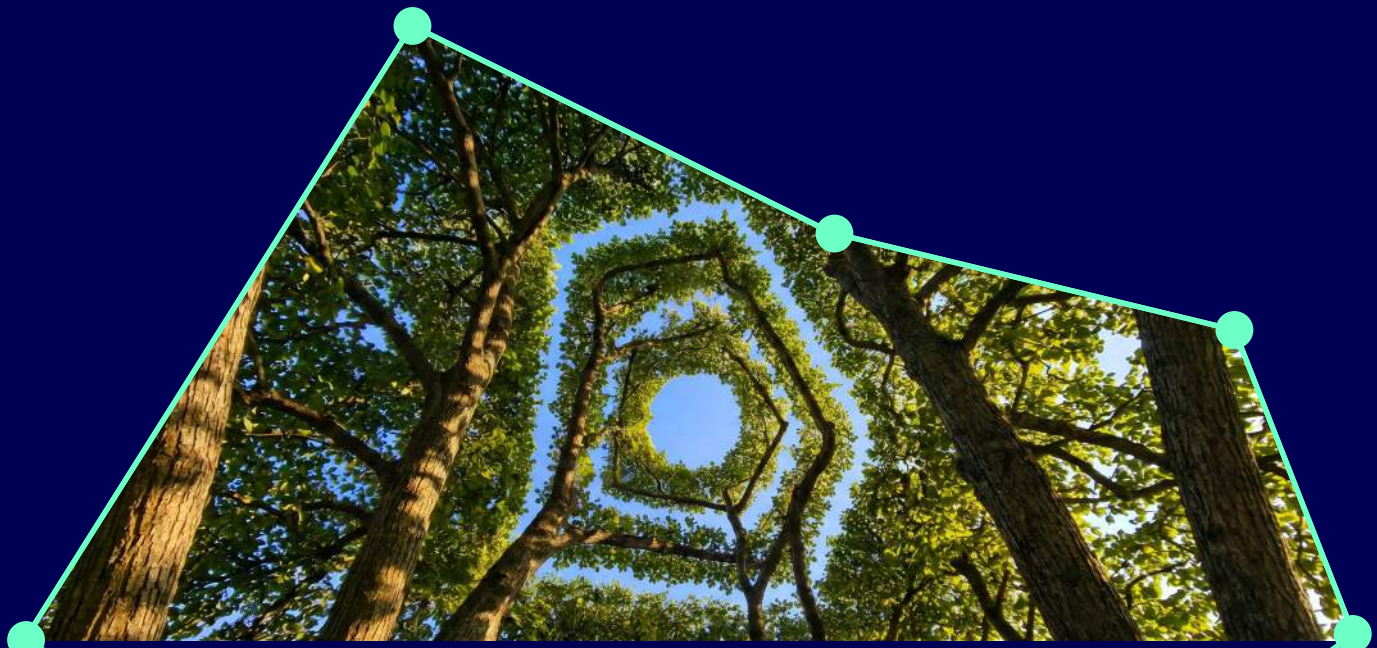
Babcock



Our Greenhouse Gas Emissions

This factsheet provides further details in relation to Babcock International Group's Greenhouse Gas Emissions Inventory as reported in our FY26 Annual Report.

We calculate our inventory using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, which defines emissions into 'scopes'.

Scope 1 emissions are those under our direct control, such as aviation fuel consumed by our aviation business, combustion of fuels for heating buildings and powering our vehicles.

Scope 2 are our indirect emissions arising from purchased electricity, heating, cooling and steam.

Scope 3 emissions make up the rest of our value chain, including the upstream emissions embedded within the goods and services we purchase, downstream lifetime emissions from products we sell, and the emissions resulting from employee travel and our investments.

