

2022 Annual Review



openreach



Contents

A message from our Chair	2
01 We're Openreach	4
02 Building Full Fibre across the nation	10
03 Upgrading customers brilliantly	18
04 Delivering great service	24
05 Bridging the digital divide	30
06 Working safely and sustainably	38
07 Engineering innovation	46
08 Open to everyone	50
09 Northern Ireland	56
10 Our finances	62
11 Our priorities and principles	64
12 Our senior management team	70
Find out more about Openreach	76



A message from Mike McTighe Chair, Openreach

Building the UK's ultrafast Full Fibre foundations has been our focus in another challenging but successful year.

The pandemic continued to cause complexity and concern, while increasingly extreme winter weather seriously tested both our engineers and customers.

Our purpose hasn't changed: we're the UK's broadband network and we're keeping the nation connected during these challenging times.

With all this in mind, I'm hugely proud that we had our best service performance for copper and fibre products this year – meeting or exceeding all of Ofcom's quality of service standards – and drove customer satisfaction to a record high.

We've also built our new ultrafast, ultra-reliable Full Fibre network at a record pace, reaching over 50,000 premises every week.

In delivery mode

One of the main reasons for recent success is our crystal-clear priorities.

With Ofcom's long-term regulatory framework now firmly established, we're no longer in planning or investment case mode. It's now all eyes on execution.

We've been turning our plan into action – building and upgrading millions of customers to our new network – and doing that while delivering the very best customer experience.

It's our job to stay stable and sustainable for our shareholder BT Group plc, Openreach colleagues and customers, and the nation. And I'm pleased we've made such good progress.

Build, build, build

Today we're building Full Fibre faster and cheaper than ever before, reaching more than seven million premises and counting (more than our competitors combined). We're on track to get to 25 million premises by the end of 2026.

Openreach will never be just a city fibre builder. Connecting rural homes is tough, expensive and complex, but we don't want to leave anyone behind.

We've always gone the extra mile to connect isolated communities with inventive engineering and funding solutions – and that will continue.

Our plans include a big commitment to rural Britain and are fundamental to the UK Government bringing 'gigabit capable' broadband to 85 per cent of the country by 2025.

Driving take-up

Building our Full Fibre network is pointless if customers don't upgrade to it. So we're working with providers to drive rapid take-up. Our commercial offer, Equinox, gives long-term pricing certainty for those that commit to selling Full Fibre where it's available. So far 42 providers have signed up – including all our largest customers.

In total, almost 1.8m homes and businesses are now reaping the benefits of Full Fibre. We're now breaking records on order volumes and provisioning activity every week, so the strong customer demand we're seeing should continue.

Upgrading the UK to digital phone lines

At more than a quarter of the way through our build and with more customers upgrading than ever, we are starting to speed up work on withdrawing our old, copper-based network.

We need to get customers switched to all-digital lines quickly as we work with providers to close analogue services by the end of 2025.

Educating consumers about Full Fibre's benefits will be vital, and we must help drive digital awareness and take-up to make sure no one is left behind.

Investing in people, diversity and inclusion

We employ 37,000 people across the UK and we're proud to be the largest apprenticeship provider in the private sector.

This year, we announced we'd be creating another 4,000 jobs building and maintaining our networks. We're also aiming to retrain an extra 3,000 existing engineers to support customers on our new platform.

We've been making progress on being more inclusive and diverse. Engineering has historically been dominated by white men. But we want to represent the communities we serve better and attract brilliant and diverse talent to boost our creativity and innovation.

Around 16 per cent of our trainee recruits were women last year – up from 12 per cent the previous year, partly thanks to us making the language of job adverts less gendered.

And we're going further. We have an ambitious new set of goals, including targets on ethnic minority representation, in our Diversity and Inclusion commitments.

Building responsibly and safely

As one of Britain's largest businesses, we have a duty to society that's continually under review – and we take that responsibility seriously.

There are lots of ways we can make positive changes, but perhaps the biggest opportunity is through our fleet.

With more than 29,000 vehicles, we run the UK's second largest commercial van fleet.

It helps our engineers serve customers in every corner of the country. But it has a negative impact on the environment too. So we're aiming to switch the majority of our fleet to electric or zero emissions by 2030.

We've already bought more than 1,000 electric vans but there are some big challenges to overcome to reach our target. There needs to be a national charging infrastructure to support people travelling around the country. Incentives for converting major fleets like ours need to stay. They'll have a big effect on the second-hand market and help the UK meet its net zero target.

Safety is also a big priority. We reached an important goal this year with all our engineers now using new, safer ladder equipment which is dramatically reducing falls from height.

Around 16 per cent of our trainee recruits were women last year – up from 12 per cent the previous year.

All eyes forward

Like nothing before, the pandemic has underlined that internet access and decent broadband are no longer a luxury but a necessity and no one should be left behind.

The research agrees. Full Fibre is faster and more reliable, and will deliver huge economic, social and environmental benefits right across the UK.

It's the right thing for our business, shareholder, colleagues, customers and the nation. Our priorities are crystal clear.

So you'll continue to see us in delivery mode next year and beyond.

01

We're Openreach





Our network cables and wires, if laid out flat, would go round the world **4,798 times**

We're Openreach

We're the nation's broadband network

We're the UK's largest wholesale broadband network provider. We build and maintain an open network that's used by more than 690 Communication Providers (CPs), so they can offer broadband, phone, and TV packages to homes and businesses all over the UK.

Almost all our products and services are regulated, offering a fair and level playing field for all our customers. And all CPs have access to the same prices, terms and conditions.

Our network is made up of more than 192 million kilometres of fibre optic cables and copper wires. Our network cables and wires, if laid out flat, would go round the world 4,798 times! But to maintain and grow a network of this scale requires an exceptional team, and our 25,000 field engineers work around the clock, in all kinds of weather and in every community. Last year they completed 9.8 million engineering jobs, installing and maintaining the equipment that provides fast, reliable broadband to millions of people. Our work often involves liaising closely with local councils, highways agencies, energy suppliers and landowners, to solve complex engineering and logistical problems.

We're more independent

Openreach was formed in 2006 to help stimulate competition in the nation's telecoms market. And 16 years later, the UK has some of the lowest telecoms prices in Europe, and the market remains vibrantly competitive, supporting more than 690 CPs, like BT, Sky, TalkTalk, Vodafone, and Zen.

In 2015, the UK's communications regulator, Ofcom, published its Digital Communications Review, which was designed to make sure that the telecoms market continues to best serve consumers and businesses.

The review resulted in the creation of Openreach Limited as a wholly owned subsidiary of BT Group plc. That means we're now a legally separate company working within a strategic framework and budget agreed by the BT Group board. We have our own management and staff who set our purpose and strategy. We also make the calls on how to expand and maintain our network, set our own priorities and spend our money.

While BT Group is still our parent company, we're completely open and transparent about how, why and when we have dealings with them. Our CEO reports to the Openreach board and chair, who are independent, while any information sharing with BT Group is governed by a strict set of rules.

Our greater independence means we're able to collaborate more closely with the providers that are our customers, helping us proactively take on problems and challenges within our industry. We consult with them regularly to make sure we offer them the best possible network service, so that they can offer equally good service to consumers and businesses.

Alongside our broadband network, we also build and manage hundreds of thousands of Ethernet lines. These are dedicated lines for critical connections. They connect everything from hospitals, schools and financial institutions to businesses, mobile masts, CCTV and data centres. They provide huge bandwidth and come with built-in fail safes, to secure the connections we all rely on daily.



