

Sustainability review

As a responsible business, we have a duty to everyone who works for us, with us and around us. This philosophy is underpinned by our values which in essence are about integrity, kindness and respect. We focus on doing the right thing by **our people, our communities and our planet.**



Q

What are you most proud of about BTG's work on sustainability this year?

A

The feedback from our carbon literacy awareness programme has been really positive, with people understanding the 'why' we need to take action and how this fits into their roles at work and also in their personal lives.

Lisa Prickett
Group Sustainability Manager

Q

2024 saw the launch of the Phoenix Community Outreach Programme. What's been the highlight?

A

The programme saw us double our volunteering, and provide opportunities for students from underrepresented groups across the UK to be inspired by careers in IT.

Jennifer Clewley
ESG Lead, Phoenix





Our people

We strive to attract, engage and retain employees, supporting them to build fulfilling and rewarding careers in a fun environment.

eNPS

57

Our headcount rose by 18% to

1,245

Read more on pages 36 to 39.



Our communities

By volunteering our time and giving money in the areas where we work, we're creating stronger communities.

Number of hours devoted to volunteering

2,169

Number of young people engaged through a community education outreach programme

11,000+

Read more on pages 40 to 41.



Our planet

Through our own positive actions, and by supporting our customers to use IT more sustainably, we're doing what we can to protect the planet for future generations.

Our goal is to reach net zero by

2040

Renewable electricity and green gas in owned offices*

100%

Read more on pages 42 to 46.

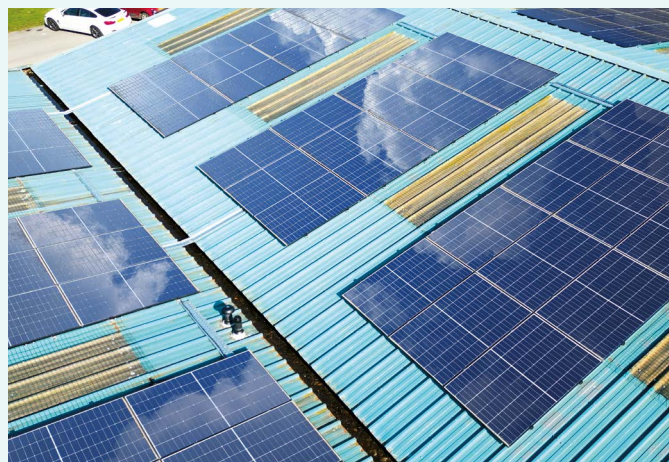
Our Sustainability Framework

Our Sustainability Framework is published as a separate document and is available at bytesplc.com.

We support all the UN Sustainable Development Goals, but focus on the seven where we can have the most impact:



Photo at right: New solar panel installation at our Phoenix offices in Pocklington, Yorkshire.



*Backed by Renewable Energy Guarantees of Origin.

Sustainability review continued

Our people

Our talented people are integral to our success. We provide a supportive environment that enables them to do fulfilling work and reach their potential, so they can enjoy long and rewarding careers with us. In 2024/25, we continued to grow our teams across the business, while increasing their skills and working hard to preserve our culture.

Expanding our teams, maintaining our culture

Our strategy is based on growing our customer base, and deepening our customer relationships, every year. Given our track record of growth, we need to be constantly on the look-out for hiring new people, but they must have the right skills and attitude to support our customers in line with our culture. Because we're in a highly innovative industry, this means people with a passion for technology as well as for customer service. And, to keep pace with our industry, we must continually develop the skills of all our people through ongoing training.

In 2024/25, we increased our headcount by 18%, to 1,245 at the end of the year, with growth in all business areas, from sales to operations and support staff. We see a high level of competition when hiring for high-skilled roles, particularly in AI. To help us find the most suitable candidates, and reduce money spent on agencies, both businesses hired in-house recruitment managers this year.

Two leading brands with the same values and culture

Our two businesses, Bytes and Phoenix, have 760 and 477 people, respectively. We also have eight employees at BTG plc head office. The two businesses operate autonomously, with their own identities, headquarters and management teams, but have many commonalities. These include similar employment policies, industry-leading knowledge and, most importantly, the same values and culture. The businesses also look for opportunities to share good practice and insights, for the benefit of BTG as a whole.

Our combined attrition rate of 14% at Bytes and Phoenix was again well below the industry average, a reflection of the loyalty of our people, many of whom have been with us for a long time. While we hire at all levels, we have a strong commitment to recruiting people at the start of their careers, and nurturing and developing their skills over time.

