

**MBDA UK LIMITED
CARBON REDUCTION
PLAN
JULY 2023**



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COMMITMENT TO ACHIEVING NET ZERO

MBDA UK Limited (“MBDA UK”) are committed to achieving Net Zero Emissions by 2050

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 emissions from the seven Greenhouse Gases (GHGs) named by the Kyoto Protocol: Carbon Dioxide (CO₂), Hydrofluorocarbons (HFCs), Methane (CH₄), Nitrous Oxide (N₂O), Nitrogen Trifluoride (NF₃), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF₆).

Emissions are calculated in tonnes of carbon dioxide equivalent (CO₂e) using the appropriate conversion factors published by BEIS (Department for Business, Energy & Industrial Strategy) and a supplier specific carbon emission factor for electricity.

MBDA UK’s emissions are accounted and reported in accordance with the Greenhouse Gas Protocol standard using the ‘Operational Control’ approach. Reporting is aligned to our Financial Year reporting period (1 January to 31 December).

BASELINE YEAR: 2021

Additional details relating to the baseline emissions calculations

In 2021, MBDA Group (“Group”) developed its ‘Net Carbon Neutrality 2050’ roadmap. In support of this roadmap, MBDA UK undertook a rebaselining activity that included an assessment of the Scope 1, Scope 2 and five of the Scope 3 emission categories listed below.

As 2021 was the first time that MBDA UK had completed an assessment of these Scope 3 categories, 2021 forms MBDA UK’s baseline year.

BASELINE YEAR EMISSIONS:

EMISSIONS	TOTAL (tCO ₂ e)
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Scope 1	2,076
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Scope 2	5,212
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Scope 3	9,094
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(Included sources)

The following categories have been included within our Scope 3 reporting:

- Category 4 – Upstream transportation and distribution
- Category 5 – Waste generated in operations
- Category 6 – Business travel
- Category 7 – Employee commuting
- Category 9 – Downstream transportation and distribution

Total emissions 16,382

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CURRENT EMISSIONS REPORTING

EMISSIONS	TOTAL (tCO ₂ e)
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Scope 1	1,998
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Scope 2	1,197
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Scope 3	12,508
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(Included sources)

The following categories have been included within our Scope 3 reporting:

- Category 4 – Upstream transportation and distribution
- Category 5 – Waste generated in operations
- Category 6 – Business travel
- Category 7 – Employee commuting
- Category 9 – Downstream transportation and distribution

Total emissions 15,703

Between 2021 and 2022 MBDA UK saw a reduction in its total emissions. Scope 2 emissions reduced substantially from the previous year due to the use of a supplier specific carbon emission factor that reflects MBDA UK's renewable electricity contract. Likewise, between the two periods electricity consumption also decreased due to the implementation of energy conservation measures, with some examples provided in the 'Carbon Reduction Projects' section.

Scope 3 emissions did increase, with a large portion of this increase resulting from increased business travel in 2022. In 2022, business travel appeared to return to levels that were more consistent with 2019 data, with 2021 still experiencing an impact from Covid-19. Some of the carbon reduction projects provided are to reduce business travel emissions.

EMISSIONS REDUCTION TARGETS

MBDA Group has established a Net Zero Carbon Neutrality 2050 roadmap, in which MBDA UK will aim to meet these targets.

The Group Net Zero Carbon Neutrality 2050 roadmap is based on four pillars:

- Developing low-carbon energies by promoting renewable energies
- Monitoring and optimising energy efficiency
- Monitoring and optimising carbon emissions as part of our environmental impact
- Developing carbon sinks

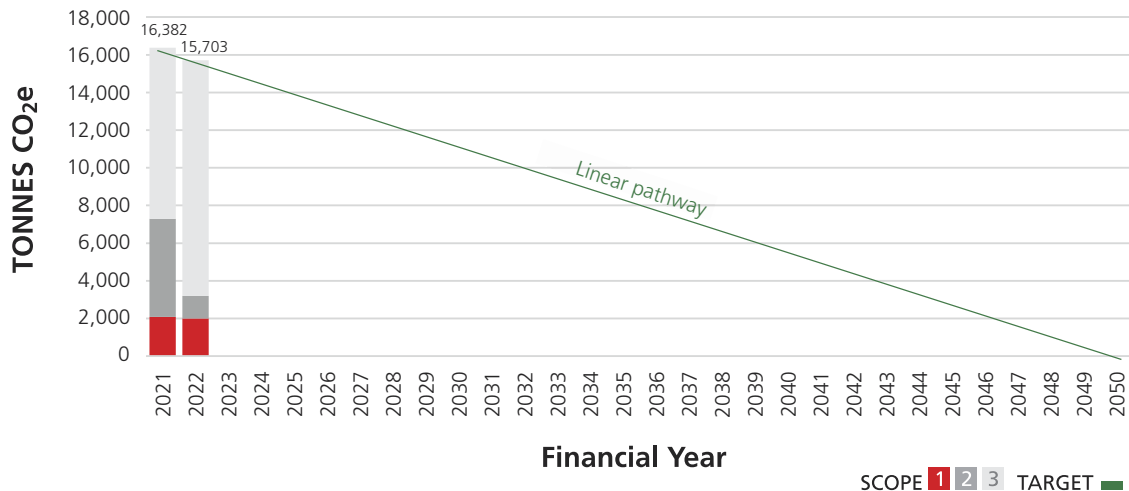
Carbon reduction targets are being developed across these four pillars, and will include intermediate targets for 2030 as well as 2050 net zero targets.

