

Employees

Better World
BT's Social & Environment Report



Employees

BT employs 104,700 people around the world, of whom 96,300 are in the UK. This makes us one of the UK's largest employers, working and living at the heart of society.

Our approach is defined by a responsibility to act fairly towards our people, value their contributions and enable them to achieve their full potential.

To make a positive difference to employees' lives we have to help them develop professionally while respecting their other commitments – to themselves, their families and the wider community.

We believe this to be in the best interests of our employees, of society and of our business.

In this section of the site we describe the structures, policies and practices that underpin this approach.

Employment

We want to attract, develop and motivate the best people. In this section we set out our approach to recruitment, retention, education and the work-life balance.

Employee relations

We believe that good employee relations are vital to a strong, healthy and successful company. In this section we set out our approach to employee consultation, dialogue and communication, including our annual employee survey and our relationship with trade unions.

Equality and diversity

We seek to create a working environment that is open, honest and unprejudiced and which encourages people to reach their full potential. We want to create and sustain a diverse workforce where everybody's contribution counts.

In this section we set out our approach to equality and diversity issues such as gender, age, ethnic minorities and people with disabilities.

Learning and development

We seek to provide opportunities for personal growth and professional development. To achieve this we actively encourage learning and development in all our people.

In this section we set out our performance and development framework, including our BT Academy and Investors in People accreditation.

Pay and benefits

We recognise that if BT is to continue to recruit and retain the best talent, the benefits package that we offer has to remain competitive.

In this section we set out our approach to employee benefits, equal pay and pensions.

Health and safety

We intend to achieve the highest standards of health and safety right across BT and promote a healthy lifestyle. We aim to create a culture in which the protection of health and the promotion of safety are integral to all our commercial activities.

Employment

In this section we set out BT's approach to:

- Recruitment
- Education
- Retention
- Work life balance

Recruitment

BT is a major recruiter, taking on thousands of new people each year – and we need to be sure that we attract, select and retain the best.

During the 2003 financial year we recruited 189 new graduates, 196 modern apprentices and 4,421 other new entrants.

Also during the 2003 financial year, as part of our continuing programme to reshape BT, 7,393 people left BT voluntarily, by leaver payments or voluntary redundancy.

BT also actively supports the UK government's New Deal scheme for the unemployed. Between its launch in 1999 and April 2003, we had provided 456 New Deal opportunities.

Diversity

It is critical that our people reflect the diversity of our customers and are able to contribute fully to meeting their ever changing needs. To achieve this we work with a wide range of employment agencies, universities, schools and college careers offices to ensure that they understand the wide variety of jobs available in BT and the diversity of people we welcome into our business.

For example, representatives of BT's diversity networks attend careers fairs to promote BT as a place to work. These efforts – which have focused predominantly at the graduate level – are reflected in our recruitment diversity figures for the 2003 financial year:

- 12.7% of our new recruits came from an ethnic minority background – including 26% of new graduates and 7.8% of modern apprentices. This compares to 8.6% of BT's overall workforce who are from a visible ethnic minority background.
- 32.1% of our new recruits were women – including 42.3% of new graduates and 17% of modern apprentices, compared to 23.6% of BT's overall workforce.
- 0.4% of our new recruits had a disability as defined by the UK Disability Discrimination Act (DDA) – including 4.8% of new graduates and 1.6% of modern apprentices, compared to 2.0% of BT's overall workforce.

These figures do not include those people who work in our subsidiaries – around 10,932 of our overall workforce of around 104,687.

We are very encouraged by these figures, which illustrate that our proactive approach to equality and diversity is beginning to pay off in the profile of our company.

Education

To ensure a good supply of talent we are actively involved in encouraging young people into higher education, especially in information and communications technology (ICT) subjects.

We support the Oxford Access scheme, which provides science summer school places for students from inner city and ethnic minority backgrounds seeking university places.

We also offer hundreds of undergraduate placements each year.

We are particularly concerned to encourage more women into ICT work. We actively support UK government initiatives to encourage women into work and support the annual 'Take our Daughters to Work' day when daughters and sons experience working life in occupations not traditionally taken up by their gender.

To help address Europe's continued shortage of people with good ICT skills, BT co-chairs the Career Space consortium, a public/private partnership to encourage participation in ICT, particularly from women. We have also worked with 25 European universities to develop and launch new ICT job profiles and curricula guidelines – available at www.career-space.com.

Retention

Attracting the best people is one task for companies – keeping them is another. Our experience is that being as flexible as possible and providing continuous learning opportunities in an environment of exciting, challenging teamwork pays real dividends.

Career development

There are many ways of developing a career in BT. As well as taking on challenging tasks during day-to-day activities, buddying, mentoring, job shadowing and secondments all take place on a regular basis.

Formal development such as the Management Insight programme enables team members to explore their skills and develop plans for the future.

Regular monthly meetings and annual development reviews provide two-way communication for individuals and their managers.

Our NewStart initiative provides a comprehensive toolkit to enable all our employees to plan for, react to and deal constructively with career changes.

There are many opportunities for promotion within BT and competition is fierce. We have a centralised application system and an online Job News facility.

See Also:

- Learning and development section

Work-life balance

Because we want to provide a high quality service for our customers, the working day for many BT employees extends beyond normal hours.

Reconciling good customer service with the provision of a healthy work-life balance for our employees is one of our great business challenges.

We are striving to get this balance right and believe that our record is good – for example, we won the 2001 Parents at Work/DTI/Lloyds TSB Employer of the Year award, in both the 'overall' and 'large employer' categories. These awards recognise employers who actively encourage their employees to balance work and home-life more effectively.

However, we also recognise that there are still too many cases where the balance is not as we would like it to be. The challenge ahead is to promote best practice across the whole of BT.

We have a comprehensive set of work-life balance initiatives in place and are actively promoting the importance of a healthy work-life balance in the wider community.

Work-life balance in practice

All our work-life balance policies have been pulled together in one portfolio called 'Achieving the Balance'. These policies cover flexible working, home-working, part-time working, job sharing, maternity and paternity leave, adoptive leave, parental leave, special leave and leave for carers.

At March 2003, we had 6,161 part-time employees and 6,640 home-workers. Moreover, through the innovative use of communications technology many BT people are able to work flexibly whilst not being formally recorded as home-workers.

We have a flexible working initiative called 'Freedom to Work', which enables our people, wherever operationally practicable, to develop their own attendance patterns.

For example, they can achieve more balance through a mix of home-working, working long and short days, and by accruing blocks of non-working time for use during, for example, school holidays.



Moreover, flexibility in attendance patterns and place of work is hugely inclusive, opening opportunities for people with disabilities, caring responsibilities and people returning to work after a career break.

