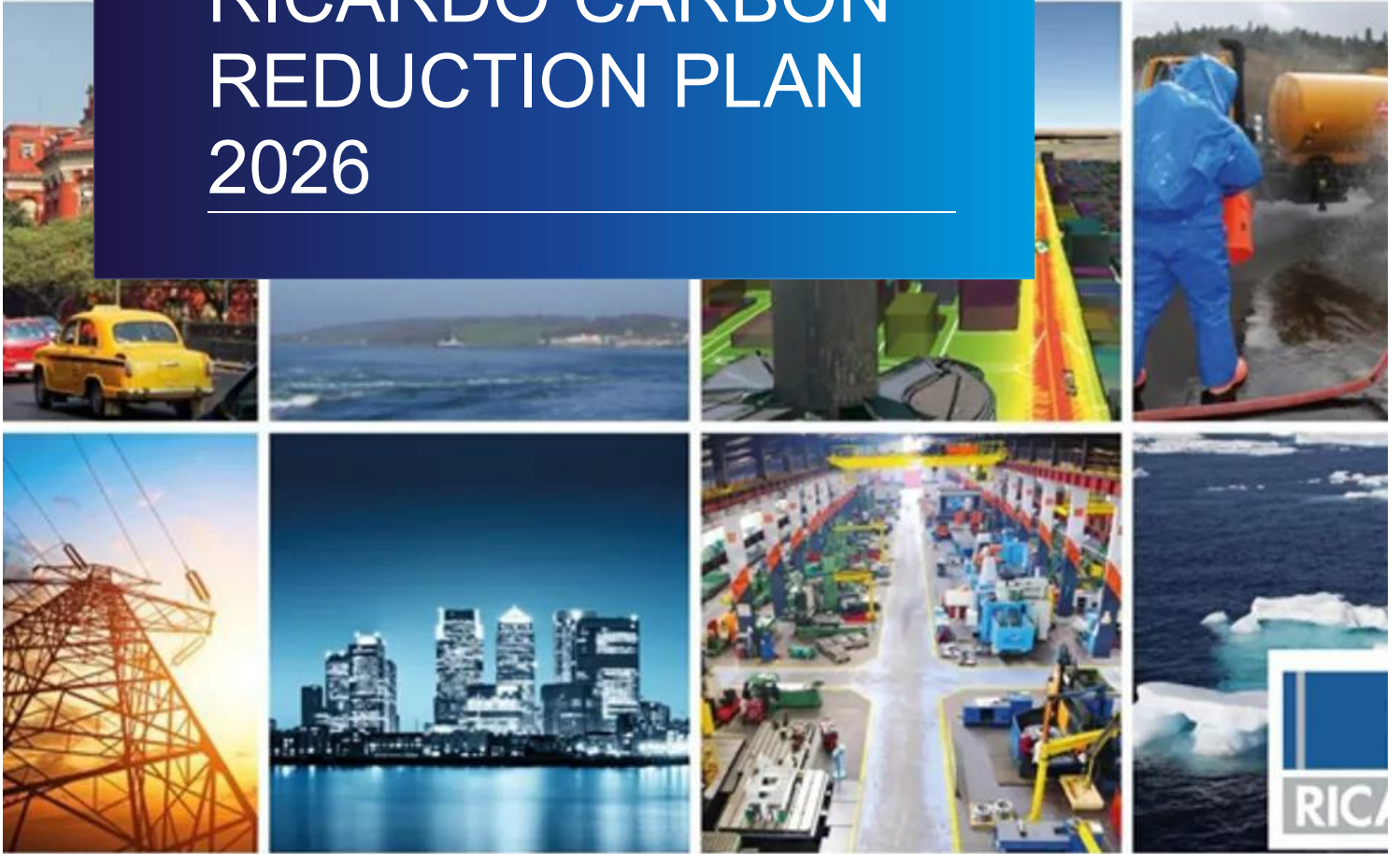


RICARDO CARBON REDUCTION PLAN 2026



RICARDO

CARBON REDUCTION PLAN

Supplier name: Ricardo Plc – all entities inc.UK

Publication date:06-02-2026....

COMMITMENT TO DRIVING CARBON REDUCTIONS

We recognise the importance of minimising the environmental harm caused by our business. As part of this, we monitor a range of environmental metrics including our GHG emissions, energy and water use, and waste production across all our global sites and locations, so that we can identify improvement opportunities and ensure legislative compliance. This includes examination of our service provision and methodology, products and extends to the nature of the business we are and how we revise it through strategic decisions.

Ricardo Plc is committed to reducing GHG emissions towards net zero which can be influenced by business acquisitions and or the sale of any part of the business. Most recently, this has consisted of the sale of Ricardo Defence which contributed just over 40% of our scope 1,2 & 3 emissions. This was driven by our plan to be come, and energy transition and environmental company focused on applying skills and capabilities to client problems. Our work has focused on social, economic and technical solutions to reduce CO2 emissions, minimise use of fossil fuels and open paths for the consumption of carbon-free mobility, transport, freight and commerce.