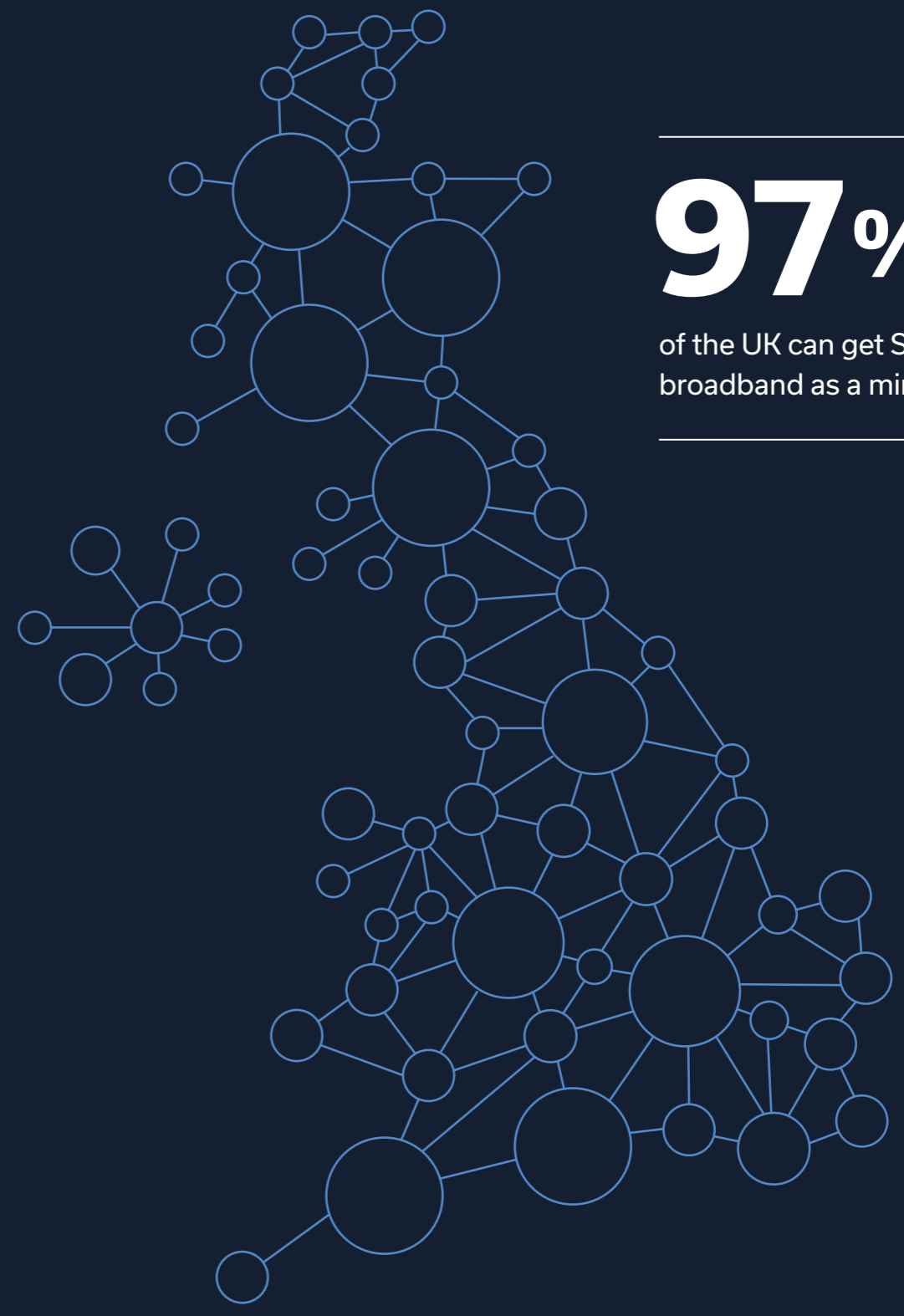
We're delivering for the UK

We're committed to building the best digital future for the UK. Our once-in-a-generation investment to move the UK from legacy copper networks to a Full Fibre future will reach 25 million homes and businesses by the end of 2026. This massive change will futureproof the country's digital infrastructure for generations. We've spent more than £17 billion in the last ten years to build and maintain our networks, and that's helped bring superfast broadband (with download speeds of 30Mbps or more) to more than 97 per cent of the UK.

We now live in one of the world's leading digital economies and Openreach's networks are the backbone for a vibrant digital sector.

Connectivity has been vital during the Coronavirus pandemic helping businesses to keep going, and letting people communicate and support each other during lockdowns. As we deal with the aftermath and adapt to a new way of living and working, we believe our network will become more crucial than ever.

We'll continue to invest to make sure that the UK's digital future is ultrafast, extraordinarily reliable, and available to as many people as possible.



97%

of the UK can get Superfast broadband as a minimum

02

Building Full Fibre across the nation



Building Full Fibre across the nation

Fast and reliable broadband isn't a luxury. It's critical to millions of people and a crucial part of the nation's infrastructure. In 2019 the UK Government began to make commitments for improving the country's networks. That will see gigabit capable broadband made available to at least 85 per cent of the UK by 2025.

At Openreach, we're investing £15 billion into building Full Fibre across the country. It's one of the UK's largest infrastructural projects and our build will be the bedrock in achieving the Government's ambition.

To reach 25 million homes and businesses by the end of 2026, we need to build at an unprecedented scale and speed. So that's exactly what we're doing. By the end of March 2022 we'd built this new, ultrafast network to 7.2 million homes and businesses. That included 2.6 million alone in 2021/2022.

More than 2,700 cities, towns, villages and hamlets have been included in our build plans so far, and we're working right across the UK - from the Highlands of Scotland to the rolling hills of Devon, and from Welsh valleys to the streets of London.

By the end of March 2022, we were reaching on average 58,000 homes and businesses every week.

What is Full Fibre?

Full Fibre, also known as Fibre-to-the-Premises (FTTP), is a direct fibre optic connection between an exchange and a home or business, which typically doesn't get routed through a street cabinet.

Copper cables were originally designed to transmit sound, whereas Full Fibre uses glass cables to deliver data. The cables are made of tiny individual fibres, each a tenth the breadth of a human hair, and instead of using electrical signals, like traditional broadband, Full Fibre transmits data using high-speed pulses of light.



We're building our Full Fibre broadband network to provide the best digital future for the UK



What are the benefits?

Our Full Fibre network is a once-in-a-lifetime upgrade

Speed

Full Fibre can transmit data up to 10 times faster than the UK's current average download speed. That means download speeds of up to 1Gbps and upload speeds of up to 220Mbps.

Fact

At 220Mbps you can upload a massive 2Gb file in just over a minute. At 1Gbps you can download an enormous 5GB of data in just 40 seconds.

Reliability and security

Full Fibre broadband is up to five times more reliable than broadband which uses the copper network. Fibre cables are incredibly durable, so they're much more resistant to things like inclement weather, water damage, and fluctuations in temperature. They're also impervious to electromagnetic interference, which means the data they carry can't be interfered with or intercepted in transmission.

Fact

Fibre optic cables have low attenuation - this means the strength of the signal doesn't decrease as you get further away from the source, at the exchange.

Future-proof

Our Full Fibre network is a once-in-a-lifetime upgrade, as the cables have the capacity to transmit data at even greater speeds than we do today. As technology advances, our Full Fibre network will meet the need for greater speeds and bandwidth, but without the need for further engineering work in the street.

Fact

Our Full Fibre broadband network has the potential to support speeds 100 times greater than even the fastest connections we have today.

Business benefits

It's never been more important for businesses to have access to reliable and fast broadband. The pandemic has not only changed the way people work but has also seen businesses use online innovation to create new revenue streams and transform operations.

Building a nationwide Full Fibre broadband network means we can support even more businesses to get connected and discover the benefits, like cloud technology. The cloud can help businesses maximize their resources, from securely storing and accessing huge amounts of data off-site, to real-time automated data analyses to help improve sales and marketing. Businesses can save on overheads incurred in physical storage space, and even on office space, as Full Fibre supports remote working and seamless video conferencing.



Community and environment benefits

The last few years have seen a seismic shift in how people work. A report by the Centre for Economics and Business Research (Cebr) found that between 2019 and 2021, the number of people working from home increased by nearly two million and more than 320,000 workers left major cities. We're building our Full Fibre broadband network nationwide, from the smallest hamlets to the biggest cities, so we'll be making it much easier for people to work from home effectively wherever they are.

The Cebr analysts also noted that the remote working boom could help nearly one million people return to the workforce by 2025, including those previously marginalised from the workforce – older workers, carers, and parents of dependent children. This means that the UK's workforce can become far less centralised around major urban areas and it will help to create a fairer and greener society.

Meanwhile, a study by the Confederation of British Industry (CBI) found that 67 per cent of companies used the quality of digital infrastructure as an important metric when deciding where to invest. A nationwide Full Fibre broadband network will give rural communities the chance to attract investment and job opportunities, and provide easier access to essential services like healthcare and education.

In summary, the Cebr report estimated that nationwide Full Fibre broadband could not only provide a boost to the UK economy of £59 billion by 2025, but also decrease commuter trips by 300 million, reducing CO₂ emissions by a massive 360,000 tonnes a year.



03

**Upgrading
customers
brilliantly**



Upgrading customers brilliantly

We're building the best digital future for the UK, but building a great network is only half the job – we have to get customers on to it.

That way they can experience the full power and benefits of Full Fibre and we can provide a brilliant, more efficient service. At the same time, we're helping to move the UK from an analogue past to a digital future by transitioning customers away from older copper products and giving them access to new, digital phone lines.

Upgrading customers to Full Fibre

A big part of upgrading our customers brilliantly is about making sure that Full Fibre broadband is available to, and taken up by, as many people as possible.

In October 2021, we introduced a new pricing structure for our FTTP products, known as 'Equinox'. It was a fairly complex set of offers, but it basically meant that CPs who make Full Fibre broadband the default choice for customers, where it's available, would receive a reduced wholesale price.

By giving providers some long-term pricing certainty, and ensuring Full Fibre is their default choice, our offer has helped CPs to offer attractive packages to customers and encouraged more and more homes and businesses to benefit from fast and reliable connectivity.

In total, 42 of our CP customers had signed up to the Equinox pricing by the end of March 2022 and we ended the year with more than 1.7 million FTTP connections.

At the same time, we've been learning, developing and honing our Full Fibre provisioning skills because we want to make the upgrade journey as smooth and simple as possible for customers. There's still a lot of work to do on that front, but at the end of the year we were consistently connecting more than 20,000 new Full Fibre lines every single week.

