

# PPN 06/21 - Carbon Reduction Plan

Supplier Name: **Babcock International Group PLC**

Publication Date: **30<sup>th</sup> September 2021**

This Carbon Reduction Plan captures the operations of Babcock International Group PLC and all its subsidiaries.

## Commitment to achieving Net Zero

Babcock is fully committed to playing our part in addressing the global climate crisis. ‘PlanZero40’ is our Group-wide Carbon Strategy, which is driving extensive decarbonisation programmes across our estate, assets and operations. PlanZero40 commits us to ambitious Science-Based Targets in line with a 1.5°C limit to global warming and to delivering Net Zero within our own operations (Scope 1 and 2 emission) by 2040. We are committed to leading the transition to Net Zero and driving Carbon Reduction through our value chain. We are committed to achieving Net Zero within our value chain (Scope 3 emissions) by 2050. We are investigating opportunities to accelerate our Scope 3 Carbon Reduction journey and aim to set targets that are more ambitious. All entities within Babcock International Group are committed to achieving the above targets.

Babcock is actively working to support our customers decarbonise their estate, assets and operations to achieve their Net Zero ambitions. We are committed to leading the low carbon transition and are working to drive innovation and collaboration through the value chain to develop and deliver low carbon solutions.



Figure 1 – Babcock International Group PLC’s Journey to Net Zero

## **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. Baseline emissions are the reference point against which emissions reduction can be measured. Our Carbon Baseline includes our greenhouse gas (GHG) emissions from the seven GHG's named by the Kyoto Protocol:

- Carbon Dioxide (CO<sub>2</sub>)
- Hydrofluorocarbons (HFCs)
- Methane (CH<sub>4</sub>)
- Nitrous Oxide (N<sub>2</sub>O)
- Nitrogen Trifluoride (NF<sub>3</sub>)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF<sub>6</sub>)

Our emissions are calculated in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) using the appropriate conversion factors published by BEIS. Non-UK operations utilise emission factors applicable to the fuel source and location. Our emissions data is reported in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, and Corporate Value Chain (Scope 3) Standard under the 'Operational Control' approach.

### **Group Emissions – Baseline Reporting Year (2020)**

#### **Scope 1, 2 & 3 Baseline Year: 2020**

#### **Additional Details relating to the Baseline Emissions calculations:**

##### **Scope 1 & 2 Emissions**

Following comprehensive investigations into our energy consumption and carbon emissions during 2020, we have decided to reset our Scope 1 and Scope 2 emission baseline from FY17 to FY20 (01/04/19 – 31/03/20). Our reset baseline supports our commitment to setting and achieving Science-Based Targets in line with requirements of the Science Based Targets initiative.

##### **Scope 3 emissions**

We have recently conducted assessments into our Scope 3 footprint with support from the Carbon Trust and we are continuing to develop the maturity of our Scope 3 footprint. Our Scope 3 baseline includes the following categories:

- Category 1 - Purchased goods and services
- Category 2 - Capital goods
- Category 3 - Fuel- and energy-related activities
- Category 4 - Upstream transportation and distribution
- Category 5 - Waste generated in operations
- Category 6 - Business travel
- Category 7 - Employee commuting
- Category 8 - Upstream leased assets
- Category 9 - Downstream transportation and distribution

Baseline year emissions: 2020	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	166,774.1
Scope 2	66,166.3
Scope 3 (Included Sources)	<b>675,731.2</b> The following categories are included in our Scope 3 emission figures: Category 1 - Purchased goods and services Category 2 - Capital goods Category 3 - Fuel- and energy-related activities Category 4 - Upstream transportation and distribution Category 5 - Waste generated in operations Category 6 - Business travel Category 7 - Employee commuting Category 8 - Upstream leased assets Category 9 - Downstream transportation and distribution
<b>Total Emissions</b>	<b>908,671.6</b>

#### Entity Emissions – Baseline Reporting Year (2020)

The following is a detailed breakdown of the 2020 Baseline Emissions of ‘in scope’ entities within Babcock International Group PLC.

