

# Sustainability review

**Being a responsible business is at the core of our culture and our strategy of achieving sustainable growth over the long term. Every day across the Group we strive to do the right thing by our people, our communities and our planet.**



“ Every year we strive to advance our environmental agenda and 2025/26 was no exception. Progress included widening our targets to include waste and water use, and agreeing the actions required for us to get to net zero, which will form the basis of our net zero transition plan, due to be published in 2026/27.

**Lisa Prickett**  
Group Sustainability Manager

“ Since joining BTG this year, I’ve been struck by the exceptional talent across BTG and the strength of the relationships our people build with customers. Our people are our differentiator, and I’m committed to shaping a people strategy that supports our continued growth.

**Kally Kang-Kersey**  
Chief People Officer



### Our people

We aim to attract, engage and retain talented people, supporting them to develop their skills in a high-performing and fun environment.

Ranked UK’s Best Employers 2026 by *Financial Times* and Statista

14

Our headcount rose by 6.9% to

1,331

➔ Read more on pages 46 to 49.



### Our communities

Through our charitable and volunteering activities we support digital inclusion and create stronger communities.

Number of hours devoted to volunteering

2,159

Number of young people engaged through community education outreach programmes

6,700+

➔ Read more on pages 50 to 51.



### Our planet

By reducing our own emissions and helping our customers to do the same, we’re playing a positive role in caring for our planet.

We aim to reach net zero by

2040

Renewable electricity and green gas in owned offices\*

100%

➔ Read more on pages 52 to 56.

### External recognition of our progress



\*Backed by Renewable Energy Guarantees of Origin (REGOs) and Renewable Gas Guarantees of Origin (RGGOs).

Sustainability review continued



## Our people

**BTG’s people drive our success, and we strive to help them build fulfilling and rewarding careers in an inclusive, high-performance workplace where every individual can thrive. In 2025/26, we grew our teams across the business to serve our expanding customer base, improved our systems and processes around hiring and career development, and appointed our first Chief People Officer to lead the development of a long-term people strategy.**

### **Growing our teams in a measured way**

With our business continuing to expand, we need to grow our teams to maintain our high levels of customer service. And we need to do it in a smart, measured way: hiring the right people with the right expertise to serve the market areas where we see the biggest opportunities.

In 2025/26, we increased our headcount by 7% to 1,331. Specialist IT skills were again in strong demand, but the steps we’ve taken to bolster our recruitment capabilities meant we were still able to identify and attract the talent we needed this year. At Bytes, we employed an additional recruiter this year, enabling us to hire specialists in AI, data and cybersecurity, as we look to boost our service offerings. Phoenix also benefited from having a dedicated recruitment manager in place for the full year for the

first time, as we hired more technical consultants and customer success managers. Staff referrals also continued to be a valuable part of our recruitment, with referred candidates more likely to fit into our culture.

As in prior years, we ran apprenticeship schemes in both businesses and as part of our sales training programmes we welcomed 21 new colleagues at Bytes and 13 at Phoenix this year. These schemes reflect our strong focus on developing and promoting talent from within the company – one of the reasons many of our people stay with us for a long time. This loyalty is reflected in our low attrition rates. Although the rate increased slightly this year at Bytes, where we restructured our private sector sales team, our combined attrition rate for BTG was 18%, in line with the industry average range.

### **Two leading brands, one strong culture**

Bytes and Phoenix, our two complementary businesses, have 795 and 527 employees respectively, with Phoenix passing the 500-employee milestone for the first time this year. Each business operates autonomously, with its own identity, headquarters and management team. But they have many commonalities, including similar employment policies, industry-leading knowledge and the same values and culture. Wherever possible, the businesses share good practice and insights for the overall benefit of BTG.

