

babcockTM

**PPN 06/21 - Carbon
Reduction Plan**

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Supplier Name: **Babcock International Group PLC**

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Revision: **2024 Update**

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

Commitment To Achieve Net-Zero

Babcock is fully committed to playing our part in addressing the global climate crisis. 'PlanZero40' is our Group-wide Net-Zero Strategy, which is driving extensive decarbonisation programmes across our whole value chain. PlanZero40 commits us to setting ambitious science-based targets in line with a 1.5°C limit to global warming and to delivering net-zero by 2050, outlined in more detail within this document. During 2024 we have [gained verification](#) of our emissions reduction and net-zero targets by the Science-Based Targets Initiative (SBTi). All entities within Babcock International Group are committed to achieving these targets.

Babcock is actively working to support our customers to decarbonise their operations to achieve their net-zero ambitions. We are also on a mission to lead the low carbon transition and are working to drive innovation and collaboration through our value chain to develop and deliver low carbon solutions.

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 Baseline includes our greenhouse gas (GHG) emissions from the seven GHG's named by the Kyoto Protocol:

- › Carbon Dioxide (CO2)
- › Hydrofluorocarbons (HFCs)
- › Methane (CH4)
- › Nitrous Oxide (N2O)
- › Nitrogen Trifluoride (NF3)
- › Perfluorocarbons (PFCs)
- › Sulphur Hexafluoride (SF6)

Our emissions are calculated in tonnes of carbon dioxide equivalent (tCO2e) 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

Below are additional details relating to the Baseline Emissions calculations:

Scope 1 & 2 Emissions

In 2024 we have revised our baseline to 2021 in line with our SBTi submission, and restated figures for previous years as divestment of parts of the business triggered our re-baseline threshold. In 2024 we have also switched our scope 2 reporting from location-based to market-based.

Scope 3 Emissions

The 2021 baseline includes the below scope 3 categories which have been calculated utilising operational data and the Environmentally Extended Input-Output (EEIO) approach. Figures have been restated in 2024 due to the triggering of our re-baseline threshold:

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

Category 10 - Processing of sold products

Category 11 - Use of sold products

Category 12 - End-of-life treatment of sold products

Category 13 - Downstream leased assets

Category 14 - Franchises

Category 15 - Investments

A full scope 3 footprint (excluding emissions associated with category 15 pensions investments) has been calculated for 2023, 2022 and our 2021 base year. A detailed breakdown of these emissions by GHG protocol category is provided [on our website](#).

Group Emissions – Base Year (01/01/2021 – 31/12/2021)

EMISSIONS	TOTAL (tCO2e)
Scope 1	77,087
Scope 2	67,528
Scope 3 Total (All Categories)	2,285,752
Category 1 - Purchased goods and services	496,744
Category 2 - Capital goods	75,561
Category 3 - Fuel- and energy-related activities	25,354
Category 4 - Upstream transportation and distribution	30,215
Category 5 - Waste generated in operations	17,017
Category 6 - Business travel	6,600
Category 7 - Employee commuting (and teleworking)	30,095
Category 8 - Upstream leased assets	767
Category 9 - Downstream transportation and distribution	445
Category 10 - Processing of sold products	0
Category 11 - Use of sold products	1,577,929
Category 12 - End-of-life treatment of sold products	585
Category 13 - Downstream leased assets	20,601
Category 14 - Franchises	0
Category 15 - Investments	3,838

Entity Emissions – Baseline Reporting Year (01/01/2021 – 31/12/2021)

The following is an estimated breakdown of the 2021 baseline emissions of 'in scope' UK entities within Babcock International Group PLC based on revenue.

BABCOCK ENTITY	SCOPE 1 (tCO2e)	SCOPE 2 (tCO2e)	SCOPE 3 (tCO2e)	TOTAL EMISSIONS (tCO2e)
Cavendish Nuclear Limited	4,122.11	3,610.96	122,227.16	129,960.23
Devonport Royal Dockyard Limited	15,548.45	13,620.40	461,036.36	490,205.22
Babcock Aerospace Limited	2,276.93	1,994.58	67,514.59	71,786.10
Babcock Rail Limited	3,139.88	2,750.53	93,102.58	98,992.99
Babcock Critical Services Limited	1,518.85	1,330.51	45,036.45	47,885.82
Babcock Training Limited	1,702.04	1,490.98	50,468.24	53,661.27
Babcock Vehicle Engineering Limited	740.98	649.10	21,971.21	23,361.29
Babcock Land Defence Limited	135.73	118.90	4,024.69	4,279.32
Babcock Marine Training Limited	348.86	305.60	10,344.11	10,998.56
Babcock Integrated Technology Limited	6,563.96	5,750.01	194,631.75	206,945.72
Babcock Communications Limited	511.82	448.35	15,176.24	16,136.41
Babcock Marine (Rosyth) Limited/ Rosyth Royal Dockyard Limited	1,552.13	778.56	9,088.05	11,418.74