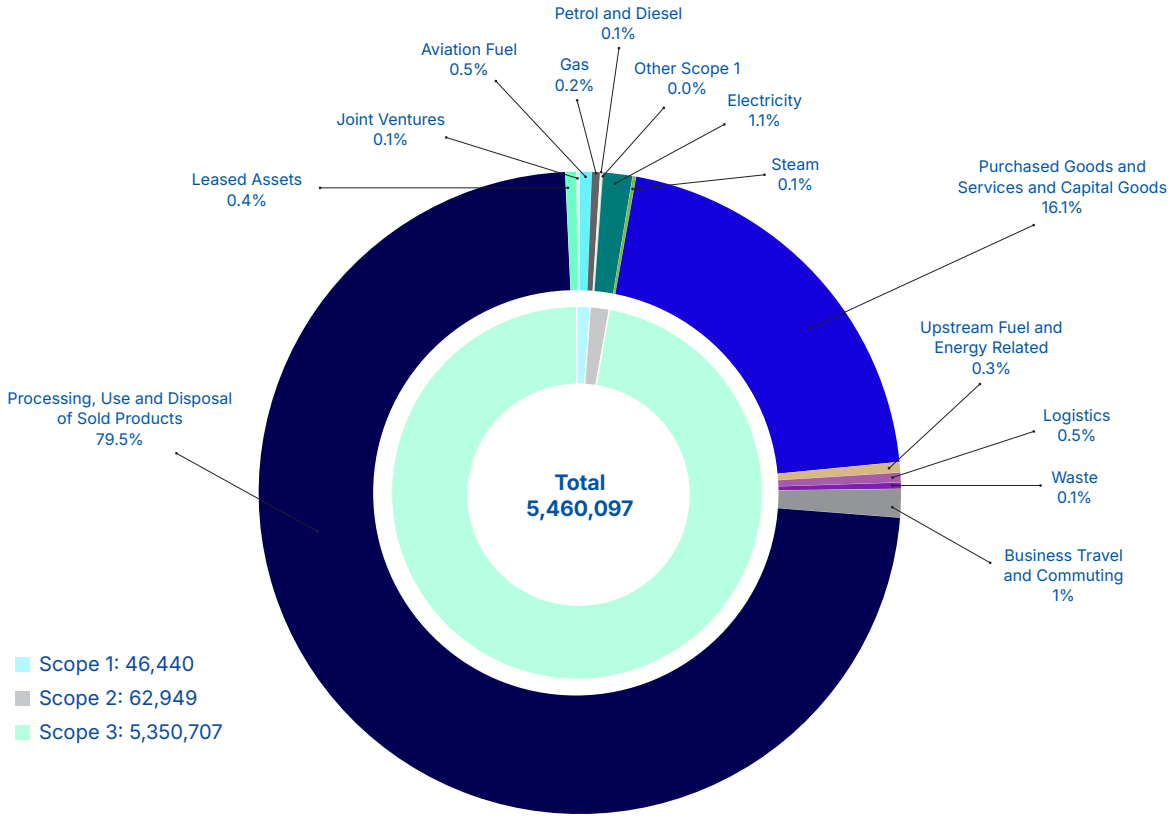


Figure 1: Babcock International Group Scope 1, 2 and 3 emissions (tCO2e)