### Digital processes that improve feedback and enhance career mobility

As a technology company we should be using the best digital systems, tools and processes to support our colleagues. We have made important progress this year to make our people processes more efficient and user-friendly. At Bytes, for example, we focused on simplifying our processes around performance, to make them much easier for managers and their teams to follow and understand. To give people even more opportunities to move around the business, we created a digital tool that matches people’s skillsets with new vacancies.

At Phoenix we also focused on encouraging internal mobility, with a new policy to make sure colleagues are more aware of vacancies and how to apply for the jobs. Linked to this, we improved how we process and track employee changes using our HR system. And we centralised our recruitment tracking system, reducing our spend on external agencies and cutting the time to fill vacancies.

### Recognising and rewarding excellence

We are a real Living Wage employer and pay our people fairly. Through our employee recognition programmes, we also reward sales and non-sales staff who achieve business objectives, and we give incentives to people who go beyond what’s expected to serve our customers and support their colleagues. Incentives this year included ice skating and dinner, a day at the races, spa days and a long weekend in Seville.

#### 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

### Engaging with our colleagues

We are proud of the dynamic, supportive culture that has brought us this far. But we know that as we get bigger and our business evolves we need to nurture our culture. We keep a very close eye on this, measuring our success as an employer in several ways. The most important key performance indicator on culture is our employee net promoter score (eNPS), which measures the likelihood of someone recommending their employer to others.

Our eNPS of 62 was up from 57 in 2024/25. While this remains well above the industry average, it is down from a few years ago.

We believe the lower score reflects the challenging period of internal transformation that began in the prior year, as well as economic and political uncertainty. To gain additional insights into the strength of our culture, we take part in annual Great Place to Work surveys. This year we again achieved good results. At Phoenix, 91% of employees agree that they work at a ‘great place’, and at Bytes, 82% do. This compares very favourably to the 54% of employees at a typical UK-based company who say that. In the UK’s Best Workplaces among large organisations (201–1,000 employees), Phoenix was ranked 4th, and Bytes 64th, while both businesses featured in the Best Workplaces lists for development, wellbeing and technology for 2025. BTG was also delighted to be awarded 14th place in the *Financial Times* and Statista’s UK’s Best Employers 2026 rankings, out of 500 companies assessed through independent surveys of employees.

Along with quarterly town hall meetings for all employees, we hold other events for colleagues to engage with management and each other, including annual kick-off meetings for the sales and technical teams. At Phoenix, we also check in weekly with our people through an app, asking them to respond to a few culture-related questions. Around two thirds of colleagues respond each week, providing us with good data on what we need to work on.



Sustainability review continued



New BTG recruits this year

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Building skills and developing leaders

We want all our employees to keep learning and broadening their skills. So, in addition to giving everyone the opportunity for support through a personal development plan, we constantly offer opportunities for training. This benefits our business too, because public sector tender frameworks require us to have a certain level of accreditations, and vendors pay us higher rebates if we have more accreditations. At Bytes this year we upgraded our learning management system, adding mobile access and new resources for self-development so that colleagues can learn on their own.

For both businesses, we launched 'CEO for a day', where two people were chosen to shadow our CEO Sam Mudd. Phoenix expanded its own shadowing scheme, enabling people to accompany a colleague in another area of the business. Phoenix also started a pilot mentoring scheme, where colleagues can apply to be mentored by one of Phoenix's senior leaders for six months. Another focus area this year was leadership excellence, with the rollout of a new training course for 'managers of managers', which will be expanded in the coming year.

Looking after our people's wellbeing

Our people's physical and mental wellbeing is important to us, and we work hard to support it. This includes operating a hybrid working policy. People whose roles do not require them to be in the office full time have the option of spending around half their time working from home. While we constantly monitor our approach to make sure it benefits our business, we believe it combines the best of both worlds for us and our people: the advantages of collaboration, learning and social interaction in the office, with positive work-life balance and flexibility from being at home.

