

CAE Carbon Reduction Plan

FY24-25

Contents

Executive Summary	2
Key Achievements for the Year	2
Our UNFCCC Race to Zero Pledge	3
Carbon Performance 2024/25	4
Emissions Reduction Targets	8
Carbon Reduction Strategy	9
Data Reporting Protocols	11
Standard and Methodology Used	11
Data Quality / Confidence	11
Declaration and Sign-off	11

Executive Summary

CAE is proud to present its Carbon Reduction Plan for the fiscal year July 2024 to June 2025. This report demonstrates our unwavering commitment to environmental sustainability and our progress towards achieving Net Zero emissions by 2040.

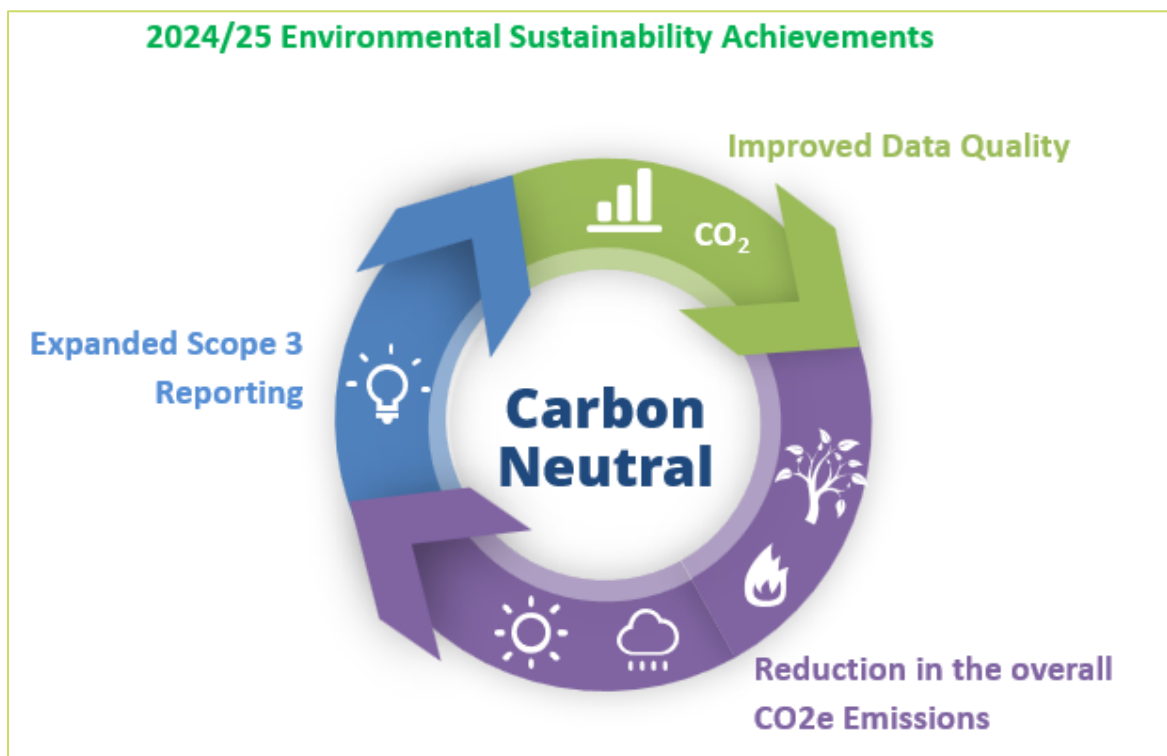
The organisation has been measuring its carbon for four years since 2018, with the year 2023/24 being the baseline year.

This change is motivated by the need to capture more accurate data regarding the carbon dioxide equivalent (CO₂e) emissions generated by the organisation. By doing so, we can establish a more comparable benchmark, which will highlight opportunities for further reducing CO₂e emissions.

Consequently, a reduction of 32.2 tonnes of CO₂e has been achieved, representing a decrease of 7.2% compared to the benchmark period. When this reduction is expressed as an equivalency, it amounts to 1,610 trees growing for one year¹.

As we continue to mature and track an increasing number of data points regarding carbon emissions, we will continue to include these in future reports.

