

LEONARDO UK LTD

Carbon Reduction Plan

2025



Overview of Climate Action at Leonardo

Leonardo is committed to acting on climate change by reducing greenhouse gas (GHG) emissions across its entire value chain, encompassing all activities and processes involved in product and service creation.

In 2024 Leonardo received validation for its near-term [Science Based Targets](#) by the SBTi which include:

- 53% absolute reduction in Scope 1 and 2 GHG emissions by 2030, from a 2020 baseline year.
- 58% of Leonardo's suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by 2028.
- 52% per flight hour equivalent reduction of Scope 3 GHG emissions by 2030, from a 2020 baseline year. This includes emissions from fuel- and energy-related activities, upstream transportation and distribution, waste generated in operations, business travel, employee commuting, upstream leased assets, and the use of sold products.

The [Leonardo Group's Transition Plan and Sustainability in Action 2025](#) have been published, outlining these targets, other environmental targets, and their associated actions.

2024 was the warmest year ever registered globally—with average global temperatures exceeding pre-industrial levels by 1.5°C—Leonardo is committed not only to reducing GHG emissions across its value chain but also to supporting the development of technologies for climate change adaptation and mitigation.

1. Leonardo UK Commitment to achieving Net Zero

Leonardo UK Limited (Leonardo UK) is committed to achieving Net Zero for Scope 1 and 2 emissions by 2030, and across the value chain by 2050. This Carbon Reduction Plan sets out progress against Scope 1, 2 and 3 as defined in PPN 006.

2. Baseline emissions footprint

Baseline emissions represent a record of greenhouse gases (GHG) produced in the past, prior to the introduction of any emission reduction strategies.

Leonardo UK's Net Zero Baseline Year: 2018

3. Emissions reporting

Emissions Scope	2018 Baseline tCO ₂ e	2024 Total tCO ₂ e	% Change from Baseline
Scope 1	16365	9676	-41%
Scope 2	20827	19	-100%
Total Scope 1 & 2	37192	9695	-74%
Scope 3			
Category 4: Upstream Transportation And Distribution <small>*Note: Improved data and calculation have impacted baseline and % change</small>	31668	18704	-41%
Category 5: Waste	241	95	-61%
Category 6: Business Travel	10900	11473	5%
Category 7: Employee Commuting	13106	6784	-48%
Category 9: Downstream Transportation And Distribution*	0	0	0%
Total Scope 3	55915	37056	-34%
Total Emissions	93107	46751	-50%

→ Table 1: Market-Based 2024 emissions against the 2018 baseline.

→ * Note: Leonardo does not currently assess downstream transportation and distribution emissions separately to upstream.

Details relating to the emissions calculations

Leonardo UK's GHG emissions for the reporting period of January to December 2024 are calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard. UK 2024 CO₂e conversion factors and calorific converters were used in this methodology. The reporting covers material emissions sources within Leonardo UK's operational boundary (as defined by PPN006), utilising the operational control approach.

In alignment with the principles of the Greenhouse Gas Protocol, Leonardo UK continues to review the coverage and accuracy of data for all emissions categories.

The GHG Protocol sets out the aim of improving accuracy and coverage of calculations. In line with this principle the emissions for Category 4 have been revised.

4. Emissions reduction targets

To continue its progress towards achieving Net Zero, Leonardo UK has adopted the following carbon reduction targets:

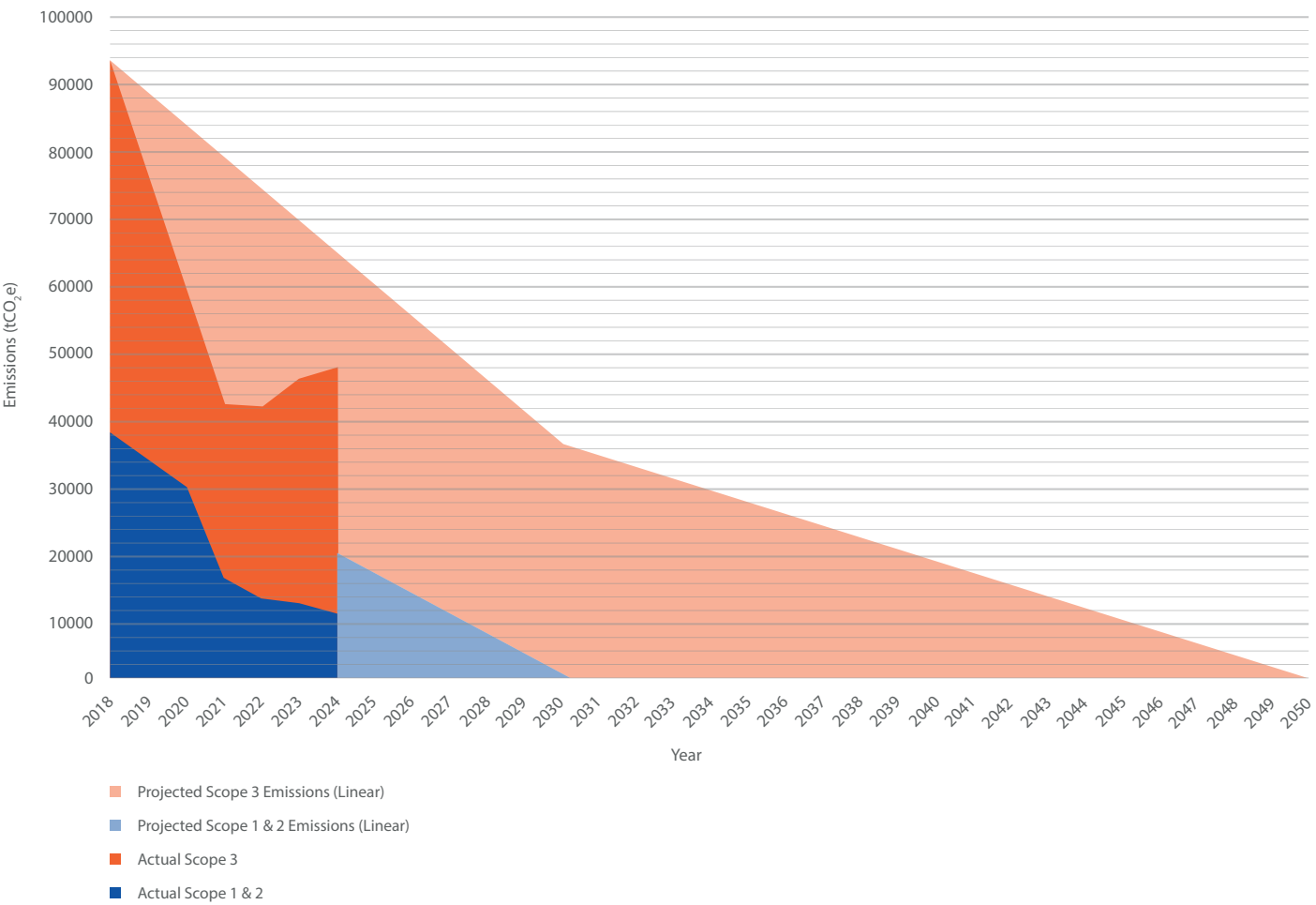
Net Zero for Scope 1 & 2 by 2030

Scope 1 and 2 carbon emissions are projected to decrease by a further 5,976 tCO₂e over the next five years. This is a 62% reduction from 2024, and a 90% reduction from the 2018 baseline year

Net Zero value chain (Scope 3) by 2050

Scope 3 carbon emissions (as defined in PPN 006) are projected to decrease by a further 361 tCO₂e over the next five years. This is a 1% reduction from 2024, and a 34% reduction from the 2018 baseline year .

Progress against these targets can be seen in the graph below:





5. Completed carbon reduction initiatives

The following measures and projects have been completed or implemented since the 2018 baseline year. As a result of these initiatives, Scope 1, 2 and 3 emissions have decreased by 48%, from 74,672 tCO₂e in 2018 to 38,796 tCO₂e in 2024.

As outlined below, Leonardo UK - in line with the Leonardo Group Sustainability Plan - continues to implement projects that reduce energy usage and GHG emissions across the organisation:

Scope 1

- Replacement of gas heating systems with electric solutions such as a recent project in Edinburgh, where gas heating was replaced with heat-pump technology.
- Maximisation of office spaces to improve energy efficiency and reduce heating demand.
- More efficient heating, ventilation, and air conditioning (HVAC) infrastructure utilising lower Global Warming Potential (GWP) refrigerants.
- Installation of Electric Vehicle (EV) charging points to support Leonardo UK employees transitioning to EVs, with seven UK sites now offering EV chargers.
- In 2024, the Leonardo UK car fleet comprised 80% ultra-low emission vehicles (ULEVs), leading to a 46% reduction in GHG emissions from the fleet.

Scope 2

- Across most UK sites, electricity usage is covered by Renewable Energy Guarantees of Origin certificates. The extension of coverage across the entire property portfolio is continuing alongside the exploration of self-generation and storage.
- Energy efficiency projects to reduce electricity consumption, including the installation of LED lighting across UK sites, more efficient Cooling Towers, and the initiation of humidity control studies for manufacturing facilities.
- Implementing the use of new data centres to minimise energy consumption on premises.