We encourage openness about mental health issues and provide guidance and support for anyone who needs it, including through our designated wellbeing ambassadors. At Bytes, the 24/7 employee assistance programme was expanded this year to include access to an

online GP service. Bytes introduced 'meaningful Mondays', a lunchtime forum open to all that tackles a range of wellbeing topics. And Phoenix rolled out a new online wellness service run by an external provider, which includes resources on all aspects of wellbeing, from mental health to neurodiversity and diet. Both businesses engaged occupational health providers so we can better support our people who have experienced health issues to get back to work.

In 2025, Phoenix engaged with a bee keeper and brought two hives on to the site at Pocklington. Inductions and training were given to staff who have volunteered to monitor and support the bee keeper in their duties. This project is all about engaging employees in activities that span the business, increasing skills outside direct work and encouraging care of our natural environment. These bee enthusiasts have created one of the most lively Employee Resource Groups at Phoenix.

To support physical health, 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. We provide free fruit in our offices and employees have the option to join a private health and dental insurance plan.

Total headcount at BTG

1,331





“ The Women in Tech community has grown from nine to around 40 women and allies since we started in November 2024. We will look to grow our engagement through activities and events to strengthen our culture and empower every woman at Bytes to thrive.

**Abbey Long**  
Chair of the Women in Tech group at Bytes

### Promoting diversity and fostering inclusivity

Providing equal opportunities to all, regardless of gender and ethnicity, is not just the right thing to do; having diversity of thought and an employee base that reflects society makes for a stronger, more innovative business. In recent years we have made good progress towards gender parity. Our CEO, Sam Mudd, and the MD of Phoenix, Clare Metcalfe, are both women and, at year end, 57% of our Board were women. At Bytes and Phoenix overall, women represent 36% of managers, and around 39% of our total workforce.

This is significantly higher than the average in the UK technology industry. But we still want to go further. At Bytes we had five colleagues shortlisted at the

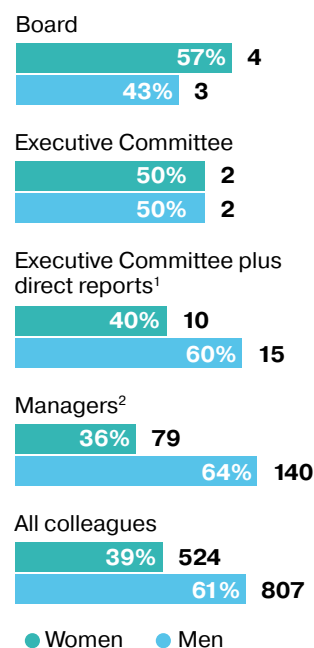


Women & Diversity in Channel Awards 2025, and the Women in Tech group has been working on several initiatives including recruitment and diversity. At Phoenix, we provided specific training for women in sales, an underrepresented area, and held workshops for women employees on business finance.

Progress on ethnic diversity remains slower than with gender. Our workforce has a higher proportion of people from a White British background than the UK as a whole, though this reflects the demographics of our main office locations, in Surrey and East Yorkshire.

To better understand our diversity, we continue to collect data on gender, ethnicity, disability and neurodiversity, based on voluntary self-reporting from our employees, and we have built this into a standard onboarding questionnaire. We have also been working on processes and training around neurodiversity and will continue to focus on this area in the coming year.

### BTG gender balance as at 28 February 2026



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

Sustainability review continued

# Our communities

**Our people’s commitment to making a positive difference in our communities is an integral part of our culture and who we are.**

We support social causes in several ways. The most important and meaningful is through volunteering our time. Besides enriching the areas in which we work and enhancing our reputation, volunteering is enjoyable and rewarding for our people, and helps them to get to know each other in a social setting while boosting mental wellbeing. As a business we also donate money and IT equipment to support positive change in the communities where we operate.

### Supporting our people to make a difference

We have a proud history of encouraging and helping our people to support causes that matter to them. Every employee gets one fully paid volunteering day a year and many take the opportunity to spend time with charities and people who need assistance, while also getting to know each other more.

