VodafoneThree Carbon Reduction Plan FY26

Supplier name: VodafoneThree

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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 emissions across its UK operations and value chain by 2040.

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

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

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, **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.

Baseline emissions footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. For VodafoneThree, the baseline year is **FY20 (year ending 31 March 2020).**

Additional details relating to the baseline emissions calculations: FY20 was selected as the baseline year to maintain continuity with the existing operational emissions reduction pathway. Following the merger of Vodafone UK and Three UK, historical emissions were recalculated using a combined VodafoneThree reporting boundary and aligned methodologies. This provides a consistent basis for comparing FY20 baseline emissions with FY26 performance.

In FY20, total emissions across Scope 1, Scope 2 (market-based), and Scope 3 were 891,505 tCO_2e. FY20 emissions from included sources stated in PPN 006 are 145,509 tCO_2e across Scopes 1,2, and 3.

Emissions	**Total** (tonnes CO_2e)	
Scope 1	11,409	
Scope 2 (market-based)	106,173	
Scope 3	1. Purchased goods and services	234,880

(Included sources*)	2. Capital goods	334,021
	3. Fuel- and energy-related activities	65,403
	4. Upstream transportation and distribution	**1,879**
	5. Waste generated in operations	**67**
	6. Business travel	**17,223**
	7. Employee commuting	**8,758**
	8. Upstream leased assets	33,442
	9. Downstream transportation and distribution	**0**
	10. Processing of sold products	0
	11. Use of sold products	56,022
	12. End-of-life treatment of sold products	28
	13. Downstream leased assets	22,188
	14. Franchises	0
	15. Investments	12
	Total Scope 3 emissions	**773,923**
	Total Scope 3 (included sources only)	**27,927**
Total Emissions (included sources only)	145,509	
Total Emissions (all sources)	891,505	

*Scope 3 included sources for PPN 006 reporting are:

- transportation and distribution from Tier 1 suppliers to VodafoneThree
- waste generated in operations

- business travel
- employee commuting
- transportation and distribution of products sold to customers

Current emissions reporting

FY26 (year ending 31 March 2026) reflects the first full year of reporting for VodafoneThree as a combined business following the merger of Vodafone UK with Three UK.

In FY26, total emissions across Scope 1, Scope 2 (market-based), and Scope 3 were 697,934 tCO_2e. FY26 emissions from included sources stated in PPN 006 are 24,898 tCO_2e across Scopes 1,2, and 3.

Emissions	**Total** (tonnes CO_2e)	
Scope 1	14,246	
Scope 2 (market-based)	0.72	
Scope 3	1. Purchased goods and services	325,559
(Included sources)	2. Capital goods	98,482
	3. Fuel- and energy-related activities	67,786
	4. Upstream transportation and distribution	**2,646**
	5. Waste generated in operations	**24**
	6. Business travel	**2,953**
	7. Employee commuting	**5,029**
	8. Upstream leased assets	80,815
	9. Downstream transportation and distribution	**0**
	10. Processing of sold products	0

	11. Use of sold products	69,565
	12. End-of-life treatment of sold products	6
	13. Downstream leased assets	25,938
	14. Franchises	4,863
	15. Investments	20
	Total Scope 3 emissions	**683,687**
	Total Scope 3 (included sources only)	**10,652**
Total Emissions (included sources only)	24,898	
Total Emissions (all sources)	697,934	

Emissions reduction targets

In order to continue our progress to achieving net zero, VodafoneThree has adopted the following carbon reduction targets:

- achieve **net zero Scope 1 and Scope 2 emissions by FY27**; defined as at least a **90% reduction in Scope 1 and Scope 2 emissions by FY27**, compared with the FY20 baseline;
- achieve **net zero emissions across the full value chain by 2040**, covering Scope 1, Scope 2 and Scope 3 emissions.

VodafoneThree has made significant progress against these targets. Since FY20, market-based Scope 1 and Scope 2 emissions have reduced by **88%, from 117,582 tCO_2e to 14,247 tCO_2e in FY26**.

This reduction has been driven primarily by the use of renewable electricity, which has reduced market-based Scope 2 emissions to near zero. Further reductions have been supported by the transition of the company car fleet to electric and hybrid vehicles, reductions in emissions from refrigerants, and continued energy efficiency improvements across the network and estate.

Five-year emissions projection

Over the next five years, VodafoneThree expects emissions to continue to reduce as further carbon reduction measures are implemented. By FY31, operational emissions (Scope 1 and 2) are projected to reach 7,959 tCO_2e, representing a **93% reduction** compared with the FY20 baseline.

