

CAE Carbon Reduction Plan

FY23-24



CARE

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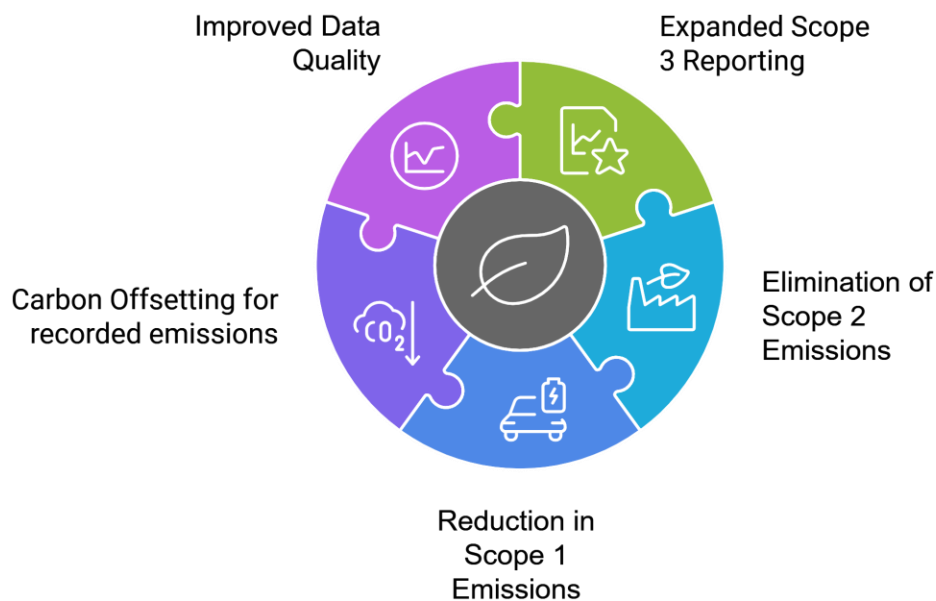
Executive Summary

CAE is proud to present our Carbon Reduction Plan for the fiscal year July 2023 to June 2024. This report demonstrates our unwavering commitment to environmental sustainability and our progress towards achieving Net Zero emissions by 2040. While our reported emissions have increased, this change reflects our dedication to a more comprehensive and transparent reporting process rather than an actual increase in our carbon footprint.

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

2023/24 Environmental Sustainability Achievements



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.

Elimination of Scope 2 Emissions: We've completely eliminated our Scope 2 emissions, down from 98.4 tCO₂e in the baseline year to 0 tCO₂e in the current reporting period. This achievement showcases our successful transition to renewable energy sources for our electricity needs.

Reduction in Scope 1 Emissions: We've made substantial progress in reducing our direct emissions, including the replacement of a diesel delivery van with an electric vehicle, which should reduce emissions in future reporting periods.

Carbon Offsetting: We've offset all recorded carbon emissions for the fiscal year through our partnership with Ecologi, demonstrating our commitment to immediate action while we work on long-term reduction strategies.

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

Our UNFCC 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 UNFCCC3, 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.

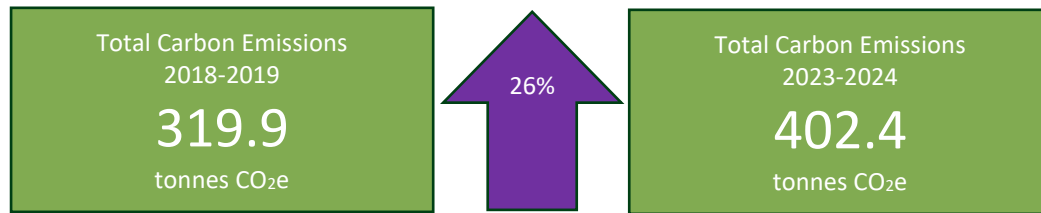
To set realistic short and long-term targets that are designed to achieve our Net Zero commitments.

To report our business's total Greenhouse Gas emissions regularly and for our performance to be part of Future Net Zero's and CBN Expert's annual reporting back to the UNFCCC.

