



Gender Pay Gap Report

BT Group plc 2019

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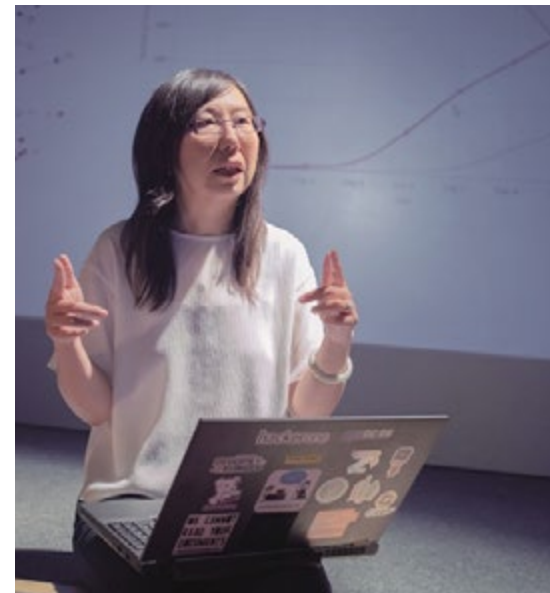
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From our Chief Executive

Philip talks about the gender pay gap

4.8%

Median gender pay gap

4.7%

Mean gender pay gap

¹ ONS 2019 provisional figures indicate that in the telecommunications sector the mean pay gap was 10.1% and median was 12%. The UK national median pay gap was 17.3%.

² See page 3; 'Is a zero gender pay gap possible?'

It's been a year since I joined BT, during which time we have made good progress on narrowing our gender pay gap. We still have more to do, but our overall 2019 median pay gap narrowed to 4.8%, and the mean pay gap narrowed to 4.7%. Both are well below national and industry averages¹, but we won't stop until they are as close to zero as possible².

I'm particularly proud of our female leadership development programme, TechWomen. By the end of 2020, over 2,000 women will have graduated from the course. That's one way that we're encouraging more women to progress into senior roles: developing our female talent.

Since 2017, we've seen the proportion of women in senior management roles increase by seven percentage points to 35%. That is solid progress, but we still need to go further.

We know that diverse companies that reflect the communities they serve are hotbeds of innovation. This is because they encourage different ways of thinking, different approaches to problems, and different ways of working together.

I want everyone at BT to be able to give their best. We're striving to achieve gender balance across BT and closing the gender pay gap is vital to that ambition.

Philip Jansen

Philip Jansen
Chief Executive



Our gender pay gap

About BT

BT is one of the world's leading communications services companies. We help customers in the UK and 180 countries worldwide. Our main activities are the provision of fixed-line services, broadband, mobile, TV and network services.

We sell communications and IT services to around 1.2 million businesses and public sector organisations in the UK and Republic of Ireland and provide network products and services to more than 1,400 communication providers (CPs) operating in the UK.

About the data

This is our third annual Gender Pay Gap Report. It combines data from all of our Group companies across the UK that have 250 or more employees. That's 85,312 people. The report covers BT Group, as well as our subsidiaries BT plc, EE, Plusnet, BT Fleet and Openreach.

The report captures our mean and median gender pay gap, bonus pay gap and the proportion of men and women receiving bonuses at BT. We also calculate the percentage of men and women in the pay quartiles. We've based these calculations on pay data on the 'snapshot' date of 5 April 2019 and bonuses paid over the 12 months before, in line with gender pay gap regulations.

For each legal entity with at least 250 employees, we've included a breakdown of the figures in the Disclosures section at the end of the report.

The numbers in this report have been externally verified.

Openreach separation: The impact on the figures

Openreach is the UK's digital network business. On 1st October 2018, Openreach became Openreach Limited, a separate legal entity and a wholly-owned subsidiary of BT Group.

This year, BT plc's figures have changed as a result of Openreach being legally separated from the rest of BT. Over 30,000 employees transferred from BT plc to Openreach on 1st October 2018. As the majority of the transferred employees were men from the lower pay quartiles, the median and mean figures have changed year-on-year between 2018 and 2019.

The separation has also affected the calculation of bonus pay gap figures. Only the bonuses paid to the correct legal entity could be used in this report. Therefore, as we could only include the bonuses paid to Openreach employees from the date they became Openreach employees (1st October 2018), we could only use six months' worth of bonuses to calculate the figures.

You can find Openreach's Gender Pay Gap Report here openreach.co.uk/annualreview/

The gender pay gap: a quick guide

The median is the middle value of all hourly rates when ranked. That means the amount paid to the employees in the middle of the list when employees are listed in order of pay or bonus.

Why report both mean and median?

The regulations require us to report on both mean and median figures. It's not helpful to just focus on the mean because a small number of high or low paid employees can give you a misleading impression.

The median gives a clearer representation of the gender pay gap.

What are quartiles?

The total number of employees is ranked by each individual's hourly pay rate. The list is then divided into four with an equal number of employees in each, called quartiles. We then calculate the proportion of male and female employees in each quartile pay band.