At Bytes in 2025/26, we focused our volunteering and fundraising efforts on four main charities, each linked to one of our offices. Near our headquarters in Surrey, we again supported The Wildlife Aid Foundation, an animal charity, helping construct new pens for rescued foxes. In Port Solent we partnered with The Muscle Help Foundation, a muscular dystrophy charity, and in Manchester with Mustard Tree, which works to combat poverty and prevent homelessness. From our Reading office, our colleagues supported The Ways and Means Trust, which provides social and practical skills for people with disabilities or poor mental health. These focused partnerships have helped align volunteering opportunities and fundraising efforts.

**Volunteering hours at Bytes and Phoenix**

**2,159**

### Case study

### Racing for a reason



Combining adventure with purpose, 30 Phoenix employees embarked on a four-day race through the Benelux region in July – using only public transport. Based on the BBC television series, *Race Across the World*, Phoenix’s Race for a Reason saw the ten three-person teams striving to reach a dozen checkpoints scattered across the cities and countryside of Belgium, the Netherlands and Luxembourg. The teams needed to strategise carefully because the goal was not just speed, but maximising points, as the checkpoints carried different scores based on how hard it was to get to them.

The ‘reason’ for the unique race event was to raise money and awareness for St Leonard’s Hospice in York, Phoenix’s chosen charity partner for 2025/26. Phoenix fully funded the event, and the prizes, so St Leonard’s received every penny of the more than £20,000 raised.



We simply couldn’t do what we do without the incredible support of businesses like Phoenix Software. Their Race for a Reason challenge is a fantastic example of how companies can make a real difference.

**Annie Keogh**

Corporate Partnerships Development Fundraiser, St Leonard’s Hospice

Our people also volunteered with the Rainbow Trust, which assists families who have a child with life-threatening or terminal illness, Celia Cross Greyhound Trust, Mid Surrey Mencap, which supports adults with learning disabilities, and PlayWise Learning, which helps young, disabled children and their families.

At Phoenix, as in previous years, many colleagues volunteered as part of our education outreach programme, where we engaged with more than 6,700 schoolchildren and young adults this year. Our Phoenix colleagues also used their volunteer day to help organisations such as Scouts and a local hospice, or to assist with prisoner rehabilitation, or to perform their volunteer role as a special constable, trustee or school governor. In total in 2025/26, BTG employees contributed 2,159 hours to supporting our local communities.

### Raising funds and donating to great causes

As a business and through our people we take pride in raising and donating money for organisations that do excellent work in our communities. At Phoenix, in addition to St Leonard's Hospice, we raised funds for Macmillan Cancer Support and Oscar's Paediatric Brain Tumour Charity, and we entered several teams to run the Yorkshire Marathon Relay for charity.

Our direct donations included Christmas presents for Leeds Children's Hospital, paying for Christmas decorations at a community centre in Tower Hill, London, and funding a digital information screen for Burnby Hall, a historic community building in Pocklington. As part of our commitment to support and invest in our region, we signed on as the official digital sponsor of York City Football Club for the 2025/26 season. As a business founded and based in Yorkshire, we're proud to back a local club that plays such an important role in the community. To enable us to better support and encourage our people's personal fundraising efforts, we introduced a new charitable giving policy this year. We now match fundraising for up to £500 per employee per event and colleagues can also apply for financial help for their fundraising projects.

At Bytes, we have a similar match-funding policy, and we donated more than £14,000 this way in 2025/26. Beneficiary charities included Cancer Research UK, Shelter, Men and their Emotions, and Wildlife Aid Foundation. As a business we supported numerous other good causes, including Movember and The Giving Tree's Christmas appeal. We also donated used IT hardware to not-for-profit groups handpicked by our employees. In 2025/26 we donated 19 second-hand laptops predominantly to Mustard Tree, who focus on retraining homeless people to equip them with better IT skills.