Apprenticeships are an important and successful part of our efforts to develop our talent from within. At Bytes, six people participated in degree-level apprenticeships this year, enabling them to gain work experience while studying, including one who achieved a first in their specialist cloud solutions course. Read more in our case study on page 15.

At Phoenix, our new employees included five technical apprentices and we took on 16 people under a sales training programme.

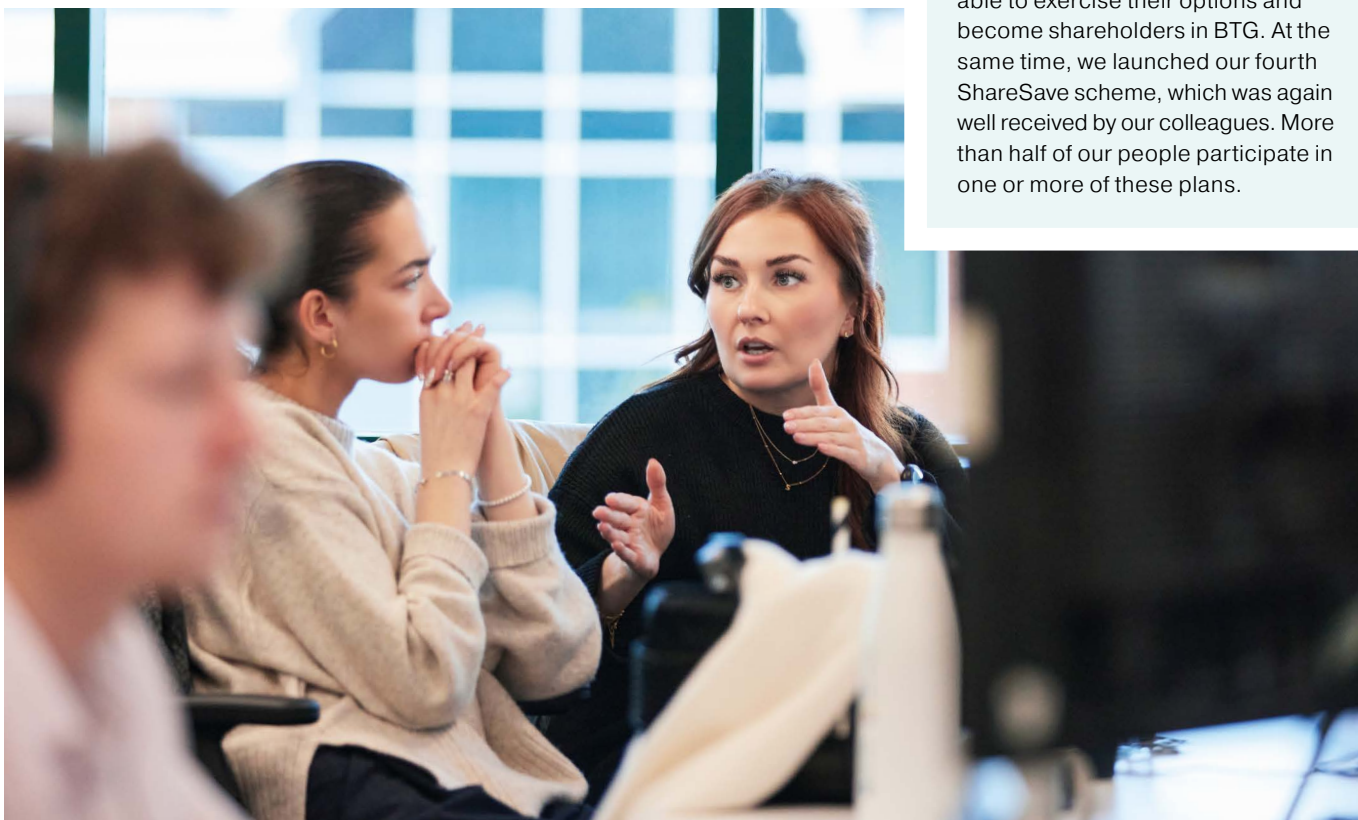
All our managers receive training on how to onboard employees, and other supportive measures include pairing new hires with an experienced 'buddy', introductory meetings with department heads and directors, and checks by our welfare managers.

