

Doing the right thing by our people,
our communities and our planet



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Our approach to sustainability

Sustainability is core to BTG's strategy. We build our business on good governance practices, ethical conduct and legislative compliance, improving our environmental impact and creating long-term value for the Group and our stakeholders.



Sustainability is embedded at every level of the organisation, within our growth and social impact areas, our product and service segments, and in all our stakeholder engagements and decisions.

We have set ambitious goals and strategic priorities and are committed to achieving these in a sustainable manner. This means that we take a holistic approach to how we do business, considering more than just financial prosperity. It means we provide a diverse and inclusive place to work, that we are genuine towards our vendors and customers, and that we live up to the high expectations of our stakeholders – and ourselves – to always conduct business with integrity, kindness and respect. And it means that our organisation must be built on good governance practices, that we comply with legislative and regulatory requirements, and that our conduct is ethical.

Being a responsible business needs decision-making that is informed by balanced and integrated information. To build resilience and make sure BTG is here for the long term, we must fully understand the environment we operate in, the legitimate needs and interests of our stakeholders, and our risks and opportunities. Taking a sustainable approach to business helps to make our operations more efficient and to differentiate our products – and that improves our processes and profitability.

→ **Read Our ESG strategy on pages 7 to 8.**

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We believe everyone has a role to play in caring for our planet, so we are helping our customers to reduce their GHG emissions too.

Lisa Prickett, Group Sustainability Manager

Our approach to sustainability is rooted in the idea of shared prosperity within the Group, which means we aim to deliver positive outcomes for our customers, colleagues and communities across four key themes of sustainability:

- Financial
- Environmental
- Social, including culture
- Governance.

Sustainability relies on business practices that are environmentally, socially and financially responsible – and on good governance and ethical decision-making that is transparent and resilient in the long term.

Our sustainability framework in action

Our sustainability framework highlights the values that drive our business and the matters material to it, and guides how we monitor our sustainability impact and performance. This framework lets us understand the holistic performance of our organisation and to report on it in a balanced and integrated way.

The framework's purpose is to detail our sustainability drivers, performance and targets as our business adapts to change. This will evolve as climate science, regulations and demands from our stakeholders change over time and as we change in response to business risks, issues and opportunities.

The framework is used internally to inform BTG employees as part of their induction process, to increase general sustainability literacy and to help those working directly with customers deliver the Group's message and core principles. We also provide information about the framework in our Annual Report to give investors and other stakeholders more detail about our sustainability priorities and how they relate to our overall business priorities.

Our approach to sustainability continued

Our sustainability framework identifies four value drivers: financial sustainability, environmental, social and governance. These promote our strategy, purpose and values, and the material matters that could affect our ability to create value over time. These also empower and inspire our people to fulfil their potential, so they can help our customers make smarter buying decisions and meet their business objectives through technology.

Sustainability framework			
Financial sustainability	Environmental	Social	Governance
Sales growth	Risks and opportunities	Human rights	Board structure
Profitability	Carbon and climate	Labour, health and safety	Compensation
Investor relations	Natural resources	Stakeholders and society	Shareholder rights
	Waste and toxicity	Product safety, quality and brand	Audit/risk

These value drivers are underpinned by governance practices, integrity, risk and reputation management, and compliance requirements. The material matters related to each value driver have specific owners and defined strategic objectives. Those objectives are linked to our KPIs, providing a means of measuring, tracking and benchmarking performance – and are realised through the activities and initiatives we describe on the following pages.

This structure provides a high-level, strategic perspective of our sustainable business priorities, while also offering details of our progress.

Reviewing and updating the framework

Our framework acts as guiding principles that underpin our approach to sustainability. As the business and our external environment change, so the framework will evolve. Activities, targets and accountability for performance will increasingly be embedded within our day-to-day operations, through workshops and one-to-one engagements. Although the framework will be updated regularly, it will be formally documented and reviewed annually, and signed off by senior leadership.

In 2024/25 we had our carbon reduction targets validated by the SBTi, developed and started to implement a carbon literacy awareness programme, and expanded and improved our disclosure scores.

UN Sustainable Development Goals

Led by the UN, world leaders have agreed to implement strategies that aim to help the way countries use resources to be more sustainable. The UK Government has committed to the Sustainable Development Goals (SDGs) and has stated that local government can support delivery against two thirds of the targets.