This information is helpful as it gives us a picture of the distribution of men and women at each broad level within the organisation.

How do we calculate the bonus pay gap?

For the bonus pay gap, we take the total bonuses paid to employees in the 12 months ending 5 April 2019 and work out the mean and median.

Is a zero gender pay gap possible?

Yes, in some organisations it is, though they tend to have a smaller total number of employees in the UK than BT.

We are determined to reduce our gender pay gap and get it as close to zero as we possibly can. And we'll make sure that the actions we take actually address the factors behind our gender pay gap, which are that we have fewer women in senior management positions and fewer women joining our sector.

Why is gender pay gap reporting important to BT?

We believe we will make better decisions if we have a diverse workforce and our employees are representative of the customers we serve. Reporting our gender pay gap is a great way to share learnings with other companies across the UK, and help monitor how men and women are paid, promoted and nurtured within organisations.

Is the gender pay gap the same as equal pay?

No, it isn't.

The gender pay gap is the difference between the total earnings of all women and all men in a company. It is not the same as equal pay, which is a legal requirement to pay men and women the same for doing equal work.

How do we calculate the gender pay gap?

The first step is to calculate an hourly rate of pay, including all the required elements of pay for each employee.

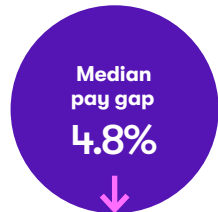
Then we work out the median and mean average for both men and women at all levels of the organisation. The difference between these figures is the 'gap.'

What is the difference between mean and median?

The 'mean' is what is widely described as the average. It involves adding together the pay or bonuses of employees and then dividing by the number of employees.

BT's figures 2019

Our pay gap



(the gap has narrowed this year, 2018: 5.0%, 2017: 4.7%)



(the gap has narrowed this year, 2018: 5.9%, 2017: 6.9%)

Why has our gender pay gap narrowed?

Our gender pay gap has narrowed this year.

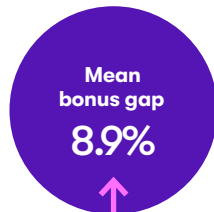
That's because men and women at BT (as two collective groups) are moving closer to receiving the same amount in average pay. This shows that more women are moving into higher-paid roles, balancing the spread of men and women across the company, from top to bottom.

Compared to 2018, the average hourly pay (both mean and median) for women at BT increased, which has reduced the gender pay gap.

Our bonus gap



(the gap has widened this year, 2018: -7.9%, 2017: 20.8%)



(the gap has widened this year, 2018: 5.9%, 2017: 28.6%)

Why has our bonus pay gap widened?

Our bonus pay gap has widened this year compared to 2018. However, as bonus payments are so variable, it is not unusual for the bonus pay gap to get narrower or wider year-on-year.

In addition, this year's figures only include partial payments for Openreach, as mentioned earlier in the report.

Bonus proportion



(2018: 74.3%, 2017: 70.2%)



(2018: 70.4%, 2017: 55.8%)

Why are fewer people receiving a bonus?

As Openreach was only a legal entity for six months of the reporting period, we have only been able to capture bonuses paid to Openreach employees for one half of the year. This impacts our consolidated figures.

Overall pay distribution

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

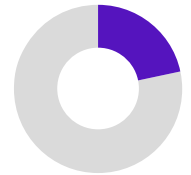
Upper quartile

Women
22.2%
Men
77.8%



Upper middle quartile

Women
21.9%
Men
78.1%



Lower middle quartile

Women
16.5%
Men
83.5%



Lower quartile

Women
33.8%
Men
66.2%



● Women ● Men

Had the Openreach separation not occurred, the BT Group median and mean pay gap figures would remain as reported, but the median and mean bonus gap figures would be 11.2% and 9.1%, respectively.

Narrowing the gap

Why do we have a gender pay gap at all?

Although our gender pay gap is below the UK's national and industry averages¹, we're determined to keep reducing it.

Two main factors drive our overall gender pay gap:

1. We have fewer women than men at more senior and leadership levels.
2. We have fewer women working across all levels of our organisation because they are underrepresented in technical and engineering jobs.

We employ over 85,000 people in the UK. We know it'll take a number of years to increase the proportion of women working at BT. In 2019, a quarter of our workforce were women (24.6%).

Women in senior leadership and senior management

This year, we've refined the way we distinguish our senior leadership and senior management populations. We now capture our SLT and SMT populations by reporting line instead of by grade.

To draw accurate conclusions about how we have progressed against our 2020 ambitions, we've applied the same parameters to last year's and 2017's figures. This has resulted in some minor adjustment to the numbers, as noted on this page.

