BT GROUP CARBON REDUCTION PLAN 2026

Supplier name: BT Group plc

Publication date: June 2026

Commitment to achieving net zero

BT Group PLC is committed to achieving net zero emissions by end of March 2041. This includes our total Scope 1, 2 and 3 emissions, encompassing our UK and global operations and value chain.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

<table>
<tr><td colspan="2">Baseline year: Financial Year 2017 (April 2016 – March 2017)</td></tr>
<tr><td>Emissions</td><td>Total (tonnes CO_2e)</td></tr>
<tr><td>Scope 1</td><td>181,903</td></tr>
<tr><td>Scope 2
(location-based)</td><td>1,167,025</td></tr>
<tr><td>Scope 3
(Included sources)</td><td>
<table>
<tr><th>Scope 3 category</th><th>FY17 (tonnes CO2e)</th></tr>
<tr><td>1. Purchased goods and services</td><td>2,137,267</td></tr>
<tr><td>2. Capital goods</td><td>475,870</td></tr>
<tr><td>3. Fuel- and energy-related activities</td><td>279,988</td></tr>
<tr><td>4. Upstream transportation & distribution</td><td>103,758</td></tr>
<tr><td>5. Waste generated in operations</td><td>6,269</td></tr>
<tr><td>6. Business travel</td><td>56,904</td></tr>
<tr><td>7. Employee commuting</td><td>51,776</td></tr>
<tr><td>8. Upstream leased assets</td><td>52,609</td></tr>
<tr><td>9. Downstream transportation & distribution[1]</td><td>0</td></tr>
<tr><td>10. Processing of sold products</td><td>0</td></tr>
<tr><td>11. Use of sold products</td><td>819,629</td></tr>
<tr><td>12. End-of-life treatment of sold products</td><td>627</td></tr>
<tr><td>13. Downstream leased assets</td><td>149,861</td></tr>
<tr><td>14. Franchises</td><td>0</td></tr>
<tr><td>15. Investments</td><td>0</td></tr>
<tr><td>Total Scope 3 GHG emissions</td><td>4,134,559</td></tr>
</table>
</td></tr>
<tr><td>Total Emissions</td><td>1,567,635 (included sources only)</td></tr>
<tr><td>Total Emissions</td><td>5,483,486 (all sources)</td></tr>
</table>

Current emissions reporting

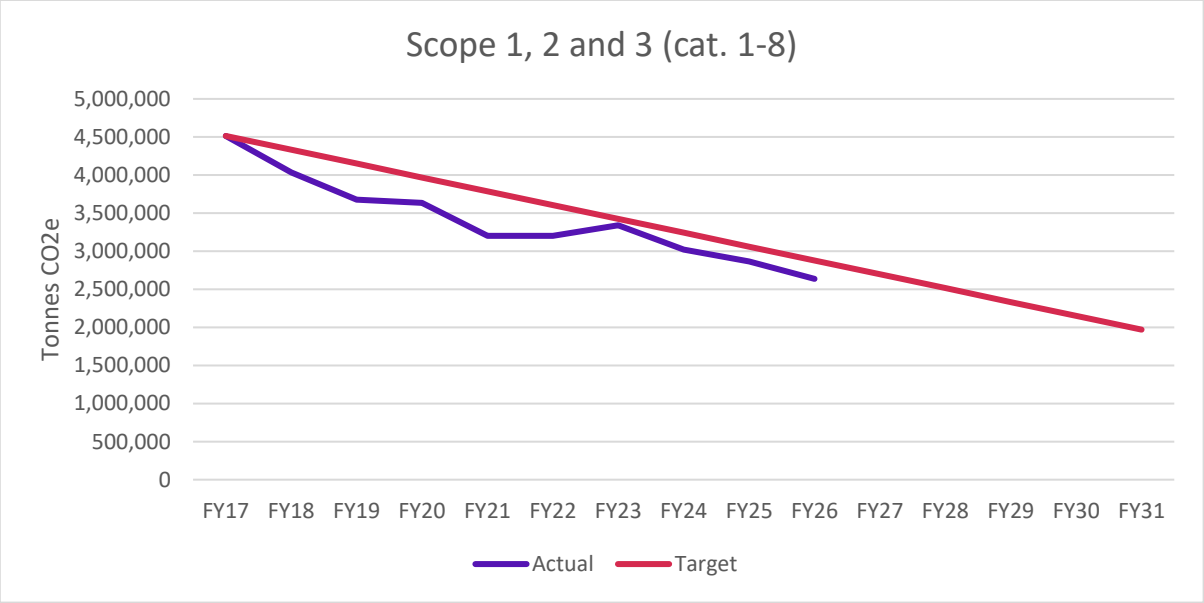
<table>
<tr><td colspan="2">Reporting Year: Financial Year 2026 (April 2025 – March 2026)</td></tr>
<tr><td>Emissions</td><td>Total (tonnes CO_2e)</td></tr>
<tr><td>Scope 1</td><td>126,803</td></tr>
<tr><td>Scope 2
(location-based)</td><td>396,330</td></tr>
<tr><td>Scope 3
(Included sources)</td><td>
<table>
<tr><th>Scope 3 category</th><th>FY26 (tonnes CO2e)</th></tr>
<tr><td>1. Purchased goods and services</td><td>1,641,981</td></tr>
<tr><td>2. Capital goods</td><td>238,917</td></tr>
<tr><td>3. Fuel- and energy-related activities</td><td>150,871</td></tr>
<tr><td>4. Upstream transportation & distribution</td><td>9,833</td></tr>
<tr><td>5. Waste generated in operations</td><td>2,966</td></tr>
<tr><td>6. Business travel</td><td>10,615</td></tr>
<tr><td>7. Employee commuting</td><td>30,819</td></tr>
<tr><td>8. Upstream leased assets</td><td>27,639</td></tr>
<tr><td>9. Downstream transportation & distribution[1]</td><td>0</td></tr>
<tr><td>10. Processing of sold products</td><td>0</td></tr>
<tr><td>11. Use of sold products</td><td>176,391</td></tr>
<tr><td>12. End-of-life treatment of sold products</td><td>515</td></tr>
<tr><td>13. Downstream leased assets</td><td>213,516</td></tr>
<tr><td>14. Franchises</td><td>0</td></tr>
<tr><td>15. Investments</td><td>0</td></tr>
<tr><td>Total Scope 3 GHG emissions</td><td>2,504,064</td></tr>
</table>
</td></tr>
<tr><td>Total Emissions</td><td>577,366 (included sources only)</td></tr>
<tr><td>Total Emissions</td><td>3,027,197 (all sources)</td></tr>
</table>

