



Carbon Reduction Plan

Supplier name: Rolls-Royce SMR Limited

Publication date: September 2025

Commitment to achieving Net Zero

Rolls-Royce SMR Limited (herein referred to as Rolls-Royce SMR) is committed to achieving Net-Zero greenhouse gas emissions by 2050¹.

Our definition of Net-Zero aligns with the Science Based Targets Initiative (SBTi). It means that we will pursue deep decarbonisation across our value chain before neutralising any residual emissions that cannot be eliminated through carbon removal projects.

Our commitment to Net-Zero is underpinned by our 2030 and 2050 emissions targets that we have set for our Scope 1 (Direct Emissions), Scope 2 (Indirect Emissions), and Scope 3 Categories 1 (Purchased Goods & Services), 6 (Business Travel), and 7 (Employee Commuting). We have set these targets in accordance with SBTi's methodology and are committed to having these targets validated by SBTi, or a suitable alternative, in the future.

We have established emission reduction actions to support the targets set out in this plan. More detail on these can be found at the end of this document.

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 emission reductions can be measured.

As we progress from the early stages of planning and design into the construction of our test and manufacturing facilities, and ultimately toward the full-scale production of our nuclear plant, we anticipate that our emissions profile will evolve considerably. This evolution is expected due to increased operational activities, changes in energy consumption, logistics activities and the scaling up of both material and human resources associated with these project phases.

Recognising the dynamic nature of our operations, we are committed to conducting a thorough re-baselining exercise of our carbon emissions. This re-baseline will allow us to capture the true scale and sources of our greenhouse gas emissions across Scope 1, Scope 2, and relevant Scope 3 categories, ensuring our targets and reduction strategies remain robust and evidence-based as our business transitions and expands.

Furthermore, by periodically updating our baseline, we can more accurately track the effectiveness of our carbon reduction initiatives, identify areas for further improvement, and transparently report our progress to stakeholders and regulatory bodies. This proactive

¹ Rolls-Royce SMR will reduce absolute emissions by at least 90% by 2050. The remaining emissions will be offset in line with the SBTi guidance.





approach is central to maintaining alignment with best practices, meeting the requirements of the Science Based Targets Initiative (SBTi), and supporting our overall commitment to achieving Net-Zero by 2050.

While the specific timing of this comprehensive re-baselining exercise will depend on the progression and complexity of our facility development and operational expansion, we anticipate this will take place at an appropriate juncture in the coming years as our emissions profile matures. This milestone will be determined by various factors, including the scale of our production activities, the nature of our supply chain, and the overall footprint of our operational sites. Undertaking this re-baseline will be vital to ensure that our carbon accounting accurately reflects the true extent and sources of our emissions, maintaining the integrity and credibility of our long-term decarbonisation strategy.

The following emissions relate to Rolls-Royce SMR specifically as the bidding supplier, unless otherwise stated. These have been calculated and reported as tonnes of carbon dioxide equivalent (tCO₂e) for the simplicity of reporting while ensuring we account for all greenhouse gases considered under the Kyoto Protocol. The baseline emissions will be used as the reference point by which Rolls-Royce SMR measures the impact of emission reduction actions.

The emissions presented below cover Scope 1 and Scope 2 emissions, as well as our measured Scope 3 categories. These Scope 3 categories comply with the requirements of PPN 006.

Baseline: 2023	
Additional details relating to the baseline and reporting year emissions calculations.	
The 2023 baseline covers 1 January to 31 December. Scope 3 Category 4 and 9 emissions are zero, reflecting our current office-based operations without significant upstream or downstream transport.	
Baseline emissions: 2023	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	36.0
Scope 2 (Location-based approach)	47.1
Scope 2 (Market -based approach)	0.44
Scope 3 (Category 1,4,5,6,7&9)	2,941.1
Total Emissions (Location-based)	3,024.2
Total Emissions (Market-based)	2,477.5





