Carbon Reduction Plan

Supplier name: Rolls-Royce SMR Limited

Publication date: April 2026

Commitment to achieving Net Zero

Rolls-Royce SMR Limited (herein referred to as Rolls-Royce SMR) is committed to achieving Net-Zero greenhouse gas emissions by 2050[1].

Our definition of Net-Zero aligns with the Science Based Targets Initiative (SBTi). It means that we will pursue deep decarbonisation across our value chain before neutralising any residual emissions that cannot be eliminated through carbon removal projects.

Our commitment to Net-Zero is underpinned by our 2030 and 2050 emissions targets that we have set for our Scope 1 (Direct Emissions), Scope 2 (Indirect Emissions), and Scope 3 Categories 1 (Purchased Goods & Services), 6 (Business Travel), and 7 (Employee Commuting). We have set these targets in accordance with SBTi's methodology and are committed to having these targets validated by SBTi, or a suitable alternative, in the future.

We have established emission reduction actions to support the targets set out in this plan. More detail on these can be found at the end of this document.

Baseline Emissions Footprint

Baseline emissions refer to greenhouse gases emitted before implementing reduction strategies, they serve as the benchmark for measuring emission reductions. As we move from planning to constructing, we expect emissions to change due to increased operations, logistics, energy use, and scaling of resources.

The timing of our re-baselining will depend on facility development, operational expansion, and how our emissions profile evolves. Key factors include production scale, supply chain characteristics, and site footprint. Re-baselining ensures our carbon accounting accurately reflects emissions and supports our decarbonisation strategy.

Emissions data below refer specifically to Rolls-Royce SMR as the bidding supplier, reported in tonnes of CO_2 equivalent (tCO_2e) to cover all greenhouse gases. Baseline emissions serve as the reference point for tracking reductions. The figures include Scope 1, Scope 2, and measured Scope 3 categories, meeting PPN 006 requirements.

[1] Rolls-Royce SMR will reduce absolute emissions by at least 90% by 2050. The remaining emissions will be offset in line with the SBTi guidance.

Baseline: 2023	
Additional details relating to the baseline and reporting year emissions calculations.	
The 2023 baseline covers 1 January to 31 December. Scope 3 Category 4 and 9 emissions are zero, reflecting our current office-based operations without significant upstream or downstream transport.	
Baseline emissions: 2023	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	36.0
Scope 2 (Location-based approach)	47.1
Scope 2 (Market Based approach)	0.44
Scope 3 (Total)	2,941.1
○ **Scope 3 – Category 1 (Purchased Goods and Services)**	2,602.7
○ **Scope 3 - Category 4 (Upstream Transportation and Distribution)**	0
○ **Scope 3 - Category 5 (Waste Generated in Operations)**	1.0
○ **Scope 3 - Category 6 (Business Travel)**	184.0
○ **Scope 3 – Category 7 (Employee Commuting)**	153.4
○ **Scope 3- Category 9 (Downstream Transportation and Distribution)**	0
Total Emissions (Location based)	**3,024.2**
Total Emissions (Market based)	**2,977.54**

Current emissions reporting

Reporting year: 2025	
Additional details relating to the baseline and reporting year emissions calculations	
Scope 3 Category 4 and 9 emissions are zero, reflecting our current office-based operations without significant upstream or downstream transport.	
EMISSIONS	**TOTAL (tCO_2e)**
Scope 1	43.7
Scope 2 (Location-based approach	59.6
Scope 2 (Market -based approach)	0
Scope 3 (Total)	21,383.7
○ **Scope 3 – Category 1 (Purchased Goods and Services)**	20,656.9
○ **Scope 3 - Category 3 (Fuel & Energy- Related Activities)**	27.7
○ **Scope 3 - Category 4 (Upstream Transportations & Distribution)**	0
○ **Scope 3 - Category 5 (Waste generated in Operations)**	0.272
○ **Scope 3 - Category 6 (Business Travel)**	689.5
○ **Scope 3 - Category 7 (Employee commuting)**	10.4
○ **Scope 3 - Category 9 (Downstream Transportation & Distribution**	0
Total Emissions (Location-based)	**21,487.1**
Total Emissions (Market-based)	**21,427.4**