Key Achievements for the Year



¹<https://www.anthesisgroup.com/insights/what-exactly-is-1-tonne-of-co2/>

Expanded Scope 3 Reporting: We've significantly broadened our data collection to include previously unreported emissions sources, demonstrating our commitment to transparency and accountability. This expansion has led to a more accurate representation of our total carbon footprint.

Improved Data Quality: Our enhanced reporting practices provide a more accurate picture of our total environmental impact, allowing for more targeted reduction strategies.

Reduction in the overall CO₂e Emissions: This overall reduction from the scope 1 & 3 emissions is due to previous investments in replacing the organisation's diesel fleet with electric and hybrid vehicles.

Additionally, we are promoting public transportation over personal vehicles for business travel.

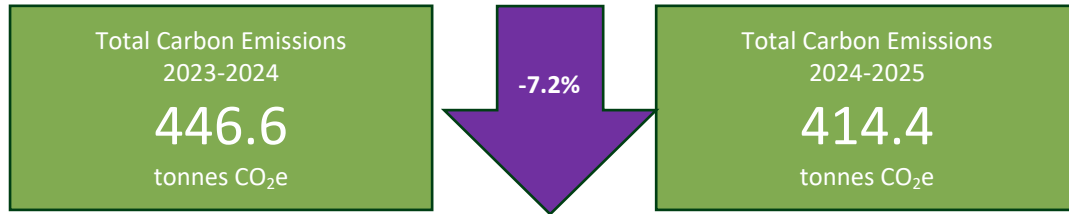
Our UNFCCC Race to Zero Pledge

As a business, we commit to the following:

- To achieve net zero in line with the science-based targets set out by the UNFCCC¹, i.e., to achieve net zero no later than 2040 and to target a 50% reduction in emissions by 2030. This is 10 years ahead of our legal commitments.
- To set realistic short and long-term targets that are designed to achieve our Net Zero commitments.
- To report our business's total Greenhouse Gas emissions regularly and for our performance to be part of Future Net Zero's and CBN Experts' annual reporting back to the UNFCCC.

¹United Nations Framework Convention on Climate Change

Carbon Performance 2024/25

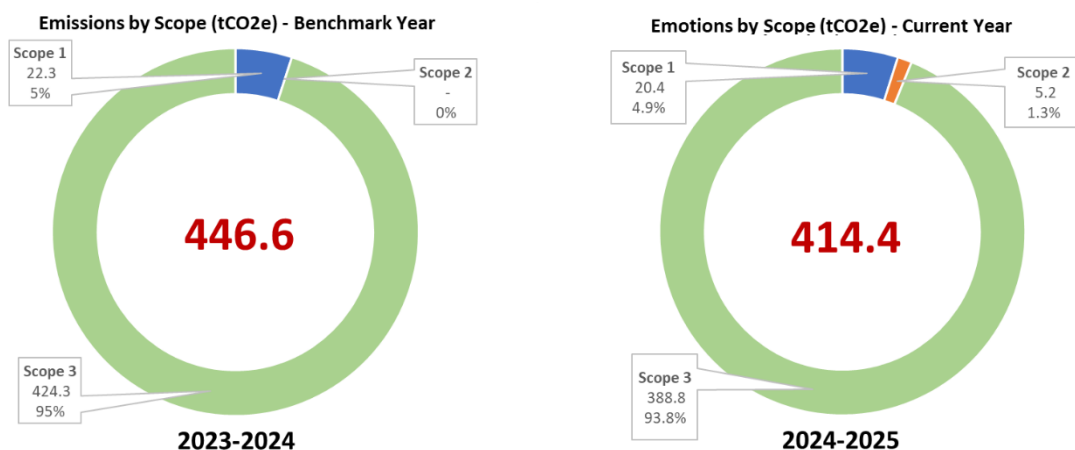


Because we were able to measure additional carbon-producing data points more accurately, it allowed us to compare like-for-like across all measures for the baseline year, demonstrating a reduction of 32.2 tCO₂e and a 7.2% decrease compared to the benchmark period.

Further reductions in Scope 3 emissions can be predicted for the next carbon reduction report, especially for business travel, if captured through mileage instead of spend data to better reflect true CO₂e emissions.

These predictions reinforce our confidence that CAE remains on the right path to achieve its commitment to becoming Net Zero no later than 2040 and to target a 50% reduction in emissions by 2030.

The information below shows a detailed breakdown of the analysis by scope.