One of our key priorities every year is to preserve the culture that has brought us so far. While we are not a small company any more, we pride ourselves on maintaining a 'family' culture. We actively craft an inclusive and supportive workplace, with several channels for



Enabling our employees to save and invest in BTG

In August 2024, we saw the vesting of our first ShareSave scheme, launched in 2021, with participants able to exercise their options and become shareholders in BTG. At the same time, we launched our fourth ShareSave scheme, which was again well received by our colleagues. More than half of our people participate in one or more of these plans.



people to safely raise concerns, including the introduction of an anonymous reporting tool. Phoenix published a 'culture blueprint' this year, based on staff input, which is being used for training and to help new starters understand what it means to work there. Besides quarterly 'town hall' meetings and talks from guest speakers at both businesses, we engage with colleagues across BTG through small group meetings and surveys.

Our values

- Be passionate about our employees, vendors and customers
- Act with integrity at all times
- Work together and collaborate across teams
- Be kind and respectful to all people, all of the time
- Get business done and have fun doing it

Recognising and rewarding excellence

As a Living Wage employer, we pay our people fairly. We also reward high achievers and people who go beyond what's expected to provide great service to our customers and great support to colleagues. Both sales and non-sales staff are eligible for our employee recognition programmes, which are based on achieving business objectives. Prizes in 2024/25 included ice skating at Somerset House with dinner on the South Bank, and a long weekend in Croatia. We also offer awards for employees of the month and people who are seen to be 'living our values' in all they do at work.

Ensuring we remain a great place to work

One of the key performance indicators we use to monitor our success as an employer is our eNPS, which measures the likelihood of people recommending their employer to others. Our eNPS of 57, while still above the industry average, has fallen from its previous high level of 71.

We see this as a reflection of a challenging year, marked by a weak economy and political uncertainty as well as necessary transformation and structural changes in our operations and leadership teams.

We also take part in annual Great Place to Work surveys, to gain valuable insights that help us create a culture of trust and innovation. We continued to generate good survey results this year, with 93% of employees at Phoenix and 79% at Bytes agreeing that they work at a 'great place', compared to 54% of employees at a typical UK-based company. Phoenix was ranked 9th, and Bytes 85th, in the UK's Best Workplaces among large organisations (201–1,000 employees), while both businesses featured in the Best Workplaces lists for wellbeing and tech for 2024.

Sustainability review continued



Supporting wellbeing

We want our people to be happy and healthy and we do all we can to support this. We offer free or subsidised gym plans at or near our offices, and encourage staff to buy reduced-price bicycles through our cycle-to-work scheme. In our offices we provide free fruit and healthy meal options.

We prioritise mental health, encouraging openness and providing guidance and support for anyone who needs it. We have a 24/7 employee assistance programme and have designated wellbeing ambassadors who are always available for a chat. This year Bytes worked on developing new policies to provide support to people who are neurodivergent, while Phoenix hosted a talk by the Samaritans, to raise awareness about people who are struggling to cope.

Hybrid working does not suit everyone, but we believe that, with the right approach, it can make a real difference to people's wellbeing, which is something we track in our Great Place to Work survey. Our policy is that people whose roles don't require them to be in the office

all the time can spend around half of their hours working remotely. This gives us and our people the best of both worlds: the benefits of collaboration, innovation and social interaction in the office, alongside the flexibility and positive work-life balance from being at home. The high scores in our Great Place to Work survey tell us our approach is working, but we monitor it constantly to ensure we continue to get the balance right.

Developing our people to fulfil their potential

We want our people to keep learning and growing. All our employees have the opportunity for support through a personal development plan, and we constantly offer opportunities for training, both mandatory and non-mandatory. This benefits our employees and our business, because we can offer our customers greater expertise. Vendors also provide training to our employees, increasing their skills and knowledge. This training is often linked to accreditations that make us eligible for public sector frameworks and for bigger rebates from vendors.

An example of one of our new courses this year was a coaching programme at Bytes focusing on resilience, mainly for younger staff and people changing roles, which was well received. We also delivered specialised managerial training, including modules on interview techniques when recruiting. At Phoenix, we continued our leadership coaching programme for all new managers, and ran a shadowing scheme, where people could request to shadow a colleague in another area of the business for half a day, to learn about their job.

Aiming for greater diversity

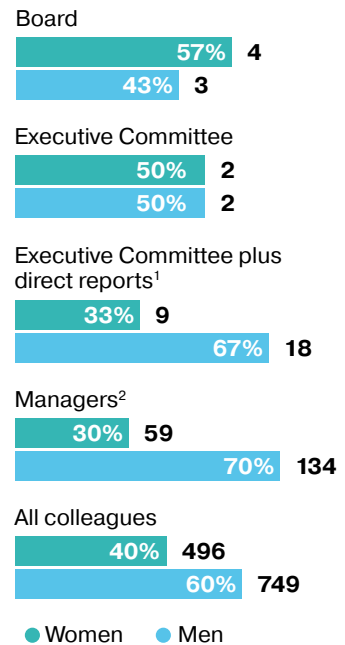
A number of companies have been pulling back on their commitment to the diversity, equity and inclusion agenda. But we remain unshaken in our belief that we must provide equal opportunities to all, regardless of gender and ethnicity and that, as a business, we benefit from diversity of thought and from reflecting the society we operate in.