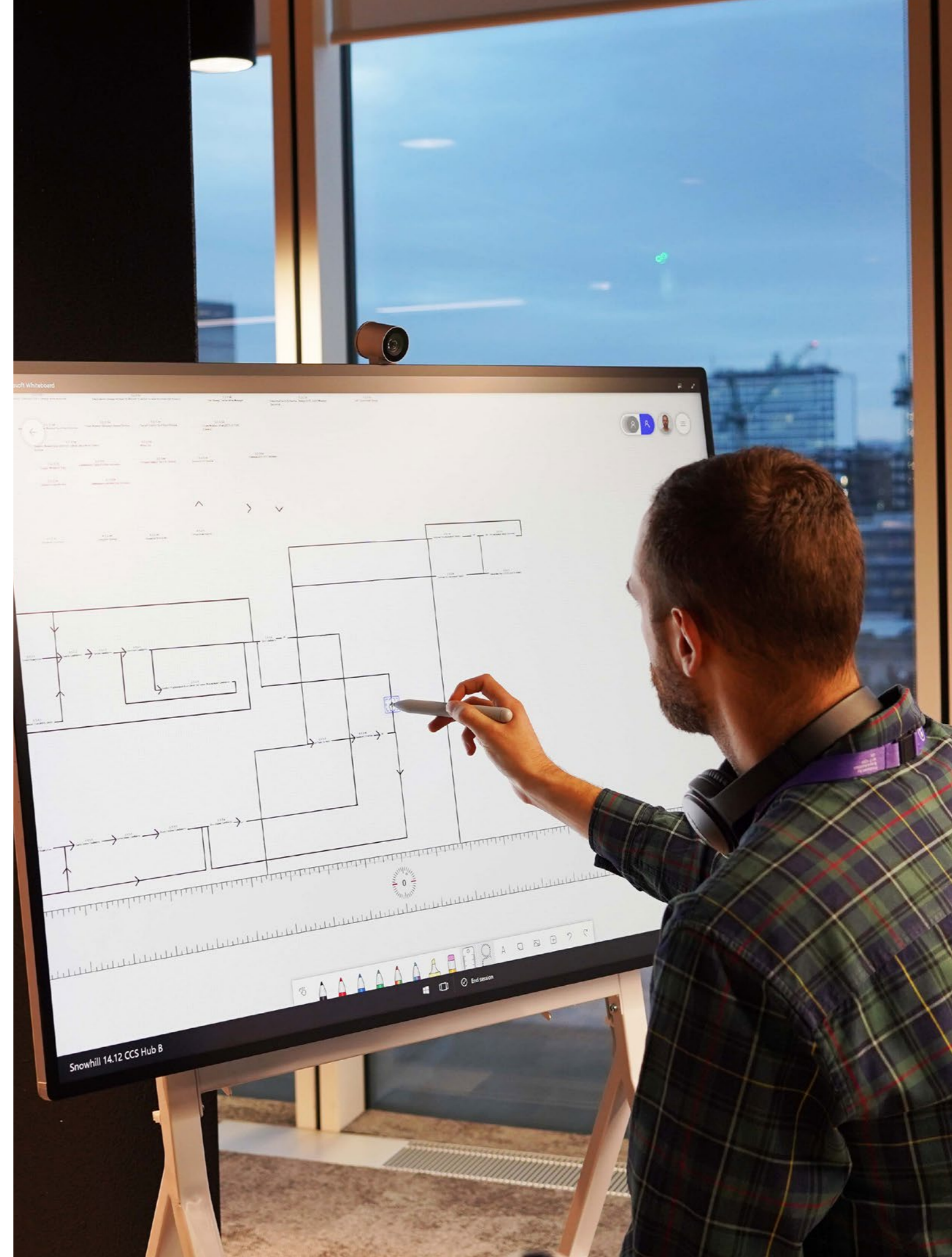
Upgrading to digital phone lines

The UK's telephone line system is a wonder of engineering. It was built more than a century ago and the intricate network of copper wires has kept delivering, keeping hospitals, schools, banks, shops, friends and families connected.

But all good things must come to an end. We need the UK's phone lines to deliver a world-class service, to be cost-efficient and, most importantly, reliable. Over the years, the Victorian copper network has become more difficult to repair, as replacement parts become harder to source, and repairs have become increasingly necessary. Ultimately, it needs to be upgraded.

To address this, BT, which owns the analogue 'PSTN' (Public Switched Telephone Network) phone network, has decided to retire it by the end of 2025.

That means by 2026, almost everyone in the UK will need to have been upgraded to a digital line and 'landline' calls will be made over broadband instead – just like we do with Zoom and Teams calls today. At that point, everyone will be able to enjoy a faster, greener and more reliable service.



How the upgrade works

At Openreach, our role in this transition is to withdraw the analogue products that work over BT's network – including our Wholesale Line Rental (WLR) product. In practice that means once we've built Full Fibre in an area, we'll phase out these older copper technologies. And by the time 75 per cent of homes and businesses connected to a given exchange can order Full Fibre, we'll stop selling certain copper products altogether.

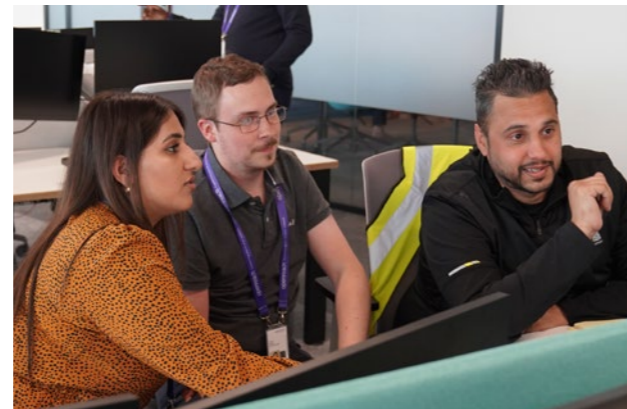
Customers will then only be able to order Full Fibre, if it's available at their premises and, if it isn't, then we'll offer an alternative digital product. This will apply to new customers, but also to anyone switching, re-grading or upgrading.

By the end of March 2022, we'd reached this 'stop sell' point at 181 exchanges, covering up to two million homes and businesses. We've also announced future 'stop sells' for 370 exchanges, covering over three million homes and businesses, bringing the number of premises that are either covered by a live or future 'stop sell' to over five million.

The impact of going digital

Landline phones and copper broadband products aren't the only things affected by the switch to digital – key pieces of hardware like alarm systems, lifts and healthcare pendants will also be affected. That's why we established a test lab at our headquarters in London, which is open to all hardware vendors.

The lab provides an environment where manufacturers can replicate the conditions that occur when switching to digital lines and it's a great way for them to figure out the best ways to manage that transition. We're also working with charities, consumer groups, local councils, Government and organisations that manage critical national infrastructure to understand the needs of all types of customers. That way we can work together to create industry wide solutions. For example, we know some people use their landline purely as a telephone service, without buying a broadband product at all, and it's important they still have that option. In Mildenhall, we've announced plans to pilot a new digital product (called SOTAP) for customers who only want a phone line service.



Case Study Dave Arcari, musician

"The new service Openreach has put in place, working with the Scottish Government, is nothing short of a game changer for my business."

Our Full Fibre rollout can change people's lives, especially in rural areas where connectivity has been historically patchy.

Dave Arcari is a professional blues musician from Balmaha, a village on the eastern shore of Loch Lomond. When the pandemic hit, he was forced to cancel his tours and live shows. Ticketed, online live shows were the best way to continue to connect with his fans and customers – but Balmaha's broadband connectivity wasn't fit for purpose and streaming shows was a real challenge.

"The connection was so bad I was having to leave videos uploading for the whole night or traipsing a mile and a half up the banks of Loch Lomond to the only spot with three bars of 4G."

Thanks to Openreach, and our work with the Scottish Government, Arcari's equipment-laden quests for a mobile signal are a thing of the past. We built a Full Fibre network, connecting around 120 homes and businesses in Balmaha to the UK's fastest and most reliable broadband.

For Dave, and other local businesses, it's been a revelation, showing once again how Full Fibre connectivity can rejuvenate rural economies.

He's now able to livestream his concerts from his garden studio and couldn't be happier with the outcome.

04

**Delivering
great service**



Delivering great service

We know how important it is for the UK to stay connected, so delivering a great service for the companies and people who use our network is a major priority for us.

That said, it's difficult to understate just how challenging 2021/2022 was for our teams. With the continuing effects of the pandemic, we had higher absence levels amongst our people, lockdowns and geographically tiered restrictions, as well as differing policies across the UK's devolved nations. At the same time there was a consistently high and volatile demand for our most popular products – and that was peppered by a series of extreme weather events.

We also had to balance our standard Quality of Service (QoS) obligations with the increasing demand we're seeing for new FTTP connections – a product that we're still learning how to deliver at scale and to the highest possible standards.

Given all that, it's even more impressive that our Service Delivery and Fibre and Network Delivery teams provided brilliant service, across all our products during the last year.

We managed to exceed all 35 of the regulated service measures which are set for us by Ofcom and cover both the business and residential markets. And this was reflected in our customer satisfaction results, with our Net Promoter Score (NPS) at between +30.3 for Copper and Fibre and +38.9 for Ethernet.