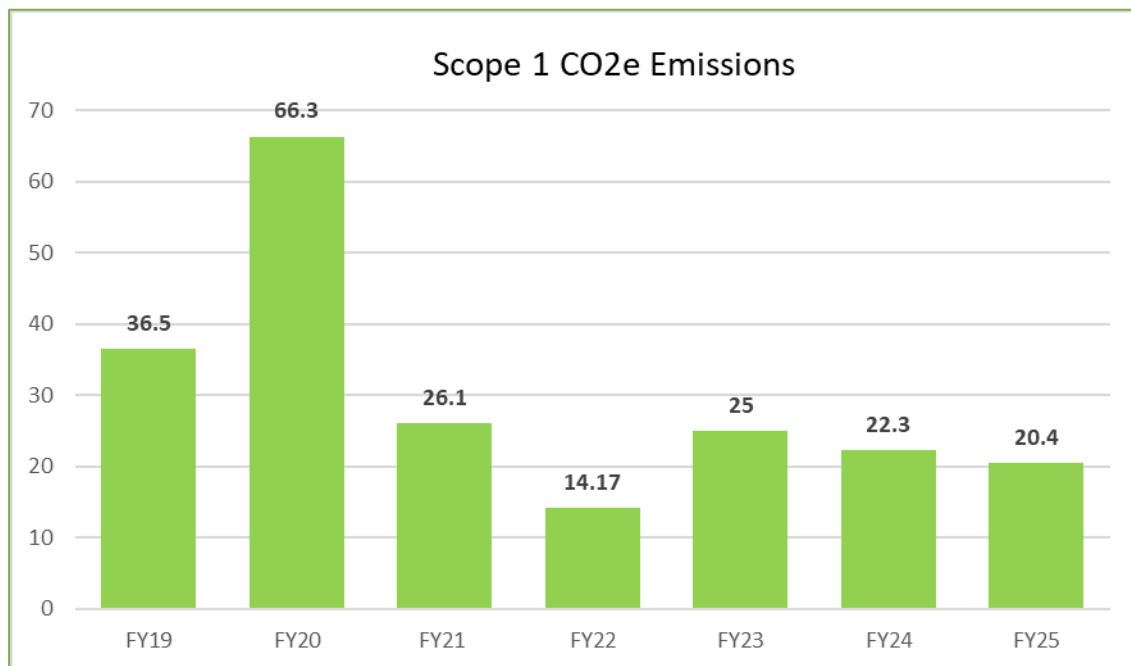


Scope	Description	tCO2e	%
Scope 1	Scope 1 emissions includes fuels used at company premises and company vehicles.	20.4	4.9%
Scope 2	Emissions in scope 2 includes electricity used at the company's premises. The office is on a fully renewable tariff.	5.2	1.3%
Scope 3	Scope 3 emissions include: • Business Travel • Employee Commuting • Transmission and Distribution of Electricity • Water Supply and Treatment • Waste Disposal	388.8	93.8%
TOTAL		414.4	100.0%

Reported Scope 3 emissions may increase in future years as more detailed data and information become available.

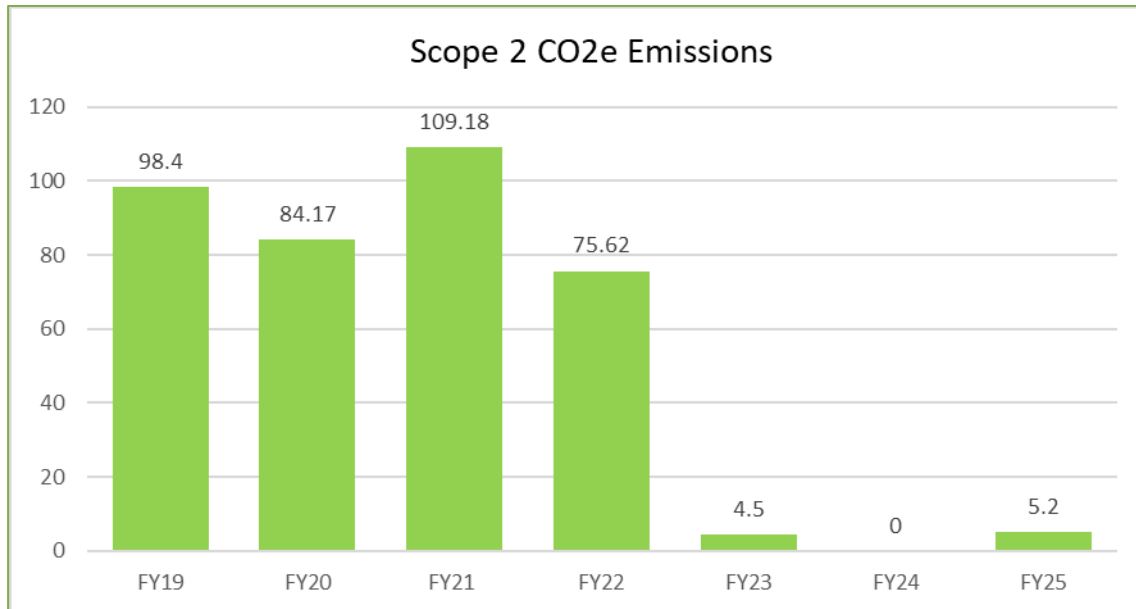
As part of the transparency of our reporting, we are able to provide a more detailed breakdown of our trending performance by emission type.