Initiatives

BT shares its experience and expertise through participation in a number of internal and external initiatives, including:

- Membership of Employers for Work-Life Balance, a group of major employers committed to encouraging and sharing work-life balance best practice.
- Sponsoring Work-life Balance week. A number of high profile events have been held around the country in collaboration with the Work-Life Balance Trust.
- Internal BT events under the theme 'Agile Business – Balanced Life' to generate employee participation in assessing our achievements and identifying new challenges in promoting a healthy work-life balance.
- Chairing the Lone Parent Task Force, upon invitation from UK Chancellor of the Exchequer Gordon Brown. The group aims to break down the many barriers lone parents face in taking up formal employment. Our CEO Ben Verwaayen chaired the task force, which has now delivered its conclusions to the Chancellor.

Working parents

During 2002, we invited the campaigning organisation Parents at Work to conduct a strategic review of our Work-Life Balance policies. Whilst providing a positive endorsement of BT's activities, Parents at Work made a number of suggestions which we have acted upon:

One specific outcome was the suggestion that we gain Tommy's Pregnancy Accreditation, which we have since committed to attaining during the 2004 financial year. To gain accreditation we will need to demonstrate that we meet the criteria for creating a supportive working environment for pregnant employees.

In March 2003, a pilot to help parents save for their childcare costs was started. BT Childcare Salary Direct is a unique childcare employee benefit scheme used to pay for all types of approved childcare. We will be evaluating its success during the 2004 financial year.

Parental Leave

In February 2003, we made significant improvements to Maternity, Paternity and Adoptive leave for parents with children born after 6 April 2003. We continue to offer parental leave benefits that are far greater than those required by law and, in line with our approach to inclusivity, all these benefits are available to same sex relationships.

Our new enhanced maternity leave provides 18 weeks' basic pay and regular allowances (excluding overtime) followed by eight weeks at half pay, lower rate Statutory Maternity Pay or £100 per week, whichever is the greater, followed by 26 weeks at £100 per week.

Paternity leave is now two weeks at full pay and two weeks unpaid leave, to be taken within 56 calendar days of the birth of the child.

See also:

- EASE Awards <http://www.qefd.org/EASE%20AWARDS/default.htm>
- Parents at Work <http://www.parentsatwork.org.uk>
- Employers for Work-Life Balance www.employersforwork-lifebalance.org.uk

Employee relations

We believe that good employee relations are vital to a strong, healthy and successful company. In this section we set out our approach to:

- Our annual employee survey
- Our relationship with trade unions
- The European Consultative Works Council
- Employee communications
- Self motivated teams
- Call centres

Employee Survey

BT runs a number of formal employee surveys, the most important being the annual Communications and Attitude Research for Employees (CARE) survey.

This survey is an opportunity for all our people to express their views and opinions on a range of issues at local, divisional and company level.

Towards the end of 2002, everyone in BT was given the opportunity to complete a CARE survey during the working day and with guaranteed anonymity. More than 78% of BT people completed the survey.

People satisfaction index

A key measure within CARE is the 'People Satisfaction Index', which we use as an indication of the overall satisfaction of employees with their working life in BT. The Index is created by grouping a number of questions together and averaging the responses.

The 'People Satisfaction Index' for 2002 was 67%, the same as 2001 and a 2% improvement on 2000. Broadly speaking we feel this indicates that our employees continue to feel committed and satisfied with working for BT. These scores are particularly encouraging given the scale of the changes that have taken place at BT over the past two years.

We have now established the 'People Satisfaction Index' as one of our ten non-financial key performance indicators and have set the strategic target to increase the score to 69% by March 2004.

Comprehensive CARE survey results going back to 1999 are available in the Data and Targets section of this site, including a list of the questions that make up the People Satisfaction Index.

The CARE survey does not cover around 4,200 BT employees that make up Syntegra, part of BT Global Services.

Action

All managers with teams of eight or more people receive individual CARE feedback reports. This enables them to monitor the impact of their decisions and review their management style.

Managers are encouraged to work with their teams to analyse CARE feedback and to formulate and carry out action plans. These are monitored through the normal line management structure of meetings.

We often carry out smaller-scale surveys or run focus groups to determine our people's attitudes towards specific circumstances and to measure the impact of policies and practices on our people, especially at times of change.

Trade unions

In the UK, BT recognises two trade unions: the Communications Workers Union (CWU), which represents over 65,000 BT non-management grades (46), and Connect, which represents around 16,000 BT people, predominantly line managers and professionals.

The CWU is the biggest union for the communications industry in the UK, with around 300,000 members working for the Post Office, BT and other telephone companies, cable TV, the Alliance & Leicester and Girobank. Their members' expertise includes engineering, computing, clerical, mechanical, driving, retail, financial and manual skills.

Connect is a specialist union run for and by managerial and professional people. Representing junior managers and professionals, Connect works with BT to improve the terms of employment for these members and to manage change effectively.

We maintain a positive working relationship with both unions at local and national levels.

Managers are expected to consult their employees and relevant trade union officials prior to implementing significant change. The unions have a track record of co-operating with change over the last decade, and very few days have been lost through industrial action.

In the 2003 financial year, no days were lost through industrial action and there have been no instances of legal action taken against BT concerning anti-union practices.

BT also has a grievance procedure which provides all our employees with an effective escalation process through which to appeal against certain management decisions. This procedure is available to all our employees in every country in which we operate.

The number of Employment Tribunal Cases involving BT this year was down to 57 from 105, with 26 withdrawn, one judged against BT, 15 settled and eight judged in favour of BT.

The outcome of each case is analysed by the management team involved, and wider learning points are reviewed within the appropriate policy group.

Employment Tribunal Case data going back to 1999 is available in the Data and Targets section of this site.

BT European Consultative (Works) Council

BT runs a European Consultative (Works) Council which provides a six-monthly opportunity for trans-national dialogue and exchange of views between management and employee representatives. It includes representatives from both our UK and continental Europe operations, irrespective of whether a particular country is a member of the European Union.

We believe that the interests of the business – and the welfare of all those involved in it – are best served by there being a common understanding of our performance, operating environment and market places.

BTECC focuses principally on the performance and overall strategy of the BT group, on jobs and employment plans, and on the commercial and regulatory factors impacting its operations. Other relevant trans-national employee issues such as training, health, safety and the environment may be included.

BTECC is chaired by the BT chief executive and attended by other senior executives. Employee representatives are drawn from and represent employees from BT's operations across Europe. Participants are chosen according to national practice and as laid down in the legislation in each country. The company and its employee representatives aim to ensure that the company's equal opportunities policies are reflected in their selection.

Representatives serve on the Council for a period of two years to provide continuity and depth of understanding.

BTECC meets twice a year – normally within three months of the announcement of the group's annual results. In exceptional circumstances, the Chairman may convene an extraordinary meeting.

Employee communications

Our people are crucial to our reputation and success. They are our ambassadors and our public face – not only while on BT business, but out of hours too.

