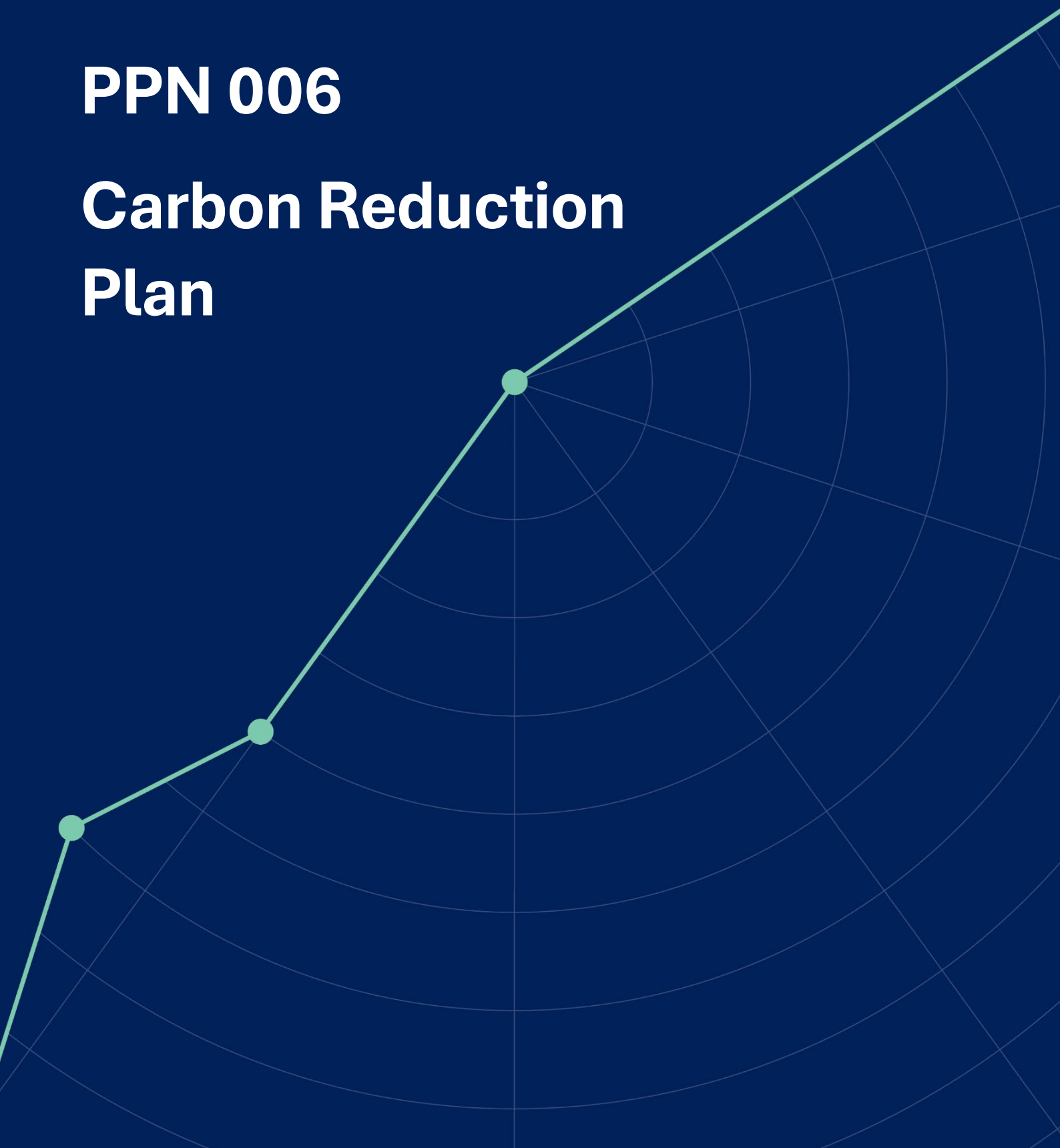
Babcock

PPN 006

Carbon Reduction Plan



PPN 006 - Carbon Reduction Plan

Supplier Name: **Babcock International Group PLC**
Publication Date: **16 November 2026**
Revision: **2026 Update**

This Carbon Reduction Plan captures the operations of Babcock International Group PLC (herein referred to as "Babcock") and all its subsidiaries.