Scope 1 Emissions



CAE has observed a decreasing trend in Scope 1 emissions since the financial year 2018/19. This decline is mainly attributed to a pilot project aimed at replacing the existing fleet of vans with electric vehicles (EVs), improved planning for customer deliveries, and the implementation of appropriate heating settings for company-owned offices.

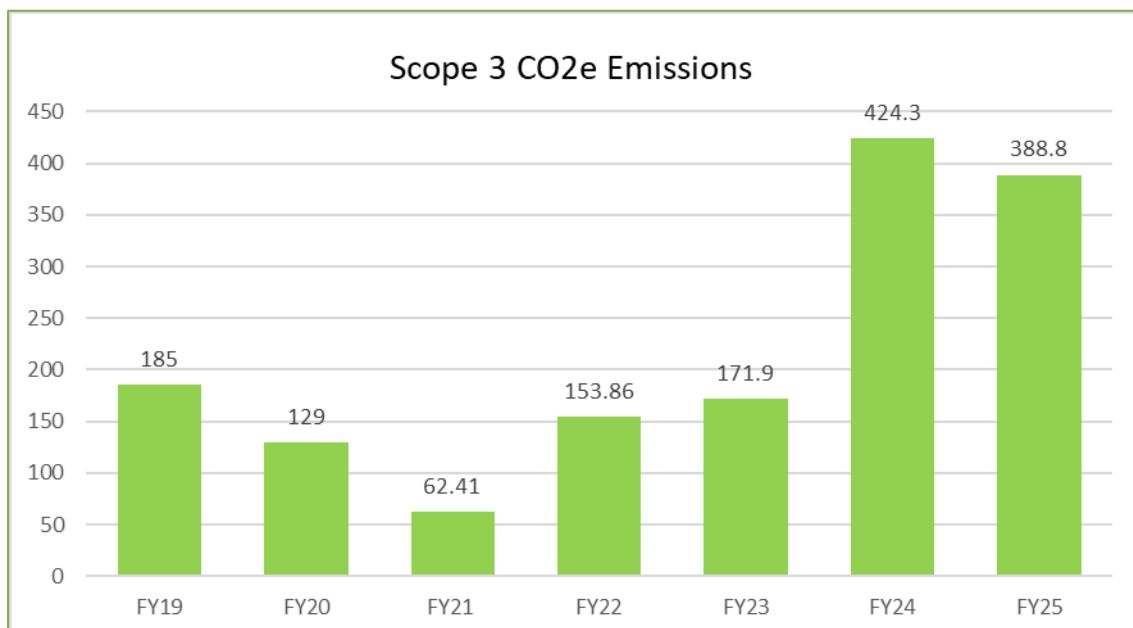
Scope 2 Emissions



In its second year of using 100% renewable electricity sources, along with self-generated electricity from solar panels, CAE has achieved zero CO₂e emissions from electricity for the current financial year (2024-2025).

The only CO₂e emissions recorded, totalling 5.2 tons, were related to business travel conducted in petrol and diesel vehicles, as well as electric-hybrid cars, which contribute to scope 2 emissions.