### Delivering social value where we work

Phoenix operates mainly in the public sector, which comes with a commitment to drive social value where the work is done. This fits in with our ethos of building stronger communities, and we take this responsibility seriously. As a STEM Ambassadors Partner and a member of the National Cyber Security Centre's CyberFirst programme, we deliver our biggest social value contribution through our education outreach programme. The programme is designed to unlock opportunities and foster economic empowerment by inspiring students to take IT as a GCSE subject and consider careers in technology. In 2025/26, this outreach work included partnering with Developing the Young Workforce, a Scottish organisation that connects employers with education so that young people develop the skills needed for the workplace. We delivered career talks and interactive sessions at schools in Glasgow, where we have an office, as well as in West Dunbartonshire, Stirling and Alloa.

Beyond education, we continued to support TechHub at The Beam, where we help deliver workshops and courses for local businesses, the voluntary sector and schools.

## Our approach to charitable giving and volunteering

We want our time and money to have the greatest impact. So in 2026/27, we will focus on delivering cyber awareness, digital skills and technology education to disadvantaged and underserved groups. This is also part of the government's 'opportunity mission', which is supported by the CEO Steering Council.

For more details, see our CEO review on page 9.



Sam Mudd at the House of Lords for a CEO Steering Council session

# Our planet

**The impacts of climate change, water stress, waste pollution and biodiversity loss are being felt across the world. As a responsible business, we are committed to playing our part in caring for the environment by reducing our greenhouse gas (GHG) emissions, making efficient use of resources and helping our customers to do the same.**

## How our environmental reporting is structured

To help readers to find the information they're looking for, our reporting on climate issues is structured as follows:

### Our planet

This section tells the story of our impact on the planet, our actions 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
- An 'additional environmental disclosures' section containing detailed environmental disclosures and related methodologies.

→ See pages 58 to 76.

## Overview

As a technology business, we have both opportunities and limitations when it comes to making a positive impact on the planet. Because we are an IT reseller, we don't make or transport physical goods. We own four office buildings and lease several smaller offices, with 1,331 employees in total, but many of our people work from home for part of the week. Our carbon footprint is therefore relatively modest and our direct impact on broader environmental issues such as biodiversity, waste and water is also quite small.

However, while our own initiatives will only have a limited effect on overall GHG emissions, we recognise the wider potential impact across our value chain, from our suppliers and customers. If we all play a role, and encourage and support each other to do what is within our power, the overall effect will be considerable. Individual and collective action is, simply, the right thing to do.

We have set near-term and net zero GHG emissions reduction targets and these were validated in 2024 by the Science Based Targets initiative (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. To achieve our target of reaching net zero by 2040 at the latest, value-chain emissions are key, as our Scope 3 reporting shows (see page 55). So, we are working with our suppliers to better understand their emissions and reduction plans. By understanding if our suppliers align with our goals and those of our customers, we can help make more informed choices for our own IT and help our customers make more sustainable IT purchasing decisions.

The coming year is likely to see regulatory changes related to sustainability reporting, both within the UK and globally, and we are monitoring developments. We are working on our net zero transition plan to guide our path towards reaching our goals and expect to be in a good position to transition to the new reporting requirements. We also report against the recommendations of the TCFD, which form part of the FCA's UK Listing Rules. We did not identify a material impact on our own business operations from climate change in our TCFD scenario analyses (see pages 58 to 67). However, climate change is too important for us not to act. This is also expected of us by our stakeholders, from investors to employees and customers.

## Our science-based targets<sup>1</sup>

### By 2028/29

Maintain our reduction in Scope 2 (market-based) emissions at

**100%**<sup>2,3</sup>

### By 2030/31

Reduce Scope 1 emissions by

**60%**<sup>2</sup>

Reduce Scope 3 emissions by

**50%**<sup>4</sup>

### By 2040/41: Reach net zero

Reduce Scope 1 emissions by

**90%**<sup>2</sup>

Maintain our reduction in Scope 2 (market-based) emissions at

**100%**<sup>3</sup>

Reduce Scope 3 emissions by

**90%**<sup>4</sup>

- 1 Validated by the SBTi.
- 2 From a 2020/21 baseline.
- 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 0tCO<sub>2</sub>e, by ensuring that all our electricity came from Renewable Energy Guarantees of Origin (REGO)-backed renewable sources.
- 4 From a 2022/23 baseline.