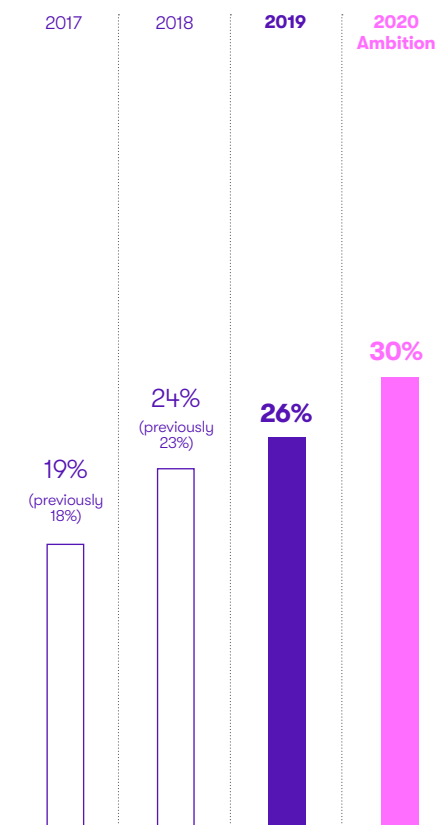
We're encouraged by the progress we've made towards our 2020 ambition to have greater female representation at more senior levels.

The national context

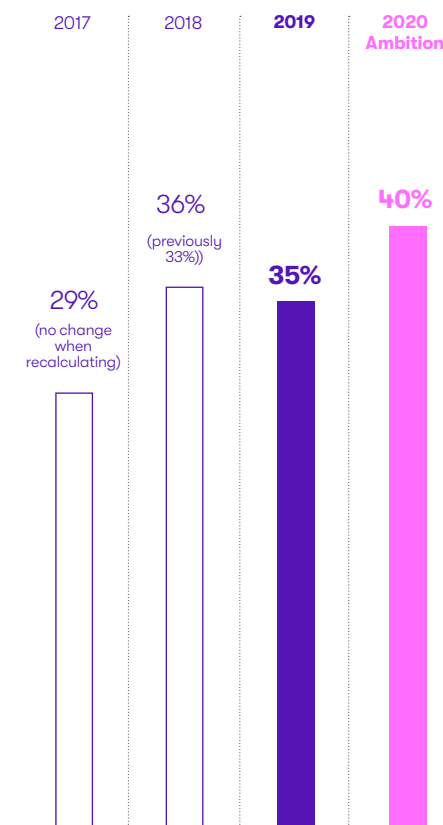
Getting more women into science, technology, engineering and maths (STEM) roles is a nationwide issue, and we have ambitious plans in place to increase and retain the number of women working at BT. In 2018, 22% of people working in STEM were women. By addressing this imbalance, we can drive lasting change within the sector.

We know that we have work to do to address the drivers of our gender pay gap and we're encouraged by the recognition we have received so far. In 2019, we were listed again by The Times as one of the UK's Top 50 Employers for Women, and by the Financial Times as a global Diversity Leader.

Percentage of women in the senior leadership team (report to Executive Committee)



Percentage of women in the senior management team (report to senior leadership team)



¹ ONS 2019 provisional figures indicate that in the telecommunications sector the mean pay gap was 10.1% and median was 12%. The UK national median pay gap was 17.3%.

Recruiting more women at all levels

How we addressed our gender pay gap drivers in 18/19.

We have several programmes for women working at BT:

TechWomen

- In 2019, our popular, award-winning **TechWomen** programme mentored 760 women. This year, we're on course to achieve a milestone – we're aiming to reach 2,000 women through the development programme.
- After listening to feedback from women on the programme, we realised that people need different types of support at various stages of their career. So we split the course into two streams: one for those who are just starting their careers, and another for those who are further along the career path.
- This leadership development programme, designed specifically for women working in key commercial, operational or technical roles, offers a year-long programme across the globe, focusing on:
 - creating an inclusive environment where women can thrive
 - developing core skills that women tell us are important to them, such as improving confidence, managing conflict, networking, and commercial/financial acumen
 - building a network of role models and mentors who go on to support women at all levels in the organisation
 - nurturing ambassadors for technology (our TechWomen speak at external events, volunteer at STEM workshops, and give their time to our Skills for Tomorrow programmes)

What did our TechWomen tell us after last year's programme?

97%

said they felt confident in driving their career

94%

said they'd recommend the programme to others

93%

said they felt confident when networking

91%

said it met their development needs

67%

said it directly helped them secure a bigger role

Recruiting more women at all levels continued

STEM Returners

In 2016, we began piloting a 13-week placement for people who had previously worked in STEM careers and wanted to get back into the sector. The programme helps build confidence and refresh skills. Since we started piloting the scheme, we've helped 77 STEM returners get back into our sector and we're increasing the number of placements we offer.



30% Club

We're proud to be signatories of the **30% Club** again this year, which is a campaign to increase the number of women on boards, so they make up at least 30 per cent.

