

C0. Introduction

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C0.1

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**(C0.1) Give a general description and introduction to your organization.**

BT Group is the UK's leading telecommunications and network provider and a leading provider of global communications services and solutions, serving customers in 180 countries. Its principal activities in the UK include the provision of fixed voice, mobile, broadband and TV (including Sport) and a range of products and services over converged fixed and mobile networks to consumer, business and public sector customers. For its global customers, BT provides managed services, security and network and IT infrastructure services to support their operations all over the world. BT consists of four customer-facing units: Consumer, Enterprise, Global and its wholly-owned subsidiary, Openreach, which provides access network services to over 650 communications provider customers who sell phone, broadband and Ethernet services to homes and businesses across the UK.

For the year ended 31 March 2020, BT Group's reported revenue was £22,905m with reported profit before taxation of £2,353m.

British Telecommunications plc is a wholly-owned subsidiary of BT Group plc and encompasses virtually all businesses and assets of the BT Group. BT Group plc is listed on the London Stock Exchange.

For more information, visit [www.bt.com/about](http://www.bt.com/about)

C0.2

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**(C0.2) State the start and end date of the year for which you are reporting data.**

	Start date	End date	Indicate if you are providing emissions data for past reporting years	Select the number of past reporting years you will be providing emissions data for
Reporting year	April 1 2019	March 31 2020	No	<Not Applicable>

C0.3

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**(C0.3) Select the countries/areas for which you will be supplying data.**

United Kingdom of Great Britain and Northern Ireland

C0.4

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**(C0.4) Select the currency used for all financial information disclosed throughout your response.**

GBP

C0.5

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**(C0.5) Select the option that describes the reporting boundary for which climate-related impacts on your business are being reported. Note that this option should align with your chosen approach for consolidating your GHG inventory.**

Equity share

C1. Governance

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C1.1

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**(C1.1) Is there board-level oversight of climate-related issues within your organization?**

Yes

C1.1a

(C1.1a) Identify the position(s) (do not include any names) of the individual(s) on the board with responsibility for climate-related issues.

Position of individual(s)	Please explain
Chief Executive Officer (CEO)	The Board has established certain committees to assist it in discharging its responsibilities and delegates day-to-day responsibilities to the chief executive. The chief executive; • Leads the Executive Committee • Has responsibility for the day-to-day management of the business and its operations • Develops and recommends the group strategy and budget to the Board for approval and is responsible for executing the strategy once agreed by the Board • Provides assurance to the Board in relation to overall performance and risk management • Maintains an effective framework of internal control and risk management • Ensures that appropriate consideration is given to the group's responsibilities to all stakeholders, including but not limited to its shareholders, customers and employees • Meets with BT's major institutional shareholders • Sets the culture of the organisation, ensuring that this aligns with the company's purpose, values and strategy. Our chief executive has ultimate responsibility for the company's environmental policy and performance, which includes climate-related issues, and approved our target to become a net zero carbon emission business by 2045. Additionally, on 1st June 2020 our chief executive launched two new initiatives, the Green Tech Innovation Platform and the UK Electric Fleets Coalition, which will drive the UK's transition to Net Zero carbon emissions and contribute to a green post-Covid19 recovery for the UK. He was also one of 200 UK business leaders signing an open letter to the Prime Minister calling for a green and resilient recovery. The Executive Committee (ExCo) - provides input and recommendations to support the chief executive (or his delegate) in exercising their authority delegated by the Board to run the business of the group day to day.
Board-level committee	Our Board-level Digital Impact and Sustainability Committee (DISC) is responsible, on behalf of the Board, for agreeing the digital impact and sustainability strategy for the group. It monitors progress on our long term digital impact and sustainability programmes and goals, including those relating to digital skills, human and digital rights, climate change, environmental and social issues, as well as fundraising and volunteering. The committee currently comprises four independent non-executive directors and the Chairman of the Board. The group HR director, director of corporate affairs and director of digital impact & sustainability attend the meetings. The company secretary is secretary to the committee and attends all meetings. The chair reports to the Board on the committee's activities after each meeting. The committee met four times this year. It reviewed and endorsed the group's climate strategy and updates and progress in relation to climate-related risks and opportunities, including our focus on carbon reduction targets. To give the committee a better understanding of the external environment and assess BT's areas of focus going forward, an external expert briefing on climate took place.

C1.1b

(C1.1b) Provide further details on the board's oversight of climate-related issues.

Frequency with which climate-related issues are a scheduled agenda item	Governance mechanisms into which climate-related issues are integrated	Scope of board-level oversight	Please explain
Scheduled – all meetings	Reviewing and guiding strategy Reviewing and guiding major plans of action Monitoring implementation and performance of objectives Monitoring and overseeing progress against goals and targets for addressing climate-related issues	<Not Applicable>	Our Board-level Digital Impact and Sustainability Committee (DISC) is responsible, on behalf of the Board, for agreeing the digital impact and sustainability strategy for the group. It monitors progress on our long-term digital impact and sustainability goals, including those relating to digital skills, human and digital rights, climate change, the environment and social issues, such as fundraising and volunteering. The committee currently comprises four independent non-executive directors and our chairman. The group HR director, director of corporate affairs and director of digital impact & sustainability attend the meetings. The company secretary is secretary to the committee and attends all meetings. The chair reports to the Board on the committee's activities. The committee met four times this year. It reviewed the group's climate strategy and our public decarbonisation commitment for 2030. To give the committee a better understanding of the external environment and assess BT's areas of focus going forward, an external expert briefing on climate took place.

C1.2

(C1.2) Provide the highest management-level position(s) or committee(s) with responsibility for climate-related issues.

Name of the position(s) and/or committee(s)	Reporting line	Responsibility	Coverage of responsibility	Frequency of reporting to the board on climate-related issues
Chief Executive Officer (CEO) <i>Our chief executive has ultimate responsibility for the company's environmental policy and performance, which includes climate-related issues, and approved our target to become a net zero carbon emission business by 2045.</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Other committee, please specify (The Executive Committee) <i>The Executive Committee (ExCo) - provides input and recommendations to support the chief executive (or his delegate) in exercising their authority delegated by the Board to run the business of the group day to day.</i>	<Not Applicable>	Both assessing and managing climate-related risks and opportunities	<Not Applicable>	Half-yearly
Sustainability committee <i>Our Board level Digital Impact and Sustainability Committee - responsible, on behalf of the Board, for agreeing the digital impact and sustainability strategy for the group. It monitors progress on our long-term digital impact and sustainability goals, including those relating to climate change and the environment.</i>	<Not Applicable>	Assessing climate-related risks and opportunities	<Not Applicable>	Quarterly

C1.2a

**(C1.2a) Describe where in the organizational structure this/these position(s) and/or committees lie, what their associated responsibilities are, and how climate-related issues are monitored (do not include the names of individuals).**

We believe that single-point accountability supports good governance. In practice, this means strategic decisions are taken by our chief executive, who exercises delegated authority from the Board. He's advised by our Executive Committee (ExCo), which provides input, offers recommendations and acts as a forum for robust debate.

As BT's executive management team, the ExCo creates and communicates a compelling vision, oversees performance and risk mitigation, sets the tone for our organisation, culture and people, and establishes a governance framework. For matters not reserved to the Board, the ExCo advises the chief executive on the implementation and operation of Group-wide policies with climate-related topics such as:

- Business practices and ethics
- Environmental compliance
- Brand and values
- Corporate social responsibility, and
- Enterprise Risk Management (ERM).

Our chief executive has ultimate responsibility for the company's environmental policy and performance, which includes climate-related issues with a high level of financial impact, and those that pose a material (environmental) risk.

Our chief digital impact & sustainability (DI&S) officer met with ExCo during the year to discuss how we're advancing our DI&S strategy.

This year the chief executive, in consultation with the ExCo, approved the programmes to deliver our DI&S strategic priorities; carbon and energy savings and use of renewable electricity, decarbonising our buildings and converting our fleet to ultra-low emission vehicles. Climate-related issues are reported to the ExCo as required.

Our governance structure, Group-wide environmental policy and environmental management systems (EMS) help us manage risks, minimise our impacts and comply with relevant regulations.

We manage and monitor environmental risks across our business. Our senior leadership provides global oversight through the environmental management governance group (EMGG). Set up last year to streamline our approach, the group is chaired by our chief technology and information officer, and reports regularly to our ExCo. In the UK, management of our most significant environmental risks, is led by the environmental management compliance steering group. This group meets every month and reports to the EMGG quarterly. Its members are senior managers responsible for addressing environmental risks and delivering performance improvements under our ISO 14001-certificated environmental management system.

We recognise that some climate-related impacts are already affecting the business or exacerbating current risks, such as flooding. These impacts are considered as part of our core risk management processes and risk register, overseen by the Audit & Risk Committee (ARC), a Board committee. For our principal risks there is collective review of the risks on a quarterly basis at the Group Risk Panel and every six months at the ExCo and annually by the Board.

The Digital Impact & Sustainability Committee (DISC) is a committee of the Board of Directors of BT Group plc (the Board), from which it derives its authority. The DISC is responsible for monitoring the execution of the digital impact and sustainability strategy and the company's progress on its long-term digital impact and sustainability goals and targets, including those related to climate change and the environment. The DISC is made up of non-executive directors and the chair reports to the Board on the committee's activities. The committee met four times this year. It reviewed the group's climate strategy and our public decarbonisation commitment for 2030. To give the committee a better understanding of the external environment and assess BT's areas of focus going forward, an external expert briefing on climate took place.

Our chief digital impact & sustainability officer and their team are responsible for developing programmes, and managing and reporting to the ExCo and DISC on progress against our climate change strategy and carbon emissions reduction targets. Our priorities are; energy savings and use of renewable electricity, decarbonising our buildings and converting our fleet from conventional diesel and petrol vehicles to those that run on electricity and alternative fuels.

The Board has ultimate responsibility for the management of the Group. There are a number of Board committees to which the Board has delegated certain key matters. These include the DISC and ARC with climate-related responsibilities, as well as our; Compliance, Remuneration, Nominations, Conflicted Matters and Investigatory Powers Governance Committees. Full details of our committee roles and responsibilities can be found at <https://www.bt.com/about/bt/our-company/group-governance/our-committees>

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### C1.3

**(C1.3) Do you provide incentives for the management of climate-related issues, including the attainment of targets?**

	Provide incentives for the management of climate-related issues	Comment
Row 1	Yes	From April 2020, we introduced key performance indicators (KPIs) on Digital Impact & Sustainability into our incentive scheme for all managers, placing sustainability at the core of what we do. These KPIs will focus on progress towards our digital skills ambition and our 1.5°C science-based climate target and will amount to 10% of the overall bonus.

**C1.3a**

**(C1.3a) Provide further details on the incentives provided for the management of climate-related issues (do not include the names of individuals).**

Entitled to incentive	Type of incentive	Activity incentivized	Comment
Chief Executive Officer (CEO)	Monetary reward	Emissions reduction target	Executive directors (chief executive and CFO) are eligible for an annual bonus. 10% of the annual bonus will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87%, by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025.
Chief Financial Officer (CFO)	Monetary reward	Emissions reduction target	Executive directors (chief executive and CFO) are eligible for an annual bonus. 10% of the annual bonus will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87%, by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025.
Chief Procurement Officer (CPO)	Monetary reward	Emissions reduction project Emissions reduction target Environmental criteria included in purchases Supply chain engagement	10% of the annual bonus to the CPO will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87% by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025. Additionally, as part of the BT Procurement balanced scorecard all people employed within our corporate unit are measured (and incentivised) against its balance scorecard - sourcing within an environmentally sustainable, responsible and ethical framework.
Executive officer	Monetary reward	Emissions reduction target	The CEOs of our organisational units are incentivised (10% of bonus) against our digital impact and sustainability objectives, these include progress towards our target for an 87% reduction in carbon emissions intensity, by 31 March 2031.
Buyers/purchasers	Monetary reward	Environmental criteria included in purchases	10% of the annual bonus will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87% by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025. Additionally, as part of the BT Procurement balanced scorecard all people employed within our corporate unit are measured (and incentivised) against its balance scorecard - sourcing within an environmentally sustainable, responsible and ethical framework.
Energy manager	Monetary reward	Energy reduction project Energy reduction target	10% of the annual bonus for energy managers will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87% by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025. Additionally, our director of energy and environment in our Technology unit carries personal goals on direct energy reduction, carbon minimization and environmental risk globally in BT. For energy managers, personal annual objectives are linked to incentivised performance indicators. Personal objectives cover a number of areas relating to our climate change activities and the role of the individual within the organisation. Specific examples related to energy include energy managers sharing an absolute energy reduction target and related emissions.
Environment/Sustainability manager	Monetary reward	Emissions reduction target	10% of the annual bonus will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87% by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025. Additionally, for roles involved in delivering carbon emission and energy reductions in organisational units across the company, personal annual goals are linked to incentivised performance indicators. Personal objectives cover a number of areas relating to our climate change activities and the role of the individual within the organisation. Examples include, objectives set relating to climate change include developing energy reduction business cases and project delivery to support delivery of the BT wide energy and CO2e reduction targets and to improve fleet fuel efficiency.
All employees	Non-monetary reward	Behavior change related indicator	The annual BT Challenge Cup encourages people to share ideas that could make a difference to our business and our communities. This year, more than 700 teams entered – made up of nearly 3,700 people from 30 countries. Winners included Openreach's 'Waste Warriors' with a focus on eliminating excessive packaging and single-use plastics.
Chief Sustainability Officer (CSO)	Monetary reward	Emissions reduction target Efficiency project Behavior change related indicator Company performance against a climate-related sustainability index	10% of the annual bonus for the CSO will be based on non-financial measures consistent with our strategic priorities and broader stakeholder responsibilities. These recognise the importance of the contribution that BT can make to society. The metrics will be focused on progress towards our public ambition of reducing carbon emissions intensity by 87% by 31 March 2031, and progress towards our ambition to reach 10m people in the UK with help to improve their digital skills by 2025. Additionally, our chief digital impact & sustainability officer has a series of further goals supporting our climate and environmental goals and strategy.
All employees	Monetary reward	Emissions reduction target	Our new Group scorecard includes a focus on progress towards our digital skills ambition and our 1.5°C science-based climate target and will amount to 10% of the overall bonus available to eligible BT Group employees.

**C2. Risks and opportunities**

## C2.1

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### (C2.1) Does your organization have a process for identifying, assessing, and responding to climate-related risks and opportunities?

Yes

## C2.1a

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### (C2.1a) How does your organization define short-, medium- and long-term time horizons?

	From (years)	To (years)	Comment
Short-term	0	3	The likelihood of events giving rise to Group point risk exposures are assessed over a 3 year period.
Medium-term	3	5	Our medium-term financial planning process uses a 5 year horizon and capex is assessed over the life of the asset. Investments in new vehicles, for example, are usually between 2 and 9 years.
Long-term	5	20	Investment in strategic assets like our networks are planned over longer periods, sometimes up to 20 years. Our long-term climate targets currently extend to 2045.

## C2.1b

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### (C2.1b) How does your organization define substantive financial or strategic impact on your business?

Our global risk framework provides a consistent approach for how we identify, assess, manage and monitor and escalate the risks and uncertainties to the successful delivery of our strategic objectives.

BT's 15 principal risk categories are our key enduring risk topics and are agreed by a senior steering committee and the Board Audit and Risk Committee. Membership of the steering committee is built from key stakeholders in the business, including the Group CEO and CFO. Each principal risk category is owned by an Executive Committee member.

Strategic risks have two principal risk categories: 1) strategy and 2) stakeholder engagement. Financial risks have two principal risk categories: 1) financing and 2) financial control.

Our defined Group risk categories enable the collation of individual risks identified through this bottom-up and top-down approach to assess any aggregate financial, operational or strategic impact on the Group.

Individual risks are reported in each of our customer-facing units (CFU) and each principal risk category. Each has an appropriate owner, and all CFU individual risks are owned by CFU leadership team members.

Climate-related risks are identified and assessed in line with this Group risk management framework and process, and consider the impact of a risk as the highest assessed impact on Group financial performance, immediate and end customer experience, our licence to operate and the anticipated Board and/or executive team involvement to resolve. Each of these has an associated set of thresholds to guide the impact assessment, with the Group risk framework reporting and managing risks with an estimated financial impact greater than £5m. Similarly, on licence to operate this would assess restrictions (right through to loss) being applied to our licence to operate in our core UK and international markets.

If a new or emerging climate related risk is identified and assessed as greater than at least one of the minimum group impact thresholds, it would be considered substantive, and reportable under the appropriate Group risk category. In recognition of the importance of climate, we have also included our operational climate goal in the main Group KPIs and this also now forms part of the Group scorecard and remuneration approach.

## C2.2

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### (C2.2) Describe your process(es) for identifying, assessing and responding to climate-related risks and opportunities.