## Our performance this year

### Working with our value-chain partners to reduce emissions

#### Suppliers

Managing our value-chain emissions is crucial to our net zero ambitions. This year, 88% of our total emissions came from purchased goods and services. Of this, 80% are from our top 13 vendors. Microsoft is our largest supplier and formed 59% of our emissions in 2025/26. However, its emissions intensity decreased by 9% in the past year, with AWS, Adobe and Palo Alto also making energy intensity reductions. If our suppliers meet their stated emissions targets, then we should also be able to meet ours. Our approach is to work with our suppliers to better understand their emissions, their plans to reduce them and also how we can help effect change based on their technology and knowledge. In 2026/27 we will increase our focus on working with our supply chain.

#### Customers

We can help accelerate the UK's move to a low-carbon economy through the solutions we provide to our customers, through our vendors and our services. One of the main ways we do this is by supporting our customers to understand their emissions from using technology we provide, such as helping customers understand Microsoft M365 and Azure carbon reports and by advising them on more sustainable hardware and software approaches. Aligned with this are services we provide through FinOps and GreenOps, which optimise workloads in the cloud to avoid unnecessary spend and resource wastage.

Increasingly, AI is adding to carbon footprints. To promote efficient use of AI, we provide 'prompt' training to customers (and our own employees) on using Microsoft Copilot to reduce the number of queries and refinements needed to get to the desired answer.

### Taking action on waste and water usage

Along with reducing our emissions, we also committed to using our resources more sparingly and to reducing waste. This year we established targets to reduce our waste and water usage, and policies to help us achieve them. On waste, for example, we aim to have 50% of our waste recycled by 2030/31, from a 2023/24 baseline of 41%. On water, our goal is to reduce consumption on a per employee basis by 25% by 2030/31, again using a 2023/24 baseline. (Read more about our targets on page 72.)

Our initiatives to meet these goals include education and training on the importance of reducing waste and using water efficiently. We will also use more targeted actions, such as improving signage at bins, looking at ways it install low-flow and water saving devices, and conducting water leak surveys. Technology is an important part of our business, so we will look to increase lifespan and source refurbished products, where possible.

### Part of the FTSE4Good Index

In July 2025, BTG was pleased to become a constituent of the FTSE4Good Index Series for the first time. The index series is designed to measure the performance of companies demonstrating strong environmental, social and governance practices. The FTSE4Good indices are used by a wide variety of market participants to create and assess responsible investment funds and other products.

This year we saw a 10% reduction in our emissions intensity, even with additional buildings occupancy and growth in revenue and people. This is largely because our suppliers, such as Microsoft, Adobe and AWS, reduced their emissions intensity. In 2025/26 our absolute overall emissions increased through growth in the business and from methodology improvements we made to our second largest emissions category (use of sold products).

This year, we reached the completion date of our first emissions reduction target: reducing our Scope 1 emissions by 50%, from a 2020/21 baseline. We exceeded this target by reducing emissions by 68%. All our offices now run on a renewable energy tariff for electricity and, where heating gas is used, we have switched to a biogas tariff. The most significant source of reduction for Scope 1 is from the replacement of the HVAC systems in Bytes House. We had already exceeded our initial 2025/26 Scope 2 target of a 50% reduction on our base year (four years early), having switched all our electricity to renewable sources in our owned offices and introduced solar panels at our York office. As we continue to grow, our challenge is to maintain our reduction in Scope 2 emissions at 100%.

