Carbon Reduction Plan

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Issue Record

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<table>
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<th>Revision</th>
<th>Incorporated By</th>
<th>Revision Date</th>
<th>Comments</th>
</tr>
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<tr>
<td>1.0</td>
<td>Dean Morgan</td>
<td>29/09/2021</td>
<td>Initial Release</td>
</tr>
</tbody>
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Authorisation Notification

Authorisation applies to the current version of this document only.

<table>
<thead>
<tr>
<th>Role</th>
<th>Name</th>
<th>Job Title</th>
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<tr>
<td>Prepared By</td>
<td>Dean Morgan</td>
<td>Director of Real Estate, UK &amp; Europe</td>
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<td>Authorised By</td>
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1 Carbon Reduction Plan

Supplier name: Leidos Innovations UK Ltd and Leidos Europe (Emersons Green site only)
Publication date: 29/09/2021

1.1 Commitment to achieving Net Zero
Leidos Innovations UK Ltd is committed to achieving Net Zero emissions by 2040.

1.2 Baseline emissions footprint
2019 has been selected as the baseline for emissions and will act as the reference point against which emissions reduction can be measured.

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Description</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Gas used to heat owned and leased Leidos UK sites (138,184kWh over 2019)</td>
<td>25.4</td>
</tr>
<tr>
<td></td>
<td>Red diesel used to heat owned and leased Leidos UK sites (1,934kWh over 2019)</td>
<td>0.5</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Electricity used for owned and leased Leidos UK sites (2,682,001 kWh over 2019)</td>
<td>685.5</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Business travel in employee-owned vehicles or hire cars, air travel, rail travel &amp; taxi travel</td>
<td>479.7</td>
</tr>
<tr>
<td></td>
<td>Upstream transport &amp; distribution</td>
<td>0.4</td>
</tr>
<tr>
<td></td>
<td>Waste generated in operations</td>
<td>40.7</td>
</tr>
<tr>
<td></td>
<td>Wastewater generated in operations</td>
<td>6.2</td>
</tr>
<tr>
<td></td>
<td>Employee commuting</td>
<td>336.6</td>
</tr>
</tbody>
</table>
1.3 Current emissions reporting

The reporting scope covers the Scope 1, Scope 2 and Scope 3 energy sources detailed in the ‘Description’ column of the below table.

For some data sources, assumptions have been used where energy and carbon use cannot be calculated exactly from primary data. For example, Leidos occupied a number of small offices over 2020 for which electricity consumption was wrapped up in service charge values & estimates for usage over this period are based on recognised standard benchmark guidelines. Additionally, a number of assumptions have been made in relation to Scope 3 data. These are all recorded and any changes and improvements in source data and methodology in future years will be reported.

The reporting scope covers energy and carbon used over the period from 1st January 2020 – 31st December 2020; this is in line with the financial year and other reporting requirements.

All carbon emissions factors are taken from ‘UK Government GHG Conversion Factors for Company Reporting’ issued by Defra and BEIS, for the appropriate years.

Understandably COVID-19 has had an effect on office usage and employee travel due to the guidance and restrictions set by the UK Government. As such the total tCO₂e figure is not likely to be entirely representative of a normal operating year. However, Leidos are continually reviewing any business efficiencies developed during this period and implementing long term actions where feasible. As expected office energy consumption, business travel and commuting tCO₂e totals have decreased significantly and employee working from home tCO₂e has increased significantly.

A narrative on established reduction targets, completed carbon reduction projects and planned projects are covered in sections 1.4 and 1.5.

<table>
<thead>
<tr>
<th>Emissions</th>
<th>Description</th>
<th>tCO₂e</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope 1</td>
<td>Gas used to heat owned and leased Leidos UK sites (162,235 kWh over 2020)</td>
<td>29.8</td>
</tr>
<tr>
<td></td>
<td>Red diesel used to heat owned and leased Leidos UK sites (0kWh over 2020)</td>
<td>0.0</td>
</tr>
<tr>
<td>Scope 2</td>
<td>Electricity used for owned and leased Leidos UK sites (2,089,986kWh over 2020)</td>
<td>487.3</td>
</tr>
<tr>
<td>Scope 3</td>
<td>Business travel in employee-owned vehicles or hire cars, air travel, rail travel &amp; taxi travel</td>
<td>130.2</td>
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</table>
1.4 Emissions reduction targets

We are committed to reducing our environmental impact.

Globally, Leidos have eliminated under-performing real estate assets and improved efficiencies across our entire real estate portfolio. These actions have been the largest contributing factor to reaching our Legacy 2020 greenhouse gas (GHG) reduction goal of 25% six years early in 2014.