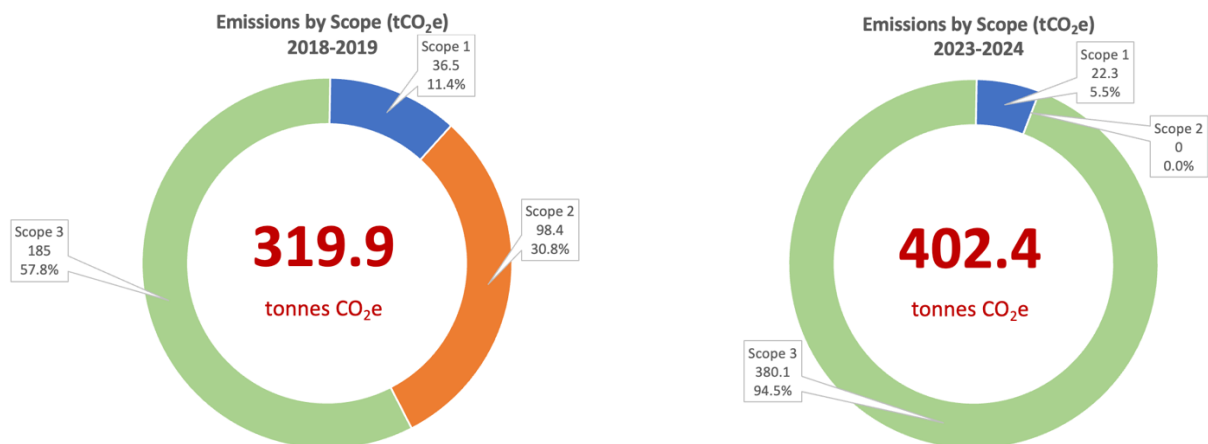
CAE acknowledges that our commitment is reported on the Network Net Zero website. CAE made its pledge to the Race to Zero via the Network Net Zero Community on 24th January 2023. The record of the pledge can be found at

<https://www.futurenetzero.com/netzerointernational-race-to-zero/>

Carbon Performance 2023/24



Overall, our recorded carbon emissions have increased by 26% compared to our baseline year in 2018/19. While the rise in the headline figure may appear disconcerting, these figures do not necessarily indicate a significant increase in our carbon footprint. In this past reporting year, we are now able to more accurately measure additional carbon-producing data points, which has caused an overall increase in our reported carbon emissions. However, if we were to measure like for like across all measures for the baseline year, it would show a significant decline. This reflects the work we have been doing in our commitment to more comprehensive and transparent reporting rather than an actual increase in our carbon footprint.