We have made good progress towards gender parity in recent years. Women in senior leadership positions can serve as strong role models for other women progressing in their careers, and our CEO, Sam Mudd, and the MD of Phoenix, Clare Metcalfe, are great examples of this. At Bytes and Phoenix, women represent 30% of managers, and around 40% of our total workforce. While we still have some way to go, we are proud of our efforts – across the UK, less than a third of people in the technology sector are women. At Board level, 57% of our members are

women. Our progress was recognised in the FTSE Women Leaders Review 2024 report, which named BTG as the most improved FTSE 250 company in the ‘Women on Boards’ category.

To encourage more women to enter the technology sector, we work with local schools (read more on page 40) and attend events that promote women in IT. Though progress has been slower with ethnicity than with gender, we’re doing our best to become more ethnically diverse too. While our workforce has a higher proportion of people from a White British background than the UK as a whole, it reflects the demographics of our main office locations, in Surrey and East Yorkshire. We’ve continued to collect data on our ethnicity breakdown, based on voluntary self-reporting from our employees, and we aim to be able to report on this in the next financial year.

BTG gender balance as at 28 February 2025



1 The Executive Committee and their direct reports include executive directors, our managing directors and their direct reports, comprising individuals for whom they have direct line management responsibility, but excluding administrative and support roles.
 2 Managers refers to leaders in BTG including Executive Committee and senior leadership members.

Percentage of women at Board level

57%



Sustainability review continued

Our communities

We are proud of our people’s passion for making a difference in the communities in which we work.

In line with our goal of supporting social causes, we have a long track record of volunteering our time. This enriches our local areas and builds the reputation of our businesses. And, for our employees, it is enjoyable and rewarding and enhances their wellbeing. As a business, we also contribute financially in various ways to support positive change in our environment and in the communities around us.

Helping our people give back

Volunteering is central to our community work, which is why we give all our employees one fully paid volunteering day a year to help their chosen causes. Many of them take this opportunity, freely giving their time and skills to do a wide array of rewarding work, while also getting to know each other a bit better.

In 2024/25, our people at Bytes continued to support The Wildlife Aid Foundation, an animal charity close to our office in Surrey, by helping transform a piece of land that they recently purchased. Volunteers also helped out at the Rainbow Trust, which provides emotional and practical help to families who have a child with a life-threatening or terminal illness, Mid Surrey Mencap, which supports adults with learning disabilities, and Wimbledon Greyhound Welfare, devoted to retired racing greyhounds.

At Phoenix, many colleagues volunteered through our education outreach programme (read more in the case study at right), and also supported local organisations such as Scouts, swimming and football clubs. In total, BTG employees contributed 2,169 hours to supporting our local communities this year.

Case study

Inspiring and unlocking IT opportunities for young people

One of the initiatives we enjoy most at Phoenix is working with young people. We ramped up our education outreach programme this year, engaging with more than 11,000 school children and young adults – 11 times more than our goal. This included students with special educational needs and girls-only activities. The outreach programme is designed to unlock opportunities and foster economic empowerment by inspiring students to consider careers in technology and to take IT as a GCSE subject.

As a STEM Ambassadors Partner and a member of the National Cyber Security Centre’s CyberFirst programme, we were invited to deliver activities for schools across the country, from London to Manchester and Sunderland to Stirling, giving career talks and running interactive sessions where students could try their hand at repairing laptops and experimenting with Microsoft HoloLens mixed-reality headsets.



Thank you so much for organising this morning’s event, it was outstanding. The varied format engaged my S4s from start to finish and they have all taken away invaluable advice and experience and will remember this opportunity for a long time to come.

Teacher
Alva Academy, Scotland



I thoroughly enjoy volunteering and giving back to the local and surrounding communities because I get great pleasure in helping young people get into tech. Young girls at school often don’t think about STEM careers and these activities, supported by Phoenix, give them the opportunity to see it’s not a scary place to work.