Babcock Entity	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Scope 3 (tCO <sub>2</sub> e)	Total Emissions (tCO <sub>2</sub> e)
Cavendish Nuclear Limited	7,809.9	2,980.0	31,300.0	42,089.9
Devonport Royal Dockyard Limited	30,108.6	11,488.5	120,667.7	162,264.8
Babcock Marine (Clyde) Limited	6,777.2	2,586.0	27,161.2	36,524.4
Babcock Aerospace Ltd	4,389.4	1,674.9	17,591.6	23,655.8
Babcock Support Services Ltd	1,841.6	702.7	7,380.8	9,925.1
Babcock Rail Limited	4,429.4	1,690.1	17,752.0	23,871.5
Babcock Critical Services Limited	2,642.4	1,008.2	10,590.0	14,240.6
Babcock Training Limited	2,461.0	939.0	9,863.1	13,263.1
Babcock Vehicle Engineering Limited	1,164.8	444.5	4,668.4	6,277.7
Babcock Land Limited	1,982.8	756.6	7,946.6	10,686.0
Babcock Land Defence Limited	12,963.3	4,946.4	51,953.6	69,863.2
Babcock Marine Training Limited	2,025.5	772.9	8,117.6	10,916.0



Babcock Entity	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Scope 3 (tCO <sub>2</sub> e)	Total Emissions (tCO <sub>2</sub> e)
BFS Babcock Fire Service Limited	149.2	56.9	597.8	803.9
Flagship Fire Fighting Training	295.8	112.9	1,185.4	1,594.1
Babcock Integrated Technology Ltd	8,093.9	3,088.4	32,438.3	43,620.6
Babcock Communications Ltd	809.9	309.0	3,245.8	4,364.7
Rosyth Royal Dockyard Ltd	3,702.9	1,412.9	14,840.1	19,955.9

## Current Emissions Reporting

### Group Emissions - Current Emissions Reporting Year (2021)

Reporting Year: 2021	
EMISSIONS	TOTAL (tCO <sub>2</sub> e)
Scope 1	<b>158,053.7</b>
Scope 2	<b>55,326.7</b>
Scope 3 (Included Sources)	<b>613,464.2</b> The following categories are included in our Scope 3 emission figures: Category 1 - Purchased goods and services Category 2 - Capital goods Category 3 - Fuel- and energy-related activities Category 4 - Upstream transportation and distribution Category 5 - Waste generated in operations Category 6 - Business travel Category 7 - Employee commuting Category 8 - Upstream leased assets Category 9 - Downstream transportation and distribution
<b>Total Emissions</b>	<b>826,844.6</b>

**Entity Emissions - Current Emissions Reporting Year (2021)**

The following is a detailed breakdown of the Current Reporting Year Emissions of 'in scope' entities within Babcock International Group PLC:

Babcock Entity	Scope 1 (tCO <sub>2</sub> e)	Scope 2 (tCO <sub>2</sub> e)	Scope 3 (tCO <sub>2</sub> e)	Total Emissions (tCO <sub>2</sub> e)
Cavendish Nuclear Limited	7,323.0	2,563.4	28,423.2	38,309.6
Devonport Royal Dockyard Limited	30,767.7	10,770.2	119,420.7	160,958.6
Babcock Marine (Clyde) Limited	7,493.5	2,623.1	29,085.0	39,201.5
Babcock Aerospace Ltd	3,928.6	1,375.2	15,248.2	20,552.0
Babcock Support Services Ltd	1,098.1	384.4	4,262.1	5,744.6
Babcock Rail Limited	3,956.4	1,384.9	15,356.2	20,697.5
Babcock Critical Services Limited	3,327.0	1,164.6	12,913.2	17,404.7
Babcock Training Limited	3,163.0	1,107.2	12,276.9	16,547.2
Babcock Vehicle Engineering Limited	1,207.9	422.8	4,688.4	6,319.1
Babcock Land Limited	7,839.6	2,744.2	30,428.3	41,012.1
Babcock Land Defence Limited	14,100.3	4,935.8	54,728.4	73,764.5
Babcock Marine Training Limited	2,041.3	714.6	7,923.1	10,679.0
BFS Babcock Fire Service Limited	175.7	61.5	681.9	919.0
Flagship Fire Fighting Training	335.7	117.5	1,302.8	1,756.0
Babcock Integrated Technology Ltd	9,995.0	3,498.7	38,794.2	52,287.9
Babcock Communications Ltd	557.6	195.2	2,164.4	2,917.2
Rosyth Royal Dockyard Ltd	10,671.1	3,735.4	41,418.3	55,824.8

