we aim to help customers avoid 60m tonnes of CO_2e	779,400 tonnes of CO_2e	935,462 tonnes of CO_2e (1.7m tonnes since 2021)
Build towards a circular BT Group by 31 March 2030 and circular tech and telco ecosystem by 31 March 2040	New goal	In progress, refer to p.39 of BT Group Annual Report

[1] Scope 1 and 2 worldwide emissions tonnes CO_2e per £m value added.
[2] 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.
[3] Annual historic changes to Scope 3 supply chain emission calculations are a consequence mainly of a switch from a CPI-modelled approach to an 'actual' data approach.
[4] Historic years' numbers may be restated where more up-to-date information has become available e.g. replacing estimates with actual values.

Becoming net zero in our operations

Transition to electric vehicles

We're aiming to convert the majority of our commercial fleet to electric or zero emission vehicles by 2030.

To achieve this we've:

- added **>1,000 electric vehicles** to our commercial fleet this year. We now have >**2,400** of them.

- travelled >**7.9m** miles in our electric fleet, saving over **2,200 tonnes of CO_2e**.

- continued to advocate for policy measures to support a wider UK EV transition as a member of the **UK Electric Fleets Coalition**

Decarbonising our estate

We're decarbonising our estate through our **Better Workplace Programme** by consolidating hundreds of buildings to around 30.

Our new and refurbished buildings are designed with environmental impact firmly in mind, with new-builds constructed to the **BREEAM[1]-Excellent standard**.

Our new **Bristol Assembly** building has now opened. We expect it to save more than **140 tonnes of CO_2e** – rising to over 500 tonnes as we reduce our buildings estate in the area

Building energy efficient networks

We're building more energy efficient networks that are **renewably powered,** whilst switching off our old networks.

This year we **increased the amount of electricity provided through power purchase agreements** – meeting around 23% of our worldwide electricity demand this year, and around 26% of the UK total, supporting growth in the overall UK grid renewables supply

As well as **saving energy,** full fibre networks can better handle the effects of physical risks like flooding and higher temperatures. That means fewer faults or engineering visits.
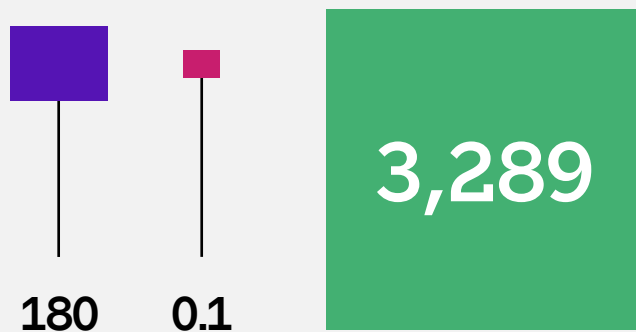
[1]Building Research Establishment's Environmental Assessment Method, the world's leading sustainability assessment for infrastructure.

Becoming net zero in our value chain

BT Group emissions

Supplier and customer emissions makes up 95% of our total emissions

180   **0.1**   **3,289**

■ Scope 1   ■ Scope 2 (MBM[1])   ■ Scope 3

(kTonnes CO_2e)

Working with suppliers

We continue to work with suppliers to cut carbon.

We've:

- hardwired **carbon reduction** into supplier contracts. Climate clauses commit 11 of our key suppliers to make measurable carbon savings during the life of their contracts with us.

- required suppliers with new contracts over **£25m** to sign up to science-based net zero targets. We encourage our key suppliers to report to CDP.[2]

- been recognised as a **supply chain leader** by CDP[2], and feature on their Supplier Engagement Rating Leaderboard for the sixth consecutive year.

- continued our collaboration with the **1.5°C Supply Chain Leaders initiative,** and support small- and medium-sized enterprises through the **SME Climate Hub**.

Working with customers

There's huge potential to use our networks, products and services to help customers cut their emissions.

This year we've:

- introduced **real-time energy and carbon dashboard and calculator** for larger customers – helping them estimate their network's carbon footprint and start to drive emissions reductions.

- launched an **AI-powered edge computing solution** in partnership with QiO, helping business customers cut carbon by optimising energy use across their operations.

- continued working with tech scale-up partners through our **Green Tech Innovation Platform** to support the race to net zero.

- helped customers avoid over **935,000 tonnes of carbon**, mainly through full fibre broadband reducing personal or work-related travel.

[1] Market-based method for Scope 2 emissions accounting.
[2] Carbon Disclosure Project

Building towards a circular BT Group

We want to become a circular business by FY30 and build towards a circular tech ecosystem by FY40, while protecting nature and biodiversity

In FY23 we:

- rolled out our nationwide **EE superfast in-store phone repair service**.

- joined the **Eco Rating** initiative for mobile devices.

- launched a **new sustainability partnership** with Cisco supporting B2B customers.

- reused **83%** of the **1.8m** home hubs and set-top boxes sent us and recycled the rest.

- collected **190k mobile devices** through consumer and business trade-in schemes.

