

QINETIQ

# Carbon Reduction Plan

**QinetiQ Ltd**

September 2022



Supplier name: **QinetiQ Limited**

Publication date: **30/09/2022**

## Commitment to Net-Zero

QinetiQ Limited is committed to achieving Net-Zero emissions by **2050** or sooner.

For more information please see our QinetiQ Net-Zero greenhouse gas emissions plan [here](#).

## 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.

Our Baseline includes our greenhouse gas (GHG) emissions from the seven GHG's named by the Kyoto Protocol: Carbon Dioxide (CO<sub>2</sub>), Hydrofluorocarbons (HFCs), Methane (CH<sub>4</sub>), Nitrous Oxide (N<sub>2</sub>O), Nitrogen Trifluoride (NF<sub>3</sub>), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF<sub>6</sub>). Our emissions are calculated in tonnes of carbon dioxide equivalent (CO<sub>2</sub>e) using the appropriate conversion factors published by The Department for Business Energy and Industrial Strategy (BEIS).

QinetiQ greenhouse gas emissions reporting is aligned to our Financial Year "FY" Reporting (1st April to 31st March).

QinetiQ is using the "Financial Control" approach as part of our greenhouse gas methodology.

The Group-wide Scopes 1 and 2 figures presented have limited assurance by a third party (see reporting accounts [here](#)).

Scope 3 data collection commenced for the first time in July 2021 in response to the UK Government National Policy Procurement Notice (PPN) 06/21, and we published our first Carbon Reduction Plan (CRP) at the end of September 2021 using data relating to FY20 (our baseline year) and FY21. This has created a reporting timeline that will be repeated annually until improved data collecting efficiencies and methodologies enable us to consolidate this with the reporting cycle for Scopes 1 and 2.

As required by the PPN06/21, this CRP includes the following five Scope 3 Categories:

- Cat. 4: Upstream Transport & Distribution
- Cat. 5: Waste from Operations
- Cat. 6: Business Travel
- Cat. 7: Employee Commuting
- Cat. 9: Downstream Transport & Distribution

Note that Scope 3 emissions are split into a total of 15 Categories, however PPN06/21 only mandates the reporting of the five Categories listed above within this document. Our Net-Zero targets are based on reductions in emissions across all 15 Categories.

### Baseline Year: FY20

#### Additional Details relating to the Baseline Emissions Calculations.

QinetiQ originally used FY19 (1st April 2018 to 31st March 2019) as our Baseline Year for our Scope 1 and 2 global emissions reduction targets. As part of our new Net-Zero plan, we have re-baselined to FY20 for the wider inclusion of Scope 3 data.

#### Baseline Year Emissions:

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	18,486
Scope 2	16,298
Scope 3 (included sources)	16,526
<b>Total Emissions</b>	<b>51,310</b>

#### Current Year: FY22

(latest complete year we have data for)

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	15,216
Scope 2	12,236
Scope 3 (included sources)	7,219
<b>Total Emissions</b>	<b>34,671</b>

## Emissions Reduction Targets

Over the last decade, we have set a series of increasingly ambitious GHG emission reduction targets. We initially focussed our attention on Scope 1 and Scope 2 emissions, however during FY22 we extended the coverage of our GHG reporting to incorporate Scope 3 emissions. This provides us with visibility of our whole value-chain, which is essential for playing our part in tackling climate change.

In FY22 we published our Net-Zero Plan. This plan replaces our previous targets; it includes our Scope 3 emissions, and sets a new base year (FY20). Our plan can be found on our [website](#).

