VodafoneThree Carbon Reduction Plan FY26

Introduction

VodafoneThree is the merged UK telecommunications business formed through the combination of Vodafone UK and Three UK. The merger brings together two national mobile networks, creating one of the UK's largest providers of connectivity services, supporting consumers, businesses and critical infrastructure.

As a provider of critical digital infrastructure, VodafoneThree plays a key role in enabling the UK's digital economy. Delivering this connectivity requires significant energy to build and operate networks at scale. At the same time, demand for data continues to grow rapidly, driven by technologies such as 5G, cloud computing, and artificial intelligence. This is increasing both the scale and complexity of the sector's environmental impact.

The information and communication technology (ICT) sector today accounts for a meaningful and growing share of global energy use and emissions. Electricity consumption across the sector has continued to rise in recent years, driven by the expansion of data centres and AI, with global ICT electricity demand now estimated at around 4% of total consumption.[1]

At the same time, advances in digital services are increasing expectations regarding network performance, capacity, and resilience, requiring continued investment in infrastructure. This creates a dual responsibility for telecommunications operators: to reduce emissions from their own operations while also enabling wider decarbonisation across the economy through connectivity and digital solutions. As one of the UK's largest providers of mobile connectivity, VodafoneThree recognises the scale of its impact and the importance of leading by example.

Reducing the carbon impact of our operations and value chain is therefore a core business priority. This Carbon Reduction Plan (CRP) sets out our current emissions profile, the progress made to date, and the measures we will implement to reduce emissions across our operations and value chain.

This plan represents the first unified Carbon Reduction Plan for VodafoneThree. It builds on the existing strategies and commitments of both legacy organisations while establishing a consistent approach for the combined business. FY26 (period covering 1 April 2025 to 31 March 2026) is a transition year, during which emissions data, reporting boundaries and methodologies have been consolidated and rebaselined across VodafoneThree.

Commitment to achieving Net Zero

VodafoneThree is committed to achieving net zero greenhouse gas (GHG) emissions across its operations and value chain, in line with Vodafone Group's science-based climate targets.

---

[1] Sustainability in ICT – Ericsson Mobility Report - Ericsson

As part of this commitment, VodafoneThree is committed to:

- **Achieve net zero Scope 1 and Scope 2 emissions by 2027**, covering our operational emissions
- **Achieve net zero across the full value chain (Scopes 1, 2 and 3) by 2040**

These targets reflect an accelerated pathway for operational decarbonisation and a longer-term commitment to tackling emissions across the wider value chain, where most of the telecommunications sector's environmental impact sits.

VodafoneThree's approach aligns with the Science Based Targets initiative (SBTi) Net Zero Standard and Vodafone Group's wider Climate Transition Plan, **prioritising absolute emissions reductions** across all scopes. This includes reducing energy demand, increasing the use of renewable electricity, transitioning away from fossil fuels, and working closely with suppliers and partners to reduce emissions across the value chain.

Where emissions cannot be fully eliminated through direct abatement, VodafoneThree will address residual emissions through high-quality carbon removals, in line with best practice and emerging standards.

This commitment builds on the progress already delivered by Vodafone UK and Three UK and establishes a clear, consistent pathway for the combined VodafoneThree business to decarbonise its operations while meeting the growing demand for digital connectivity in a responsible manner.

Organisational boundary and approach

To deliver against these commitments, VodafoneThree has followed a consistent organisational boundary and reporting approach for measuring and managing emissions.

This Carbon Reduction Plan covers VodafoneThree operations in the UK, including (where relevant):

- Network infrastructure (access and core), technology sites and offices
- Fleet and operational transport
- Backup generation and heating fuels
- Refrigerants and fire suppression gases
- Relevant Scope 3 categories required under PPN 06/21 (see Scope 3 section) including waste generated in our operations

Emissions are reported in accordance with established greenhouse gas accounting principles, consistent with the **GHG Protocol Corporate Standard**, including the definitions of Scope 1, Scope 2 and Scope 3 emissions.

Following the merger of Vodafone UK with Three UK on 31 May 2025, we have undertaken a rebaselining exercise across all prior periods to align methodologies, improve data consistency, and present a unified view of emissions across the combined VodafoneThree business. As a result, emissions figures reported in this plan are presented at a VodafoneThree level and may differ from those published in previous Vodafone UK Carbon Reduction Plans.