So it's essential that our people are all motivated and supportive of BT. This means keeping everyone fully up-to-date and involved in what the company is doing. Equally, our people need to have a voice, to have their views listened to and their ideas acted upon.

The BT Strategy

Since May 2002, we have been running Strategy Action Meetings (SAMs) with the objective of communicating BT's strategy and engaging employees in dialogue around strategy implementation.

Meetings were held in 67 locations across the UK and 16 locations outside the UK, and more than 3,200 people attended from all levels in BT.

At these meetings a BT manager sets out the strategy and progress to date; delegates are asked to consider potential barriers to implementation and suggest solutions.



Typically a SAM will have about 18-20 delegates, with representation from all Lines of Business and from a range of grades. Comments are noted anonymously and then collated on a monthly basis for our CEO Ben Verwaayen and the BT Management Council.

Topic-specific reports are also produced and taken to senior managers with functional responsibility for that topic.

The findings are being shared with ever-increasing numbers, and work is progressing to ensure that solutions are considered by the most appropriate part of the organisation.

Communication channels

We communicate through a variety of channels:

- The BT intranet, one of the largest in Europe and available to over 100,000 people.
- BT Today, our in-house newspaper, is sent to more than 184,000 employees, pensioners and opinion formers each month. Described as 'the glue that holds BT together' it makes sense of everything that's going on within the company for employees and their families.
- Newsdesk, the BT Today intranet news site, is available to everyone in BT who is online. As well as a constant flow of news about BT and the industry, the site also publishes information to help people do their jobs and covers media comment, features and employee opinion.
- Talking Point – part of the BT Today Newsdesk – offers a forum for employee opinion, feedback and debate on important topics such as bullying, driving safety and broadband.
- BT Newline, a telephone news service, attracts thousands of calls a month.

Self Motivated Teams (SMT)

BT Retail has around 13,000 'field service' engineers, coaches and work administrators.

"Self Motivated Teams" is a new bonus and incentive-based system – currently operating with around 5,000 field service participants – being implemented to reward improved performance and customer service.

Participation in the system is voluntary, does not affect basic pay and avoids reliance on overtime.

The system focuses on four areas of measurement of work at individual and team levels – such as a quality performance measure based on 'real life' quality as experienced by our customers.

The various trial phases of the scheme have delivered both customer and business benefits through improved service quality. It has also rewarded employees through the payment of bonuses for their increased performance.

Despite the initiative being developed in close co-operation with the Communications Workers Unions (CWU), the proposal for contractual implementation of the scheme was rejected at a special CWU conference.

The contractual element of the scheme has since been withdrawn by BT and participation remains voluntary. We will be making no moves towards contractual implementation without agreement from the CWU.

Call centres

We are currently undertaking a comprehensive restructuring of our call centre operations.

Our 'Next Generation Contact Centre' programme involves the transformation of our original 104 call centre sites into a slimmed-down network of larger, multi-functional contact centres.

The programme is primarily designed to achieve the twin goals of reducing costs and providing improved customer service – for example, by providing a range of services for residential and small business customers without their being transferred from one call centre to the next.

The 33 Next Generation Contact Centre sites will benefit from excellent working environments and leading edge technology.

However, the programme does involve the closure of 57 call centres over a two-year period, resulting in significant changes for a large number of employees.

The overall net effect on BT and agency jobs by the end of the two-year project is expected to be a reduction of 2,200 full-time equivalent posts – reducing the number of full-time equivalent posts in BT's call centre operations to around 13,600.

There will be no compulsory redundancy and we are committed to finding alternative work for every affected person that wishes to remain in BT. More than 2,000 people are being redeployed to other jobs.

More details of support provided by BT to employees during times of change are provided in the New Start section of this site.

India

Two of the new call centres will be located in Bangalore and New Delhi in India. This arrangement will ensure that BT is able to compete economically in the recently deregulated directories market.

The Delhi and Bangalore call centres will initially employ around 500 people by the end of the March 2003, rising to approximately 2,200 by March 2004.

Owned by two suppliers but managed by BT people, the call centres will handle parts of BT's directories and conferencing work and operate to the same blueprint as facilities in the UK.

However, it has been suggested in the media that there is an incompatibility between these developments and BT's stance on corporate social responsibility (CSR).

The reaction of our trade unions has also been mixed. The Communications Workers Union has expressed its opposition, whilst Connect has welcomed our commitments to support redeployment and career opportunities for all those affected.

Developments in technology have always changed working patterns – both in type of work and geography of the workplace. The question is whether the movement of employment opportunities is in itself a socially irresponsible activity.

Many developing countries will often argue the opposite, accusing the developed world of using social and environmental performance for protectionist reasons.

In our view, CSR is about companies making effective commercial decisions in ways that take account of their responsibility to society.

In this case, our ethical trading manager visited the call centres with an independent assessor from an Indian non-government organisation before the announcement was made.

The assessors looked at all aspects of working conditions against BT's Sourcing with Human Dignity ethical trading standard and concluded that the companies assessed met and exceeded BT's standards in the vast majority of areas.

Pay for those employed in the call centres is in the top quartile of the local labour market. The working environment, training and technology will be of the same standard as that in the UK.

None of BT's permanent employees in the UK will be made redundant as a result of the new centres opening.

In addition to Directories and Conferencing, other parts of BT Retail are considering moving parts of their operations to the Indian contact centres, but no final decisions have been made yet.

BT Retail has set three criteria to determine which future projects may be considered:

- previously outsourced work which can be brought back in-house, such as business telemarketing;
- existing work which it is uneconomic to carry out in the UK, such as non-automated reservations for BT Conferencing audio calls;
- new work which can only be commercially justified in India, such as reminder calls to people who have forgotten to pay their bill.

In all these cases BT will seek to ensure that working conditions are consistent with Sourcing with Human Dignity which is itself consistent with international guidelines such as the UN's Universal Declaration of Human Rights and the International Labour Organisation conventions.

Equality and diversity

We seek to create a working environment that is open, honest and unprejudiced and which encourages people to reach their full potential. We want to create and sustain a diverse workforce where everybody's contribution counts and is valued.

The following figures show the percentage of our people who are women, have declared themselves from an ethnic minority, or have declared a disability. These figures do not include those people who work in our subsidiaries – around 10,932 of our overall workforce of around 104,687.

Comparing the figures for 'All BT', there has been an improvement in the number of ethnic minorities employed and a slight decrease in the number of women employed.

Amongst our senior management grades 20.1% are female, 7% are from ethnic minorities and 0.66% are disabled.

Comprehensive data on the diversity profile of BT going back to 2001 is available in the Data and Targets section of this site.

We have now established the diversity of the BT workforce as a non-financial key performance indicator. This is reinforced by a strategic target that by March 2004, 25% of our employees should be women, 2.5% disabled and not less than 8% should be ethnic minority employees.