BTG has committed to seven SDG goals, around poverty, hunger, health, education, equality, work and climate. These seven goals align with areas where we believe we can make an impact and work to improve within our own business, and where we can support initiatives in our communities and further afield through volunteering and donations. We also support climate action projects with financial contributions, which align with many of these goals (see [page 8](#)).



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



Measuring, monitoring and reporting

The executive team is responsible for determining the strategic objectives and targets for each material matter and for supporting business operations to identify and implement activities to achieve these targets.

→ **Read Our ESG strategy on pages 7 to 8.**

Relevant performance information, including any performance discrepancies, are reported to the Board at regular intervals during the year.

→ **Read A view from the Board on page 6.**

This sustainability framework is also used to support content and performance disclosure for BTG's Annual Report.

Partnerships and alignments

We have aligned to several initiatives and regulatory frameworks to guide and provide transparency on our actions. These include the UN SDGs, ISO 14001, CDP, SBTi and the Task Force on Climate-related Financial Disclosures (TCFD).

This year we have made a significant improvement in our score from CDP, had our carbon reduction targets validated by the SBTi and expanded our EcoVadis reporting to both operating companies.



A view from the Board

At BTG we have a strong commitment to our planet, people and communities, making sure we progress and achieve important milestones.



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The Group has already achieved notable ESG milestones and has significant ambitions but needs to work harder and smarter to make those ambitions a reality over the long term.

Anna Vikström Persson
ESG Committee Chair

Setting up a new Board ESG Committee

To oversee progress against all aspects of sustainability, this year the Board formed an ESG Committee, chaired by Anna Vikström Persson. Having a dedicated committee allows us to focus on, advocate and monitor our approach to and progress on environmental, social and governance (ESG) areas. It will help us to meet the expectations of all our stakeholders – employees, customers, suppliers and vendors, investors, and community and environment – and ensure BTG's ESG activities become a competitive business advantage.

→ **Read Our ESG strategy on pages 7 to 8.**

The Group's progress this year

The Board is proud of the progress the BTG team has made this year in the environmental and social aspects of our ESG strategy. Through the Group's 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. We are taking action to reduce our carbon emissions and helping our customers do the same. We report on all Scope 3 categories relevant to our business and have achieved SBTi validation for carbon reduction targets.

We strive to recruit, engage and retain employees and to make BTG the right place to build a fulfilling and rewarding career. In 2024/25, the Group continued to grow our teams across the business, while increasing their skills and working hard to preserve our culture. We're also beginning to measure ethnicity.

Our people's passion makes a difference in the communities in which we work. By volunteering our time and giving money in the areas where we work, we're creating stronger communities.

This significant progress has been reflected in the excellent scores the Group has received from external ratings agencies, such as the ISS ESG, CDP, eNPS and EcoVadis.

Looking ahead

We very much look forward to 2025/26, as the Group works towards these priorities:

- Building the first phase of our net zero transition plan
- Establishing a water conservation and waste policy
- Enhancing BTG's culture, with wider promotion of diversity, equity and inclusion, so we continue to be a great workplace, attracting and retaining the best talent
- Advancing succession planning
- Addressing the highest-rated risks from the ESG audit (medium)
- Continuing education across the Group, through the further rollout of the carbon literacy awareness programme
- Wider, more impactful, communication of our plans and successes.

The Board, through the ESG Committee, will report back in 2026 on how we've supported the business in delivering these priorities.

Our ESG strategy

At BTG we strive to do more than is demanded and expected of us. We believe that business can be a force for good, which is why we value all our stakeholders – internal, external and environmental – and why environmental, social and governance (ESG) issues are so important to our business and our values.

Being sustainable means being able to continue doing business in the future and enhancing our financial performance. It allows us to attract and retain talented people, comply with regulations and have diversity of thought across the business to drive innovation.

Sustainability at BTG is managed through the interrelated areas of ESG – for example, strong governance is needed to prioritise and move forward environmental and social activities. Our approach is to go

beyond what is expected of us from a regulatory and compliance perspective and to take advantage of the benefits of doing business in a way that supports our planet, people and communities.

Employee-led sustainability teams within each of the Group's businesses undertake environmental and social initiatives, to give back to the community and reduce our impact on the environment. These initiatives are driven by BTG's core values and have already produced significant change.