Current emissions reporting

Reporting year: 2024	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	33.3
Scope 2 (Location-based approach)	51.1
Scope 2 (Market -based approach)	14
Scope 3 (Category 1,4,5,6,7&9)	15,251.2
Total Emissions (Location-based)	15,335.6
Total Emissions (Market-based)	15,298.2

Emissions reduction targets

To continue progress to achieving net zero by 2050, we have set emissions reductions targets across our Scope 1 and 2 emissions, and sources of materially significant Scope 3 emissions that have been calculated as part of our 2023 baseline. Reduction targets have been set using the most appropriate target type which includes, absolute targets for Scope 1 and 2, and intensity-based targets or supplier engagement targets for Scope 3. These targets are as follows:

- Scope 1 & 2:
 - Near term - Rolls-Royce SMR commits to reduce Scope 1 and 2 emissions by 42% by 2030 from a 2023 base year.
 - Long term - Rolls-Royce SMR commits to reduce Scope 1 and 2 by 90% by 2050 from a 2023 base year.
- Scope 3 Category 1
 - Near term - Rolls-Royce SMR commits that by 2029, suppliers responsible for 77% of our Scope 3 Category 1 emissions will have set science-based targets.
 - Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 1 emissions from indirect procurement sources² by 97% per employee from a 2023 base year.
- Scope 3 Category 6:
 - Near term - Rolls-Royce SMR commits to reduce Scope 3 Category 6 emissions by 51.6% per employee by 2030 from a 2023 base year.

² We are only targeting indirect procurement sources (e.g., computers, hardware, software) in our current target due to there being no direct procurement in our business at present. Additionally, the use of tCO₂e/employee as a basis for direct procurement would not be appropriate as the number of physical materials procured has no bearing on employee numbers.

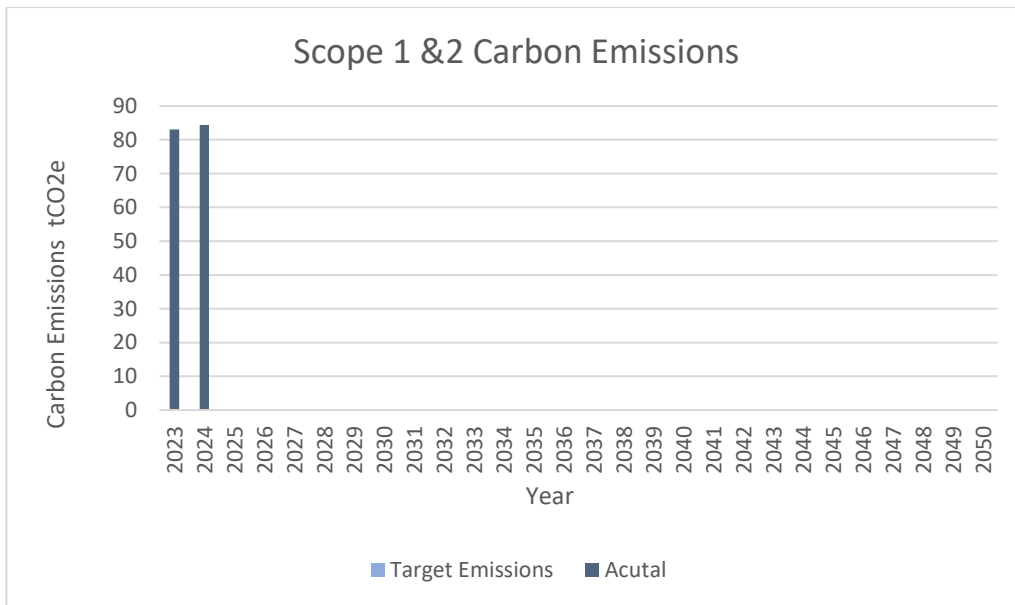




- Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 6 emissions by 97.0% per employee by 2050 from a 2023 base year.
- Scope 3 Category 7:
 - Near term - Rolls-Royce SMR commits to reduce Scope 3 Category 7 emissions by 51.6% per employee by 2030 from a 2023 base year.
 - Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 7 emissions by 97.0% per employee by 2050 from a 2023 base year.

