

Section 172 statement

In their discussions and decisions during FY25, the directors of BT Group plc have acted in the way that they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole, having regard to stakeholders and the matters set out in sub-sections 172(1) (a)–(f) of the 2006 Act.

The Board considers the matters set out in section 172 of the 2006 Act in its discussions and decision-making, including:

The likely consequence of any decision in the long-term:

- The directors recognise that the decisions they make today will affect the group's long-term success. During the year, the Board had particular regard to this in its discussions on group strategy (see page 81). Our purpose and strategy demonstrate how we realise our ambition and grow value for all our stakeholders. This in turn guides the Board's decisions, specifically the balance between short and long-term investments. Our purpose remains the same, however this year we have sharpened our ambition and refreshed our strategy to provide greater clarity to all of our stakeholders on where we'll play and how we'll win in our markets. More information on our strategy can be found on pages 15 to 21.

The impact of the group's operations on the community and environment:

- The *Responsible Business Committee* has continued to oversee the progress of our Manifesto. This aims to accelerate growth through technology that is responsible, inclusive and sustainable, ensuring the group can continue to build trust and create value for its stakeholders. The Committee also monitors the progress of our responsible business strategy and sustainability goals. During the year, the Committee reviewed and approved the publication of the group's first Climate Transition Plan (see page 31).
- Information as to how we have addressed the recommendation of the TCFD framework can be found on pages 62 to 71.

The desirability of maintaining a reputation for high standards of business conduct:

- The Board acknowledges its responsibility for setting and monitoring the culture, values and reputation of the group. Our colleagues are central to us achieving this ambition and we're focused on building a culture where our colleagues can be their best. During the year, the Board considered the group's culture in its decision making and discussions (see page 81).
- The *Audit & Risk Committee* also considered regular reports from the General Counsel People, Ethics & Compliance on our ethics and compliance policies and programmes and reports on issues raised through our Speak Up whistleblowing service (see page 93).

The interests of our colleagues, and the need to foster business relationships with our key stakeholders:

- The Board and its Committees understand the strategic importance of stakeholders to our business. When making decisions, the directors have regard to the interests of colleagues, and the need to foster business relationships with other key stakeholders. We acknowledge that not every decision we make will necessarily result in a positive outcome for all our stakeholders, so the Board must balance competing interests in reaching its decisions.
- While the Board engages directly with stakeholders on some issues, the size and distribution of BT Group and our stakeholder groups means that stakeholder engagement often happens below Board level. However, the Board considers information from across the group to help it understand how our operations affect our stakeholders' interests and views. More details on how we engage with key stakeholders (including customers and suppliers) can be found on pages 34 to 40.
- Our colleagues are key to our success, and they are considered as part of the Board's discussions and decision making as well as in the regular updates from the Designated Non-Executive Director for Workforce Engagement. More information on the Board's engagement with colleagues can be found on pages 82 to 83 and other colleague engagement channels are set out on page 37.

The need to act fairly between BT Group's shareholders:

- During FY25, the Chairman, certain Non-Executive Directors, Chief Executive, Chief Financial Officer, other executives and our investor relations team held 230 meetings with investors (see page 40 for more detail on our engagement with shareholders). These meetings gave investors the opportunity to discuss views on all matters including:
 - our strategy and competitive position in key markets
 - our financial and operational performance (particularly around inflation, energy and pay costs, in-contract pricing and cash flow profile to the end of the decade)
 - capital investment (including FTTP and 5G)
 - our capital allocation policy
 - changes at the top of the shareholder register
 - prospective governmental and regulatory policy decisions
 - the BT Pension Scheme valuation.
- The Board is mindful of having three significant shareholders but considers all its shareholders in its decision-making process.

Decisions made during the year

The following are some of the decisions made by the Board during the year that demonstrate how section 172 matters have been taken into account as part of Board discussions and decision making:

Decision	What happened
Sharpening our focus on the UK	<p>During the year, the Board revisited the strategic geographical focus of the group and considered the impact of realigning our strategy in order to become a more UK-focused company where we have a strong competitive advantage. This included making clearer our long-term strategic direction and re-defining where we'll play and how we'll win in our markets. The Board recognised that whilst the global business sits outside this strategy, it shows strong commercial opportunity as we roll out Global Fabric, our next-generation network-as-a-service proposition.</p> <p>The Board considered the importance of creating a clear separation of our UK and global business on a leadership level, resulting in the appointment of Jon James as CEO of our Business CFU with effect from 1 April 2025. Bas Burger will dedicate his time to the optimisation of the international business segment.</p>
Emergency Services Network	<p>In November 2024, we announced the signing of a new £1.29bn contract with the Home Office to provide mobile services for the Government's Emergency Services Network (ESN) over the next seven years. The previous ESN contract had been in place with EE since 2015. Under the new contract we'll continue to build, maintain and develop critical mobile coverage and capabilities for the ESN. The new contract will also see us take management responsibility and provide coverage services for the Air-to-Ground network, Extended Area Services sites, national indoor coverage enhancements and specific road and rail tunnels.</p> <p>The Board considered the mobile services ESN contract and other associated contracts with the programme that were available to bid for during its July and November 2024 meetings. With regards to the provision of non-core services such as software infrastructure, the Board concluded that these elements of the wider programme were likely to create more risk than the renewal and expansion of the existing contract. The Board were satisfied that the proposed approach ensured that the risks and rewards of this continuation and growth of core services were balanced, and consequently the mobile services element of the wider ESN programme was carried forward to signature in December 2024.</p>
Ransomware governance	<p>In January 2025, following a two-part cyber security simulation exercise, the Board considered the need to update our governance framework, and how the group should respond to ransomware attacks.</p> <p>The Board considered that ransomware attacks are of a time critical nature, and the risks and implications associated would be very nuanced. The discussion balanced the decision-making required by the Board following an attack coupled with the timing and notification of legal requirements and any Government and regulatory expectations.</p>