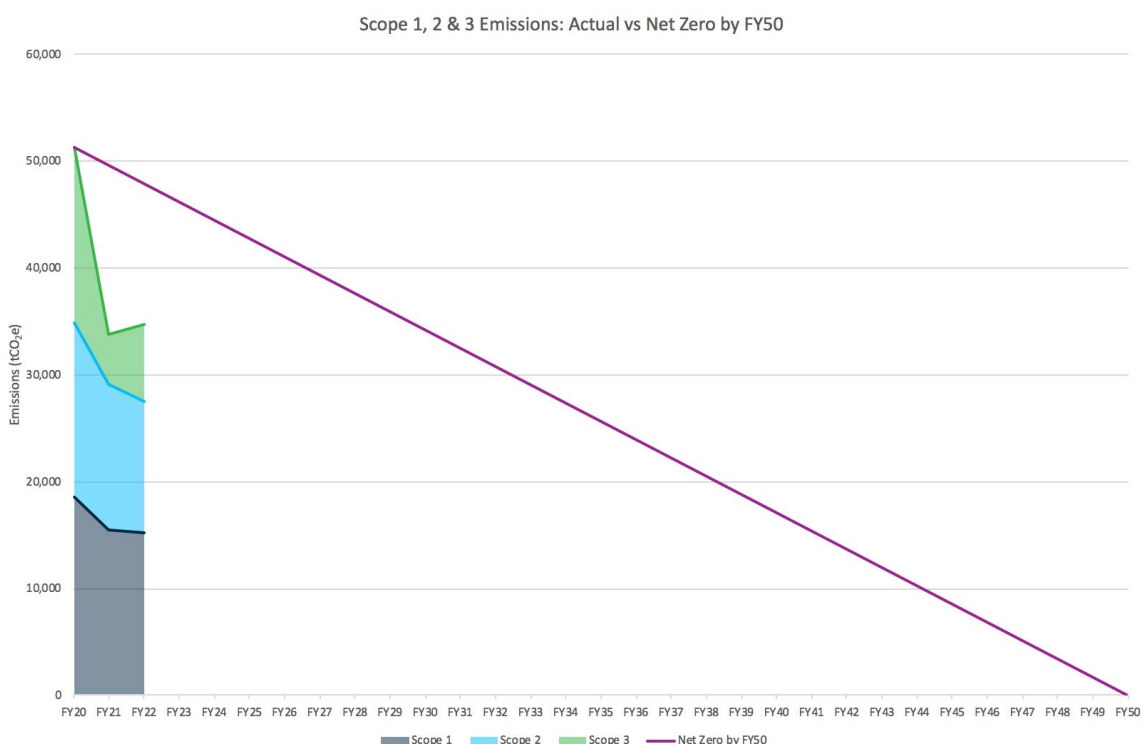
Our Net-Zero Plan includes achievable near- and long-term Net-Zero science-based GHG emissions reductions targets, which are aligned with the 1.5°C pathway. They are based on a planned programme of activities, applying a data-driven approach to inform what we do and when. We developed these in accordance with the SBTi Net-Zero Standard and criteria, and the associated GHG Protocol Corporate Standards.

The SBTi has verified QinetiQ’s near- and long-term Net-Zero science based targets (please see their website: <https://sciencebasedtargets.org/companies-taking-action/>). We are also delighted to be part of the Business Ambition for 1.5°C campaign, which is part of the United Nations-backed Race to Zero.

We commit to achieve Net-Zero GHG emissions by FY50 or sooner for our operations and our whole value-chain (i.e. Scope 1, 2 and 3).

Timeframe	Scope 1&2	Scope 3	Total
FY20	Base year	Base year	Base year
FY30	-50% absolute reduction	-30% absolute reduction	-33% absolute reduction
FY50 or sooner	Net-Zero	Net-Zero	Net-Zero

Progress against these targets is presented in the graph below:



## Greenhouse Gas Reduction Projects

### Completed Carbon Reduction Initiatives

The following activities are just some examples of projects to reduce our greenhouse gas emissions:

1. Replacement of the main drive control system in our 5m wind-tunnel, which should result in estimate a 1 MWh/annum saving.
2. Replacement of 123 street lights and bollards in parking and pedestrian areas at our UK Headquarters in Farnborough, Hampshire.
3. Our waste target is to increase the annual proportion (%) of UK waste that is re-used and recycled from our underlying waste production. Waste contributes to our Scope 3 emissions and so forms part of our Net-Zero plan.

QinetiQ maintains ISO Standards 14001 (Environmental Management) and 50001 (Energy Management) to support and externally assure our approach.