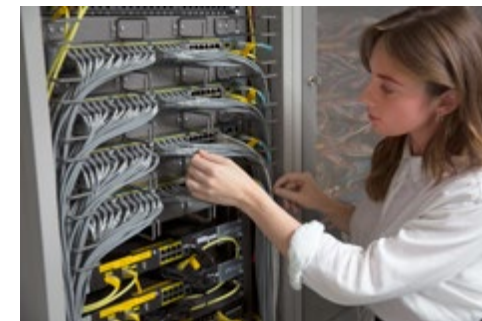
In April 2019, 27% of our board were female (three female members out of eleven). This increased to 33% in July 2019 when Leena Nair was appointed. Jasmine Whitbread stepped down from our Board in December 2019, so the number of female board members is currently 27%. We are committed to again having a board which is at least 33% female by the end of 2020.

Programmes for young people



"furtHER" – Last year, we launched a partnership with Code First Girls to help women from non-STEM backgrounds develop their coding skills. The four-month programme has been instrumental in teaching women to code and help them move into software roles that may have been closed to them.

Programmes for graduates



Step into STEM – We're in the final year of a five-year partnership with **Step into STEM**. As part of this, we joined forces with Girls Talk London, which offers career development advice and mentoring to young women. Every year since the partnership began, we've worked with 10 female sixth form students who are interested in a career in STEM. A one-to-one mentor from BT supports a student as they apply to university. During the five years we've been supporting this initiative, we've mentored 50 young women, who have gone on to apply for degrees in STEM subjects.



We are in our fourth year of working with the Institution of Engineering and Technology's (IET) **Diamond Jubilee Scholarship Programme**, which gives financial and practical support to 75 of the UK's brightest engineering and technology students. The programme encourages female participation by guaranteeing at least half of the places to female students.

What next?

What are we doing differently in 2020 and beyond?

Our Skills for Tomorrow programme is designed to empower

10 million people
of all ages



Research-driven approach

We know it's crucial to base everything we do in diversity and inclusion on evidence. Drawing on research from around the world, including the latest findings in behavioural science, is essential to discover what works and what doesn't when advancing diversity and inclusion.

To pinpoint what's driving real and sustainable change, we've commissioned research into organisational behavioural change. We expect this research to provide insights that will improve diversity and inclusion practice around the world, and give the best outcomes for our people and customers.

Skills for Tomorrow

We have made a long-term commitment to building a culture of tech literacy for the next generation so that young people – both girls and boys – can thrive in a digital world and step up to future jobs.

Our Skills for Tomorrow programme is designed to empower 10 million people of all ages, by giving them the skills they need to flourish in the digital future. We aim to reach five million young people by 2025 as part of that overall ambition.

Skills for Tomorrow focuses on crucial points in young people's lives, kick-starting their digital skills journey as soon as they start school while also providing support for 18-24-year-olds. In the UK, more than 500,000 highly-skilled digital workers will be needed by 2022, but STEM roles have historically been overwhelmingly male-dominated. The looming skills shortage can only be addressed by ensuring that girls are encouraged to take up, enjoy and pursue STEM subjects from a young age.

Initiatives such as our flagship Barefoot Computing programme in primary schools, and the Work Ready programme for 18-24-year-olds, are already well established. Barefoot has reached more than two million children through 70,000 teachers to date and aims to provide training for a further three million children by 2025. The focus on girls has been given extra weight by the casting of 11-year-old Poppy, a keen coder and STEM enthusiast, as the face of our new Beyond Limits ad campaign.

Skills for Tomorrow will also help young people at home by providing new training, resources and activities for families, giving parents and children more confidence in using digital tech and helping to bring digital skills thinking into the home.

Everyone is different

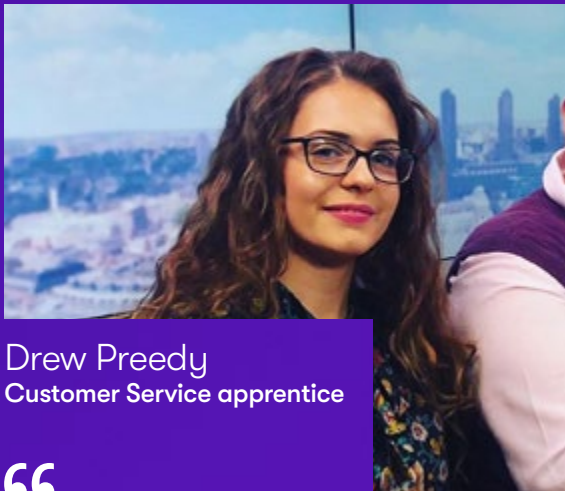
We know that there is a huge diversity among women, and we understand how important it is to have accurate data about the different people working in our organisation. This data allows companies like us to conduct an evidence-based analysis of their experiences across the colleague lifecycle.