Scope 1 emissions equate to 0.85% of our footprint

Scope 2 (market-based) emissions equate to 1.15% of our footprint

Scope 3 emissions equate to 98.0% of our footprint

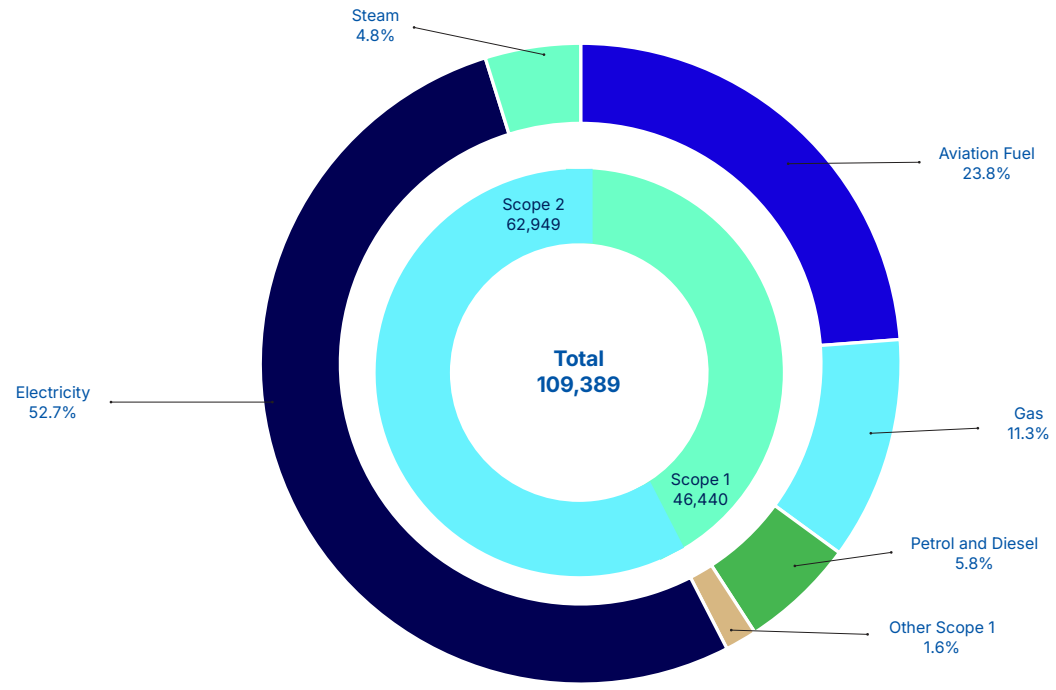


Figure 2: Babcock International Group Scope 1 and 2 emissions breakdown (tCO2e)

The following table presents our Babcock International Group PLC scope 1, 2 and 3 emissions for the base-year (2021), previous year (2024) and most recent year (2025) expressed in tonnes of carbon dioxide equivalent (tCO2e).

Babcock Group Total (UK and Global)		**2021**	**2024**	**2025**
Scope 1: Direct emissions from owned/controlled operations[1]	tCO_2e	61,935	47,439	46,440
Scope 2 location-based: Indirect emissions from the use of electricity and steam	tCO_2e	74,561	75,754	56,700
Scope 2 market-based: Indirect emissions from the use of electricity and steam	tCO_2e	74,983	75,653	62,949
Total scope 1 and 2 emissions (market-based)[2]	tCO_2e	136,917	123,092	109,389
Scope 3 footprint - Babcock Group Total:				
Category 1: Purchased goods and services	tCO_2e	659,145	808,316	781,051
Category 2: Capital goods	tCO_2e	93,701	115,408	100,258
Category 3: Fuel- and Energy-Related	tCO_2e	17,697	16,217	16,396
Category 4: Upstream transport	tCO_2e	25,804	20,029	25,559
Category 5: Waste	tCO_2e	6,997	12,956	5,092
Category 6: Business travel	tCO_2e	7,550	31,338	19,334
Category 7: Employee commuting	tCO_2e	30,095	30,726	33,506
Category 8: Upstream leased assets	tCO_2e	1,042	198	-
Category 9: Downstream transport	tCO_2e	281	391	384
Category 10: Processing of sold products	tCO_2e	-	-	-
Category 11: Use of sold products[3]	tCO_2e	3,798,788	4,493,873	4,341,455
Category 12: End-of-life treatment of sold products	tCO_2e	539	496	361
Category 13: Downstream leased assets	tCO_2e	14,669	20,425	21,509
Category 14: Franchises	tCO_2e	-	-	-
Category 15: Investments	tCO_2e	3,838	5,968	5,802
Category 15: Pensions[4]	tCO_2e	-	1,367,369	1,617,597
Total scope 3 emissions (excluding pensions)	tCO_2e	4,660,147	5,556,341	5,350,707
Total Value Chain Emissions (excluding pensions)[2,5,6]	**tCO_2e**	**4,797,065**	**5,679,433**	**5,460,097**