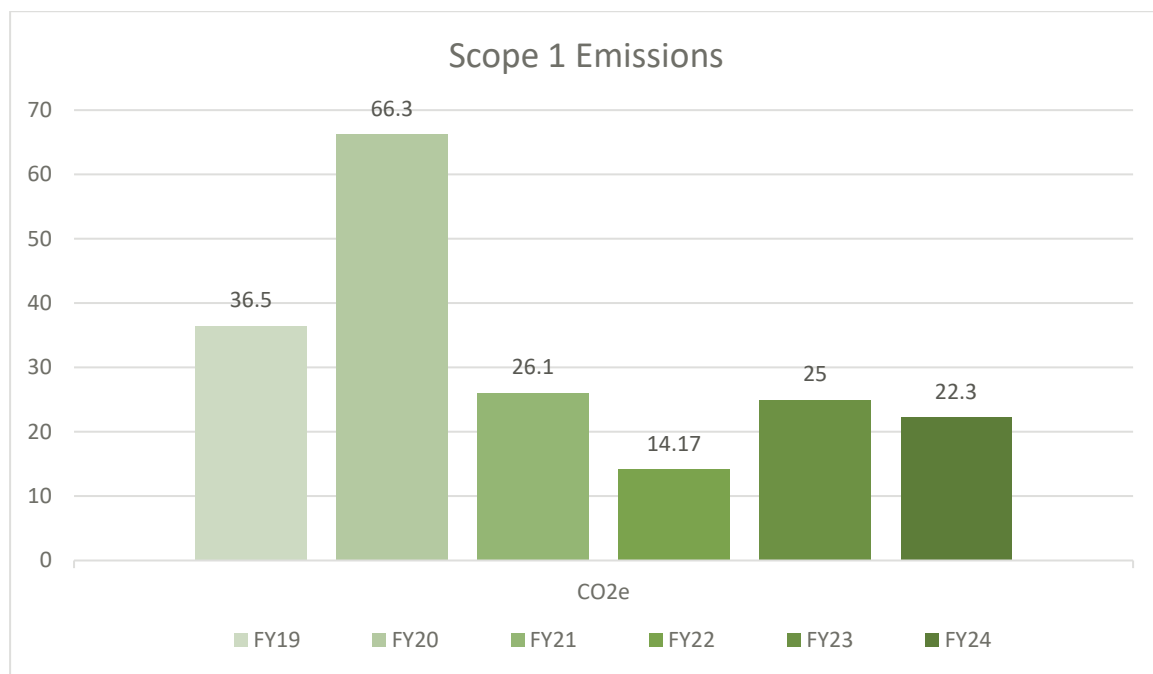


The table below shows a detailed breakdown of our carbon emissions for the past year.

Scope	Description	2023/24 tCO ₂ e	%
Scope 1	Scope 1 emissions include fuel from company vehicles and gas used in the office.	22.3	5.5%
Scope 2	Emissions in scope 2 include electricity used at the company's office. The offices are all on a renewable tariff.	0.0	0.0%
Scope 3	Scope 3 emissions include: <ul style="list-style-type: none"> Waste and Water Employee Commuting Transmission and Distribution of Electricity Business Travel Hotel Stays Air, Taxi, & Train Travel 	380.1	94.5%
TOTAL		402.4	100%

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

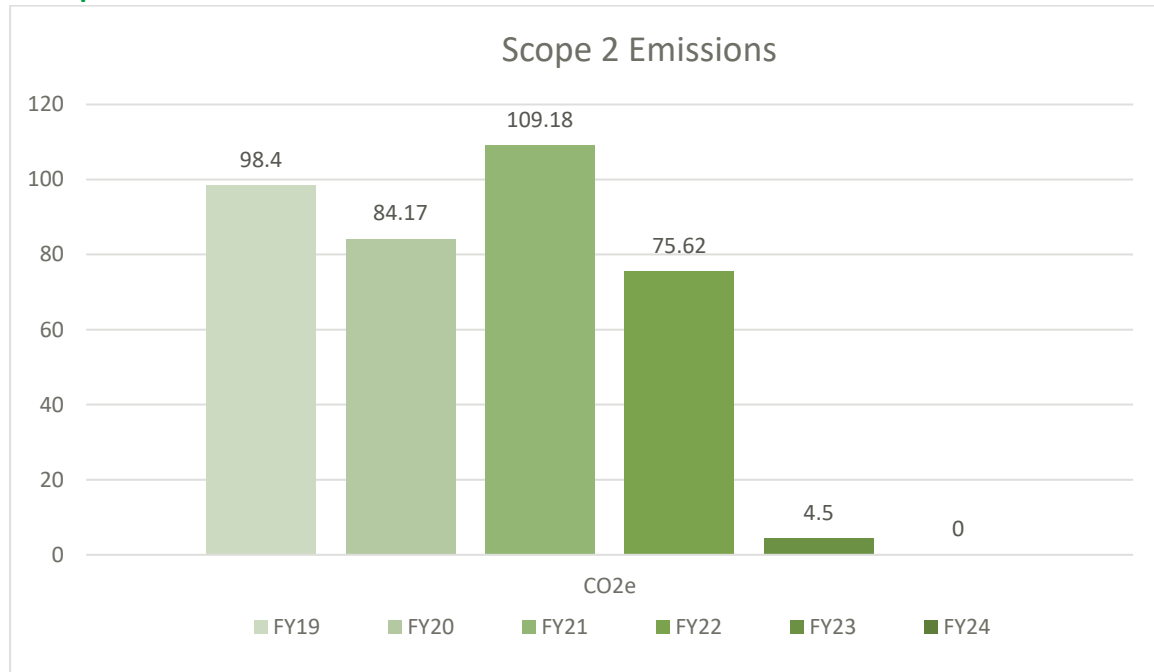
Scope 1 Emissions



CAE has continued to see a declining trend in Scope 1 emissions since our baseline year in FY2018/19. Over the past six months, CAE has been looking to further reduce energy consumption in this category, having recently replaced a diesel local delivery van with an EV