Emissions reduction targets

To continue progress to achieving net zero by 2050, we have set emissions reductions targets across our Scope 1 and 2 emissions, and sources of materially significant Scope 3 emissions that have been calculated as part of our 2023 baseline. Reduction targets have been set using the most appropriate target type which includes, absolute targets for Scope 1 and 2, and intensity-based targets or supplier engagement targets for Scope 3. These targets are as follows:

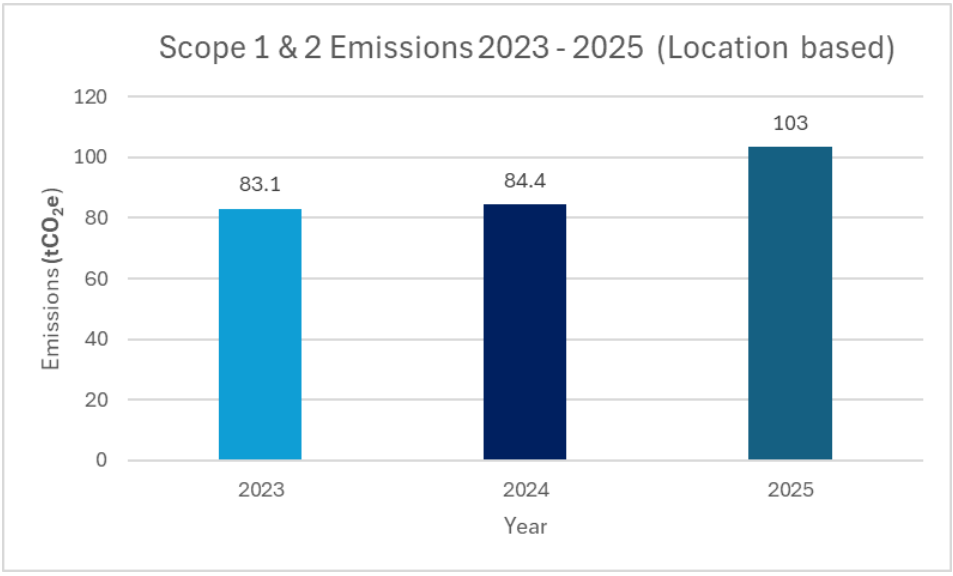
- **Scope 1 & 2:**
    - Near term - Rolls-Royce SMR commits to reduce Scope 1 and 2 emissions by 42% by 2030 from a 2023 base year.
    - Long term - Rolls-Royce SMR commits to reduce Scope 1 and 2 by 90% by 2050 from a 2023 base year.

- **Scope 3 Category:**
    - Near term - Rolls-Royce SMR commits that by 2029, suppliers responsible for 77% of our Scope 3 Category 1 emissions will have set science-based targets.
    - Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 1 emissions from indirect procurement sources[2] by 97% per employee from a 2023 base year.
- **Scope 3 Category 6:**
    - Near term - Rolls-Royce SMR commits to reduce Scope 3 Category 6 emissions by 51.6% per employee by 2030 from a 2023 base year.
    - Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 6 emissions by 97.0% per employee by 2050 from a 2023 base year.
- **Scope 3 Category 7:**
    - Near term - Rolls-Royce SMR commits to reduce Scope 3 Category 7 emissions by 51.6% per employee by 2030 from a 2023 base year.
    - Long term - Rolls-Royce SMR commits to reduce Scope 3 Category 7 emissions by 97.0% per employee by 2050 from a 2023 base year.

