

**Telefónica Tech | 2026**

**Building a Greener Future**



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# Introduction

Climate change continues to present one of the most significant longterm challenges facing economies, societies and businesses worldwide. The scientific consensus is clear that limiting global temperature rise requires immediate, sustained and collective action to reduce greenhouse gas emissions across all sectors. Addressing climate change is therefore not only an environmental imperative, but also a fundamental requirement for longterm resilience, stability and shared prosperity.

As global expectations evolve, organisations are increasingly expected to take an active role in supporting the transition to a lowcarbon economy. Customers, partners, regulators and communities look to businesses to lead responsibly, integrate sustainability into decisionmaking and create positive impact through innovation and collaboration. Transparent action on climate change is now an essential part of building trust and delivering longterm value.

In the UK, the Government's legally binding commitment to achieve net zero greenhouse gas emissions by 2050 continues to shape policy, regulation and procurement requirements. In particular, Procurement Policy Note 006 (PPN 006) reinforces the expectation that organisations bidding for public sector contracts demonstrate both transparency and credible action in reducing carbon emissions through an evidenced Carbon Reduction Plan.



# Our Approach

Telefónica Tech is proud to be part of the wider Telefónica Group, a global organisation recognised for its leadership in sustainability and responsible business. In 2025, Telefónica was named the second most sustainable company in the world by TIME (TIME recognition), reflecting its continued commitment to environmental, social and governance excellence. Telefónica has also been recognised on the CDP Supplier Engagement 'A List' (CDP Supplier Commitment Assessment), highlighting strong leadership in climate action and responsible supplychain engagement.

The Telefónica Group Sustainability Report is prepared in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS) and is publicly available online (Group Sustainability Report). This ensures a consistent, transparent and robust approach to sustainability reporting aligned with evolving regulatory and stakeholder expectations.

Commitment to sustainability is driven from the highest levels of the organisation. As Marc Murtra, Chairman & CEO of Telefónica, S.A., states in his annual report letter:

“As we drive our company’s growth, we remain firmly committed to our social responsibilities and reaffirm our adherence to the principles of the UN Global Compact and the Sustainable Development Goals.”

This Group-wide commitment underpins Telefónica Tech’s approach to sustainability and provides a strong foundation for responsible growth and longterm value creation. In 2025 Telefónica Tech won the Belfast Telegraph’s Business Award for Outstanding Commitment to ESG.

\* For the purposes of this document, Telefónica Tech means Telefónica Tech UK & Ireland Limited and its subsidiaries



# Corporate Responsibility and Accountability

Creating positive social impact is central to how Telefónica Tech UK & Ireland operates. We are committed to supporting inclusion, opportunity and wellbeing through practical action that benefits our people, our communities and the wider economy in which we operate.

Across UK & Ireland, we work to address barriers to employment and skills development through community partnerships and outreach initiatives that support social mobility and digital inclusion. A key example is our partnership with Impact Training, which supports young people with care experience to develop digital skills and access education, employment and apprenticeship opportunities. Alongside this, we contribute to careers engagement, skills development and aspiration-raising activities, helping to strengthen future digital talent pipelines.

Internally, we focus on creating an inclusive and supportive workplace. Our approach includes inclusive recruitment practices, ongoing learning and development, pay transparency and active employee networks that support engagement and representation. We place strong emphasis on employee wellbeing, providing access to mental health support, wellbeing initiatives and practical policies that help colleagues feel safe, supported and able to thrive at work.

Through these activities, Telefónica Tech UK & Ireland aims to deliver meaningful social value, supporting resilient communities, inclusive growth and long-term positive impact.

You can find more information [here](#).

If you were interested in the Telefónica report it is here [Annual accounts report - Telefónica](#). The Sustainability Report can be found on pages 259 to 444.

# Our Carbon Reduction Targets

Telefónica Tech is committed to a 100% reduction in all scope 1, 2, and 3 emissions by 2050. We aim to have a 100% reduction in our scope 1 and 2 emissions by 2040. Our carbon reduction goals align with the IPCC’s carbon reduction roadmap.