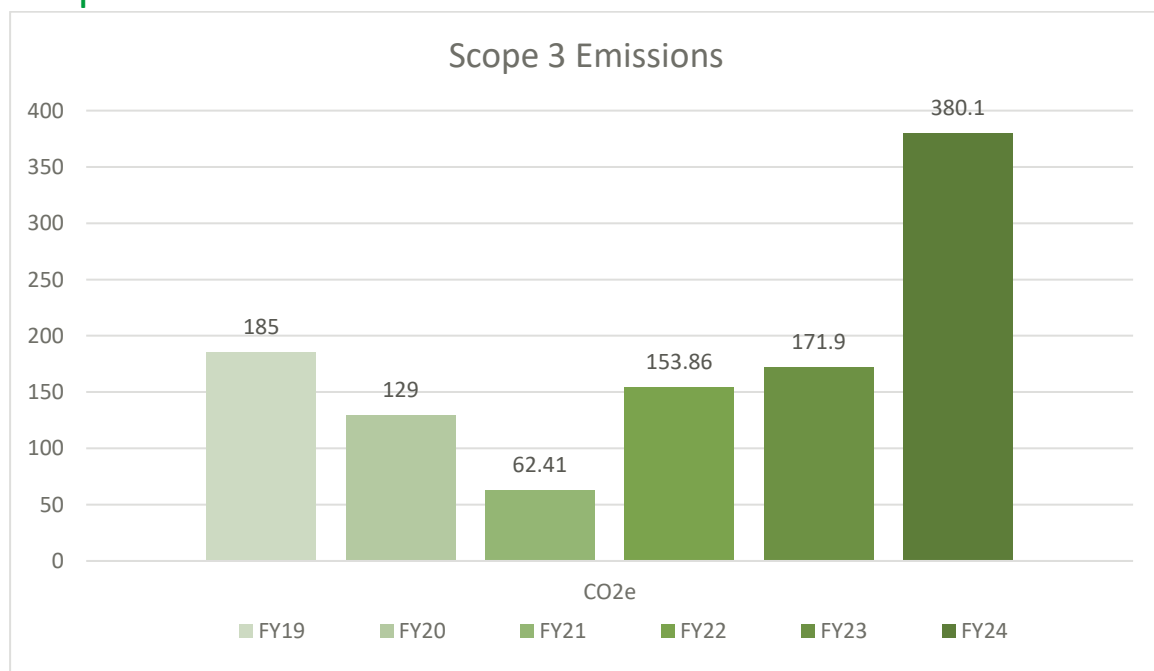
delivery van. This is a pilot project to test the performance and range required before replacing the existing fleet of vans with EVs.

Scope 2 Emissions



CAE is pleased to report that carbon emissions under scope 2 last year were zero! This is the first year that CAE has fully moved to 100% renewable electricity sources whilst also reducing the amount of electricity consumed from national grid networks due to the solar panels, which are now operational on both of CAE's main office sites.

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, and train travel, which had not been accurately or consistently captured before.
- **Improved Accuracy:** This expanded reporting gives us a more comprehensive view of our carbon footprint, enabling more effective reduction strategies.

An additional 194.1 tons of Co2 were captured in the above categories, which had not been captured before.

Outside of these new reporting categories, whilst there is a reduction in employee commuting emissions, there is a significant increase in business travel through Petrol and Diesel cars as we increase our Sales teams and engage in more customer meetings. To specifically address these emissions, we are:

- Introducing an employee EV salary sacrifice car scheme in FY 2025 to encourage a move towards greener travel for both business and commuting.
- Reviewing company-held activities and events to reduce or mitigate carbon production.
- Assessing options to reduce carbon impact for company and customer-hosted travel to overseas events.