Current Emissions Reporting

Group Emissions - Current Emissions Reporting Year (01/01/2023 – 31/12/2023)

EMISSIONS	TOTAL (tCO2e)
Scope 1	54,134
Scope 2	79,479
Scope 3 (All Categories)	2,339,896
Category 1 - Purchased goods and services	501,670
Category 2 - Capital goods	105,748
Category 3 - Fuel- and energy-related activities	25,146
Category 4 - Upstream transportation and distribution	54,548
Category 5 - Waste generated in operations	16,407
Category 6 - Business travel	15,770
Category 7 - Employee commuting (and teleworking)	30,502
Category 8 - Upstream leased assets	648
Category 9 - Downstream transportation and distribution	390
Category 10 - Processing of sold products	0
Category 11 - Use of sold products	1,555,556
Category 12 - End-of-life treatment of sold products	460
Category 13 - Downstream leased assets	25,825
Category 14 - Franchises	0
Category 15 - Investments	7,226

During 2024, we conducted a re-assessment of our scope 3 downstream footprint. We used a matured hybrid methodology to conduct the analysis, which has improved our data accuracy. We continue to use the EIO to calculate our scope 3 upstream footprint and we

are working to develop the maturity of calculation methodologies.

Compared to our base year, 2021, scope 1 and 2 emissions have reduced by 7.6%. Compared to our base year, scope 3 emissions have increased by 2.4%.

Entity Emissions - Current Emissions Reporting Year (01/01/2023 – 31/12/2023)

The following is an estimated breakdown of the 2023 current year emissions of 'in scope' UK entities within Babcock International Group PLC based on revenue:

BABCOCK ENTITY	SCOPE 1 (tCO2e)	SCOPE 2 (tCO2e)	SCOPE 3 (tCO2e)	TOTAL EMISSIONS (tCO2e)
Cavendish Nuclear Limited	2,829.60	4,154.41	122,307.54	129,291.55
Devonport Royal Dockyard Limited	14,374.86	21,105.16	621,343.90	656,823.92
Babcock Aerospace Limited	1,218.59	1,789.13	52,672.67	55,680.38
Babcock Rail Limited	2,321.32	3,408.17	100,337.75	106,067.24
Babcock Critical Services Limited	765.19	1,123.45	33,074.67	34,963.30
Babcock Training Limited	737.24	1,082.42	31,866.86	33,686.52
Babcock Vehicle Engineering Limited	417.13	612.42	18,029.99	19,059.54
Babcock Land Defence Limited	3,414.81	5,013.63	147,603.07	156,031.51
Babcock Marine Training Limited	174.32	255.94	7,534.90	7,965.16
Babcock Integrated Technology Limited	3,142.50	4,613.81	135,832.30	143,588.61
Babcock Communications Limited	104.72	153.75	4,526.60	4,785.08
Babcock Marine (Rosyth) Limited/ Rosyth Royal Dockyard Limited	4,491.51	6,594.43	194,142.65	205,228.59

Emission figures include an element of estimated data, at 7% for 2020, 8% for 2021, 5% for 2022 and 0.03% for 2023. Certain data, estimated to be immaterial to the Group's emissions, has been omitted as it has not been

practical to obtain (including operations in Japan and the USA). Metering and monitoring improvements are being implemented to capture these data streams.