Ricardo was an early adopter of carbon reduction initiatives and have been active for 10 years in this field. From our peak emissions in the early part of the journey we have reduced scope 1&3 emissions by 80%. As targets and measurement protocols were developed, Ricardo adopted Science Based Targets initiative (SBTi) targets in FY 2019/20, our baseline year, committing to:

- Reduce Scope 1 and 2 emissions 46.2% by FY 2030/31 – aligned to 1.5°C average global temperature rise
- Reduce absolute Scope 3 emissions 27.5% by FY 2030/31 – aligned to well below 2°C temperature rise

Since FY 2019/20, we have reduced our Scope 1 and 2 emissions by 42.8% through adoption of renewable energy and migration to a digital-first approach using data that was verified by an external third party. This journey has not stopped, and the strategic realignment is part of the continuing steps along the process. During FY 2025/26 we plan to adjust our baseline year for all scopes using FY 2024/25 data and use this to update our targets and to take on board the proposed revision of the SBTi standards including target setting and reductions in light of the scope 3 magnitude compared to scope 1 & 2.

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.

Ricardo's emissions reporting has continued to improve since we set our baseline emissions, and we have expanded out scope of emissions reporting to consider all sources of emissions. This can be seen in the additional categories of emissions considered in the most recent years emissions reporting, although this means our emissions have increased in the short term.

Baseline Year: 2020 (July 2019 - June 2020)

Additional Details relating to the Baseline Emissions calculations.

Emissions reported in this plan refer to Ricardo Clean Energy & Environmental Solutions UK based operations.

Scope 3 emissions reported include:

- Upstream transportation and distribution
- Downstream transportation and distribution
- Waste generated in operations
- Business travel
- Employee commuting

All emissions are rounded to 1 decimal place.

Baseline year emissions:

EMISSIONS	TOTAL (tCO ₂ e)	
Scope 1	4,343.0	
Scope 2	Location-based: 4,981.0	
Scope 3 (Included Sources)	Category	Emissions (tCO ₂ e)
	Waste	0.0* Data is not available for the baseline year. Most offices are leased where waste data is not available. We are now liaising with landlords and disposal contractors to collect this information.
	Business travel	3,967.4
	Total	3,967.4
Total Emissions	Location-based: 13,291.5	

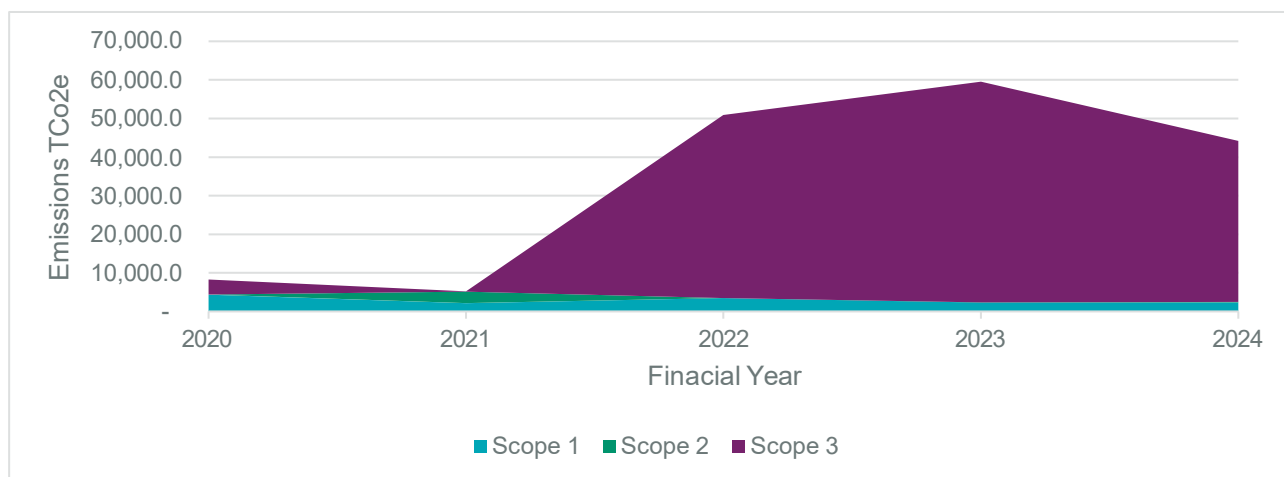
Current Emissions Reporting

Reporting Year: 2023 (July 2022 – June 2023)		
EMISSIONS	TOTAL (tCO ₂ e)	
Scope 1	2,341.8	
Scope 2	Location-based: 1,930.9 Market-based: 138.1	
Scope 3 (Included Sources)	Category	Emissions (tCO₂e)
	Purchased goods and services	33,469.3
	Capital goods	630.1
	Fuel and energy related activities	164.9
	Upstream transportation and distribution	326.6
	Waste generated in operations	32.8
	Business travel	902.3
	Employee commuting	1,185.4
	Downstream transportation and distribution	44.1
	Use of sold products	GHG Protocol Basis: 4,925.1 SBTi Basis: 35,172.3
	Disposal of sold products	186.3
	Downstream leased assets	43.8
	Total (GHG Protocol Basis)	77,082.8
Total Emissions	Location-based: 81,355.5 Market-based: 79,396.4	

EMISSIONS REDUCTION TARGETS

As part of our GHG reduction progress we have adopted the following carbon reduction targets.