Commitment To Achieve Net-Zero

Babcock is fully committed to playing our part in addressing climate change. 'PlanZero40' is our Group-wide Net-Zero Strategy, which is driving decarbonisation programmes across our whole value chain. In 2024 we gained verification of our 1.5°C aligned 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 (across UK and global operations). During 2025 we launched our enhanced Sustainability Strategy, which we have continued to implement throughout 2026.

Babcock is actively working to support our customers to decarbonise their operations to achieve their net-zero ambitions. We are also 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 (CO_2)
- Hydrofluorocarbons (HFCs)
- Methane (CH_4)
- Nitrous Oxide (N_2O)
- Nitrogen Trifluoride (NF_3)
- Perfluorocarbons (PFCs)
- Sulphur Hexafluoride (SF_6)

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

Our baseline 2021 figures have been restated in line with our baseline recalculation criteria, where structural changes of the business triggered our threshold. In this revision we have also published both location and market-based scope 2 figures.

Scope 3 Emissions

The 2021 baseline includes the below scope 3 categories which have been calculated utilising both operational data and the Environmentally Extended Input-Output (EEIO) approach. Figures have been restated in 2025 due to the triggering of our re-baseline threshold.

A full scope 3 footprint (excluding emissions associated with category 15 pensions investments) has been calculated for all previous years to 2021. A detailed methodology paper for our emissions is provided on our website.

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

EMISSIONS	TOTAL (tCO_2e)
Scope 1	**61,935**
Scope 2 location-based	**74,561**
Scope 2 market-based	**74,983**
Scope 3 Total (All Categories)	**4,660,147**
Category 1 - Purchased goods and services	659,145
Category 2 - Capital goods	93,701
Category 3 - Fuel- and energy-related activities	17,697
Category 4 - Upstream transportation and distribution	25,804
Category 5 - Waste generated in operations	6,997
Category 6 - Business travel	7,550
Category 7 - Employee commuting (and teleworking)	30,095
Category 8 - Upstream leased assets	1,042
Category 9 - Downstream transportation and distribution	281
Category 10 - Processing of sold products	-
Category 11 - Use of sold products	3,798,788
Category 12 - End-of-life treatment of sold products	539
Category 13 - Downstream leased assets	14,669
Category 14 - Franchises	-
Category 15 - Investments	3,838

Group Emissions - Current Emissions Reporting Year (01/01/2025 – 31/12/2025)

EMISSIONS	TOTAL (tCO_2e)
Scope 1	**46,440**
Scope 2 location-based	**56,700**
Scope 2 market-based	**62,949**
Scope 3 (All Categories)	**5,350,707**
Category 1 - Purchased goods and services	781,051
Category 2 - Capital goods	100,258
Category 3 - Fuel- and energy-related activities	16,396
Category 4 - Upstream transportation and distribution	25,559
Category 5 - Waste generated in operations	5,029
Category 6 - Business travel	19,334
Category 7 - Employee commuting (and teleworking)	33,506
Category 8 - Upstream leased assets	0
Category 9 - Downstream transportation and distribution	384
Category 10 - Processing of sold products	0
Category 11 - Use of sold products	4,341,455
Category 12 - End-of-life treatment of sold products	361
Category 13 - Downstream leased assets	21,509
Category 14 - Franchises	0
Category 15 - Investments	5,802

Footnotes to the disclosed emissions are provided in our annual report and financial statements 2026.

Scope 1 and 2 emissions have reduced by 20.1% since our 2021 baseline. This has been driven by several key factors, including:

• Reduced electricity and fuel consumption at Devonport Royal Dockyard.

- Energy from Waste (EfW) outages in 2025.
- Introduction of biodiesel Hydrotreated Vegetable Oil (HVO) to replace diesel in generators.
- Reduced diesel use in our rail business.
- Electrification of our vehicle fleet.

Scope 1 and 2 year-on-year emissions have dropped by 11.1%. This has been primarily driven by the EfW outage as mentioned above. While we are reviewing our Scope 3 target during FY27, we continue to monitor performance. Scope 3 emissions have increased by 14.8% since our 2021 baseline. This is primarily due to an increase in 'category 11 – Use of Sold products' emissions, which is caused through increased sales associated with Babcock's energy-saving Liquefied Natural Gas (LNG) reliquefication solution, which is explained in our methodology factsheet available on our website.