- In 2020, we'll be encouraging all our people to provide us with their demographic information to allow for greater levels of analysis. This means we'll also be able to look at intersectionality between gender and other protected characteristics: age, sexual orientation, marital status, disability, religion, ethnicity, and pregnancy, for example.
- Our aim is simple: we want to make sure our plans are designed for the different experiences women have because our identities are about more than gender.
- We know that our people must reflect the diversity of our customers around the world. And we know that the variety of experience and cultures people from different walks of life bring with them make us a more creative and innovative company.
- We welcome and support everyone through our People Networks, which include gender equality, neurodiversity, ethnicity, LGBT+, disability, armed forces, faith and carers' networks. Creating an environment where everyone can be heard and contribute to making BT an inclusive and open place to work is really important to us.

We'll keep holding ourselves to account

- We make sure we're reaching ambitions at quarterly reviews. This means looking at trends in the people we've hired, who's left the business, and promotions, as well as performance ratings, pay and bonus decisions.

Meet BT's women



Drew Preedy
Customer Service apprentice

“

When I finished school, I really didn't know what I wanted to do. I didn't have any GCSEs and wasn't suited to traditional education – I just never settled into it. I reached out to The Prince's Trust, and they put me in touch with BT. I started looking at their apprenticeship schemes and found a different career path that suited me.

I started a Level Two apprenticeship as a Customer Service Practitioner last year and haven't looked back. I'm learning on the job and getting stuck in wherever I can. My managers are supporting me every step of the way, and there are so many senior women around me that I look up to. Gender doesn't matter at BT – if you're ambitious and work hard, there are no limits!”

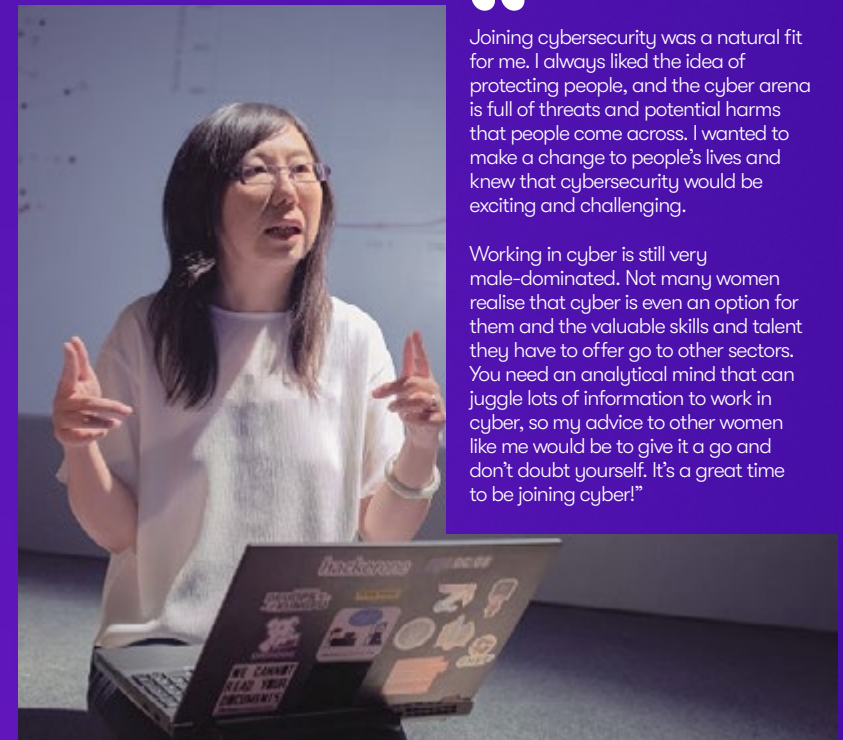


Pauline Narvas
Graduate on the Digital Engineering grad scheme

“

I did a biomedical science degree and used to build websites as a hobby. I have always loved technology and been passionate about coding, so when I saw the Digital Engineering grad scheme at BT, I fell in love! The grad scheme was perfect for me because it combined my passion with a career.

The grad scheme has really helped me grow. A year ago, I had very little confidence, and I didn't know what I was doing. But on the grad scheme, I've come out of my shell, and I am going beyond limits. My team is so diverse; my colleagues are in Belarus, Belfast, Russia and the UK... everywhere. It's shown me that coding is creative, innovative and flexible, and a space that women flourish in.”



Xiao-Si Selina Wang
Research Manager
Threat/Malware Modelling & Simulation

“

Joining cybersecurity was a natural fit for me. I always liked the idea of protecting people, and the cyber arena is full of threats and potential harms that people come across. I wanted to make a change to people's lives and knew that cybersecurity would be exciting and challenging.

Working in cyber is still very male-dominated. Not many women realise that cyber is even an option for them and the valuable skills and talent they have to offer go to other sectors. You need an analytical mind that can juggle lots of information to work in cyber, so my advice to other women like me would be to give it a go and don't doubt yourself. It's a great time to be joining cyber!”

Disclosures

BT Group combined data - at a glance

BT Group plc has five Group companies in UK with at least 250 employees.