Scope 3

- Supply Chain: Continued supplier engagement and training – including the development of [Supplier Sustainability Workshops](#) and joining JOSCAR Zero in UK, supporting improved data-collection and decarbonisation of the supply chain.
- Commuting & Homeworking: Continued growth of UK salary-sacrifice Green Car Scheme, supporting Leonardo UK employees in transitioning to EVs to reduce GHG emissions from employee commutes. Creation of a sustainability criteria in the UK flexible benefits, enabling employees to access sustainable commuting options and renewables for homeworking.
- Transportation and Distribution: Completion of Product Carbon Footprints on several UK products to start to understand emissions related to logistics.

Other initiatives

- ISO 14001 and 50001 accreditations.
- Signatories to the Defence Aviation Net Zero Strategy and the ADS UK Defence ESG Charter, demonstrating the sector's contribution to sustainability.

6. Carbon reduction initiatives planned

Leonardo UK has a pipeline of activities to reduce GHG emissions towards Net Zero. Leonardo UK plans to implement the following further measures to reduce its overall GHG emissions:

Scope 1 & 2

- Constructing a direct-wire 15.23MW Solar Photovoltaic (PV) farm which is due to go live in 2026.
- Exploration of further renewables self-generation and storage solutions for UK sites.
- Further decarbonisation of infrastructure, exploring technologies to eliminate the use of natural gas for heating.
- Expanding Smart Building Management Systems within facilities.
- Collaborating with international teams and industry to research the use of Sustainable Aviation Fuel within the core fleet.
- Implementation of further decarbonisation of on-site vehicles and fleet vehicles.

Scope 3

GHG emission reduction initiatives are being developed across all Scope 3 categories, including:

- Supply Chain: Leonardo UK will continue to collaborate with international teams on supply chain sustainability, in line with the commitment that 58% of suppliers by emissions covering purchased goods and services and capital goods will have science-based targets by 2028.
- Digital and Cloud: Where digital infrastructure is moved from on-site servers to the Cloud, Leonardo UK will continue to implement Digital Sustainability principles to reduce the energy use and associated emissions from Cloud infrastructure.
- Commuting & Homeworking: Continue to develop existing employee benefits such as our Go Green Car Scheme and Cycle to Work Schemes will be developed to further support low-emissions travel, active travel and energy savings for employees at home.
- Business Travel: Leonardo UK is partnering with a SME software platform to accurately measure associated emissions and will develop guidance and initiatives to reduce associated emissions.
- Circularity, Waste & Materials: Leonardo UK sites are working to reduce waste, material use, and water consumption. Additionally, innovative waste reduction and circularity projects are being developed to further reduce waste and material use and improve resilience.
- Product: At a Group level, Leonardo has a commitment to reduce emissions associated with the use of sold products. UK teams are collaborating with international colleagues to measure the impact of products and identify opportunities, whilst UK teams are developing 'Design for Sustainability' principles to embed sustainability in the product-life cycle.
- Logistics: Leonardo teams across the UK will continue working with our logistics partners to reduce GHG emissions in our transportation and distribution chains.
- Investments: In the UK, the Leonardo Pension Funds have set an overarching goal to reach Net Zero GHG emissions by 2050, and the Trustees work in collaboration with Schroder's to measure and track progress towards this target.



7. Alignment with Leonardo Group

Leonardo UK's parent company, Leonardo SpA, continues to lead the Aerospace and Defence Sector in its [commitment to Sustainability](#).

The integration of Sustainability into the Group's business model is enabled by the full coordination of strategic targets and initiatives envisaged in the Sustainability Plan. The direct involvement of each business, legal entity, or division will be required to support the achievement of such targets. Leonardo is committed to reducing climate-altering emissions, mitigating climate change risks, and fostering the transition to a low-carbon economy, especially through research and the implementation of innovative solutions, which also encompass the wider supplier ecosystem.

This positions the company as a leader in its commitment to climate change, confirmed by a Carbon Disclosure Project (CDP) assessment, inclusion in the Dow Jones Sustainability Index for 15 years and named as the leader among Aerospace and Defence companies for the sixth consecutive year.

8. Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and its 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, utilising the appropriate Government emission conversion factors for GHG company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with Streamlined Energy and Carbon Reporting (SECR) requirements. The required subset of Scope 3 emissions has 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 Leonardo UK Ltd.



Clive Higgins
Chair and CEO
Date: 26/09/2025



For more information:
infomarketing@leonardo.com

Leonardo UK Ltd
One Eagle Place - London - SW1Y 6AF
T: +44 (0)20 7340 6100

This publication is issued to provide outline information only and is supplied without liability for errors or omissions. No part of it may be reproduced or used unless authorised in writing.
We reserve the right to modify or revise all or part of this document without notice.

LDO_UK25_01516 09-25
September 2025 © Leonardo Ltd

