# Carbon Reduction Plan

FY20/21

## Our Targets

| Target | Progress FY20/21 |
|---|---|
| To cut our carbon intensity by 87% by 2030.<br>To become a net zero carbon emissions business by 2045 – Direct Operations (Scope 1 & 2) | 57% since 2016/17 |
| To cut our supply chain emissions by 42% by 2030<br>To become a net zero carbon emissions business by 2045 – Supply Chain (Scope 3) | 19% since 2016/17 |
| To procure 100% renewable electricity globally by 2020 | Achieved |
| To transition our fleet to electric or zero emissions models by 2030, where it is the best technical and economic solution, and will pursue other ultra-low emission solutions where EVs are not viable. | 1% - (352 Vehicles) |

### Operational Emissions (Scopes 1 & 2):

#### Renewable Electricity

In FY20/21, we hit a huge milestone by completing the switch to 100% renewable electricity worldwide[1], meeting our target for 2021. We got to 100% by supporting the development of local renewable electricity markets. Power purchase agreements met 12.2% of our global electricity demand this year. The rest came from local green tariffs and, in some cases, renewable certificates.

#### Fleet

BT and Openreach together operate the UK's second largest commercial fleet. We have around 33,000 vehicles on the road (the majority of which are in Openreach), to keep homes and businesses connected. Over two-thirds of our direct emissions (GHG scope 1) come from our fleet. We aim to transition our fleet to electric or zero emissions models by 2030, where it is the best technical and economic solution, and will pursue other ultra-low emission solutions where EVs are not viable.

[1] 99.9% of the global electricity BT sources is renewable. The remaining 0.1% represents where markets don't allow due to non-availability of renewable electricity.

Openreach is aiming to switch a third of their fleet to electric or zero emissions by the middle of this decade and want to be all-electric or zero emissions by 2030.

## Indirect Emissions (Scope 3)

## Supply Chain

Over two-thirds of our end-to-end carbon emissions come from our supply chain. We're partnering with suppliers to curb their emissions and ours. For example 12 of our key suppliers have a clause in their commercial contracts with BT or Openreach that commits them to make measurable carbon savings.

All our suppliers must meet our requirements on climate and environmental management among other standards (groupextranet.bt.com/selling2bt). We also track compliance through supplier assessments and encourage suppliers to also join us in reporting climate-related data to CDP to enhance transparency and accountability. In 2020, 310 suppliers did so, up from 304 last year. Together, they make up 56% of our total spend. Of these, 73% have set targets to cut emissions and 44% cut their scope 1 and 2 emissions this year. CDP disclosures also showed that 64% of our reporting suppliers buy renewable electricity (up from 60% last year) and 69% work with their own suppliers on climate change. This year, we were included in the top 7% of companies assessed for supplier engagement on climate change, based on our 2020 CDP disclosure. Suppliers engaged by

participating in the CDP Supply Chain programme. We also retained our position in the CDP's Supplier Engagement Leader board for the fifth year in arow.

**We were one of the founding members of the 1.5** Supply Chain Leaders | Exponential Roadmap Initiative with a group of like-minded companies, including Ericsson, IKEA, Telia and Unilever. Together, we realise the importance of collaboration in inspiring and driving climate action across global supply chains and have been working on the SME Climate Hub with The Exponential Roadmap Initiative, the

To help small businesses across the UK to set net zero targets, we are encouraging companies to sign up to the SME climate commitment. This is supported by the Government's UK Business Climate Hub which is an initiative designed to provide guidance on how small businesses can set net zero targets, measure their emissions and develop climate strategies UK Business Climate Hub.