2050

BUSINESS AMBITION FOR 1.5°C

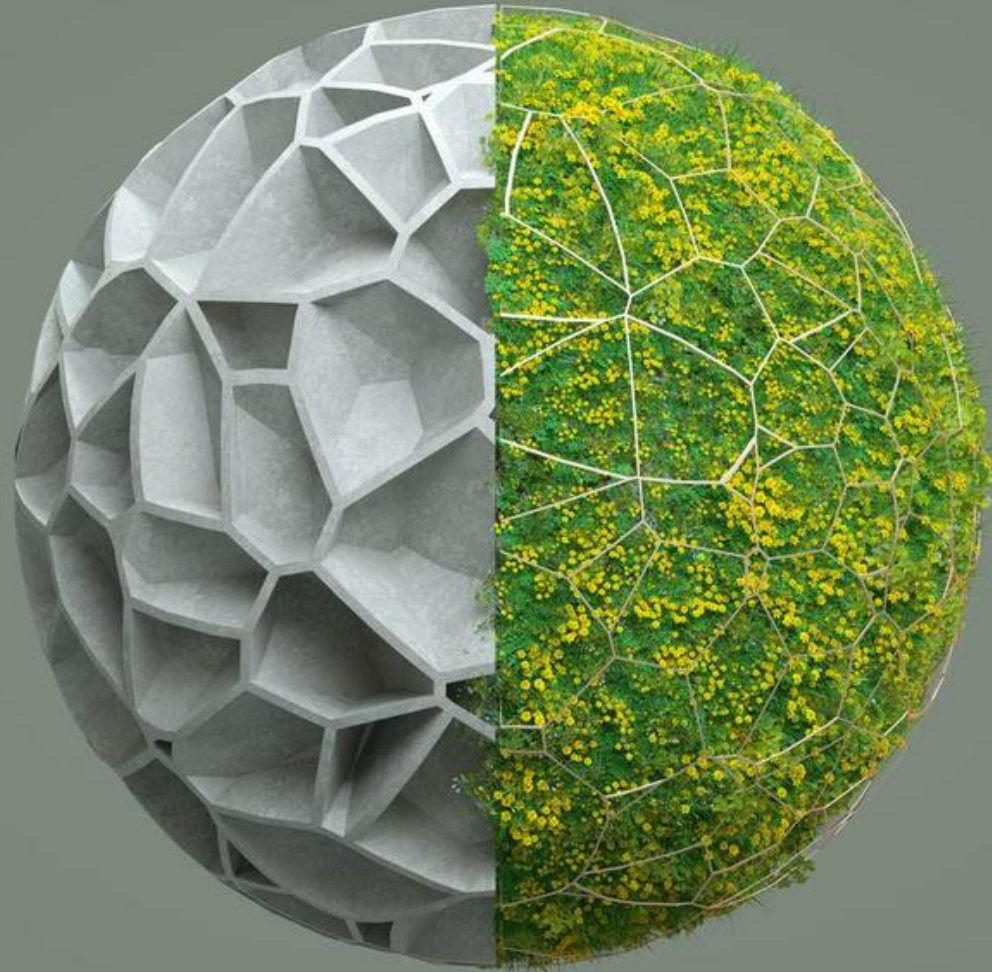
enistic

| GHG Scope | Emissions sources  |
|-----------|--|
| Scope 1   | Direct emissions resulting from sources that are owned and controlled by Telefónica Tech |
| Scope 2   | Indirect emissions from purchase of electricity and onsite EV charging                   |
| Scope 3   | Indirect emissions from other sources not included in Scope 1 and 2 categories           |

All our emissions reductions will be primarily achieved through ambitious carbon reduction projects and offsetting carbon emissions will only be considered in cases of unavoidable emissions. Telefónica Tech will work with its partners to establish a yearly emission reduction target and this KPI will be integrated into our reporting system to ensure annual targets are met.

## Emissions Categories

Currently, we measure all our scope 1 and scope 2 emissions following the GHG protocol, and we measure a subset of scope 3 emissions (PPN 006 requirement) following the Corporate Value Chain Scope 3 Standard.





# Telefónica Tech Carbon Reduction Plan

in accordance with requirements for PPN 006

# Commitment to Net Zero

In our commitment to becoming net zero, our carbon reduction goals align with the IPCC’s carbon reduction roadmap. This report sets out a Net Zero roadmap, detailing the strategies we have put in place to achieve this goal.