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

The Board

- Overall responsibility for the effective delivery of our sustainability targets
- Considers reports from the ESG Committee
- Our CFO is BTG's executive director for sustainability
- The Board, with senior leadership, also oversees governance aspects of ESG

ESG Committee

- Reviews progress against sustainability targets
- Monitors the changing regulatory requirements and trends in ESG
- Reviews climate-related risks and opportunities
- Considers sustainability as part of our engagement with stakeholders

Executive Committee, management and Group Sustainability Manager

- Operational management of environmental targets and stakeholder engagement
- Review and monitor climate-related risks and opportunities

Sustainability Steering Committee

- Members drawn from senior leadership and across the business
- Considers progress against targets and assesses operations from a sustainability viewpoint

Operational teams

- Champion practical environmental and social activity, including volunteering
- Raise awareness of local social and environment issues

Our sustainability governance and management structure

BTG's Board is accountable and responsible for sustainability and is supported by the CEO and other senior leaders in ensuring that sustainability remains core to our strategy.

The Board provides a strategic and oversight role and monitors our sustainability performance. It delegates authority to our Board-level ESG Committee, which monitors the implementation of BTG's ESG and sustainability strategy.

The leadership teams are responsible for determining the strategic objectives and targets for each material matter and for supporting business operations to identify and implement activities to achieve these targets. Relevant performance information is reported to the Board and the ESG Committee on a half-yearly basis, with any material matters discussed and actions identified, as necessary. Activities and performance against targets are also reported in our Annual Report.

The Group Sustainability Manager is responsible for reporting sustainability activities.

Our ESG strategy continued

Stakeholder engagement

Our stakeholders have an important role to play in the successful operation of our business, and our Board takes its responsibilities to these stakeholders seriously.

We believe it appropriate to consider the potential impact on our stakeholders when considering BTG’s strategy or other actions. Indeed, these responsibilities are rooted in our culture, values and company purpose.

The Board continues to consider our stakeholders in its decisions and actions – and in a way that will continue to promote the success of BTG.

As our approach to measuring carbon emissions matures, for example, we are engaging more widely in our value chains to understand how our suppliers and customers are working to reduce their own carbon footprints, which also affects our own.

Our material matters

Our approach to responsible business is informed and shaped by the ESG issues that matter most to our stakeholders. We combine this with our own assessment of what has the greatest impact on our business and our ability to create long-term financial and non-financial value. As social norms and stakeholder priorities evolve over time, we take an iterative approach, engaging with stakeholders and adapting as necessary.



Environmental

Environmental criteria include our use of natural resources, directly and through our value chain. It encompasses carbon emissions, waste, water use and biodiversity. How we and other businesses respond to environmental impacts will affect current and future generations.



Social

Social criteria address the relationships we have and the reputation they foster with people and institutions in the communities where we do business. This includes labour relations, employee development, diversity and inclusion, responsible sourcing practices, and our relations with the broader community and society.



Governance

Governance is the internal system of practices, controls and procedures that we adopt to govern the company transparently and with integrity. This includes diversity, corporate culture and ethics, compliance, shareholder rights, executive compensation and how this compensation aligns with sustainability goals.

Sustainability initiatives, partnerships and associations

- ISO 14001 Environmental Management System
- Octopus electric vehicle (EV) salary sacrifice scheme
- Living Wage Employer
- Volunteering days
- Ecologi for funding carbon action projects
- Microsoft Partner Pledge
- Prompt Payment Code
- Great Place to Work

- IEMA Associate membership
- The Prince’s Regeneration Trust
- Mental health first aiders
- Food bank scheme
- Signatory to Time to Change Employer Pledge
- Multidiscipline apprenticeship scheme
- Signatory to the Race at Work Charter
- Disability Confident employer
- Armed Forces Covenant

- Greater Manchester Good Employment Charter
- Community Outreach and Charity Partnerships
- EcoVadis Premium
- CDP Supporter
- SBTi validated
- NHS Evergreen
- Government Digital Sustainability Alliance (GDSA)
- NCSC CyberFirst
- STEM Ambassadors

Environmental targets and initiatives

In our own actions, and by supporting our customers to use IT more sustainably, we're helping to protect the planet for future generations. In 2024/25, we made significant progress against our strategy by achieving SBTi validation for our near-term and net zero carbon reduction targets and by developing and starting to roll out a carbon literacy awareness programme.