## Our Emissions for FY20/21

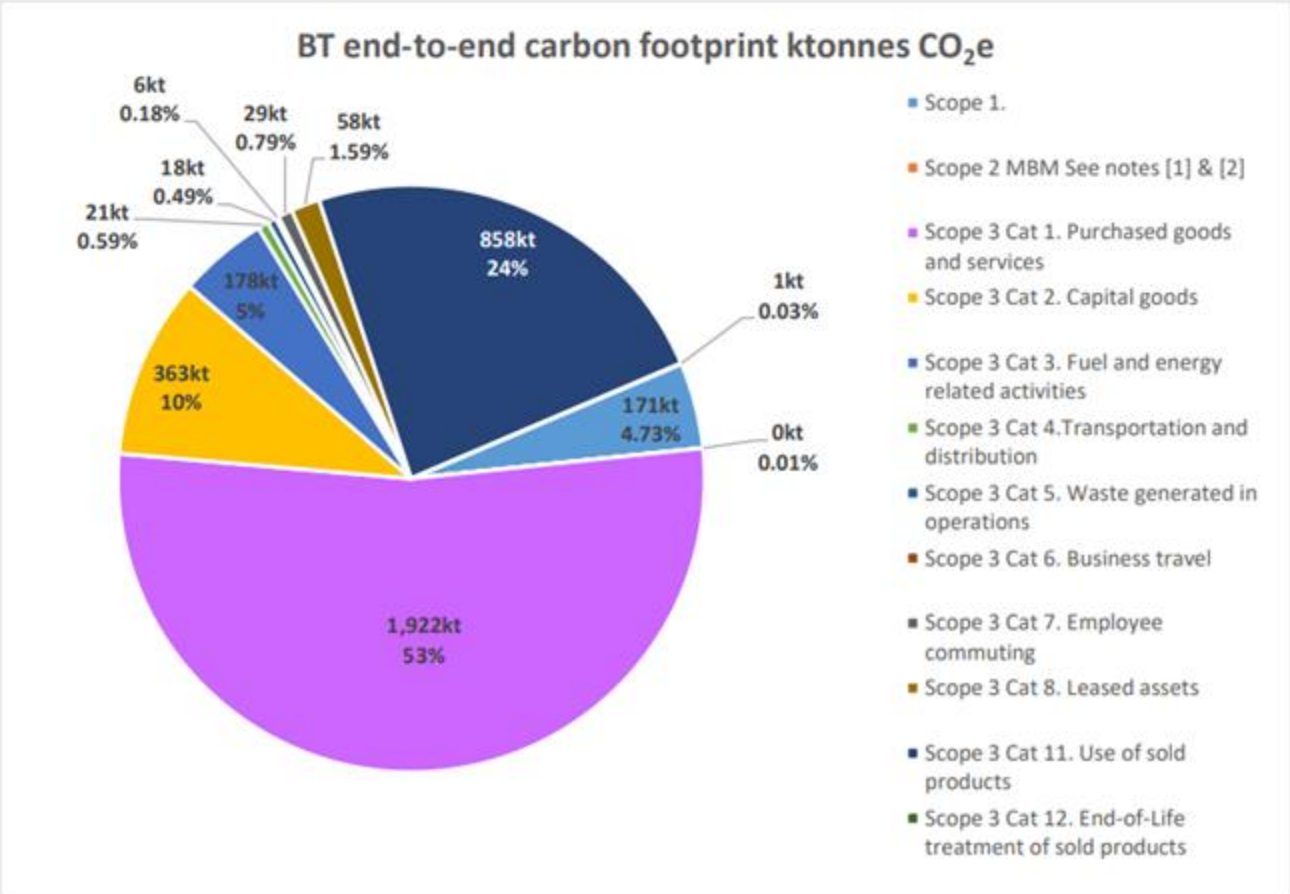
| BT Digital Impact and Sustainability report - GHG emissions summaries | | | | | |
|---|---|---|---|---|---|
| For years ended 31 March [1] | 2017[2] | 2018 | 2019 | 2020 | 2021 |
| GHG emissions scope summaries | | | | | |
| Total Scope 1 $CO_2e$ Tonnes | 181,903 | 183,934 | 184,882 | 183,161 | 171,422 |
| Annual % Change | | 1.12% | 0.52% | -0.93% | -6.41% |
| Total Scope 2 NET[3] $CO_2e$ Tonnes (MBM) | 222,878 | 192,959 | 113,779 | 57,370 | 261.81 |
| Annual % change | | -13.42% | -41.03% | -49.58% | -99.54% |
| Total Scope 1 & 2 $CO_2e$ Tonnes (MBM) | 404,780 | 376,893 | 298,662 | 240,531 | 171,684 |
| Annual % Change | | -6.89% | -20.76% | -19.46% | -28.62% |
| Total Scope 3 $CO_2e$ Tonnes | 4,166,346 | 3,710,577 | 3,405,146 | 3,471,692 | 3,454,525 |
| Annual % change | | -10.94% | -8.23% | 1.95% | -0.49% |

## BT Scope 3 carbon emissions

### BT's Scope 3 carbon emissions

Our Scope 3 emissions constitute 95% of our end-to-end net carbon footprint. The following three categories contribute 91% of all our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

For the following categories the emissions are either negligible, included in other categories, or the category is not applicable to BT: category 9: downstream transportation and distribution, category 10: processing of sold products, category 13: downstream leased assets, category 14: franchises and category 15: investments.




