

PPN006

UK Carbon Reduction Plan

BAE Systems plc
Publication date: 21 May 2026



Procurement Policy Note (PPN) 006: UK Carbon Reduction Plan

Supplier name: BAE Systems plc and UK business entities listed in the Appendix (as wholly owned subsidiaries of BAE Systems plc)

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Commitment to achieving net zero

BAE Systems plc (parent company of UK business entities listed in the Appendix) is committed to reduce greenhouse gas emissions (GHG) across our UK operations (Scope 1 and 2) by 2030 and working towards a UK net zero value chain by 2050.

This commitment is supported and adopted by, and will apply to, the UK business entities listed in the Appendix.

Baseline emissions footprint

Baseline emissions are a record of the GHG emissions that have been produced in the past. They are the reference point against which emissions reduction can be measured.

Baseline year: 2020
Additional details relating to the baseline emissions calculations
<p>Baseline emissions (and current emissions) have been calculated by taking the total UK emissions of BAE Systems plc for Scopes 1, 2 and 3.</p> <p>The total UK emissions for Scope 1 and 2 emissions are calculated in line with the methodology that is set out in the BAE Systems plc Annual Report 2021.</p> <p>The required Scope 3 emissions categories have been calculated for the UK as follows:</p> <ol style="list-style-type: none">(1) Business travel – emissions are based upon the type of travel, the distance travelled and relevant conversion factors.(2) Commuting – emissions have been calculated using the number of UK employees, commuting data from the Department for Transport, Office of National Statistics and RAC Foundation, and applying related UK Government conversion factors for CO₂e.(3) Waste – emissions have been calculated using the quantities of waste produced and recycled and applying related UK Government conversion factors for CO₂e. <p>(4 & 5)¹ Upstream and downstream transportation and distribution – emissions have been calculated using a) an emissions/revenue ratio derived from data obtained from the primary contractor used in the UK, and b) the BAE Systems Group spend data for logistics in the UK. In 2023, we implemented further cleansing and matured our raw data, which has provided more accurate emissions calculations</p>

¹ The two Scope 3 categories of upstream and downstream transportation and distribution have been combined in reporting, reflecting the way it is accounted for in the business.

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Baseline year emissions: 2020	(tCO ₂ e)
Scope 1	69,948
Scope 2	73,221
Scope 3 ¹ (Included sources)	53,479
Total emissions	196,648

Current emissions reporting

Reporting year: 2025	(tCO ₂ e)
Scope 1	51,878
Scope 2	51,968
Scope 3 ² (Included sources)	104,382
Total emissions	208,228

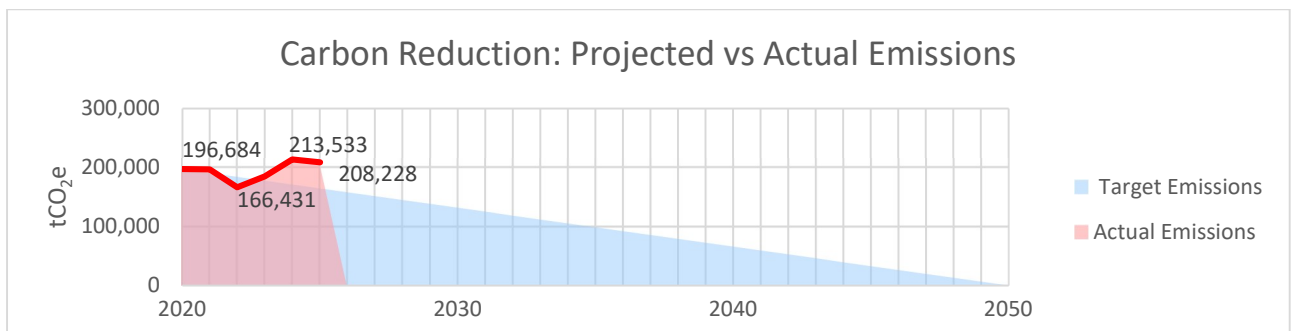
Any subsequent Carbon Reduction Plans will be published within six months of the end of our financial year as specified by the Technical Standard for Completion of Carbon Reduction Plans. As a result, there may be a period where the reporting period of the existing plan has expired more than 12 months previously, but an updated Carbon Reduction Plan is not yet available.

Emissions reduction targets

The BAE Systems Group, including our UK operations, has set itself the target of:

- (1) reducing GHG emissions across our operations (Scope 1 and 2) by 44% by 2030 (against a baseline year of 2020); and
- (2) working towards a net zero value chain by 2050.

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



¹ The reporting period for the business travel category is 1 November to 31 October.

² The reporting period for the business travel category is 1 January to 31 December.

Carbon reduction projects

Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since 2020. These schemes have contributed to a reduction in GHG emissions and are in effect at the relevant UK business entities' operations.