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 is 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		2018-2019	2023-2024		
Emission Type	Scope	tCO2e	tCO2e	Data Source	Data Confidence
Energy					
Gas	1	26.6	12.4	Gas Bills	High
Electricity	2	98.3	-	Electricity Bills	High
Solar Electricity	2	-	-	Solar Generated Electricity	High
Transmission & Distribution	3	-	6.9	EEIO Spend Analysis	Medium
		124.9	19.3		
Business Travel					
Vans	1	10.0	9.9	Mileage data	High
Car - Petrol and Diesel	3	66.0	149.2	Mileage data	High
Car - Electric and Hybrid	3	-	8.3	Mileage data	High
Flights	3	-	82.8	EEIO Spend Analysis	Medium
Taxis	3	-	4.5	EEIO Spend Analysis	Medium
Train	3	-	20.8	EEIO Spend Analysis	Medium
		76.0	275.5		
Employee Commuting					
All Employee Commuting	3	90.0	36.6	Employee Survey	Medium
		90.0	36.6		
Other Emissions Calculated					
Waste Disposal	3	29.0	0.2	EEIO Spend Analysis	Medium
Hotels	3	-	70.4	EEIO Spend Analysis	Medium
Water and Water Treatment	3	-	0.4	EEIO Spend Analysis	Medium
		29.0	71.0		
TOTAL		319.9	402.4		

Intensity Matrix Analysis

CAE has adopted a strategic approach to measuring our 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.

	2018/19 tCO2e	2023/24 tCO2e	Change
Scope 1,2 and 3 emissions per employee	1.1	0.9	-18%

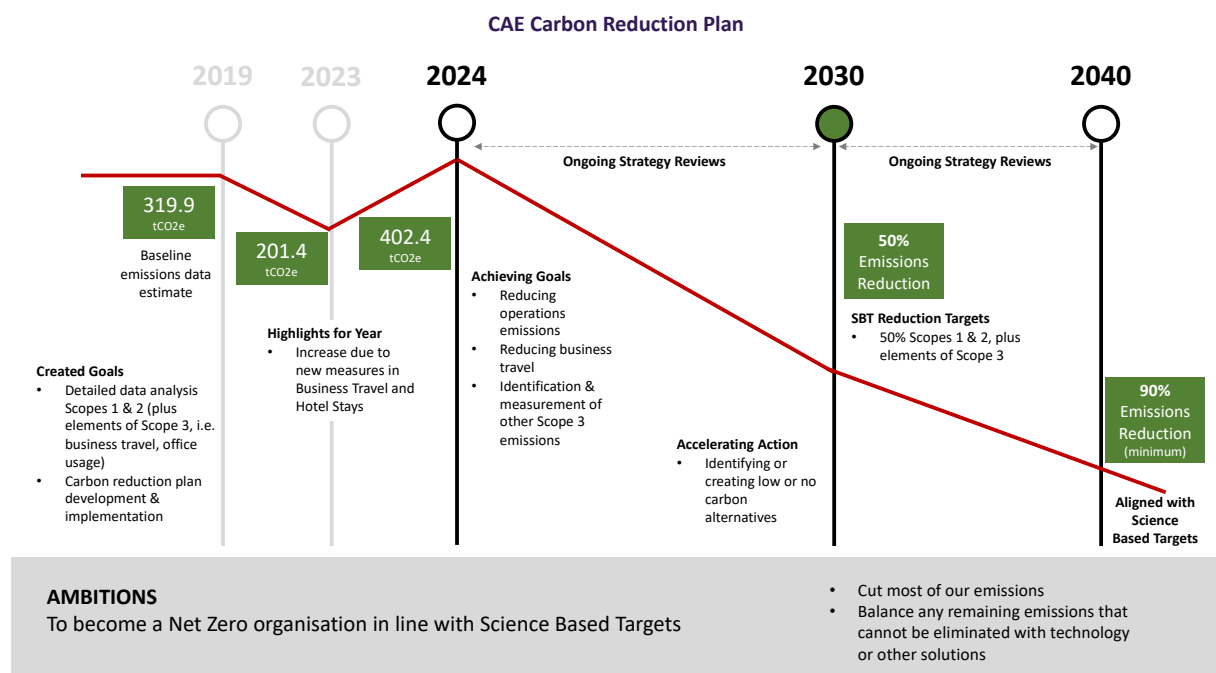
At first glance, this represents an 18% reduction in carbon emissions per employee, which is a positive development. However, it's crucial to interpret these figures in the context of our expanded reporting scope.

While our overall reported carbon emissions have increased from 319.9 tCO₂e in the baseline year to 402.4 tCO₂e in the current year, this rise is primarily due to the inclusion of additional categories in our Scope 3 measurements. We've broadened our data collection to encompass previously unreported emissions sources, particularly in business travel (flights, taxi journeys, and train travel).