#### Value chain stage(s) covered

Direct operations

#### Risk management process

Integrated into multi-disciplinary company-wide risk management process

#### Frequency of assessment

More than once a year

#### Time horizon(s) covered

Short-term

Medium-term

Long-term

### Description of process

A comprehensive risk management framework is embedded across the business and is mandated at Group, customer-facing units (CFU) and corporate unit (CU) levels. Support is provided at lower organisational levels as desired (e.g. on projects). It is through this framework that we robustly manage material risks to our ability to deliver our Group strategy and objectives. The identification and assessment of risk at every level is undertaken from the perspectives of our key stakeholder groups, including suppliers, shareholders, customers, government and regulators. We have made very clear carbon, environmental and service commitments to our stakeholders and the identification of any risks to the delivery of these objectives is fully integrated into the process. Key features are:

- Group level risks are reviewed every six months and annually by the ExCo and Board respectively for input and challenge
- Group, CFU and CU risk registers are reviewed at least quarterly by an Audit & Risk Committee (ARC) comprising senior leaders from the respective CFU or CU
- BT's internal auditors regularly assess the quality of risk management and internal control - the Board Audit & Risk Committee considers the effectiveness of our control procedures and reports conclusions to the Board
- Group and CU leadership define their risk appetite in relation to the major risks that may affect their business, against which assessed risk severity is reviewed to ensure alignment and acceptability
- Where a risk perceived as material is identified within Group or a CFU or CU, accountability for ownership is allocated to a single individual. The appointed risk owner brings together relevant stakeholders across our business and end-to-end value chain
- The assessment of environmental risks and opportunities is often conducted by subject matter experts supported by our environmental management compliance steering group, which meets each month. This group collaboratively quantifies the impact of plausible risk events over as long a period as we can accurately do so, and subsequently assess the likelihood of these events occurring within the next three years. Identification Formal activity to identify point and emerging risk is undertaken at least quarterly, or following any material change to internal and/or external environments, at all levels. Point risks are those for which we're able to clearly define cause, event and consequence and of which we have a relatively good understanding. Emerging risks are those where we're unable to define at least one of these three variables and/or where a lack of prior event experience makes understanding the exposure difficult. We consider; proximity, speed of impact, and our perceived preparedness to prioritise emerging risks. Assessment Each identified risk is assessed against a set of impact and likelihood descriptors, which together produce an overall risk size. Impact criteria are defined across five lenses, which include financial, customer experience and stakeholder. When assessing likelihood, point risks are considered over a three-year period, with those exposures expected to occur over a longer period typically managed as an emerging risk. This ensures, for example, the identification of risks related to our investment in strategic assets (e.g. networks), which are planned over periods of up to 20 years, investment in flood defences or delivery of our long-term climate targets that currently extend out to 2045. Risks are assessed at a CFU and CU level and categorised against our Group risk categories (GRCs). These GRCs are divided into sub-categories, including a sustainability sub-category, to enable central collation and, if appropriate, aggregation at Group level. ExCo GRC owners assess the risks within their category against Group risk assessment criteria. Group level risks are subsequently identified and assessed based on a view of the most material GRC risks. Response Risk owners make judgements based on their appetite for risk, whether the assessed size of each risk is acceptable. For those considered unacceptable a remediation plan is developed, with agreed owners for actions and delivery milestones. GRC owners review their category level risks and the way that they are managed across the business and decide whether further action may be required and/or whether the risk should be managed centrally. Service interruption from severe weather events is a physical risk monitored at Group level. CU and Group risk reporting to their respective leadership teams is undertaken quarterly and includes a view of the risk landscape by; individual point and emerging risk, and by consolidated risk category. CFUs and CUs are required to escalate risks to ExCo where they're assessed as above defined thresholds based on our impact and likelihood scales. Whether a risk is to be escalated to the executive committee of CFU leadership teams is defined by the BT 4x4 Risk Matrix. Climate change-related risks could be identified under various risk categories. For example, flood risk (a physical risk, which impact telephone exchanges, copper cables and masts) relates to the service interruption principle risk category. The risk of energy prices increasing (a transitional risk, as a result of climate change measures), relates to the strategic principle risk category. The Group risk landscape is reviewed every six months by ExCo and annually by the Board to challenge the effectiveness of existing and planned management activity and to inform our strategic review and business planning. We've considered the impact of climate change as part of our risk framework under one of our principal business risks – service interruption. This year, we've also focused on climate change as an emerging physical and/or transitional risk and carried out an in-depth review of the impact of climate change on our business, as part of the Taskforce on Climate-related Financial Disclosures framework. For the coming year, we are developing a process for the Board to review emerging risks at least annually, with deep dives into specific risks throughout the year. Case study: Transitioning the UK's second largest fleet to zero emission vehicles. BT have committed to become a net zero carbon emissions business by 2045, to achieve this outcome BT recognises that we need to convert our fleet (the second largest commercial fleet in the UK) to zero emission vehicles. In February 2020 the UK Government announced that they would look to bring forward the phasing out of internal combustion engines from 2040 to 2035 or earlier, the change in policy has been flagged as a transitional risk, as current technological solutions (EVs, batteries etc.) are not feasible options for converting our specialist HGVs to. In response to this, approved by the ExCo, BT set up the UK Electric Vehicle Coalition with other organisations to advocate for policy changes that will support this accelerated transition.

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### Value chain stage(s) covered

Upstream

### Risk management process

A specific climate-related risk management process

### Frequency of assessment

More than once a year

### Time horizon(s) covered

Short-term

Medium-term

Long-term

### Description of process

We expect our suppliers to share our commitment to respecting human rights, climate change, environment, ethics, health and safety, and product stewardship. Where BT conducts a tender, 10% of the available scoring is weighted to sustainability responses, which can materially influence an outcome. At selection, suppliers are required to complete our Environmental and Climate Change pre-qualification questionnaire, which were developed in collaboration with internal and external sustainability experts. Questionnaire responses are scored to assess whether suppliers are considered to present a high, medium or low risk in line with our policies and generic standards ([https://groupertranet.bt.com/selling2bt/articles/bt\\_expectations/our\\_policies\\_and\\_generic\\_standards.html](https://groupertranet.bt.com/selling2bt/articles/bt_expectations/our_policies_and_generic_standards.html)). These risk ratings are stored and updated in a central, auditable database, which is used by our procurement teams. We work with those suppliers assessed as presenting a high or medium risk to better understand the risks and assess whether to take further action. Our risk assessments are based on; industry type (for example, manufacturing presents more risk than audit), scale of the business, whether it has an environmental policy management system etc. If our assessments reveal any issues with compliance against our standards, we work with the suppliers in question to help them understand how to put the right systems in place and improve their performance. Adopting this collaborative approach helps ensure agreed action plans are achievable. As we embed this change into our supplier relationships, we will disclose agreed outcomes when appropriate. Suppliers' progress implementing agreed risk response / improvement activity is continuously tracked, with their reporting informing quarterly performance reviews with the supplier. We're now asking key suppliers to commit to cutting emissions by building an innovative sustainability clause into their commercial contracts with us. Thirteen suppliers have signed up so far and we've opened discussions with several more. Suppliers that adopt this clause must provide proof that they've made carbon savings (reducing the transitional risk of increasing carbon taxes) as one of the deliverables of the contract. We recognise that it can be onerous for suppliers to make our required improvements, and put in place the necessary mechanisms to accurately report on their impact. And accordingly we'd always look to collaborate to drive improvement, rather than exercise any right of contract termination, where a supplier is progressing but falls short of our expectations. Transparency helps drive climate action and we encourage our suppliers to report to CDP. In 2019, 304 suppliers provided CDP with climate-related data (up from 292 last year). Together, they make up 52% of our total spend. From an Enterprise risk reporting and management perspective, supplier climate-related or other sustainability exposures, like any other risk, are required to be reported where they exceed Group defined thresholds, which are based on potential financial impact, impact on licence to operate and other criteria and then the likelihood of occurrence is also assessed. Those identified bottom-up in our CFUs and CUs will be assessed against Group risk management criteria to ensure visibility at the category level. The third party management category is owned by the Group CFO and managed day-to-day by the Group chief procurement officer. Whilst this supplier sustainability and climate risk review process is undertaken exclusively within the Procurement function, there is a requirement that identified exposures with the potential to exceed Group defined

escalation thresholds are reassessed against the group assessment criteria to determine whether they should be reported top-down within the third party management category. Integrating the two risk management frameworks helps ensure appropriate day-to-day management of risk, but that material exposures are reported in a timely manner at the right leadership levels for review and challenge. Suppliers' sustainability questionnaire responses are valid for two years from the date of completion, with suppliers required to complete the questionnaire again where our contract for supply continues. Case study The third party management category, one of our principal risk categories, is monitored at ExCo and Board. Around two-thirds of BT's carbon emissions come from our suppliers, so if we can reduce our suppliers' carbon emissions, we can make a significant difference to the environment. This will also mitigate the risk of cost increasing from carbon emissions regulations and help to underpin our own carbon reduction targets. Several of our CFUs and CUs are dependent on their suppliers to deliver our products and services. The use of the third party management category enables relevant oversight committees to see a wider picture. Supply chain risk is managed within our Procurement function. Building on a pioneering contract change we made last year, we have introduced sustainability-saving clauses into the contracts of strategic suppliers as their contracts come up for renewal. Thirteen of our suppliers have signed up so far. This supports our science-based target to cut the carbon emissions from our supply chain by 42% (from 2016/17 levels), by 31 March 2031. This year, we've focused on climate change as an emerging physical risk and carried out an in-depth review of the impact of climate change on our supply chain, as part of the Taskforce on Climate-related Financial Disclosures framework. For the coming year, we are developing a process for the Board to review emerging risks at least annually, with deep dives into specific risks throughout the year.

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**Value chain stage(s) covered**

Downstream

**Risk management process**

A specific climate-related risk management process

**Frequency of assessment**

More than once a year

**Time horizon(s) covered**

Short-term

Medium-term

Long-term

**Description of process**

Our Environmental Management Governance Group (EMGG) meets quarterly to oversee management of our most significant environmental risks, including climate-related risks. This group is chaired by our chief technology and information officer, and reports regularly to our ExCo. We use a third-party system to monitor current (and proposed) environmental regulations across our markets. Our key risk leads (Aspect owners) evaluate compliance regularly and our Environmental Management Compliance Steering Group (EMSCB), which meets each month, considers how these regulations may impact on BT and reports to the EMGG. The Product Stewardship Aspect is part of this Environmental Management System (EMS) governance structure, the work of the Product Stewardship Forum is reported to: • the Environmental Management Compliance Steering Board (EMCSB) • the Procurement Sustainability, Risk and Governance Forum • our Customer Facing Units The Forum addresses all aspects of Product Stewardship: BT product design, product supply and management, product use and product reuse/ end-of-life disposal. From an Enterprise risk reporting and management perspective, climate-related or other sustainability exposures, like any other risk, are required to be reported where they exceed the Group defined thresholds. Those identified bottom-up in our business units are assessed against the Group risks management criteria escalated as necessary. In line with the TCFD recommendations, we've carried out scenario analysis this year on the impacts of 2°C and 4°C rises in global temperatures above pre-industrial levels by 2100. This helps us understand the potential impact of climate on our business. We looked at impacts out to 2030. We considered physical risks, like more regular extreme weather, and big temperature and rainfall changes. Globally, extreme weather could affect our customers and cause service disruption. We will work on implementing the TCFD recommendations over the coming months, to include fully embedding the climate risk scenario planning conclusions and risk mitigation strategies into our business We engage with our customers at all stages of our proposition development process to understand their needs and to develop products and experiences that endeavour to meet these needs. We have an Insight Centre of Excellence that serves all parts of BT to ensure we build a strong capability that delivers a deep understanding of what customers need and want from BT. Our products and services help customers cut energy, fuel and emissions by avoiding travel and being more efficient. Such solutions to help tackle the climate emergency include established BT products and services like broadband, teleconferencing and cloud networking – and newer innovations such as the Internet of Things (IoT) technologies. The team at our dedicated centre of excellence is exploring IoT solutions for customers in sectors like retail, logistics and transport. Physical risk case study Following customer discussions in 2018/19, the team in our IoT centre of excellence developed and provided an IoT technology solution. This supports specialist provider of rail, civil and infrastructure engineering services, Stobart Rail and Civils, to deliver critical flood defence equipment around England more quickly and efficiently when needed by the Environment Agency. Transitional risk case study We're testing new smart site management solutions that require fewer visits by facility managers supporting the transition to a lower-carbon, energy-efficient economic system. For example, we're trialling sensor technology to enable a social housing provider to monitor energy supplies, heating, water leaks and safety equipment remotely to help cut costs and carbon, and improve living conditions for tenants.

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**C2.2a**

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**(C2.2a) Which risk types are considered in your organization's climate-related risk assessments?**

	Relevance & inclusion	Please explain
Current regulation	Relevant, always included	Our Environmental Management Governance Group (EMGG) meets quarterly to oversee management of our most significant environmental risks, including climate-related risks. This group is chaired by our chief technology and information officer, and reports regularly to our ExCo. We use a third-party system to monitor current (and proposed) environmental regulations across our markets. Our key risk leads evaluate compliance regularly and our Environmental Management Compliance Steering Group, which meets each month, considers how these regulations may impact on BT and reports to the EMGG. For example we are keeping close watch on the impacts Brexit will impose on the company from areas such as emissions trading and product stewardship. And the expansion of low emission zones in the UK resulting from Local Authority Air Quality Action Plans, required under the Environment Act 1995.
Emerging regulation	Relevant, always included	The 2015 Paris Agreement on climate change, the United Nations Sustainable Development Goals (SDGs), the October 2018 Intergovernmental Panel on Climate Change (IPCC) Special Report, this year's net zero announcement by the UK Government and many other policy measures urge accelerated climate action by all actors in the global economy – including business and financial institutions. Our Digital Impact and Sustainability team (within our Corporate Affairs unit) are monitoring proposals and developments in new regulation supporting a 1.5°C threshold. For example; this year we looked at the disruptive policies and regulatory changes of moving from today's business-as-usual to a low carbon economy, as part of the scenario analysis on the impacts of 2°C and 4°C rises in global temperatures above pre-industrial levels by 2100 undertaken this year. We will work the conclusions from this and risk mitigation strategies into our business. Our EMS regularly horizon scans and participates in consultation with government and industry bodies; such as TechUK and the Aldersgate Group to ensure BT is prepared for change.
Technology	Relevant, always included	Our business depends on technology to develop and deliver the low carbon products and services our customers require. There is a risk that our strategy and business model could be disrupted by technology change should we not stay at the forefront of a rapidly changing world. New technology developments could lead to accelerated shifts that affect our current propositions, an increase in investment requirements and/or a deterioration in our competitive position. We are constantly looking at new innovations, reducing the risk of losing business to other innovators whilst creating opportunity for growth. This year we invested £662m (2018/19: £643m) in innovation, and on 1st June 2020 we launched the Green Tech Innovation Platform. Working with Plug and Play, the world's leading innovation platform headquartered in Silicon Valley, BT aims to uncover the latest technologies from UK-based tech scale-ups that could support BT and its public sector customers transition to net zero.
Legal	Not relevant, explanation provided	Risks of climate-related litigation claims are deemed low, if not negligible. As part of the communications sector we are not considered as a large carbon-emitting company, nor industry. In the UK, 100% of the electricity we directly purchase now comes from renewable sources. The use of our low carbon products and services helps our customers to reduce their own carbon footprint. Our ISO14001 certificated environmental management system (EMS) is an integrated management tool that reduces risk. We had no significant fines or non-monetary sanctions, for non-compliance with laws and regulations concerning the environment in 2019/20.
Market	Relevant, always included	We use around 1% of the UK's electricity to run our business, and are sensitive to wholesale price variations. The price of carbon is a key input into the wholesale price of electricity. Our Technology service unit is responsible for energy use across the Group - energy efficiency reduces our environmental impact and plays a part in overall cost transformation. In order to deliver cost certainty as part of our budget planning process, strategies are in place that aim to lock in prices over the long-term through hedging and renewable backed Power Purchase Agreements (PPA). We are actively exploring options to increase these to help reduce the risks from increased electricity and carbon emissions costs. For example, this year, we invested £45.3m in energy management projects in the UK, which reduced the risk of rising carbon and energy cost impacting the business. This year we cut operating costs and contributed to a global energy reduction of 65GWh (2.3%) in our energy consumption. Overall, these investments have saved us £343m since 2009/10.
Reputation	Relevant, always included	Corporate action and performance in tackling climate change is of increasing focus to stakeholders, and we risk reputational damage and loss of business should we not continue to deliver our climate impact ambitions. For example, concerns around climate change impacts are becoming mainstream, including with our customers. This is reflected in the increased importance of climate in purchasing decisions, a trend we see repeated in customer bids, indexes and ratings and our own materiality analysis (supported by specific customer research). When assessing financial impact, risk owners and risk managers are required to consider potential impacts on any of our key stakeholder groups and associated damage to relationships and / or Group brand when assessing stakeholder perception.
Acute physical	Relevant, always included	Extreme weather events are on the rise, and with them threats to people, property, infrastructure and services. Service interruption is one of our principal risks and uncertainties. Any major interruption could result in loss of customer service, increased costs, loss of revenue as well as impact to brand and reputation. Any reduction in customer confidence has the potential for them to take their business to another operator. There is a risk that we are unable to prevent and respond to incidents caused by natural perils such as flooding, network and system faults, and malicious acts that threaten our network. Our weather resilience programme enables us to monitor and mitigate climate-related risks. For example, our proactive horizon scanning and warning capability enabled BT to minimise impact; across our fixed, mobile and access networks and building estate including our contact centres. Three named Atlantic storms in February 2019 caused the wettest UK February in history. These warnings enabled colleagues at vulnerable sites to safeguard equipment and vehicles, and prepare operational and contact centre staff to respond to possible service outages resulting from flooding.
Chronic physical	Relevant, always included	We're already seeing the impact of climate change in the UK with longer heatwaves, more intense storms and heavier rainfall. These pose a growing risk to our business, customers and country. We monitor longer term climatic predictions, particularly with flood and heat, as both of these have impacts on the availability of our network. We know that rises in temperature, both inside our exchanges and more generally as they affect our network (e.g. street cabinets) can impact availability. Our weather resilience programme enables us to monitor and mitigate climate-related risks, and enables informed decision making on investment. We have scoped our strategic programme to deliver against key targets which will enable relevant business units to build climate change (heat and flood) into BAU processes for assessment to future-proof of our estate, beginning with the Fixed Network.