Group Progress Towards Target

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

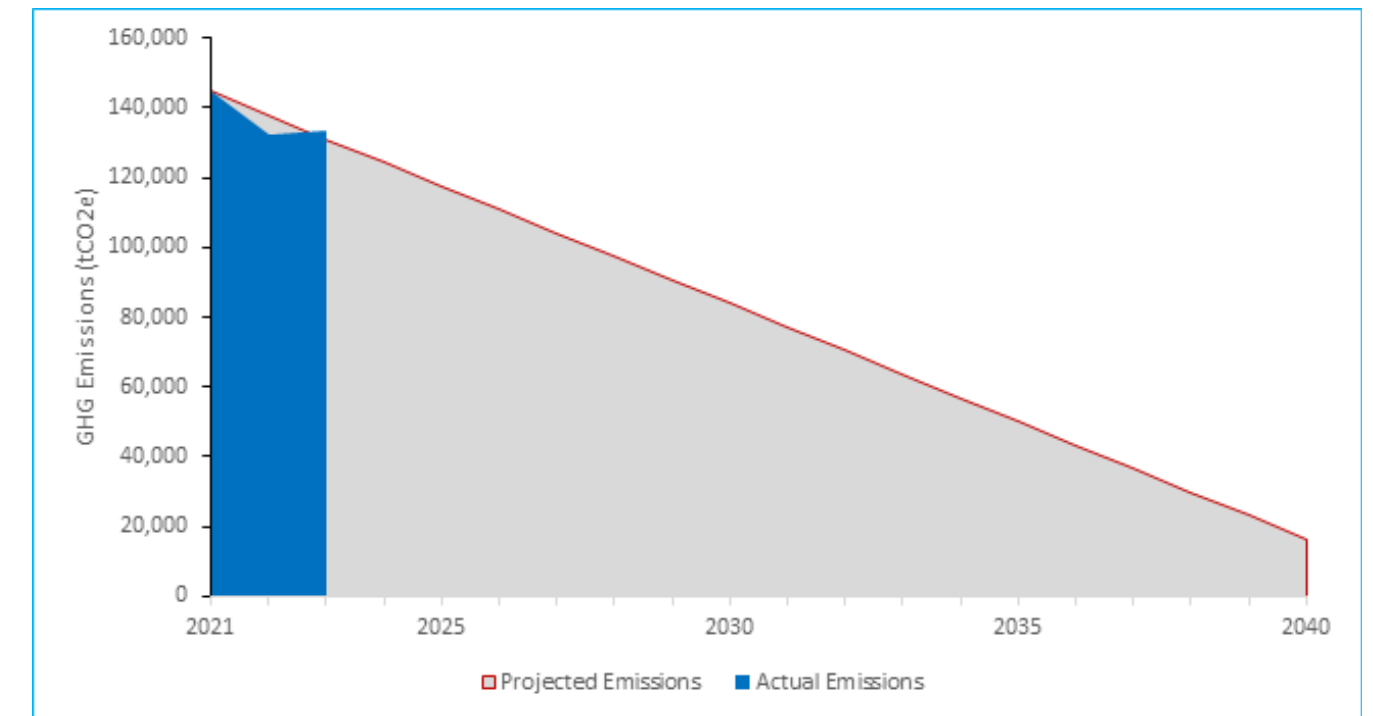


Figure 1: Babcock International Group PLC's Scope 1 and 2 Greenhouse Gas Emissions – Actual vs Projected