Finally, we also had our best ever year for 'on-time provision' and repair performance, with our CP customers perceiving our repair performance as almost three times higher than in March 2021.

Whilst there's always more to do, we're delighted with these results and we're planning to build on them.



Working with communication providers

Openreach is a wholesaler, so to really understand how satisfied 'end customers' are, we have to work very closely with the service providers who use our network.

This year, we've continued to develop strong partnerships with CPs so that we can understand their customers' issues better, and we can work quickly and collaboratively to solve them. We do this through regular and transparent communications with the entire industry.


One example is our work with Sky. In early 2021/2022, Sky asked us if their engineers could carry out the 'in-home' aspects of a Full Fibre installation, so we decided to trial it. The idea was that a single engineer visit would improve customer satisfaction, and the trial provided a lot of evidence that it would.

For example, we believe it will reduce the number of faults that Sky customers will experience in the first few days after their installation, because their engineer is more familiar with the Sky devices inside their home. We also think it will reduce the number of appointments that get cancelled.

It's a service that's available to all CPs, which means we can deliver an even better experience for them and their customers.

Basically, everyone's a winner.





February saw three named storms hit in just six days

Storm impacts and recovery

Barely a year goes by where we don't need to respond to unexpected or extreme weather. But this year was even more stormy than usual.

The winter of 2021/2022 saw seven consecutive named storms hit the UK in a three-month period, and they caused widespread damage and power outages across the country.

One period in February saw three named storms hit in just six days.

Storms Arwen and Eunice were especially destructive – the former saw an extra 12,000 faults reported to us in a single week. And during Storm Eunice's peak, around 19,000 customers ended up without a phone or broadband service.

The situation was exacerbated by the fact that power cuts can mask broadband outages – because

customers who have no power won't even know if they have an issue with their broadband.

Thankfully some heroic work by our engineers restored services to 13,000 customers within just four days and the power related issues were resolved a week after the initial storm impact. We also dealt with a further 6,500 damage related incidents on our broadband network.

Despite this solid response, we always want to be better. So, after Storms Arwen and Barra, we set up a new Storm Response Unit within Openreach.

This unit has been using our learnings from previous storms to develop new, specific processes that help us deal even better with extreme weather events. As a result, we feel better prepared to respond to these situations in future, quickly and safely.



A bumper year for data

Every year, the UK's thirst for data gets even bigger, and this year was no different.

We've handled a huge growth in demand, with our network carrying more than 60,000 Petabytes (PB) of data during in the last 12 months – up five per cent on the previous year.

When you consider that one Petabyte is equal to one million Gigabytes, the scale of our network is really brought into focus. As broadband becomes ever more integral to our lives, both personally and professionally, Openreach's role in building the best digital future for the UK only becomes more critical.



05

Bridging the digital divide



Bridging the digital divide

What is the digital divide?

When it comes to accessing fast and reliable broadband, there's a digital divide in the UK between the 'haves' and the 'have-nots'.

The vast majority of the country (around 97 percent) can order a superfast service offering speeds greater than 30 Mbps – which is enough to stream several HD (High Definition) video streams simultaneously. But for a small minority that's not available today.

The main reason for the divide is that connecting rural communities is more difficult and much more expensive, and there aren't many companies willing to do it. Urban areas are, by their nature, densely populated, while rural communities are spread over a much greater area and can often be remote.

The more remote and spread out the premises are, the more hours, equipment and specialised machinery we need to reach them.

Connecting rural communities means dealing with difficult natural obstacles, such as rivers, mountains, lakes and lochs, valleys and forests - and this can make the cost prohibitive. There's also the need to gain legal permissions, or 'wayleaves', to build across privately owned land – which can be time-consuming or sometimes impossible to obtain.

Openreach is a commercial business, just like every other company that builds networks, but unlike others, we're also committed to serving the whole of the UK.

We know that fast and reliable broadband is vital for rural communities and businesses, and that areas lacking that access can be at a serious disadvantage – something the pandemic brought into sharp focus.

We're proud of our strong track record of investment into rural broadband upgrades – having connected more than any other company – but, realistically, bridging the digital divide isn't something we can achieve alone.



Over 2,700 cities, towns, villages, and hamlets have been included in our Fibre First programme so far

Some properties will always fall outside of commercial plans, simply because their location renders them too expensive and too complex – so connecting these remote areas, and bridging the digital divide, requires Government and the industry to work together.

The good news is that Government support – whether at a UK level or within the devolved nations – can make connecting hard-to-reach areas feasible, and our engineers are always ready to take on a challenge.



Here are some of the ways we're working to help bridge the UK's digital divide

1. Doing more

We invest more into connecting rural communities than any other network builder. Our aim is to connect 25 million homes and businesses to Full Fibre broadband by the end of 2026, and more than six million of those are in the hardest-to-reach and most remote communities in the UK – defined by Ofcom as 'Area 3'. In 2021/2022 we connected another 930,000 of these premises, bringing our total so far to more than 2.3 million homes and businesses. We also extended coverage to 310,000 not-spots, areas that previously could not receive services of at least 30Mbps from Openreach, as we built everywhere from the Outer Hebrides to the Isles of Scilly. We're determined to keep going.

2. Innovation

At Openreach we're always looking for ways to innovate, using the incredible wealth of experience we have in our teams to find new ways to deliver a brilliant service.

Our Chief Engineer's team makes sure that we're always at the cutting edge of the industry, taking learnings from all around the world to research and develop new and better tools, techniques and technologies. Many of these innovations help to make rural builds more feasible and cost-effective: like drones that let us fly fibre across rivers and valleys, and our 'Cleanfast' machine, which uses 'rock-wheel' cutting technology to lay up to one kilometre of fibre cable per day. Not only is this 50 times faster than conventional mechanical methods, but it protects the local environment by sucking up waste material as it works. It's an innovation that's cost-effective, time-saving, and green. Take a closer look at how we innovate on [page 46](#).

3. Co-funding with communities

If your home or business isn't part of any private sector build plans, or if your need for fast and reliable broadband means you can't wait for a subsidised project to reach you, we've provided another option. Our Fibre Community Partnership (FCP) scheme has helped communities where the demand for fibre broadband is high. We've worked with communities and local authorities to combine resources and co-fund Full Fibre network solutions, balancing the build with our delivery timelines. So far, we've helped more than 2,139 communities through the scheme, bringing fast, reliable connections to more than 202,900 homes and businesses that otherwise would've faced a long wait, or missed out entirely.

4. Working with Governments

We believe that everyone in the UK deserves access to fast and reliable broadband, and we work collaboratively to make that happen. In 2013, the UK Government's Building Digital UK (BDUK) scheme began and so far, it's connected 5.3 million homes and businesses that were outside of private sector build plans to superfast broadband.

In 2021/2022 we completed delivery of 15 BDUK superfast contracts, and although most of that work used Fibre-to-the-Cabinet (FTTC) technology, we future-proofed wherever we could – meaning more than 36,900 premises were upgraded using Full Fibre technology.

We're proud to have played a huge role in BDUK since its inception, and it's no mean feat that 97 per cent of the UK can now order superfast broadband.

But we're not finished. As part of our commercial build, we upgraded the network serving around one million premises in Wales. We then worked with the Welsh Government to connect a further 500,000 premises, giving 95 per cent of the country access to Superfast. We're continuing to work with them so we can bring Full Fibre to as much of the final five per cent as possible.

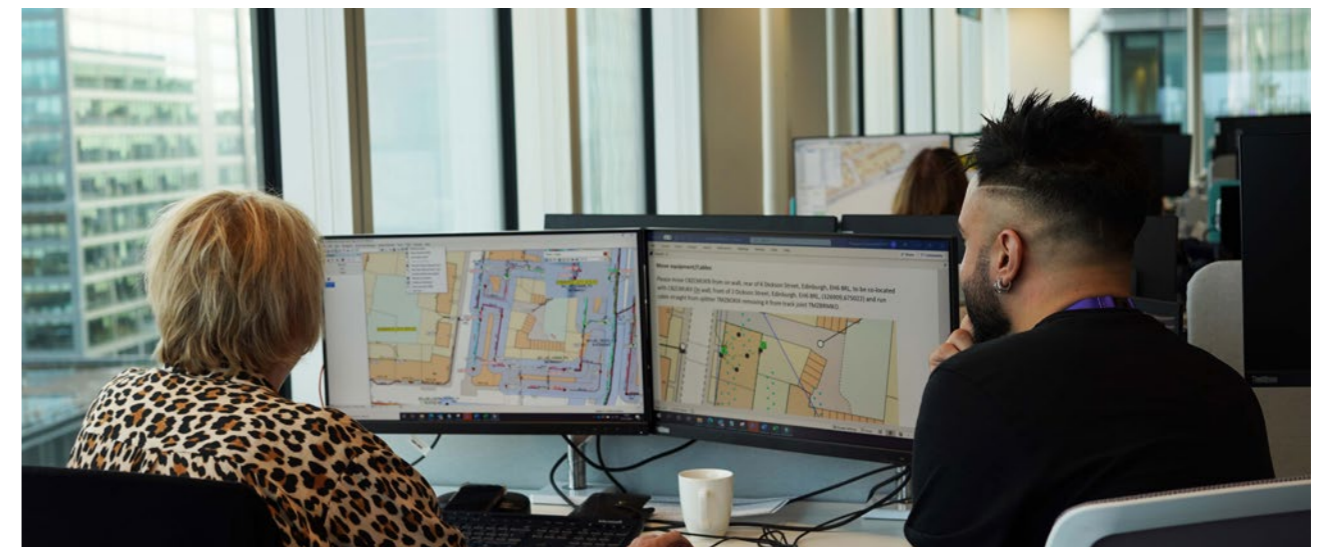
In Scotland, we've begun delivery on three Reaching 100 per cent contracts, to help the Scottish Government connect their most remote homes and businesses. We have deployed cable ships to lay 16 new subsea cables, so we can bring Full Fibre broadband to more residents in the Scottish Islands.