Emissions reduction targets

To continue our progress toward achieving net zero, we've set the following carbon reduction targets:

- By FY31, to be a net zero carbon emissions business (90% reduction in Scopes 1 and 2 compared to FY17 levels)[2]
- By FY31, to reduce our supply chain carbon emissions by 42%, compared to FY17 (Scope 3 categories 1–8)
- By FY41, be net zero across our full value chain by end of March 2041, achieving a 90% reduction in absolute Scopes 1, 2 and 3 emissions, and commit to neutralising any residual emissions

We anticipate that our combined carbon emissions against both our near-term FY31 targets will reduce by 56% compared to our base year over the next five years to 1.97m tonne CO2e. We have made strong process so far, however the final reductions will be heavily dependent on continued grid decarbonisation, advancement in low-carbon technologies and sustained supplier progress to emission reductions.



Carbon Reduction Projects

Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the FY17 baseline. The carbon emission reduction achieved by these schemes equate to 2,456,290 tCO2e, a 45% reduction against the 2017 baseline and the measures will be in effect when performing the contract.

Operational emissions (Scopes 1 and 2)

Fleet

BT and Openreach together operate one of the UK's largest commercial fleets. We have over 27,000 vehicles on the road (the majority of which are in Openreach) which keep the nation

connected. Nearly 20% of our operational emissions (Scopes 1 and 2) come from our fleet. We're working hard and investing to convert the majority of our fleet to electric or zero emissions vehicles by the end of FY31, where it's the best technical and economic solution, and will pursue other ultra-low emission solutions where electric vehicles (EVs) are not viable.

This year, we continued to roll out EVs, increasing the total to over 7,900, which now represents 29% of our total fleet. This continued electrification has supported our reduction in fossil fuel-related emissions from our fleet by 15% compared to FY25.

To support our growing EV fleet, we've installed nearly 4,000 charge points in operational sites and at our engineers' homes, adding over 500 more this year. We've announced a partnership with myenergi, to support the rollout of EV chargers at engineers' homes, to ensure sufficient charging infrastructure for our EV fleet, as well as expanding our commercial charging partnerships with Sainsburys' Smart Charge, their nationwide EV charging network. We've also updated our company car policy, so that all new business-needs car orders are now EV-only. BT and Openreach have continued to work with others to advocate, through groups such as EV100, for policy measures to support the transition to electric vehicles.

Purchasing renewable electricity, energy efficiency and transforming our buildings estate

In FY25 we changed our approach to renewable electricity procurement and reporting, due to concerns over transparency, lack of environmental benefits and price volatility around Renewable Energy Certificates (RECs). We highlighted these in a 2024 report we commissioned with Cornwall Insight.

We support renewable power supply through our energy procurement. That includes long-term power purchase agreements (PPAs), which met 34% of our UK electricity demand this year. Due to the evidence highlighted in that report, we've scaled back on buying unbundled RECs to those only sourced directly from our PPAs and renewable supply contracts.

To more accurately reflect the real-world emissions from our electricity consumption, we use the location-based methodology as the basis for our SBTi-approved operational carbon reduction ambition. This reflects the average emissions intensity of grids on which electricity consumption occurs and doesn't account for RECs.

Beyond our electricity procurement approach, we're also reducing our energy consumption in our buildings and networks. In FY26, we cut our global energy consumption by a further 226 GWh compared to last year, a 9% drop. Our workplace transformation programme is based on a move to fewer, more sustainable and efficient buildings.