## Emissions Comparison

The table below shows our base year (Jan 2023 - Dec 2023) emissions, our previous year emissions (Jan 2024 - Dec 2024) and our current reporting year emissions (Jan 2025 - Dec 2025). Baseline emissions are a record of the GHGs that have been produced in the past – before introducing any strategies to reduce emissions – and are the reference point against which emission reductions can be measured. In 2024 we increased the scope to include overseas entities. Due to the overseas entities being small, we have decided to continue using 2023 as our base year. Our current reporting period is Jan 2025 to Dec 2025. Our emissions reporting has evolved as the business has grown and as data quality has improved. During this period, errors in how water and waste data were collected and reported have been corrected. While the figures show reductions, this primarily reflects improved understanding and reporting rather than material decreases in activity. Scope 2 emissions have reduced following the transition of our Head Office and several other sites to renewable electricity. Emissions associated with grey fleet show an increase due to improved data collection rather than increased mileage. Conversely, business travel has reduced following the introduction of a revised travel policy and a new travel booking system. Deliveries have increased in line with business growth.



| Emissions              | Previous year: 2024            | Base Year: 2023               | 2024 vs 2025 % Change | Reporting Year: 2025          |
|------------------------|--------------------------------|-------------------------------|-----------------------|-------------------------------|
| Scope 1                | 68.9                           | 51.9                          | -0.44%                | 68.6                          |
| Scope 2                | 582.2                          | 587.6                         | -13.84%               | 501.6                         |
| Scope 3                | 2,115.3                        | 1,124.9                       | -8.06%                | 1,944.8                       |
| <b>Total Emissions</b> | <b>2,766.5</b>                 | <b>1,764.4</b>                | <b>-8.74%</b>         | <b>2,524.7</b>                |
| <b>Intensity Ratio</b> | <b>11.82 kgCO2e per £1,000</b> | <b>7.84 kgCO2e per £1,000</b> | <b>-7.6%</b>          | <b>10.92 kgCO2e per £1000</b> |

### Calculation Assumptions:

- A sample of employees were surveyed for commuting and working from home. The answers were then extrapolated across the whole workforce.
- For sites where data was not available, sources were estimated based on employee headcount.
- For deliveries, weight and distances were assumed where data was not available.
- For business travel, cost-based assumptions were used where specific data was not available.

# Emissions Breakdown

| Scope 1                        | Previous Year: 2024 | Base Year: 2023 | 2024 vs 2025 % Change | Reporting Year: 2025 |
|--------------------------------|---------------------|-----------------|-----------------------|----------------------|
| Energy – Natural Gas           | 40.6                | 32.2            | 5.9%                  | 43.0                 |
| Company Vehicles               | 3.9                 | 0.6             | 494.87%               | 23.2                 |
| Other Fuels                    | 23.2                | 19.1            | -90.20%               | 3.9                  |
| <b>Total Emissions Scope 1</b> | <b>69.0</b>         | <b>51.9</b>     | <b>-0.44%</b>         | <b>68.6</b>          |

| Scope 2                        | Previous Year: 2024 | Base Year: 2023 | 2024 vs 2025 % Change | Reporting Year: 2025 |
|--------------------------------|---------------------|-----------------|-----------------------|----------------------|
| Electricity                    | 563.0               | 587.6           | -14.41%               | 498.3                |
| Electric Car                   | -                   | -               | -                     | 3.3                  |
| <b>Total Emissions Scope 2</b> | <b>501.6</b>        | <b>587.6</b>    | <b>-13.84%</b>        | <b>498.3</b>         |

| Scope 3                        | Previous Year: 2024 | Base Year: 2023 | 2024 vs 2025 % Change | Reporting Year: 2025 |
|--------------------------------|---------------------|-----------------|-----------------------|----------------------|
| Purchased water                | 19.8                | 33.8            | -95.96%               | 0.8                  |
| Grey Fleet                     | 5.1                 | 117.4           | 2829.41%              | 149.4                |
| Deliveries                     | 15.4                | 4.3             | 244.16%               | 53.0                 |
| Waste Generated in Operations  | 3.2                 | 96.6            | -37.50%               | 2.0                  |
| Commuting                      | 678.1               | 138.6           | -17.89%               | 556.8                |
| Home Working                   | 461.4               | 238.0           | -7.68%                | 426.0                |
| Business Travel                | 439.6               | 263.6           | -22.03%               | 342.6                |
| Well-to-Tank                   | 441.8               | 181.4           | -19.20%               | 357.0                |
| Transmission and Distribution  | 51.0                | 51.2            | -8.06%                | 57.2                 |
| <b>Total Emissions Scope 3</b> | <b>2,115.3</b>      | <b>1,124.9</b>  | <b>-32.4%</b>         | <b>1,944.8</b>       |



