



Fraud Risk Management Standard

(For External Use)

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1 Introduction

All organisations are exposed to the risk of fraud in its many forms. However, combining [Our Code](#)* with the implementation of this Standard will maximise the likelihood that fraud in BT Group will be prevented or detected in a timely manner and will create a strong fraud deterrence effect.

BT Group, its employees and suppliers are required to comply with all applicable laws relating to fraud, directly and indirectly and includes, but not limited to the UK Fraud Act 2006, UK Bribery Act 2010, Economic Crime and Corporate Transparency Act 2023 (ECCTA) and U.S. Foreign Corrupt Practices Act. In the event of conflict between our rules in this Standard and local laws, the stricter rule applies.

* Relevant policies can be found on the [Selling To BT](https://groupextranet.bt.com/selling2bt/) website - <https://groupextranet.bt.com/selling2bt/>

2 Scope

2.1 What is Fraud?

In BT Group fraud is defined as “any act of deception intended for personal gain or to cause loss to another party”. This definition aligns to the UK Fraud Act 2006 which states that a person has committed fraud if they do one of the following with an intention “to make a gain for themselves or another, or to cause loss to another or to expose another to a risk of loss”:

- dishonestly makes a false representation;
- dishonestly fails to disclose to another person information which they are under a legal duty to disclose; or
- occupies a position in which they are expected to safeguard, or not to act against, the financial interests of another person, and dishonestly abuses that position.

BT Group operates globally and as legislation varies within countries, it has taken the decision to align this Standard with UK legislation, including its provisions and schedules.

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) has added greater focus on an organisation's responsibility for fraud. A new offence has been created stating - "an organisation will be liable where a specified fraud offence is committed by an employee or agent, for the organisation's benefit, and the organisation did not have reasonable fraud prevention procedures in place. If an employee commits fraud under UK law, or even targeting UK victims, the employer could be prosecuted, even if the organisation (and the employee) is based overseas."

3 BT Group's Approach to Fraud

Our Code defines our place in the world by doing things right, every time. When a business is as integral to daily life as ours, we have a responsibility to make it a force for good. We must live our values of personal, simple and brilliant, and do the right thing. We should set the highest standards, meet our legal and regulatory obligations, create the fairest environment, and welcome, respect and hear every voice. We do not tolerate fraud, money laundering, tax evasion or any other financial crime.

BT Group has a zero tolerance to fraud either from within the company or committed against it. Fraud regularly harms both companies and individuals alike. It negatively impacts finances and damages brands and could ultimately destroy entire companies. Appropriate action will be taken against any known perpetrators of fraud.

Material fraud risks are mitigated through various fraud prevention and detection techniques, and the investigation of any suspected instances of fraud. Mitigations are captured as Key Controls.

4 Role and responsibilities

The risk of fraud to our organisation is real and impactful. We are all responsible for minimising this risk and for reducing the financial losses and the impact to both our business and our customers. Not only because regulation and legislation require us to, but because it's the right thing to do.

The Group Chief Financial Officer (CFO) owns BT Group's Fraud Risk, supported by the Director of External Reporting and Financial Control.

4.1 Third parties

- Always act with integrity, observing the highest ethical standards in compliance with all applicable laws and regulations.
- Commit to implementing best practice fraud prevention and detection controls.
- Immediately report suspicious fraudulent activity or concerns.
 - If you are worried you've spotted something unethical, or something that makes you feel uneasy contact [Speak Up](https://secure.ethicspoint.eu/domain/media/en/gui/104772/report.html) (<https://secure.ethicspoint.eu/domain/media/en/gui/104772/report.html>).
- Conflicts of interest should be avoided, and where they cannot, they must be registered and resolved to BT Group's satisfaction.

If a third party commits a material breach of the contract (or any part of it) with the BT Group, including non-compliance with applicable laws the BT Group has the right at any time to terminate the whole or any part of the contract immediately.

Version Control

Version	Approval Date	Reason for Change
Version 1	20/09/2024	New document for external use, aimed at suppliers. Based on the internal <i>Fraud Risk Management Standard v3.0</i> .