Each appointment is made on merit, and these targets should not be taken to mean that BT is operating quotas, which are illegal under UK law.

	Management	Non-management	All BT
Women	23%	23.8%	23.6%
Ethnic Minority	9%	8.4%	8.6%
Disability	1.4%	2.4%	2.0%

Data as at 31 March 2003

In March 2002 these figures were:

	Management	Non-management	All BT
Women	22.9%	24.3%	23.9%
Ethnic Minority	7.9%	7.6%	7.7%
Disability	1.1%	2.4%	2.0%

Data as at 31 March 2002



In this section of the site we set out our approach to the main equality and diversity issues:

Equal opportunities policy

- Leadership
- Ethnic minorities
- People with disabilities
- Age
- Women
- Networks
- Litigation

BT equal opportunity policy

Our Statement of Business Practice includes a specific business principle on diversity – that we will “treat all individuals fairly and impartially, without prejudice, and never tolerate harassment in any form”.

This is backed up by the following Equal Opportunities policy statement:

BT Equal Opportunity Policy

BT is an equal opportunity employer and it is the aim of this policy that all persons, wherever they are in the world, should have equal opportunity for employment and advancement on the basis of their ability, qualifications and suitability for the work.

It is BT's policy that no job applicant or employee receive less favourable treatment in any aspect of employment on racial grounds, or on grounds of gender, religion, disability, marital status, age or sexual orientation, gender status or caring responsibilities, or be disadvantaged by conditions or requirements which cannot be shown to be justifiable. To this end our policies will become the global benchmark, reflecting sensitively the particular circumstances and local cultures of each country and community in which we operate.

There must be no unlawful discrimination; direct, indirect or institutional, against any person whether in recruitment, selection, training, promotion or in any aspect of employment. Harassment of any form at work is also a form of discrimination and will be treated as such under the terms of this policy. No form of harassment or bullying, including derogatory remarks at work, will be tolerated. Cases will be dealt with under the BT Harassment and Bullying Policy.

The intention of BT's policy is to build upon the statutory position, so that we reflect the diversity of our people, partners and the global cultures in which we operate and to pursue an effective policy of promoting equal opportunity throughout the business. The statutory position is set out in the Sex Discrimination Act (1975); the Equal Pay Act (1970); the Race Relations Act (1976); the Disability Discrimination Act (1995); the Employment Relations Act (1999); and the Human Rights Act(1998).

All procedures will be monitored to ensure that the aims of the policy are a reality for all BT people and to ensure that individuals are recruited, selected, trained and treated in all other respects on the basis of their relevant merits and abilities. All employees shall be given equality of opportunity and encouragement to progress within the organisation, in line with their skills and potential.

Positive measures will be taken to encourage the recruitment and employment of any under-represented minority group. Our goal is to reflect the diversity of all the communities within which we operate and to carefully monitor our progression toward this goal.

All BT people have an obligation to uphold this policy and disciplinary action will be considered where a breach takes place. This could also be unlawful.

It follows that all employees must:

- Uphold the BT values and respect each other
- Uphold BT's business principles and treat all individuals fairly and impartially, without prejudice, and never tolerate harassment in any form
- Uphold the wealth of BT's personal and leadership capabilities and value differences.

Leadership

BT's equality and diversity champion is Pierre Danon, Chief Executive of BT Retail, who chairs our Global Equality and Diversity Forum.

The forum is composed of 'Diversity Champions' – senior managers from each of our business units. Senior managers also champion specific groups, including race, gender, age, disability and sexual orientation. New members will be joining shortly and will then be announced.

The forum's functions include:

- creating, sustaining and delivering our global equality and diversity strategy.
- providing highly visible and inspirational leadership on equality and diversity.
- promoting processes, practices and behaviours that actively drive equality and diversity in the BT group, relentlessly opposing inequality, prejudice and unethical behaviour.
- agreeing and implementing equality and diversity initiatives across the BT group and within individual lines of business.
- being spontaneous, open, honest, challenging, forward-looking and change-embracing role models for equality and diversity in business.

We are also members of the following organisations:

- Business in the Community www.bitc.org.uk
- Employers Forum on Disability www.employers-forum.co.uk
- Opportunity Now www.opportunitynow.org.uk
- Race for Opportunity www.raceforopportunity.org.uk
- Employers for Work-Life Balance www.employersforwork-lifebalance.org.uk
- Employers Forum on Age www.efa.org.uk
- Stonewall www.stonewall.org.uk
- Parents at Work www.parentsatwork.org.uk

Ethnic minorities

In this section we look at our current ethnic minority representation and measures we are taking to improve on it.

Profile

8.6% of BT people have declared themselves to be of ethnic minority origin. This represents 8.4% of non-managers and 9% of managers.

In the 2003 financial year, 12.7% of our new recruits came from an ethnic minority background – including 25.95% of new graduates and 7.8% of modern apprentices.

We welcome these increases, which are the consequence of ongoing work undertaken with employment agencies, universities, schools and college careers offices. We have now achieved our target that 8% of our employees will be from an ethnic minority background, and are committed to maintaining this level.

Comprehensive data going back to 2001 is available in the Data and Targets section of this site.

Figures do not include those people who work in our subsidiaries, 10,920 of our overall workforce of 104,687.

Declaration of ethnicity has been restricted in a number of countries in which BT works outside the UK. In 2003 we will be taking steps to ensure that, wherever legally possible, BT people are able to declare their ethnicity and national origin.

One of the key initiatives supporting these objectives is the Ethnic Minority Network for BT employees. This runs development courses, holds an annual conference and contributes to the national debate on diversity.

A further initiative supporting these aims is in higher education, where we are involved in encouraging students from inner city schools and ethnic minorities to seek university entrance, particularly in science subjects, through initiatives such as the Oxford Access Summer Science School.

Benchmarking

We take part in an independent benchmarking exercise on ethnic minority issues. In 2002, Race for Opportunity awarded us Gold Standard for our approach to ethnic minority issues and named BT the top performing private sector organisation:

See also:

- Oxford Access Summer School www.oxford-access.org.
- Better World Supplier Diversity Programme

Race for Opportunity benchmarking 2002 (ethnic minorities) – BT results

99 member organisations from the public and private sector took part in the RFO benchmarking exercise. BT's sector classification was Information and Technology. We are pleased to report that as well as achieving top performance in this sector, we also achieved the top performance of all private sector organisations taking part in the exercise for the second year running.