Emissions Summary and Performance

A. Baseline and Current Year Emissions (FY20 and FY26)

Baseline emissions provide the reference point against which progress is measured. For VodafoneThree, the baseline year is **FY20 (year ending 31 March 2020).**

In **FY20**, total emissions across Scope 1, Scope 2 (market-based), and Scope 3 were **891,505 tCO_2e**. In **FY26**, total emissions were **697,934 tCO_2e**. This reflects the first full year of reporting for VodafoneThree as a combined business following the merger of Vodafone UK with Three UK.

The most notable change between the baseline and current year is the significant reduction in Scope 2 emissions, driven by the transition to renewable electricity. Scope 2 emissions decreased from 106,173 tCO2e in FY20 to 0.72 tCO2e in FY26 on a market-based basis.

Scope 1 emissions increased from 11,409 tCO_2e in FY20 to 14,246 tCO_2e in FY26, reflecting changes in reporting boundaries and the integration of the Three UK estate.

Scope 3 emissions reduced overall, from 773,923 tCO_2e in FY20 to 683,687 tCO_2e in FY26. Within this, emissions reported under the UK Government's CRP requirements decreased from 27,927 tCO_2e to 10,652 tCO_2e.

As FY26 is a transition year, these figures reflect a combined VodafoneThree boundary for the first time. Differences between years should therefore be interpreted in the context of ongoing data consolidation, rebaselining and methodology alignment across the merged business.

Emissions	FY20 – Baseline Year Total (tonnes CO_2e)	FY26 – Current Year Total (tonnes CO_2e)
Scope 1	**11,409**	**14,246**
Scope 2 (market-based)	**106,173**	**0.72**
Scope 3 (Included Sources) ^	**27,927**	**10,652**
Scope 3 (All Sources)	**773,923**	**683,687**

Total Emissions	**117,582** (Scope 1 and 2 emissions only) **145,508** (Scope 1,2, &3 from included sources only) **891,505** (Total Scope 1,2, &3 Emissions)	**14,247** (Scope 1 and 2 emissions only) **24,899** (Scope 1,2, &3 from included sources only) **697,934** (Total Scope 1,2, &3 Emissions)

^ This figure is the sum of the following Scope 3 emission sources:

- Transportation and distribution of products from Tier 1 suppliers to VodafoneThree
- Waste generated in our operations
- Business travel
- Employee commuting
- Transportation and distribution of products sold by VodafoneThree to our customers

For further information please see Vodafone Group's ESG Addendum Methodology 2026(investors.vodafone.com/esgmethodology)

B. Emissions Reduction Performance to Date

VodafoneThree has made strong progress in reducing operational emissions and remains on track to achieve net zero Scope 1 and Scope 2 emissions by FY27.

Since FY20, market-based Scope 1 and Scope 2 emissions have **reduced by 88%**, from **117,582 tCO_2e** to **14,247 tCO_2e**. This reduction has been driven primarily by the decarbonisation of purchased electricity, with Scope 2 emissions reducing to near zero through renewable electricity matching.

VodafoneThree reports Scope 2 emissions on both a market-based and location-based basis. While market-based reporting reflects the impact of renewable electricity procurement, including renewable energy certificates and other contractual instruments, location-based reporting reflects the average emissions intensity of the electricity grid where consumption occurs. Both measures provide important insight into VodafoneThree's progress towards operational net zero. VodafoneThree will continue to evolve this approach over time as electricity markets, reporting frameworks and best practice develop.

Further reductions have been supported by:

- transition of the company car fleet to **electric and hybrid vehicles**
- reduction of high-impact refrigerant emissions through targeted replacement programmes

- ongoing **energy efficiency improvements** across the network and estate

Scope 1 emissions now represent the majority of the remaining operational emissions and are primarily linked to fleet, backup generation and refrigerants.

Scope 3 emissions have reduced more gradually, reflecting the complexity of value chain emissions. The majority of VodafoneThree's emissions footprint continues to sit in the supply chain, infrastructure and product lifecycle.

