



Annual General Meeting 2022

Adam Crozier speech

Ladies and gentlemen, shareholders of BT Group, welcome to this year's annual general meeting; welcome to Birmingham; and thank you to those who've travelled and to those of you joining online.

It is a pleasure to be here with you at my first BT Group AGM since becoming Chairman in December.

I have joined BT Group at a time when connectivity has never been more important. This company is central to the UK's economy, public services and security. We are present in family and professional lives up and down the UK. Getting things right here matters to every single person in this country – whether they're a customer or otherwise.

This is a true leadership position and it's not one we take for granted. While it's a great privilege, it's also a great responsibility.

That is why we need to be more sharply focused on network investment and customer service than ever before. We must modernise both what we do and how we do it, aligned to the UK Government and Ofcom agenda of transforming the UK's digital infrastructure. In fact, the shared purpose that exists between us and these two critical stakeholders has led to a hugely strengthened relationship compared with only a few years ago.

The job ahead of us to transform BT Group into a modern, future-fit and competitive organisation is a uniquely complex undertaking and the business has made an excellent start under Philip's leadership. However, none of us is under any illusion about the scale of the task that remains.

BT Group is at the early stages of a mammoth and long-term transformation programme. Some of the timescales we are working to are longer than most in business, politics and media. But others are much nearer-term, like our cost transformation and modernisation programmes which are already delivering benefits to the group.

To remain competitive, BT Group needs to evolve as a truly world class telecoms leader and it needs to maintain this role within the ever-shifting technology landscape.

That starts with upgrading our networks and we are well on the way: We are rolling out full fibre broadband faster and cheaper than ever and our 5G network already reaches more than half the UK population.

Rather than scale back these network build programmes during the pandemic, we accelerated them. That's a good reflection of the kind of business this is: If there's one thing we learnt about BT Group since the start of the pandemic, it's that this is a resilient organisation that's critical to the customers and society we serve.

BT Group is a massive contributor to the UK. We are responsible for generating £1 in every £75 produced in the UK economy and it's estimated that the new networks that we and others are building will yield a national productivity gain of more than £200bn.

The scale of these fibre and 5G networks, rightly, takes the headlines. But while

connecting places is a yardstick, it is connecting people that will yield a return on our once-in-a-generation investment. Philip will say more on this in a moment but the early signs on this are positive.

Building and getting customers onto our next-generation networks is every bit as important as building a future-fit, modern BT Group.

Central to that modernisation is becoming digitally-led. That means our Digital unit will create new revenue-generating platforms and services and drive backroom efficiency so that we can better serve our customers across the board.

This is a human as well as a technical process and I have been impressed by our colleagues' expertise and dedication to this transition. To do this, we will continue to develop our skills base, recruiting and training the brightest and best, whilst reskilling our colleagues to stay competitive.

We are ploughing ahead on digitising both BT Group and the services we offer. But we must leave no one behind, which is why our full fibre build of 25m homes will include access for a guaranteed 6.2m rural homes; it's why we make sure connectivity is financially accessible to all through our social tariffs; and it's why we're supporting vulnerable customers by freezing those tariff prices in 2022.

For all our best efforts and intentions, however, we won't always get it right. We saw that this year with the move to Digital Voice – our landline telephone that runs over broadband – where not enough caution on our part caused real anxiety for some of our most vulnerable customers.

Pausing that programme was the right thing to do so we could improve the experience for customers and build a more resilient service, particularly for landline-dependent customers.

We're working on this now by improving the availability of battery back-up units and soon-to-be introduced hybrid phones that have battery and mobile SIM capability built in.

We will re-start customer migrations only when we are ready to do so but it's important to be clear: This programme is not an optional one. The old analogue network on which most existing landline services rely is fast becoming obsolete. It's extremely difficult to maintain and increasingly unreliable.

The sooner we can move customers onto digital so they're using a better-quality connection and able to take advantage of things like scam call protection, the better. But we will take our time to get it right.

This year we published BT Group's Manifesto to capture how we'll grow our business in a responsible, inclusive and sustainable way, meeting our purpose to connect for good.

The Manifesto sets bold goals for the social and environmental impact of our work and

Philip will say more on this shortly. This is a highly principled organisation – it's one of the things that makes mine such an enjoyable job. BT Group sets itself high standards and we hold ourselves to them and expect to be held to them by others.

As chairman, I am determined to make sure we use the Manifesto not as an exercise in saying the right things but as a basis for action.

The first job for any incoming chairman is to judge whether the right strategy and management team are in place. I am certain that Philip and his executive team have the vision and experience for the task.

My priority for the Board in the coming year or so will be to bolster its skills, diversity and experience – taking into account the business' strategy, the opportunities and the challenges facing us. Given the tenure of some of our longer serving directors, succession planning is also a priority.

The *Nominations Committee* is focused on finding non-executive directors with skills to boost the Board's technology and digital capabilities and transformation expertise but also has an eye on diversity given imminent changes.

It is with sadness that we say a fond and grateful farewell to Leena Nair today. Leena will not be standing for re-election as a director and will stand down from the Board following the conclusion of today's meeting due to the demanding nature of her new role as Global CEO of Chanel.

Leena has chaired our *Digital Impact & Sustainability Committee* with great impact. We will miss her and I would like to take this moment, on the Board's behalf and yours, to thank Leena for her contribution and to wish her well.

Sara Weller will succeed Leena as chair of the *Digital Impact & Sustainability Committee*.

Turning now to BT Group's executive management team, I'm confident that our *Executive Committee* has the investment and transformation plans in place to deliver for you, our shareholders, our customers, our broad church of stakeholders, and the whole of the UK.

We are on track but there are no shortcuts. It needs our investors' – your – faith. We are repaying that literally through reinstating the full year dividend at 7.7 pence per share, and in time by demonstrating the true potential of the investments we are making today to generate long-term value in the future.

On behalf of the Board, I'd like to thank you for coming today. I will now hand over to Philip for his remarks on how BT Group is delivering.