Scope 3 Emissions



The increase in our total reported emissions is primarily due to the inclusion of previously unreported Scope 3 emissions:

New Data Points: We now measure and report on emissions from flights, taxi journeys, hotel and train travel, which had not been accurately or consistently captured before.

Improved Accuracy: Capturing emissions based on mileage instead of spending offers a more comprehensive view of our carbon footprint and enables more effective reduction strategies.

A note on Scope 3 Emissions

An area that causes significant debate in the IT industry is the tracking of emissions linked to goods bought and sold by our customers under scope 3. Fundamentally, as a reseller of these goods, CAE does not control the emissions generated in their production or use.

However, we are proactively working with our partners to track the data relating to these goods and services and to encourage them to adopt practices that will reduce carbon emissions within their supply chains. Currently, consistent and reliable data are unavailable in this area, so CAE has chosen not to include these emissions in its annual reporting.

When we feel confident that this data is accurate and consistently available, we will introduce these metrics as a new grouping under scope 3.

Full Emission Breakdown

Data Details		Benchmark Year	Current Year	Difference		Data Source	Data Confidence
Emission Type	Scope	2023-2024	2024-2025	from			
		tCO2e	tCO2e	Benchmark			
Energy							
Gas	1	12.4	13.5	1.1	Gas Bills	High	
Electricity	2	-	-	0.0	Electricity Bills	High	
Transmission & Distribution	3	6.9	7.2	0.3	Electricity Bills	High	
Transmission & Distribution - EVs	3	-	0.0	0.0	Mileage Data	High	
		19.3	20.8	1.5			
Business Travel							
Vans	1	9.9	6.9	-3.1	Company Records	High	
Car - Petrol and Diesel	2	-	0.4	0.4	Mileage Data	High	
Car - Petrol and Diesel	3	169.7	144.0	-25.7	Mileage Data	High	
Car - Electric and Hybrid	2	8.8	4.8	-4.0	Mileage Data	High	
Flights	3	82.8	31.6	-51.2	Spend Analysis	Medium	
Taxis	3	4.5	16.0	11.4	Spend Analysis	Medium	
Train	3	20.8	73.1	52.2	Spend Analysis	Medium	
		296.6	276.7	-19.9			
Employee Commuting							
All Employee Commuting	3	59.8	60.0	0.1	Employee Survey	Medium	
		59.8	60.0	0.1			
Other Emissions Calculated							
Waste Disposal	3	0.2	0.0	-0.1	Company Records	High	
Hotels	3	70.4	56.5	-13.9	Spend Analysis	Medium	
Water and Water Treatment	3	0.4	0.3	0.0	Company Records	High	
		70.9	56.9	-14.0			
TOTAL		446.6	414.4	-32.2			

Intensity Matrix Analysis

CAE has adopted a strategic approach to measuring its carbon intensity, aligning with government environmental reporting guidelines. We've chosen to use our headcount as the basis for our intensity ratio, as this metric closely reflects our business activities and growth.

Our calculation method divides our total emissions for the financial year by our total headcount, providing a clear picture of our carbon footprint per employee. This approach allows us to track our progress effectively over time, regardless of changes in our workforce size.

	2023/24 tCO ₂ e	2024/25 tCO ₂ e	Change
Scope 1,2, and 3 emissions per employee	1.12	1.10	-2%