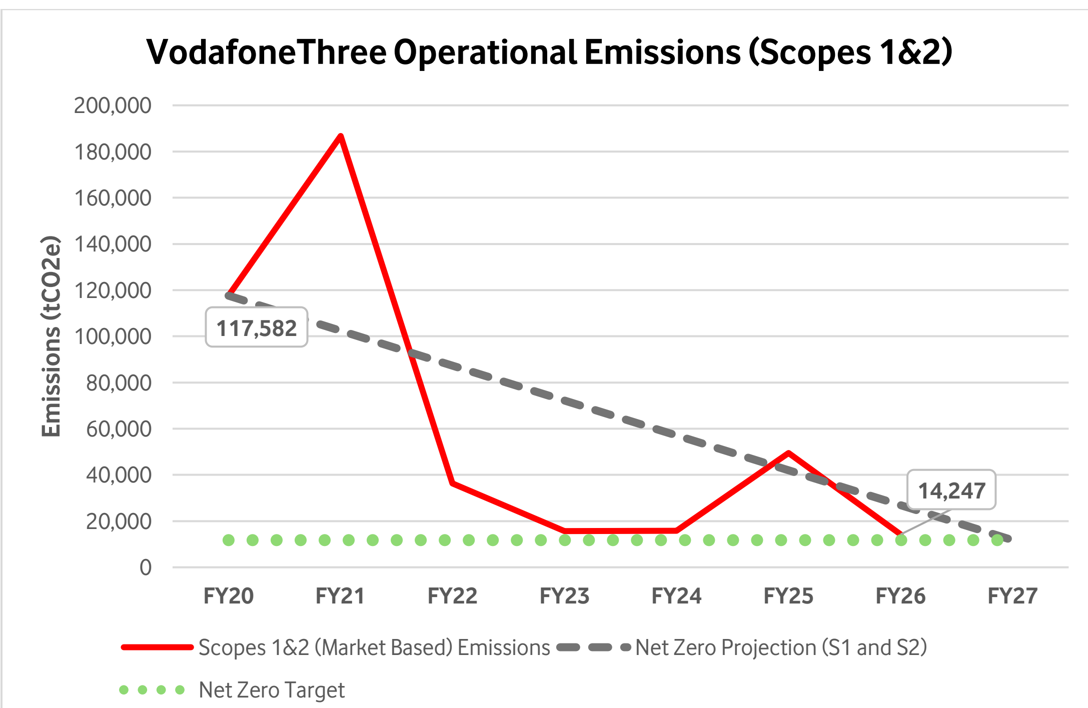
C. Emissions Reduction Trajectory and Outlook

VodafoneThree's operational emissions trajectory demonstrates a clear and sustained reduction from the FY20 baseline through to FY26, with further reductions expected as the business progresses towards its FY27 target of reducing **at least 90% of Scope 1 and 2 emissions** compared to FY20.

As illustrated, VodafoneThree is now approaching the final stage of its operational decarbonisation pathway. The remaining emissions are expected to reduce further towards FY27, although these reductions are smaller in absolute terms and more complex to deliver.

Residual emissions are concentrated in a limited number of sources, primarily:

- backup generation and heating fuels
- refrigerants and fire suppression systems
- commercial vehicle operations



VodafoneThree will continue to prioritise direct emissions reductions across these areas, including further electrification, continued efficiency improvements and the reduction of high-impact emission sources. The remaining emissions are concentrated in a small number of technically challenging sources which will be addressed through the measures outlined in this plan.

Overall, VodafoneThree remains on track to achieve net zero Scope 1 and Scope 2 emissions by FY27, subject to normal operating conditions and no material exceptional events**.**

Delivery and Implementation

VodafoneThree's operational decarbonisation programme is focused on reducing emissions at source across energy use, fleet, heating and refrigerants.

1. Energy Efficiency and Demand Reduction

Reducing energy demand remains a core priority, particularly across network operations. During FY26, a range of initiatives were implemented to improve energy efficiency across data centres, network infrastructure and the wider estate.

Key actions included:

- removal of legacy and energy-intensive equipment across data centres and network sites
- delivery of energy performance measures to improve efficiency
- estate rationalisation to reduce overall energy demand
- upgrades to lighting, building management systems and optimisation of radio base stations

These initiatives have contributed to improved energy performance across the estate and will continue into FY27. This includes further investment in metering, smart site initiatives and enhanced data visibility to support more targeted energy optimisation. Additional work has also been undertaken to improve the accuracy of energy reporting, including the removal of decommissioned sites from billing and consumption datasets.