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 [page 10](#)). 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. We will continue to promote the scheme in the coming year.

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.

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.

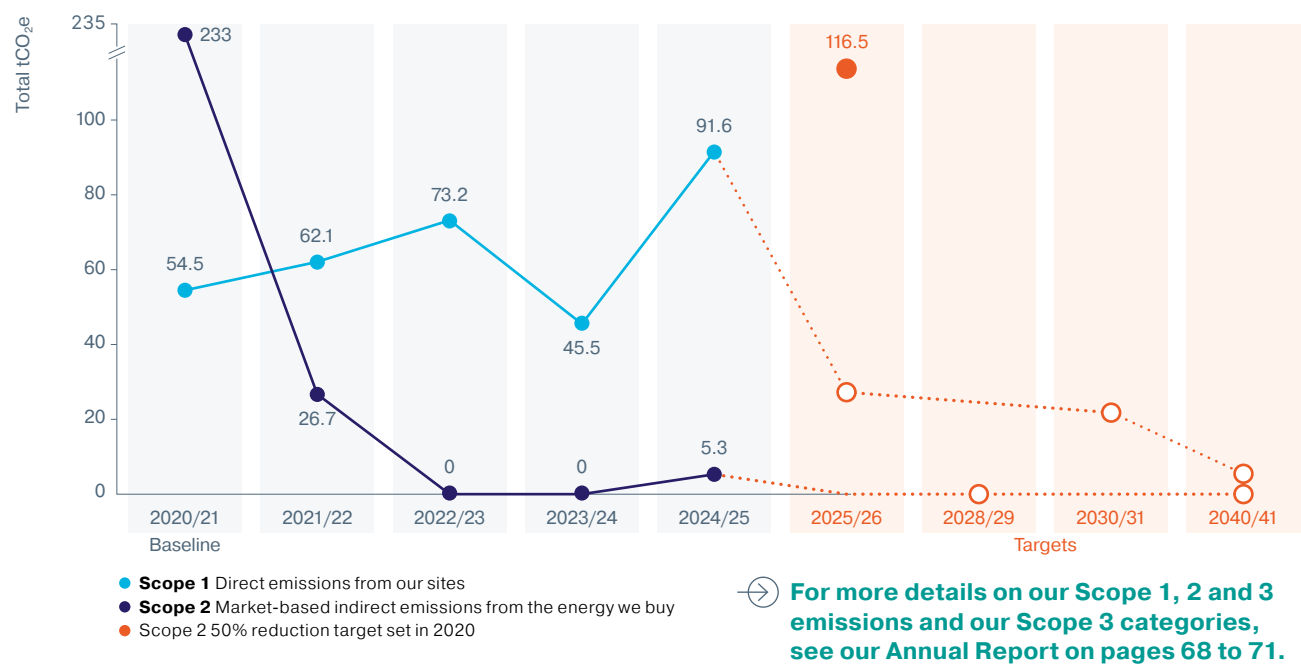
2 This target is not validated by the SBTi because it was too short term in nature; targets validated by the SBTi must be at least five years from submission.

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.