1. Scope 1 emissions exclude biogenic emissions, reported as "outside of scopes". Outside of Scopes emissions in 2025 were 4,820 tCO2e.
2. Figures are presented rounded to the nearest whole number, so may not sum precisely to totals (which are based on unrounded figures).
3. Use of sold products emissions include future lifetime emissions from products sold in 2023.
4. Pensions emissions have been estimated based on extrapolation of the absolute GHG emissions within the most recently available climate reports for Babcock's pension schemes.
5. We have elected not to include pensions emissions in our total value chain figures given that it is optional, and due to low calculation maturity.
6. Total value chain emissions are the sum of scope 1, 2 and 3 emissions, where scope 2 is using the market-based methodology as this approach takes account of our energy supply contracts and is aligned to our science-based targets.

Exclusions and estimated data

The published emission figures include an element of estimated data; the most significant of which due to a meter fault at Devonport Royal Dockyard resulted in estimated electricity consumption for the November and December 2025 months. Data that has been estimated as immaterial to the Group's emissions has been omitted as it has not been practical to obtain. Omitted data includes Winnipeg Airport, data from sensitive sites, and category 15 emissions from Joint Ventures, except for Ascent Flight Training (Holdings) Limited and AirTanker Services Limited.

Base-year and previous year recalculation

Over the past 12 months organisational changes including contract losses, and methodology improvements to Devonport Royal Dockyard's emissions accounting have resulted in our materiality threshold being exceeded (5% emission variance in the base-year), and accordingly we have carried out a recalculation of all emissions from the base-year to the previous year. The most significant changes impacting the recalculation include:

- Amends to the Scope 1 emissions from aviation fuel due to structural changes (including contract losses)
- Adjusted Scope 1 emissions due to improved data quality of fuels and fugitive gases
- Adjustments to Scope 2 emission intensity to account for electricity certificate sales at Devonport Royal Dockyard
- Scope 3 Category 1 emissions changes due to significant revision of published spend-based factors for previous years
- Improved data collection for Scope 3 Category 11 emissions to account for dealership operations

Scope 1 & 2 emissions

Methodology

Scope 1 and 2 emissions are calculated following the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition) under the 'Operational Control' approach. Our direct scope 1 emissions are predominantly calculated using primary data from meter readings, supplier invoices, specialist assessments and inventory reports. We record gas consumption on regular meter readings. Aviation fuel is recorded by volume delivered. Vehicle emissions are calculated from annual fuel card data or estimated from expense reports where fuel quantities or mileage is not available. Other fuel consumption is a mixture of meter readings and invoices. Fugitive emissions are measured on F-gas registers from inspections of equipment. Scope 1 emissions are calculated using the most relevant national factor datasets; for the UK these are published by the Department for Energy Security and Net Zero (DESNZ)

Our scope 2 emissions are calculated using meter readings and supplier invoices in line with the revised GHG Protocol Scope 2 Guidance. Under the market-based methodology, all electricity consumption covered by Renewable Energy Guarantees of Origin (REGO) certificates is considered zero emission. Remaining consumption of grid electricity is converted to emissions using residual grid factors where available, while supplier-specific conversion factors are applied for electricity and steam supplied to Devonport Royal Dockyard by the MVV-operated Energy from Waste (EfW) combined heat and power plant. This plant serves as a waste disposal

route for the region and prevents landfill use; however, the emissions intensity of the produced electricity is significantly higher than the UK national grid average. Residual grid factors were available from the Association of Issuing Bodies (AIB) for the UK, France and Australia, but were not available for Canada. Under the location-based methodology, all electricity consumption is converted to emissions using the most suitable national or regional grid conversion factors, except for the Devonport Royal Dockyard EfW plant supply due to a direct wire connection.

The reporting period for our GHG emissions is the calendar year (01 January to 31 December) rather than financial year due to availability of data to meet annual reporting timescales.