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

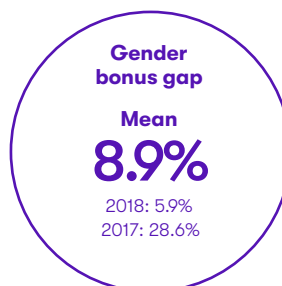
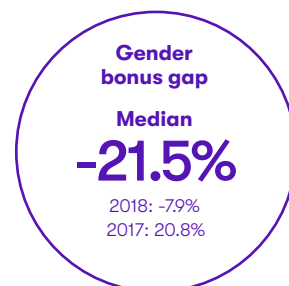
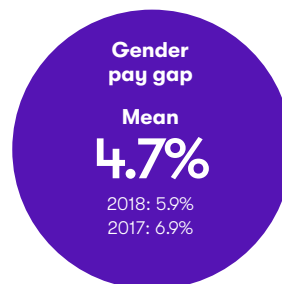
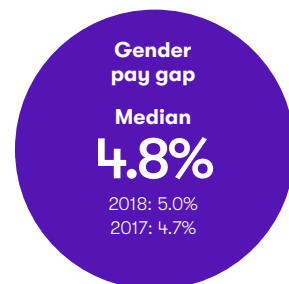
Had the Openreach separation not occurred, the BT Group median and mean pay gap figures would remain as reported, but the median and mean bonus gap figures would be 11.2% and 9.1%, respectively.

Individual Group company disclosures can be found on the following pages:

British Telecommunications plc	p11
Openreach Limited	p12
EE Limited	p13
Plusnet plc	p14
BT Fleet Limited	p15

Number of employees
(April 2019)

85,312*

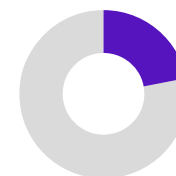


Proportion of employees in each pay quartile

Upper quartile

Women
22.2%

Men
77.8%



Upper middle quartile

Women
21.9%

Men
78.1%



Lower middle quartile

Women
16.5%

Men
83.5%



Lower quartile

Women
33.8%

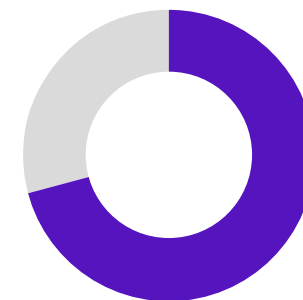
Men
66.2%



● Women ● Men

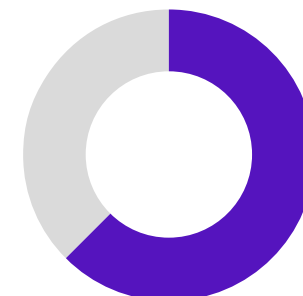
Proportion of employees receiving bonus

Women receiving a bonus
70.9%



Men receiving a bonus

62.6%



● Bonus ● No Bonus

* The BT Group combined data includes six executives contracted to BT Group plc.

Disclosures continued

British Telecommunications plc

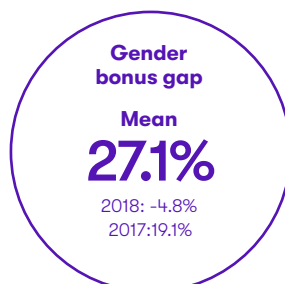
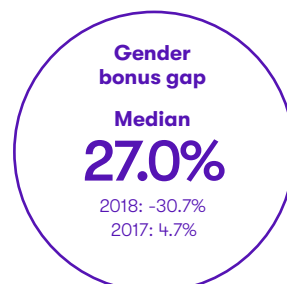
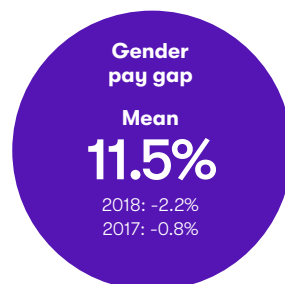
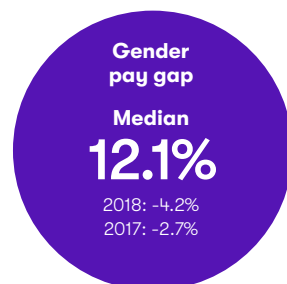
This year, BT plc's figures have changed as a result of the completion of our work to legally separate Openreach from the rest of BT. Over 30,000 employees transferred from BT plc to Openreach on 1st October 2018. As the majority of the transferred employees were men from the lower pay quartiles, the median and mean figures have changed year-on-year between 2018 and 2019.

British Telecommunications plc (BT) is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange.

Had the Openreach separation not occurred, the BT plc median and mean pay gap figures would be -4.8% and -2.0%, respectively, and the bonus gap figures would be -5.0% and -4.0%, respectively.