This is our first year reporting against our waste and water targets. Our waste results are mixed: we saw an increase in the percentage of waste recycled from 38.4% to 44.7%, but we also saw the total volume of waste per employee over the year increase from 19kg to 19.6kg. Our recycling rate should improve next year, following some issues with recycling collections at Bytes in 2025/26. The introduction of food waste collections has been successful, with almost 3,100kg of food being diverted from general waste.

Our targets for water reduction are based on water use per employee – and this year we saw the volume of water per employee increase at both Bytes and Phoenix. Some of this increase may be down to moving into a new building, but we need to do more work to fully understand the change.

Sustainability review continued

Case study

**Supporting climate solutions through considered use of removal and offsetting**

Reducing our emissions is our highest priority for our transition to net zero. We have used the Oxford Principles for Net Zero Aligned Carbon Offsetting (revised 2024) to guide our approach to funding carbon avoidance and removal. As part of our approach to increasing the storage durability of our carbon removal, this year we are incorporating a UK Biochar project. In addition, we want to support projects that benefit local communities and nature, because a just transition and the biodiversity crisis are also important global issues.

We're aware of the challenges inherent in carbon removal and offsetting, so we are careful to ensure that the programmes we invest in are backed by recognised carbon standards. We work with Ecologi, a leading climate action platform, to manage our residual emissions by investing in a diverse portfolio of high-quality carbon credits. Ecologi supports Gold Standard and Verra-approved carbon reduction, and community- and biodiversity-enhancing projects around the world. This year, we joined Ecologi and a research fellow from Oxford Net Zero on a webinar to discuss our real world example of applying the Oxford Principles. To cover the value of our Scope 1 and 2 emissions across the Group, we invested in a UK Biochar project, based close to our Leatherhead office, to provide durable long-lived carbon storage as our removal credits. This is 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), Bytes has invested in nature-based carbon removal credits to cover its Business travel (category 6), including mangrove restoration in Pakistan and reforestation in Mexico, supporting jaguar habitats. For the remaining categories, carbon avoidance credits have been purchased, including in a clean cookstoves project in Uganda, supporting healthier communities, and rainforest protection through the Matavén REDD+ project in Columbia.

Phoenix is investing in UK nature projects for peatland, meadow and seagrass restoration to support UK nature initiatives. While we can't allocate this against our emissions, it supports initiatives in one of the most nature-depleted countries in the world. For more details, see Phoenix's carbon report at phoenixs.co.uk.



BTG joined Phoenix as a member of the Government Digital Sustainability Alliance (GDSA) this year. BTG now sits on the Scope 3 Working Group, contributing to the UK Government's understanding and strategy around reducing Scope 3 emissions from technology. The GDSA was established to improve digital sustainability outcomes for the UK Government and its supply chain – and in so doing, support wider strategies, such as the Greening Government Commitments, the Net Zero Pathway and the UN Sustainable Development Goals. We were also proud of our scores from EcoVadis, which assesses companies across four pillars: environment, labour and human rights, ethics, and sustainable procurement. Both Bytes and Phoenix achieved silver medals this year, placing them in the top 15% of companies. Phoenix was awarded a bronze medal the previous year.

**Scope 1**

We exceeded our 2025/26 target to reduce Scope 1 emissions by 50% this year by achieving a 68% reduction from our 2020/21 baseline year.

**Staying on track for Scope 2**

We met our 2025/26 Scope 2 target early – and we continue to meet it. This year we brought our emissions back to 0.0tCO<sub>2</sub>e, so are confident we will meet our 2028/29 target to maintain a 100% reduction from our 2020/21 baseline year.

### On course for our long-term Scope 3 targets

Our Scope 3 emissions increased this year but only by 0.3%, while our energy intensity (by revenue) decreased by more than 10%. This was mostly because of the reduction in absolute emissions from our purchased goods and services, which in turn was a result of the reduction in emissions intensity from our suppliers. Our capital goods emissions also reduced.