During 2023, we updated the steam delivery network at one of our Munitions sites in the UK and consolidated a number of our Head Office administration buildings in the UK. Throughout 2024 we sought to continue to reduce energy use across our sites and, where possible, switch to low carbon alternatives to heat our buildings. Some examples of our innovative approach include the use of infra-red 'person heating' pads at our shipyards in Scotland and a feasibility study for hydrogenated vegetable oil for our Submarine Machinery Testing System.

During 2025, we commenced local to private wire and self-generation renewable supplies at key industrial sites, and we also signed a solar corporate PPA.

Our long-term energy strategy includes investment in long-term renewable generation and supply, which supports price certainty and energy security. At the end of 2025, we had renewable energy source contracts in place to meet 60% of our future energy requirements. To support our near-term absolute GHG reduction target, we aim to have 90% of our UK electricity requirement met from renewable sources by 2030, subject to commercially reasonable availability and our business outlook.

In the UK, we successfully trialled the use of alternative fuels (hydrotreated vegetable oil, or HVO) for our fleet vehicles and plant operations and sustainable aviation fuel in our flight operations. Following the success of these trials, we commenced a small-scale transition of fleet vehicles and plant operations to HVO.

We continue to mature our approach to the quantification and understanding of the more complex wider Scope 3 emissions.

We continue to drive efficiency, innovation and collaboration across our value chain. It is critical that we partner and collaborate with our customers, peers and suppliers to meet the UK target of 2050. To this end, we lead and participate in numerous cross-sector and trade body groups to drive collaboration, exchange good practice and avoid duplicative requests to the wider defence supply chain.

Future carbon reduction initiatives

We have significant capital investment planned across our UK sites over the next ten years and are integrating decarbonisation considerations within our infrastructure programme, incorporating energy efficiency and modern building standards into both refurbishments and new buildings.

Emissions reductions for Scopes 1 and 2, focussing on reducing our energy demands and operational emissions. These will be delivered through infrastructure and operational management, including investment in our facilities and buildings, energy efficiency improvements including fuel switching, onsite energy installations and purchase of green energy.

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Site consolidation, new-build and refurbishment projects provide further opportunities for us to optimise and reduce our energy consumption. Robust data on building efficiency and infrastructure is a key enabler to achieve this. We have building information management systems in place across a number of our sites; we are extending these further and have established common building standards across geographies.

We plan to continue to build on our portfolio of low carbon products and services in partnership with customers, whilst investing in self-funded research and development into low and zero carbon solutions. Our current programmes include electrification technologies, including electric drive propulsion systems; full electric drives; and hydrogen fuel cell systems for ground, air, and maritime applications, as well as synthetic training.

Further information on BAE Systems' sustainability and decarbonisation ambitions can be found in the latest [Annual Report](#), which includes information on the Group internationally.

Declaration and sign off

This UK Carbon Reduction Plan has been completed in accordance with PPN006 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 and use the appropriate UK Government emission conversion factors for GHG 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 Executive Committee of the Board on 21 May 2026

Signed on behalf of BAE Systems plc:



Karin Hoeing
Group ESG, Culture & Business Transformation Director
Date: 21 May 2026

Appendix: UK business entities covered by this Carbon Reduction Plan

Aircraft Research Association Limited
Alvis Limited
BAE Systems (Corporate Air Travel) Limited
BAE Systems (Defence Systems) Limited
BAE Systems (Dynamics) Limited
BAE Systems (Finance) Limited
BAE Systems (Gripen Overseas) Limited
BAE Systems (Holdings) Limited
BAE Systems (International) Limited
BAE Systems (Kazakhstan) Limited
BAE Systems (Land and Sea Systems) Limited
BAE Systems (Military Air) Overseas Limited
BAE Systems (Oman) Limited
BAE Systems (Operations) Limited
BAE Systems (Overseas Holdings) Limited
BAE Systems (Property Investments) Limited
BAE Systems Applied Intelligence (International) Limited
BAE Systems Applied Intelligence Limited
BAE Systems Electronics Limited
BAE Systems Enterprises Limited
BAE Systems Global Combat Systems Munitions Limited
BAE Systems Integrated System Technologies (KSA) Limited
BAE Systems Integrated System Technologies (Overseas) Limited
BAE Systems Integrated System Technologies Limited
BAE Systems Land Systems (Finance) Limited
BAE Systems Marine (Holdings) Limited
BAE Systems Marine Limited
BAE Systems Project Services Limited
BAE Systems Properties Limited
BAE Systems Services Limited
BAE Systems Surface Ships (Holdings) Limited
BAE Systems Surface Ships (Projects) Limited
BAE Systems Surface Ships International Limited
BAE Systems Surface Ships Limited
Callen-Lenz Associates Limited
Corporate Secretary Subco 1 Limited
Detica Group Limited
Eurostep Limited
High Aerospace Ltd
In-Space Missions Limited
International Military Sales Limited
Krintec Limited
Malloy Aeronautics Limited
Nexus Defence Limited
Prismatic Limited
Pulse Power and Measurement Limited
SkyCircuits Limited
Techmodal Limited
VSEL Birkenhead Limited