Value chain emissions (Scope 3)

Supply chain

Nearly 70% of our end-to-end carbon emissions come from our supply chain. We're engaging with suppliers to curb their emissions and ours. All our suppliers must meet our requirements on climate and environmental management, along with other generic standards. We also apply a mandatory 20% weighting on environmental and social sustainability criteria in all competitive sourcing events over £2m.

We encourage our top suppliers to join us in reporting climate-related data to CDP to enhance transparency and accountability. Today, suppliers representing more than 63% of our supply chain emissions are reporting to CDP.

We've updated our supplier environmental standard, which encourages suppliers to commit to decreasing carbon emissions, setting 1.5C-aligned science-based targets, publicly disclosing those targets, reporting progress annually, and engaging with their own suppliers on climate action and carbon reduction.

We continue to collaborate with major Openreach build partners through a supplier engagement programme, supporting them through workshops and webinars to encourage carbon emissions reporting and to promote ways to reduce their own emissions. We are active members of JAC (Joint Alliance for CSR) which is an industry association of 32 global telecom operators which is driving the sustainable transformation of the ICT supply chain. The climate change and circular economy working group focuses on tackling a key challenge of the sector – reducing value chain (Scope 3) emissions. The group is committed to sharing best practices, defining good supplier standards, building capacity and driving collaboration.

Customer use of products

Our networks and products also play a big part in tackling climate change, with decarbonisation of the grid also playing an important role in reducing the emissions associated with the use of our products and services. We work closely with suppliers to improve the energy efficiency of our networks and products. We have published our Carbon Enablement Methodology, which provides detail on how we calculate the annual emissions we help our customers avoid through key products and services which we offer.

Our targets and progress

Metric	**Progress against target**
By 31 March 2031, to cut our absolute carbon emissions by 90%, compared to 2016/17 levels[2]	61% reduction
By 31 March 2031, we aim to transition the majority of our fleet to zero emissions or electric vehicle (EVs) models	7,900+ EVs rolled out (EVs now represent 29% of our total fleet)
By 31 March 2031, to be a net zero carbon emissions business (Scopes 1 and 2)	523,132 tonnes of CO_2e
By 31 March 2031, to reduce our supply chain carbon emissions by 42%, compared to 2016/17 levels[3]	33% reduction
By 31 March 2041, to be net zero for our supply chain and customer carbon emissions[4] (Scope 3)	2,504,064 tonnes of CO_2e
Support our customers to decarbonise through our products and services - cumulative carbon emissions savings since FY22	10,004,819 tonnes of CO_2e saved

Future carbon reduction initiatives

In the future we plan to implement further measures such as:

Operational emissions (Scopes 1 & 2)

- Continuing to focus on reducing our energy usage, improving energy efficiency and supporting UK renewable generation through long-term PPAs and on-site generation.
- Continuing to transition our fleet towards electric or zero-emission vehicles
- Transforming our buildings estate and networks, by:
    - Consolidating many of our offices from old, inefficient buildings into new ones designed to minimise environmental impact through energy-saving features
    - Implementing cost-effective low-carbon heating solutions for our existing buildings
    - Investing in more efficient and resilient cooling systems
    - Removing legacy equipment from our exchanges and decommissioning legacy networks

Optimising network energy efficiency through AI and Machine Learning

Value chain emissions (Scope 3)

- Continuing to engage with our key suppliers on reducing their carbon footprints, for example:
    - Implementing specific carbon reporting and target requirements with key Openreach Network Service Agreement suppliers
    - Encouraging suppliers to disclose to CDP to aid reporting transparency and tracking
    - Supporting suppliers to produce product carbon footprints for the equipment we purchase and build emission reduction plans

Continuing engaging with other organisations through industry association such as GSMA and JAC, and wider business engagement through organisations such as CDP, Climate Group and Aldersgate.

Low-carbon economy

- Helping customers reduce their carbon emissions through using technologies that enable reductions in personal or work-related travel, and that are more energy-efficient, such as FTTP, 4G/5G, cloud computing and IoT.
- Building towards a circular business by 2030 and a circular tech ecosystem by 2040, by:
    - Reshaping our products and packaging by using fewer and lower-impact materials, make devices last longer, and boost reuse and recycling by customers
    - Scaling up device lifecycle management solution to maximise the recovery of devices for future reuse and redeployment
    - Using materials more efficiently and recovering as much waste as we can from our network and estate
    - Utilising software updates over hardware updates to reduce resource use
    - Collaborating with others to accelerate the transition to a circular tech sector.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard[5] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[6].

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard[7].

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



Edward Heaton
Director
British Telecommunications Limited

Date: June 2026

1. Category 9, 'Downstream transportation and distribution', is not applicable to BT. Product distribution is either included in the supplier contract or provided through postal services. The associated carbon is 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.
2. Based on an absolute reduction in tonnes of CO2e (carbon dioxide equivalent) in operational emissions (Scopes 1 and 2 greenhouse gas emissions).
3. Supply chain emissions: Scope 3 - categories 1 to 8 (inclusive).
4. Customer carbon emissions: Scope 3 - categories 11, 12 and 13.
5. https://ghgprotocol.org/corporate-standard
6. https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
7. https://ghgprotocol.org/standards/scope-3-standard