We'll also continue working with the UK Government on Project Gigabit, the £5 billion partnership scheme which aims to connect the final, and trickiest, 20 per cent of the UK to Full Fibre broadband.

5. Working cooperatively

We're building a nationwide Full Fibre network, which means we're building faster and further than anyone else. But we can't do it alone. That's why, since 2011, we've been helping other network builders to massively reduce their upfront costs for digging works and laying fibre cables by sharing access to our network of 4.1 million poles and numerous underground ducts.

So far, more than 120 companies are sharing our infrastructure to build their own fibre, using around 27,000 kilometres of our underground network and around 200,000 of our poles. Upgrading the whole of the UK means working together as an industry, and we'll keep working hard to make sure our infrastructure is easy to access and easy to use.





Case Study

North Wales Wildlife Trust



Our engineers worked tirelessly to run a Full Fibre cable 13km, from our exchange in Connah's Quay directly to the Trust's office.



North Wales Wildlife Trust has a lot on its plate. The Trust manages 36 nature reserves across North Wales, covering around 790 hectares – that's the size of nearly 2000 football pitches.

It manages natural habitats and runs wildlife conservation projects, such as reintroducing the beaver to Wales, and organises educational school visits, to introduce children to the wonders of the Welsh countryside. Crucially, it also provides environmental impact surveys for developers, and works with landowners to identify land for wildlife improvements.

All this is run from its rural Maeshafn office, where staff run an on-site tree nursery and coordinate the activities of more than 500 volunteers.

But they faced a problem – poor connectivity. The environmental impact surveys involve working with data-intensive mapping files, and the connectivity was slow enough that staff were forced to download

and upload important documents at home. It was also making it difficult for the team, who are spread out across North Wales, to communicate and coordinate effectively.

So, they came to us. Our engineers worked tirelessly to run a Full Fibre cable 13km, from our exchange in Connah's Quay directly to the Trust's office, connecting them, and 100 other properties along the way, to some of the fastest and most reliable broadband speeds in Europe.

Frances Cattnach, the Trust's CEO, saluted our "incredible" engineers and said, "we're all delighted with the results".

Ymddiriedolaeth Bywyd Gwyllt Gogledd Cymru

Mae Ymddiriedolaeth Bywyd Gwyllt Gogledd Cymru yn brysur iawn. Erbyn hyn mae'r Ymddiriedolaeth yn rheoli 36 gwarchodfa natur ar draws y gogledd, sy'n cynrychioli oddeutu 790 hectar o dir – sef maint bron 2000 maes pêl-droed. Wrth wneud hynny mae'n rheoli cynefinoedd naturiol, megis ailgyflwyno afancod i Gymru a threfnu ymweliadau ysgolion er mwyn cyflwyno plant i ryfeddodau cefn gwlad. Yn ogystal, mae'n cynnal arolygon effeithiau amgylcheddol ar gyfer datblygwyr ac yn cydweithio â pherchnogion tir er mwyn clustnodi safleoedd datblygu bywyd gwyllt.

Rheolir y cyfan o'r swyddfa wledig ym Maeshafn ger yr Wyddgrug, ble mae'r staff yn cynnal meithrinfa goed ac yn cydlynu gweithgareddau dros 500 gwirfoddolwr.

Ond roedd problem – sef cysylltedd gwael. Mae cynnal arolygon effeithiau amgylcheddol yn galw am weithio gyda ffeiliau data enfawr, a'r cysylltedd mor araf fel bod staff yn gorfod mynd adref i lwytho dogfennau pwysig. Roedd hefyd yn rhwystro'r tîm, sy'n gweithio ar hyd a lled y gogledd, rhag cyfathrebu a chydweithio'n effeithiol.

Felly, daethant atom ni. Gweithiodd ein peirianwyr yn galed i redeg ffeibr 13 cilomedr o gyfnwidfa Cei Connah i swyddfa Maeshafn ger yr Wyddgrug, gan gysylltu bron 100 cartref neu fusnes ar y ffordd, â darparu gwasanaeth yn cymharu â'r mwyaf cyflym a dibynadwy yn Ewrop.

Dywedodd Frances Cattnach, prif weithredwraig yr Ymddiriedolaeth, bod ein peirianwyr yn "anhygoel" a bod pawb yn "gwerthfawrogi'r canlyniadau."

06

**Working
safely and
sustainably**



Working safely and sustainably

Building the best digital future for the UK is something we take seriously, because we know how important fast and reliable broadband is to communities across the country. At the same time, it's just as important that we do things the right way.

We want our customers and members of the public to trust us and be protected as we go about our work. We want our colleagues and partners to be able to work safely, every day. And we want to help make sure that our future – both online and offline – is a secure and sustainable one.

Building safely

Improving safety is a big priority at Openreach. We're investing in a multi-year programme to improve our safety culture and behaviours and it's particularly important as we accelerate our network build programme because that presents more safety risks to our people.

In October 2021, we carried out an independent 'Safety Culture' survey which showed some improvements on the previous survey in 2019 and we're now using the outputs to develop a safety culture plan. That plan will include 'Hearts and Minds' training for everyone in Openreach with a set of life saving rules and everyday behaviours.

We've also been improving our engineering processes and we introduced a new harness system, Tetra, to address the risk of falls from height. We're now halfway through a three-year programme to remove our network from high voltage electricity poles. These were installed in the past and present a risk, given it can be difficult to isolate the power before climbing.

Meanwhile all of our commercial vehicles are fitted with telematics, and our people are encouraged to review their driving safety scores. We provide additional training for drivers who don't meet our safety standards.

Avoiding workplace violence

Another big priority for us is making sure our people are protected or can avoid workplace violence.

During the Coronavirus pandemic, we saw a 366 per cent increase in verbal and physical assaults on our engineers. There were lots of factors behind this, including 5G conspiracy theories, the

increased prevalence of home workers, and a lack of understanding among some people that our engineering teams were classed as critical workers. Whatever the reasons, workplace violence is something none of our people should have to face while doing their jobs.

To combat this, we launched a new training course based on real experiences of violence faced by our people. Distilling these examples into a series of short films, the course teaches our engineers how to recognise danger signs, diffuse potentially aggressive situations and extract themselves safely from situations that make them uncomfortable. The course has drawn excellent feedback from our engineers, who praised its realism, and it won three awards at international film festivals.

We've also continued to publicly support the 'Service with Respect' campaign, led by the Institute of Customer Service. This campaign has been calling for a change in the law to protect customer-facing workers from abuse – including tougher sentencing for people who commit assaults against people providing a public service.

Building sustainably

At Openreach we recognise the urgency of the climate crisis and we're committed to addressing our impact. In 2020/21 we pledged, alongside our parent company BT, to reach net zero carbon emissions by 2045 and in 2021/2022, we decided to do even better – bringing our Net Zero target forward by 15 years to 2030.

This year, we've created new roles which bring sustainability to the very heart of business decision making. We now have Director-level responsibility for sustainability within the business and sustainability goals in our strategic business plan. We've also become members of the Institute of Environmental Management and Assessment, and we're committed to using our size and influence in the industry to support sustainability. That means working with our suppliers, customers and partners to drive change on both a national and global scale.





We have the second largest commercial van fleet in the UK

Moving to a low carbon fleet

We have the second largest commercial fleet in the UK, with more than 29,000 vehicles and our engineers travelled over 244,600,000 miles last year, so we know we have a huge impact on CO₂ emissions.

This year we were proud signatories of the COP26 Transport Declaration, where we've pledged to switch the majority of our fleet to zero emissions or electric by 2030. This is a key pillar of one of our biggest goals – to reduce our carbon emissions intensity by 87 per cent by the end of March 2031. Making this switch is really important, because it will allow us to dramatically cut our emissions while also retaining the size and mobility of our fleet. And that's crucial to delivering great service to our customers all over the UK.

So far, we've had 1056 electric vehicles built for our fleet and we've travelled more than 3.5 million miles in electric vehicles (EVs), saving over 1,500 tonnes of CO₂. We're one of the first fleets in the UK to introduce the Vauxhall Combo-e, which will be manufactured in the UK from late 2022. We've built new online training materials to support our engineers as they switch to EVs.