Ricardo remains steadfast in our commitment to GHG reduction (as well as waste reduction and resource use minimisation) while waiting for SBTi to issue revised protocol and methodology, we will remain committed to our prior stated short-term targets set to reduce emissions by our 2030/31FY. Minimisation against these targets can be seen in the graph below. This shows our emission reduction targets to 2050 (inclusive of all emissions reported earlier in this plan).



New technologies and services are expected to enter the market that will help organisations to decarbonise, for example the introduction of low/ zero emission aircraft would transform intercontinental business travel. To monitor progress, allow for expansion or contraction of the business, and to exploit emerging low carbon opportunities, we will review our targets, measures, and progress at the beginning of 2024 and every 3 years thereafter. Significant operational changes, such as large acquisitions or disposals, would justify an earlier review. We have adopted renewable energy at every location possible and included capital investment to power or contribute power through solar panels at our largest consumption site.

CARBON REDUCTION PROJECTS

The following mitigation measures have already been implemented and will be in effect when performing the contract:

Ricardo UK emissions are verified each year at Ricardo Group level by LRQA in accordance with ISO 14064–3:2006, 'Specification with guidance for validation and verification of greenhouse-gas assertions. For the 2020 reporting period, this included Scope 1, 2 and Scope 3 business travel. For the 2022 reporting period, this includes all emissions as per the GHG Protocol.

Ricardo has had a verified Science Based Target (SBTi) at group level, in line with the 1.5°C pathway for Scopes 1 and 2 and well below 2°C for Scope 3.

The following policies have been implemented to support Ricardo CEES decarbonisation:

- Switching to Renewable Energy Guarantee of Origin (REGO) backed renewable electricity tariffs for 80% of our UK electricity consumption.
- Supply chain examination to select suppliers with lower carbon footprints or declared carbon per product where the supplied goods fit specifications, capability and durability
- Alternative (improved accuracy) calculation methods for procurement chains rather than just on a cost/category basis
- Implementing a public transport first travel policy where possible e.g., rail before private car travel.
- Implementing internal procedures for booking flights within Great Britain, requiring Senior Leadership Team approval.
- Offering cycle2work, bike maintenance checks and season rail ticket loans
- Flexible working policy, allowing more home working and enabling off peak public transport travel times.
- Separate waste collection bins in all offices (general waste, waste for recycling - crisp packets, cartons, card, glass etc) and food collection in all larger offices.

Further implement measures include:

Emissions source	Measures
Natural gas	Ricardo Energy & Environment do not own any fossil fuel powered heating systems but some of the leased offices still use gas. As applicable, when we look for new office space, we always endeavour to select electric if it is available. In our UK manufacturing site, replacement of gas-powered heat treatment and annealing furnaces for electric furnaces to permit a switch to renewable energy
Electricity	We aim to either consuming on-site renewable electricity or procuring 100% REGO backed renewable electricity where available and will prioritise this option when looking for new offices. Replacement of natural gas heating boilers with ultra-high efficiency units when installed systems reach repair/replacement decisions.
Waste	Continue efforts to educate employees on waste reduction, sorting for recycling and or re-use. We are committed to work with landlords and waste contractors to further improve our drive to zero waste to landfill. 2024 it was 98%. We will continue annually to report on all business waste for 100% transparency, per our annual report and accounts Responsible Business section.
Employee commuting	We are committed to reducing emissions through commuting. We allow hybrid home working. Provide bike storage, bike health checks and cycle2work schemes.
Vehicles	We work with our hire car provider for the option of renting electric vehicles and or hybrid options, before petrol or diesel vehicles. Replacement of internal combustion vehicles on our van fleet for EV variants when duty cycle and charge point availability permit.

Medium and long-haul business travel	As a global business Ricardo Energy & Environment's goal is to help our clients identify and implement sustainable solutions. Medium and long-haul business travel will however remain a business need. Any international air travel is to be justified and approved by a Business Unit Director. Where practical, we seek to combine international trips to reduce emissions from travel. As new, lower carbon technology emerges in air travel we will review how our travel policy and update to ensure all employees select the most sustainable travel mode such as trains.
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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 by **Rachel White - Global President, Clean Energy and Environmental Solutions**

Signed on behalf of the Supplier:



Date:06/02/2026.....

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>



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