LEONARDO UK LTD

Carbon Reduction Plan

2026

LEONARDO

OVERVIEW OF CLIMATE ACTION AT LEONARDO

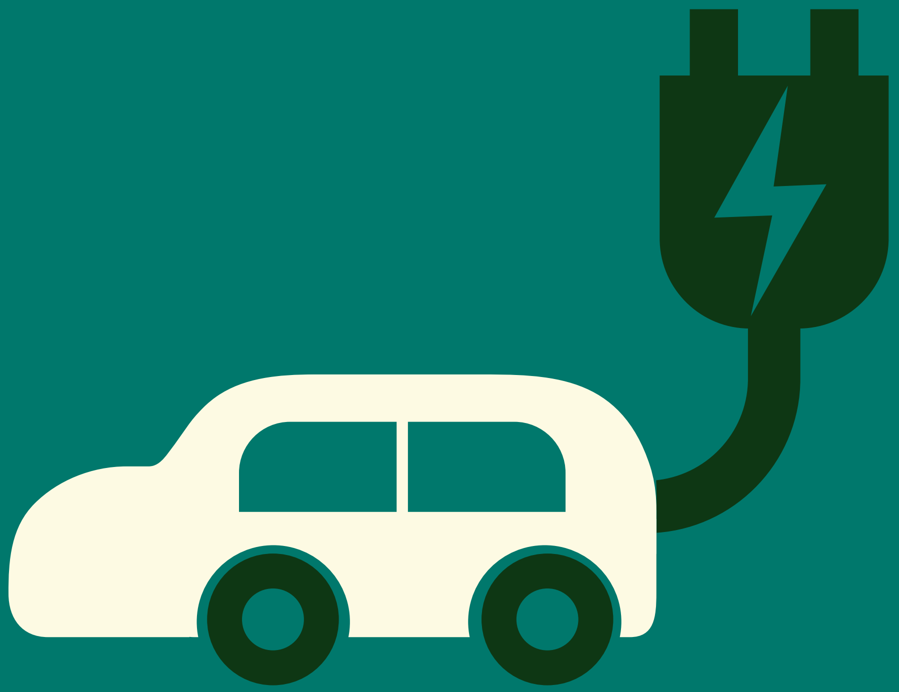
Leonardo is committed to addressing climate change by reducing greenhouse gas (GHG) emissions across its value chain.

As the parent company of Leonardo UK, Leonardo SpA demonstrates leadership within the Aerospace and Defence sector in its commitment to climate action.

This approach is embedded in the Group's business model through the Sustainability and Transition Plan, whose strategic targets and initiatives require direct involvement from every business, legal entity, and division.

It is underpinned by Group-level targets validated by the Science Based Targets initiative (SBTi), which provide a clear and measurable pathway for reducing emissions across operations and the wider value chain. These targets, along with the associated delivery approach, are set out in Leonardo Group's Transition Plan.

Together, these commitments and targets position Leonardo to address rising global temperatures while continuing to support the development of innovative 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

Additional Details relating to the Baseline Emissions calculations

Leonardo UK's GHG emissions for the reporting period of January to December 2025 are calculated in line with the GHG Protocol Corporate Accounting and Reporting Standard. UK 2025 CO2e conversion factors and calorific converters were used in this methodology. The reporting covers all material emissions sources within Leonardo UK's operational boundary, utilising the operational control approach.

Scope 1 encompasses Leonardo UK's direct emissions, including those associated with the direct consumption of gas and fuel, emissions generated by owned and leased fleet vehicles, and fugitive emissions. Scope 1 emissions are calculated based on the volume of fuel consumed (detailed on utility invoices), the number of miles travelled by company-owned vehicles, and the equivalent CO2e value of fugitive emissions from refrigeration systems.

Scope 2 encompasses indirect emissions, including those associated with the purchase and consumption of electricity. Scope 2 emission calculations are based on the volume of consumed electricity detailed on utility invoices and use the 'Market-Based' methodology.

Scope 3 encompasses emissions resulting from company activities, generated from sources not owned or controlled by Leonardo. The Scope 3 figures reported in this CRP include the following emissions, as per the Technical Standard guidance: upstream transportation and distribution; business travel; employee commuting; downstream transportation and distribution; and waste generated in operations.

3. EMISSIONS REPORTING

→ Table 1: 2025 emissions against the 2018 baseline. Scope 1 and 2 market-based emissions have reduced by 77%.

