



Our Greenhouse Gas Emissions

This factsheet provides further details in relation to Babcock International Group's Greenhouse Gas Emissions as reported in our FY25 Annual Report.

We calculate our footprint using the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard, which defines emissions into 'scopes'.

Scope 1 emissions are those under our direct control, such as aviation fuel consumed by our aviation business, combustion of fuels for heating buildings and powering our vehicles.

Scope 2 are our indirect emissions arising from purchased electricity, heating, cooling and steam.

Scope 3 emissions make up the rest of our value chain, including the upstream emissions embedded within the goods and services we purchase, downstream lifetime emissions from products we sell, and the emissions resulting from employee travel and our investments.

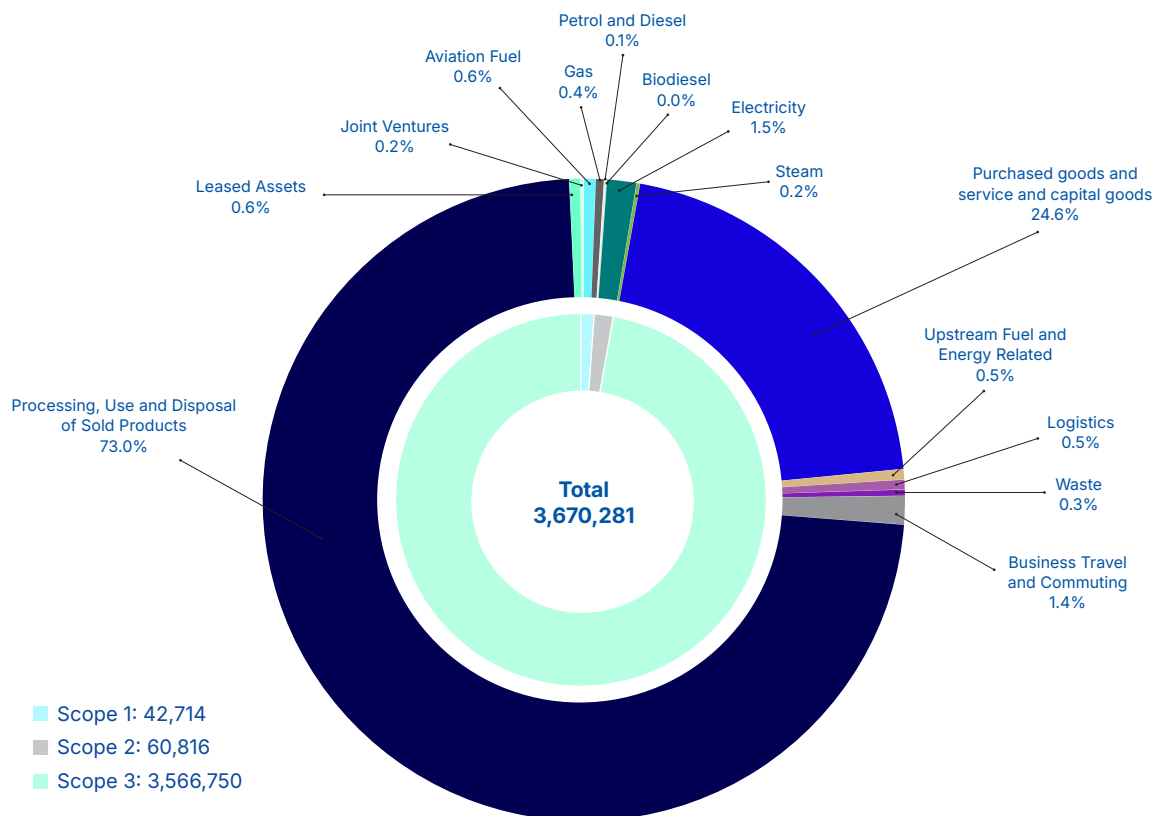


Table 1 – Babcock International Group Scope 1, 2 and 3 emissions

Scope 1 emissions equate to 1.2% of our footprint

Scope 2 (market-based) emissions equate to 1.7% of our footprint

Scope 3 emissions equate to 97% of our footprint

The following table presents our Babcock International Group PLC scope 1, 2 and 3 emissions for the base-year (2021), previous year (2023) and most recent year (2024) expressed in tonnes of carbon dioxide equivalent (tCO₂e).