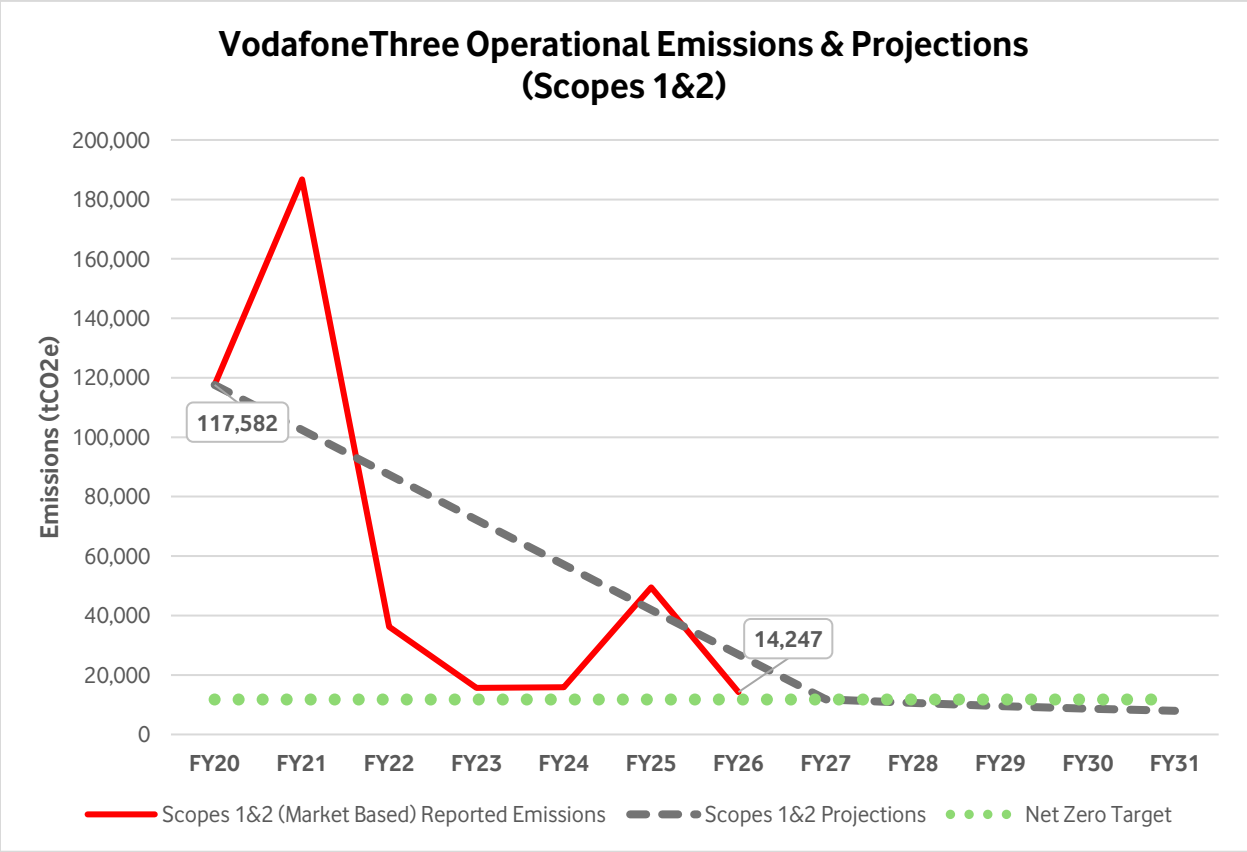


Figure 1: VodafoneThree emissions reduction trajectory from the FY20 baseline, showing progress to FY26 and projected emissions reductions.

The majority of remaining Scope 1 emissions come from backup generation and heating fuels, refrigerants and fire suppression systems, and commercial vehicles. Further reductions will focus on these areas through electrification, energy efficiency and replacing high-emission gases.

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.

Scope 3 emissions will continue to be addressed through supplier engagement and procurement measures, as set out in the carbon reduction initiatives section of this Plan.

Where emissions cannot be eliminated, VodafoneThree intends to use high-quality carbon removals to address residual emissions. VodafoneThree remains on track to meet its FY27 operational emissions reduction target and continues to work towards its 2040 net zero target.

Carbon reduction projects

Completed carbon reduction initiatives

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

The environmental management measures and carbon reduction initiatives described below have been implemented since the FY20 baseline year and, where relevant to the services being provided, will be in effect and utilised during the performance of contracts covered by this Carbon Reduction Plan.

VodafoneThree's combined market-based Scope 1 and Scope 2 emissions reduction achieved by these initiatives equates to **103,335 tCO_2e, an 88% reduction** against the FY20 baseline. This reflects the combined effect of renewable electricity procurement and the operational measures described below.

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 transition 100% of eligible company cars to electric or hybrid vehicles** 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.

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

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

- network FM200 holdings were reduced by 75% against the FY22 baseline, reducing the potential emissions associated with an accidental release.

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**.

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.

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.

During FY26, activity has focused on identifying high-impact suppliers and strengthening expectations on emissions performance and reporting. The next phase is to translate this into measurable reductions across priority categories, particularly procurement and network deployment.

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**: 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.

Declaration and Sign Off

Commitments and data overview

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 SECR requirements (where required), 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.

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

Signed on behalf of the supplier:



Nicki Lyons
Chief Corporate Affairs & Sustainability Officer
VodafoneThree

Date: November 2026