Category	BT score %	Sector average %	Network average %
Leadership	87	57	56
Making the investment	89	53	44
Planning and policy	95	59	60
Communication	99	62	57
Marketing	94	55	54
Sharing ownership	95	52	44
Employment	98	70	64
Community involvement	98	64	57
Working with ethnic minority businesses	89	50	29
Results/impact	96	62	46
Overall performance	94	58	51

BT received a Gold Standard for our overall average score. Platinum standard indicates a score of 95-100, Gold indicates a score of 80-94, Silver 70-80 and Bronze 60-70



People with disabilities

A significant number of people in our society have disabilities. As part of our diversity policy to ensure we meet the needs of all our customers, BT encourages applications from people with disabilities and supports their professional development.

BT is a two ticks disability employer. Under this scheme BT guarantees a job interview to any suitably qualified disabled applicant.

BT also won The Henry Fawcett award in this year's First Class Supplier Awards from the Royal Mail. This award recognises achievement in the areas of disability and action in the community.

Profile

2% of BT people have declared themselves to have a disability. This represents 2.4% of non-managers and 1.4% of managers.

In the 2003 financial year, 0.35% of our new recruits had a disability as defined by the UK Disability Discrimination Act (DDA) – including 4.76% of new graduates and 1.6% of modern apprentices.

We welcome these increases, which reflect our ongoing work with employment agencies, universities, schools and college careers offices.

We are now working towards the target that by March 2004 2.5% of our employees will be people with a disability.

Initiatives

2003 is the European Year of People with Disabilities. We see the year as a real opportunity to focus on the inclusion of people with disabilities. In March 2003, we hosted an event called 'Agile Business – Changing Lives', examining the inclusion of disabled people in product advertising and marketing, and in the workplace.

We are a founder member of the Employers' Forum on Disability and sponsored its recent report, Unlocking the Evidence – The New Disability Business Case.

We also facilitate Able2, an active employee network for BT people with disabilities that provides support for individuals through impartial and confidential advice and runs a series of roadshows to enable people to discuss their needs with senior BT managers.

A key issue for people with disabilities is the 'benefits trap' and we are seeking to address this through a trial recruitment of people with no loss of benefits. Therefore in the 2003 financial year we supported the Remploy work experience initiative. This trial is currently taking place in our Warrington call centre where we have provided a trial of six to eight weeks including training. BT pays participants during the trial period but if the job is not suitable, people can leave and return to benefits without reassessment.

AccessAbility Roadshows

A number of AccessAbility Roadshows were held across the UK in 2002. These roadshows, hosted by the Able2 network, provide a forum for BT employees with disabilities and their managers.

The roadshows promote ability not disability, challenge stereotypes, focus on possibilities and identify solutions to barriers that people with disabilities face in their work and career.

Project Enable

Project Enable provides support to disabled people and managers to remove barriers, and to make it easy for managers to take the appropriate action. Project Enable has a budget to provide equipment and fund adjustments to the working environment.

Project Enable provides a package of services, consultancy and support, including:

- a helpline to provide expert advice and assistance for when people are, or become, disabled, or whose capabilities are restricted.
- guidance on job redesign, suitable alternative duties and provision of equipment and services.
- improved advice to managers on their responsibilities under the Disability Discrimination Act.
- pro-active support to new recruits with disabilities so they have a good experience on joining BT and feel valued and supported.

AbilityNet

We are committed to making our workplace as accessible as possible. As part of this commitment BT supports AbilityNet, which is based in one of our central London buildings. AbilityNet is a charity that brings the benefits of computer technology to adults and children with disabilities, both within BT and the communities in which we operate.

New BT people benefit from pre-recruitment assessments designed to ensure they have the most productive and comfortable equipment available as soon as they join the company.

Existing BT people benefit from easier access to expert assessment and advice, and earlier provision of appropriate reasonable adjustments to their working environment. People in the community also have access to expert assessments and advice.

See also:

- Employers' Forum on Disability www.employers-forum.co.uk
- AbilityNet www.abilitynet.co.uk
- Age and Disability www.bt.com/age_disability

Age

Age discrimination is unique in that it may affect everyone in society. Anyone could be considered to be too old or too young.

We have been working closely with the Employers Forum on Age over a number of years and have contributed via to the Government's Age Advisory Group which is currently developing legislation on age.

Profile

At the end of December 2002, of the 104,700 people working for BT, over 5,000 of these (5.4%) are due to retire in the next five years.

Women

We believe that diversity is the lifeblood of our business. In this section we look at our current gender representation and measures we are taking to improve on it.

Profile

23.6% per cent of BT are women, representing 20.1% of senior managers, 23% of all managers and 23.8% of non-managers.

In the 2003 financial year, 32.14% of our new recruits were women – including 42.26% of new graduates and 17% of modern apprentices.

Figures do not include those people who work in our subsidiaries, 10,932 of our overall workforce of 104,700.

We welcome these recruitment figures, which are the consequence of ongoing work undertaken with employment agencies, universities, schools and college careers offices. We have now set the target that 25% of our employees will be women by March 2004.

Comprehensive data going back to 2001 is available in the Data and Targets section of this site.

These figures do not include those people who work in our subsidiaries – 10,932 of our overall workforce of 104,687.

Benchmarking

In 2002 we took part in an independent benchmarking exercise on gender issues in organisations:

Opportunity Now benchmarking 2002 (gender) – BT results

216 organisations from the public and private sector took part in the Opportunity Now benchmarking exercise. BT's sector classification was Information and Communication.

	Sector norm	BT score	Standard
Motivate	78	100	Platinum
Act	83	99	Platinum
Impact	69	97	Platinum
Overall	77	98	Platinum

Platinum standard indicates a score of 95-100, Gold indicates a score of 80-94, Silver 50-79 and Bronze 20-49.

Retention of women

Retaining the skills and experience of women in the workplace is important for BT and during this financial year we undertook a comprehensive review of our maternity package benchmarking it against other companies. As a result we responded in two ways: by providing a new, world-class maternity leave package and by an increase in internal focus and publicity on flexible working, to address the difficulties often experienced by families with very young children.

Our new enhanced BT maternity package provides 18 weeks' basic pay and regular allowances (excluding overtime) followed by eight weeks at half pay, lower rate Statutory Maternity Pay or £100 per week, whichever is the greater, followed by 26 weeks at £100 per week.

One of the key initiatives supporting these objectives is the Women's Network for BT employees.

Pay structures

As well as the issue of 'equal pay for equal work' there is perhaps a bigger issue that women are more likely to be employed in lower-paid job families. If we accept, as we obviously do, that women are just as talented as men then we must address the underlying barriers that prevent women from undertaking higher value roles.

The majority of BT's graduate and critical skill intake are required for our expanding IT, multi-media and e-commerce units, and it remains a major concern that we are not attracting more girls and women to this fiercely competitive and well paid job market. There is now a real opportunity to make a difference in the profile of the ICT industry which is currently predicting a shortfall, across Europe, of over a million people by 2002.