**C2.3**

**(C2.3) Have you identified any inherent climate-related risks with the potential to have a substantive financial or strategic impact on your business?**

Yes

**C2.3a**

**(C2.3a) Provide details of risks identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Risk 1

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Acute physical	Increased severity and frequency of extreme weather events such as cyclones and floods
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

We're already seeing the impact of climate change in the UK with longer heatwaves, more intense storms and heavier rainfall. These pose a growing risk to our business, customers and country. Water ingress, excess snow and high winds can disrupt our infrastructure and may disrupt our ability to deliver our services. BT plays a key role in sustaining the UK's critical national infrastructure and many stakeholders trust and rely on the connectivity we provide. We own and manage the UK's core fixed network, and more than 650 communications providers use our network to deliver services. We hold key mobile spectrum, with extensive network coverage across the UK with our

2G, 3G, 4G and 5G networks. We must be ready and able to respond to more unpredictable and extreme weather to keep our networks up and running – and help people and businesses stay connected. We consider our company to be exposed to physical risks in all countries we operate in as a result of climate change as the associated extreme weather conditions (gales, floods, electrical storms) can lead to rising operational costs and risk to our reputation due to network disruption, damaged equipment, customer complaints, employee injuries and absences etc. While our business is predominantly focused in the UK, we have network segments across the globe which are exposed to different climatic conditions. We look at the risk to the various buildings that support the network, most of which we don't own.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

5000000

**Potential financial impact figure – maximum (currency)**

22000000

**Explanation of financial impact figure**

Extreme weather can challenge our IT and network estate. In 2018/19 we had to keep our network operating through the joint hottest UK summer on record, lightning storms and heavy rain. This included deployment of emergency response team (ERT) resources to support emergency services to contain moorland wildfires including risk to remote radio and mobile Radio Access Network (RAN) assets and buildings. The significant impact of these issues often arises not from a single incident but from the aggregation of many incidents. For example, in 2015/16 our customer service was impacted by 11 separate winter storms over a five-month period in the UK. The storms resulted in record levels of flooding. Operating costs in Openreach grew by 4% (£22m) in the last quarter of 2015/16, mainly reflecting more repair work to rectify the impact of flooding. The storms of 2015/16 are an extreme example as most events affect a much narrower geographic area, and we've also made significant investments to improve network resilience, hence our range of £5m, for a relatively small geographic impact, to £22m representing multiple geographically dispersed events.

**Cost of response to risk**

7400000

**Description of response and explanation of cost calculation**

Our infrastructure is designed and built with disaster recovery at the core. Major network sites have been chosen to be sited away from flood plains and we invest in making our network and infrastructure more resilient to flooding and extreme winds. In some parts of the UK, equipment like our exchanges, cabinets and mobile base stations are increasingly vulnerable to climate-related risks. We've mapped the ones that are most at risk of flooding and we're investing in permanent flood defences. This supports the UK Government's National Flood Resilience Review and it's part of our efforts to adapt to climate change in the long term. Scenarios we prepare for include setting up satellite connections in areas with no telecoms infrastructure, sealing street cabinets to protect them from rising floodwaters and setting up flood defences at a telephone exchange. We spent £2.4m in 2019/20 on enhancing our permanent flood defences as part of a 3 year programme, on top of the annual running costs for our Emergency Response Teams (approximately £5m). Our emergency response teams and resources are always at the ready to deploy emergency communications services anywhere in the UK. This year, we mobilised these teams to protect sites from flooding, including our telephone exchange in Shrewsbury that serves thousands of people and our Madley satellite station in Herefordshire that supports communications and media broadcasting services. As a critical national infrastructure provider we work closely with stakeholders (Government, utilities and other communications providers) to ensure that we factor in the risks of river and coastal flooding (for example) from extreme weather over the next ten years. We proactively monitor weather conditions, providing daily updates across the business when extreme events are anticipated.

**Comment**

**Identifier**

Risk 2

**Where in the value chain does the risk driver occur?**

Direct operations

**Risk type & Primary climate-related risk driver**

Current regulation	Carbon pricing mechanisms
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**Primary potential financial impact**

Increased indirect (operating) costs

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

We use around 1% of the UK's electricity and are investing in ways to reduce the amount of energy we use to power our networks and business and, as a significant electricity user, are sensitive to wholesale price variations. In 2019/20 we spent £368m in Great Britain on energy and water and CLL (climate change levy or levies), any increase in energy or GHG levies cost has an adverse impact on our ability to transform our costs. The price of carbon is a key input into the wholesale price of electricity. In order to deliver cost certainty in our budgeting, including from potential increases in GHG levies, we have strategies in place that aim to lock in prices over the long-term through hedging and renewable backed Power Purchase Agreements (PPA). For example; In 2019/20, we sourced 16% of our UK electricity supply via PPA and are actively exploring increasing this percentage via private-wire PPA, in order to reduce our exposure to increased electricity and carbon costs. To help reduce our GHG emissions we're aiming to purchase 100% renewable electricity for all our operations around the world, where markets allow, by 31 December 2020.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

3680000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

In 2019/20 we spent £368m in Great Britain on energy and water and CCL (climate change levy or levies). We have assumed a 1% increase (£3.68m) to these costs relating to increase pricing as focus on GHG emissions grows. We continue to target energy savings as part of our strategy to transform our operating model, reduce GHG emissions and to reduce the impact of these charges on our plans to transform our operating model.

**Cost of response to risk**

42000

**Description of response and explanation of cost calculation**

Our exposure to electricity costs is a driver for our energy savings programme investments. The price of carbon is a key input into the wholesale price of electricity. In order to deliver cost certainty in our budgeting and planning processes, we have strategies in place that aim to lock in electricity prices over the long-term through hedging and renewable backed Power Purchase Agreements (PPA). In 2019/20, we sourced 16% (388 GWh) of our electricity supply via PPA from wind and solar power within the UK and are actively exploring options to increase our private-wire PPA contracts. This is helping to reduce our exposure to increased electricity and carbon costs over the long term, by disconnecting BT, in part, from wholesale market prices and in particular (in relation to carbon prices) short term price movements associated with traded prices of EU carbon allowances. Our single Group scorecard for all bonus eligible colleagues across the Group (including our ExCo) includes objectives regarding the delivery of our carbon targets and the CTIO of Technology is the ExCo lead for the global management of environmental risk in BT. We have a dedicated team who work full time on programmes to reduce energy consumption and mitigate environmental risk. We continue to monitor any additional carbon-related taxes and duties across all our operations. There is considered minimal additional management cost (<£50,000) as activities to improve our resilience to wholesale energy costs is 'business as usual'. We have used BT's median employee pay of £42,173 in 2019/20 as the basis for our cost calculation and allowed the equivalent of c.1 full time employee and modest costs on activities directly related to improve our resilience to wholesale energy costs.

**Comment**

**Identifier**

Risk 3

**Where in the value chain does the risk driver occur?**

Downstream

**Risk type & Primary climate-related risk driver**

Market	Changing customer behavior
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**Primary potential financial impact**

Decreased revenues due to reduced demand for products and services

**Climate risk type mapped to traditional financial services industry risk classification**

<Not Applicable>

**Company-specific description**

Concerns around climate change impacts are becoming mainstream, including with our customers. In 2019/20 c.8.5% of BT Group revenue was attributed to customers (particularly multi-national corporations) who requested that we complete the CDP supply chain questionnaire. This reflects the critical importance of climate for our customers, a trend we see repeated in customer bids, indexes and ratings and our own materiality analysis (and customer research). We risk losing market share or failing to maximise the opportunities in this new low carbon economy if we do not demonstrate a leading response to climate change in this context of changing customer demands and setting out how our products can help them to reduce emissions. This is particularly important at a time when many companies are stepping up their focus and elevating their response to the climate emergency in above the line campaigns and setting ambitious goals. We see big potential for our products and services to save our customers' energy, fuel, materials and emissions. It's already happening today through our carbon-saving products and services like broadband, teleconferencing, cloud networking and Internet of Things (IoT) solutions. These products and services brought in £5.5bn – 24% of our total revenue in 2019/20. We've now helped our customers save three times as much carbon as our own end-to-end carbon emissions – achieving our 3:1 carbon abatement target one year early. This year, our carbon-saving products and services helped customers avoid c.13m tonnes of CO2e. That means for every tonne of CO2e emitted – in our operations, supply chain and from product use – we've helped customers save over three tonnes of greenhouse gases. We will continue to track the abatement our products deliver, and future opportunities through our portfolio of products and services that abate carbon emissions. We have also demonstrated our climate focus through the announcement on 1st June 2020 of the launch two new initiatives, the Green Tech Innovation Platform and the UK Electric Fleets Coalition, which will drive the UK's transition to net zero carbon emissions and contribute to a green post-Covid19 recovery for the UK. This year we upped our science-based target to cut the carbon emissions from our supply chain by 29%, from 2016/17 levels, to a 42% reduction in line with 1.5oC scenarios.

**Time horizon**

Long-term

**Likelihood**

Unlikely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, an estimated range

**Potential financial impact figure (currency)**

<Not Applicable>

**Potential financial impact figure – minimum (currency)**

8000000

**Potential financial impact figure – maximum (currency)**

19000000

**Explanation of financial impact figure**

In 2019/20 £1.9bn (c.8.5% of BT Group revenue of £22.9bn) was attributed to customers (particularly Multi-National Corporations) who validate BT's credentials through the CDP supply chain questionnaire. Failure to maintain a strong position on climate/environment potentially puts some of this at risk - and at a time when this interest is growing. For the purpose of this response we have assumed a range of between 0.5% and applied that to a 1% potential loss of this revenue. NB Covid-19 will continue to impact our business as the full economic consequences unfold and as a result, we expect adjusted revenue to be down between 5% and 6% in 2020/21.

**Cost of response to risk**

50000

**Description of response and explanation of cost calculation**

Our Board-level Digital Impact and Sustainability Committee oversees our digital impact and sustainability strategy and tracks progress towards our ambitions. This year, it reviewed our climate-related risks and opportunities, including our carbon reduction targets. Our goals are aligned with efforts to cap the global temperature rise to 1.5°C; • By 31 March 2045, to become a net zero carbon emissions business (GHG emissions scopes 1 + 2) • By 31 March 2031, to cut our carbon emissions intensity by 87%, compared to 2016/17 levels • By 31 March 2031, to reduce our supply chain CO2e emissions by 42%, compared to 2016/17 levels. To reach net zero, we're focusing on reducing our emissions in areas we directly control – using renewable electricity, and reducing our energy needs, decarbonising our buildings estate and emissions from our vehicle fleet. We're partnering with our suppliers to target a 42% (target revised from 29% to 42% in June 2020 in line with 1.5°C scenarios) reduction in emissions from our supply chain by 31 March 2031 (from 2016/17 levels). Over two-thirds of our end-to-end carbon emissions come from our supply chain. Since 2016/17, we've achieved a reduction of 8%. One of our suppliers, Apple, has reduced the carbon emissions from manufacturing its iPhones – and due to the volumes that we purchase over the year this has a big impact. In 2019 we calculated resultant savings of around 38,000 tonnes of CO2e from our supply chain. That's equivalent to a c.1.2% reduction from our total supply chain emissions. We're helping our customers reduce their carbon footprint too. We helped them avoid c.13m tonnes of CO2e this year through the use of our low-carbon products and services. That's equivalent to 3.1 times our end-to-end emissions. There is minimal additional cost to manage this risk (<£50,000). Environmental management and the development of products and services supporting a low carbon economy is 'business as usual'. We have used BT's median employee pay of £42,173 in 2019/20 as the basis for our cost calculation and allowed the equivalent of c.1 full time employee, with modest costs, on activities exclusively related to improve the development of low carbon products and services.

**Comment**

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C2.4

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**(C2.4) Have you identified any climate-related opportunities with the potential to have a substantive financial or strategic impact on your business?**

Yes

C2.4a

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**(C2.4a) Provide details of opportunities identified with the potential to have a substantive financial or strategic impact on your business.**

**Identifier**

Opp1

**Where in the value chain does the opportunity occur?**

Downstream

**Opportunity type**

Products and services

**Primary climate-related opportunity driver**

Development and/or expansion of low emission goods and services

**Primary potential financial impact**

Increased revenues resulting from increased demand for products and services

**Company-specific description**

We anticipate that international agreements, such as the Paris Agreement, and this year's net zero announcement by the UK Government, that limit carbon emissions, will increase the cost of carbon intensive activities. We expect this could contribute to higher growth rates in the demand for BT's low-carbon products and services. Such solutions to help tackle the climate emergency include established BT products and services like broadband, teleconferencing and cloud networking – and newer innovations such as the Internet of Things (IoT) technologies. The size, scope and breadth of our customer base gives us an advantage when new propositions and services are brought to market. We have a total of around 32m customers. Of these, over 30m are consumer customers, over 1m are business and public sector organisations in the UK and Republic of Ireland and around 4,000 are multinational corporations. We also provide network propositions and services to more than 650 UK communications providers. Across our low-carbon portfolio this year, we helped customers avoid c.13 million tonnes of carbon emissions.

**Time horizon**

Long-term

**Likelihood**

Likely

**Magnitude of impact**

Medium

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

27500000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

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**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

We generated £5.5bn this year from BT products and services that can help our customers to cut their carbon emissions. This represents 24% of BT's total revenue. Note: The list of our carbon-saving products and services is established and verified by the Carbon Trust; the associated revenue is based on total external sales, independently verified by Lloyd's Register. Our aim is to maintain or grow revenue from our low-carbon portfolio, for the purposes of this response we have assumed a 0.5% increase in Group revenue from these low-carbon solutions to calculate this opportunity for the coming year. NB: Covid-19 will continue to impact our business as the full economic consequences unfold and as a result, we expect adjusted revenue to be down between 5% and 6% in 2020/21.

**Cost to realize opportunity**

50000

**Strategy to realize opportunity and explanation of cost calculation**

We made £5.5bn of our revenue this year from products and services that helped customers avoid using c. 13m tonnes of carbon emissions. We're partnering with suppliers to reduce their emissions and spur eco-innovation. And our stretching goals are helping to drive industry progress towards the UK Government's new 2050 zero emissions target for the economy. We are driving innovation to accelerate new low-carbon propositions and to promote low-carbon technology to our customers. On 1st June 2020 we launched two new initiatives, the Green Tech Innovation Platform and the UK Electric Fleets Coalition, which will drive the UK's transition to Net Zero carbon emissions and contribute to a green post-Covid19 recovery for the UK. Through the Green Tech Innovation Platform, we aim to uncover the latest technologies from UK-based tech scale-ups that could support BT and its public sector customers transition to Net Zero. Through the coalition of the UK Electric Fleets Coalition we will undertake a vital leadership role in the run up to the COP26 climate summit in 2021, highlighting the need to progress towards fleet de-carbonisation and helping to develop policy measures that support corporate Electric Vehicle (EV) uptake, such as stimulating EV supply and investing in EV charging infrastructure. We don't manufacture products ourselves so work closely with our suppliers to develop and maintain our portfolio of low carbon products. Our climate change procurement standard is mandatory in all our supplier contracts. We're now asking key suppliers to commit to cutting emissions having included an innovative sustainability clause into their commercial contracts with us. Thirteen of our key suppliers have signed up so far and we've opened discussions with several more. Suppliers that adopt this clause must provide proof that they've made carbon savings as one of the deliverables of the contract. This year we revised our science-based target to cut the carbon emissions from our supply chain by 29%, from 2016/17 levels, to a 42% reduction in line with 1.5°C scenarios. There is minimal additional cost to manage this opportunity. The development of products and services is 'business as usual'. Other costs are mainly related to our people's time. We have used BT's median employee pay of £42,173 in 2019/20 as the basis for our cost calculation and allowed the equivalent of c.1 full time employee and modest costs.

**Comment****Identifier**

Opp2

**Where in the value chain does the opportunity occur?**

Direct operations

**Opportunity type**

Resource efficiency

**Primary climate-related opportunity driver**

Move to more efficient buildings

**Primary potential financial impact**

Reduced indirect (operating) costs

**Company-specific description**

We use around 1% of the UK's electricity to run our business. We spent £368m on energy and water in the UK in 2019/20, and we target energy savings as part of our strategy to transform our operating model. This year, we invested £45.3m in energy management projects in the UK, which contributed to a global energy reduction of 65GWh (2.3%) in our energy consumption. Overall, these investments, with a mix of short- and medium-term horizons have saved us £343m since 2009/10. These investments also increase our ability to bid for and win large public and private commercial tenders where sustainability criteria have been included in the adjudication process.