All our current targets are developed in accordance with the SBTi cross sector pathway methodology. Progress against these targets can be seen in the following Scope 1 & 2 and Scope 3 graphs.

Our baseline emissions and Scope 1 and 2 (location-based) target pathways can be seen in the graph below:



Our reported carbon emissions have increased in this reporting period, as detailed in the current emissions reporting table, primarily within Scope 3, Categories 1 and 6. This increase is attributable to the following factors:

- **Procurement Activity Growth (Scope 3 Category 1):** As our business expands, indirect procurement and related supply chain emissions have increased, reflecting greater operational complexity.
- **Business Travel Increase (Scope 3, Category 6):** More in-person collaboration for commercial activities has led to higher business travel and associated emissions.
- **Enhanced Data Capture:** Improved tracking processes now provide a more accurate and complete emissions profile, supporting transparency and ongoing carbon reporting improvement.
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Due to the expanding nature of our organisation, we recognise our emissions will increase as we expand our organisation. As detailed earlier in this report, we plan to conduct a future comprehensive **re-baselining** exercise. In preparation for this, we have performed emissions modelling projecting out to 2050, based on our anticipated growth plans, to better understand how our emissions may evolve over time. As additional emission scopes become material to our business, such as Scope 3 Categories 4 and 9, we are committed to taking proactive measures to avoid and mitigate the impact of these categories and will establish emission reduction targets as it becomes appropriate.

Emissions Reduction Projects

Completed or Ongoing Emissions Reduction Initiatives:

The environmental management measures and projects listed below have been completed or implemented since the 2023 baseline. Below are initiatives taken by the business to minimise our carbon footprint, both in existing operations and in the design considerations for our SMR product:

- **Renewable Energy:** The Rolls-Royce SMR Manchester and Warrington Office is now powered by 100% renewable electricity certification.
- **Building Certification:** The Rolls-Royce SMR Manchester Office has achieved BREEAM Certification (Excellent).
- **ISO Certification:** Rolls-Royce SMR has achieved certification to ISO 14001:2015 Environmental Management System (EMS). This certification covers current and future designs and operations.
- **Life Cycle Assessment:** A comprehensive Life Cycle Assessment (LCA) for our nuclear plant design has been completed helping identify and manage emissions hotspots.
- **Hybrid and Flexible Working:** Rolls-Royce SMR promotes a hybrid and flexible working policy, enabling employees to work both from home and the office, helping to reduce commuting emissions.
- **Improved EV Charging:** Multiple EV charging points installed at Derby Jubilee House to support employee EV transition.
- **Education and Awareness:** All staff at Rolls-Royce SMR have completed environmental sustainability training through our online SMART learning portal.
- **Employee Engagement Campaigns:** Ongoing employee engagement campaigns raise environmental and sustainability awareness, including events such as Earth Day, National Recycling Week, and Plastic Free July.
- **Commuting Survey:** An annual staff commuting survey is conducted to gather data on commuting habits and develop strategies to reduce commuting-related emissions.

Planned Emissions Reduction Projects:

Due to the expected growth in our business going forward, a key pillar of our emissions reduction strategy is establishing emission reduction actions that avoid emissions from





materialising in the first place. We have used our potential modelled emissions out to 2050 to identify key hotspots for each material emissions scope. With a focus on these hotspots, we are currently developing actions to firstly avoid the emissions and secondly minimise as practicable by building reduction and substitution actions into our planning, in line with the greenhouse gas management hierarchy³.

