

Carbon Reduction Plan 2021

Version 1.0

Introduction

Leonardo UK Ltd. has been pursuing a path of sustainability that integrates environmental issues into our business strategy.

We monitor the energy consumption and carbon emissions footprint of our UK sites closely and we follow a continuous process of incorporating innovative solutions to reduce our environmental impact.

Since 2016, Leonardo has procured 100% green energy through renewable energy sources.

Commitment to achieving Net Zero

Leonardo is committed to achieving Net Zero by 2030 for Scope 1 and 2 emissions and by 2050 across our value chain.

Baseline emissions footprint

We have chosen 2018 as the baseline year as it aligns with the baseyear chosen by other UK government schemes such as Climate Change Agreements (CCA). Leonardo also uses 2018 as the baseline year for our ISO 50001 accreditation.

From 2018 to 2020, Leonardo achieved a 22% reduction in Scope 1 and 2 emissions.

EMISSIONS (tCO ₂ e)	Baseline 2018	2020
Scope 1	16,365	13,852
Scope 2	20,827	14,882
Total Scope 1 and 2	37,192	28,734
Scope 3		
Business Travel	10,900	1,495
Employee Commuting	13,106	6,553
Upstream Transportation and Distribution ⁽¹⁾	7,082	6,201
Downstream Transportation and Distribution ⁽¹⁾	0	0
Waste Generated	241	231
Total Scope 3	31,329	14,480
Total Emissions	68,522	43,214

⁽¹⁾ Leonardo is assessing all transportation and distribution emissions, but is not able to separate upstream and downstream emissions. This report therefore combines all transportation and distribution emissions into the upstream total.

Our journey to Net Zero

Our performance so far...

From 2018 to 2020, Leonardo achieved a 22% reduction in Scope 1 and 2 emissions.

In order to continue our progress towards reducing our environmental impact, we have set the following emissions reduction targets:

Reduce Scope 1 and 2 carbon emissions by 40% by the end of 2025 against a 2018 baseline.

Protecting our planet is the responsibility of us all therefore the long term aspirations of Leonardo continue to support this goal:

Achieving Net Zero by 2030 for Scope 1 and 2 emissions and by 2050 across our value chain.

Carbon reduction initiatives completed

The following environmental management measures and projects have been completed or implemented since the baseline year of 2018. These significant investments have improved efficiencies and have they have also contributed to the reduction of our greenhouse gas emissions.

LED Lighting and Light-as-a-Service (LaaS)

Over the past few years, Leonardo and our facilities management partners have embarked on a massive programme to provide new, modern lighting at our sites.

A key component of this has been to replace traditional lighting solutions with the latest generation of LED lighting systems. This programme has taken place across several sites, greatly improving efficiencies. It has also made a significant contribution to our energy savings targets, but there is more to do. In 2021 Leonardo signed a contract with a partner to deliver Light-as-a-Service (LaaS).

Leonardo will roll out LaaS over the remaining sites over the next few years to deploy LED lighting to all of our UK sites.

Heating Systems

At our Yeovil site, the Helicopters division has replaced a conventional centralised steam heating network with local heating solutions that provide individual heat production that is building-specific with improved temperature control.

Local heating solutions address the inefficiency of centralised systems where heat has to travel longer distances with the disadvantage of heat losses resulting in wasted energy.

Industrial Cooling Systems

We have replaced a number of inefficient cooling towers with new systems that are more energy efficient. As an example, our Yeovil facility has replaced a cooling tower used to control the temperature of hydraulic oil with modern air blast coolers.

Electric vehicle charging network

As our employees move to more hybrid and pure electric vehicle use, we have initiated the installation of charging points across our main sites to encourage more zero emissions travel.

Carbon reduction initiatives planned

Moving forward we have an ambitious pipeline of activity to further accelerate our carbon reduction performance. We are planning to implement the following further measures to reduce our carbon footprint overall.

Energy management standards

To improve our performance and analysis, we will implement ISO 14064-1 for all UK operations by the end of 2024 with the ambition to follow the PAS 2060 standard to demonstrate that our carbon neutrality claims are credible and verified.

PAS2060 is the only internationally recognised certification for organisational carbon neutrality. This is in addition to our existing accreditation to ISO 5001-2018 that requires a robust methodology for energy management and continual improvement.

Local energy generation

We are pursuing a path to self-generation through investment in power purchase agreements (PPAs). We are aiming to produce 25% of our own energy by 2030.

Electric vehicle roll-out

In addition to the increased expansion of our charging points network, we will encourage our people to move to hybrid and pure electric car vehicles by introducing an employee salary sacrifice scheme for low emissions vehicles. This is in addition to making all executive cars 100% electric by 2030 and transitioning our site commercial fleet to electric options by 2025.

Site investments

We have an active programme that will result in significant improvements and efficiencies to include:

- › Investment in further sub-metering for electricity and gas across all of our sites
- › The completion of the roll-out of LaaS
- › Reducing our reliance on natural gas and moving to modern low conversion refrigerants

Waste and Water improvements

We continue to drive a programme of waste reduction with a target to reduce our total waste by 5% and to recycle a minimum of 90% of our non-hazardous waste by 2024. We also have targets to reduce water consumption and water discharge by 5% by 2024.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and the associate 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 and uses the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of 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 signed off by the Board of Directors (or equivalent Management Body).

Signed on behalf of Leonardo UK Ltd.

A handwritten signature in black ink, reading "Norman J. Bone". The signature is written in a cursive style with a large initial 'N' and a distinct 'J' and 'B'.

Date: 30 September 2021



For more information:
infomarketing@leonardocompany.com

Leonardo
Sigma House
Christopher Martin Road
Basildon
Essex SS14 3EL - United Kingdom
T +44 (0) 1268 522822

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