**Time horizon**

Medium-term

**Likelihood**

Likely

**Magnitude of impact**

Low

**Are you able to provide a potential financial impact figure?**

Yes, a single figure estimate

**Potential financial impact figure (currency)**

135000000

**Potential financial impact figure – minimum (currency)**

<Not Applicable>

**Potential financial impact figure – maximum (currency)**

<Not Applicable>

**Explanation of financial impact figure**

This year, we invested £45.3m in energy management projects in the UK, with a typical payback of c.3 years. These have cut operating costs and contributed to a global reduction of 65GWh (2.3%) in our energy consumption. We have a long-standing energy management programme as part of our strategy to transform our operating model, and we've saved over £343m since 2009/10. We expect this year's investment (£45.3m) to save c.£135m over the life of the investments. This is calculated based on an average return on investment, the annual spend on our energy management programme over the medium term and assumes energy prices at 2019/20 rates without price inflation.

**Cost to realize opportunity**

45300000

**Strategy to realize opportunity and explanation of cost calculation**

We have a long-standing energy management programme as part of our strategy to transform our operating model. In 2019/20 we invested a further £45.3m, which included a £30m investment in the replacement of cooling systems (part of a 3-year programme). Many of these replacements are adiabatic units, with estimated useful

economic lives of c.10 years. These are more operationally and energy efficient and are delivering improved resilience. More than 2,000 (2018/19: 2,500, 2017/18: 497) old systems were switched to energy efficient cooling solutions this year. This year's energy savings projects also included; replacing power systems, rationalisation and depowering of legacy and network IT equipment and mothballing or closing buildings. We calculate the NPV over 10 years for all energy infrastructure projects. As part of our strategy to decarbonise our network we're working to increase the amount of renewable electricity we purchase. Worldwide, we increased the amount of electricity purchased from renewable sources to 92% (from 87% last year) and we're working to increase this to 100%, where markets allow, by 31 December 2020. In the UK, 100% of the electricity we purchase directly is now from renewable sources.

#### Comment

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#### Identifier

Opp3

#### Where in the value chain does the opportunity occur?

Upstream

#### Opportunity type

Energy source

#### Primary climate-related opportunity driver

Use of lower-emission sources of energy

#### Primary potential financial impact

Other, please specify (More competitive supply chain)

#### Company-specific description

Upstream emissions (mainly supply chain) are the most significant proportion (69%) of our total value chain (end-to-end) emissions, compared to our own operational emissions at 7% and customer use of our equipment (downstream) at 24%. We want suppliers to join us in cutting emissions by switching to renewable electricity and through energy efficiency. We've set a science-based target that, by 31 March 2031, we'll cut the carbon emissions from our supply chain by 42%, from 2016/17 levels (target revised from 29% to 42% in June 2020 in line with 1.5°C scenarios). Supporting this target, we set ourselves a target to get 125 of our top suppliers to use renewable energy and we've exceeded it with 181 suppliers using renewable electricity this year, up from 157 in 2018/19. We expect suppliers to become more cost-efficient and resilient to energy price shocks, including from potential increases in carbon taxes, as a result of this change, which will likely deliver indirect benefit to BT as they become more competitive in delivering their products and services to BT, which could deliver savings. The introduction of carbon-saving clauses in some of our supplier contracts is also expected to contribute in a similar way.

#### Time horizon

Medium-term

#### Likelihood

Likely

#### Magnitude of impact

Low

#### Are you able to provide a potential financial impact figure?

Yes, a single figure estimate

#### Potential financial impact figure (currency)

8300000

#### Potential financial impact figure – minimum (currency)

<Not Applicable>

#### Potential financial impact figure – maximum (currency)

<Not Applicable>

#### Explanation of financial impact figure

We have had the financial savings to our suppliers independently calculated using the International Performance Measurement and Verification Protocol (IPMVP) methodology. The IPMVP (<https://evo-world.org/en/products-services-mainmenu-en/protocols/ipmvp>) defines standard terms and suggests best practise for quantifying the results of energy efficiency investments and increase investment in energy efficiency, demand management and renewable energy projects.

#### Cost to realize opportunity

21000

#### Strategy to realize opportunity and explanation of cost calculation

We aim to have our top suppliers purchase and/or use renewable energy. Together with our main energy provider, we're encouraging our suppliers to switch to renewable energy. 181 of our top suppliers now purchase and/ or use renewable energy, and we aim to increase the number each year. We're asking key suppliers to commit to cutting emissions by building an innovative climate clause into their commercial contracts with us. Thirteen of our key suppliers have signed up so far and we've opened discussions with several more. Suppliers that adopt this clause must provide proof that they've made carbon savings as one of the deliverables of the contract. Our approach won Supply Chain Project of the Year at the Business Green Leaders Awards 2018. For example, one of our suppliers, Apple, has reduced the carbon emissions from manufacturing its iPhones – and due to the volumes that we purchase over the year this has a big impact. In 2019 we calculated resultant savings of around 38,000 tonnes of CO2e from our supply chain. That's equivalent to a c.1.2% reduction from our total supply chain emissions. Our climate change procurement standard is mandatory in all our supplier contracts. The standard sets out expectations and requirements from suppliers on reducing greenhouse gas emissions. There is minimal additional management cost (<£25,000), activities to improve supply chain performance are 'business as usual', carbon emissions performance is one part of this. We have used BT's median employee pay of £42,173 (£42k\*0.5=£21k) in 2019/20 as the basis for our cost calculation and allowed c.0.5 employee time on activities directly related to engaging our suppliers in energy and GHG reduction activities.

#### Comment

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## C3. Business Strategy

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### C3.1

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**(C3.1) Have climate-related risks and opportunities influenced your organization's strategy and/or financial planning?**

Yes, and we have developed a low-carbon transition plan

**C3.1a**

**(C3.1a) Does your organization use climate-related scenario analysis to inform its strategy?**

Yes, qualitative, but we plan to add quantitative in the next two years

**C3.1b**

**(C3.1b) Provide details of your organization's use of climate-related scenario analysis.**

Climate-related scenarios and models applied	Details
RCP 2.6 RCP 8.5	In line with the TCFD recommendations, we've carried out scenario analysis this year on the impacts of 2°C (IPCC scenario in line with the Paris Agreement's stated 2°C limit/1.5°C aim) and 4°C (the IPCC high-emissions scenario, consistent with a future with no policy changes to reduce emissions), rises in global temperatures above pre-industrial levels by 2100. Several published scenarios were considered before RCP2.6 and RPC8.5 were chosen as being most relevant. This helps us understand the potential impact of climate on our business. We looked at impacts out to 2030, in alignment with our carbon intensity and supply chain emissions reduction targets. First, assuming no changes to our activities. Then, accounting for the transition and mitigation plans we have in place. Under both scenarios we face financial risks by 2030 from both physical and transitional climate-related perspectives. The most likely impact will be somewhere between the two. The 2°C scenario – We looked at the disruptive policies and regulatory changes of moving from today's business-as-usual to a low carbon economy. The main risks for BT of a 2°C scenario include the effect of accelerated and widespread carbon pricing; diesel and petrol vehicle bans (we operate the 2nd largest vehicle fleet in the UK); and higher costs for renewable electricity (we consume almost 1% of the UK's electricity) if demand outstrips supply. We will work on implementing the TCFD recommendations over the coming months, to include fully embedding the climate risk scenario planning conclusions and risk mitigation strategies into our business. To achieve our target to cut our carbon emissions intensity by 87%, compared to 2016/17 levels by 31 March 2031, we recognise we need to shrink the climate-related impacts of our fleet, we're committed to make the transition from conventional diesel and petrol vehicles to those that run on electricity and alternative fuels. We aim to use electric vehicles (EVs) where this is the best technical and economic solution, and to undertake further research into other zero emission fuelled vehicles to ensure we are able to achieve this target. We recognise that the majority of our emissions are Scope 3, so we are proactively working with our supply chain to encourage them to sign up to SBTi and report to CDP so that they can work towards reaching a 1.5oC scenario.

**C3.1d**

**(C3.1d) Describe where and how climate-related risks and opportunities have influenced your strategy.**

	Have climate-related risks and opportunities influenced your strategy in this area?	Description of influence
Products and services	Yes	Our technology and networks have a significant role to play in enabling the innovative solutions and exponential change needed to achieve a zero-carbon economy - helping to drive progress towards the UK Government's new 2050 zero emissions target for the economy, and our target to become a net zero carbon emissions business by 31 March 2045. Customers using our products and services represented 24% of our end-to-end emissions in 2019/20. Our low-carbon products and services generated £5.5bn this year, some 24% of BT's total revenue. These include established BT products and services like broadband, teleconferencing and cloud networking – and newer innovations such as the Internet of Things (IoT) technologies. In 2018, BT created a centre of excellence within its Enterprise unit which is dedicated to bringing innovative IoT solutions to market. BT's IoT expertise combines devices, connectivity and platforms, with existing customer wins in the smart cities, retail and logistics sectors. Our long-standing strategic aim is to maintain or grow revenue from our this low-carbon portfolio, and we expect that our climate-related scenario analysis with help develop future business cases.
Supply chain and/or value chain	Yes	Upstream emissions (mainly supply chain) represented 69% of our end-to-end emissions in 2019/20 so if we can reduce our suppliers' emissions, we make a significant difference to the environment and our own carbon targets. Recognising the importance of addressing GHG emissions across our value chain we have set long-term targets to reduce these and introduced a key performance indicators (KPI) on GHG emission reduction into our incentive scheme for all managers this year. For supply chain emissions, we've set a science-based target that, by end-March 2031, we'll cut the carbon emissions from our supply chain by 42% (from 2016/17 levels), this target was revised in June 2020 from 29% to a 42% reduction in line with 1.5oC scenarios. Our climate change procurement standard is mandatory in all our supplier contracts. We're now asking suppliers to commit to cutting (mitigate) emissions having included an innovative climate clause into their commercial contracts with us. Thirteen of our suppliers have signed up so far and we've opened discussions with several more. We expect that our climate-related scenario analysis with help engage our supply base further in climate change adaptation and mitigation activities.
Investment in R&D	Yes	Recognising the need of customers to reduce their carbon emissions (our downstream emissions) and associated climate change risks, in June 2020 we launched our Green Tech innovation Platform, which aims to uncover the latest technologies from UK-based tech scale-ups that could support BT and its public sector customers transition to net zero. The partnership with Plug and Play will explore three areas: • Smart Streets: Insights from environmental monitoring and traffic optimisation sensors which can be easily integrated into street furniture like the next generation of BT Street Hub units • Smart Buildings: IoT capable solutions supporting energy and water management in social housing and other public sector buildings • Remote Working: Uncover ways 5G can be used to support innovative products and solutions that will reduce travel, e.g. using video, augmented reality or virtual reality to carry out remote repair and diagnostics by health and other public sector workers. IoT is one of the next generation technologies we're harnessing. It works by enabling machines and objects, such as sensors, to send and receive data. Analysing that data can help customers save energy and fuel, helping to reduce GHG emissions. Engineers at our dedicated IoT centre of excellence develop solutions for businesses in sectors like retail, logistics and transport. Our own operations can provide a useful testing ground for trialling services that could benefit our business and others. Our Final Mile service is a great example. Our field engineering teams needed secure storage to make delivering spare parts run like clockwork. It had to be flexible, and it had to complement our existing supply chain. Some engineers were travelling long distances, wasting time, fuel and generating unnecessary GHG emissions, to get spare parts from external locker banks. Our intelligent lockers were so successful, we ended up rolling them out across our estate. Now engineers know exactly when their parts are ready to collect and don't have to drive so far to fetch them. Having proved the concept and technology BT Final Mile customers now use the network of lockers to give their engineers the right spare parts to get their job done, reducing wasted travel time and emissions from fuel use. We expect that our climate-related scenario analysis with help develop future business cases.
Operations	Yes	We continue to invest in our network and exchanges to improve our operational resilience – key to delivering customer service. Severe weather causing fluvial and pluvial flooding, excess wind, snow, ice and electrical storms can disrupt our operations in affected areas. To enhance resilience to such climate-related risks, we've mapped our UK sites at highest risk of flooding and set up fully equipped flood hubs around the country with resources at the ready to protect them. We've invested in more high capacity pumps, flood barriers, tools and other emergency-related equipment this year. And we've trialled the use of drones to check for debris that could block rooftop gutters. We are developing plans to introduce electric and other zero emission vehicles into our fleet, and expect that our climate-related scenario analysis with help further develop our business case.

**C3.1e**

**(C3.1e) Describe where and how climate-related risks and opportunities have influenced your financial planning.**

	Financial planning elements that have been influenced	Description of influence
Row 1	Indirect costs Capital expenditures Assets	A changing climate brings risks and opportunities for our business, and we're responding to both. We're working to reduce our emissions across our value chain and implementing efficiency measures that save on energy and bills. We're taking steps to improve our operations' climate resilience in the face of more extreme weather that could otherwise prove costly. We have pledged to become a net zero carbon emissions business by 2045. In the long-term we plan to meet this target through the purchase of 100% renewable electricity, converting our vehicle fleet to ultra-low emissions vehicles and to continue to decarbonise our buildings. These areas represent 97% of our Scope 1 & 2 carbon emissions. The investments needed to support our net zero ambition are factored into our Medium-Term Planning (MTP). Our MTP considers both capital expenditure (CAPEX) and operating (indirect) costs (OPEX). The MTP follows the glidepath to meet our SBTi targets, which outlines on a year by year basis the forecasted expenditure required to achieve our target to cut our carbon emissions intensity by 87%, compared to 2016/17 levels by 31 March 2031. Our switch to the use of renewable electricity is well underway - 100% of the electricity we directly purchase in the UK from energy suppliers is renewably sourced. Worldwide, 92% of our total electricity consumed is renewably sourced, an increase from 86% last year. Our Better Workplace Programme is a 5-year programme to consolidate our UK buildings footprint to around 30 modern, future-fit locations (from around 270 office buildings). Part of the requirements for these new locations is they must either be BREAM excellent or WELL rated. For buildings that we are planning to retain, largely exchange buildings, are looking to decarbonise the current oil and gas heating systems. We are working to identify the best low-carbon, cost-effective, solutions to replace/upgrade these systems. Options include low carbon technology like heat pumps and alternatives to natural gas that use renewable electricity. To reduce the carbon footprint of our fleet, we're committed to make the transition from conventional diesel and petrol vehicles to zero emission vehicles, such as those that run on renewable electricity or hydrogen. We aim to use electric vehicles (EVs) where this is the best technical and economic solution. Openreach, a BT Group business that operates the second largest fleet in the UK, aims to have more than a third of its fleet fully migrated to EVs by the mid-2020s. This year, we trialed 23 EVs and we've ordered 46 more for the fleet of vans used by engineering colleagues. These numbers are small so far because transitioning to an electric fleet is challenging. The market for electric vans is growing, but more advancements need to take place to drive the accelerated change we require, along with improving the current nationwide infrastructure for charging vehicles. Those BT colleagues that have a company car as part of their contractual benefit have had the option to choose all electric cars since 2018/19 and, so far, 21 have chosen to do so. Hybrid cars have been an option for longer and they now make up 20% of our company car fleet, up from 5% in 2016. Our business need car drivers are able to choose from a range of hybrid electric vehicles, we are currently reviewing the selection of cars available to them, and looking to introduce EVs to this range in 2020/21. Following the exceptional temperatures in summer 2019, we have significantly invested in our power infrastructure to improve our operational resilience to heat, and prevent service losses. Extreme heat events, with the hottest day on record of 38.7°C in 2019, are increasing and put stress onto our resources and equipment, and particularly data centres which have a high risk of rapid temperature increases and catastrophic failure. To become future-resilient to such climate-related risks, cooling upgrades at a cost of £5m have been completed in 2019/20 in two thirds of our operational data centres, with resilience improvements completed at the rest. Our network exchange environment also benefited from upgrades to our cooling systems. This year saw a further £30m investment as part of our rolling programme of investment in high risk locations. Many of these replacements are adiabatic units, which are more operationally and energy efficient and are delivering improved resilience.

**C3.1f**

**(C3.1f) Provide any additional information on how climate-related risks and opportunities have influenced your strategy and financial planning (optional).**

**C4. Targets and performance**

**C4.1**

**(C4.1) Did you have an emissions target that was active in the reporting year?**

Both absolute and intensity targets

**C4.1a**

**(C4.1a) Provide details of your absolute emissions target(s) and progress made against those targets.**

**Target reference number**

Abs 1

**Year target was set**

2019

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Base year**

2017

**Covered emissions in base year (metric tons CO2e)**

404780

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2045

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

243214

**% of target achieved [auto-calculated]**

39.914521468452

**Target status in reporting year**

Underway

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Please explain (including target coverage)**

Our ambition is to become a net zero carbon emissions business by 31 March 2045. We are still developing our plans to deliver this target and have included 100% of our gross scope 1 and 2 emissions. Delivering against this ambition is dependent on external factors including the availability of suitable low carbon vehicles and electric vehicle charging infrastructure, and of viable options to heat our buildings. As our investigations and plans develop we will be in a better position to ascertain whether some form of carbon offsetting will be required to achieve net zero. NB: SECR: In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our Scope 2 now includes all sites and countries where we consume electricity. Our base year S1 & S2 emissions have been revised from 377,073 to 404,780 tonnes CO2e.

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**Target reference number**

Abs 2

**Year target was set**

2017

**Target coverage**

Other, please specify (Supply Chain)

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream)

**Base year**

2017

**Covered emissions in base year (metric tons CO2e)**

3303578

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2030

**Targeted reduction from base year (%)**

42

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

1916075.24

**Covered emissions in reporting year (metric tons CO2e)**

2970107

**% of target achieved [auto-calculated]**

24.0338981379756

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science-Based Targets initiative

**Please explain (including target coverage)**

Our target is to reduce the carbon emissions associated with our supply chain (GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard categories 1 through 8) by 42% by 31 March 2031 from 31 Mar 2017 outturn), this target was revised in June 2020 from 29% to 42% reduction, in line with 1.5o C scenarios.