Emily Jones
Business and Test Analyst, Phoenix

Volunteering hours at Bytes and Phoenix

2,169



Clare Metcalfe (right) at the launch of TechHub in Sunderland



14 Bytes people completed the Three Peaks Challenge, raising money for good causes

Fundraising and donating to good causes

Through our people, and as a business, we raise and donate money to charities and institutions that can use it to help others. At Phoenix this year we held a staff survey to choose one local charity to build a long-term relationship with, so we can maximise our impact. We chose a wonderful independent charity we've supported in recent years: St Leonard's Hospice, York, which provides specialist palliative care, and supports local people with life-limiting illnesses.

This year, we raised more than £14,000 for St Leonard's, as well as other charities such as Macmillan Cancer Support and Oscar's Paediatric Brain Tumour Charity. Fundraising activities included entering several teams to run the Yorkshire Marathon relay race, a golf day, sponsorship of events, a 'community celebration' featuring pub games and food and drinks vans, and selling a Phoenix recipe book featuring employee recipes. We also supported local food and clothes banks.

Our people often raise money in their own time, and we support their efforts. At Bytes, we match fundraising pound for pound up to £1,000 per employee per event. In this way, we donated more than £12,000 in matched funding to a long list of charities chosen by our people, including Cancer Research, Macmillan Cancer Support, St Catherine's Hospice and the Alzheimer's Society.

As a business, Bytes directly supports good causes, and we focused mainly on one charity this year: the Royal Hospital for Neuro-disability, which treated and supported a long-standing member of our staff. We encouraged colleagues to participate in fundraising events including the Three Peaks Challenge, which 14 people completed, and in total we raised more than £10,000 for the hospital. We supported Movember, Save the Children's Christmas Jumper Day and The Giving Tree's Christmas appeal, donating more than 100 presents. And we sponsored Leatherhead Cricket Club, enabling them to improve their facilities and develop their coaching programme.

Driving social value in our communities

Most of Phoenix's business is in the public sector. With this comes a commitment to deliver social value in the area where the work is done. We take this responsibility seriously and are pleased to be able to use our expertise and resources to create a more inclusive and equitable society.

As part of our efforts to drive skills and social value in North East England, we fostered a strong relationship with The Beam, the dynamic city centre business space in Sunderland where we opened an office in 2024. In collaboration with Sunderland City Council and Microsoft, we launched TechHub at The Beam. TechHub is a digital innovation space where we help deliver workshops and courses for local businesses, the voluntary sector and schools, increasing the technology talent pool. These sessions are aimed at people of all ages and backgrounds, and range from entry-level digital skills workshops to advanced training sessions.

Our planet

As a responsible business we believe that everyone has a role to play in caring for our planet. We are reducing our GHG emissions and helping our customers to do the same.

Making our environmental reporting more accessible

To make it easier for readers to find the information they're looking for, we have made the following changes to how we report on climate issues.

Our planet

This section tells the story of our impact on the planet, and how we are performing against our targets.

Disclosure statements

This section includes:

- Our reporting against the Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- A new 'additional environmental disclosures' section that brings together in one place detailed environmental disclosures and related methodologies.

 [See pages 57 to 74.](#)

As a value-added IT reseller we don't manufacture or transport physical goods. We have two large offices and several smaller ones throughout the UK, but many of our people work part of the week from home under our hybrid working policy. Aside from our carbon footprint, which is modest given our size and sector, our direct impact on wider environmental issues such as biodiversity, water and waste is therefore quite small.

This means that the positive effect we can have through our initiatives is limited, because our own actions will only have a relatively small impact on overall GHG emissions. However, we are mindful of our value chain and the impact from both our suppliers and our customers. We must all play our part, because if everybody does what's within their power, the overall effect will be significant.

As our Scope 3 reporting shows (see page 69), value-chain emissions are key to our goal to get to net zero. This means we need to work with our suppliers to understand their emissions and carbon reduction plans, so we can improve our carbon data accuracy and use that information to prioritise using low-carbon technologies and working with vendors that demonstrate the same commitment

we do. And although our own business-related emissions are minimal, we can make a positive contribution to a net zero future by supporting our customers to make more sustainable choices about IT.

The importance of collective action is reflected in the increasing expectations from all stakeholders, including regulators, that businesses take responsibility for minimising their own emissions. In the UK, we anticipate regulation that will require reporting on our net zero transition plan and we are taking steps in the meantime to assess how we will reach our net zero goal. We also report against the recommendations of the TCFD, which form part of the FCA's UK Listing Rules.

In our TCFD scenario analyses (see pages 58 to 67), we did not identify a material impact on our own business operations from climate change. Nonetheless, climate change is too important for us not to take firm action, which means measuring our GHG emissions and finding ways to reduce our impact. Doing so is also expected of us by a wide range of stakeholders, from investors to employees and customers. We aim to reach net zero emissions by 2040 at the latest, ten years ahead of the UK's goal of 2050.