Number of employees
(April 2019)

39,256



Proportion of employees in each pay quartile

Upper quartile

Women
24.7%

Men
75.3%



Upper middle quartile

Women
24.0%

Men
76.0%



Lower middle quartile

Women
39.4%

Men
60.6%



Lower quartile

Women
39.1%

Men
60.9%

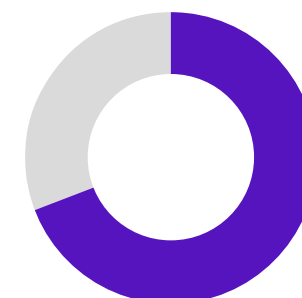


● Women ● Men

Proportion of employees
receiving bonus

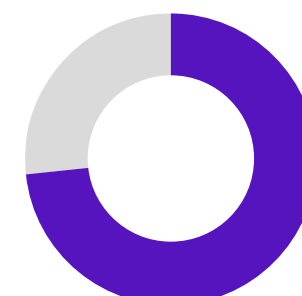
Women receiving a bonus

69.4%



Men receiving a bonus

73.4%



● Bonus ● No Bonus

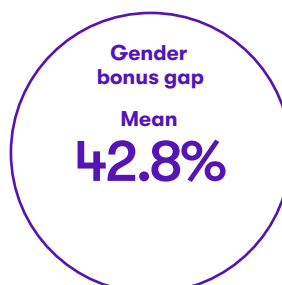
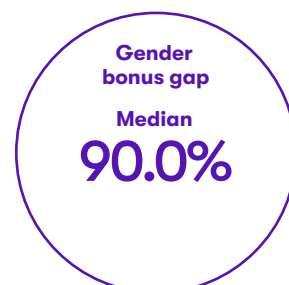
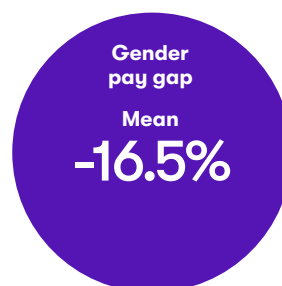
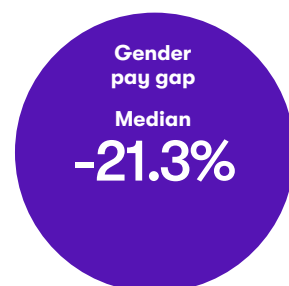
Disclosures continued

Openreach Limited

Openreach is the UK's digital network business. On 1st October 2018, Openreach became Openreach Limited, a separate legal entity and a wholly-owned subsidiary of BT Group.

Number of employees
(April 2019)

32,710



Proportion of employees in each pay quartile

Upper quartile

Women
15.6%

Men
84.4%



Upper middle quartile

Women
7.7%

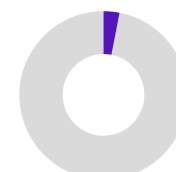
Men
92.3%



Lower middle quartile

Women
3.2%

Men
96.8%



Lower quartile

Women
5.3%

Men
94.7%



● Women ● Men

Proportion of employees
receiving bonus

Women receiving a bonus

38.3%



Men receiving a bonus

45.8%



● Bonus ● No Bonus

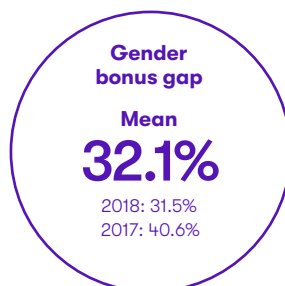
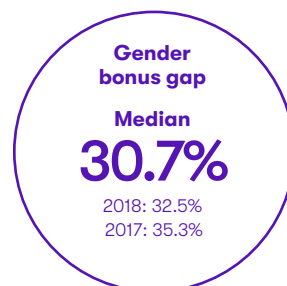
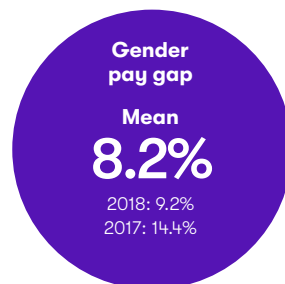
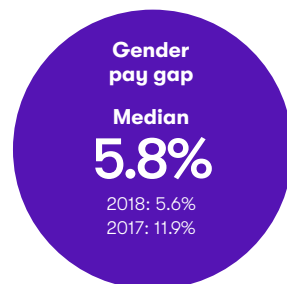
Disclosures continued

EE Limited

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

Number of employees
(April 2019)