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**Target reference number**

Abs 3

**Year target was set**

2020

**Target coverage**

Other, please specify (Supply Chain)

**Scope(s) (or Scope 3 category)**

Scope 3 (upstream)

**Base year**

2017

**Covered emissions in base year (metric tons CO2e)**

3227919

**Covered emissions in base year as % of total base year emissions in selected Scope(s) (or Scope 3 category)**

100

**Target year**

2045

**Targeted reduction from base year (%)**

100

**Covered emissions in target year (metric tons CO2e) [auto-calculated]**

0

**Covered emissions in reporting year (metric tons CO2e)**

2970107

**% of target achieved [auto-calculated]**

7.98694143192565

**Target status in reporting year**

New

**Is this a science-based target?**

No, but we are reporting another target that is science-based

**Please explain (including target coverage)**

In July 2020 we extended our net zero by 31 March 2045 target to include our supply chain, upstream emissions (GHGP Corporate Value Chain (Scope 3) Accounting and Reporting Standard categories 1 through 8). We are now actively engaging with suppliers on setting their own net zero targets, reporting to CDP and buying renewable energy supplies. We are also working with the Carbon Trust on a model for our downstream emissions.

## C4.1b

**(C4.1b) Provide details of your emissions intensity target(s) and progress made against those target(s).****Target reference number**

Int 1

**Year target was set**

2017

**Target coverage**

Company-wide

**Scope(s) (or Scope 3 category)**

Scope 1+2 (market-based)

**Intensity metric**

Metric tons CO2e per USD(\$) value-added

**Base year**

2017

**Intensity figure in base year (metric tons CO2e per unit of activity)**

32

**% of total base year emissions in selected Scope(s) (or Scope 3 category) covered by this intensity figure**

100

**Target year**

2030

**Targeted reduction from base year (%)**

87

**Intensity figure in target year (metric tons CO2e per unit of activity) [auto-calculated]**

4.16

**% change anticipated in absolute Scope 1+2 emissions**

-87

**% change anticipated in absolute Scope 3 emissions**

0

**Intensity figure in reporting year (metric tons CO2e per unit of activity)**

18

**% of target achieved [auto-calculated]**

50.2873563218391

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, this target has been approved as science-based by the Science Based Targets initiative

**Please explain (including target coverage)**

Our target is to reduce our carbon emissions intensity by 87% on 2016/17 levels by 31 March 2031. This is in line with current international policy and climate science, being BT's share of the global emissions reductions needed to limit global warming to 1.5oC. Carbon emissions intensity means Scope 1 and 2 greenhouse gas emissions, as defined in the World Business Council for Sustainable Development's Greenhouse Gas Protocol, expressed as carbon dioxide equivalent (CO2e) per unit of value added (EBITDA + employee costs). The percentage change in absolute emissions has been calculated using the forecast value added growth used in our medium term planning.

## C4.2

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### (C4.2) Did you have any other climate-related targets that were active in the reporting year?

Target(s) to increase low-carbon energy consumption or production

## C4.2a

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### (C4.2a) Provide details of your target(s) to increase low-carbon energy consumption or production.

**Target reference number**

Low 1

**Year target was set**

2015

**Target coverage**

Company-wide

**Target type: absolute or intensity**

Absolute

**Target type: energy carrier**

Electricity

**Target type: activity**

Consumption

**Target type: energy source**

Renewable energy source(s) only

**Metric (target numerator if reporting an intensity target)**

Percentage

**Target denominator (intensity targets only)**

<Not Applicable>

**Base year**

2015

**Figure or percentage in base year**

94

**Target year**

2020

**Figure or percentage in target year**

100

**Figure or percentage in reporting year**

92

**% of target achieved [auto-calculated]**

-33.33333333333333

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Yes

**Is this target part of an overarching initiative?**

RE100

**Please explain (including target coverage)**

In the UK, 100% of the electricity we purchase directly is now from renewable sources. By 31 December 2020, we're aiming to use 100% renewable electricity worldwide, where markets allow. We hit 92% this year (up from 86% last year). Note: In 2016/17 BT acquired EE which resulted in an increase in Group electricity use by c.350GWh and reduced the percentage of renewable electricity sourced from 94% to 88% in the year. We are on track to meet our target to purchase 100% of our electricity from renewable sources, where markets allow by 31 December 2020. Note: In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our boundary has increased to include all sites and countries where we consume electricity. Where our actual consumption is unknown, mainly in landlord controlled sites, for: • non-UK countries we estimate consumption based on a combination of buildings, FTE and selective OPEX spend categories, • UK is based mainly on average building type consumption or 3rd party supplier statements where available.

## C4.3

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### (C4.3) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

## C4.3a

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(C4.3a) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	2	200000
To be implemented*	1	500
Implementation commenced*	4	53082
Implemented*	4	53082
Not to be implemented	0	0

### C4.3b

(C4.3b) Provide details on the initiatives implemented in the reporting year in the table below.

#### Initiative category & Initiative type

Low-carbon energy consumption	Low-carbon electricity mix
-------------------------------	----------------------------

#### Estimated annual CO2e savings (metric tonnes CO2e)

15937

#### Scope(s)

Scope 2 (market-based)

#### Voluntary/Mandatory

Voluntary

#### Annual monetary savings (unit currency – as specified in C0.4)

0

#### Investment required (unit currency – as specified in C0.4)

0

#### Payback period

4-10 years

#### Estimated lifetime of the initiative

Ongoing

#### Comment

We have committed to procure 100% of electricity from renewable sources, as part of the We Mean Business coalition and RE100. We have converted ~1.7GWh of electricity purchased to renewable electricity this year as we renegotiate electricity contracts (after reduction activities). 100% of the electricity we directly purchase in the UK from energy suppliers is renewably sourced, worldwide, 92% of our total electricity consumed is renewably sourced, an increase from 86% last year. Our target to become a net zero carbon business by 31 March 2045. We are switching to renewable electricity in order to help deliver this target.

#### Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement
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#### Estimated annual CO2e savings (metric tonnes CO2e)

13666

#### Scope(s)

Scope 2 (market-based)

#### Voluntary/Mandatory

Voluntary

#### Annual monetary savings (unit currency – as specified in C0.4)

11071000

#### Investment required (unit currency – as specified in C0.4)

32500000

#### Payback period

4-10 years

#### Estimated lifetime of the initiative

Ongoing

#### Comment

One element of our long-standing energy efficiency programme - focussed on replacing power systems, rationalising and depowering of legacy network and IT equipment, and replacing energy-intensive air conditioning with adiabatic cooling units. This reduced our electricity demand by 28.6 GWh. A reduction of c.14Kt (MBM) CO2e after the effects of increased purchases of renewable electricity.

#### Initiative category & Initiative type

Energy efficiency in production processes	Machine/equipment replacement
---	-------------------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

16080

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

2250000

**Investment required (unit currency – as specified in C0.4)**

8200000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

One element of our long-standing energy efficiency programme - focussed on rationalising data centre equipment and depowering of legacy network and IT equipment. This reduced our electricity demand by 32GWh. A reduction of c.16Kt (MBM) CO2e after the effects of increased purchases of renewable electricity.

**Initiative category & Initiative type**

Energy efficiency in buildings	Maintenance program
--------------------------------	---------------------

**Estimated annual CO2e savings (metric tonnes CO2e)**

7400

**Scope(s)**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency – as specified in C0.4)**

1635000

**Investment required (unit currency – as specified in C0.4)**

4600000

**Payback period**

1-3 years

**Estimated lifetime of the initiative**

Ongoing

**Comment**

One element of our long-standing energy efficiency programme - focussed on site rationalisation and energy efficiency (lighting etc). This reduced our electricity demand by 9.6GWh. A reduction of c.7.4Kt (MBM) CO2e after the effects of increased purchases of renewable electricity.

**C4.3c**

**(C4.3c) What methods do you use to drive investment in emissions reduction activities?**

Method	Comment
Dedicated budget for energy efficiency	This year, we invested £45.3m in energy management projects in the UK, which cut operating costs and contributed to a global energy reduction of 65GWh (2.3%) in our energy consumption. Overall these investments have saved us £343m since 2009/10.

**C4.5**

**(C4.5) Do you classify any of your existing goods and/or services as low-carbon products or do they enable a third party to avoid GHG emissions?**

Yes

**C4.5a**

**(C4.5a) Provide details of your products and/or services that you classify as low-carbon products or that enable a third party to avoid GHG emissions.**

**Level of aggregation**

Group of products

**Description of product/Group of products**

Reducing the need to travel

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Evaluating the carbon-reducing impacts of ICT

**% revenue from low carbon product(s) in the reporting year**

24

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

These include Broadband enabled products and services such as, audio, video and web-based conferencing, collaborative apps, M2M and telematics solutions such as Auto Mate. We engage the Carbon Trust annually to review, refine and endorse our abatement methodology, the assumptions and calculations we use. Their report is attached as further information.

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**Level of aggregation**

Group of products

**Description of product/Group of products**

Reducing energy use

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Evaluating the carbon-reducing impacts of ICT

**% revenue from low carbon product(s) in the reporting year**

24

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

Our broadband, ethernet and cloud-based services all help to avoid energy use. We engage the Carbon Trust annually to review, refine and endorse our abatement methodology, the assumptions and calculations we use. Their report is attached as further information.

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**Level of aggregation**

Group of products

**Description of product/Group of products**

Reducing materials and manufacturing needs

**Are these low-carbon product(s) or do they enable avoided emissions?**

Avoided emissions

**Taxonomy, project or methodology used to classify product(s) as low-carbon or to calculate avoided emissions**

Evaluating the carbon-reducing impacts of ICT

**% revenue from low carbon product(s) in the reporting year**

24

**% of total portfolio value**

<Not Applicable>

**Asset classes/ product types**

<Not Applicable>

**Comment**

M2M and telematics helping reduce energy use, mobility and connectivity solutions reducing need for handsets. We engage the Carbon Trust annually to review, refine and endorse our abatement methodology, the assumptions and calculations we use. Their report is attached as further information.

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**C5. Emissions methodology**

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**C5.1**

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**(C5.1) Provide your base year and base year emissions (Scopes 1 and 2).**

**Scope 1**

**Base year start**

April 1 2016

**Base year end**

March 31 2017

**Base year emissions (metric tons CO2e)**

181903

**Comment**

Revised from 178,785 to 181,903 in 2019. Restating past data - Every year, we replace any estimates in the previous year's reporting with actual figures.

**Scope 2 (location-based)**

**Base year start**

April 1 2016

**Base year end**

March 31 2017

**Base year emissions (metric tons CO2e)**

1167025

**Comment**

Revised from 1,147,666 in 2020 as a result of increased boundary reflecting UK SECR requirements. Note: In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our Scope 2 now includes all sites and countries where we consume electricity. Where our actual consumption is unknown mainly in landlord-controlled sites for; - non-UK countries we estimate consumption based on a combination of buildings, FTE and selective OPEX spend categories, - UK is based mainly on average building type consumption or 3rd party supplier statements where available.

**Scope 2 (market-based)**

**Base year start**

April 1 2016

**Base year end**

March 31 2017

**Base year emissions (metric tons CO2e)**

222878

**Comment**

Revised from 221,932T to 222,878 in 2020 as a result of increased boundary reflecting UK SECR requirements. Note: In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our Scope 2 now includes all sites and countries where we consume electricity. Where our actual consumption is unknown mainly in landlord-controlled sites for; - non-UK countries we estimate consumption based on a combination of buildings, FTE and selective OPEX spend categories, - UK is based mainly on average building type consumption or 3rd party supplier statements where available.

**C5.2**

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**(C5.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

The Greenhouse Gas Protocol: Scope 2 Guidance

**C6. Emissions data**

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**C6.1**

---

**(C6.1) What were your organization's gross global Scope 1 emissions in metric tons CO2e?**

**Reporting year**

**Gross global Scope 1 emissions (metric tons CO2e)**

182565

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

**C6.2**

---

**(C6.2) Describe your organization's approach to reporting Scope 2 emissions.**

**Row 1**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

Note: In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our Scope 2 now includes all sites and countries where we consume electricity. Where our actual consumption is unknown mainly in landlord-controlled sites for; - non-UK countries we estimate consumption based on a combination of buildings, FTE and selective OPEX spend categories, - UK is based mainly on average building type consumption or 3rd party supplier statements where available.

**C6.3**

---

**(C6.3) What were your organization's gross global Scope 2 emissions in metric tons CO2e?**

**Reporting year**

**Scope 2, location-based**

720878

**Scope 2, market-based (if applicable)**

60649

**Start date**

<Not Applicable>

**End date**

<Not Applicable>

**Comment**

**C6.4**

---

**(C6.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1 and Scope 2 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**C6.5**

---

**(C6.5) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.**

**Purchased goods and services**

**Evaluation status**

Relevant, calculated

**Metric tonnes CO2e**

2075419

**Emissions calculation methodology**

BT has used Environmentally Extended Economic Input Output analysis based on BT spend data. This is captured in our model as the category boundary for extraction, production and transport of purchased goods and services acquired or purchased by the reporting company in the reported year. Where suppliers' scope 1 and 2 emissions intensities have been reported to the CDP, these have been used to refine the analysis. In addition, for suppliers who have carried out PBLCA on their products, these results have been substituted into the model where relevant

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

5.3

**Please explain**

Our model incorporates data on suppliers' carbon reductions using data reported through the CDP. We have included our full methodology statement as further information.

## Capital goods

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

406419

### Emissions calculation methodology

BT has used Environmentally Extended Economic Input Output analysis based on BT spend data. This is captured in our model as the category boundary for extraction, production and transport of capital goods acquired or purchased by the reporting company in the reported year. Where suppliers' scope 1 and 2 emissions intensities have been reported to the CDP, these have been used to refine the analysis. It should be noted that the Scope 3 emissions arising from the purchase of fleet capital goods, such as vans or lorries, are not currently reported within this category, but are included incrementally along with the fuel supply chain in the EEIO model. As these emissions do not readily fit within any one Scope 3 category and we are currently unable to separate out the fuel supply chain and the capital spend component, we are accounting these emissions under Category 3: Fuel and energy related activities. Also of note is that we are unable to separate out all service emissions from capital goods where services are included as part of the purchase spend for the capital equipment, e.g. some types of network equipment.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

5.3

### Please explain

Our model incorporates data on suppliers' carbon reductions using data reported through the CDP. We have included our full methodology statement as further information.

## Fuel-and-energy-related activities (not included in Scope 1 or 2)

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

231068

### Emissions calculation methodology

Scope 3 emissions arising from fuel and energy are estimated by applying Scope 3 emissions factors to the fuel and energy consumption figures that are used for Scope 1 and 2 reporting. Following guidance from the UK Department for Business, Energy & Industrial Strategy (BEIS), transmission losses which were included in Scope 2 are now included in Scope 3, Category 3. The Scope 3 emissions factors for electricity transmission and distribution losses are taken from the UK Department for Business, Energy & Industrial Strategy (BEIS), whilst the remainder are currently drawn from the Environmentally Extended Economic Input Output analysis model to cover the complete supply chain.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Upstream transportation and distribution

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

74670

### Emissions calculation methodology

EEIO analysis has been based on BT spend data. In instances where upstream transport and distribution services spend is defined, emissions were included in this category. However, not all upstream transport and distribution is captured as a separate service spend. In most cases upstream transport and distribution forms part of the purchase price of goods and is therefore included within the EEIO model for category 1 purchased goods and services. It is currently not possible to separate out these emissions.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Waste generated in operations

### Evaluation status

Relevant, calculated

### Metric tonnes CO<sub>2</sub>e

18082

### Emissions calculation methodology

This calculation is based on the quantities of waste by type generated provided by BT and Process Life Cycle Analysis (LCA) figures provided by the UK Department for Business, Energy & Industrial Strategy (BEIS) to model the waste treatment processes. EEIO is used to capture the upstream supply chain components of the waste treatment activities.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Business travel

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

64062

### Emissions calculation methodology

This calculation is based on data from BT's expenses system and other travel data bases. We also add associated upstream emissions from, for example, the manufacture of cars, airplanes and trains. In order to do this, SWC used a hybrid approach based on data from BT's expenses system and EEIO for upstream components.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Employee commuting

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

50281

### Emissions calculation methodology

Emissions associated with employee commuting are calculated using BT Global Employee profile and UK Department of Transport (DfT) travel survey data and the UK Department for Business, Energy & Industrial Strategy (BEIS) travel and transport mode emission factors. Whilst the BT Global Employee data is for the current year (2019/20) the DfT and the UK Department for Business, Energy & Industrial Strategy (BEIS) data sets are for 2018 and 2019 respectively, which are the latest years currently available. Homeworker emissions are calculated using a hybrid approach based on data from BT's expenses system and EEIO for upstream components.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Upstream leased assets

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

50107

### Emissions calculation methodology

Emissions associated with leased company cars are calculated using a hybrid approach. This is based on the mileage travelled, fuel used and EEIO model data for the upstream carbon associated with the fuel supply chain and the manufacture and maintenance of the vehicles. For BT leased property this has been calculated using EEIO analysis based on BT spend data.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Downstream transportation and distribution

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

An activity not applicable to BT. Product distribution is either included in the supplier contract or provided through postal services, e.g. Parcel Force. The associated carbon would be included in Category 1: Purchased Goods and Services figures where this is included as part of overall service or Category 4: upstream transportation and distribution where purchased as a separate service.