This more comprehensive approach to carbon accounting has added approximately 194.1 tonnes of CO₂e to our total, which wasn't captured in previous years. When we consider this expanded scope, the reduction in our carbon intensity ratio becomes even more significant.

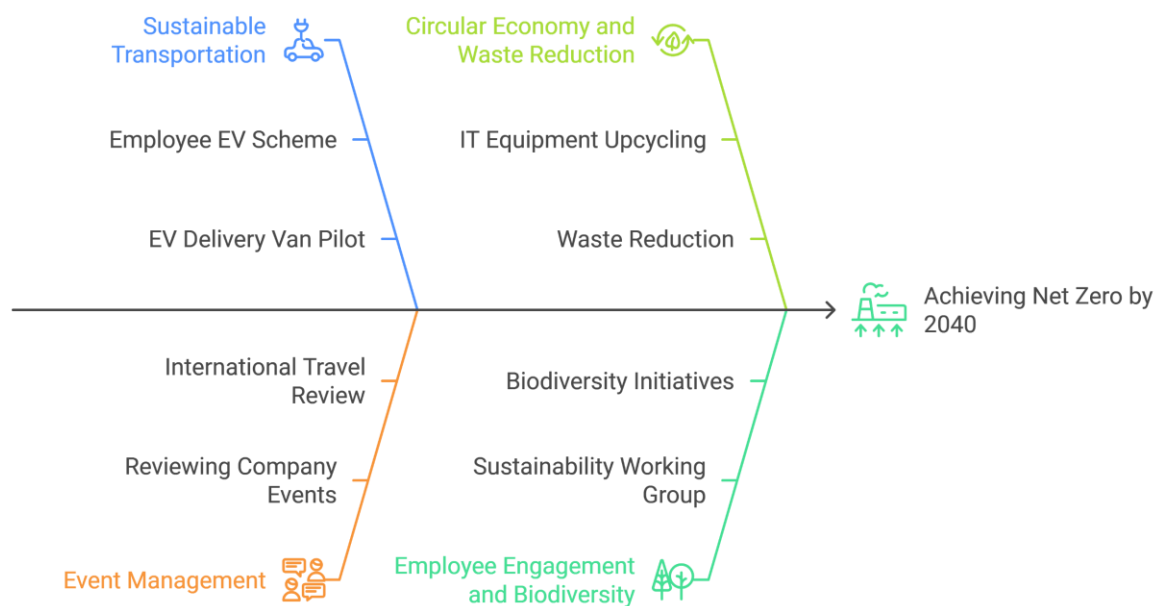
The decrease from 1.1 to 0.9 tCO₂e per employee, despite including these additional emission sources, demonstrates the effectiveness of our carbon reduction strategies. It shows that we're making real progress in reducing our core emissions while simultaneously improving the breadth and accuracy of our reporting.

Emissions Reduction Targets



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. **Employee Electric Vehicle (EV) Scheme:** We are excited to announce the upcoming launch of a company-wide employee EV scheme. This initiative aims to reduce emissions from business travel and employee commuting significantly, two major contributors to our Scope 3 emissions
2. **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 through the CAE Foundation
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		<ul style="list-style-type: none"> Absolute Efficiency (Intensity) 	<ul style="list-style-type: none"> 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		<ul style="list-style-type: none"> Fuels Fugitive emissions (coolants & refrigerants) 	<ul style="list-style-type: none"> Take regular gas readings Continue to run the EV Delivery van pilot to assess operational impacts vs carbon savings
Scope 2		<ul style="list-style-type: none"> Energy 	<ul style="list-style-type: none"> Continue to look at measures to reduce electricity consumption across all offices
Scope 3	Up stream	<ul style="list-style-type: none"> Purchased Goods Waste Business Travel Employee Commuting 	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Use of sold products 	<ul style="list-style-type: none"> 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 WBCSD – 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 DESNZ Greenhouse Gas Conversion Factors for the relevant 12-month period over which the carbon emissions are calculated. Procured renewable electricity and gas is 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 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 SECR, 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 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 agreed by the board of directors (or equivalent management body).

Date: 20th December 2024

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