Group Progress Towards Target

Progress against the Group-wide targets can be seen in the graphs below, using market-based scope 2 emissions accounting and a linear reduction pathway:

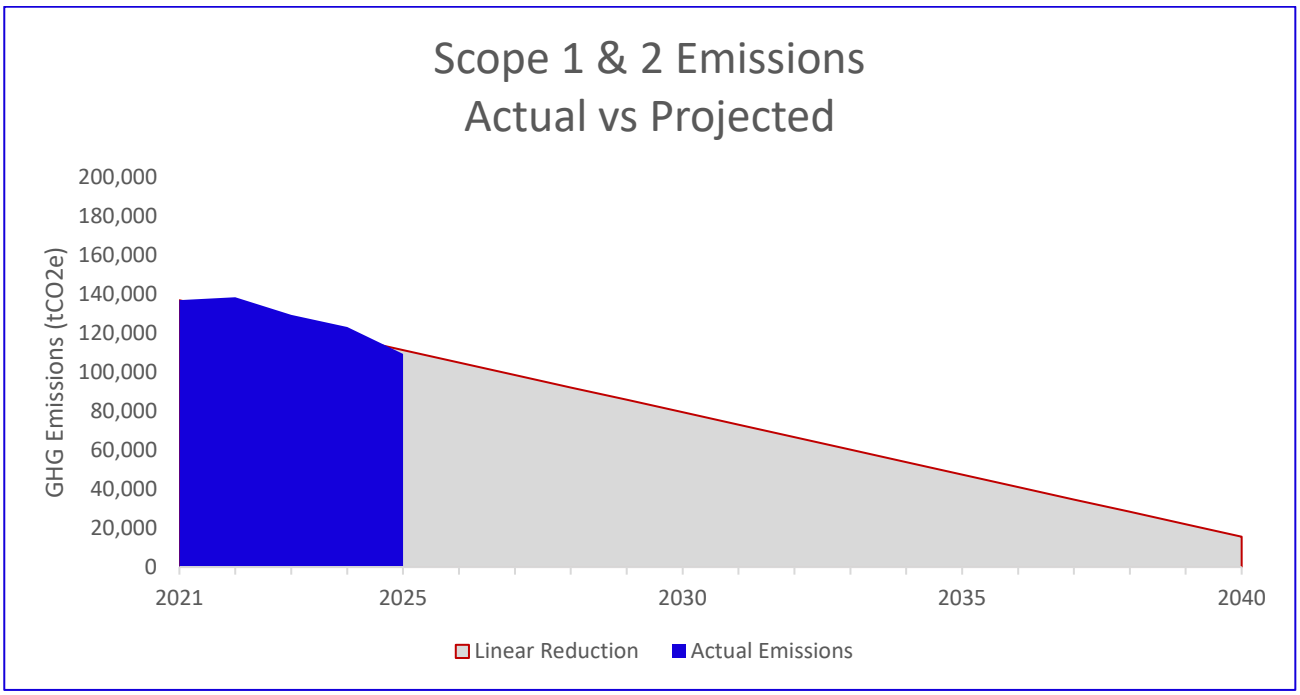


Figure 1: Babcock International Group PLC's Scope 1 and 2 Greenhouse Gas Emissions – Actual vs Linear Reduction