These barriers exist throughout the whole employment cycle and indeed in some of society's stereotypes. Therefore, whilst we believe it is critical to have specific data-based gender targets and diversity policies and initiatives such as European ICT consortia Career Space, Project Portia and BT's Women's Development Programme, it is equally critical that inclusivity is inherent



in all our practices, including our relationships with employees, suppliers, customers and investors.

Networks

Four employee networks are actively supported by BT's most senior management and use BT technology to reach members across the globe. These are:

- Able2 for employees with disabilities
- BT Ethnic Minority Network
- BT Women's Network
- Kaleidoscope – for our gay, lesbian and bisexual employees.

Our established networks support employees in a wide variety of ways, providing:

- Support and advice
- Mentoring programmes
- Development programmes
- Annual conferences
- Information websites
- Regular roadshows
- A conduit to senior managers
- Contributions to the national and international debate.

We're also pleased to be a supporter of the Government-backed People into Management Network which offers work placement and senior mentoring opportunities in the public and private sector to young people from ethnic minorities.

See also:

- BT Ethnic Minority Network <http://www.groupbt.com/emn/>
- People into Management Network www.pmn.org.uk

Litigation

There were a total of 14 discrimination-related litigation cases involving BT in the 2003 financial year. Seven were withdrawn, 0 judged against BT, three settled and two judged in favour of BT. This is a reduction on the 30 cases involving BT in the 2002 financial year, and 43 in the 2001 financial year.

Data relating to discrimination-related litigation going back to 1999 is available in the Data and Targets section of this site.

Learning from discrimination cases

Every discrimination litigation case is a case too many.

For this reason we carefully review our own cases at both practitioner and senior management level. We also review developments in discrimination law as it emerges.

We ensure that our case management continues to be robust and, at the same time, that our educational inputs address any issues that arise.

For example, real life case studies based on BT experience are used by our Diversity Coach trainers in training workshops across all of our Lines of Business where applicable.

We believe that in talking about these real-life cases we provide BT people with the clear message that we will not draw back from addressing shortcomings.

Learning & development

We seek to provide opportunities for personal growth and professional development. To achieve this we actively encourage learning and development in all our people.

In this section we set out our performance and development framework, including:

- Principles and commitment
- Personal capabilities
- Investors in people
- BT Academy
- New Start

Principles & commitment

We have made the following learning and development commitment:

We will set up a partnership with each individual which makes the most of their personal performance, commitment and prospects for employment. We will give our people the appropriate opportunities to develop business capabilities and will evaluate how effective our investment is.

We will do the following:

- 1 Give our managers the necessary resources and personal development to enable them to support their people's learning and development.
- 2 Give our employees ongoing information on the skills and behaviour which we believe are essential to future success and how these can be developed.
- 3 Analyse needs at a business level and an individual level to see what development is appropriate and to assess the value to our business.
- 4 Give our employees opportunities to develop their capabilities and prospects for employment so they can deal confidently with organisational and commercial change.
- 5 Offer a broad range of solutions including work-based activity, formal and informal learning, encouraging the use of group-wide learning solutions through the BT Academy and taking account of individual learning styles.
- 6 Provide an appropriate induction programme for all new employees and those who are changing jobs to make sure they can be effective in new work as soon as possible.
- 7 Provide a range of support and information to enable the career development of our employees. We will encourage learning by setting up and developing formal and informal communities.
- 8 Manage actively the way we develop identified groups or individuals (with the individual involved) so we can make the best use of the talent across BT.
- 9 Make best use of learning and development suppliers so we can get the best commercial value possible across BT.
- 10 Evaluate our investment in learning and development at all levels of the business.

Investors in People

In February 2003, BT successfully achieved re-accreditation as an Investor in People (IiP). We remain one of the largest companies to measure up to this challenging outcomes-based test.

The 2003 external assessment was carried out by TAN (The Assessment Network). Their assessors met with about 600 BT people from across all lines of business in a variety of structured and informal settings. They also observed business meetings and witnessed the BT Management Council's review of our 2002 annual employee survey.

Their report highlighted the following best practices:

- A striking improvement between this and the previous reassessment, in the alignment of strategic goals and targets to measurable activities undertaken by individuals and groups. Considering the degree of strategic change, the complex activities of BT, the geographical spread and the flexible working conditions, acknowledged as 'an extraordinary accomplishment'.
- Webchats and webcasts direct from the most senior managers to all levels of the organisation.
- Knowledge gathering exercises such as our annual employee survey, Strategic Action Meetings and 'Back to the Floor' initiative.
- Performance management process including one-to-ones, annual development and performance reviews and management by objectives.
- Depth and breadth of technical training.
- Well established culture of training and development.

BT Academy

We deliver our learning and development commitment through an extensive range of learning programmes and facilities which employees can access through the BT Academy.

More than 60% of our people have accessed the BT Academy Learning System leading to over 275,000 transactions for courses in the last year.

The Academy – a web-based corporate learning portal – is a key part of our commitment to lifelong learning. It uses the latest technology and one of the largest corporate learning management systems in Europe to deliver instructor-led and e-learning to all BT people via our intranet.

Accredited programmes are also available through the Academy, leading to professional and post-graduate qualifications. For example, we have an internet-based Computer Science degree and access course, developed and run in partnership with the Communications Workers Union and Queen Mary and Westfield College. Currently in its sixth year, the course enables BT people to study part-time from home, from the workplace and at residential schools run at CWU Education centres.

The BT Masters programme provides work-based development for BT people leading to a Master of Science (MSc) degree in telecommunications after 20 months of part-time study. Through the use of technology, we have also enabled easier study for professional qualifications

such as the Institute of Chartered Management Accountants (ICMA).

The BT Academy helps people to develop skills not just for their current role but also to help them take advantage of future career opportunities in an industry where the requisite skills are changing rapidly. We believe that people starting their careers will increasingly want to work in companies that make such a commitment to the long-term development of their employees.

NewStart

Our people have to cope with constant change as a result of market pressures and rapidly evolving technology.

Our long-standing policy of growing our people's skills and capabilities was enhanced in 2001 with the launch of our NewStart initiative. This provides a comprehensive toolkit to enable our people to plan for and deal constructively with change.

NewStart helps people establish a career and life plan that includes the development and re-skilling measures that they and their line managers need to take. Specific assistance includes:

- professional career counselling
- one-to-one coaching
- on-line advertised vacancies
- on-the-job development through job shadowing and agency secondments.

In 2002, the NewStart site was linked to the Achieving the Balance, a flexi-working intranet site that strengthens the range of options available to BT people when considering work-life options.

Pay & benefits

We recognise that if BT is to continue to recruit and retain the best talent, the benefits package that we offer has to remain competitive.

Our current priority is to encourage a culture where strong performance orientation amongst our people is a given.