We're also working to use our size and influence to help promote the use of EVs. We're an active member of the EV platforms for the EV Fleet Accelerator (EVFA), EV100 and Electric vehicle coalition.

Like other business on the same path however, we are facing barriers to our mission to decarbonise. There have been significant changes to Government subsidies, we face shortages in the vehicle supply chain and there's a general lack of national charging infrastructure.

One of our previous aims was to switch a third of the fleet to zero emissions or electric by 2025, but we're now reviewing our short-term plans due to these external pressures. The operational and financial implications of these barriers may mean we buy fewer EVs over the next few years, but we remain committed to our 2030 pledge. We also continue to partner with other companies through EV100, the UK Electric Fleets Coalition (both led by the Climate Group) and the new EVFA to advocate for progressive public policies which will accelerate the shift to electric.

Circular Economy

We're certified by ISO14001 on environmental management which allows us to enhance our environmental performance and we've set ourselves the target of becoming a circular economy operation by 2030. This means redesigning our supply chain and the products we use to be durable, reusable, and recyclable. By transforming the linear 'take, make, break, throw away' economic model into a circular 'take, make, use, reuse' one, we can make huge improvements to our sustainability.

A huge part of this is continuing to minimise our waste and we've set a 2025 target for all plastic packaging from 4,000 procured lines to be reusable, recyclable or home compostable. This year we've continued working with our key suppliers to reduce unnecessary plastic waste, and we've removed 174 tonnes of single use plastic from our supply chain.

Key to our success is circular innovation, such as blue rope recycling. Blue rope is critical to our build operations, as we use it to pull fibre cables through ducts, but it has a high plastic content. In 2020 we trialled a recycling programme that prevented 10 tonnes of plastic from going to landfills – this year, by expanding the programme, we stopped 113.8 tonnes of plastic from being wasted.

Working with our recycling partner, Marlin, we're also exploring how we might close the loop by using the pelletised plastic in other parts of our operation. We're continuing to innovate so that we can sustainably build the best digital future for the UK and reach our goal of using 100 per cent re-used, recycled, or composted plastic packaging by 2025.



A force for good

We know that what we do can have a big impact – not just because of the changes we’re making, but by empowering others to save carbon. A report by the Centre for Economics and Business Research (Cebr) estimated that a nationwide Full Fibre network could help save 300 million commuter trips per year – but connectivity as a force for good goes even further.

In September 2021 we connected the rural office of the North Wales Wildlife Trust to Full Fibre, enabling them to do their crucial work providing environmental impact surveys and digital maps for developers and landowners which help identify land for wildlife improvements and are vital in protecting natural habitats. Find out more about our work with the North Wales Wildlife Trust on page [36](#).

Our engineers, too, are making a difference. Every Openreach colleague is entitled to three days every year to volunteer. One example of this in action was Tree Planting Week, when a team of Openreach volunteers, together with our partner Ground Control, planted more than 3,000 native species trees at Old Bolingbroke in a series of interconnected copses and linked hedgerows. It’s estimated that within 50 years, the trees of ‘Open Wood’ will have sequestered around 160 tonnes of CO₂e and the hedgerow 270 tonnes of CO₂e.

In Wales, our technical skills and equipment have been put to good use erecting nesting boxes for swifts and donating a telegraph pole to reinstate a nesting site for ospreys, following an act of vandalism. The original nest was deliberately destroyed just a day after a pair of ospreys had laid their first egg. We’re overjoyed to note that the ospreys have adopted the site this year and have been raising three chicks in the nest.

Finally, this year has clearly been overshadowed by the war in Ukraine and our teams, like everyone, have been keen to support where possible. Openreach will be matching colleague donations up to £100,000.

07

**Engineering
innovation**



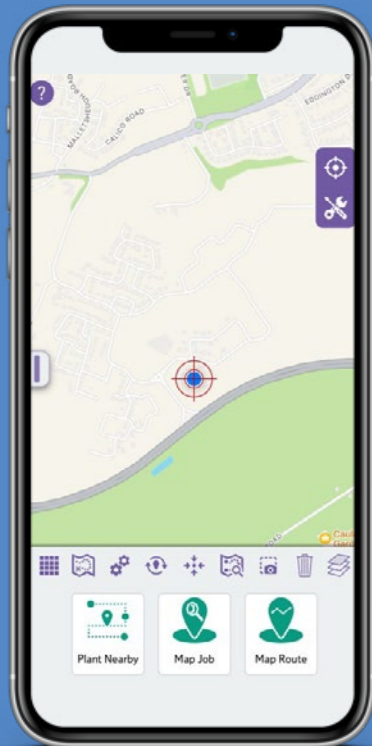
Engineering innovation

Bringing Full Fibre to 25 million premises is no mean feat. It's one of the biggest infrastructure projects in the UK, and we need to deliver that whilst continuing to provide a brilliant service experience to millions of customers.

To achieve our ambitions, we have to constantly evolve, innovate and find better, more effective ways of doing things.

Thankfully our teams are full of clever, resourceful engineers who know just how to do that. They love nothing more than harnessing innovation and testing new ideas, whether it's trials of new network technology, building apps to empower our engineers, or creating nifty ways of working more effectively with our customers and partners.

Take a look at just a few of the new things we've been working on over the last year:



1. Partner apps

This year we built and rolled out several new apps that can help to improve and streamline how we work with partners. We also created an 'Uber' style model that enables us to easily share our apps with our build and other partner engineers (like those who work for our provider customers) so that we can all work more effectively.

Our MyServices app is designed to help partner engineers install Full Fibre services and has been successfully rolled out to several partner organisations who work on our behalf. They can use the app to view job details, activate services and run network tests, in just the same way that Openreach engineers can – and with quality steps built in.

SWAT is another app that we've unveiled this year to optimise our customers' home Wi-Fi networks. It allows our engineers to show customers what to expect by creating a heatmap which indicates the Wi-Fi speeds they can expect throughout their home. We've had brilliant feedback from customers so far, and we're now trialling a new version that uses Light Detection and Ranging (LiDAR) technology to automatically generate the floor plans.

2. ARENA

Arena is revolutionising how we do engineer audits. Instead of a time-consuming process of filling out paperwork and exchanging slides over email, ARENA is a new mobile app and web portal which connects our engineers and auditors directly. By using images and two-way coaching, they can work faster and more collaboratively to make sure our network's safe and providing the best possible service. We've already rolled ARENA out nationally within our Service Delivery and Fibre and Network Delivery (FND) teams, and we're working on plans to make it available for partners and other parts of the business.

3. AI Audit

When a Full Fibre installation goes wrong, the most common cause is usually found at what we call the 'Customer Splicing Point' (CSP) – so our Chief Technology and Information Office (CTIO) team has been working on a diagnostic tool which harnesses the latest research in Artificial Intelligence (AI). The new tool, which went on trial in June 2022, will help engineers to find and flag any potential issues at the CSP by simply scanning it with the camera on their mobile device. Collaborating with teams in the labs at Amazon AWS and BT Innovation, our experts are developing AI models which have almost limitless potential for identifying issues across our network.

4. MyNetwork

We've been in the engineering game for a long time, and sometimes innovating is about bringing old processes into the modern age. Over several decades, we've built various processes for reporting issues with our network, and now we can become more efficient by consolidating them all. Thankfully, our CTIO team are on it. This year, we're building a new app that will streamline the processes into a single way for engineers to report network issues directly to the correct teams back at base. The My Network app will make things simpler for the engineers and reduce management effort for our desk-based teams by 50 per cent.

5. Network technology callouts

We're always trying to improve our service and our new SmartSFP test is another important step. SmartSFP is a Full Fibre speed test that means we can prove the speed we can deliver to an individual Full Fibre customer. Not only will this let the customer know what to expect, but it could be vital when establishing the cause of an issue, as we'll be able to rule in or rule out what's happening on the Openreach part of the network.



08

Open to
everyone





Building the best digital future for the UK is a big job that takes a lot of dedicated people working together.

So it's little wonder that, at its heart, Openreach is a people business.

We have more than 37,000 people in the Openreach family, and we're all working to tackle complex engineering problems and make customers happy.



Open to everyone

Investing in skills and development

This year we've invested millions of pounds into developing our people and our 12 training schools in all four UK nations.

We've provided more than 187,000 days of training during the last 12 months alone and we completed work on our latest training school, in Bishops Stortford - which includes another of our award-winning 'Open Streets'. These purpose-built centres are designed to replicate a typical suburban street, so they give our new and existing engineers the chance to improve their skills in a safe, authentic setting.

Creating new jobs

On the hiring front, we're continuing the biggest recruitment drive in our history. Thousands of candidates completed our application process online this year, including through virtual assessment hubs - and the approach has proved so successful, we've decided to continue to recruit this way in the future.

This year we've recruited and onboarded more than 4,000 new engineers with plans to recruit thousands more in the year ahead.

