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PPN 06/21 - Carbon Reduction Plan

Supplier name: Thales UK Limited

Publication date: 7th August 2024

Commitment to achieving Net Zero

In accordance with its values, its corporate social responsibility policy and as part of a voluntary initiative, Thales has made a commitment to a low-carbon future, reaffirming the undertakings it made by signing the Business Proposals for COP21 in 2015 and the French Business Climate Pledge in 2017 and 2019.

Thales UK has committed to achieving Carbon Net Zero by 2050. This ambitious challenge is built on six workstreams that have been identified as requiring action to reduce its CO2 output.

1. Mobility
    a. Reducing emissions from Travel
    b. Working towards low carbon transport
2. Procurement
    a. Reducing emissions from Procurement / Supply chain
3. Operations
    a. Reducing CO2 at our sites (Real estate) and Communities
    b. Reducing emissions from operations
    c. Cutting emissions from waste
4. Products
    a. Reducing CO2 from Products & Services
5. Offsetting / Sequestration
    a. Carbon credits
    b. Reforestation & Afforestation
    c. Carbon capture storage
    d. Carbon offsetting (travel)
6. Support
    a. CSR (Corporate Social Responsibility)
    b. Social value
    c. Communications

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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.

Baseline Year: 2018	
Additional Details relating to the Baseline Emissions calculations.	
Scope 1 & 2 Emissions: Thales UK's largest energy source and carbon emissions result from the purchase of electricity across the estate, which covers around 80% of the total Scope 1 & 2 emissions. That leaves 20% of fossil fuel consumption to address. To mitigate the Scope 2 impact of purchased electricity, Thales UK procure REGO certified renewable electricity tariffs, which essentially offsets these emissions to zero. **Scope 3 Emissions:** Scope 3 emissions are baselined for the five defined categories in PPN 06/21. The remainder of the applicable categories are being addressed and will be baselined in 2022. The target remains as 2050 for Carbon Net Zero for all applicable categories of Scope 3.	
Baseline year emissions: 2018	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	**6203.05**
Scope 2	**8974.37**
Scope 3 **(Included Sources)**	**4357.7** **Category 4: Upstream Transportation & Distribution** **Category 5: Waste Generated in Operations** **Category 6: Business Travel** **Category 7: Employee Commuting** **Category 9: Downstream Transportation & Distribution**
Total Emissions	**19535.12**

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Current Emissions Reporting

Reporting Year: 2023	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	**2669.14 tonnes**
Scope 2	**0 tonnes (Market Based - with renewables))** **6055.59 tonnes (Location Based - without renewables)**
Scope 3 **(Included Sources)**	**14948.21 tonnes** **Category 4: Upstream Transportation & Distribution** **Category 5: Waste Generated in Operations** **Category 6: Business Travel** **Category 7: Employee Commuting** **Category 9: Downstream Transportation & Distribution**
Total Emissions	**17617.35 tonnes (Market Based - with renewables)** **23672.94 tonnes (Location Based - without renewables)**

Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.

Our ambition is that Scope 1 & 2 carbon emissions will decrease over the next 6 years to Net Zero tCO2e and the full set of applicable Scope 3 emissions by 2050.

