

Carbon Reduction Plan

Supplier name: ELBIT SYSTEMS UK LIMITED

Publication date: December 2022

Commitment to achieving Net Zero

Elbit Systems UK Limited (ESUK) is committed to achieving Net Zero emissions by or before 2050.

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 emissions reduction can be measured.

Baseline Year: 2019	
Additional Details relating to the Baseline Emissions calculations.	
ESUK has operated in the UK since 2014 with a small office base in London. In mid 2019 the business took on additional office space to support the first major UK MOD contract awarded to ESUK. During the baseline year the headcount was 24 and was supported by a number of independent contractors. The business comprised the establishment of a software development facility in addition to corporate functions of business development, HR, security, commercial and trade controls and facilities operations.	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO₂e)
Scope 1	0.5*
Scope 2	138.28
Scope 3 (Included Sources)	186.96
Total Emissions	325.74

**Scope 1 emissions due to air conditioning estimated pending further validation with our facilities management provider. No fossil fuel combustion is used in either ESUK facility.*

Current Emissions Reporting

Reporting Year: 2021	
EMISSIONS	TOTAL (tCO ₂ e)
Scope 1	19.87
Scope 2	195.26
Scope 3 (Included Sources)	148.39
Total Emissions	363.52

**Scope 1 emissions due to air conditioning estimated pending further validation with our facilities management provider. No fossil fuel combustion is used in either ESUK facility.*

Emissions reduction targets

During 2021, the business secured 3 further UK MOD contracts/subcontracts and increased average headcount from 33 to 56 with further growth occurring during 2022. The business continues to be supported by subcontractors, suppliers and independent contractors. As a result of the COVID-19 restrictions, ESUK has fully embraced a hybrid working model and now operates on the basis of at least 40% of working time being possible at home. As part of an international group (Elbit Systems Limited of Israel) there is a requirement for air travel for experts from Israel to travel to the UK or to relocate to the UK as well as a need for UK staff to visit Israel for training and to support technology transfer as we establish our UK functions.

Our business is continuing to grow rapidly with headcount set to increase from 91 to 200+ during 2022-3. We are establishing a new facility in Bristol during 2021. This is being built with Net Zero in mind incorporating insulation, efficient heating/air conditioning plant, solar panels and charging points for electric vehicles. All of our office facilities are well served by public transport links to enable staff and visitors to reduce use of private vehicles (non ULEV).

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets on a per head basis:

We project that carbon emissions will decrease over the next five years (to allow for the impact of our rapid growth and COVID-19 anomalies to be unwound) by 20% on a per head basis.