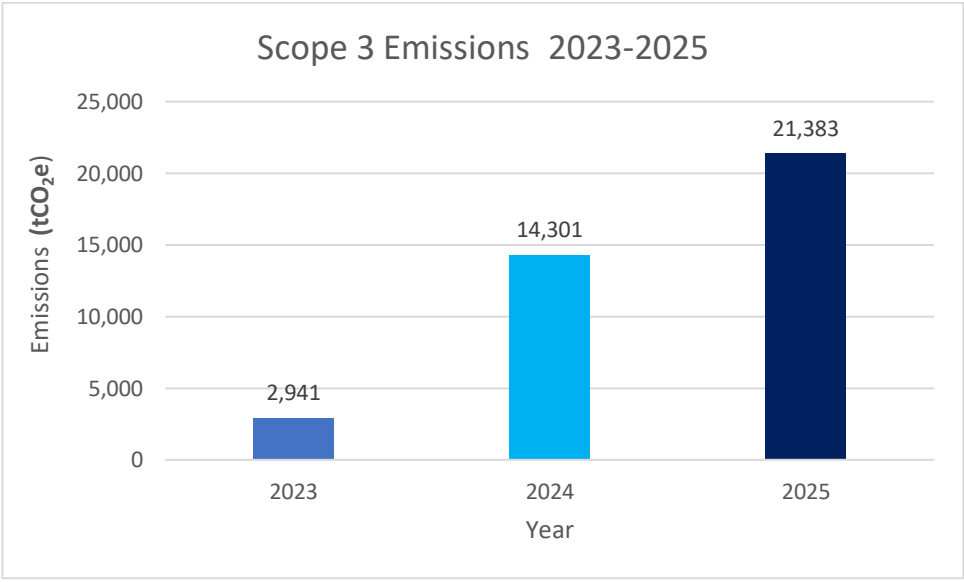
All our current targets are developed in accordance with the SBTi cross sector pathway methodology. Progress against these targets can be seen in the following Scope 1 & 2 and Scope 3 graphs.

[2] We are only targeting indirect procurement sources in our current target due to there being no direct procurement in our business at present. Additionally, the use of tCO2e/employee as a basis for direct procurement would not be appropriate as the number of physical materials procured has no bearing on employee numbers.

Our Scope 1 and 2 (location-based) emissions can be seen in the graph below:



Our Scope 3 emissions can be seen in the graph below:



Our reported carbon emissions have increased in this reporting period, as detailed in the current emissions reporting table, and graph above primarily within Scope 3, Category 1 Purchased Goods and Services. This increase is attributable to the following factors:

- **Procurement Activity Growth (Scope 3 Category 1):** As our business expands, indirect procurement of good and services has increased and related supply chain emissions have increased.
- **Enhanced Data Capture:** Improved tracking processes now provide a more accurate and complete emissions profile, supporting transparency and ongoing carbon reporting improvement.

As our organisation grows, emissions are expected to rise. We will conduct a comprehensive **re-baselining** in the future and have modelled emissions through 2050 to anticipate changes. When Scope 3 Categories 4 and 9 become relevant, we will proactively address and set reduction targets as needed.

Emissions Reduction Projects

Completed or Ongoing Emissions Reduction Initiatives:

The environmental management measures and projects listed below have been completed or implemented since the 2023 baseline. Below are initiatives taken by the business to minimise our carbon footprint, both in existing operations and in the design considerations for our SMR product:

- **Renewable Energy**: The Rolls-Royce SMR Manchester, Warrington and Derby Offices are now powered by 100% renewable electricity certification.
- **Building Certification**: The Rolls-Royce SMR Manchester Office has achieved BREEAM In - Use Certification (Excellent).
- **ISO Certification**: Rolls-Royce SMR has achieved certification to ISO 14001:2015 Environmental Management System (EMS).
- **Life Cycle Assessment**: A comprehensive Life Cycle Assessment (LCA) for our nuclear plant design has been completed helping identify and manage emissions hotspots.
- **Hybrid and Flexible Working**: Rolls-Royce SMR promotes a hybrid and flexible working policy, enabling employees to work both from home and the office, helping to reduce commuting emissions.
- **Education and Awareness**: All staff at Rolls-Royce SMR have completed environmental sustainability training through our online SMART learning portal.
- **Employee Engagement Campaigns**: Ongoing employee engagement campaigns raise environmental and sustainability awareness, including events such as Earth Day, National Recycling Week, and Plastic Free July.