Emissions Scope	**2018 Baseline tCO_2e**	**2025 Total tCO_2e**	**% Change from Baseline**
Scope 1	16365	8471	-48%
Scope 2	20827	13	-100%
Total Scope 1 & 2	37192	8484	-77%
Scope 3			
Category 4: Upstream Transportation And Distribution	31668	24400	-23%
Category 5: Waste	241	107	-56%
Category 6: Business Travel	10900	10458	-4%
Category 7: Employee Commuting	13106	7410	-43%
Category 9: Downstream Transportation And Distribution*	0	0	0%
Total Scope 3	55915	42374	-24%
Total Emissions	93107	50858	-45%

→ * Note: Leonardo UK does not currently assess downstream transportation and distribution emissions.

Notes

In alignment with the principles of the Greenhouse Gas Protocol, Leonardo UK continues to review and improve the coverage and accuracy of data for all emissions categories. Where methodology improvements are implemented, historical emissions data may be recalculated to maintain consistency and comparability with the baseline year.

During the reporting period, enhancements to the Scope 3 Category 6 methodology improved the quality of business travel emissions, resulting in a 38% increase in reported 2024 emissions.

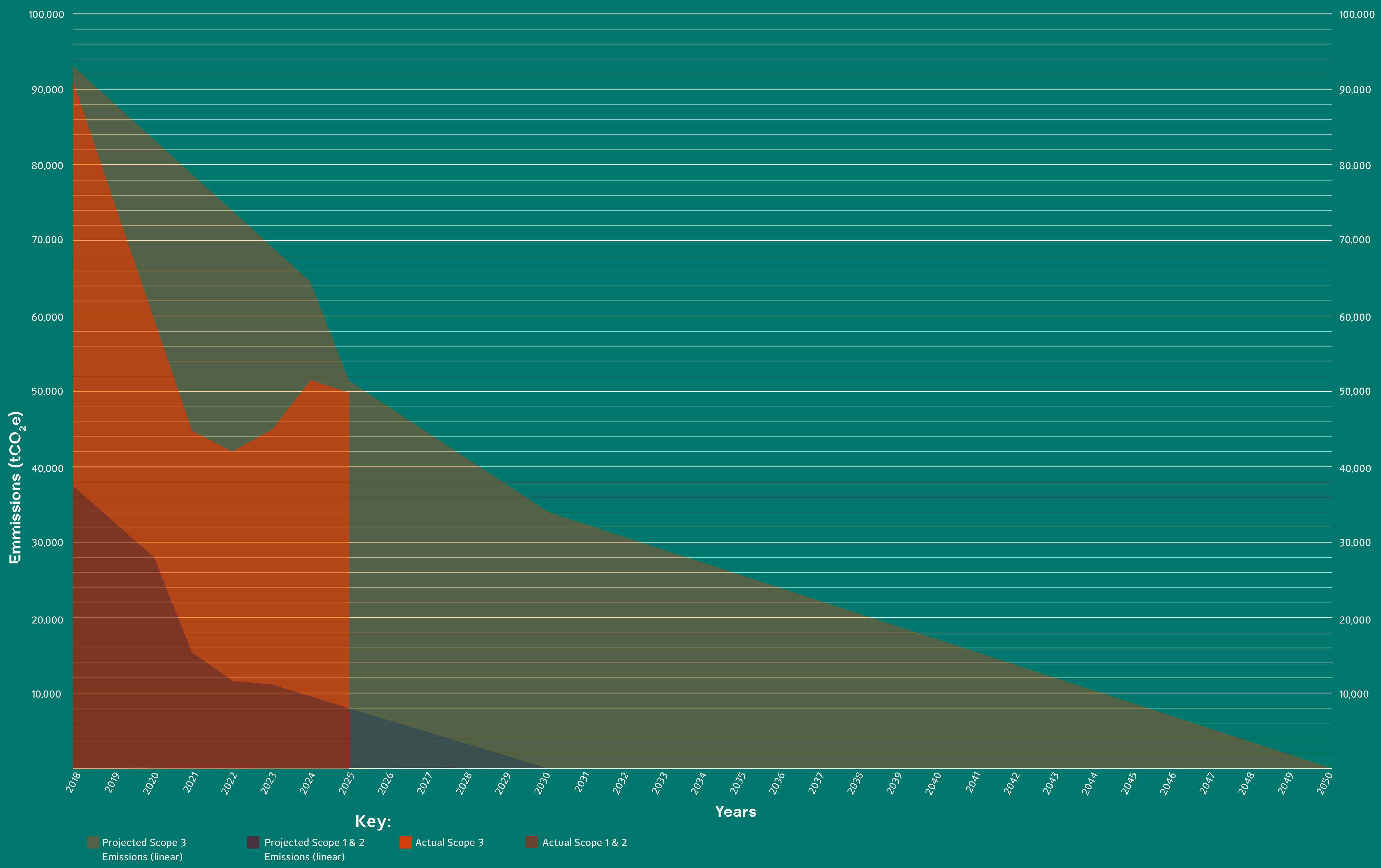
4. EMISSIONS REDUCTION TARGETS

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

Scope 1 and 2 carbon emissions are projected to decrease by a further 4,765 tCO2e over the next five years. This represents a 56% reduction from 2025.