This section sets out our approach to:

- Employee benefits
- Equal pay
- Pensions

Employee benefits

As well as a market-tested basic remuneration package, we offer a range of other benefits that promote employee ownership of the company:

- saveshareBT – an opportunity for employees to take an option to buy shares at a discounted rate over three or five years. Over 50% of BT employees currently participate.
- allshareBT – launched in 2002, this gives employees the right to receive free shares based on company-wide performance.
- directshareBT – more than 10% of BT employees purchase BT Group shares out of their pre-tax salary each month.



Flexibility

We also provide special leave, where we will continue to pay employees who are not at work because they are undertaking particular activities in their community or caring for relatives.

We have also been working towards a shorter working week. Our normal working week for non-management grades was reduced from 37 hours to 36.5 on 31 December 2001 and from 31 December 2002 we achieved a further reduction in the working week to 36 hours.

For the 2004 financial year, our lowest main scale starting salary is £9,518 for a 36-hour week – i.e. £5.07 per hour.

Equal pay

Our approach to equal pay now encompasses gender, ethnic origin and disability.

We have played an active and constructive role in the gender pay debate over a number of years:

- Our UK Human Resources Director chaired the Equal Opportunities Commission Equal Pay Task Force.
- We were members of the UK Equal Opportunities Commission Working Groups on the Equal Pay Audit Tool and Equal Pay Guidelines.

The Castle Awards are part of the Government's programme of action to address the persistent inequalities in pay between women and men. BT was delighted to receive a commendation in these Awards in October 2002. The judges concluded that BT have 'impressive equal opportunities policies in place and have set a good example in their sector... [BT] have particularly challenged stereotyping and increased the numbers of women engineers'.

However, we have undertaken our own detailed pay gap audits that have revealed a gender pay gap.

We do not believe that the gap has arisen because of active discrimination. Rather we believe it is a legacy of the fact that, traditionally, the BT workforce consisted of a large, primarily male engineering force, and smaller, mainly female clerical and operator workforces. Pay structures for the two groups were largely developed in isolation.

This, combined with a previous incremental approach to pay on progression in the management structure, created a gap between those reaching management positions from engineering grades and those reaching it from clerical grades.

By taking a data-based approach we were able to confirm and quantify the existence of the problem and obtain Board level support for strategies and the funds to begin to address it.

Our pay review processes now include guidance on equal pay and, since the start of the 2003 financial year, £2.3 million has been set aside in a specific budget for equal pay issues.

In addition, the introduction of a universal non-management grading structure has eliminated the scope for inequality by bringing together all our non-management pay structures into one cohesive scale.

We also provide considerable support to the Equal Pay Task Force.

Equal pay activities

Over recent years we have:

- Published an equal pay/equal opportunities policy statement which is reviewed annually.
- Carried out a performance audit to ensure that performance-related pay does not unconsciously support discrimination.
- Changed our promotion remuneration procedures, particularly into management grades, from a percentage of base salary to a comparison with peers and the market.
- Restructured our non-management grading system to a skill-based approach taking into account equal pay. This has provided levelling across the historical engineering grades which typically attract men, and clerical grades which typically attract women.
- Focused our pay review expenditure on the lower end of our pay scales, where there are likely to be more women, due to lack of seniority.
- Included statements about equal pay and the avoidance of discrimination in our annual pay guidance. Specifically briefed our senior managers, who have ultimate ownership of the pay budget.
- Carried out a pay audit following each pay review.
- Agreed the key measures above with our unions, maintaining a dialogue on all equality matters.
- Recognised work-life balance as a key enabler to eliminating some of the barriers, which may be slowing the progress of women in the workforce.
- Actively supported the development of women throughout the introduction of women's only development courses.
- Extended our focus to ethnicity and disability pay monitoring.

See also:

- Equal Pay Task Force www.bt.com/equalpaytaskforce/

Pension scheme

The BT Pension Scheme is one of the largest funds in the UK, with assets of around £22 billion. The scheme currently has over 91,000 contributing members, about 178,000 pensioners and around 96,000 deferred pensioners. Most of our employees have chosen to belong to the scheme and contribute 6% of their salary, with BT paying the balance of costs (currently 12.2% of salary) necessary to provide the promised level of benefits.

The BT Pension Scheme is a defined benefit scheme, with the pension that members receive linked to their final salary in BT rather than the performance of the pension fund. The normal retirement age is 60.

On 1 April 2001, BT closed the BT Pension Scheme to new entrants and replaced it with the new BT Retirement Plan. The BT Retirement Plan is a defined contribution scheme for new employees, with the pension that

members receive linked to the performance of the Fund rather than their final salary in BT. Members have a choice of seven different funds in which to invest.

This change is in line with the practice increasingly adopted by major UK groups and is designed to be more flexible for employees and enable the group to determine its pension costs more precisely than is the case for defined benefit schemes.

Hermes Pensions Management Limited

The BT Pension Fund is managed on behalf of the Fund trustees by Hermes Pensions Management Limited, a wholly-owned subsidiary of the BT Pension Scheme. The Fund is controlled by trustees who are BT and Trade Union nominees, with an independent chairman.

The trustees look after the assets of the pension fund, which are held separately from those of BT. The pension scheme funds can only be used in accordance with its rules and for no other purpose.

The Annual Report of the BT Pension Scheme (<http://www.btpensions.net/>) includes a description of the appointment, removal and responsibilities of the pension fund trustees.

Corporate governance

Hermes is considered a leader on issues of corporate governance and shareholder involvement. It has established a track record of working with company boards to ensure that companies are run by managers and directors in the best long-term interests of shareholders.

Hermes' Corporate Governance and Voting policy (including a statement on social, environmental and ethical matters) is available on the Hermes website. (<http://www.hermes.co.uk/corporate-governance/site/statements.htm>)

Hermes' policy is to support the recommendations of the Cadbury, Greenbury, Hampel and Higgs Reports and, where relevant, the policies of the National Association of Pension Funds and other related bodies.

The policy applies to both the BT Pension Scheme and the BT Retirement Plan.

Hermes exercises its voting rights at AGMs and EGMs and employs a dedicated corporate governance team who maintain a high level of contact with companies through correspondence and meetings. This is particularly the case where persistent failure to meet the Hermes Corporate Governance policy results in under-performance.

Specific examples of engagement are set out in the 'Action as Shareholders' section of the BT Pension Scheme Annual Report and Accounts. (<http://www.btpensions.net/>)

Socially responsible investment

In July 2000, a new 'Disclosure Regulation' was introduced under the 1995 Pensions Act stating that trustees of occupational pension funds must declare in their statement of investment principles:

- The extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments; and
- The policy (if any) directing the exercise of the rights (including voting rights) attaching to investments.

In response to the Disclosure Regulation, the Trustees of the BT Pension Scheme have agreed that every investment consider the following when selecting the shares in which they invest the scheme's assets:

"A company run in the long-term interests of its shareholders will need to manage effectively, relationships with its employees, suppliers and customers, to behave ethically and to have regard for the environment and society as a whole."