Planned Emissions Reduction Projects:

Due to the expected growth in our business going forward, a key pillar of our emissions reduction strategy is establishing ion reduction actions that avoid emissions from materialising in the first place. We have used our potential modelled emissions out to 2050 to identify key hotspots for each material emissions scope. With a focus on these hotspots, we are currently developing actions to firstly avoid the emissions and secondly minimise as practicable by

building reduction and substitution actions into our planning, in line with the greenhouse gas management hierarchy[3].

The emission reduction actions that we are pursuing across our measured emissions scopes include:

- **Energy efficiency measures** - installing of Building Management System and sub-meters at all new sites to monitor gas, electricity and water consumption and manage effectively.
- **Energy efficiency measures** – ensuring our new manufacturing facilities are designed with state-of-the-art energy efficient technologies and insulation to minimise the energy required for heating and cooling and minimise the use of fossil fuels where these are unavoidable.
- **Commuting Survey**: An annual staff commuting survey is conducted to gather data on commuting habits and develop strategies to reduce commuting-related emissions.
- **Employee training & engagement** – building a culture of energy efficiency in our facilities by including employees in the planning stages of sustainability initiatives in the company.
- **Fuel switching** – identifying opportunities to transition our future and existing facilities to HVAC/electric heating and cooling, including moving our facilities to buildings that do not use natural gas or other fossil fuels.
- **Fuel switching** – ensuring future on-site vehicles, such as material handling equipment (MHE), will be designed as a fully electric fleet from the outset, avoiding the use of diesel.
- **Onsite renewables and energy storage systems** – investigating the opportunities to install onsite renewables such as solar and wind for any future facilities as well as battery storage systems to regulate energy from these renewable sources.
- **Procuring renewable electricity** - using applicable market instruments to ensure as much of our electricity supply as possible comes from renewable sources.
- **Sustainable Procurement Strategy** – we continue to develop a Rolls-Royce SMR specific sustainable procurement strategy that looks to address the key emissions hotspots in this emissions category (e.g. IT and services, steel, cement, modules, and plastic).
- **Design optimisation** – We are focused on improving our nuclear plant's design to safely reduce steel, cement, and plastic. We are working towards aligning or design approach to PAS 2080 Carbon Management standards. Whenever possible, we replace new materials with recycled ones.
- **Sustainability monitoring –** introduction of Eco Vadis monitoring system with our supply chain partners to track sustainability metrics (including emissions) and to allow us to identify emissions hotspots and prioritise improvements.

[3] IEMA (2020) Pathways to Net Zero: Using the IEMA GHG Management Hierarchy https://www.iema.net/media/yyaccyxw/iema_ghg_hierarchy_nov_2020.pdf

- **Travel policy** – strengthening our policies and requirements around how business travel occurs, such as restrictions on business class travel and restricting the use of flights where lower carbon alternatives exist e.g., rail.
- **Active commuting** – providing facilities to support active commuting such as cycling by providing bicycle storage and showers at our sites.

As our business evolves, we are committed to refining these strategies and expanding our efforts to ensure we meet our 2030 and 2050 targets.

Declaration and Sign Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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 Greenhouse Gas [4] and uses the appropri[5].Government emission conversion factors for greenhouse gas company reporting[6].

Scope 1 and Scope 2 emissions have been reported in accordance 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[7].

This Carbon Reduction Plan has been reviewed and approved by the Rolls-Royce SMR Limited Board of Directors on 22nd April 2026.

Signed for and on behalf of the Rolls Royce SMR Limited Board of Directors:

Signed by:
Stephen Lovegrove
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Date: 5/17/2026 | 17:44 BST

[4] https://ghgprotocol.org/corporate-standard

[6] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[7] https://ghgprotocol.org/standards/scope-3-standard