10,852



Proportion of employees in each pay quartile

Upper quartile

Women
34.2%

Men
65.8%



Upper middle quartile

Women
43.3%

Men
56.7%



Lower middle quartile

Women
47.1%

Men
52.9%



Lower quartile

Women
50.5%

Men
49.5%

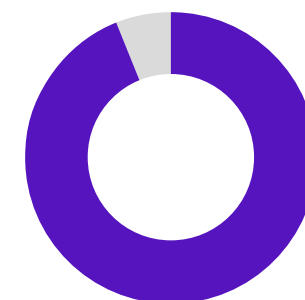


● Women ● Men

Proportion of employees receiving bonus

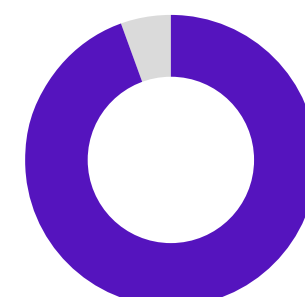
Women receiving a bonus

94.1%



Men receiving a bonus

94.5%



● Bonus ● No Bonus

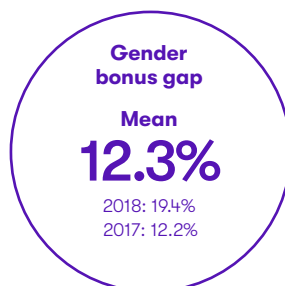
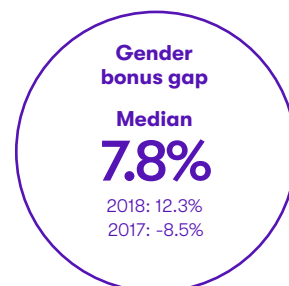
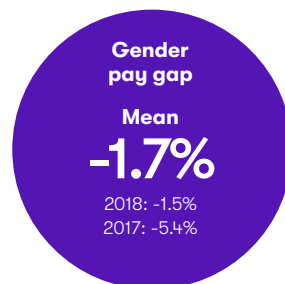
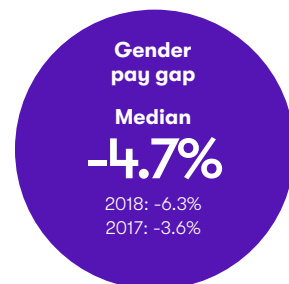
Disclosures

Plusnet continued

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

Number of employees
(April 2019)

1,606



Proportion of employees in each pay quartile

Upper quartile

Women
26.5%

Men
73.5%



Upper middle quartile

Women
31.4%

Men
68.6%



Lower middle quartile

Women
22.8%

Men
77.2%



Lower quartile

Women
28.5%

Men
71.5%

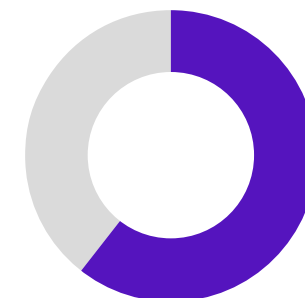


● Women ● Men

Proportion of employees receiving bonus

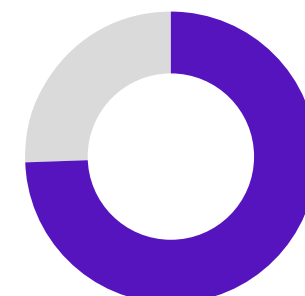
Women receiving a bonus

60.8%



Men receiving a bonus

74.7%



● Bonus ● No Bonus

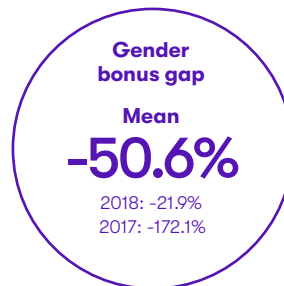
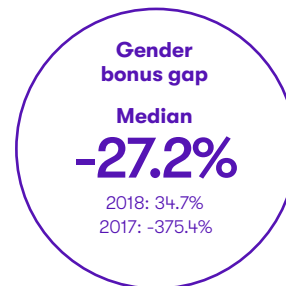
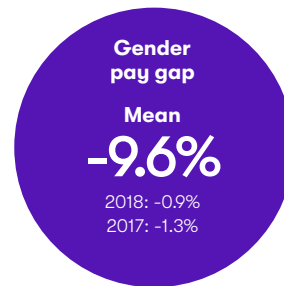
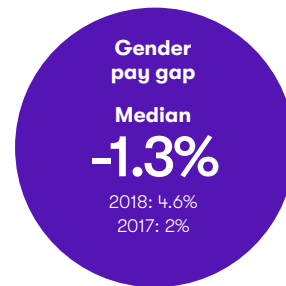
Disclosures continued

BT Fleet Limited

* BT Fleet was sold on 5 August 2019. This is the last year that BT will report on its figures.

Number of employees
(April 2019)

882*



Proportion of employees in each pay quartile

Upper quartile

Women
20.3%

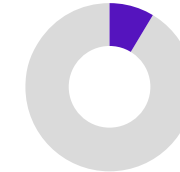
Men
79.7%



Upper middle quartile

Women
8.8%

Men
91.2%



Lower middle quartile

Women
13.3%

Men
86.7%



Lower quartile

Women
13.3%

Men
86.7%



● Women ● Men

Proportion of employees
receiving bonus

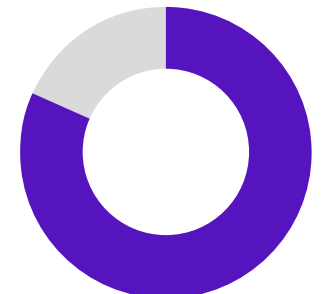
Women receiving a bonus

40.2%



Men receiving a bonus

81.9%



● Bonus ● No Bonus



British Telecommunications plc

Registered office:

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Registered in England and Wales No. 4190816

Produced by BT Group plc

www.btplc.com