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

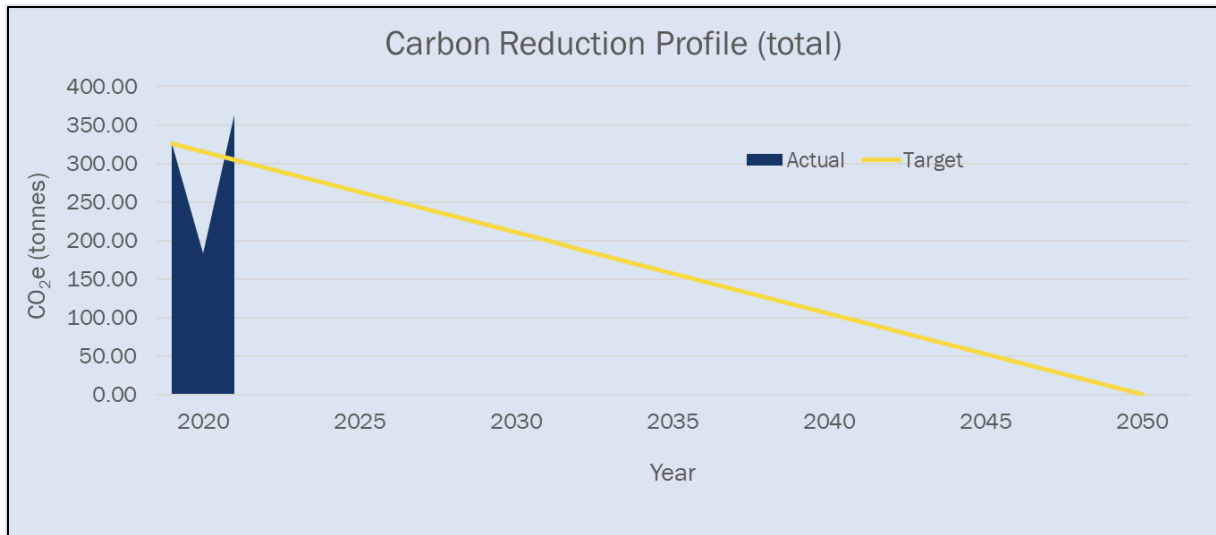


Figure 1: Total CO₂ emissions

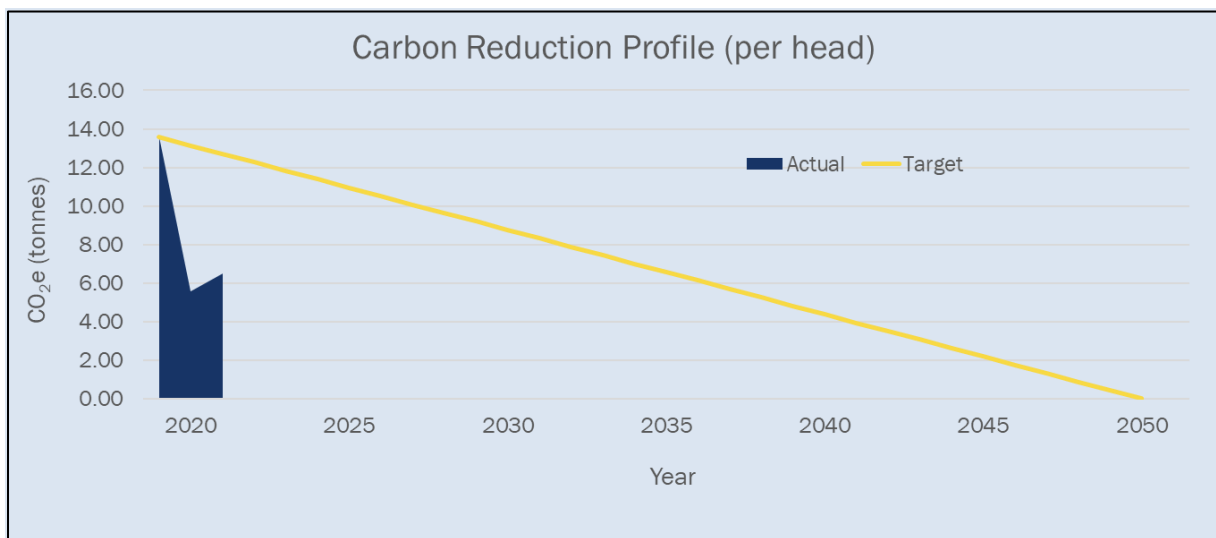


Figure 2: tCO₂e per head

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed or implemented since the 2019 baseline. The carbon emission reduction achieved by these schemes has moderated the impact of the return to more normal business operation during 2021. Our organisation has more than doubled in size with only a 11.6% increase in total emissions. The 2021 report reflects a reduction of 7.08 tCO₂e or 54.8% against the 2019 baseline on a per head basis. Due to the impact of the COVID-19 pandemic, 2020 and 2021 figures reflect periods of home working under lockdown and minimised local and overseas travel. We therefore would expect to see a further upward trend in total emissions in 2022 as

business recovers fully from the pandemic restrictions and continued organisational growth occurs.

Across the wider Elbit Systems group a worldwide sustainability programme is in place and reports on a bi-annual basis. Within the UK, our ESUK subsidiaries and our joint venture companies are also fully engaged in contributing to the Net Zero target and adopting their own Carbon Reduction Plans in line with their business operations. ESUK supports 500 jobs in its subsidiary companies who report separately. As part of our commitment to Environmental, Social and Governance (ESG) corporate obligations we are coordinating a number of social value initiatives across the group and will look to include Net Zero as part of that for 2022.

Relevant elements of our ESG plan which are now in place are:

- Environmental Policy under Board oversight which recognises the growth of the ESUK business
- Full implementation of home working/hybrid working to reduce employee commuting
- Low energy lighting and movement sensing lighting
- Integration of video conferencing throughout our business to enable efficiency and minimise travel for external meetings, interviews and briefings
- Use of cloud services to reduce requirement for on premise equipment
- Digital storage of formal documentation to replace paper filing
- Installation of EV charging points in our Bristol facilities
- Review of energy provision to maximise use of renewable sources of supply
- Waste management solutions to ensure recycling and minimise material disposed of through general refuse
- Employee engagement group established to identify and promote green initiatives
- Scheme to reuse unwanted office furniture/tables etc following completion of construction of our new facility
- ISO14001 certification in process.

In the future we hope to implement further measures such as:

- R&D commitment: We will engage our staff and allocate a level of funding from our R&D budget to analyse ideas, prioritise and implement a number of 'green' initiatives in our Innovation Programme each year
- Offsetting: We will establish a scheme to offset the necessary flight emissions required as part of an international company, through initiatives such as tree planting and encouraging use of sustainable fuels
- Energy usage: Installation of substantive area of solar panels for our new factory roof
- Travel/commuting: In addition to continuing to enable hybrid and home working, we will introduce a tax efficient EV leasing scheme for staff
- New business: We will include energy efficient options in our bids eg use of hybrid/electric power for UAVs
- Beyond ESUK: Work with our supply chain to find both energy efficient solutions and to ensure our suppliers contribute to achieving the government's aims with regard to Net Zero.
- Waste: establish schemes for with accredited partners to enable reuse or secure disposal of equipment with recovery of specialist components or valuable raw material being maximised
- Water: consider recovery and reuse of waste or rain water within the new facility.

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 standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

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) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the ESUK leadership team. Generation of 2022 data is ongoing together with validation of prior usage of refrigerant within our air conditioning plant.

Signed on behalf of the Supplier:



JOHN KNIGHT
COMMERCIAL DIRECTOR

Date: 9 January 2023

¹ <https://ghgprotocol.org/corporate-standard>

² <https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

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