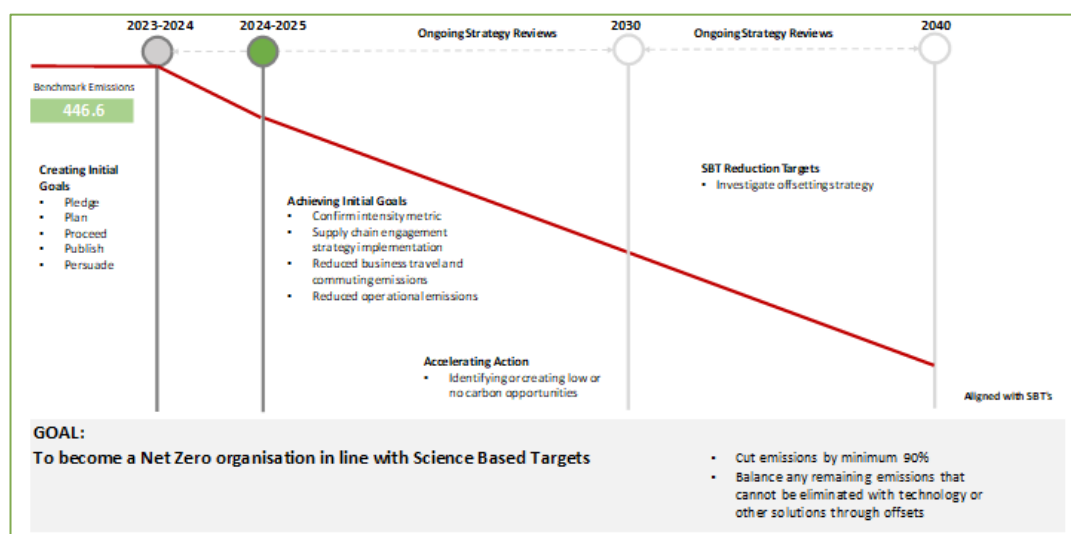
The selected intensity metrics indicate a carbon emissions value of 1.1 tCO₂e per employee, reflecting a 2% decrease from the benchmark year. During the reporting period, the business average headcount was 377 employees, with 356 employees at the exit period.

CAE Technology Services plans to incorporate turnover as an intensity metric for carbon reporting starting in the 2025-2026 period to provide a more accurate measure of carbon emissions.

Emissions Reduction Targets

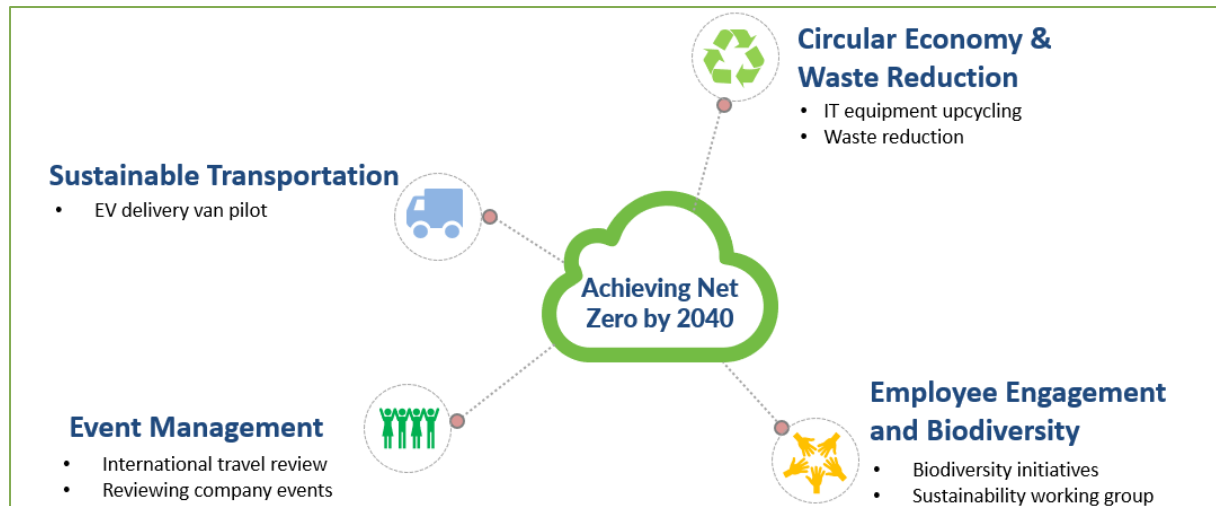
The following graph summarises the carbon emissions reduction targets. Science-Based Targets (SBTs) call for a reduction in emissions of 50% by 2030 and 90% by 2050.

This graph presents a forecast of the organisation's emissions targets. These targets will be compared with actual emissions on a yearly basis to support ongoing strategies and decision-making aimed at achieving the SBTs.



Carbon Reduction Strategy

At CAE, we are committed to continuously improving our environmental performance and reducing our carbon footprint. Our ongoing reduction plan encompasses a range of initiatives across various aspects of our business operations. These activities demonstrate our proactive approach to sustainability and dedication to achieving our Net Zero target by 2040.



Sustainable Transportation

1. **EV Delivery Van Pilot:** Building on our success of replacing a diesel van with an electric one, we are piloting EV delivery vans. This initiative will further reduce our Scope 1 emissions and demonstrate our commitment to sustainable logistics.