This target is aligned with Leonardo Group's Science Based Targets initiative (SBTi)-validated decarbonisation pathway.

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 and 2 emissions have decreased by 77%, from 37,192 tCO_2e in 2018 to 8,484 tCO_2e in 2025.

As outlined below, Leonardo UK continues to implement projects that reduce energy usage and GHG emissions across the organisation. These investments have improved efficiencies, thereby reducing Leonardo UK's GHG emissions.

These measures are embedded within Leonardo UK's operations and will be in effect in the performance of public contracts, supporting the delivery of emissions reductions in line with this Carbon Reduction Plan.

Scope 1 and 2

- Electrification of non-industrial gas heating systems in Edinburgh and Yeovil.
- Maximisation of its office spaces, to improve energy efficiency and reduce heating demand.
- Continued implementation of 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.
- Company car fleet now comprises 69% ultra-low emission vehicles (ULEVs).
- Renewable Energy Guarantees of Origin certificates now cover all industrial sites, and 99% of total electricity consumption.
- Installation of LED lighting across all UK sites.
- More efficient Cooling Towers to support industrial processes and reduce energy consumption.
- Initiation of humidity control studies for manufacturing facilities to reduce energy consumption.
- Continued efficiencies of on-site data infrastructure, and-where possible-moving to energy efficient off-site data centres to reduce overall energy demand.
- Further development of Digital Sustainability to reduce energy demands of digital processes
- Construction of a direct-wire 15.23MW Solar Photovoltaic (PV) farm.

Scope 3

- Green Car Scheme and Cycle to Work initiatives, alongside collaboration with Mobilityways to support employee transition to cleaner commuting and active travel. In 2025, employees using our Green Car Scheme increased by 51%, whilst Cycle to Work increased by 170%.
- Installation of EV charging points to support employees transitioning to EVs.
- In 2025, waste across the UK reduced 22% from 2019, including initiatives such as wormeries installed across the estate to recycle food waste and increase staff engagement, and a pilot project reusing carbon fibre from end-of-life helicopter blades.

Other initiatives

- ISO 14001 and 50001 accreditations across all manufacturing sites.
- 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

- Further decarbonisation of infrastructure, exploring technologies to eliminate the use of natural gas for heating.
- Expanding Smart Building Management Systems within facilities.
- Further efficiencies of on-site data infrastructure
- Collaborating with international teams to research the use of Sustainable Aviation Fuel within the core fleet.
- Continued decarbonisation of on-site vehicles and fleet vehicles.
- Exploring further use of low-GWP refrigerants within our operations
- Exploring use of biofuels within on-site operations

Scope 3

- **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:** Existing employee benefits will be developed to further support active travel (e.g., cycle to work) and energy savings for employees at home.
- **Business Travel:** Leonardo UK is partnering with an SME software platform to accurately measure associated emissions and develop guidance to help reduce them.
- **Circularity, Waste & Materials:** Leonardo UK has a target to reduce waste production by 15% by 2030. In the UK, Leonardo sites are working to reduce waste, material, and water consumption in line with our Group targets. Additionally, innovative waste reduction and circularity projects are being developed to further reduce waste and material use.
- **Logistics:** Leonardo teams across the UK will continue working with our logistics partners to reduce GHG emissions in our transportation and distribution chains.

Scope 3: Beyond PPN Categories

In addition to the Scope 3 categories required under PPN 006 initiatives are in place to reduce emissions across other Scope 3 categories, including:

- Supply Chain: Decarbonisation of the supply chain through a supplier engagement programme, supporting Leonardo Group's target for 58% of suppliers by emissions to have science-based targets by 2028.
- Product: Further implementation of 'Design for Sustainability' in product design, and further development of Product Carbon Footprints for products.
- Investments: The Leonardo Pension Funds have set an overarching goal to reach Net Zero GHG emissions by 2050, and the Trustees work in collaboration with Schroders to measure and track progress towards this target.

7. 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).

Clive Higgins
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