2. Fleet and Transport

Fleet transition remains an important part of our operational decarbonisation strategy. Significant progress has been made in transitioning the company car fleet, with VodafoneThree **on track to achieve 100% electric or hybrid alternatives**, effectively removing internal combustion engine vehicles from this part of the fleet.

To support this transition, **EV charging infrastructure has been deployed across the estate** during FY26. The focus now shifts to the commercial vehicle fleet, where further electrification is planned. During FY27, VodafoneThree aims to:

- transition a defined proportion of commercial vehicles to electric alternatives
- expand EV charging infrastructure to support this rollout

3. Heating Fuels and Backup Power

Reducing reliance on fossil fuels for heating and backup generation is an ongoing focus. During FY26:

- fossil fuel heating and hot water systems at **two sites** were replaced with heat pumps and electric point-of-use systems
- a further **two sites** are planned for conversion in FY27

Given the critical role of backup power in maintaining network resilience, decarbonisation in this area is being progressed alongside strict operational requirements, with a focus on reducing emissions where practical without compromising reliability.

4. Fluorinated Gases

Refrigerants and fire suppression gases remain a key source of residual emissions due to their high Global Warming Potential (GWP).

During FY26, we made significant progress in reducing this risk:

- network FM200 holdings were reduced by **75% compared to the FY22 baseline**[2] for this emissions source, which means if any release occurs, it will have a lower environmental impact

A programme is in place to continue this work into FY27, with the objective of reducing FM200-related emissions by **90% against the FY22 baseline**.

This remains a priority, as even infrequent release events can have a disproportionate impact on total emissions.

5. On-site Renewable Energy

In addition to grid-supplied renewable electricity, we are deploying on-site generation:

- rooftop solar was installed across **three sites** in FY26
- a further **three installations** are planned for FY27

While relatively small in terms of overall energy generation, these projects support the long-term resilience and diversification of our energy supply.

6. Scope 3 and Supply Chain

Scope 3 emissions represent the majority of VodafoneThree's footprint and are primarily driven by procurement, network infrastructure and the use of products and services.

The most material categories include purchased goods and services, capital goods, upstream leased assets, fuel- and energy-related activities and the use of sold products. Reducing emissions in these areas depends on supplier engagement, procurement decisions and improvements in product and network efficiency.

---

[2] FY22 is used as the baseline for FM200 reduction because it was the first year for which a complete inventory of network FM200 holdings was established and tracked through the replacement programme.

Following Vodafone Group's agreement to take full ownership of VodafoneThree, and subject to completion of the transaction, VodafoneThree expects to benefit from closer alignment with Vodafone Group procurement and Vodafone Procurement Company (VPC). This should support stronger coordination on strategic suppliers, carbon data requirements and supply chain standards.

VodafoneThree's approach to Scope 3 focuses on the areas where emissions are most material and where the business has the greatest influence:

- **Strategic suppliers and network rollout:** prioritising engagement with suppliers linked to network equipment, infrastructure build and other high-emissions procurement categories, aligned with Vodafone Group activity to maximise scale.
- **Supplier requirements and data:** requiring key suppliers to disclose emissions data and demonstrate carbon reduction activity, with a focus on improving data quality over time, including product-level emissions information from priority suppliers.
- **Procurement integration:** embedding sustainability criteria into sourcing and onboarding processes, supported by tools such as EcoVadis. ESG coverage across the legacy Three UK supplier base reached **98%**, exceeding the initial target.
- **Industry collaboration:** engaging through initiatives such as the Joint Alliance for CSR (JAC), which brings together telecom operators to improve environmental standards, supplier transparency and carbon reduction across the value chain.
- **Product lifecycle and customer impact:** supporting lower-carbon outcomes through product design, device lifecycle initiatives and improved transparency on product-related emissions, including carbon calculator tools for enterprise customers to better understand emissions associated with network use and devices.

VodafoneThree will continue to prioritise the most material Scope 3 categories through supplier engagement, improved data transparency and closer alignment with Vodafone Group procurement activity.