Progress against the Group wide targets can be seen in the graphs below:

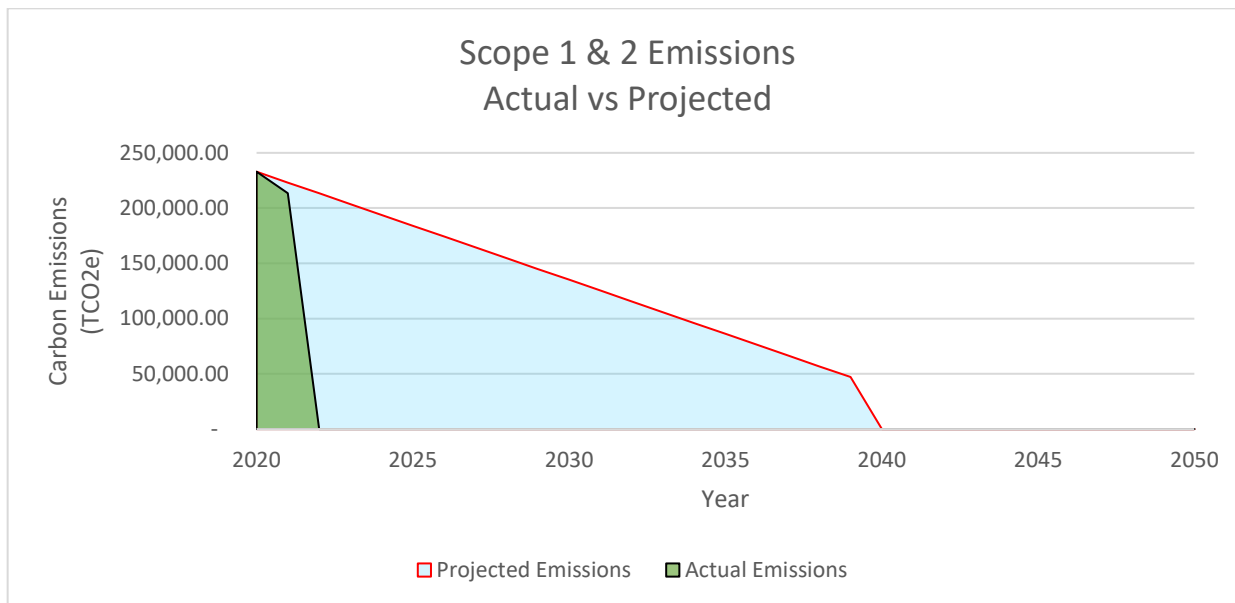


Figure 2 – Babcock International Group PLC’s Scope 1 and 2 Carbon Emissions – Actual vs Projected

