



BT Group plc

Board Diversity and Inclusion Policy (the “Policy”)

Approved by the BT Group plc Board in June 2022

Introduction

Diversity and inclusion are really important for us at BT Group. We believe that diversity and inclusion is everyone's responsibility. This Policy supports BT Group's aim to build the strongest foundations. It's about making sure that we:

- apply an inclusion lens to all our decision making and monitor the impact of our decisions on diverse populations,
- value and communicate the benefits that difference brings and be unapologetic in our pursuit of a diverse workforce at all levels, and
- actively seek out opportunities across the business to enhance and strengthen our approach to inclusion.

We believe a key driver in delivering our organisational diversity commitments is through a Board which has a balance of skills, personal and cognitive strengths, experience, diversity (including of gender, and of social and ethnic background), independence and knowledge.

The Policy applies to the BT Group plc Board.

Role of the Chairman and Board

The Chairman will lead the Board's diversity agenda and set measurable objectives with the aim of continuously improving diversity and inclusion generally, ultimately leading to better debate and decision-making.

The Board will be expected to role model inclusive language, behaviours and practice in all undertakings for and on behalf of BT Group, setting a clear “tone from the top”.

The Board will ensure that appointments and succession plans are based on merit and objective criteria, in the context of the skills, experience, independence and knowledge which the Board, as a whole, requires to be effective.

The Board aspires to comprise:

- at least 40% women on the Board;
- at least one of the senior Board positions (Chair, Chief Executive, Chief Financial Officer or Senior Independent Director) is a woman; and
- at least one director from a non-white minority ethnic background ;

it being acknowledged that in periods of Board change, there may be however times when this balance is not maintained.

The Board will consider candidates for appointment as Non-Executive Directors from a wider pool including those with little or no previous FTSE board experience.

The Board and/or the Nominations Committee oversees management's actions to increase the proportion of senior leadership roles held by women, people from minority ethnic backgrounds, disabled colleagues and other under-represented groups across BT Group in support of the FTSE Women Leaders Review, Parker Review and best practice recommendations.

Role of the Nominations Committee

In line with its Terms of Reference, on behalf of the Board, the Nominations Committee regularly reviews the structure, size and composition of the Board and its committees in order to ensure an appropriate balance of skills, diversity characteristics, lived experience, diversity of thought, background and working style. , recommending any proposed changes to the Board. As part of this, and in formulating succession plans, the Nominations Committee shall consider this Policy and any measurable objectives therein.

In identifying suitable candidates for appointment to the Board, the Nominations Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board.

The Nominations Committee will only engage executive search firms who have signed up to the Voluntary Code of Conduct for Executive Search Firms. Executive search firms will be asked to ensure that potential candidate 'long lists' reflect the Board's diversity commitments as set out in this Policy.

The Nominations Committee will report annually, in BT Group's annual report, on the process in relation to Board appointments and the progress it has made towards achieving the objectives set out in this Policy.

Review of the Policy

The Nominations Committee shall review the Policy from time to time. This review will include an assessment of the effectiveness of the Policy and the recommendation of any changes it considers necessary to the Board for approval.