Future Carbon Reduction Initiatives

VodafoneThree's next phase of decarbonisation will focus on the areas that drive the majority of emissions, with targeted action across both our operations and supply chain.

Operational emissions (Scope 1 and Scope 2)

Planned initiatives include:

- **Renewable electricity strategy integration**: establishing a unified approach to renewable electricity procurement across VodafoneThree, including the balance between Power Purchase Agreements (PPAs) and renewable energy certificates.
- **Continued network efficiency and modernisation**: reducing energy demand through removal of legacy equipment, optimisation of network performance and ongoing infrastructure upgrades.

- **Fleet electrification at scale**: transitioning commercial vehicles to electric alternatives and expanding EV charging infrastructure to support this rollout.
- **Reduction of fossil fuel use**: continuing to replace fossil-based heating systems with electric alternatives and progressing lower-carbon options for backup generation.
- **Refrigerants and residual emissions**: continuing replacement of high global warming potential refrigerants and reducing exposure to fugitive emissions across the estate.
- **Energy system flexibility and innovation:** piloting large-scale battery storage in the UK to support grid flexibility, enabling better alignment between electricity demand and renewable supply.

Value chain emissions (Scope 3)

- **Supplier engagement and requirements**: strengthening expectations on emissions disclosure, target setting and carbon reduction performance for key suppliers.
- **Procurement integration**: embedding sustainability criteria into sourcing decisions and supplier selection processes.
- **Data and emissions visibility**: improving the quality and coverage of supplier emissions data to support targeted reduction actions.
- **Industry collaboration**: continuing engagement through initiatives such as JAC and the Digital Connectivity Forum to drive improved standards and emissions reduction across the telecoms supply chain.

Emissions Summary Table

Below is a summary of our operational (Scope 1&2) and supply chain emissions (Scope 3) from our baseline year (FY20) until the current year (FY26) for VodafoneThree. ^

Financial Year	Scope 1 Emissions	Scope 2 (Market-Based) Emissions	Scope 2* (Location-Based) Emissions	Scopes 1&2 (Market-Based) Emissions	Scope 3 Emissions (Total)	Total Emissions (Scopes 1,2, &3) Market-Based
FY20	11,409	106,173	209,626	117,582	773,923	891,505
FY21	21,212	165,529	200,791	186,741	723,095	909,836
FY22	15,900	20,351	213,145	36,250	716,493	752,743
FY23	9,013	6,683	205,464	15,696	628,118	643,814
FY24	8,896	6,974	212,205	15,870	654,687	670,557
FY25	7,419	42,015	209,457	49,433	723,795	773,228
FY26	**14,246**	**0.72**	**198,259**	**14,247**	**683,687**	**697,934**
%Change Compared to Baseline Year	**+24.9%****	**-99.99%**	**-5.4%**	**-87.9%**	**-11.7%**	**-21.7%**

^The baseline year was selected for Vodafone UK as FY20 at the time, all the emissions data has been rebaselined to reflect VodafoneThree activity for the period between FY20 and FY26.

** For transparency, Scope 1 and Scope 2 emissions are also shown on a location-based basis. In FY26, VodafoneThree's Scope 1 and Scope 2 location-based emissions were approximately **212,505 tCO2e**, reflecting Scope 1 emissions plus the grid-average emissions associated with purchased electricity.*

***Scope 1 emissions increased in FY26, primarily reflecting residual operational emissions including refrigerants and fire suppression gases. VodafoneThree has a programme in place to reduce exposure to high global warming potential gases, including further reduction of FM200 holdings.*

Declaration and Sign Off

Commitments and data overview

This Carbon Reduction Plan has been completed in accordance with **PPN 06/21** 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 Published reporting standard for Carbon Reduction Plans and the **GHG Reporting Protocol Corporate Standard**[3] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[4].

Scope 1 and Scope 2 emissions have been reported in accordance with **SECR requirements**, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the **Corporate Value Chain (Scope 3) Standard**[5].

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

Signed on behalf of VodafoneThree:

NLyons

Nicki Lyons, Chief Corporate Affairs & Sustainability Officer

Date: 14th July 2026

[3] https://ghgprotocol.org/corporate-standardhttps://ghgprotocol.org/corporate-standard
[4] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[5] https://ghgprotocol.org/standards/scope-3-standard