Biodiversity:

- This year we ran a pilot to explore our impact on nature, in line with the draft **Taskforce on Nature-related Financial Disclosures** framework.

- Openreach has set up a **working group** to look at the operational impacts of infrastructure build on nature.

- Openreach has also joined the **UK Business and Biodiversity Forum**.

FY24 and beyond

We aim to embed circularity throughout BT Group through:

- Product design and support

- Network transitions

- Transforming our operations

BT Group Manifesto progress FY23

BT Group Manifesto
Targets and progress FY23

Theme	Ambition/target	FY22	FY23	Status
Environmental	By 31 March 2031, to cut our carbon emissions intensity by 87%, compared to 2016/17 levels[1]	55% reduction	56% reduction	Ongoing
	To maintain the purchase of 100% of our electricity from renewable sources, where markets allow	100%[2]	100%	Achieved
	By 31 March 2031, to reduce our supply chain carbon emissions by 42%, compared to 2016/17 levels	25% reduction	20% reduction	Ongoing
	By 31 March 2031, to be a net zero carbon emissions business (GHG emissions scopes 1 and 2)	179,554 tonnes of CO_2e	180,285 tonnes of CO_2e	Ongoing
	By 31 March 2041, to be net zero for our supply chain and customer carbon emissions (GHG emissions scope 3)	3,135,368 tonnes of CO_2e[3]	3,289,171 tonnes of CO_2e	Ongoing
	By 31 March 2040, we aim to help customers avoid 60m tonnes of CO_2e	779,400 tonnes of CO_2e	935,462 tonnes of CO_2e (1.7m tonnes since 2021)	Ongoing
	Build towards a circular BT by 31 March 2030 and circular tech and telco ecosystem by 31 March 2040	New goal	In progress, refer to p.39 of <u>BT Group Annual Report</u>	Ongoing
Network	By 2026, 25 million homes and businesses will have access to strong, secure, ultrafast full fibre broadband	7.2m premises reached	10.3m premises reached	Ongoing
	By 2026, build full fibre to 6.2m homes and businesses in rural communities (part of the above target)	2m premises reached	3.1m premises reached	Ongoing
	By 2028, our EE 5G mobile network will reach 90% of the UK's geography	New goal	68%	Ongoing
Governance – Ethical business	We'll have no significant[5] fines or non-monetary sanctions, for non-compliance with laws and regulations concerning: a) the environment b) the provision and use of products and services c) the social and economic area	No significant fines or sanctions	No significant fines or sanctions	Achieved
	We'll have no successful health and safety prosecutions or prohibition notices served against the company worldwide	No such prosecutions or prohibition notices	No such prosecutions or prohibition notices	Achieved

[1] Scope 1 and 2 greenhouse gases per unit of gross value added. [2] 99.9% of the global electricity BT consumes is from renewable sources. The remaining 0.1% is where renewable electricity is not available in the market.
[3] Annual historic changes to Scope 3 supply chain emission calculations are a consequence mainly of a switch from a CPI-modelled approach to an 'actual' data approach.
[4] Historic years' numbers may be restated where more up-to-date information has become available e.g. replacing estimates with actual values. [5] We report fines as significant if in excess of £50m.

BT Group Manifesto
Targets and progress FY23 (continued)

Theme	Ambition/target	FY22	FY23	Status
Social - Community	Digital skills: By 31 March 2026, to reach 25m people in the UK with help to improve their digital skills, since 2014/15	14.7m people reached since FY15	19.3m people reached since FY15	Ongoing
Social – Colleague diversity	**Build a diverse workforce through our diversity and inclusion targets:**			
	By 2030, BT Group (excluding Openreach) will have a workforce made up of:			
	▪ Women[1]: 50%	34.9%	34.8%	Ongoing
	▪ Ethnic minority colleagues[2]: 25%	11.9%	13.4%	Ongoing
	▪ Disabled colleagues[2]: 17%	6.9%	8.2%	Ongoing
	By 2030, Openreach will have a workforce made up of: ▪ Women[1] : 13%	10.3%	10.3%	Ongoing
	▪ Ethnic minority colleagues[2]: 10%	9.4%	9.1%	Ongoing
	▪ Disabled colleagues[2]: 6%	6.0%	6.0%	Ongoing
	By 2030, BT Group (total) will have a workforce made up of: Women[1]: 33%	25.7%	25.7%	Ongoing
	▪ Ethnic minority colleagues[2]: 17%	10.8%	11.5%	Ongoing
	▪ Disabled colleagues[2]: 12%	6.5%	7.2%	Ongoing
	Board gender: To maintain that we want 33% of the Board to consist of women	Four out of 11 (36%)	Four out of 12 (33.3%)[3]	Achieved

[1] Global workforce

[2] UK workforce only, due to data limitations, and based on declared data only

[3] This is the position as at 31/3/23. With the appointment of Ruth Cairnie on 6 April 2023, and taking into account the changes to the Board anticipated at the 2023 AGM, this will bring the female membership of the Board to within the targets of the board diversity and inclusion policy of 40% (refer to the Governance section the Annual Report 2023).