MBDA Group has already set the target of sourcing 80% of our energy supply from low carbon and renewable energy sources by 2030. Since 2020, MBDA UK has been purchasing renewable energy, with 59% of MBDA UK's 2022 energy consumption coming from renewable energy sources.

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MBDA UK SCOPE 1 AND 2 CARBON EMISSIONS (TONNES CO₂e)



CARBON REDUCTION PROJECTS

Completed carbon reduction initiatives

The following carbon reduction measures were either active, or have been completed or implemented since 2021.

MBDA UK's sites are certified to both the ISO 50001 Energy Management System and the ISO 14001 Environmental Management System. These management systems enable MBDA UK to effectively monitor, plan and improve our performance and contribution towards energy efficiency and carbon reduction.

In order to reduce our carbon footprint we have implemented a number of carbon reduction initiatives, not only across our sites, but also within our processes.

- In addition to purchasing the electricity used on MBDA UK's owned sites from renewable energy sources, we have 340kWp of solar PV installed across our Stevenage, Bristol and Bolton sites.
- We have installed electric vehicle charge points on our three main sites giving employees and visitors lower carbon transport options. We also implemented our Travel Smarter Campaign in order to raise awareness of lower carbon transport options.
- We completed a significant sub meter replacement and installation activity, as well as implementing a new energy monitoring and targeting tool. We will be continuing to implement these upgrades across the full UK estate in 2023 and 2024.
- We continue to reuse and recycle all of our general waste, with zero waste to landfill. In 2022, we avoided 279 tCO₂e through the reuse and recycling of waste.
- We completed the replacement of a number of different building services with more energy efficient options, for example by installing air-handling units with heat recovery, installing LED lighting with additional controls and making Building Management System Improvements.
- On our Thurleigh site, we continue to promote biodiversity through the management of a wildlife pond and wildlife corridors, by installing bird nest boxes and feeders, and planting wildflowers.
- We offer a range of employee benefits such as a car incentive scheme which encourages employees to opt for hybrid or fully electric vehicles, a cycle to work scheme and public transport season ticket loan scheme, which enable employees to use more sustainable transport options.

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The carbon emission reduction achieved by these schemes equate to 649 tCO₂e, a 4% reduction against the 2021 baseline.

In the future, we are looking to undertake further activities in order to reduce our overall carbon emissions and to improve our carbon footprint reporting:

- Following the completion of an estate wide solar PV feasibility study, we are planning for future solar PV installations across our Stevenage, Henlow, Bolton, and Bristol sites in 2024.
- We are undertaking a number of decarbonisation activities that will reduce the use of fossil fuels and improve energy efficiency. For example, replacing gas boilers with air source heat pumps supplied by renewable electricity and replacing some diesel uses with hydrogenated vegetable oil (HVO).
- On our Bristol site we are implementing infrastructure improvements and a number of degassing opportunities which will enable us to maximise the use of renewable energy
- All new construction projects and building services are designed to be energy efficient, to maximise the use of passive design and where possible to use low carbon technologies
- We have commissioned our Maintenance Service Provider to deliver an Energy Optimisation Programme with the aim of improving the energy performance of all of our UK sites.
- We have established internal governance and resource to support MBDA UK in the development of ESG, Sustainability and Social Value.
- Following the establishment of an internal steering committee and working group, as well as collaboration with industry, we continue to develop a framework for measuring, reporting and reducing Scope 3 emissions long term.
- We are incorporating sustainability into the whole procurement process, from assessing the requirements through to contract management. We will be publishing our Sustainable Procurement Charter in 2023 that will set out how we propose to work towards achieving our goals with our supply chain partners.
- In partnership with our catering service provider, in 2023 we have begun to roll out a number of initiatives to reduce waste and single use plastic. Some examples include using Waste Knot to source vegetables, supporting local communities with Olivo, implementing a reusable cup initiative and replacing disposables with Vegware compostable cups and packaging.
- We will be implementing a training programme to improve employee awareness of sustainability issues and to inform employees on how they can contribute towards energy efficiency and carbon reduction.
- We will be completing an ecological appraisal and carbon sequestration assessment in order to baseline MBDA UK's current impact on biodiversity. We will then plan onsite improvements that will contribute to reducing our net carbon emissions.

2022
340kWp
OF SOLAR PV
INSTALLED ACROSS
OUR SITES

2022
279 tCO₂e
AVOIDED
THROUGH REUSE
AND RECYCLING
OF WASTE

2022
Certified
TO BOTH ISO 50001 ENERGY
MANAGEMENT SYSTEM AND
ISO 14001 ENVIRONMENTAL
MANAGEMENT SYSTEM

2022
4%
REDUCTION IN
tCO₂e AGAINST
2021 BASELINE

2022
59%
OF ENERGY
CONSUMPTION
FROM RENEWABLE
ENERGY SOURCES



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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 standard¹ for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

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:



Louise Holmes
MBDA UK Deputy Managing Director

Date: 28/07/2023

1 <https://ghgprotocol.org/corporate-standard>

2 <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

3 <https://ghgprotocol.org/standards/scope-3-standard>