Babcock Group Total (UK and Global)		2021	2023	2024
Scope 1: Direct emissions from owned/controlled operations ¹	tCO ₂ e	63,179	44,511	42,714
Scope 2 location-based: Indirect emissions from the use of electricity and steam	tCO ₂ e	37,760	42,635	39,832
Scope 2 market-based: Indirect emissions from the use of electricity and steam	tCO ₂ e	61,873	66,499	60,816
Total scope 1 and 2 emissions (market-based)²		125,052	111,010	103,530
Scope 3 footprint - Babcock Group Total:				
Category 1: Purchased goods and services	tCO ₂ e	506,647	510,102	654,329
Category 2: Capital goods	tCO ₂ e	76,251	108,116	103,394

Category 3: Fuel- and Energy-Related	tCO ₂ e	22,186	19,595	19,472
Category 4: Upstream transport	tCO ₂ e	24,890	36,268	17,751
Category 5: Waste	tCO ₂ e	4,580	4,362	11,433
Category 6: Business travel	tCO ₂ e	6,608	25,475	21,992
Category 7: Employee commuting	tCO ₂ e	30,095	30,502	30,726
Category 8: Upstream leased assets	tCO ₂ e	892	832	358
Category 9: Downstream transport	tCO ₂ e	281	326	391
Category 10: Processing of sold products	tCO ₂ e	-	-	-
Category 11: Use of sold products ³	tCO ₂ e	2,055,356	2,338,778	2,680,159
Category 12: End-of-life treatment of sold products	tCO ₂ e	278	278	352
Category 13: Downstream leased assets	tCO ₂ e	18,378	17,055	20,425
Category 14: Franchises	tCO ₂ e	-	-	-
Category 15: Investments	tCO ₂ e	3,838	7,226	5,968
Category 15: Pensions ⁴	tCO ₂ e	-	1,268,302	1,367,369
Total scope 3 emissions (excluding pensions)	tCO ₂ e	2,750,279	3,098,916	3,566,750
Total scope 3 emissions (including pensions)	tCO ₂ e	-	4,367,218	4,934,120
Total Value Chain Emissions (excluding pensions)^{2,5,6}	tCO₂e	2,875,330	3,209,926	3,670,281

1. Scope 1 emissions exclude biogenic emissions, reported as "outside of scopes". Outside of Scopes emissions in 2024 were 7,148 tCO₂e.
2. Figures are presented rounded to the nearest whole number, so may not sum precisely to totals (which are based on unrounded figures).
3. Use of sold products emissions include future lifetime emissions from products sold in 2023.
4. Pensions emissions have been estimated for 2024 and 2023 based on extrapolation of the absolute GHG emissions within the most recently available climate reports for Babcock's pension schemes.
5. We have elected not to include pensions emissions in our total value chain figures given that it is optional, and due to low calculation maturity.
6. Total value chain emissions, and our science-based targets, are calculated using the market-based approach to scope 2 accounting as this approach takes account of the actual emissions of our energy supplies and is in line with our science-based targets.

Exclusions and estimated data

The published emission figures include an element of estimated data. Data that has been estimated as immaterial to the Group's emissions has been omitted as it has not been practical to obtain. Omitted data includes expensed fuel receipts, data from sensitive sites, and category 15 emissions from Joint Ventures, except for Ascent Flight Training (Holdings) Limited and AirTanker Services Limited. Metering and monitoring improvements are being implemented to capture these data streams moving forward.

Base-year and previous year recalculation

Over the past 12 months we have implemented a new and improved Data Management System, which has improved the accuracy and completeness of our data sets. Organisational changes have also occurred including the sale of our Oman NTI business. These improvements and changes have resulted in our materiality threshold being exceeded (5% emission variance in the base-year), and accordingly we have carried out a base-year and previous year recalculation. The most significant changes impacting the recalculation include:

- Amends to the Scope 1 emissions from aviation fuel due to structural changes (including contract losses)
- Scope 2 emissions adjustments to only include activities within Babcock's operational control.
- Improvements to Scope 3 Category 1 emissions categorisation
- Improved data collection and updated calculation methodology for Scope 3 Category 11 emissions

Scope 1 & 2 emissions

Methodology

Scope 1 and 2 emissions are calculated following the Greenhouse Gas (GHG) Protocol Corporate Accounting and Reporting Standard (revised edition) under the 'Operational Control' approach. Our direct scope 1 emissions are predominantly calculated using primary data from meter readings, supplier invoices, specialist assessments and inventory reports. We record gas consumption on regular meter readings. Aviation fuel is recorded by volume delivered. Vehicle emissions are calculated from annual fuel card data or estimated from expense reports where fuel quantities or mileage is not available. Other fuel consumption is a mixture of meter readings and invoices. Fugitive emissions are measured on F-gas registers from inspections of equipment.