## Processing of sold products

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

An activity not applicable to BT. We do not perform intermediary manufacturing processing on any of our products.

## Use of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

993474

### Emissions calculation methodology

This calculation is based on power consumption, estimated life span and use profile for each type of equipment multiplied by the volumes of equipment sold over the current year. It includes both networking equipment and office equipment supplied to our business customers, as well as equipment supplied to our residential customers. The UK Department for Business, Energy & Industrial Strategy (BEIS)'s UK electricity emissions factors including the fuel supply chain and transmission losses are used to calculate emissions from power consumption.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## End of life treatment of sold products

### Evaluation status

Relevant, calculated

### Metric tonnes CO2e

1518

### Emissions calculation methodology

Waste material quantities by type for products sold in the UK provided by BT and Process Life Cycle Analysis (LCA) figures provided by the UK Department for Business, Energy & Industrial Strategy (BEIS) have been used to model the end of life waste treatment processes. The UK data has been extrapolated to cover end of life treatment of products sold outside the UK.

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

We have included our full methodology statement as further information.

## Downstream leased assets

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

An activity not applicable to BT. A review by the Carbon Trust identified that only 1% of BT buildings fall under Scope 3, and therefore is deemed not significant enough to be relevant for inclusion our scope 3 inventory.

## Franchises

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

An activity not applicable to BT. A study carried out by the Carbon Trust found that BT does not operate any franchises except for BT Local Business which is a franchise operation of 50 SMEs and which was considered to be too small to be included

## Investments

### Evaluation status

Not relevant, explanation provided

### Metric tonnes CO2e

<Not Applicable>

### Emissions calculation methodology

<Not Applicable>

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

<Not Applicable>

### Please explain

Where material, we include this in our Scope 1 and 2 reporting. A study carried out by the Carbon Trust found that 99% of BT's investments were accounted for under Scopes 1 and 2.

**Other (upstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**Other (downstream)**

**Evaluation status**

**Metric tonnes CO2e**

<Not Applicable>

**Emissions calculation methodology**

<Not Applicable>

**Percentage of emissions calculated using data obtained from suppliers or value chain partners**

<Not Applicable>

**Please explain**

**C6.7**

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**(C6.7) Are carbon dioxide emissions from biogenic carbon relevant to your organization?**

No

**C6.10**

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**(C6.10) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Intensity figure**

10.66

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

243214

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

2282400000

**Scope 2 figure used**

Market-based

**% change from previous year**

16

**Direction of change**

Decreased

**Reason for change**

This decrease is as a result of our energy efficiency programme and an increase in the purchase of renewable electricity towards our target to purchase 100% of our electricity from renewable sources, where markets allow, whilst adjusted revenue (before specific items) has decreased slightly.

**Intensity figure**

18.4

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

243214

**Metric denominator**

Other, please specify (Carbon intensity (Scopes 1 & 2 Tonnes CO2e per £ million Value added))

**Metric denominator: Unit total**

1323400000

**Scope 2 figure used**

Market-based

**% change from previous year**

21

**Direction of change**

Decreased

**Reason for change**

A combination of reduction in energy use as part of our long-standing energy efficiency programme and an increase in the purchase of renewable electricity, whilst value-added has increased slightly.

**C7. Emissions breakdowns**

**C7.1**

**(C7.1) Does your organization break down its Scope 1 emissions by greenhouse gas type?**

Yes

**C7.1a**

**(C7.1a) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used greenhouse warming potential (GWP).**

Greenhouse gas	Scope 1 emissions (metric tons of CO2e)	GWP Reference
CO2	180366	IPCC Fourth Assessment Report (AR4 - 100 year)
HFCs	2199	IPCC Fourth Assessment Report (AR4 - 100 year)

**C7.2**

**(C7.2) Break down your total gross global Scope 1 emissions by country/region.**

Country/Region	Scope 1 emissions (metric tons CO2e)
United Kingdom of Great Britain and Northern Ireland	176535
Other, please specify (Europe, Middle East & Africa (EMEA) - excluding UK)	5824
Americas	205
Asia Pacific (or JAPA)	0

**C7.3**

**(C7.3) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.**

By activity

**C7.3c**

**(C7.3c) Break down your total gross global Scope 1 emissions by business activity.**

Activity	Scope 1 emissions (metric tons CO2e)
Oil combustion - electricity generation	5292
Oil combustion - heating	2259
Gas combustion	35408
Refrigerant gases (HFC and SF6 only)	2199
Commercial vehicle fleet	125263
Company car fleet	12146

**C7.5**

**(C7.5) Break down your total gross global Scope 2 emissions by country/region.**

Country/Region	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)	Purchased and consumed electricity, heat, steam or cooling (MWh)	Purchased and consumed low-carbon electricity, heat, steam or cooling accounted for in Scope 2 market-based approach (MWh)
United Kingdom of Great Britain and Northern Ireland	606044	28304	2371065	2260308
Other, please specify (Europe, Middle East & Africa (EMEA) - excluding UK)	88294	15619	244288	204817
Americas	25478	15664	78881	23208
Asia Pacific (or JAPA)	1062	1062	1875	0

**C7.6**

**(C7.6) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.**

By activity

**C7.6c**

**(C7.6c) Break down your total gross global Scope 2 emissions by business activity.**

Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Network	548972	34883
Data Centres	117728	14791
Offices	49532	10876
Retail (shops)	4645	99

**C7.9**

**(C7.9) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

## C7.9a

**(C7.9a) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

	Change in emissions (metric tons CO2e)	Direction of change	Emissions value (percentage)	Please explain calculation
Change in renewable energy consumption	27031	Decreased	9	We increased the electricity purchased from renewable sources by c. 107GWh (after savings from reduction programmes) this year. This resulted in a reduction of Scope 2 emissions of ~27Kt. Our adjusted S1 and S2 emissions in the previous year was 298,717 tCO2e (27,031/ 298,717= -9%).
Other emissions reduction activities	37246	Decreased	12.5	Our energy reduction programme (£45.3m invested in 2019/2020) has contributed to an energy reduction of 64.7 GWh, a reduction in CO2e of c.37kt (using market based method). Projects included; building energy efficiency, mothballing or closing buildings, power efficient rectifiers, switching off redundant equipment and our adiabatic cooling programme. A decrease of 37,246t, our adjusted S1 and S2 emissions in the previous year was 298,717 tCO2e (using market based method), (37246/298717 =12.5% decrease).
Divestment	0	No change	0	We completed divestments of BT Fleet Solutions and Tikit in the year - neither of these materially affected our GHG inventory.
Acquisitions	0	No change	0	No material acquisitions in the year.
Mergers	0	No change	0	No mergers in the year.
Change in output	1522	Decreased	0.51	We increased the number of vehicles in our fleet this year. This resulted in an increase in S1 emissions of 329t. We also used less fuel in the generators used for emergencies and to power some remote mast sites, which resulted in a reduction in our S1 emissions of 1851t). Our adjusted S1 and S2 emissions in the previous year was 298,717 tCO2e (1522/ 298,717= 0.51%).
Change in methodology	5921	Decreased	2	Revisions as a result of actuals vs estimates, and emission factor changes, resulting in a c.6kt decrease in our reported scope 1&2 emissions, Our adjusted S1 and S2 emissions in the previous year was 298,717 tCO2e (5921/ 298717= 2%).
Change in boundary	0	No change	0	In compliance with the new UK government Streamlined Energy and Carbon Reporting (SECR) requirements, from this year and retrospectively updated back to 2016/17, our Scope 2 now includes all sites and countries where we consume electricity. As these changes have been applied retrospectively to prior year this has not impacted on year on year emissions changes.
Change in physical operating conditions	904	Decreased	0.3	This year we used less fuel oil and gas for heating 1,007 MWh) with a reduction in scope 1 emissions of 904t CO2e. Our adjusted S1 and S2 emissions in the previous year was 298,717 tCO2e (904/ 298,717= -0.3%)
Unidentified		<Not Applicable >		
Other		<Not Applicable >		

## C7.9b

**(C7.9b) Are your emissions performance calculations in C7.9 and C7.9a based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

## C8. Energy

### C8.1

**(C8.1) What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

### C8.2

**(C8.2) Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	Yes
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

### C8.2a

**(C8.2a) Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	0	74612	74612
Consumption of purchased or acquired electricity	<Not Applicable>	2488354	207462	2695795
Consumption of purchased or acquired heat	<Not Applicable>	0	293	293
Consumption of purchased or acquired steam	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of purchased or acquired cooling	<Not Applicable>	<Not Applicable>	<Not Applicable>	<Not Applicable>
Consumption of self-generated non-fuel renewable energy	<Not Applicable>	21	<Not Applicable>	21
Total energy consumption	<Not Applicable>	2488354	282367	2770721

**C8.2b**

**(C8.2b) Select the applications of your organization's consumption of fuel.**

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	Yes
Consumption of fuel for the generation of heat	Yes
Consumption of fuel for the generation of steam	No
Consumption of fuel for the generation of cooling	No
Consumption of fuel for co-generation or tri-generation	No

**C8.2c**

**(C8.2c) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.**

**Fuels (excluding feedstocks)**

Diesel

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

10673

**MWh fuel consumed for self-generation of electricity**

7671

**MWh fuel consumed for self-generation of heat**

3002

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

2.59411

**Unit**

kg CO2e per liter

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting (2019)

**Comment**

**Fuels (excluding feedstocks)**

Natural Gas

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

63938

**MWh fuel consumed for self-generation of electricity**

0

**MWh fuel consumed for self-generation of heat**

63938

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

2.03053

**Unit**

kg CO2e per m3

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting (2019)

**Comment**

---

**Fuels (excluding feedstocks)**

Liquefied Petroleum Gas (LPG)

**Heating value**

LHV (lower heating value)

**Total fuel MWh consumed by the organization**

0.75

**MWh fuel consumed for self-generation of electricity**

0.75

**MWh fuel consumed for self-generation of heat**

0

**MWh fuel consumed for self-generation of steam**

<Not Applicable>

**MWh fuel consumed for self-generation of cooling**

<Not Applicable>

**MWh fuel consumed for self-cogeneration or self-trigeneration**

<Not Applicable>

**Emission factor**

2936.86

**Unit**

kg CO2e per metric ton

**Emissions factor source**

UK Government GHG Conversion Factors for Company Reporting (2019)

**Comment**

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**C8.2d**

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**(C8.2d) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.**

	Total Gross generation (MWh)	Generation that is consumed by the organization (MWh)	Gross generation from renewable sources (MWh)	Generation from renewable sources that is consumed by the organization (MWh)
Electricity	7693	7693	21	21
Heat	67234	67234	0	0
Steam	0	0	0	0
Cooling	0	0	0	0

**C8.2e**

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**(C8.2e) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero emission factor in the market-based Scope 2 figure reported in C6.3.**

**Sourcing method**

Power purchase agreement (PPA) with on-site/off-site generator owned by a third party with no grid transfers (direct line)

**Low-carbon technology type**

Solar

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

United Kingdom of Great Britain and Northern Ireland

**MWh consumed accounted for at a zero emission factor**

7148

**Comment**

---

**Sourcing method**

Power purchase agreement (PPA) with a grid-connected generator with energy attribute certificates

**Low-carbon technology type**

Wind

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

United Kingdom of Great Britain and Northern Ireland

**MWh consumed accounted for at a zero emission factor**

380410

**Comment**

---

**Sourcing method**

Green electricity products (e.g. green tariffs) from an energy supplier, supported by energy attribute certificates

**Low-carbon technology type**

Other, please specify (Mix)

**Country/region of consumption of low-carbon electricity, heat, steam or cooling**

Other, please specify (Worldwide)

**MWh consumed accounted for at a zero emission factor**

2308237

**Comment**

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## C9. Additional metrics

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### C9.1

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**(C9.1) Provide any additional climate-related metrics relevant to your business.**

**Description**

Energy usage

**Metric value**

2771

**Metric numerator**

GWh

**Metric denominator (intensity metric only)**

**% change from previous year**

2.3

**Direction of change**

Decreased

**Please explain**

This year, we invested £45.3m in energy management projects in the UK, which cut operating costs and contributed to a global energy reduction of 65GWh (2.3%) in our energy consumption. Overall these investments have saved us £343m since 2009/10.

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## C10. Verification

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### C10.1

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(C10.1) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### C10.1a

---

(C10.1a) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

High assurance

**Attach the statement**

BT Group Digital Impact & Sustainability report 2020 - Independent Assurance Statement.pdf

**Page/ section reference**

All

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

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### C10.1b

---

(C10.1b) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

High assurance

**Attach the statement**

BT Group Digital Impact & Sustainability report 2020 - Independent Assurance Statement.pdf

**Page/ section reference**

All

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

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### C10.1c

---

**(C10.1c) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Scope 3 category**

Scope 3 (upstream & downstream)

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Reasonable assurance

**Attach the statement**

BT Group Digital Impact & Sustainability report 2020 - Independent Assurance Statement.pdf

**Page/section reference**

All

**Relevant standard**

AA1000AS

**Proportion of reported emissions verified (%)**

100

**C10.2**

**(C10.2) Do you verify any climate-related information reported in your CDP disclosure other than the emissions figures reported in C6.1, C6.3, and C6.5?**

Yes

**C10.2a**

**(C10.2a) Which data points within your CDP disclosure have been verified, and which verification standards were used?**

Disclosure module verification relates to	Data verified	Verification standard	Please explain
C4. Targets and performance	Year on year change in emissions (Scope 1 and 2)	AA1000AS	Our target is; by 31 March 2045, to become a net zero carbon emissions business (GHG emissions scopes 1 + 2). Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410. This covered BT's worldwide operations and activities and specifically; Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard.
C4. Targets and performance	Year on year change in emissions (Scope 3)	AA1000AS	Our target is; by 31 March 2031, to reduce our supply chain CO2e emissions by 29%, compared to 2016/17 levels. Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410. This covered BT's worldwide operations and activities and specifically; Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard.
C4. Targets and performance	Year on year emissions intensity figure	AA100AS	Our target is; by 31 March 2031, to cut our carbon emissions intensity by 87%, compared to 2016/17 levels. Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410. This covered BT's worldwide operations and activities and specifically; Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard.
C4. Targets and performance	Progress against emissions reduction target	AA1000AS	Our target is; By 31 March 2045, to become a net zero carbon emissions business (GHG emissions scopes 1 + 2). Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410. This covered BT's worldwide operations and activities and specifically; Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard.
C4. Targets and performance	Energy consumption	AA1000AS	Our target is; By 31 December 2020, to purchase 100% of our electricity from renewable sources, where markets allow. Lloyd's Register Quality Assurance Limited (LR) was commissioned by BT Group plc (BT) to provide independent assurance on its 'Digital Impact and Sustainability Report 2019/20' ("the report") against the assurance criteria below to a high level of assurance using Accountability's AA1000AS (2008) with 2018 Addendum. LR's verification procedure is based on current best practice, is in accordance with ISAE 3000 and ISAE 3410. This covered BT's worldwide operations and activities and specifically; Verifying greenhouse gas (GHG) emissions data related to BT's CDP submission, including Direct (Scope 1), Energy Indirect (Scope 2), and Other Indirect (Scope 3) as defined within the GHG Protocol Corporate Standard.

**C11. Carbon pricing**

**C11.1**

**(C11.1) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?**

Yes

C11.1a

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**(C11.1a) Select the carbon pricing regulation(s) which impacts your operations.**  
EU ETS

C11.1b

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**(C11.1b) Complete the following table for each of the emissions trading schemes you are regulated by.**

**EU ETS**

**% of Scope 1 emissions covered by the ETS**  
0.4

**% of Scope 2 emissions covered by the ETS**  
0

**Period start date**  
January 1 2019

**Period end date**  
December 31 2019

**Allowances allocated**  
290

**Allowances purchased**  
0

**Verified Scope 1 emissions in metric tons CO2e**  
766

**Verified Scope 2 emissions in metric tons CO2e**  
0

**Details of ownership**  
Facilities we own and operate

**Comment**

C11.1d

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**(C11.1d) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?**

We have a very limited scope in the EU ETS. During 2019/20 we had 6 sites within the UK which fell under the scheme. These are in scope because of the size of the back-up generators combined with heating boilers we operate, rather than our level of CO2 emissions. We therefore manage compliance with the EU ETS internally, working with our verification partner. Compliance with this scheme costs less than £50,000 p.a.

C11.2

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**(C11.2) Has your organization originated or purchased any project-based carbon credits within the reporting period?**  
No

C11.3

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**(C11.3) Does your organization use an internal price on carbon?**  
Yes

C11.3a

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**(C11.3a) Provide details of how your organization uses an internal price on carbon.**

**Objective for implementing an internal carbon price**

- Navigate GHG regulations
- Change internal behavior
- Drive energy efficiency
- Drive low-carbon investment
- Identify and seize low-carbon opportunities

**GHG Scope**

Scope 2

**Application**

Our current 5-year outlook for electricity commodity pricing includes an assumption that Carbon will cost between €20 and €25 per tonne CO<sub>2</sub>e over the next 5 years. We have used €22.5 and an exchange rate of 22.53 £/€ to respond. Whilst there remains some uncertainty as to how the UK will look to adopt an equivalent scheme to the EU-ETS post Brexit, our current expectation is that prices in the UK will be broadly equivalent to this.