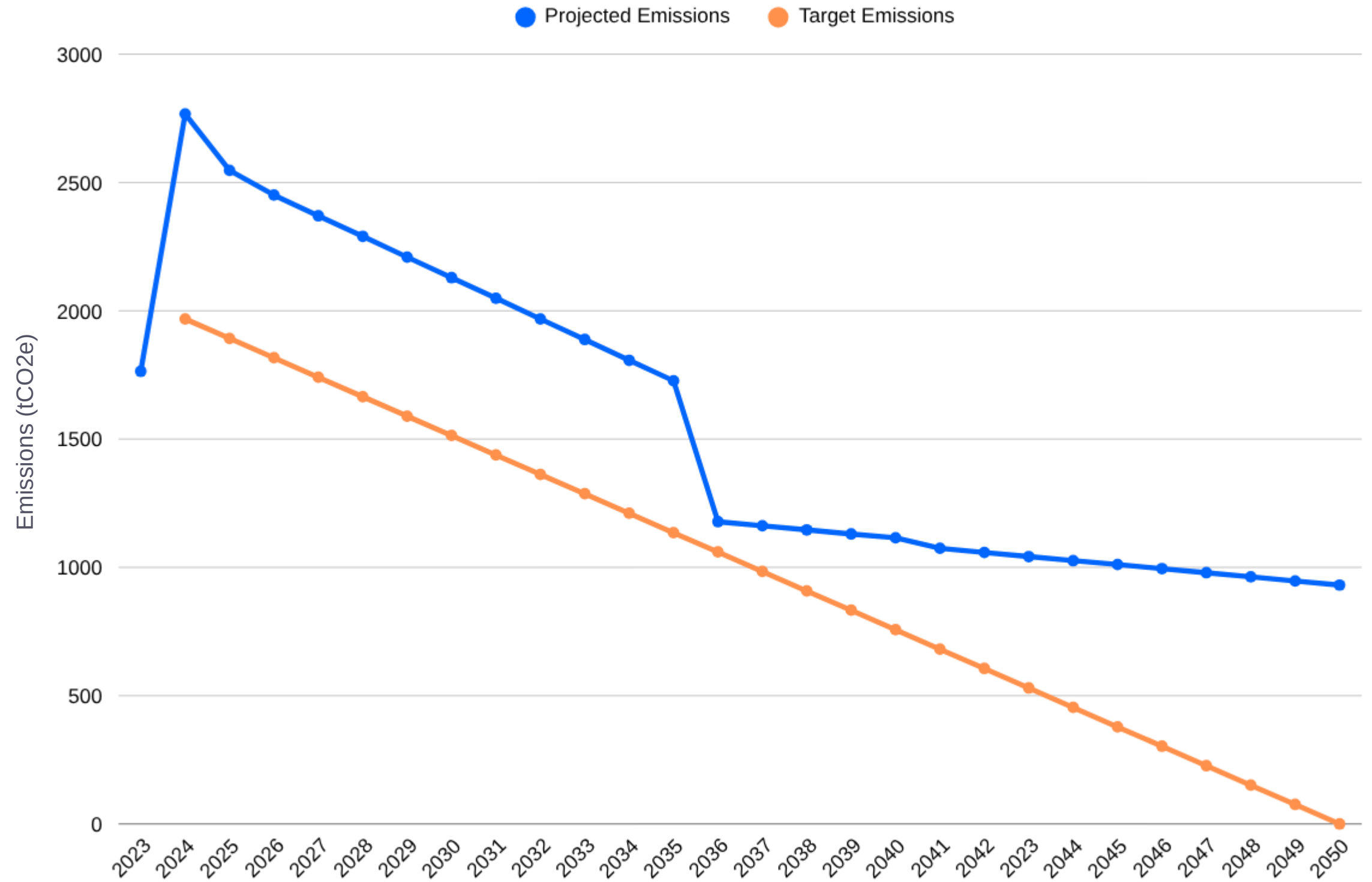
# Emission Reduction

To continue our progress towards Net Zero, we have set a scope 1 and 2 target of 2040, and a scope 3 target of 2050.