Our science-based targets

By 2025/26

Reduce Scope 1 emissions by **50%**^{1,2}

By 2028/29

Maintain our reduction in Scope 2 emissions at **100%**^{1,3}

By 2030/31

Reduce Scope 1 emissions by **60%**¹

Reduce Scope 3 emissions by **50%**⁴

By 2040/41: Reach net zero

Reduce Scope 1 emissions by **90%**¹

Maintain our reduction in Scope 2 emissions at **100%**³

Reduce our Scope 3 emissions by **90%**⁴

1 From a 2020/21 baseline.
 2 This target is not validated by the SBTi because it was too short term in nature; targets validated by the SBTi must be at least five years from submission.
 3 In 2021/22 we exceeded our original Scope 2 target of reducing emissions by 50% by 2025/26. In 2022/23 we further reduced Scope 2 emissions to 100% by ensuring that all our electricity came from Renewable Energy Guarantees of Origin (REGO)-backed renewable sources.
 4 From a 2022/23 baseline.

Validating our science-based targets

In 2023/24 we submitted our GHG emissions reduction targets to the SBTi – the global organisation that helps businesses set emissions reduction targets in line with the Paris Agreement’s goal of limiting the global temperature rise to 1.5°C above pre-industrial levels to avoid the worst effects of climate change. In June 2024, the SBTi validated these targets, namely our net zero target and the near-term Scope 1, 2 and 3 targets that will help us get there. We are now working on our transition plan to guide our path to reaching these goals.

Our emissions are calculated using the GHG Protocol Corporate Standard. To comply with the SBTi’s reporting requirements, we amended our baseline 2022/23 and 2023/24 reporting of certain emissions in Scope 3 categories. Well-to-tank emissions that had been reported in category 3 (fuel and energy-related activities) were moved into their specific transport-related categories. We also reviewed category 11 and were informed of the optional requirement for ‘indirect use-phase emissions’ and decided to remove these from our reporting. As such, we have updated our Scope 3 baseline 2022/23 and our 2023/24 emissions (see Additional environmental disclosures on pages 68 to 71 for more details).

SBTi validates our targets

This year, our emissions targets were validated by the Science Based Targets initiative.

→ [See bytesplc.com/sustainability/our-planet](https://www.bytesplc.com/sustainability/our-planet) for full details



SCIENCE
BASED
TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Case study

Helping our people go green with electric vehicles

Dan Patching, Head of Licence Services at Bytes, had always been intrigued by EVs, and also a bit sceptical. But after driving a plug-in hybrid as a courtesy car, he found he loved the convenience of being able to charge it at home. So, when it was time to trade in his old car, he decided to get an EV – with help from Bytes.

Dan needed a car with good range, enough space for a family of four – and their dog – and at a price that matched his budget. Under the BTG EV scheme, employees can lease a car from Octopus Energy and pay for it from their pre-tax salary – saving them money and making owning an EV more affordable. After discussions with an Octopus expert, Dan chose a ‘nearly new’ Volkswagen ID.4 GTX, allowing him to get an even higher-specification car than he had budgeted for. He is delighted with the decision.



I have very quickly changed my opinion on EVs. Yes, longer journeys need a little more thought. But the convenience and reduced cost of charging at home, and knowing I am not driving around polluting the air, is satisfying. I appreciate that Bytes has made this benefit available to all employees, promoting sustainability and getting all of us to think about our impact on the environment.

Dan Patching

Head of Licence Services at Bytes



Sustainability review continued

Our performance this year

Reaching net zero is a challenge for all growing companies because, as we grow, our absolute GHG emissions inevitably increase, making it harder to reach our targets. In our case, the growth of our customers' use of GenAI is also contributing to our emissions, since this technology tends to use more energy. Nonetheless, we remain focused on our absolute reduction targets and our efforts to achieve them. Overall, our emissions increased this year through growth, the purchase of new buildings and the challenges our vendors face to lower emissions while delivering AI. We exceeded our Scope 2 emissions target early, having switched all our energy to renewable sources in our owned offices and introduced solar panels at our York office. Our challenge is now to maintain Scope 2 reduction emissions at 100% as we grow, and bring the new buildings under renewable energy contracts as soon as possible.