There was a large increase in category 11 (use of sold products) emissions because of more accurate data being available across the Group. We also changed our baseline year figure for category 11, to reflect the earlier methodology change for calculating the lifetime use of sold product and the more accurate data sets from both operating companies.

Although far smaller categories, our business travel and employee commuting (including homeworking) emissions have increased this year, both in absolute and energy intensity terms. This may be a consequence of having more accurate activity-based rather than spend-based data available. The signs that the energy intensity is decreasing in our supply chain are encouraging. Now we need to focus on capturing data from our suppliers and reviewing our own data to see where we can support and drive lasting change.

### Expanding our carbon literacy programme

Collective action on climate is not just for businesses; as individuals we all have a part to play. We are supporting our people to do more through carbon literacy awareness training. Launched in 2024/25, the training aims to increase our people's understanding of the causes and impacts of climate change, and the steps they can take to reduce their own carbon footprint. It also explains our reporting requirements, our GHG emissions reduction targets and our plans to get us there.

This year we expanded the programme, providing virtual and in-person training sessions. Additionally, we have incorporated sustainability into our onboarding programme for new starters at Phoenix, and we will expand this for all new employees in the new year. In 2026/27 we will build carbon literacy into mandatory annual training and onboarding across the Group.

### Third-party assurance

For the first time this year, in addition to having an external consultant calculate our emissions, we worked with a different third-party consultancy, Carbonology, to audit and verify our emissions data against ISO 14064-1. We opted for the highest level of assurance (reasonable) across all three scopes, and were delighted to gain assurance for our 2025/26 GHG emissions data at the end of April 2026.

Sustainability review continued

## How we work collaboratively towards our sustainability targets

Our sustainability work across our two businesses is led by Lisa Prickett, our Group Sustainability Manager. Lisa works with the senior leadership team, our Sustainability Steering Committee, the Board’s ESG Committee and the wider business to coordinate our approach and activities, ensure progress against our targets and report on performance.

Cutting emissions and protecting the planet more broadly is a collective goal, so we also work with others beyond BTG. This year we responded to consultations on the UK’s Sustainability Reporting Standards, the SBTi and research

around incorporating nature in reporting. Lisa is a member of the Institute of Sustainability and Environmental Professionals (ISEP, formerly the IEMA), the GDSA and the Sustainable Business Network, which supports and empowers Surrey businesses to adopt low-carbon behaviours and operations. Jennifer Clewley, ESG Lead at Phoenix, is a member of the GDSA and regularly collaborates with public sector bodies. For full details of how we oversee and manage environmental issues, see our TCFD disclosures on pages 58 to 67.

### 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
- Social 2
- Governance 1

EcoVadis silver medals

## Looking ahead

In the coming year we will focus on formalising and publishing our net zero transition plan, to stay on track to meet our targets. In addition to our own actions, we will be increasing our supplier engagement activities, particularly with our main vendors, who are responsible for most of our Scope 3 emissions, to understand their GHG emissions, reduction plans and progress. Most leading vendors take sustainability very seriously, with clear and well-publicised net zero plans, which gives us reassurance. And we will keep striving to reduce our own emissions and taking other positive steps, including through advocacy, working with external bodies, and increasing awareness among our employees and partners, to help to protect the planet.



Read more about our approach to sustainability on our website

### Promoting, enabling and inspiring sustainable practices

In 2025/26, we continued our electric vehicle (EV) scheme, which enables employees to buy cars through salary sacrifice. Since we first introduced the scheme in 2023/24, 112 people have used it to buy an EV, including 42 this year. All our main office locations have electric car charging points, and we also have a car sharing network and secure cycle parking. We encourage energy and waste efficiencies in our offices through infrared sensors, reduced printing, a request system for consumables, through off screens overnight and sensor taps that reduce water usage. We also set an example by producing some of our own power. At Phoenix, the 264 solar panels we installed in 2025/26 produced around 23% of our energy requirements, and 15% went back into the grid to support local renewable energy use.



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