As a result of the COVID-19 pandemic, during FY21 we saw reductions in our Scope 1 and 2 emissions, due to changes in working practices, with reduced use of QinetiQ vehicles and significantly less employees working on our sites. This also resulted in a significant drop in Scope 3 emissions, with less business travel and employee commuting.

While it is a positive that our emissions were less overall, we do still expect increases in some areas as we see an ongoing change in working patterns.

In FY23 we are undertaking a range of initiatives, but the priority focus is on the following:

### Electric Vehicle Charging

As we prepare for the phasing-out of petrol and diesel vehicles, QinetiQ are actively looking to install electric vehicle charging points across our UK sites whilst incorporating aspects of renewable energy as a part of the infrastructure.

### Renewables

QinetiQ are working to initially install 900 solar panels (with more planned in the future). The installation of these panels will enable QinetiQ to produce more renewable energy and reduce our overall greenhouse gas emissions.

### Sub-metering

We are in the process of installing sub-meters across all our UK sites to gain greater granularity in energy consumption to help us reduce waste and identify areas of improvement. Sub-metering will help us monitor individual areas of buildings, facilities, and equipment.

### Other Energy Projects

In addition to the above, there are a number of energy management projects that we continue to work on that help reduce our greenhouse gas emission footprint on sites, such as:

- Improvement of the ventilation systems in the concourse at Farnborough to reduce the need for compressors.
- Installation of new air conditioning systems in the range control building at MOD Hebrides.
- Significant employee engagement, including blogs and webinars.
- Changing pressure systems on Customer sites managed by QinetiQ to replace SF6 (a GHG with a very high global warming potential) with an alternative gas.
- Standardisation of purchasing equipment i.e. air conditioning units.

### Scope 3 Initiatives

- Develop an advanced data-driven approach to further leverage our Scope 3 data.
- Focus on highest emitting categories, including engineering services, procurement of digital assets and business travel.
- Engagement with industry trade bodies and peers to champion lower emissions solutions and credentials.

QinetiQ proactively supports collaboration and engagement across our sector regarding Climate Change. The QinetiQ CEO co-chairs the Defence Suppliers Forum (DSF) Climate Change and Sustainability Steering Group, and QinetiQ also chairs the Sustainability Group for our trade body ADS.

## Supporting our customers

Our sustainability value proposition explains how we support our customers to define and achieve their sustainability goals, maximising benefits and enhancing resilience.

It comprises of three pillars:

- Sustainable test, evaluation, training & estate management
- Sustainability innovation partner
- Our carbon reduction technology portfolio 'Sustainable solutions'.

Our framework supports Net Zero goals, while maintaining and enhancing capability by shifting to sustainable approaches.

### Case Study: West Freugh Test Site – Sustainable solutions for customers

We manage a number of sites as part of the Long Term Partnering Agreement (LTPA) for the UK MOD, including at MOD West Freugh. Funded by the MOD, the West Freugh project was started as a technical demonstrator to show how a site could be taken to Net-Zero carbon emissions. A site audit identified key issues (such as a high proportional baseload) and an 'ideation' campaign helped us gather cross-company input and ideas, alongside expert evaluation. A suite of solutions has been developed, ranging from 'Fabric First' where insulation and lighting are improved, decarbonisation of space heating (removing oil and gas heating), local power generation by solar and wind, sub-metering, smart grid and storage to smooth out peaks and troughs, as well as electrification of vehicles and carbon sequestration. The solutions are replicable and so provide opportunities for other sites.

## Methodologies

Following the 2022 Scope 3 data collection, QinetiQ will publish externally the methodologies and signpost sources of data used in our calculations to be both transparent and assist our supply chain (especially small and medium-sized enterprises (SMEs)) to calculate their own emissions and improve data integrity for carbon accounting.

## 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 streamlined energy and carbon reporting (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 our Chief Financial Officer, who is the lead for climate change on our board of directors.

**Signed:**

A handwritten signature in black ink, appearing to be 'Carol Borg', written in a cursive style.

**Carol Borg (CFO)**

Date: 28/09/2022

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