Section 172 statement

The directors present the Section 172(1) statement, describing how, in their discussions and decisions during FY26, they 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 the matters set out in Section 172(1)(a) to (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. More information on our strategy can be found on pages 18 to 31.

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

- The Board is cognisant that the successful achievement of the group's medium- and long-term strategy is only possible by working with customers and all stakeholders. Accordingly, the Board ensures that effective engagement with all stakeholders takes place across the group as a whole. Our colleagues are considered throughout the Board's discussions and decision-making along with regular updates from Maggie Chan Jones as the Designated Non-Executive Director for Workforce Engagement during the year, and the Chief People & Culture Officer. More information on the Board's engagement with our colleagues can be found on pages 82 and 83 and other workforce engagement channels are set out on page 118.
- While the Board itself 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, as required by the Board to better understand the impact of our operations, stakeholder interests, concerns, and views are required to be identified in all proposals it receives from across the group, both within papers and accompanying presentations.
- Based on this information, the directors have regard to the interests of our colleagues and the need to foster good relationships with other key stakeholders. We acknowledge that not every decision we make will necessarily result in a positive outcome for all stakeholders, so the Board must balance competing interests in reaching its decisions.

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

- The group aims to accelerate growth through technologies that are responsible, inclusive, and sustainable, ensuring the group can continue to build trust and create value for its stakeholders. During the year, the *Responsible Business Committee* oversaw progress on this aim as well as the group's responsible business strategy and sustainability goals.
- Information as to how we have addressed the recommendation of the TCFD framework can be found on pages 63 to 71.

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

- The Board is deeply committed to ensuring that the group's reputation for high standards of business conduct is maintained and strengthened. It is responsible for establishing, supervising, and upholding the culture, ethics, reputation, standards, and values of the group to ensure that the obligations to all stakeholders are met. These considerations, in line with Section 172 of the 2006 Act, guide and inform the Board in its discussions and decision-making.
- Adherence to the group's policies and compliance framework is closely monitored by the Board and, where the group's businesses do not uphold the standards expected of them, the directors are committed to acting accordingly.
- Our colleagues are central to achieving these high standards and maintaining the reputation of the group and we're focused on building a culture where our colleagues can be their best. The General Counsel, People, Data & Compliance also issues regular reports to the *Audit & Risk Committee*, which carefully considers these in relation to our ethics and compliance policies and programmes, as well as issues raised through our Speak Up whistleblowing service - see page 96.

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

- During FY26, the Chairman, certain Non-Executive Directors, Chief Executive, Chief Financial Officer, other executives and our investor relations team held 234 meetings with investors (see page 39 for more detail on our engagement with our owners). 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 service revenue development, Openreach broadband line losses, pay and other costs, in-contract pricing and cash flow profile to 2030
  - capital investment, including FTTP and 5G
  - our capital allocation policy
  - developments at the top of the shareholder register
  - prospective governmental and regulatory policy decisions
  - our pension fund valuation.
- The Board is mindful of having a small number of significant shareholders within an otherwise widely dispersed shareholder base, but considers all shareholders in its decision-making process.

Decisions made since the last Annual Report

The Board made the following decisions which demonstrate how Section 172 matters have been taken into account as part of Board discussions and decision making:

Decision	What happened
Confirmed FTTP investment to 30 million	Further to our reporting in 2022, the Board has held a number of in-depth discussions with management on the level and pace of our full fibre build and the advantages and disadvantages of accelerating this, with a particular focus on our ability to fund the related large capital expenditure investment, the regulatory framework and the impact of this on our stakeholders. In FY26, the Board considered the next phase of investment in network infrastructure, including the continued expansion of full fibre and 5G+ connectivity in the UK through to 2030. This phase of the programme represents £5bn of investment and forms part of its existing capital expenditure plans, with no change to its financial guidance. In reaching its decision, the Board had regard to the long-term importance of maintaining and extending network capability, the interests of our colleagues involved in delivery of the programme, the needs of customers and wholesale customers who depend on the group's networks, and the broader benefits of improved connectivity for communities, including rural and harder-to-reach areas. The Board also had regard to the need to maintain high standards of business conduct, including constructive engagement with policymakers and regulators. Having considered these factors together, the Board concluded that continued investment in the group's networks would support its long-term success for the benefit of its members as a whole while also delivering wider benefits for key stakeholders.
Bharti Relationship Agreement	The Board considered the benefits of putting in place a Relationship Agreement (RA) to codify certain aspects of BT's relationship with its largest shareholder, Bharti, as we have with Deutsche Telekom. The proposed terms of the RA, including Bharti's right to propose nominee directors for appointment to the Board, were discussed with the Company's external advisors, and Section 172 matters, especially the interests of all of our shareholders, were taken into account. The Board agreed that the proposed terms of the RA reflected a constructive framework for the conduct of BT and Bharti and, after careful consideration, agreed to BT entering into the RA. As a result, Bharti nominated two directors to join the Board, with the Board considering the proposed directors, including their experience and skills, and subsequently approving the appointments of Sunil Bharti Mittal and Gopal Vittal as Non-Independent, Non-Executive Directors and as nominated representatives of Bharti, with effect from 15 September 2025.
Governance framework changes	The Board approved a number of changes to the governance framework, with effect from 1 June 2026: – with responsible business now being embedded within our strategic priorities, governance of responsible business delivery will move from the *Responsible Business Committee* to the Board, and incorporated within its regular reviews of strategy and performance. Additional oversight for specific topics will move to the *Audit & Risk Committee* for sustainability risks, controls and reporting, and to the *Remuneration Committee* for reward outcomes linked to responsible business performance – the creation of two working groups - the Technology Working Group and the Workforce Working Group - to support our digital, workforce and cultural transformation. Both of these working groups will be made up of members from the Board and the *Executive Committee* – the appointment of Alex Chisholm and Sara Weller as additional Designated Non-Executive Directors for Workforce Engagement, joining Maggie Chan Jones – the appointment of Maggie Chan Jones as a member of the *Remuneration Committee.* The Board considered how we could best support the next phase of BT's transformation and help ensure continued focus on delivering on our responsible business priorities, as well as strengthening Board oversight of technology and workforce transformation, both of which are fundamental to the delivery of our strategy. In reaching this decision, the Board had regard for the impact that this may have on the community and the environment, in particular, and were comfortable that steps had been taken to embed our responsible business commitments within our group strategy. The changes will enable us to leverage the full breadth of Board expertise and maintain robust assurance to ensure we continue to create value for our stakeholders. Additionally, the two working groups will take on a trust lens, to ensure that our customers and colleagues can trust that BT stays true to its ambition to become the UK's most trusted connector of people, business and society.