Scope 1 and 2 figures for UK operations follow conversion factors published by Department for Business, Energy & Industrial Strategy (BEIS), except where supplier-provided energy from waste factors are used for Devonport Royal Dockyard under market-based accounting. Non-UK operations utilise emission factors applicable to the fuel source and location, sourced by our Data Management System. The reporting period for our energy consumption and GHG emissions is the calendar year (1st January to 31st December) aligning to our annual reporting.

Our scope 2 emissions are calculated using meter readings and supplier invoices in line with the revised GHG Protocol Scope 2 Guidance market-based method. Under this approach, all electricity consumption covered by Renewable Energy Guarantees of Origin (REGO) certificates is considered zero emission. Remaining consumption of grid electricity is converted to emissions using residual grid factors, while supplier-specific conversion factors are applied for electricity and steam supplied to Devonport Royal Dockyard by the MCVV-operated energy from waste combined heat and power plant. This plant serves as a waste disposal route for the region and prevents landfill use; however, the emissions intensity of the produced electricity is significantly higher than the UK national grid average.

Results

Scope 1 emissions have reduced 4.0% in 2024 compared to 2023. This represents a reduction of 32.4% against the 2021 base-year. The top three reasons include:

- Reduction in aviation fuel consumption from fewer flying hours;
- Reduced industrial activities at Devonport Royal Dockyard;
- Transition to biodiesel at Devonport Royal Dockyard.

Scope 2 (market-based) emissions have reduced 8.5% year on year from 2023 to 2024. This represents a reduction of 1.7% against the 2021 base-year. The 2024 emission reduction is primarily due to reduction of electricity and steam consumption at Devonport Royal Dockyard. However, operational activities at Devonport Royal Dockyard are planned to increase over the coming years which will increase consumptions. Plans are being developed under the new sustainability strategy to limit the emissions impacts from the increased operations.

Scope 3 emissions

Scope 3 emissions are calculated following the GHG Protocol Corporate Value Chain (Scope 3) standard. Due to the nature and complexity of our operations, the calculation of our scope 3 footprint is particularly challenging. We have been working to develop and enhance our understanding of our scope 3 emissions and completed a full inventory for the first time in 2024, with emissions back-calculated for calendar years 2023, 2022 and 2021 aligned to our approved science-based targets.

Methodologies

Scope 3 upstream

A spend-based calculation was carried out for supply chain emissions following the EEIO (Economic-Environmental Input-Output) methodology. This covers categories 1, 2, 4 and 5. The approach analyses the economic transactions and interdependencies between sectors of the economy to estimate the environmental impacts associated with the production and consumption of goods and services. An emissions factor is applied to each category of spend based on industry-average data. We are working towards collection of supplier-specific emissions data to improve the accuracy of our scope 3 accounting. During FY25 we have started using JOSCAR Zero as a first step in collecting emissions data from key suppliers and have identified the top emitting suppliers in our value chain based on the spend calculations.

Business travel emissions have been calculated from travel booking data and include the impacts of radiative forcing for flights. Homeworking emissions have been estimated using data from employees disclosing number of days worked at home combined with the best practice methodology of the "Ecoact homeworking emissions whitepaper". Commuting emissions were estimated from the number of employees who commute in each country multiplied by national average commuting statistics and the relevant emissions factors.

Scope 3 downstream

Scope 3 downstream emissions were calculated based on data collected from all Sectors and DRCs on their products and services, as well as data from the pensions team and Joint Ventures. Some assumptions had to be made to estimate emissions, particularly in projecting future emissions from sold products (category 11). For example, estimating the lifetime fuel consumed by the Type 31 frigates. Hence, there is a high level of uncertainty in the presented figures. We are working towards reducing the uncertainty of these estimations over time.