Results

Babcock Scope 1 and 2 emissions are dominated by Devonport Royal Dockyard and aviation fuel. Devonport's scope 2 market-based electricity and steam emissions in 2025 constituted 50% of total scope 1 and 2 alone, whilst aviation fuel contributed a further 24%.

Scope 1 emissions have reduced 2.1% in 2025 compared to 2024. This represents a reduction of 25.0% against the 2021 base-year. The top three reasons include:

- Reduced industrial activities and fuel consumption at Devonport Royal Dockyard;
- Transition to HVO (Hydrotreated Vegetable Oil) biodiesel at Devonport Royal Dockyard and Rosyth Royal Dockyard;
- Reduction in diesel consumption in the rail business

Scope 2 (market-based) emissions have reduced 16.8% year on year from 2025 to 2024. This represents a reduction of 16.0% against the 2021 base-year. The significant drop in 2025 emissions is due to the energy from waste plant being offline for a major maintenance period, resulting in 3 months where the dockyard switched to power from the grid with a lower emissions factor. A 4% reduction in total electricity consumption between 2024 and 2025 at Devonport Royal Dockyard also contributed. However, operational activities at Devonport Royal Dockyard are planned to increase over the coming years which may increase electricity consumption. Plans are underway to limit the impacts from the increased operations.

Scope 3 emissions

Scope 3 emissions are calculated following the GHG Protocol Corporate Value Chain (Scope 3) standard. Due to the nature and complexity of our operations, the calculation of our scope 3 footprint is particularly challenging. We have been working to develop and enhance our understanding of our scope 3 emissions and updated our methodology in 2025, with emissions back-calculated for calendar years 2024, 2023, 2022 and 2021 aligned to our approved science-based targets.

Methodologies

Scope 3 upstream

A spend-based calculation was carried out for supply chain emissions following the EEIO (Economic-Environmental Input-Output) methodology. This covers categories 1, 2, 4, 5, and 8. The approach analyses the economic transactions and interdependencies between sectors of the economy to estimate the environmental impacts associated with the production and consumption of goods and services. An emissions factor is applied to each category of spend based on industry-average data. We are working towards collection of supplier-specific emissions data to improve the accuracy of our scope 3 accounting. During FY26 we have started collecting actual data from our logistics partners and have been using JOSCAR Zero as a first step in collecting emissions data from other key suppliers. We have identified the top emitting suppliers in our value chain based on the spend calculations and are developing an approach to engage with and support our suppliers on their own net zero journeys.

Business travel emissions have been calculated from travel booking data and include the impacts of radiative forcing for flights. Homeworking emissions have been estimated using data from employees disclosing number of days worked at home combined with the best practice methodology of the "Ecoact homeworking emissions whitepaper". Commuting emissions were estimated from the number of employees who commute in each country multiplied by national average commuting statistics and the relevant emissions factors. Well-to-tank (WTT) emissions are included in business travel and commuting emissions calculations.

Scope 3 downstream

Scope 3 downstream emissions were calculated based on data collected from all Sectors and Direct Reporting Countries (DRCs) on their products and services, as well as data from the pensions team and Joint Ventures. Some assumptions had to be made to estimate emissions, particularly in projecting future emissions from sold products (category 11). For example, estimating the lifetime fuel consumed by the Type 31 frigates. Hence, there is a high level of uncertainty in the presented figures. We are working towards reducing the uncertainty of these estimations over time. In FY26 we added the downstream emissions from the sale of construction equipment and Heavy Goods Vehicles in Africa to our inventory, where we are operating as a dealership, in line with best practice accounting. Most construction equipment emissions were sourced directly from our partner, Volvo CE.

