

Leidos UK Sustainability Statement

A fundamental element of our philosophy towards meeting Corporate Social Responsibility (CSR) and Ethical Business commitments, is the approach we take towards safeguarding the environment and the measures we implement to incorporate sustainability within three of our core business activities, these being:

1. FACILITY OPERATIONS

Our portfolio of real estate includes both leased and serviced office accommodation, with Leidos staff often embedded at Customer facilities across the UK. Leidos influence in such instances is typically limited to those areas in which we hold day to day facility management responsibilities, including:

- ▶ Procurement of office supplies and furnishings
- ▶ Office fit out, care and maintenance
- ▶ Employee and visitor general commute and business travel
- ▶ Conventional office waste generation, handling and disposal
- ▶ Energy consumption
- ▶ Water usage for conventional office related activities
- ▶ Use and maintenance of air-conditioning systems containing refrigerant gases
- ▶ Onsite programme development, including associated equipment deliveries, assemblies and testing prior to deployment

The UK Corporate Environmental Aspects Register (CEAR) has been developed which identifies and evaluates all facility aspects and environmental impacts. Where we have a controlling interest in a facility and its operations, and where action is technically feasible and financially viable Leidos has taken steps to minimise the impacts associated with its office space. Actions include:

- ▶ Calculating energy consumption figures at each site where we pay a direct energy fee and subjecting the top 90% of users to a detailed evaluation through an approved assessor
- ▶ Incorporating green building practices into fit out and refurbishment activities as standard
- ▶ Development of waste management guides for each site and training persons with responsibilities for waste disposal
- ▶ Introduction of commonly applied waste minimisation practices such as enabling double sided print facilities at all sites, segregation of waste streams to increase levels of recycling and managing redundant IT assets focussing on internal re-use before recycling or disposal
- ▶ Maximising utilisation of our office space to release surplus real estate, which in turn helps minimise operational impacts on the environment.

2. ETHICAL AND SUSTAINABLE PURCHASING

As expressed through the Corporate Environment, Health and Safety Policy LP-LG-11, Leidos is committed to:

- ▶ Minimising detrimental environmental impacts arising from our business activities
- ▶ Environmental sustainability, including conservation of natural resources, pollution prevention, waste reduction, and recycling
- ▶ Statutory and regulatory compliance
- ▶ Incorporation of leading EH&S practices into our product and service offerings

Leidos UK conducts itself ethically and in accordance with all applicable legal obligations. This extends to the purchase of goods and services not only for ourselves but often for and on behalf of Customers. To ensure our obligations are understood and met, Leidos implements robust and comprehensive UK Acquisition Procedures (UKAPs). Through the UKAPs our Supply Chain Management Team are able to work with suppliers to procure goods and services that meet needs of the relevant function, business area or programme. The Leidos UKAPs incorporate ethical and sustainability requirements within the more commonly recognised purchasing language. Specifically:

- ▶ Leidos is committed to delivering procurements that, where financially and technically feasible, minimise our impact on the environment through the lifecycle of our offered products and services. This means that whenever we make a decision on purchases we will take all reasonable steps to ensure:
 - › Articles that meet the technical requirements of a solution are sourced via local manufacturers/suppliers, avoiding unnecessary shipping, transportation and packaging
 - › Articles that do not contain hazardous materials as described within the REACH Directive and the Restriction on the use of certain hazardous substances (RoHS) in electrical equipment Directive are selected in preference to non-compliant alternatives
 - › Electrical equipment for use in the UK/EU holds required CE marking and complies with the relevant conformity standards as expressed in the PO, Contract or Quality Plan
 - › Waste management and recycling requirements are communicated to the purchaser for inclusion within the related programme waste management plan
- ▶ Any manufacturer end of life take back schemes are recorded and communicated to the purchaser for inclusion in related programme waste management plan
- ▶ Selected suppliers are made aware of and can comply with the Leidos Code of Conduct and Policy on Conflict Minerals
- ▶ Leidos will carry out proportionate supplier evaluations to ensure:
 - › Supplier legal status and history
 - › Compliance against contract and host nation imposed conformity standards
 - › Compliance with UK/EU statutory obligations under REACH, RoHS, Classification, Labelling and Packaging, Anti-slavery and Timber Regulations as applicable

- ▶ We shall communicate the Leidos policy on use of conflict minerals in the supply chain
- ▶ Communicate and seek confirmation that the supplier is able to comply with the Leidos Ethics Policy

3. SUSTAINABLE DESIGN ELEMENTS WITHIN PRODUCTS AND SERVICES

Leidos develops and markets systems and products that are safe for their intended use. Our commitment to environmental stewardship as expressed through the Leidos CSR programme and underpinning environmental policies and practices aim to protect, conserve, and sustain the world's natural resources as well as to protect Leidos customers and the communities in which we live and operate.

At Leidos our engineers are committed to delivering tailored products and services that meet the performance needs and expectations of our Customers. Through implementation of the Leidos design standards, we are able, where technically and financially feasible and where no customer constraints on product selection exists, to incorporate sustainable design elements. By carefully considering and assessing environmental aspects associated with our products and services, we have an opportunity to significantly affect the overall impacts through the lifecycle of a product or service. Adopting a lifecycle perspective and exploiting innovations in technology can result in tangible benefits to Customers in the form of:

- ▶ Reduced energy consumption through product service life, which equals reduced operational costs and reduced CO₂ output
- ▶ Disposal strategies which include reduced waste management costs, exploiting take back schemes and asset transfers or charitable donation opportunities
- ▶ Demonstrable compliance with customer environmental, sustainability or CSR expectations and policy requirements
- ▶ Enhanced reputation and improved stakeholder relationships
- ▶ Participation in industry and global initiatives to reduce environmental impact and help reduce carbon emissions

4. CONTINUAL IMPROVEMENT

Leidos is committed to continually improve with regards to the measures laid out in this sustainability statement.

A number of ambitious but achievable targets are in place and Leidos is committed to reporting performance against targets in a transparent manner at regular intervals, as referenced in the Carbon Reduction Plan.

Leidos will commit the resources necessary to achieve the targets referenced in the Carbon Reduction Plan.

The ultimate target is to achieve Net Zero by 2040 and become Carbon Neutral by 2030 in relation to the following scope –

- ▶ Scope 1 energy consumption & associated carbon emissions (direct emissions from owned or controlled sources)
- ▶ Scope 2 energy consumption & associated carbon emissions (indirect emissions from the generation of purchased energy)
- ▶ Scope 3 carbon emissions as follows:
 - › Upstream transport & distribution
 - › Waste generated in operations
 - › Business Travel
 - › Employee commuting
 - › Downstream transport & distribution

The Leidos UK carbon reduction target is in line with the goals of the Paris Agreement and the latest climate science for limiting global warming to 1.5°C above pre-industrial levels.



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