We project an absolute linear reduction in emissions from our 2023 baseline to Net Zero by 2050. These targets will be reviewed as new projects are introduced and as data quality improves. Prior to our baseline year we tracked scope 1 and 2 emissions and a small subset of scope 3.

The graph opposite shows our projected emissions against our target pathway. The blue line reflects historical and projected emissions including planned reduction measures; the orange line shows the linear target through to 2050. These projections assume business operations remain broadly in line with our baseline year.

Where residual emissions cannot be mitigated, we will consider high-quality offsetting as a last resort to achieve Net Zero.



| Year                 | 2023  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050 |
|----------------------|-------|-------|-------|-------|-------|-------|------|
| Historical Emissions | 1,764 | 2,547 | -     | -     | -     | -     | -    |
| Projected Emissions  | -     | -     | 1,822 | 1,727 | 1,115 | 1,011 | 931  |
| Target Emissions     | -     | 1,968 | 1,514 | 1,135 | 757   | 378   | 0    |

# Emission Reduction Targets

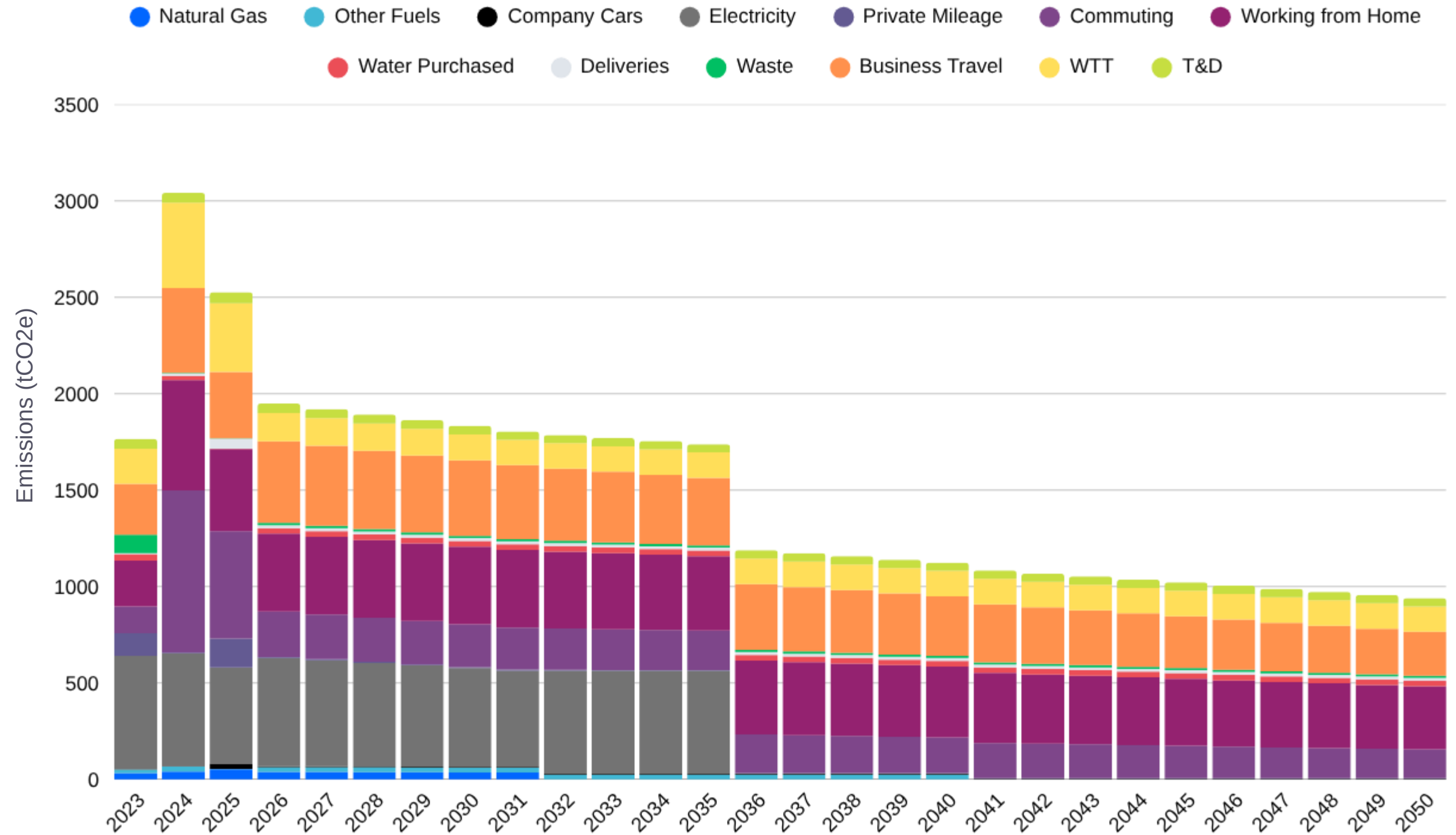
Our emission projections target the following areas:

- Natural Gas
- Electricity
- Commuting
- Business Travel
- Waste

Through employee engagement and building efficiency improvements, we are targeting a 15% reduction in energy demand. We aim to eradicate gas usage by 2030 and source all electricity from renewables by 2035. Our move to Green Gas across our Head Office and parts of Scotland is a step in that direction.

With the UK's planned phase-out of petrol and diesel cars, we expect a gradual reduction in commuting and business travel emissions. Our 2026 EV Salary Sacrifice roll-out, Cycle to Work scheme, and free EV charging at Huntingdon and Wisborough Green will support that shift.

We also expect waste emissions to fall as recycling infrastructure improves and as we expand circular initiatives — including soft plastics and coffee grind recycling, battery collection points, and our Tech Amnesty.



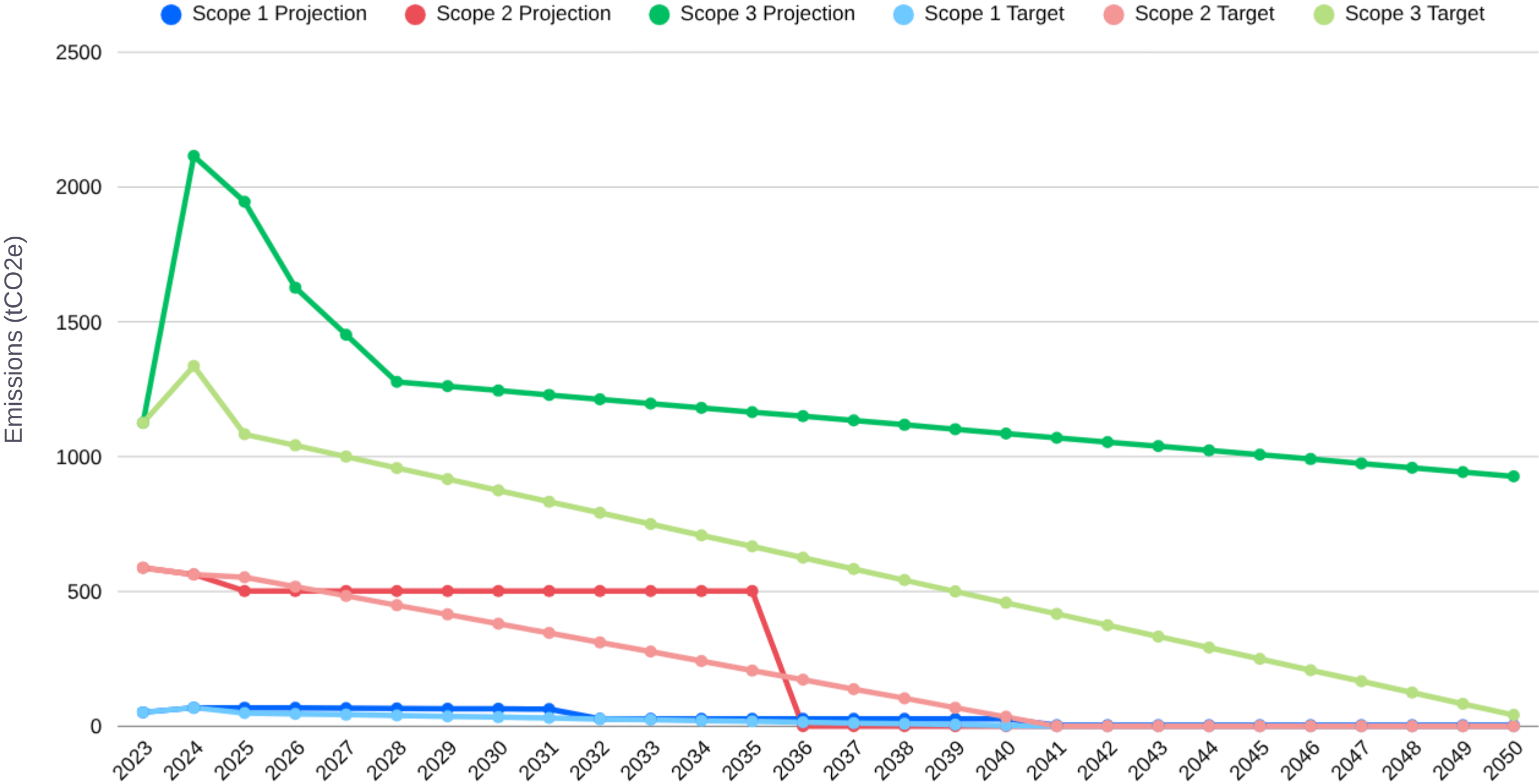
| Year                 | 2023  | 2025  | 2030  | 2035  | 2040  | 2045  | 2050 |
|----------------------|-------|-------|-------|-------|-------|-------|------|
| Historical Emissions | 1,764 | 2,547 |       |       |       |       |      |
| Projected Emissions  | -     | -     | 1,822 | 1,727 | 1,115 | 1,011 | 931  |
| Target Emissions     | -     | 1,968 | 1,514 | 1,135 | 757   | 378   | 0    |