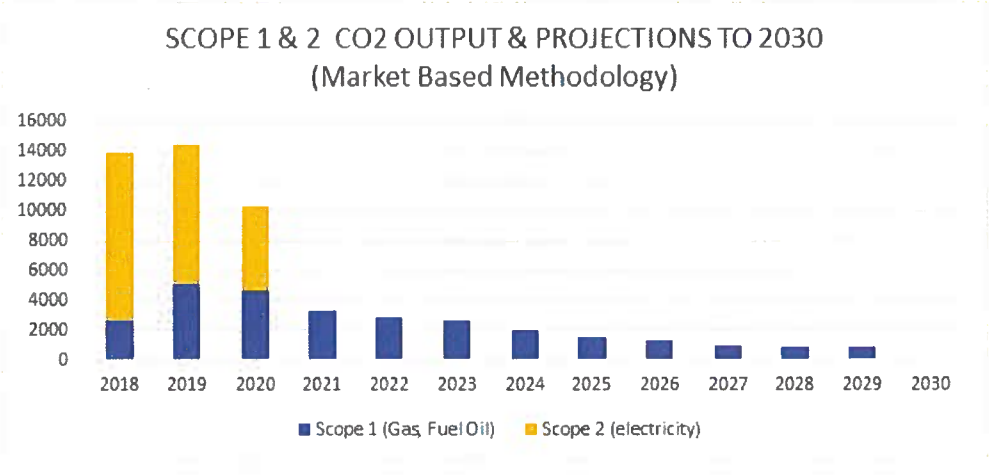
Location and market-based emissions

At a high-level, there are two primary approaches for calculating greenhouse gas emissions: the location-based method and the market-based method. Per the Greenhouse Gas (GHG) Protocol's latest Scope 2 reporting guidance, Thales UK use both of these methods when calculating and reporting our emissions (a process known as "dual reporting").

Location-based factors identify the CO2 emissions that would have been incurred from non-renewables, within the physical locations where they operate, while the market-based method accounts for the complexities and ramifications of purchasing decisions on the power mix. (i.e Renewable Energy)

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

SCOPE 1 & 2 Emissions



The above chart identifies the reducing CO2 emissions from the introduction of 100% renewable electricity in Q3 2020. In addition Thales UK has renewed its gas supply with biogas from Q3 2023. From 2024 Thales UK is starting to remove all fossil fuel heating and replacing with electric heat pumps. Thales UK has a commitment to continue to use renewable energy. Thales UK are also transitioning to the use of Hydro Treated Vegetable Oil to reduce CO2 emissions from Scope 1 in advance of full electrification.

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets:

- Net Zero ambition within our own operations for 2030 (Scope 1 & 2)
- Net Zero across all Upstream and Downstream activities for 2050 (Scope 3)

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Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2018 baseline. The carbon emission reduction ((Scopes 1 & 2) achieved by these schemes equate to a 80.11 % reduction against the 2018 baseline.(Market Based)

- Currently finalizing Thales UK's Carbon Net Zero Strategy , Carbon Net Zero
- Thales UK is certified to ISO50001, Energy Management Standard and ISO14001, Environmental Management Standard
- Behavioural change from the Thales UK Sustainable Development Programme
- Purchasing electricity and Gas from renewable sources
- Real Estate energy audit surveys have been completed which identify opportunities to reduce consumption and remove use of fossil fuels.
- Implemented a range of energy conservation measures: LED lighting, BMS improvements, Switch Off campaigns, Property consolidation.
- All refurbished and new buildings are subject to BREAAM Building solutions
- Removal of all Diesel and Petrol only vehicles by 2026. (100% ULEV Fleet)
- Developing our product carbon footprint capabilities through out ECO-Design process
- Engaging the supply chain to understand, manage and reduce our wider environmental impacts.
- Replacing Fuel Oil with Hydro Treated Vegetable Oil (HVO).

In the future, we will implement further measures such as:

- Electrification of gas and Oil heating systems across the estate
- Continual improvement and development of our Environmental Management System

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Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and 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[7] and uses the appropriate Government emission conversion factors for greenhouse gas company reporting[8].

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[9].

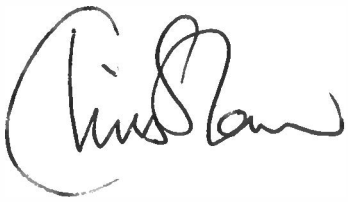
This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Alex Cresswell

Chief Executive & Chairman,

Thales UK Date: 7th August 2024



Chris Shaw

Chief Operating Officer,

Thales UK Date: 7th August 2024