**[1] MBM - Market-based method for Scope 2 emissions accounting – Refer to Our carbon accounting methodologies available from** [Our report - Digital impact & sustainability | BT Plc]

**[2] Excludes electricity purchased by 3rd party tenants**

# Our End to End Value Chain Emissions

**BT Digital Impact and Sustainability report - Worldwide - Carbon emissions - End-to-end value chain**

**For years ended 31 March [1]**

| Emissions $CO_2e$ Tonnes | Emissions CO2e Tonnes | 2021 |
|---|---|---|
| Total Scope 1 $CO_2e$ Tonnes | | 171,422 |
| Total Scope 2 NET[3] $CO_2e$ Tonnes (MBM) | | 261.81 |
| Total Scope 3 $CO_2e$ Tonnes | | 3,454,525 |

See key to abbreviations /definitions at the foot of this table

| Category | Sub Categ | Source | Upstream (CO2e Tonnes) | BT Operational (CO2e Tonnes) | Downstream (CO2e Tonnes) | Total End to End (CO2e Tonnes) |
|---|---|---|---|---|---|---|
| ENERGY | Energy | Oil Combustion - Electricity Generation | 1,057 | 8,413 | | 9,469 |
| | Energy | Oil Combustion - Heating | 306 | 2,438 | | 2,745 |
| | Energy | Gas Combustion | 2,747 | 30,498 | | 33,245 |
| | Energy | **Electricity: Total GROSS emissions** | | 683,172 | | 683,172 |
| | Energy | Electricity: Renewable | | -624,415 | | -624,415 |
| | Energy | Electricity: Nuclear | | -1 | | -1 |
| | Energy | Electricity: GQ CHP | | 50.65 | | 51 |
| | Energy | Electricity: 3rd Party/Tenant Consumption | | -58,493 | | -58,493 |
| | Energy | **Electricity: NET Emissions** | | 262 | | 262 |
| | Energy | **Electricity: GROSS Emissions excluding 3rd Party Consumption** | 76,390 | 624,678 | | 701,069 |
| | Energy | Electricity: Transmission & Distribution Losses | 52,236 | 0 | | 52,236 |
| | Energy | **Homeworker Emissions** | 3,028 | 14,705 | | 17,733 |
| E2A | E2A | Refrigeration Gases (HFCs and SF6 only) | | 3,583 | | 3,583 |
| | E2A | Refrigeration Gases (CFCs and HCFCs only) | | 1,252 | | 1,252 |
| FLEET | Fleet | Commercial Fleet Diesel | 78,539 | 122,270 | | 200,809 |
| | Fleet | Commercial Fleet Petrol | 113 | 185 | | 298 |
| | **Fleet** | ***Fleet Subtotals*** | **78,652** | **122,455** | | **201,107** |
| TRAVEL | Travel | Company Car Diesel | 2,217 | 3,451 | | 5,668 |
| | Travel | Company Car Petrol/Other Fuels | 357 | 584 | | 940 |
| | Travel | Private Vehicles on BT Business (All Fuels) | 303 | 471 | | 774 |
| | Travel | Rail travel (Using UK Factors) | 52 | 62 | | 114 |
| | Travel | Hire Cars (All Fuels) | 757 | 1,220 | | 1,977 |
| | Travel | Air Travel (Domestic) | 16 | 131 | | 147 |
| | Travel | Air Travel (short haul) | 5 | 40 | | 44 |
| | Travel | Air Travel (long haul) | 53 | 440 | | 492 |
| | Travel | Taxi | 2 | 3 | | 6 |
| | Travel | Employee Commuting | 3,127 | 7,691 | | 10,818 |
| | **Travel** | ***Travel Subtotals*** | **6,887** | **14,092** | | **20,980** |
| Waste | Waste | Waste and Recovery | 743 | | | 743 |
| Supply chain spend | EEIO | ***EEIO Subtotals*** | 2,346,945 | 0 | 0 | 2,346,945 |
| CPE | | Use of sold products | | | 858,255 | 858,255 |
| | | End of Life (EOL) | | | 1,265 | 1,265 |
| **Grand Totals Emissions (NET)** | | **CO2e tonnes** | **2,568,991** | **197,699** | **859,519** | **3,626,209** |
| | | **% of Total** | **71%** | **5%** | **24%** | |
| | | **Change from previous year %** | **-2.36%** | **-37.45%** | **12.33%** | **-2.3%** |