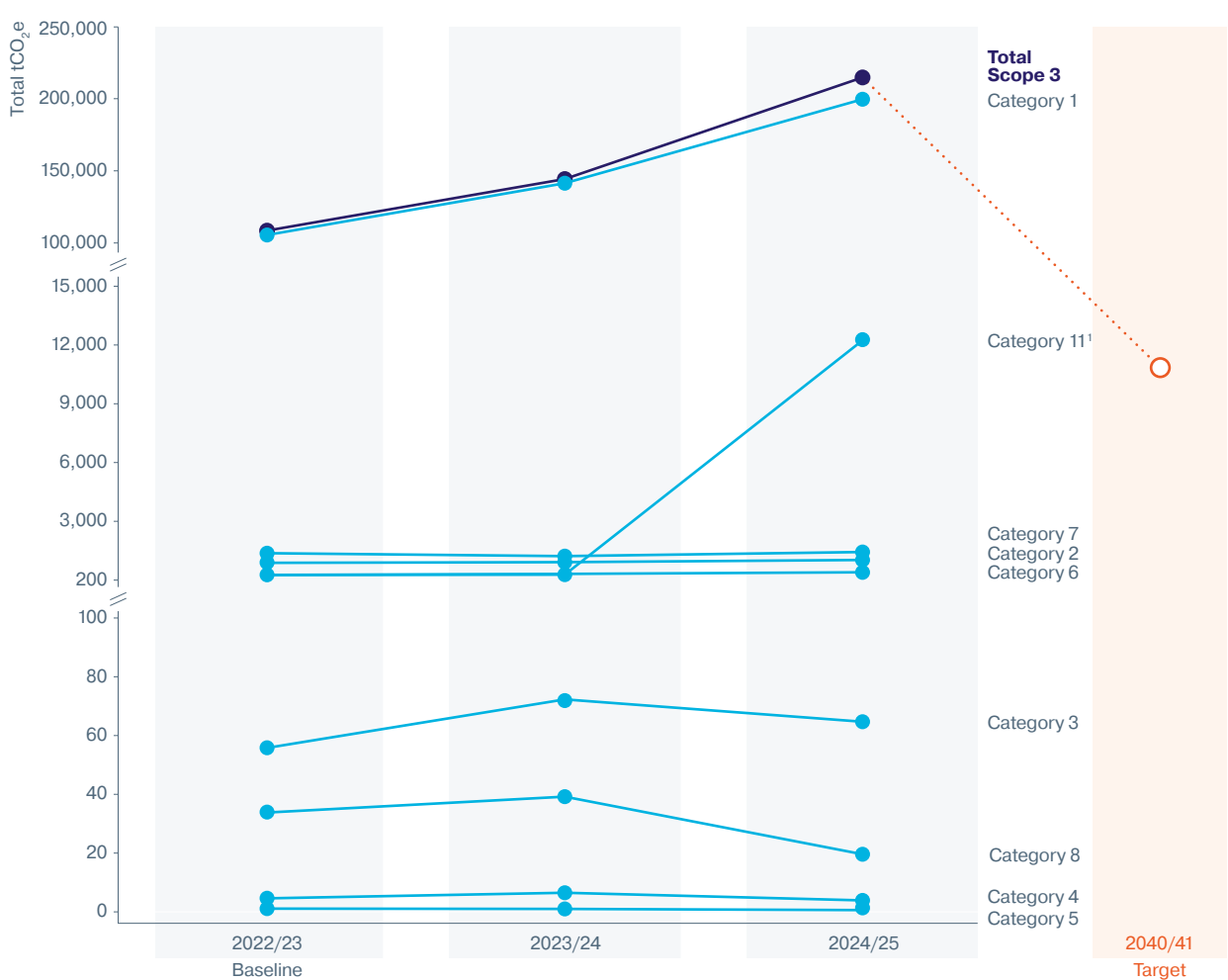
4 From a 2022/23 baseline.

Environmental targets and initiatives continued

Scope 1 and 2 data year-on-year comparison



Scope 3 data year-on-year comparison



Reporting mechanisms

We follow an approach to responsible business informed and shaped by the ESG issues that matter most to our stakeholders. This is combined with our own assessment of what has the greatest impact on our business and our ability to create long-term financial and non-financial value.

ISS ESG ratings

We use ISS ratings to get an external view of our ESG performance, focusing on the E&S Disclosure QualityScore, Governance QualityScore (together, ESG QualityScores) and the ESG Corporate Rating.

	Element/value driver
Environmental (58)	1 Risk and opportunities (9) 2 Carbon and climate (29) 3 Natural resources (4) 4 Waste and toxicity (16)
Social (119)	1 Human rights (22) 2 Labor, health and safety (52) 3 Stakeholders and society (40) 4 Product safety, quality and brand (5)
Governance (112)	1 Board structure (47) 2 Compensation (33) 3 Shareholder rights (12) 4 Audit/risk (20)

Note: Figures in brackets denote number of assessment points under each element/value driver, with a total of 289 points.

Lower Governance Risk = 1 Higher Governance Risk = 10

Higher E&S Disclosure = 1 Lower E&S Disclosure = 10

ESG QualityScores

The ESG QualityScores analyse company disclosures to measure and identify environmental, social and governance risk exposures and areas of concern.