Pensions

Reporting of pensions emissions in category 15 is optional; however, contain significant financial investments and climate reporting is required for pension schemes above a certain size. Babcock emissions from company pensions have been estimated for 2024 based on extrapolation of the absolute GHG emissions within the most recently available climate report data for BIGPS, DRDPS, RRDPS Defined Benefit schemes and the Aon MT Defined Contribution scheme. These schemes cover around 86% of all employees. Underlying emissions are estimated within the reports from the relative share of annual emissions from investments as per the GHG Protocol Corporate Value Chain Standard for category 15. Scope 3 emissions from investments have optionally been included above and beyond scope 1 and 2. More detail on these emissions calculations can be found in their respective TCFD reports [link].

Results

Scope 3 emissions have increased 15.1% year-on-year from 2023 to 2024. This represents an increase of 29.7% against the 2021 base-year. The increase is primarily due to increased emissions across Categories 1, 2 and 11.

Category 1 and 2 emissions have increased due to increased procurement spend. It is noted that there is known to be high uncertainty, sometimes found to be greater than 50%, with EEIO spend-based emissions calculations. We are working to implement actions to improve the accuracy and completeness of our category 1 and 2 emission data.

Category 11 emissions include estimated future emissions resulting from customer use of our products, and therefore contain significant uncertainty.

In 2024 the top 3 sources of category 11 emissions were:

1. LGE reliquefaction products (2.3 million tCO₂e)*
2. Type 31 ship build (236,662 tCO₂e)**
3. Africa Plant generators (99,375 tCO₂e)

* The methodology accounting for whole lifetime emissions of sold products within the GHG Protocol Corporate Value Chain standard results in the extremely high figures reported, particularly as avoided emissions cannot be included in the GHG inventory (they may be disclosed separately). The purpose of LGE products is to prevent the loss of liquefied cargo during shipping and the LGE product consumes fuel to power the reliquefaction process. Accordingly, the fuel used during the operation of the LGE product is included within Babcock's category 11 emissions; however, the avoided emissions through not flaring boil-off gas or replacing lost product are not. Our calculations estimate that use of the ecoSMRT® reliquefaction process deliver overall emissions reductions when assessed against the product not being used.

**Type 31 downstream scope 3 emissions have been distributed over the 9-year duration of the build contract to avoid a single-year spike in emissions on completion.

Emission reduction targets

In April 2024 our science-based near and long-term emissions reduction targets were validated by the Science Based Targets initiative (SBTi). These targets commit Babcock to the following:

- Babcock International Group PLC commits to reach net-zero GHG emissions across the value chain by 2050. *
- Babcock International Group also commits to reduce absolute Scope 1 and 2 GHG emissions 42% by 2030 from a 2021 base year. *
- Babcock International Group also commits to reduce absolute Scope 3 GHG emissions 42% by 2030 from a 2021 base year. **
- Babcock International Group also commits to reduce absolute Scope 1 and 2 GHG emissions 90% by 2040 from a 2021 base year. *
- Babcock International Group also commits to reduce absolute Scope 3 GHG emissions 90% by 2050 from a 2021 base year.

* The target boundary includes biogenic land-related emissions and removals from bioenergy feedstocks

** We are reviewing the suitability of our near-term scope 3 target during FY26

The SBTi launched a draft of their version 2.0 corporate net-zero standard in May 2025. We are closely following the developments and preparing for the updated requirements over FY26.

Target Progress

Compared to our 2021 base-year, scope 1 and 2 emissions have reduced by 17.2%. Whilst we have made good progress, we still have a significant amount of work to meet our 2030 targets. Under the new sustainability strategy, we have developed plans to tackle scope 1 and 2 emissions and deliver our short-term targets; these include energy efficiency measures, Devonport's Energy Transition Plan, fleet transition to electric and ultra-low emission vehicles, estate improvements, and investments in solar and battery storage in South Africa. We also now have carbon reduction plans covering more than 80% of our estates and assets scope 1 and 2 emissions, which identify the pathways to meet our long-term targets.

Compared to our 2021 base-year, scope 3 emissions have increased by 29.7%. This is due to increased sales and production, and increased spend as previously explained. Having conducted a detailed assessment of Babcock's scope 3 footprint and our options to reduce our emissions, we have decided to undertake a review of our near-term scope 3 target during FY26 and have informed SBTi of our intention.