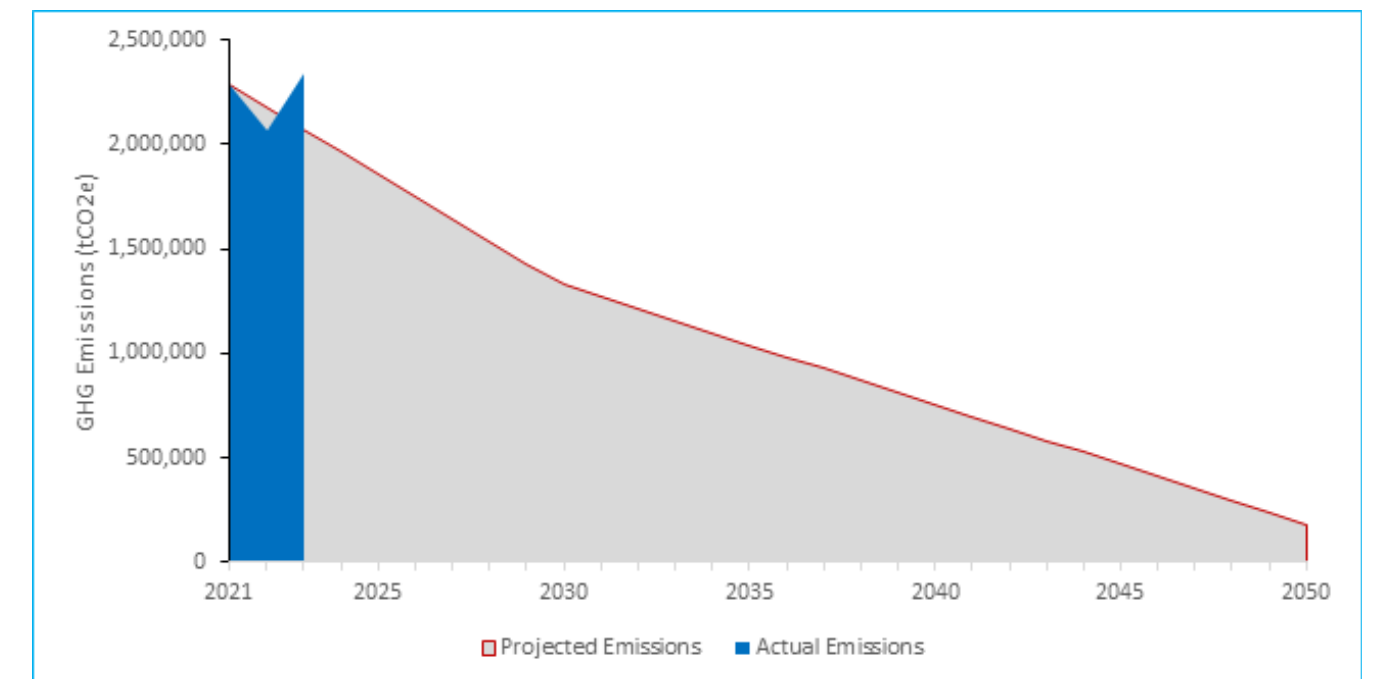


Figure 2: Babcock International Group PLC's Scope 3 Carbon Emissions – Actual vs Projected

Emissions Reduction Targets

In April 2023 we submitted net-zero and near-term targets to the Science-Based Targets Initiative (SBTi); which were successfully verified in May 2024.

Our verified targets are:

- › To reach net-zero GHG emissions across the value chain by 2050*
- › To reduce absolute scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year*
- › To reduce absolute scope 3 GHG emissions 42% by 2030 from a 2021 base year
- › To reduce absolute scope 1 and 2 GHG emissions 90% by 2040 from a 2021 base year*
- › To reduce absolute scope 3 GHG emissions 90% by 2050 from a 2021 base year

* The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

During the reporting period a range of initiatives and activities resulted in a year-on-year reduction in carbon emissions, including estate rationalisation, strategic divestments, 'low-hanging fruit' energy conservation measures, reduced use of diesel, reduced aviation operations and improvements to our energy management practices. The measures have resulted in a reduction of scope 1 and 2 by 7.6% from our baseline and include activities such as:

- › Achieved verification of our science-based targets by the Science-Based Targets initiative
- › Working with Energy Systems Catapult to develop Carbon Reduction Plans across our estate
- › Continued transitioning our vehicle fleet to ultra-low emissions vehicles
- › Continued estate rationalisation
- › Strategic divestment of high emitting businesses
- › Development of Energy Action Plans including a range of energy efficiency measures: LED lighting, boiler replacements, BMS improvements, behaviour change programmes
- › Investigating renewable energy opportunities across our global portfolio, including installation of a fully off-grid solution with battery storage at our Middleburg site in South Africa
- › Supporting customers with low carbon products and services, including the hybrid Jackal and electric Land Rover conversions
- › Supporting an employee to undertake a PhD on the application of life cycle assessment to complex shipbuilding
- › Integrating net-zero within estate management plans for our largest sites
- › Advancement of the planning stage for renewable energy installations at Rosyth

We continue to investigate a range of further measures including:

- › Development of an enhanced Sustainability Strategy
- › Development of the Group's Climate and Nature Transition Plan
- › Electrification of heating systems across the estate
- › Implementation of an ISO50001 accredited Energy Management System
- › Development of our Environmental Data Management System
- › Developing pilot carbon footprints of our products and services, in line with appropriate methodologies such as ISO14067 and PAS2060
- › Developing innovative Digital Twin technology to deliver carbon reduction and sustainability improvements

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and the associated guidance and reporting standard for Carbon Reduction Plans.

Scope 1 and scope 2 emissions have been reported in accordance with the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse Gas Company reporting. 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 Sustainability Chair.

Signed for and on behalf of Babcock International Group PLC:

Name: Tom Newman
Role: Sector Chief Executive and Executive Committee Sustainability Chair

Signature: 

Date: 18th November 2024



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