Event Management

1. **Reviewing Company Events:** We are critically assessing the carbon impact of our company-held events. This review process will help us identify opportunities to reduce emissions associated with these gatherings, potentially through virtual alternatives or more sustainable event practices.
2. **International Travel Review:** We are evaluating CAE-hosted customer and employee travel to international events. This review aims to optimise our approach to necessary international engagements while minimising our carbon footprint.

Circular Economy and Waste Reduction

1. **IT Equipment Upcycling:** We continue to focus on the circular economy by upcycling IT equipment. This initiative not only reduces waste but also benefits CAE's operations, our customers, and charitable causes.
2. **Waste Reduction:** Our ongoing efforts to reduce waste wherever possible remain a key part of our sustainability strategy. We are constantly seeking new ways to minimise waste across all our operations.

Employee Engagement and Biodiversity

1. **Sustainability Working Group:** We maintain active engagement with the CAE Sustainability Working Group. This cross-functional team plays a crucial role in driving our sustainability initiatives and fostering a culture of environmental responsibility throughout the organisation.
2. **Biodiversity Initiatives:** Our commitment to biodiversity continues through initiatives such as lavender planting and recycling used coffee granules. These small but impactful actions contribute to our overall environmental stewardship

Continuous Improvement

We recognise that achieving significant carbon reductions requires ongoing effort and innovation. As such, we are committed to:

- Regularly reviewing and updating our reduction strategies
- Engaging with our suppliers and partners to address Scope 3 emissions
- Continuing to improve our data collection and reporting processes to ensure accuracy and transparency

By implementing these initiatives and maintaining our focus on sustainability, CAE is taking concrete steps towards a lower-carbon future. We believe that these efforts not only contribute to our environmental goals but also enhance our operational efficiency and strengthen our position as a responsible business leader.

A summary of the main activities is listed below:

Reporting		• Absolute • Efficiency (Intensity)	• Tracking and reporting absolute emissions to Net Zero • Tracking & reporting emissions intensity – efficient growth & operations • Continue to refine data capture and frequency of reporting
Scope 1		• Fuels • Fugitive emissions (coolants & refrigerants)	• Take regular gas readings • Continue to run the EV Delivery van pilot to assess operational impacts vs carbon savings
Scope 2		• Energy	• Continue to look at measures to reduce electricity consumption across all offices
Scope 3	Up stream	• Purchased Goods • Waste • Business Travel • Employee Commuting	• Supplier engagement in reporting production data for sold goods • Strengthening of procurement policy to include sustainability assessment • Launch of employee EV vehicle scheme • Employee engagement in business and customer transport to events
	Down stream	• Use of sold products	• Increased engagement with customers over choices in sustainability options for technology • Continue to keep landfill waste to a minimum and recycle IT equipment through CAE Foundation partners

Data Reporting Protocols

Standard and Methodology Used

CAE categorises its Greenhouse Gas (GHG) Emissions as Scope 1, 2 or 3 as referred to in the WBCSD¹ – WRI Greenhouse Gas Protocol (revised edition, dated March 2014). Emissions in Carbon Dioxide equivalent (CO₂e) for all scopes are calculated using the conversion factors listed in DESNZ² Greenhouse Gas Conversion Factors for the relevant 12-month period over which the carbon emissions are calculated. Procured renewable electricity and gas are calculated in accordance with the WBCSD – WSI Scope 2 Guidance on procured renewable energy (2015).

Data Quality / Confidence

The data used to generate this report has been collected from various sources from both within the company and using assumptions gathered by Net Zero International. These emissions have been converted to CO₂e using the GHG Protocol and DESNZ frameworks and conversion factors for the relevant period.

Declaration and Sign-off

This Carbon Reduction Plan has been completed in accordance with SECR³, PPN 06/21 and associated guidance and reporting standards 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 use the appropriate Government emission conversion factors for greenhouse gas company reporting.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions has 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 agreed upon by the board of directors (or equivalent management body).

Name: **Phil Doye**

Position: **Director**

Signature: *Phil Doye*

Date: **2/10/2025**

¹ The World Business Council for Sustainable Development

² Department of Energy Security and Net Zero

³ Streamlined Energy and Carbon Reporting



A boxx Group Company

Contact us

Tel: 0845 643 0033

Email: hello@thisiscae.com

www.thisiscae.com