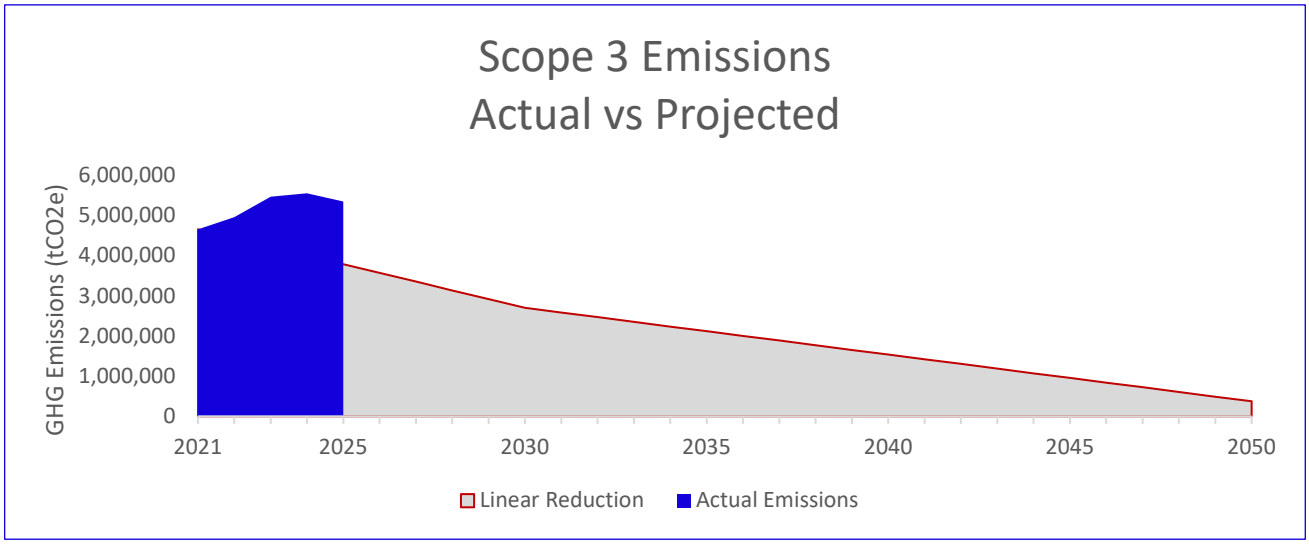


Figure 2: Babcock International Group PLC's Scope 3 Carbon Emissions – Actual vs Linear Reduction

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

** Though FY27, we plan to review our Scope 1, 2 and 3 emissions reduction targets in line with updated Science Based Targets initiative (SBTi v2) standards.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Under our sustainability strategy, we continue to implement priority decarbonisation programmes to deliver our 2030 climate target.

During FY26, key initiatives included:

- Installation of solar photovoltaic panels at our Bartlett facility in South Africa.
- Advancing the planning of our large solar array at Rosyth Royal Dockyard.
- Implementing and tracking progress against the Energy Action Plans across the organisation.
- Procuring Sustainable Aviation Fuel for Police Scotland.
- Building on the company-wide energy-saving campaign.
- Continued roll-out of lower-emissions fuel for generators, including Hydrotreated Vegetable Oil (HVO).
- Completing a solar and electric vehicle charging study for Devonport

- Progressing biodiversity enhancement projects across operational sites.
- Completion of detailed assessment of physical and transitional climate risks, leading to publication of financially quantified risks and opportunities in the Annual Report and Accounts.
- Embedding substantiality criteria into procurement, commercial and facilities management processes.

These initiatives have contributed towards a 20.1% reduction in Scope 1 and 2 greenhouse gas emissions against our 2021 baseline.

We continue to investigate a range of further measures including:

- Progressing implementation of priority decarbonisation infrastructure projects.
- Advanced heating-system transition at key sites, including engagement with MOD and Plymouth City Council on civic heat networks.
- Scale Energy Action Plan delivery.
- Continuing the roll-out of renewable-energy deployment where commercially viable.
- Continue phased fleet electrification.
- Enhance Scope 3 data quality and supplier collaboration, working with our peers and including further rollout of JOSCAR Zero.
- Further embed climate considerations into capital allocation and procurement design.
- Review our Scope 1, 2 and 3 emissions reduction targets in line with updated Science based Targets initiative (SBTi v2) standards and the new ISO14060 for net zero aligned organisations.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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.

Any subsequent Carbon Reduction Plans will be published within six months of the end of our financial year as specified by the Technical Standard for Completion of Carbon Reduction Plans. As a result, there may be a period where the reporting period of the existing plan is more than 12 months previous, but an updated Carbon Reduction Plan is not yet available.

Signed for and on behalf of Babcock International Group PLC:

Name: Louise Atkinson

Role: Sector Chief Executive and Corporate Sustainability Committee Chair

Signature:



Date: 12th November 2026

Appendix: Babcock entities covered by this Carbon Reduction Plan

This Carbon Reduction Plan can be used by all Babcock entities bidding for UK government contracts over £5m per annum. The following list of entities, correct at the time of publishing, are currently using or expected to use this Carbon Reduction Plan:

- Cavendish Nuclear Limited
- Devonport Royal Dockyard Limited
- Babcock Aerospace Limited
- Babcock Rail Limited
- Babcock Critical Services Limited
- Babcock Mission Critical Services Onshore Limited
- Babcock Training Limited
- Babcock Vehicle Engineering Limited
- Babcock Land Defence Limited
- Babcock Marine Training Limited
- Babcock Integrated Technology Limited
- Babcock Marine (Rosyth) Limited / Rosyth Royal Dockyard Limited