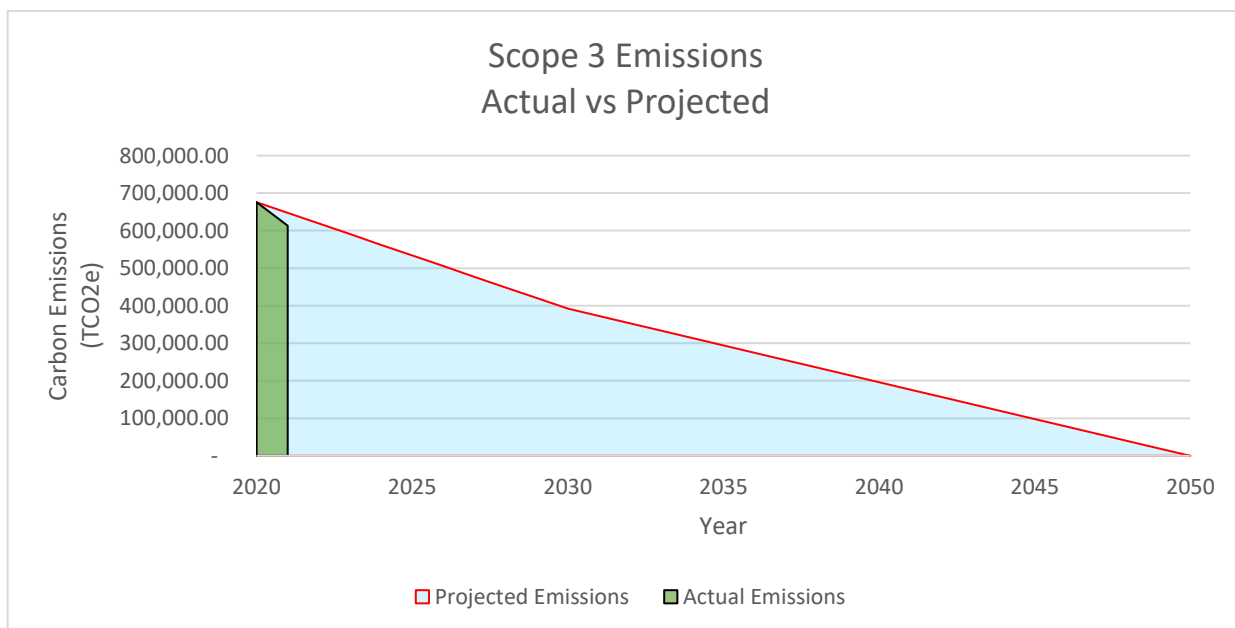


Figure 3 - Babcock International Group PLC’s Scope 3 Carbon Emissions – Actual vs Projected

## Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- 2030 – Science-Based Target (following 1.5°C ambition). We have signed the Science-based Targets Initiative’s (SBTi’s) Business Commitment to 1.5°C and are working to have our Targets approved by the SBTi.



- 2040 - Net Zero within our own operations (Scope 1 & 2)
- 2050 - Net Zero across the value chain (Scope 3)

We project that carbon emissions will decrease over the next eight years to 527,029.93 tCO<sub>2</sub>e by 2030. This is a reduction of 42% and is in line with our Science-Based Target following a 1.5°C ambition.

## **Carbon Reduction Projects**

### Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented across the Group. The carbon emission reduction achieved by these schemes equate to 81,827.68 tCO<sub>2</sub>e, a 9% reduction against the 2020 baseline and the measures will be in effect when performing the contract.

- Developed and published Babcock's Carbon Strategy, Plan Zero 40
- Committed to setting Science-Based Targets, joined the United Nations Framework Convention on Climate Change's 'Race to Zero' and the 'We Mean Business Coalition'
- Regained accreditation to the Carbon Trust Standard – Babcock has held the Carbon Trust Standard for 12 consecutive years since 2010
- Behaviour change engagement and ESG training across the workforce
- Commitment to purchasing electricity from renewable sources
- Completing estate energy audit to identify opportunities to improve energy efficiency
- Implemented a range of energy conservation measures: LED lighting, boiler replacements, BMS improvements
- Investigating renewable energy opportunities across our global portfolio
- Implementing SMART Building solutions
- Transition to ULEV fleet through our Sustainable Transport Strategy
- Developing our product carbon footprint capabilities
- Engaging the supply chain to understand, manage and reduce our wider environmental impacts.
- Developing innovative Digital Twin technology to deliver carbon reduction and sustainability improvements

In the future, we hope to implement further measures such as:

- Electrification of heating systems across the estate
- Securing accreditation to the ISO50001 Energy Management System
- Continual improvement and development of our Environmental Data Management System
- Continued Research and Development into zero carbon fuels
- Achieving 100% ULEV fleet by 2030
- Developing full carbon footprints of our products and services, in line with appropriate methodologies such as ISO14067 and PAS2060



## **Declaration and Sign Off**

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 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, 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 approved by Babcock International Group's Executive Committee.

### **Signed for and on behalf of Babcock International Group PLC:**

Name: John W Howie MBE

Role: Chief Corporate Affairs Officer

Signature:

A handwritten signature in black ink, appearing to read "John W Howie".

Date: 30<sup>th</sup> September 2021