The emission reduction actions that we are pursuing across our measured emissions scopes include:

- **Energy efficiency measures** - installing of sub-meters at all new sites to manage and monitor gas, electricity and water consumption and manage effectively.
- **Energy efficiency measures** – implementing advanced telematics to monitor and manage our future fleet’s performance and optimisation.
- **Energy efficiency measures** – ensuring our new manufacturing facilities are designed with state-of-the-art energy efficient technologies and insulation to minimise the energy required for heating and cooling and minimise the use of fossil fuels where these are unavoidable.
- **Employee training & engagement** – building a culture of energy efficiency in our facilities by including employees in the planning stages of sustainability initiatives in the company.
- **Fuel switching** – identifying opportunities to transition our existing facilities to HVAC/electric heating and cooling, including moving our facilities to buildings that do not use natural gas or other fossil fuels.
- **Fuel switching** – ensuring future on-site vehicles, such as material handling equipment (MHE), will be designed as a fully electric fleet from the outset, avoiding the use of diesel.
- **Onsite renewables and energy storage systems** – investigating the opportunities to install onsite renewables such as solar and wind for any future facilities as well as battery storage systems to regulate energy from these renewable sources.
- **Procuring renewable electricity** - using applicable market instruments to ensure as much of our electricity supply as possible comes from renewable sources.
- **Sustainable Procurement Strategy** – we continue to develop a Rolls-Royce SMR specific sustainable procurement strategy that looks to address the key emissions hotspots in this emissions category (e.g. IT and services, steel, cement, modules and plastic).
- **Design optimisation** – work to optimise the design of our nuclear plant to reduce the quantity of steel, cement, and plastic that it uses (where safe to do so). Replace virgin materials with recycled alternatives where possible.
- **Sustainability monitoring** - mandate the use of the Eco Vadis monitoring system with our supply chain partners to track sustainability metrics (including emissions) and to allow us to identify emissions hotspots and prioritise improvements.

³ IEMA (2020) Pathways to Net Zero: Using the IEMA GHG Management Hierarchy
https://www.iema.net/media/yyaccyxw/iema_ghg_hierarchy_nov_2020.pdf





SMR

- **Localising suppliers and optimising route planning** – identifying suitable suppliers located as close to our operations as possible and ensuring routes are optimised to transport the most amount of goods over the shortest distance.
- **Alternative fuels** – working with our suppliers and logistics providers to utilise low carbon fuels such as Hydrogenated Vegetable Oil (HVO) in their road transportation.
- **Transport modes** – identifying suppliers who can prioritise the use of lower carbon transport options such as rail and sea freight to reduce the amount of road transport required.
- **Optimise facility location** – choosing facility locations that favour access to rail networks over road transport to reduce reliance on higher-emission transport modes like heavy goods vehicles (HGVs).
- **Supplier collaboration** – working with our suppliers on sustainable packaging solutions to reduce the environmental impact of the materials to package our product.
- **Sustainable packaging** - choosing lighter and more sustainable packaging (reusable media) options to reduce the emissions associated with disposal.
- **Travel policy** – strengthening our policies and requirements around how business travel occurs, such as restrictions on business class travel and restricting the use of flights where lower carbon alternatives exist e.g., rail.
- **Facility locations** – considering employee home locations and public transport availability when selecting new sites for the business to reduce the need for private vehicles.
- **Active commuting** – providing facilities to support active commuting such as cycling by providing bicycle storage and showers at our sites.
- **Green travel plans** - establishing green travel plans for all staff across existing and new facilities promote the use of public transportation, carpooling, biking, and other sustainable travel options by leveraging benefits offered by Rolls-Royce SMR to support these measures e.g., public transport passes.

As our business evolves, we are committed to refining these strategies and expanding our efforts to ensure we meet our 2030 and 2050 targets.





Declaration and Sign Off


This Carbon Reduction Plan has been completed in accordance with PPN 006 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 Greenhouse Gas (GHG) Reporting Protocol corporate standard⁴ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting⁵.

Scope 1 and Scope 2 emissions have been reported in accordance 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) Standard⁶.

This Carbon Reduction Plan has been reviewed and approved by the Rolls-Royce SMR Limited Board of Directors on 11 September 2025.

Signed for and on behalf of the Rolls Royce SMR Limited Board of Directors:

Signed by:

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⁴<https://ghgprotocol.org/corporate-standard>

⁵<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

⁶<https://ghgprotocol.org/standards/scope-3-standard>