Extract from the BT Pension Scheme Statement of Investment Principles

Hermes' active approach to corporate governance incorporates the implementation of this statement.

See also:

- Hermes <http://www.hermes.co.uk/corporate-governance/site/statements.htm>

Health & safety

It is one of our business principles to care for the health and safety of each other, our products and our operations. We have also made a specific commitment to promote a healthy lifestyle.

For this reason we have established our 'Significant Incident Rate' as a non-financial key performance indicator and set the accompanying strategic target of a 25% reduction in incidents by March 2005.

The Significant Incident Rate records incidences of injuries, diseases and danger occurrences and stands as a good measure of our success in promoting health and safety.

Since 2001 there has been a 21.2% reduction in workplace accidents and a 23% reduction in occupational ill health cases. This indicates that we are on track to achieve our target in 2005 – though we will only achieve it if we adopt a 'zero tolerance' approach to the causes of accidents and injuries.

We are committed to improving six areas over the coming year: driving; fire and incidents on BT property; international travel health; call centre health; injuries while working on the network; and work-related stress.

These priorities illustrate the breadth of our approach to health and safety – not just the importance of avoiding accidents but also emphasising physical and mental health.

Further details on the rest our Health and Safety performance data – on rate of absence, sick absence due to accidents and ill health referrals – are available in the Data and targets section of this site.



In this section you can find out more about:

- Our health and safety guiding principles
- Implementation by our Lines of Business
- The issue of stress in BT.

Guiding principles

Set out below are our Health and Safety Guiding Principles:

Health and Safety Guiding Principles

This Policy acknowledges the commercial advantages and the humanitarian necessity of robust and effective health and safety performance.

Health and safety performance is a key indicator of our success in managing the business. Implementing the policy effectively will yield financial and social benefits which will contribute to our vision of being the most successful worldwide communications group.

Achieving the aims of the policy will be the responsibility of Line Management.

The Group Chief Executive accepts overall responsibility for Safety Performance within BT. The Chief Executive Officer of each line of business will be responsible for safety performance within their sphere of control. Implementation of the policy will be carried out by line managers.

Everyone within BT must contribute and feel able to contribute if we are to succeed.

Everyone within BT has a responsibility to ensure they take reasonable care of their own health and safety and the safety of others. It is essential that managers and their people seek to work in ways where safe behaviour is seen as normal and unsafe acts are not acceptable. No one will be disadvantaged as a result of raising health and safety concerns or adopting reasonable safe practices. Mechanisms will be established to ensure that all employees and their representative bodies can fully contribute to the safety culture of the business. The provision of Information, Instruction and Training in the most appropriate form will be assigned the highest priority so that all employees understand the risks they face and how to control those risks to a level which is consistent with the objectives of this policy.

We will strive to achieve excellence in our health and safety performance wherever we work.

Internationally accepted best practice will be adopted as a group-wide minimum level of performance. Assessments of risk will form an integral part of the operational management process. Risks will be reduced to a level which is as low as is reasonably achievable.

Competent specialist support and clear technical information will be readily available to all who need it.

Appropriate levels of specialist support will be available to managers so that uncertainty about legal or technical aspects of health, safety and welfare issues will not hinder performance. Health and safety solutions will be developed by those who work with the risks. Guidance on safe working practices will be presented in an easily understood style using a format accessible to everyone who needs the information.

We expect our partners and others who work with us to share our aspirations in the area of health and safety performance.

The health and safety performance of contractors will represent a key criterion used in the selection process. Wherever contractors seek to work for BT, their health and safety policy and performance must equal or better the standards achieved within BT.

Implementation

The following processes and structures underpin the implementation of our Health and Safety Guiding Principles. Each of BT's lines of business will:

- *appoint a health and safety champion who reports directly to the CEO and a BT Management Council Member.*
- *produce an annual health and safety plan, with objectives, targets and responsibilities.*
- *prepare an annual health and safety report demonstrating work done towards BT's health and safety commitment and measuring performance of the annual plan.*
- *maintain a comprehensive inventory of physical, chemical and psychosocial hazards.*
- *carry out formal risk assessment and profiling on all hazards within the inventory, and ensure that a system is in place to implement competent task-based risk checks.*
- *put systems in place to ensure that managers, employees, contractors and customers receive appropriate advice on relevant hazards that have not been eliminated and the potential risks from those remaining.*
- *ensure risk awareness training and risk management systems are in place to successfully implement risk control measures.*
- *ensure that arrangements are in place for the health surveillance of those identified by risk assessment as requiring it.*
- *arrange for sufficient competent support in the areas of safety, health and hygiene.*
- *ensure compliance with the reporting requirements laid down by the BT health and safety champion.*
- *ensure the safety champion has the responsibility to undertake adequate independent audit of the management of health and safety, commit to an action plan to deal with recommendations and have completion of actions verified.*
- *communicate health and safety strategy, planning and performance to all employees and others involved, and involve them in the continuous improvement process.*

Stress

Stress is the fastest growing category of illness and the second largest cause of sickness absence in BT.

Indeed, stress is the fastest growing category in occupational health in the UK, with the UK Health and Safety Executive estimating that each year five to six million working days are lost due to stress in the UK.

We recognise that people's ability to deal with pressure is not limitless and we are committed to ensuring that unreasonable demands are not made on our people.

This is addressed through job design, resourcing, training and development, and people management. We also provide support for any of our people who are affected by factors outside our control.

BT has adopted a three-phase strategy to deal with stress in the workplace:

- **Primary prevention** – reducing stress at source through workplace and job design. For example, BT's new generation of Customer Contact Centres (Call Centres) have been carefully designed to create working environments which are 'beacons of excellence' in the call centre sector. Flexible working is actively encouraged to help our people balance their various commitments more easily. Comprehensive guidance is provided to BT people and their managers on the causes of stress and how to avoid problems on both an individual and an organisational level.
- **Secondary intervention** – identifying organisational 'hotspots' for stress by tracking data captured through our annual employee satisfaction survey, sickness absence records and unit performance statistics. Effort is then focused on addressing the organisational issues that are causing stress. Individual vulnerability is assessed through team meetings and one-to-one performance discussions. This is now being supplemented by an on-line stress management tool that has been developed with our trade union and targeted initially at the call centre environment.
- **Tertiary support** – mental health problems are common and work can play an important part in recovery. We emphasise the importance of managers and colleagues keeping in touch with individuals during stress-related absences to help minimise the problems of isolation and demotivation. Formal support is offered through the Employee Assistance Programme and the Occupational Health providing support to the individual employee and to their managers. Rehabilitation and recuperative programmes are used to help people effect a successful transition back into work when sufficiently recovered from their illness.