In order to continue to take action against the current climate crisis we have made a **UK commitment to achieving net zero by 2040**. The scope of our net zero commitment covers carbon emissions from Scope 1 and Scope 2 energy consumption and the following subsets of Scope 3 emissions - Upstream transport & distribution; Waste generated in operations; Business travel; Employee commuting; Downstream transport & distribution.

Our approach to meeting our commitment will prioritise energy and carbon reduction opportunities across our assets and activities. Three specific reduction targets are as follows:

- **Reduce relative energy consumption** (kWh/m²) from our UK sites by 15% by 2025 against the 2019 baseline
  - Progress update:
    - Against the baseline, 2020 saw a 10.03% improvement in kWh/m² performance across the UK sites.
    - Energy surveys were conducted over autumn 2021; focusing on the 4 significant energy-using sites (where electricity & gas consumption accounted for 87.11% of 2020 total site energy consumption). Areas for energy reduction were identified (& recorded in the Energy & Carbon Reduction Action Plan & Register of Opportunities) & when implemented as part of a strategic programme of reductions works over 2021 – 2024; Leidos will be on track to meet & even exceed the 2025 target.

*2020 figures will not be fully representative of normal operating (an anticipated consequence of the COVID-19 pandemic); however, Leidos plan to continue with a hybrid approach to working & as such, although office occupancy levels will begin to increase over the next 12 months – they are not expected to rise significantly.*
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1.5 Carbon reduction projects

The following environmental management measures and projects have been completed or implemented since the 2019 baseline:

► Exiting underutilised UK sites & implementing alternative workplace strategies & technologies
   - This is an ongoing initiative that was accelerated by the COVID-19 pandemic. Understandably COVID-19 has had further effect on office usage due to the guidance and restrictions set by the UK Government. However, Leidos are continually reviewing any business efficiencies developed during this period and implementing long term actions where feasible.
   - Although total 2020 Scope 1 & 2 reductions can not all be allocated to this initiative alone – it is the main driver behind the reductions recorded. 2020 emissions from electricity and gas consumption at Leidos UK sites showed a 27.24% improvement against the baseyear - a reduction of 193.7tCO₂e.

► ISO 14001 Environmental Management System certification renewal
   - Leidos actively seek to achieve continual improvement in their environmental performance – the latest ISO 14001 certification was issued 11th June 2021 and will expire on 10th June 2024.

► Energy and carbon surveys at Leidos’ 4 largest energy consuming UK sites
   - Energy and carbon surveys were completed over autumn 2021 at Leidos’ 4 largest energy consuming UK sites – Whiteley, Glasgow, Farnborough and Bristol. Identified projects are detailed in our Energy & Carbon Reduction Action Plan & Register of Opportunities. Proposed projects identified as part of the survey work will be reviewed internally over Q4 2021 and a programme of viable works planned. If a conservative saving of 10% is achieved from project implementation, this would deliver a reduction of 42tCO₂e.

Leidos are continually looking to improve employee awareness of environmental sustainability and always seek to educate employees on how to improve workplace behaviours to reduce wasteful energy consumption. Energy Champions were appointed at each Leidos location, amongst specific responsibilities – nominated employees will act as a driving force behind continuous improvement and reinforcing positive behaviours.
The above measures will be in effect when performing the contract and in the future we hope to implement further measures covering the below areas (further detail is covered in our Energy & Carbon Reduction Action Plan & Register of Opportunities):

- Review recommended energy reduction projects across the autumn 2021 surveyed sites for feasibility & then establish a programme of works for viable project implementation over 2022/2023
- Understand current renewables position and actively engage with landlords in order to reach our renewable energy goals
- Research options for a robust and transparent offsetting strategy which can then be successfully implemented to offset remaining emissions in line with our Net Zero by 2040 target
- Review areas for improved efficiency and performance across the Scope 3 areas
- Review options for improved energy and carbon data collation across UK assets and activities
- Consider collating energy and carbon data on a more frequent basis
- Review all relevant policy documents to ensure continual improvement in relation to energy and carbon efficiency is advocated and clearly communicated with both employees and stakeholders

1.6 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 and uses the appropriate Government emission conversion factors for greenhouse gas 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 board of directors (or equivalent management body).

Signed on behalf of the Supplier:

Nicola Wheatley – Chief Operating Officer – UK & Europe

Date: 27th September 2021

1 https://ghgprotocol.org/corporate-standard
3 https://ghgprotocol.org/standards/scope-3-standard