**Actual price(s) used (Currency /metric ton)**

25.23

**Variance of price(s) used**

This is a uniform price applied across the whole business

**Type of internal carbon price**

Shadow price

**Impact & implication**

BT consumes nearly 1% of the UK's entire grid electricity supply, and we so are sensitive to wholesale electricity prices. The price of carbon is a key input into the wholesale price of electricity, even allowing for the UK leaving the EU-ETS Scheme via BREXIT, our current expectation is that prices in the UK will be broadly equivalent to this. Our current 5 year outlook for electricity commodity pricing includes an assumption that carbon will cost between €20 and €25/tonne over the next 5 years. The inclusion of carbon pricing into our commodity pricing helps to highlight the risks and opportunity to support our GHG reduction targets. This year, we invested £45.3m in energy management projects in the UK, which cut operating costs and contributed to a global energy reduction of 65GWh (2.3%) and, removing 24Kt of CO<sub>2</sub>e emissions from our carbon footprint. By 2045, we aim to be a net zero carbon emissions business.

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**C12. Engagement**

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**C12.1**

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**(C12.1) Do you engage with your value chain on climate-related issues?**

- Yes, our suppliers
- Yes, our customers
- Yes, other partners in the value chain

**C12.1a**

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**(C12.1a) Provide details of your climate-related supplier engagement strategy.**

**Type of engagement**

Engagement & incentivization (changing supplier behavior)

**Details of engagement**

Run an engagement campaign to educate suppliers about climate change  
Climate change performance is featured in supplier awards scheme

**% of suppliers by number**

0.2

**% total procurement spend (direct and indirect)**

52

**% of supplier-related Scope 3 emissions as reported in C6.5**

100

**Rationale for the coverage of your engagement**

Scope 3 categories 1 and 2 represent 62% of BT's total scope 3 emissions, so understanding and influencing our suppliers' performance and behaviour is therefore a key focus area. The CDP reporting initiative supports our group-wide sustainability strategy. We have been disclosing our own climate-related performance to CDP since 2003 and have actively undertaken efforts to reduce our environmental impact and minimise risk in the supply chain. We have set a target to cut our supplier carbon emissions by 42% (from 2016/17 levels) by 31 Mar 2031, this target was revised in June 2020 from 29% to 42% reduction in line with 1.5oC scenarios to help us achieve this we have chosen to work with CDP and our top suppliers to manage climate-related impacts in our supply chain through the CDP Supply Chain Program. We target suppliers based on spend and have a program in place to encourage as many of our top suppliers to report through CDP, and to increase their energy efficiency and their use of renewable energy. The suppliers engaged in this way accounted for 52% of BT's supplier spend in 2019/20.

**Impact of engagement, including measures of success**

Our target is to reduce our supply chain CO2e emissions by 42%, compared to 2016/17 levels by 31 March 2031 (revised in June 2020 from 29% to a 42% reduction in line with 1.5o C scenarios). This year, emissions from our supply chain increased slightly to 2.97 million tonnes (2019: 2.95Mt, 2018: 3.02Mt) as a result of increased spend (2020: £3.8bn, 2019: £3.4bn). Since 2016/17, we've achieved a reduction of 8% against our target to reduce supply chain emissions by 42% by 31 March 2031. Our supply chain emissions intensity (kg CO2e/ £ spend) improved this year to 0.214 (2019: 0.218, 2018: 0.220), a reflection of our supply chain climate-related activities. We were proud to earn a place on the CDP Supplier Engagement Leaderboard for our efforts to manage climate change with our suppliers. In 2019, we asked 390 suppliers to submit climate-related sustainability data to the CDP and 304 (78%) responded. These 304 suppliers accounted for 52% of BT's supplier spend in 2019/20. We use various metrics within the CDP supply chain analysis to track progress; including targets to cut emissions, use of renewable energy and engagement with their own suppliers on climate change. The results are encouraging - in 2019, 74% (2018:71%) have targets to cut emissions, and 69% (2018:70%) work with their own suppliers on climate change. Since 2016/17, we've achieved a reduction of 8% against our target to reduce supply chain emissions by 42% by 31 March 2031. We encourage our suppliers to switch to renewable energy, in 2019 60% (2018:54%) of responding suppliers reported they used renewable electricity. We use suppliers' scope 1 and 2 emissions data, as reported to CDP, to enhance our model and to refine our supply chain carbon emissions reporting. We're asking suppliers to commit to cutting emissions by building an innovative climate clause into their commercial contracts with us. Thirteen of our suppliers have signed up so far (2019:2, 2018:1,) and we've opened discussions with several more. Suppliers that adopt this clause must provide proof that they've made carbon savings as one of the deliverables of the contract. We also encourage suppliers to come up with new ideas through our Game Changing Challenge competition. Our suppliers compete to pitch ideas to a panel of our senior leaders who look for innovative environmental projects.

**Comment**

**Type of engagement**

Compliance & onboarding

**Details of engagement**

Included climate change in supplier selection / management mechanism  
Code of conduct featuring climate change KPIs  
Climate change is integrated into supplier evaluation processes

**% of suppliers by number**

100

**% total procurement spend (direct and indirect)**

100

**% of supplier-related Scope 3 emissions as reported in C6.5**

100

**Rationale for the coverage of your engagement**

More than 14,000 direct suppliers in nearly 100 countries provide products and services to support our business – to the tune of around £13.8bn this year. Over two-thirds of our end-to-end carbon emissions come from our supply chain. All our suppliers must meet procurement standards that include criteria on energy consumption and environmental performance. Our (approved science-based) target is to cut supply chain (scope 3) emissions by 42% by 31 March 2031 (compared to 2016/17 levels) this target was revised in June 2020 from 29% to 42% reduction, in line with 1.5o C scenarios. This year we reached 8.0%.

**Impact of engagement, including measures of success**

Our goal is to cut supply chain (scope 3) emissions by 42% by 31 March 2031 (compared to 2016/17 levels), this target was revised in June 2020 from 29% to 42% reduction, in line with 1.5o C scenarios. This year we reached 8.0%. In order to achieve this, we expect our suppliers to share our commitment to respecting the environment and addressing climate-related issues. To sell to us, they must commit to our standards on climate change, environment, and product stewardship. We monitor compliance, alongside our requirements on sourcing with human dignity, through supplier assessments. Our pre-qualification questionnaire helps us decide whether or not to work with a new supplier by flagging potential risks. We also use a risk-based approach that includes further research to check that our existing suppliers, and their suppliers, meet our standards. If our assessments reveal any issues with compliance against our standards, we work with the suppliers in question to help them understand how to put the right systems in place and improve their performance. We aim to achieve 100% follow up within 3 months, for all suppliers identified as high or medium risk, through our questionnaires. If a supplier doesn't show any commitment to improve, we may stop working with them. This year there were 304 new or renewed contract suppliers who completed our self-assessment questionnaires. Of these 95 were identified as high or medium risk, including environmental and social dimensions. All of these were followed up within 3 months to agree on corrective actions needed, typically those relating to environmental issues involved action plans/projects to identify energy and related GHG savings, and the reduction or replacement of plastic packaging. We are currently implementing a new 3rd party system which will allow us in future years to more accurately track and report on the outcomes of corrective actions. We continue to introduce climate clauses into our contracts with key suppliers. Thirteen suppliers are now contractually required to demonstrate carbon savings over the duration of their contract and we are in discussions with others.

**Comment**

## C12.1b

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### (C12.1b) Give details of your climate-related engagement strategy with your customers.

#### Type of engagement

Education/information sharing

#### Details of engagement

Run an engagement campaign to education customers about your climate change performance and strategy

#### % of customers by number

100

#### % of customer - related Scope 3 emissions as reported in C6.5

100

#### Portfolio coverage (total or outstanding)

<Not Applicable>

#### Please explain the rationale for selecting this group of customers and scope of engagement

Purchased goods and services represent 49% of BT's scope 3 emissions and we have a relationship with over 30m customers and more than 620 stores on the high street in the UK through our BT and EE brands. In 2013 we set our ambition to enable customers to reduce their carbon emissions by at least three times the end-to-end carbon impact of our business (3:1) by 31 March 2021. We've improved from 1:1.2 to 1: 3:1 achieving our target a year ahead of schedule. Our strategy is to inform and educate consumers on environmental issues and how our products and services can help them to avoid GHG emissions, this is embedded through the various consumer channels open to us. • New products have the appropriate regulatory environmental and disposal labelling as well as guidance on use of stand-by power on relevant products • We provide the ability for consumers to return unwanted or replacement products via a freepost system or in our EE shops – these are then repaired or recycled • This year we introduced a new contract clause in new BT customer contracts to incentivise return of products and reduce electronic waste. Customers are informed that they will incur a fee if they don't return home hubs and TV set-top boxes at the end of their contract. By refurbishing and recycling used equipment, we will reduce the amount of e-waste going to landfill sites • The BT Phonebook is delivered to around 22m properties in the UK, it's printed on a mix of recycled/ PEFC paper. Users are encouraged to recycle when finished with as well as inviting them to read our Digital Impact and Sustainability website and reports on our performance • Business customers are engaged too, for example, our conferencing unit highlights travel reduction and reduced emissions as a benefit to potential customers. And also through newsletters and special content • Through the CDP annual questionnaire we engage with business customers representing some 8.5% of Group revenue in 2019/20. We are able to highlight both our performance and the products and services within our low carbon portfolio • We use our annual reporting and social media accounts to highlight both our performance and how our product and services help.

#### Impact of engagement, including measures of success

We don't track the impacts of much of this engagement directly – it's part of us being seen as a sustainable and responsible business, enhancing our Net Promoter Scores (NPS). Where we engage with B2B customers through the CDP supply chain program, we measure both the number of customers and the revenue streams that they represent. Through our leadership score we highlight to our customers our leadership on climate action.

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## C12.1d

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**(C12.1d) Give details of your climate-related engagement strategy with other partners in the value chain.**

**Our Colleagues** - To lead on climate action, we need to engage our c.100,000 colleagues.

We regularly publish articles and videos about BT's climate journey and action in our internal newsletters and newsfeed, BT Today.

We have various BT Group and colleague lead workplace groups dedicated to climate and environmental issues. These groups encourage information sharing, discussion and action on climate and environmental action at work and at home. For World Environment Day 2020 we used the BT group lead climate and environment work place group to engage colleagues (currently predominantly working from home) on positive climate action stories from colleagues across the business, leadership on a green recovery from BT's chairman and a 'Planet Positive Pledge' on what actions colleagues would commit to over the next few months to support climate action.

Created this year, our Colleague Board is chaired by BT's CEO and reports to the BT Group Board. Meeting at least four times per year, the Colleague Board it is a mechanism for colleagues to raise and discuss important issues directly with the CEO and develop plans for these to be addressed. In the first meeting of the board colleagues raised sustainability as a key issue that needed to feature regularly on the Board agenda and some immediate questions that they wanted to be addressed. The immediate queries, on instore plastic use and recycling were able to be quickly addressed through connecting the Board action to the retail 'Project Green Team', who already had improvement plans in place but through the Board support were able to action these faster and use the Board members as champions for the changes.

Alongside the Colleague Board, members of our executive team speak directly to employees through round tables, town hall debates, site visits and webchats.

People around the business, are encouraged to innovate, come up with new ideas and are recognized through our Challenge Cup initiative. Openreach brought together engineers, suppliers and procurement teams to map out 600 opportunities to reduce plastic and other packaging, as well as single-use plastics, through their 'Waste Warriors' project this year. They've already worked with suppliers to eliminate plastic packaging for some of the gear most frequently used by Openreach engineers. For example, one supplier has stopped using plastic bags to package the 30,000 safety helmets it provides to us.

**Sustainability experts and opinion leaders** – Our strategy is to engage with partners who we believe will be most helpful in influencing our climate change agenda, including those within the communications services sector.

We are a member of several groups that bring businesses together to deal with sustainability challenges. These include the Aldersgate Group, the We Mean Business coalition, The Climate Group, CBI, the World Economic Forum, the World Business Council for Sustainable Development, International Chamber of Commerce, techUK, ICER (the Industry Council for Electronic Equipment Recycling) and GSMA, who represent the interests of mobile operators worldwide. Membership of these groups helps give us a broader view on climate-related (and other) issues, helps us challenge our thinking and provides our people with learning and development opportunities.

Only through collaboration can we tackle the challenges of climate change. We've always open sourced what we do in this area and we will continue to do so.

We regularly publish blogs and videos, for example through We Mean Business and Aldersgate Group, to share our story with others, hoping it will inspire them to take climate action. We also regularly speak at events and webinars sharing BT's climate action journey (for example <https://www.youtube.com/watch?v=dbaoByEr8Mk>). We were an active participant at COP25 in Madrid.

By working with others, we are sending demand signals to the market for innovation and increased provision of low carbon alternatives. Collaboration has enabled us to make progress faster and scale our ambition. We work with partners such as RE100 and EV100 because they address areas where we have a key demand for new innovative solutions. Together with The Climate Group we set up a new coalition to advocate for faster roll-out of electric vehicles and infrastructure in the UK.

**UK public** – we undertake regular surveys to understand their views, this feeds into our annual materiality review at the end of each calendar year to assess the trends and issues identified by our stakeholders. These results shape our strategy and annual reporting, including related to climate change.

Climate change, sustainable consumption, clean energy and air pollution remain material stakeholder issues and we report on our progress through both our Annual and Digital Impact and Sustainability reports.

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## C12.3

**(C12.3) Do you engage in activities that could either directly or indirectly influence public policy on climate-related issues through any of the following?**

- Direct engagement with policy makers
- Trade associations
- Funding research organizations
- Other

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## C12.3a

**(C12.3a) On what issues have you been engaging directly with policy makers?**

Focus of legislation	Corporate position	Details of engagement	Proposed legislative solution
Other, please specify (Climate action)	Support	BT has spoken at several events this year including with policy makers. During London's first Climate Action Week in July 2019, we brought together tech, power, finance and infrastructure leaders to discuss how information communications technology (ICT) can support the economy's low carbon transition. In November, we invited MPs from four parties to lay out their climate plans at a Question Time style event in the run up to the UK general election. How innovation and technology are enabling businesses to win in the race to sustainability was also the main topic at the Nextipedia summit we hosted for business leaders and policymakers at this year's BT Young Scientist and Technology Exhibition in Dublin. On the global stage, we were an active business voice for progress during Climate Week NYC and at the COP25 climate summit, we called for more companies to sign up to 1.5 degree science based targets and for policy makers to provide a supportive environment for the development of the low carbon economy.	Policy support that recognises the need for the UK to become a Net Zero economy. For example; support from policy makers to transition vehicles to low emission vehicles, such as electric charging infrastructure. And innovations needed to decarbonise buildings heating systems.
Other, please specify (Climate action)	Support	BT Group head of environmental sustainability chairs the UNFCCC Momentum for Change advisory panel. This initiative is spearheaded by the UN Climate Change secretariat to shine a light on the enormous groundswell of activities underway across the globe that are moving the world toward a highly resilient, low-carbon future.	Legislation supporting the implementation of the Paris Agreement.

**C12.3b**

**(C12.3b) Are you on the board of any trade associations or do you provide funding beyond membership?**

Yes

**C12.3c**

**(C12.3c) Enter the details of those trade associations that are likely to take a position on climate change legislation.**

**Trade association**

CBI

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The CBI energy and climate change board brings together a group of business leaders committed to tackling the UK's triple challenges of energy security, affordability and decarbonisation. As well as showing ambition and leadership on these issues within the business community, its members aim to work with the government to set the right conditions to attract investment in low-carbon solutions and drive consumer demand for sustainable products.

**How have you influenced, or are you attempting to influence their position?**

BT's chief digital impact & sustainability officer, is a member of the CBI Energy and Climate Change Board. We are also represented on the CBI Energy and Climate Change working group - which supports the board. We influence the group by being an active working group and board member.

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**Trade association**

techUK

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

techUK represents the companies and technologies that are defining today the world that we will live in tomorrow. More than 900 companies are members of techUK. Collectively they employ approximately 700,000 people, about half of all tech sector jobs in the UK. Senior officials from Whitehall and key stakeholders engage with techUK members at the Council on developing issues and the Council guides techUK's responses, be it through thought leadership pieces and campaigns or by facilitating the exchange of best practice and supporting regulatory compliance.

**How have you influenced, or are you attempting to influence their position?**

Our director of policy and public affairs as a member of the board. We participate in techUK's Climate Strategy and Resilience Council which provides strategic direction for techUK activities relating climate change and sustainability. The group engages with policy makers on the role of technology in driving the transition to the low carbon economy and on how ICT can bring about emissions reductions and resource efficiency. We influence the group: by being an active participant in meetings, by contributing to position papers and briefings, with BT examples, and by amplifying the messages of the group.

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**Trade association**

We Mean Business Coalition/RE100/EV100

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

We Mean Business is a global non-profit coalition working with the world's most influential businesses to take action on climate change. Together we catalyse business leadership to drive policy ambition and accelerate the transition to a low-carbon economy.

**How have you influenced, or are you attempting to influence their position?**

Our Group head of environmental sustainability sits on the corporate advisory group. We are a founding member of RE100 and an active contributor to RE100 and We Mean Business, speaking regularly at events, contributing blogs and interviews. We are also a member of EV100. Our senior manager for Property, Utilities, Power & Cooling is on the RE100 Advisory Committee. The UK Electric Fleets Coalition will convene a leadership coalition to advocate for accelerating the transition to electric vehicles (EVs) in the UK ahead of the currently postponed COP26 climate summit in 2021.