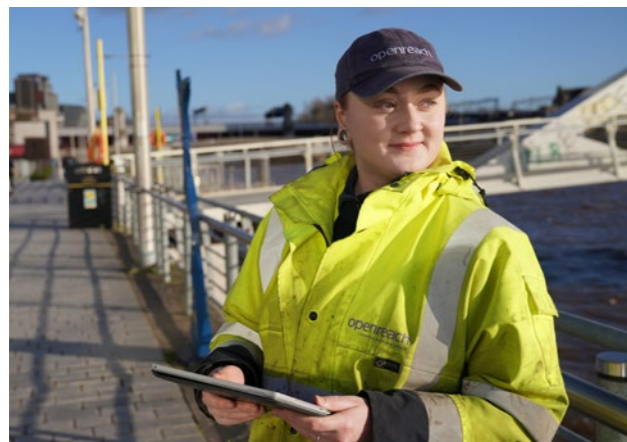
We're immensely proud that Openreach continues to be the largest private sector employer of apprentices in the country.



Building a diverse and inclusive team

Historically, our industry – and our company – has lacked diversity. That’s something we’re determined to change. We want our teams to reflect the communities that we serve right across the UK, and we know that a diverse and inclusive company is one that’s more innovative and dynamic and better able to respond to consumers’ needs.

In 2021, we published ‘Open to Everyone’, our Diversity and Inclusion commitments, where we laid out our ambitions and targets. We wanted to be clear about where we were as a company as well as where we wanted to go. We want Openreach to be Inclusive, Fair, Open, Leading by Example and Influential. We recognise that we’re on a journey, and we believe it’s important that we’re open and transparent about what we’re doing to get there.



1. Inclusive

Creating an inclusive workplace means listening to all our colleagues, so we can understand peoples’ needs and drive changes in the right direction.

Our People Networks – Pride, Gender Equality, Ethnic Diversity, and Neurodiversity – are crucial to this, helping to prioritise education and change, and helping us to challenge our thinking wherever needed. More than 3,800 of us are active members of the networks, and our growing community of allies tops 1,200. Our networks have already done great things, like helping to launch the Neurodiversity in Business initiative in Westminster, and we’re determined to give them even more support going forward, so they can set clear plans and objectives for the coming year.

This year we completed a full review of how we explain our maternity leave policy for field-based workers. We listened to our field team members who were expecting, as well as women recently returned from maternity leave, and their insights helped us to better clarify things like additional health and safety requirements and how working practices can adjust. The feedback from women

affected by our maternity policy and managers has been excellent, and we’ll keep listening to them to improve these processes.

As part of our leadership development, we’ve built partnerships with external organisations who help educate us on the key issues affecting different minority groups. We believe that better education and understanding is vital to meaningful change.

2. Fair

We understand that we’re all different and we’re all equal. And being fair means helping everyone to reach their full potential while being themselves.

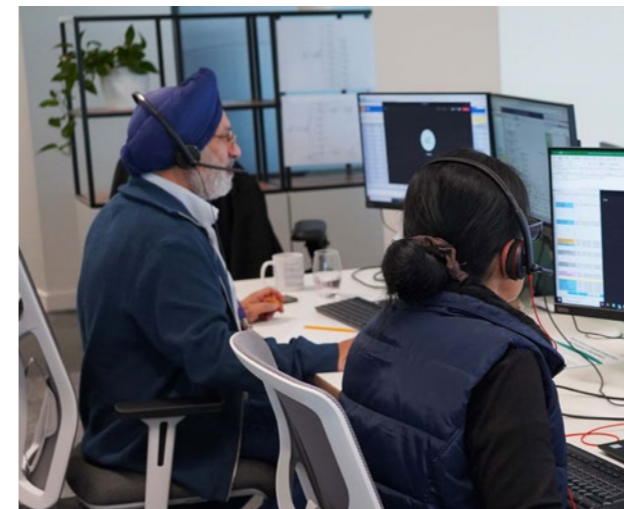
We’re working hard to make our recruitment more representative, training our hiring managers in the use of inclusive recruitment tools and running campaigns specifically designed to target more diverse pools of candidates. We recruited more than 4000 new engineers this year, 16 per cent of which were women, up from 2.4 per cent only five years ago. We also regularly review the experiences of our new recruits, so that we can work together to create an ever more inclusive and supportive onboarding process and work environment.

We’ve always been proud of our world class training, but this year we’ve worked hard on making sure it’s accessible for everyone. Our learning and development trainers and leaders have all been through a Special Educational Needs and Disability awareness course and our new recruits can use our new Learning Support Document to share, if they’re comfortable doing so, how they learn best and the kind of support they may need when training.

This year we launched Accelerate, our middle manager talent programme, and extended Elevate, our senior management programme. Both are designed to help people to reach their potential and offer great opportunities to broaden networks, improve leadership skills, and join groups designed to provide career development support for diverse communities. We want everyone to have the opportunity to be their very best, so we also launched a pilot scheme to help engineers make the step up into management. The scheme targets colleagues who haven’t had the chance to gain A-levels, and we’re looking forward to extending it once the pilot phase is complete.

3. Open

Being open means letting everyone know what we’re aiming for and what we’re doing to get there. We publish our targets and we share our progress, so everyone can see how we’re measuring up to the goals we set. You can find our original D&I commitments and our updates at www.openreach.com/careers/diversity-and-inclusion.



4. Leading by example

We believe inclusion starts at the top, and we want our leaders to become role models for diversity and inclusion. With the help of our networks, we’re constantly challenging and educating our leaders so they can make the day-to-day decisions that really matter.

Over the last year, we teamed up with external partners and organisations who delivered specialist Inclusion masterclasses to our directors. We’ve also launched reverse mentoring programmes, helping our senior leaders better understand the experiences of their LGBTQ+ colleagues, and rolled out our ‘Let’s talk about Race’ training programme to all our managers.

5. Influential

We’re a major organisation in our industry and we want to use our size to help improve diversity in the engineering sector.

We’ve worked with our partners and suppliers, sharing education and best practice, and pooling all our findings on the best approach.

We also work extensively with our front-line colleagues to identify discrimination, bullying and harassment. The more effectively we can do so, the more we can make sure that everyone feels safe, supported and able to be themselves.

09

**Northern
Ireland**



Northern Ireland

Openreach Northern Ireland is a virtually separate organisation with its own senior management team, hosted by Openreach Limited.

As a virtually separate organisation, Openreach Northern Ireland retains responsibility for managing its people, setting its own strategy and making its own decision on investments. With all these Openreach Northern Ireland will take local circumstances into consideration to benefit the Northern Ireland community. Openreach Limited will support Openreach Northern Ireland with

the same products, services and systems which are available in Great Britain, ensuring Northern Ireland CPs are treated equally with their counterparts across the UK. In this section, we will provide a snapshot of Openreach Northern Ireland's Year in Numbers, including an update on Fibre Build and Compliance in Northern Ireland.



★ **64m+**

invested in our Ultrafast network in 21/22, with over £31m to be invested in 22/23

🏠 **FTTP rollout**

Our full fibre roll out reached an additional 175,414 homes and businesses in 21/22

Total FTTP Footprint 📶

As of March 22', over 713,500 premises can now access FTTP

1100 📡

Cablelinks delivered for our communication providers

128 👤 ⚙️

New recruits joined our workforce this year, bringing our direct employees to 970

📅 **195k+**

Customer appointments had, an increase of more than 47k from the year previous – driven by increased fibre uptake, meeting 98.48% of these appointments on time

229k+ 💡

new provisions carried out across all of our product portfolio

17% 📉

reduction in faults last year

Our Fibre Broadband build

Openreach Northern Ireland continues to make solid advances when it comes to Full Fibre Broadband. In 2021/22 we made FTTP available to an additional 175,414 homes and businesses across Northern Ireland.

This brings our total coverage to 713,502 premises at 31st of March 2022. This now means that four out of five homes or businesses in Northern Ireland can connect to ultra-reliable, future proof broadband on the Openreach network.

As Northern Ireland's largest digital infrastructure provider, we are leading the charge with the delivery of the next generation of internet capable of meeting increasing demands – now and for decades to come. Both rural and urban areas can upgrade their broadband technology and connect more devices at once without experiencing any slowdown, buffering or dropouts. Some of our rural build within the last year can be seen in Feeny, Co. Derry/Londonderry and Drumneath, Co. Down.

Openreach NI Director, Garret Kavanagh said: "At the very essence of greater digital technology is having robust infrastructure in place that can cope with increasing demands and the continued development of new, data-hungry technologies. The Openreach team in Northern Ireland has played an essential role in providing the region with this future-proof infrastructure, and I'm proud to say we have reached the 80 per cent milestone. Over 700,000 premises across Northern Ireland now have the opportunity to connect to world-leading broadband technology, Ultrafast Full Fibre. That's game-changing for homes, local businesses and the economy as a whole. It also ensures Northern Ireland retains its position as one of the most digitally connected regions in the UK."

With over 80 per cent of homes and businesses able to avail themselves of Ultrafast Full Fibre Broadband, a priority for 2022/23 is to get customers connected to our faster, more reliable network. Openreach Northern Ireland are supported in this by the Openreach FTTP Priority exchange programme. This is when a certain exchange area reaches 75 per cent of addresses enabled for Ultrafast broadband, FTTP will become the only product for consumption. Within Northern Ireland, there are 56 exchanges already FTTP prioritised, with a further 57 exchanges to be added before the end of March 2023. This means that over 85 per cent of homes and businesses in Northern Ireland will be classified as being within the Openreach FTTP Priority exchange programme by the end of March 2023.