We were particularly pleased that our work was recognised externally, with CDP increasing our rating from C to B, putting us at the forefront of our industry, and our ISS ESG Corporate Rating score improving from C- to B-, putting us well into the top decile for our industry. Phoenix submitted its first disclosure to EcoVadis this year, joining Bytes, which has submitted disclosures to EcoVadis for a number of years. EcoVadis assesses companies across four pillars – environment, labour and human rights, ethics, and sustainable procurement – and our disclosure has been requested by several of our customers. We were delighted that Bytes received an improved score to place it in the 92nd percentile (Silver Medal), while Phoenix, in its first submission, is in the 83rd percentile (Bronze Medal). EcoVadis has defined Bytes as a Carbon Management Leader, its highest designation.

In-year challenges for Scope 1

Our Scope 1 emissions increased significantly on last year. A small part of this increase comes from estimating heating-gas use in our new Leatherhead buildings, but most comes from the increased maintenance needed on the ageing heating, ventilation and air-conditioning (HVAC) system at Bytes House. In 2025 a new, more efficient system will be installed, which is expected to reduce our emissions.

On target for Scope 2

We hit our 2025/26 Scope 2 target early – four years ahead of schedule – and continue to meet it. This year's increase from zero emissions to 5.3tCO₂e comes from estimating the electricity used in our new Leatherhead buildings. These will be brought under the same renewable energy contracts as our other buildings, reducing emissions back to zero. So, we are confident we will meet our 2028/29 target to maintain a 100% reduction.

Confident in our long-term Scope 3 targets

Because of our growth this year, including the increase in take-up of GenAI solutions, and changes to methodology around the use of sold products, our Scope 3 emissions increased by 49%. This means we are now at 98% compared to our 2022/23 baseline (see pages 68 to 71). Some 93% of our emissions come from purchased goods and services, of which 80% are from our top 13 vendors. If they meet their stated emissions targets, then we should also be able to meet our own.

We also helped our employees reduce their emissions through our scheme that allows them to buy EVs through salary sacrifice. Since we rolled out the EV scheme 2023/24 at Phoenix, and across the whole Group in 2024/25, it has been very successful, with 62 people using it to buy an EV, including 26 this year alone (see case study on page 43). We will continue to promote the scheme in the coming year.

Working with our customers to reduce emissions

The biggest contribution we can make to hastening the UK's move to a low-carbon economy is through the software and technical solutions we provide to our customers, through our vendors and our services. Aside from facilitating the well-publicised move to online meetings to reduce travel, we do this by supporting customers in moving their on-site servers, products and services to the cloud. This has the potential to be more energy efficient than customers each hosting datacentres themselves, particularly where the customer engages with us on a FinOps and GreenOps service, which optimises cloud infrastructure and usage to reduce cost (FinOps) and GHG emissions (GreenOps). We can also, in an advisory capacity, help customers factor sustainability into their decision making.

External recognition of our progress

The image displays three external recognition logos. The top logo is the CDP Supporter 2024 award, featuring a red triangle and the text 'CDP Supporter 2024'. The middle logo is the ISS ESG Corporate ESG Performance Prime rating, with a blue box for 'Corporate ESG Performance' and a green box for 'Prime', and the text 'RATED BY ISS ESG'. The bottom logo is the Environmental Quality Score 1, with a green circle containing the number '1' and the text 'ENVIRONMENTAL QUALITYSCORE HIGHEST RANKED BY ISS ESG'.

Carefully targeted use of removal and offsetting

As we work to reduce our emissions, we also want to support projects that remove or avoid carbon production and provide additional benefits to communities and nature. We're well aware of the challenges inherent in carbon removal and offsetting, so are very careful to ensure that the programmes we invest in are backed by recognised carbon standards.

To cover the value of our Scope 1 and 2 emissions, we have invested in carbon removal credits for a mangrove restoration project in Pakistan and a reforestation project in Australia. These projects support carbon sequestration, promote biodiversity and have community benefits. Each year we invest to cover the previous year's emissions, so were able to remove 97tCO₂e for 2024/25. We will continue to develop this programme, in line with our net zero strategy, which mandates the use of carbon removal credits to cover the

residual emissions – up to 10% of our emissions – for areas where we cannot remove the carbon from the activity, such as air travel.

For Scope 3 (categories 2 to 8) we invest in carbon avoidance credits through our partner Ecologi – which also helps us find the right carbon removal projects). Ecologi supports Gold Standard and Verra-approved carbon reduction, and community- and biodiversity-enhancing projects around the world. This year we are backing global projects in forest protection, peatland restoration and fuel-efficient cookstoves.