Pensions

Reporting of pensions emissions in category 15 is optional; however, our pension schemes contain significant financial investments and climate reporting is required for pension schemes above a certain size. Babcock emissions from company pensions have been estimated for 2025 based on extrapolation of the absolute GHG emissions within the most recently available climate report data for BIGPS, DRDPS, RRDPS Defined Benefit schemes and the Aon MT Defined Contribution scheme. These schemes cover around 86% of all employees. Underlying emissions are estimated within the reports from the relative share of annual emissions from investments as per the GHG Protocol Corporate Value Chain Standard for category 15. Scope 3 emissions from investments have optionally been included above and beyond scope 1 and 2. More detail on these emissions calculations can be found in their respective TCFD reports.

Results

Scope 3 emissions (excluding pensions) have decreased 3.7% year-on-year from 2024 to 2025, due to a small reduction in procurement spend and lower emissions from the sale of Africa construction equipment. This represents an overall increase of 14.8% against the revised 2021 base-year. The increase is primarily due to increased emissions across Categories 1, 2 and 11.

Category 1 and 2 emissions have increased from 2021 due to increased procurement spend. It is noted that there is known to be high uncertainty with EEIO spend-based emissions calculations. We are working to improve the accuracy and completeness of our category 1 and 2 emission data.

Category 11 emissions include estimated future emissions resulting from customer use of our products and therefore contain significant uncertainty.

In 2025 the top 5 sources of category 11 emissions were:

1. LGE reliquefication products (2.7 million tCO2e)*
2. Africa dealership sales of construction equipment (1.2 million tCO2e)
3. Africa dealership sales of heavy goods vehicles (328,250 tCO2e)
4. Type 31 ship build (236,662 tCO2e)**
5. Africa Plant generators (47,235 tCO2e)

* The methodology accounting for whole lifetime emissions of sold products within the GHG Protocol Corporate Value Chain standard results in the extremely high figures reported, particularly as avoided emissions cannot be included in the GHG inventory (they may be disclosed separately). The purpose of LGE products is to prevent the loss of liquefied cargo during shipping and the LGE product consumes fuel to power the reliquefaction process. Accordingly, the fuel used during the operation of the LGE product is included within Babcock's category 11 emissions; however, the avoided emissions through not flaring boil-off gas or replacing lost product are not shown. Our calculations estimate that use of the ecoSMRT® reliquefaction process deliver overall emissions reductions when compared against the product not being used.

**Type 31 downstream scope 3 emissions have been distributed over the 9-year duration of the build contract to avoid a single-year spike in emissions on completion.

Emission reduction targets

In April 2024 our science-based near and long-term emissions reduction targets were validated by the Science Based Targets initiative (SBTi). These targets commit Babcock to the following:

- Babcock International Group PLC commits to reach net-zero GHG emissions across the value chain by 2050. *
- Babcock International Group also commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year. *
- Babcock International Group also commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2021 base year.
- Babcock International Group also commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2040 from a 2021 base year. *
- Babcock International Group also commits 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

The SBTi are launching version 2.0 of their corporate net-zero standard in 2026. We are closely following the developments and through FY27 we plan to review our Scope 1, 2 and 3 emission reduction targets in line with the updated standard.

Target Progress

Compared to our 2021 base-year, scope 1 and 2 emissions have reduced by 20.1%. Whilst we have made good progress, we still have a significant amount of work to meet our 2030 targets. Under the new sustainability strategy, we have developed plans to tackle scope 1 and 2 emissions and deliver our short-term targets; these include strategic decarbonisation of Devonport Royal Dockyard, heating systems transition, estate optimisation, energy demand reduction, renewable energy deployment, and fleet transition. During FY26 we progressed investigations at Devonport, introduced new standards on environmental sustainability of projects, identified energy efficiency opportunities, and installed additional electric vehicle chargers.

Compared to our 2021 base-year, scope 3 emissions have increased by 14.8%. This is due to increased sales and production and increased spend as previously explained. We understand that the scope 3 target-setting process is significantly changing under SBTi version 2.0, therefore we have decided to conduct a full review of all scope 1, 2 and 3 targets during FY27 instead of making any amendments to our near-term scope 3 target in FY26.