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**Trade association**

GSMA

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The GSM Association is an industry organisation that represents the interests of mobile network operators worldwide. More than 750 mobile operators are full GSMA members and a further 400 companies in the broader mobile ecosystem are associate members.

**How have you influenced, or are you attempting to influence their position?**

Our Group head of environmental sustainability sits on the GSMA Climate Action Taskforce. The Climate Action Taskforce, formed by the mobile industry association GSMA, unites the mobile industry on climate-related issues. The Taskforce works together in the following ways: • Promotes leadership on climate action to move the industry towards net zero carbon emissions by 2050 • Agrees climate policy and advocacy engagement to gain support from governments for the net zero transition • Shares best practice on climate action so operators support each other to raise their ambition • Creates thought leadership and research on how mobile technologies support climate mitigation and adaptation.

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**Trade association**

The Aldersgate Group

**Is your position on climate change consistent with theirs?**

Consistent

**Please explain the trade association's position**

The Aldersgate Group is a politically impartial, multi-stakeholder alliance championing a competitive and environmentally sustainable economy. Through targeted political engagement, evidence gathering and policy development, they advocate the business case for decarbonising the UK economy, improving resource efficiency and investing in the natural environment.

**How have you influenced, or are you attempting to influence their position?**

We run joint events with the Aldersgate and contribute to their reports calling for a policy environment that will enable the low carbon economy and achieve the UK Government's aim of being net zero by 2050.

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## C12.3d

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### **(C12.3d) Do you publicly disclose a list of all research organizations that you fund?**

Yes

## C12.3e

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### **(C12.3e) Provide details of the other engagement activities that you undertake.**

We regularly talk to organisations and policymakers with an interest in our climate change activities to explain our approach, and to understand what they expect of us and how well they think we are doing. This takes place during our regular dealings with different stakeholders, through online discussion forums, phone conversations, meetings, focus groups, social media and regular dialogue with expert membership groups .

We are a member of several groups that bring businesses together to deal with sustainability challenges. These include the Aldersgate Group, the We Mean Business coalition, CBI, the World Economic Forum, the World Business Council for Sustainable Development, the Environment Strategy Council of industry association techUK and ICER (the Industry Council for Electronic Equipment Recycling) and GSMA.

We participated in the COP25 UN Climate Summit in Madrid in 2019 sharing our climate action journey, what we have learned on the way and our plans for the future and trying to inspire other companies to set 1.5 degree science based targets. We also participated in Climate Week NYC and London Climate Action Week.

In October 2018, we pledged to become a net zero emissions business by 2045. This extends beyond our existing target, approved by the Science Based Targets Initiative, to reduce the carbon emissions intensity of our operations by 87% by 31 Mar 2031. Our goals are aligned with efforts to cap global temperature rise to 1.5°C.

In 2020, we revised our supply chain carbon reduction target to align with 1.5 degrees instead of 2 degrees reduction. This means we have a target to cut the carbon emissions associated with our supply chain by 42% by 31 March 2031 against a 2016/17 baseline. This target was revised in June 2020 from a 29% to a 42% reduction.

We are a founding member of RE100, a group of influential businesses committed to using 100% renewable electricity and helping to develop a low carbon economy. We're aiming to purchase 100% renewable electricity (where markets allow) by 31 December 2020. And we're encouraging our suppliers, our customers and our employees to do so too. 92% of the electricity we bought worldwide this year came from renewable sources, In the UK, 100% of the electricity we purchase directly is now from renewable sources.

We work closely with CDP and our supply chain to drive sustainability excellence among our suppliers. We earned a place on the CDP Supplier Engagement Leaderboard for our efforts to manage climate change with our suppliers, putting us in the top 3% of over 3,000 companies assessed.

## C12.3f

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### **(C12.3f) What processes do you have in place to ensure that all of your direct and indirect activities that influence policy are consistent with your overall climate change strategy?**

The environmental sustainability team works closely with our public affairs and external relations teams across the business to ensure that our messages are consistent. consistent, this can work in two ways, where either team can draft communications which the other party will check, for instance, the environmental sustainability team will check as environmental specialists to ensure content is accurate, and public affairs and external relations will ensure that the language and messaging adheres to BTs brand tone.

Action on climate change is in the best short- and long-term interests of our business because it will mitigate risks through adaptation and resilience measures, reduce costs through efficiencies, and create growth from low carbon products and services.

We have an environmental management governance group (EMGG) to oversee the way we manage environmental risk across our business globally. Chaired by our chief technology and information officer, it reports to the Executive Committee. In the UK, management of our most significant environmental risks, is led by the environmental management compliance steering group. This group meets every month and reports to the EMGG quarterly. Its members are senior managers responsible for addressing environmental risks and delivering performance improvements under our ISO 14001-certificated environmental management system.

## C12.4

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**(C12.4) Have you published information about your organization's response to climate change and GHG emissions performance for this reporting year in places other than in your CDP response? If so, please attach the publication(s).**

**Publication**

In mainstream reports, incorporating the TCFD recommendations

**Status**

Complete

**Attach the document**

BT Group Annual Report 2020.pdf

**Page/Section reference**

Pages 36, 38 and 63.

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

**Comment**

We're committed to implementing the recommendations of the Task Force on Climate Related Financial Disclosures (TCFD), fully embedding them over the coming year.

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**Publication**

In voluntary sustainability report

**Status**

Complete

**Attach the document**

BT Group Digital Impact & Sustainability report 2020.pdf

BT Group Digital Impact & Sustainability report 2020 - Appendix.pdf

**Page/Section reference**

Tackling climate change and environmental challenges, page 20. See Appendix, section 1 for governance.

**Content elements**

Governance

Strategy

Risks & opportunities

Emissions figures

Emission targets

Other metrics

**Comment**

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**Publication**

In voluntary communications

**Status**

Complete

**Attach the document**

2020\_bt\_3to1\_methodology.pdf

2020\_bt\_scope3\_carbon\_emissions.pdf

2020\_bt\_supply\_chain\_emissions.pdf

**Page/Section reference**

BT's Greenhouse Gas Protocol Corporate Value Chain Scope 3 accounting and reporting - ALL BT's supply chain carbon emissions reporting approach and methodology - ALL BT's 3:1 carbon abatement methodology -ALL

**Content elements**

Emissions figures

**Comment**

BT's scope 3 methodology documents

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## C15. Signoff

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### C-FI

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**(C-FI) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

### C15.1

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(C15.1) Provide details for the person that has signed off (approved) your CDP climate change response.

	Job title	Corresponding job category
Row 1	Chief Executive	Chief Executive Officer (CEO)

## SC. Supply chain module

### SC0.0

(SC0.0) If you would like to do so, please provide a separate introduction to this module.

### SC0.1

(SC0.1) What is your company's annual revenue for the stated reporting period?

	Annual Revenue
Row 1	22824000000

### SC0.2

(SC0.2) Do you have an ISIN for your company that you would be willing to share with CDP?

Yes

### SC0.2a

(SC0.2a) Please use the table below to share your ISIN.

	ISIN country code (2 letters)	ISIN numeric identifier and single check digit (10 numbers overall)
Row 1	GB	0030913577

### SC1.1

(SC1.1) Allocate your emissions to your customers listed below according to the goods or services you have sold them in this reporting period.

**Requesting member**

Accenture

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

41825

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/

BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Accenture

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

13895

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Accenture

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

908396

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

AT&T Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

579253

---

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

---

**Requesting member**

AT&amp;T Inc.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

192431

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We now report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

AT&amp;T Inc.

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

12580727

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply

chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Bank of America

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

129127

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Bank of America

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

42897

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We now report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

---

**Requesting member**

Bank of America

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

2804485

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

---

**Requesting member**

Barclays

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

117824

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Barclays

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

39142

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

---

**Requesting member**

Barclays

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

2559009

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

---

**Requesting member**

Bristol-Myers Squibb

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

471258

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Bristol-Myers Squibb

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

156554

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Bristol-Myers Squibb

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

10235188

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**Requesting member**

Caixa Econômica Federal

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

103682

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard

(revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Caixa Econômica Federal

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

34444

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Caixa Econômica Federal

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

2251854

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

CBRE Group, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

8356

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

CBRE Group, Inc.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

2776

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

CBRE Group, Inc.

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

181493

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon

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**Requesting member**

Cellnex Telecom SA

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

183167

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Cellnex Telecom SA

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

60849

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Cellnex Telecom SA

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

3978192

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emission.

**Requesting member**

Cisco Systems, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

16571

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

Cisco Systems, Inc.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

5505

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Cisco Systems, Inc.

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

359907

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Deutsche Telekom AG

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

81878

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Deutsche Telekom AG

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

27200

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Deutsche Telekom AG

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

1778288

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**Requesting member**

Diageo Plc

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

2661

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard

(revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Diageo Plc

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

884

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Diageo Plc

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

57789

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Honda North America, Inc.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

161

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

Honda North America, Inc.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

54

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Honda North America, Inc.

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

3504

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon

reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

HP Inc

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

5792

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

HP Inc

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

1924

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

HP Inc

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

125804

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**Requesting member**

HSBC Holdings plc

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

144764

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

HSBC Holdings plc

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

48091

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

HSBC Holdings plc

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

3144104

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

KPMG UK

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

162897

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

KPMG UK

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

54115

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

KPMG UK

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

3537934

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Mastercard Incorporated

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

145892

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard

(revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Mastercard Incorporated

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

48466

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Mastercard Incorporated

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

3168615

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Michelin

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

212087

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

Michelin

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

70457

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Michelin

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

4606299

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon

reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

National Grid PLC

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

4360

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

National Grid PLC

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

1448

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

National Grid PLC

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

94684

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

NHS England

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

33976

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

NHS England

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

11287

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

NHS England

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

737919

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Nokia Group

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

14336

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Nokia Group

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

4763

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Nokia Group

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

311364

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Sky plc

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

7821145

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard

(revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Sky plc

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

2598226

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Sky plc

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

169866480

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

SSE

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

209601

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

SSE

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

69631

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

SSE

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

4552299

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon

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**Requesting member**

Swisscom

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

42555

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Swisscom

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

14137

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Swisscom

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

924241

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**Requesting member**

Virgin Money UK PLC

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

14294

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

Virgin Money UK PLC

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

4748

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Virgin Money UK PLC

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

310445

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Visa

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

170198

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

---

**Requesting member**

Visa

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

56541

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Visa

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

3696518

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**Requesting member**

Vodafone Group

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

4227563

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard

(revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Vodafone Group

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

1404419

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Vodafone Group

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

91817919

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Zurich Insurance Group

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

612061

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

**Requesting member**

Zurich Insurance Group

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO<sub>2</sub>e**

203330

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

Zurich Insurance Group

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO<sub>2</sub>e**

13293280

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon

reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

Moody's Corporation

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

4978

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

Moody's Corporation

**Scope of emissions**

Scope 2

**Allocation level**

Commodity

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

1654

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

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**Requesting member**

Moody's Corporation

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO<sub>2</sub>e**

108124

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

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**Requesting member**

LinkedIn Corp.

**Scope of emissions**

Scope 1

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

144058

**Uncertainty (±%)**

2

**Major sources of emissions**

Oil combustion for electricity generation, gas and oil combustion for heating, refrigeration gases (HFCs and SF6 only), fuel combustion for commercial and company car fleet.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 1 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We have been reporting on our scope 1 emissions for many years, our systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 1 emissions.

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**Requesting member**

LinkedIn Corp.

**Scope of emissions**

Scope 2

**Allocation level**

Company wide

**Allocation level detail**

&lt;Not Applicable&gt;

**Emissions in metric tonnes of CO2e**

47857

**Uncertainty (±%)**

2

**Major sources of emissions**

Purchased electricity, heating, cooling, or steam for our own consumption.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

To calculate our scope 2 carbon emissions, we use the World Resources Institute (WRI) Greenhouse Gas Protocol (GHGP) Corporate Accounting and Reporting Standard (revised edition). We report our Scope 2 emissions, in line with the revised GHG protocol guidelines, using both the market-based method, and location-based method. This year, 92% of the electricity we purchased worldwide was from renewable sources (100% in the UK). We have been reporting on our scope 2 emissions for many years, our

systems and calculations are robust and are subject to scrutiny within our ISO14001 certification and part of our annual assurance process. To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 2 (market based) emissions.

**Requesting member**

LinkedIn Corp.

**Scope of emissions**

Scope 3

**Allocation level**

Company wide

**Allocation level detail**

<Not Applicable>

**Emissions in metric tonnes of CO2e**

3128787

**Uncertainty (±%)**

10

**Major sources of emissions**

Our Scope 3 emissions constitute 92% of our end-to-end net carbon footprint. The following three categories contribute 93% of all of our Scope 3 emissions: category 1 - purchased goods and services, category 2 - capital goods and category 11 - use of sold products.

**Verified**

Yes

**Allocation method**

Allocation based on the market value of products purchased

**Please explain how you have identified the GHG source, including major limitations to this process and assumptions made**

We have used two main methodologies to calculate our value chain emissions: • Spend-based method which takes procurement data and calculates the emissions within an environmentally extended economic input-output (EEIO) model to assess the emissions associated with particular sectors of financial activity. • Process-based method which uses quantity-based data to evaluate the emissions associated with specific activities, e.g. kWh of energy usage or quantity of materials purchased to manufacture goods. The resulting model is a hybrid between EEIO and process based life cycle analysis. We have further refined our model to incorporate real data on suppliers' carbon reductions using data from CDP. In 2018/19 the model was adapted to use Process Based Life Cycle Analysis of Apple phones to further improve our estimates for supply chain carbon. A full description of the EEIO methodology is available from our Digital impact & sustainability website (<https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>). To allocate emissions to those customer's requesting this information we have taken customer revenue/ BT Group revenue and applied that ratio to our scope 3 emissions.

**SC1.2**

**(SC1.2) Where published information has been used in completing SC1.1, please provide a reference(s).**

BT Group has been reporting on its GHG performance for many years. BT's annual Digital Impact and Sustainability report 2019/20, and reporting archive, can be found at <https://www.bt.com/about/digital-impact-and-sustainability/our-report>. The site includes our data tables and progress against targets and is assured to AA1000AS. There are links to BT's carbon accounting methodologies <https://www.bt.com/about/digital-impact-and-sustainability/tackling-climate-change/our-carbon-accounting-methodologies>

**SC1.3**

**(SC1.3) What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

Allocation challenges	Please explain what would help you overcome these challenges
Diversity of product lines makes accurately accounting for each product/product line cost ineffective	We have driven innovative work to analyse the life-cycle of our various products so we understand the carbon emissions of in-life use. However, much of what we sell to our customers is a service rather than a product which makes it much harder to quantify associated carbon emissions.
Customer base is too large and diverse to accurately track emissions to the customer level	Basing our emissions tracking on spend means that it is relatively straightforward to determine customer emissions. Were we to move to a different allocation methodology then this could potentially become problematic.

**SC1.4**

**(SC1.4) Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

No

**SC1.4b**

**(SC1.4b) Explain why you do not plan to develop capabilities to allocate emissions to your customers.**

We currently allocate emissions to those customer's requesting this information by taking customer revenue/ BT Group revenue and applied that ratio to our emissions. Basing our emissions tracking on spend means that it is relatively straightforward to determine customer emissions. As much of what we sell to our customers is a service rather than a product were we to move to a different allocation methodology then this could potentially become extremely resource hungry .

SC2.1

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(SC2.1) Please propose any mutually beneficial climate-related projects you could collaborate on with specific CDP Supply Chain members.

SC2.2

---

(SC2.2) Have requests or initiatives by CDP Supply Chain members prompted your organization to take organizational-level emissions reduction initiatives?  
No

SC3.1

---

(SC3.1) Do you want to enroll in the 2020-2021 CDP Action Exchange initiative?  
Yes

SC3.1a

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(SC3.1a) Identify which member(s), if any, have motivated you to take part in Action Exchange this year.  
Please select

SC3.1b

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(SC3.1b) Select the types of emissions reduction activities that your company would like support in analyzing or in implementing in the next reporting year.  
Energy efficiency in buildings  
Transportation

SC3.1c

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(SC3.1c) As part of Action Exchange, would you like facility level analysis?  
No

SC3.2

---

(SC3.2) Is your company a participating supplier in CDP's 2019-2020 Action Exchange initiative?  
Yes

SC3.2a

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(SC3.2a) Describe how your company actively considered emissions reduction projects as a result of Action Exchange. If you do not have any emissions reduction activities resulting from Action Exchange at any stage of implementation, please explain why not in the second column.

	Type of project	Details of proposal
Row 1	Please select	Our energy (emissions) reduction projects are well established. We have seen no evidence through Action Exchange that there are activities that we have not considered or are implementing.

SC4.1

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(SC4.1) Are you providing product level data for your organization's goods or services?  
No, I am not providing data

Submit your response

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In which language are you submitting your response?  
English

---

**Please confirm how your response should be handled by CDP**

	<b>I am submitting to</b>	<b>Public or Non-Public Submission</b>	<b>Are you ready to submit the additional Supply Chain Questions?</b>
I am submitting my response	Investors Customers	Public	Yes, submit Supply Chain Questions now

**Please confirm below**

I have read and accept the applicable Terms