# Scope Breakdown

The graph opposite shows our projected emissions by scope against our target pathways.

We are on track to substantially reduce scope 1 and 2 emissions by 2040, with only minimal residual scope 1 emissions projected by our Net Zero target year. The transition to renewable electricity across our Head Office and additional sites is a key contributor.

Scope 3 will be more challenging, as these categories sit largely outside our direct control and depend on supplier engagement, employee behaviour, and wider economic decarbonisation. We expect further opportunities to emerge as low-carbon technologies become more widely available, and will incorporate them as they become feasible.



| Year              | 2023  | 2024  | 2030  | 2035  | 2040  | 2045  | 2050 |
|-------------------|-------|-------|-------|-------|-------|-------|------|
| Scope 1 Projected | 52    | 69    | 65    | 28    | 28    | 4     | 4    |
| Scope 2 Projected | 588   | 563   | 512   | 534   | 0     | 0     | 0    |
| Scope 3 Projected | 1,125 | 2,115 | 1,245 | 1,165 | 1,086 | 1,007 | 927  |
| Scope 1 Target    | 52    | 69    | 34    | 18    | 3     | 0     | 0    |
| Scope 2 Target    | 588   | 563   | 380   | 207   | 35    | 0     | 0    |
| Scope 3 Target    | 1,125 | 1,336 | 875   | 667   | 458   | 250   | 42   |

# Completed Carbon Reduction Projects

## **ISO 14001 Expansion and Renewable energy expansion**

In 2025 we expanded our ISO 14001 accreditation to include our Data Centre, our Head Office, and two other auxiliary offices. This is in addition to our large office in Belfast. This year we moved our Head Office to Renewable Electricity and Green Gas. We also moved part of our Scottish offices to Green Gas and expanded our renewable energy in a further 2 offices.

## **Environment, Sustainability, and Governance Lead**

We have an ESG Manager who reports directly to the VP of Business Operations and is supported by a Governance Group, to oversee the collection of data and the Carbon Reduction Action Plans, a Sustainability Steering Committee made up of volunteers from all around the business to help ensure that we impact on the hearts and minds of our colleagues, and new in 2025 a Climate Impact Working Group, which oversees the Climate Risks on our Company Risk Register.