In 2022/23 we will invest more than £91 million in Northern Ireland to support the maintenance of existing copper and fibre networks, as well as further rolling out Ultrafast Full Fibre Broadband in the region. With our continued investment, investment from Government and other network infrastructure builders, we are confident that Northern Ireland will hit 100 per cent fibre coverage over the next few years.

Northern Ireland compliance

Northern Ireland compliance 2021 – 2022

Openreach is dedicated to having a strong compliance culture and in Northern Ireland we continue to play our part in delivering this objective. Compliance responsibilities for Openreach Northern Ireland follow the same three lines of defence model that Openreach Limited follows. The first line of defence is provided by the Openreach Northern Ireland compliance team and the Openreach Northern Ireland operational teams. The second line of defence is provided by the Openreach Regulatory compliance team. Finally, the third line of defence is the Openreach Commitments Monitoring Office and Openreach Internal Audit.

We produce an annual Northern Ireland Compliance report, which is approved by the Openreach Board Audit Risk and Compliance Committee (OBARCC). We also host a six-monthly Northern Ireland Regulatory Compliance Committee (NIRCC), giving Northern Ireland stakeholders an update on compliance and a forum to discuss the compliance landscape. Below are a number of areas to highlight over the last year:

Group internal audit

An audit of 'Communications Regulation Compliance in Openreach Northern Ireland' was undertaken by Group Internal Audit between January and March 2022. The objective was to review the processes for Northern Ireland to comply with communication regulation requirements. Its scope was to focus on the specific requirements placed on Openreach Northern Ireland by the Commitments and the Northern Ireland Governance Protocol along with the associated assurance mechanisms in place. We received an overall rating of STRONG.

An audit of Physical Infrastructure Access (PIA) was undertaken by Group Internal Audit between February and March 2022. Openreach Northern Ireland was a subcategory within this audit, with the focus being that PIA is also a mandatory consideration for Openreach Northern Ireland policy or process changes. Also, that differences in PIA operations are documented, understood and justified. We received no recommendations from within our subcategory from this audit.

Compliance breaches

There were zero Northern Ireland commitments compliance breaches in 21/22

Compliance training

Every member of the Openreach Northern Ireland team continues to keep their mandatory compliance training records up to date. These trainings are crucial for Northern Ireland compliance. Bi-weekly checks are undertaken to ensure regular and on-time completion.

Compliance summary

Openreach Northern Ireland is committed to ensuring that we continue to satisfy Section 18 of the regulatory Commitments and the mandatory obligations set out by both the Commitments and NI Governance Protocol.

10

Finances



Revenue

Our revenue grew four per cent for the year. This growth was driven by higher rental bases on fibre-enabled products, up nine per cent, and Ethernet, up six per cent at year end. This was partially offset by declines in legacy copper products.

Operating Costs

Operating costs decreased by two per cent due to lower repair volumes and ongoing efficiency programmes. These upsides were partially offset by higher Full Fibre provision volume and recruitment costs.

EBITDA

EBITDA grew eight per cent for the year.

Capital Expenditure

Our capital expenditure increased by 13 per cent driven by Full Fibre investment, with more customers connected and higher network build, partially offset by efficiency savings and lower non fibre spend.

Free Cash Flow

Normalised free cash flow declined by eight per cent due to high capital investment, timing of working capital and lease payables.

Openreach results

for the full year to 31 March 2022.

Part of BT Group plc (BT.L) results, published 12th May 2022.

Full year to 31 March				
	2022	2021	Change	
	£m	£m	£m	%
Revenue	[5,441]	5,244	197	4
Operating costs	[2,262]	2,307	(45)	(2)
EBITDA	[3,179]	2,937	242	8
Capital expenditure	[2,548]	2,249	299	13
Normalised free cash flow	[448]	486	(38)	(8)

11

Our priorities and principles





Connect more than
24,000 premises per
week to Full Fibre

Our priorities and principles

The last few years have shown, beyond doubt, that digital infrastructure is critical to the future of the UK.

Connectivity is a vital part of everyone's lives, both personally and professionally, and our role in providing it has never been more important.

Our aim is to provide the best network and the best service for our customers. As we move to the next stage of our development, we've created a new brand identity and brought our strategic priorities and principles together into Reach26.

Our new branding is an evolution of our identity, setting out how we look, how we speak, and how we sound. We're moving away from BT's colour palette towards our own look and feel, and we've created the 'Ozone' - an ownable asset that will help us develop brand recognition in our messaging. We're also adjusting our tone of voice to make sure it reflects our values - Personal, Simple, Brilliant. And we're determined that our new identity meets Level AA of the Web Content Accessibility Guidelines (WCAG) making it accessible to the majority of people with or without disabilities.

Reach 26 is a single framework that lets us more effectively conceptualise and execute our ambitious plan to build the best Full Fibre future for the UK. It encompasses both our priorities and our principles.

Reach26

We build the connections that matter

Deliver	Build	Upgrade
great service	our full fibre network at pace	our customers brilliantly



Safely



Inclusively



Efficiently



Sustainably

Priorities

1 Build Full Fibre to 25 million premises by the end of 2026

We'll keep working closely with our partners, and using innovative tools and techniques, to build Full Fibre broadband bigger and faster than anyone else. We're also dedicated to closing the UK's digital divide, and we'll keep building in rural and semi-rural areas as part of our Full Fibre rollout, connecting 900,000 premises over the next year.

2 Deliver great service

We want to deliver better service every day and we'll keep working closely with providers to find the best ways to balance great customer experience and operational stability. We're committed to the development of our frontline colleagues and are using data analysis to drive constant process improvements.

3 Upgrade our customers brilliantly

We want to upgrade our customers brilliantly - that means making sure they're on the best available platform and upgrading them as smoothly and efficiently as possible. Alongside working closely with CPs to improve end-user experience, we'll be multi-skilling an additional 3,000 engineers over 2022/23, so that we're able to connect around 24,000 premises per week to FTTP.

Principles

We'll work together to deliver our ambitions

1 Safely so that everyone goes home at night safe and well

We're working to embed a safety-first mindset across the whole business and are taking a zero-tolerance approach to serious events. We're focussed on improving key interventions, like Behaviour Safety training and Life Saving rules, and we're improving our reporting systems and processes, so we can make sure the data we get from contractors is even more accurate.

2 Inclusively so we better represent the communities we live and work in

We're determined to instil and promote a culture of inclusion and to be proactive in improving the diversity of our workforce. Not only have we published our own Diversity and Inclusion commitments – and will continue to publish annual updates of our progress – we're also embedding D&I requirements into our supplier contracts and expectations. We'll also continue to invest in developing key skills for all our people and expand our support for our People Networks and our Allies programme.

3 Efficiently so we're more effective as a business

We're committed to building processes and systems that work smarter for ourselves and our customers. We're improving performance and productivity through innovation in tools, systems, training, and field incentives. Across every facet of the business, we're using data strategy to improve the quality of our insights.

4 Sustainably so we can protect and care for our natural environment

We're serious about being a more responsible business, our planet and the communities we serve. We've brought forward our net-zero ambitions by 15 years and have pledged to switch the majority of our commercial fleet to zero emissions or electric by 2030. We're reducing energy consumption and waste by moving towards being a 'circular' infrastructure and we're working with our key suppliers to massively reduce packaging and single use plastic from our supply chain. We're also supporting communities by locally sourcing wherever possible and by supporting good causes.



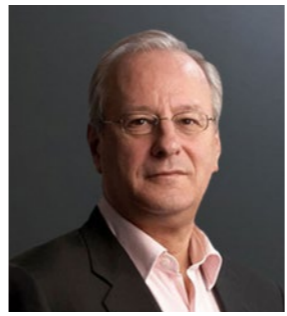
12

**Our senior
management team**





Board members



Mike McTighe
Chairman



Clive Selley
Chief Executive Officer



Matt Davies
Chief Finance Officer



Natalie Ceeney
Non-executive Board member



Edward Astle
Non-executive Board member



Andrew Barron
Non-executive Board member



Jon Furnston
Secretary to the Board



Simon Lowth
BT Group nominee

Executive team



Clive Selley
Chief Executive Officer



Matt Davies
Chief Finance Officer



Richard Allwood
Chief Strategy Officer



Colin Lees
Chief Technology and Information Officer



Katie Milligan
Managing Director, Customer, Commercial, Propositions and Northern Ireland



Kim Mears
Managing Director, Strategic Infrastructure Development



Matt Hemmings
Managing Director, Fibre and Network Delivery



Catherine Colloms
Managing Director, Corporate Affairs and Brand



Kevin Brady
HR Director



Sophie Bouckaert
General Counsel



Andy Whale
Chief Engineer



Mark Shurmer
Managing Director, Regulatory Affairs



Surinder Khatter
Managing Director Service Delivery FTTP, Customer Transformation and Data



Peter Stewart
Managing Director Service Delivery UK Operations



Jon Furnston
Board Assurance, Governance and Safety

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