Our current combined QualityScore of 1.33/3 meets our internal goal, and is made up as follows as at 1 March 2025:

ESG QualityScore

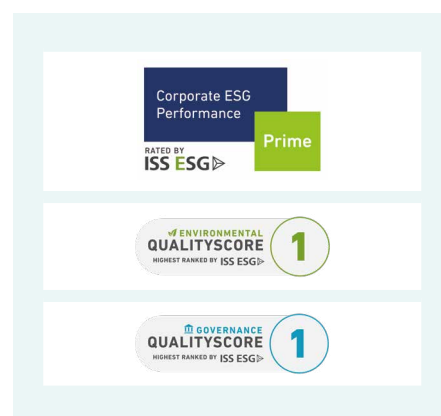
Area	Score
Environment	1
Social	2
Governance	1

We use the ESG QualityScores as a third-party comparator to our peers across these elements of ESG. This score is used as a stretch goal, so we aim to be at or under a combined score of 3 across these areas. We will publish the score annually, at the end of each financial year.

ISS ESG Corporate Rating

The ESG Corporate Rating is designed to enable institutional investors to support their investment strategies by assessing the ESG performance of corporate issuers. In the context of the ESG Corporate Rating, ESG performance refers to a company's demonstrated ability to adequately manage material ESG risks, mitigate negative and generate positive social and environmental impacts, and capitalise on opportunities offered by transformation towards sustainable development.

At the start of 2025 our reassessment saw us move from a score of C-, which was average for our industry, to B-, which is in the top decile. The highest score achieved in our industry is a B. We were also awarded Prime status, which is a sector-specific threshold to identify companies that 'fulfil ambitious absolute performance requirements'.



Other disclosures

We are required to or voluntarily disclose other environmental and social information using a number of standards and frameworks, as described here. More information about these can be found in our [Annual Report](#).

Annual Report and Streamlined Energy and Carbon Reporting (SECR)

Each year we work with a third-party consultancy to assess our carbon emissions against Scope 1, 2 and 3 categories. The methodology has been amended following work with the SBTi and by correcting category 11 calculations. For more detail and our full emissions reporting, see our [Annual Report and Accounts 2024/25](#) (pages 42 to 46 and 68 to 71).

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD recommendations focus on analysing risks to the business that could affect strategy, stability and governance. See our [Annual Report and Accounts 2024/25](#) (pages 58 to 67) for our full response to the TCFD recommendations. We are also keeping up to date on the future adoption of the IFRS S1 and S2 standards under the proposed UK Sustainability Disclosure Standards, which will adopt the TCFD recommendations and enhance reporting.

Energy Savings Opportunity Scheme (ESOS)

This is a mandatory energy assessment scheme for BTG, because we meet the ≥250 employees’ criteria. Reporting is once every four years.

Following the postponement of Phase 3 reporting, we submitted our report in June 2024, working with a third-party consultant. In December 2024, we complied with the new ESOS requirements to develop and submit an action plan, with reporting against this required annually.

CDP (formerly Carbon Disclosure Project)

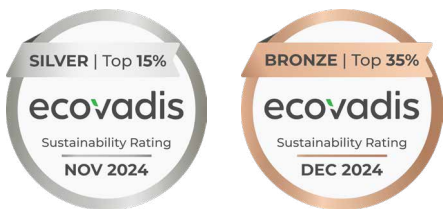
CDP is a voluntary scheme to enable disclosure on climate change, forests and water security. It is aligned with the IFRS S1 and S2 standards. BTG considers it a key tool in becoming more transparent as we continue to reduce our carbon emissions, by tracking and benchmarking our progress.

We submitted our first disclosure on climate change to CDP in 2022/23. Our second disclosure, and first scoring one, was submitted in 2023 for which we received a C, in line with our industry. For our submission in 2024 we were delighted that all the work to calculate our Scope 3 emissions, strengthen board governance of ESG and gain SBTi validation led to us achieving a B.

EcoVadis

EcoVadis is a well-respected and recognised ESG assessment and rating tool. Bytes Software Services has reported through EcoVadis for a number of years, while Phoenix Software submitted their first disclosure this year. Customers are increasingly asking for our involvement in EcoVadis. The assessment is divided into four areas: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

We were delighted by the scores this year. Bytes Software Services received a silver medal and a score in the 92nd percentile. Phoenix Software was awarded a bronze medal and a score in the 83rd percentile.





Policies and sustainability information for the Group, Bytes and Phoenix are available at bytesplc.com, bytes.co.uk and phoenixs.co.uk

For more information, contact Lisa Prickett, Group Sustainability Manager, Lisa.Prickett@bytesplc.com