New carbon literacy programme raises our people's awareness

Our path to net zero and the transition to a low-carbon economy will require everyone pulling in the same direction, and we see education as the key. In 2024/25, for the first time, we rolled out a carbon literacy awareness programme. Its aim is to

increase employees' understanding of the causes and impacts of climate change, and to explain our reporting requirements, our GHG emissions targets and our plans to get us there. This is essential because, while we know our people are committed to doing the right thing, it can be difficult to know what that is. The programme also covers how people can reduce their own personal carbon footprint.

By the end of the financial year, we had held 11 in-person and one virtual carbon literacy sessions across three offices for staff at both Bytes and Phoenix. These will continue in 2025/26, and we'll be adding more online sessions for people who mainly work from home.

Case study

Improving our self-sufficiency through solar power

In April 2024, we were proud to complete the installation of 264 solar panels at our Phoenix office in Pocklington. While BTG already gets 100% of its electricity from renewable sources, producing our own solar power increases our self-sufficiency and enables us to export excess energy to the grid for others to use.

Since the installation, we've produced 87,141kWh of our own energy, with the majority being used by the business. When sunny conditions peaked in June, we produced 50% of our energy requirements. The solar panel investment also enables us to provide free on-site EV charging to our customers, suppliers and employees.



Sustainability review continued

Our approach: working collaboratively towards net zero

Lisa Prickett, our Group Sustainability Manager, oversees our GHG emissions reduction efforts, coordinating the approach across our two businesses, Bytes and Phoenix. Lisa works with the senior leadership team, our Sustainability Steering Committee, the Board’s new ESG Committee and the wider business to coordinate our activities, ensure progress against our targets and report performance.

Since reducing emissions is a collective goal, we also work with others beyond BTG. Lisa, a member of the Institute for Environmental Management and Assessment (IEMA), is also a member of

the Sustainable Business Network, which supports and empowers Surrey businesses to adopt low-carbon behaviours and operations. Jennifer Clewley, Sustainability Lead at Phoenix, is part of a Scope 3 working group at the Government Digital Sustainability Alliance (GDSA). The GDSA brings together the UK Government and its supply chain to drive digital and ICT sustainability.

For full details of how we oversee and manage environmental issues, see the required disclosure in Task Force on Climate-related Financial Disclosures (TCFD) on pages 58 to 67.

Looking ahead and developing our transition plan

Now that our targets have been validated, our focus in the coming year is to continue the work we have been doing on developing our net zero transition plan. In addition to our energy audit submission as part of the Energy Savings Opportunity Scheme (ESOS) this year, we also fulfilled the requirement to submit an action plan, to be reported on annually. These audits, which must be carried out every four years, assess the energy used in our buildings and transport. The action plan builds on this and supports the creation of our overall net zero transition plan.

Developing our plan involves working closely with all areas of the business to determine initiatives and build it in line with overall business strategy and the Transition Plan Taskforce’s (TPT) framework. In addition to our own

activities, we will take account of the main vendors in our supply chain, which are responsible for most of our Scope 3 emissions, to understand how they are reducing emissions. We are reassured that most of the leading vendors, including our biggest partner, Microsoft, take sustainability very seriously, and have a clear and well-publicised goal of reaching net zero.

As we develop our transition plan, we will keep working hard to reduce our own emissions, as a business and as individuals. We’ll also look more closely at the steps we can take to support the health of our planet, including promoting biodiversity around our offices, something our people already do through many of our charitable programmes.

Embedding sustainable practices

As part of our work to reduce emissions, we build sustainability into our decision making and enable our people to make sustainable choices every day. Aside from our policies of hybrid working and replacing unnecessary business travel, we are:

01

Improving levels of carbon literacy awareness across the business to increase people’s understanding of the importance of environmental issues

02

Enabling the transition to EVs by offering electric cars through a salary sacrifice scheme in partnership with Octopus Energy

03

Encouraging greener forms of commuting by setting up a car-sharing network, promoting our cycle-to-work scheme and offering selected free bus passes

04

Encouraging efficiencies through infrared sensors, reduced printing, a request system for consumables and turning off screens overnight. We’ve also installed sensor taps (50–75% water saving) and LED lighting in a recent refurbishment

05

Enabling increased recycling rates through more than just the standard recyclable items – for example, disposable vapes, crisp packets and ink cartridges

06

Continuing to highlight the importance of good environmental management throughout BTG, including controlling office heating and cooling in a smart manner

Accreditations

Bytes and Phoenix certified to ISO 14001

CDP score of B

ISS ESG Corporate Rating score B- (top decile)

ISS ESG quality scores:

- Environmental 1
- Governance 1
- Social 2

See our Sustainability Framework at bytesplc.com for details.