## **Education on Sustainability**

In 2024 we have created an internal SharePoint site for our impact on our planet. This site has access to all our partners sustainability information, and data on our parent company. It also has our Sustainability lunch and learns and contacts for our Sustainability Steering Committees. The steering committee continue to produce lunch and learns and blogs for the company around sustainability, including how we help our clients.

## **Electric Car Charges**

We've installed Free of Charge (FOC) electric charging points across our sites, with four at our Huntingdon office and two at our Wisborough Green office. By offering free charging, we're encouraging both employees and customers to choose a greener way to commute.

## **Change in Travel Policy**

We changed our Travel Policy which had a very big impact on our Carbon Footprint

## **Additional Activities**

When moving our offices in London, we worked with Business 2 Schools, giving selected items to local schools – which is good for the environment and good for our local communities. We planted 200 trees in Scotland as part of our ongoing relationship with the Greener Earth Project – over 1,900 trees planted with them.

We have a collection point in our key offices for our people to bring batteries and have expanded our recycling in London to include soft plastics and coffee grind.



## Our Social Impact

Telefónica Tech UK & Ireland is committed to delivering positive social impact through practical, inclusive initiatives that support our people, communities and wider society. Our approach focuses on increasing access to skills and employment, supporting wellbeing, and removing barriers to opportunity, particularly for those facing disadvantage.

A key element of our social impact is community engagement and outreach. A flagship example is our long-standing partnership with Impact Training, which supports young people aged 16–25 with care experience by providing access to digital skills, education and routes into employment. Through this partnership, Telefónica Tech UK & Ireland has invested in learning technology, hosted graduation events at our Belfast office, provided learning equipment to graduates and contributed employee time and expertise at trustee level. To date, over thirty young people have completed the programme, progressing into employment, apprenticeships, education or further support, with additional cohorts planned.

Beyond this programme, we support careers fairs, workplace insight experiences, CV writing and interview skills sessions, aspiration-raising workshops and STEM outreach through partnerships such as SmartSTEMs. These activities help strengthen inclusive digital talent pipelines and support social mobility within the communities where we operate.

Internally, we are committed to providing an inclusive, fair and supportive workplace. This includes inclusive recruitment practices, ongoing learning and development, pay transparency, and active Employee Resource Groups (ERGs) covering Diversity & Inclusion, Pride, Neurodiversity and African and Caribbean heritage, which provide forums for engagement, representation and cultural awareness across the business.

# Future Carbon Reduction Projects



## **Continue to Transition to Renewable Electricity**

We continue to move to renewable sources of energy, as renewable energy sources such as solar, wind, hydro, and geothermal power generate electricity without emitting greenhouse gases. Additionally, renewable energy sources are abundant and inexhaustible, providing a long-term and sustainable solution to our energy needs.

## **EV Salary Sacrifice**

Roll out of our EV Salary Sacrifice Scheme for our People, enabling and promoting a move to electric vehicles which will dovetail with our Cycle to Work scheme.

## **Eradicate Gas Consumption**

Currently, we use natural gas to heat some of our facilities. However, there are cleaner alternative sources of energy that could be used instead. In fact, the UK currently aims to phase out 80% of gas boilers by 2035.

## **Carbon Footprint Analysis**

Most importantly, we will use the findings from this report to conduct a carbon footprint analysis. In 2026 as we are rolling out our EV Salary Sacrifice, we hope this will have an impact on our Scope 3 Commuting, along with an internal push for our Cycle to Work scheme.

## **Tech Amnesty**


We will have a Tech Amnesty in our London office, where our people can empty their cupboards of old tech and we will work with our ITAD partners to wipe in and where possible donate the devices to charity.

# Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and associated guidance and reporting standard for Carbon Reduction Plans. Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with the Streamlined Energy and Carbon Reporting (SECR) requirements, and the subset of Scope 3 emissions have been reported in accordance with the published standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the Board of Directors for Telefónica Tech UK and Ireland Limited

**Signed** 

**Position** Chris Brookes, VP of Business Operations

**Date** 08 May 2026



**Telefónica Tech**