



D3A Defence Ltd Climate Report

D3A Defence Ltd Climate Report - 2023

1.1 Reporting year *

1.2

2023

1.1.1 Reporting period *

from 6.2023 to 5.2024

1.3 Annual revenue in the reporting year*

-

1.4 Number of employees in the reporting year*

8

1.4.1 Full-time equivalent (FTE) or headcounts

Headcounts

1.5 Let us know if your company is a parent company or subsidiary*

Not applicable

Commitments and Targets*

2.1 Net zero target year*

2030

2.1.1 Base year*

2023

2.2 Near-term target*

15% of absolute total emission reduction from my base year by 2026

2.3 Provide any additional comments or context on your net zero and near term targets.

D3A Defence Ltd is committed to achieving Net Zero emissions and is actively working toward establishing both near-term and long-term climate goals. Our approach to reaching Net Zero is grounded in a clear strategy that focuses on measurable reductions in our Scope 1, 2, and 3 emissions, alongside efforts to offset residual emissions where necessary.

Near-Term Targets:

-Energy Efficiency: Over the next year, D3A plans to further enhance energy efficiency within our office and remote work environments. We aim to reduce energy consumption by 15% through continued improvements in office technology, optimising heating and cooling systems, and encouraging more sustainable employee behaviours, such as reduced reliance on heating during colder months.

- Renewable Energy Commitment: By the end of the year, we aim to ensure that 100% of the electricity we purchase for both our office and remote work environments comes from renewable sources. This step will significantly reduce our Scope 2 emissions.

- Employee Engagement and Training: In the short term, we will implement regular employee engagement programs to foster a deeper understanding of climate action and sustainability. This will include training on reducing energy consumption and integrating sustainability practices into daily workflows.

Net Zero Commitment:

- Long-Term Plan: D3A's long-term commitment to Net Zero involves not only reducing emissions across Scope 1, 2, and 3 but also exploring ways to offset any residual emissions that cannot be eliminated directly. We are investigating carbon offset programs, including reforestation and renewable energy projects, to ensure our emissions are fully offset by 2050.

- Climate Adaptation: As part of our Net Zero strategy, we are also considering the impacts of climate change on our business operations and supply chain, with a focus on ensuring resilience through adaptation plans. This includes assessing how climate-related risks may affect our clients and identifying new opportunities in the emerging green technology space.

- Measuring and Reporting Progress: Our goal is to continuously measure our progress against our targets and adjust strategies where necessary. We will maintain transparency by publishing our emissions data annually and providing updates on our path to Net Zero.

In summary, D3A is committed to taking ambitious and effective action toward achieving Net Zero, with tangible steps set for the near term and clear long-term targets. We recognise the importance of being transparent in our actions and will continue to refine our strategy to ensure we meet our climate goals while maintaining a strong focus on business sustainability.

Scope 2 emissions

3.5 Location based scope 2 emissions*

7.25 metric tons CO₂e

3.6 Market based scope 2 emissions*

0 metric tons CO₂e

3.7 Describe your plans and actions taken to reduce scope 1 & 2 emissions.*

Defence Ltd has taken proactive measures to reduce its Scope 1 and Scope 2 emissions as part of our broader commitment to sustainability and environmental stewardship. Our approach is focused on enhancing energy efficiency, reducing reliance on fossil fuels, and transitioning to renewable energy sources. The key actions and plans we have implemented to reduce these emissions include: 1. Energy Efficiency in the Office: D3A operates an energy-efficient office in the UK, where we prioritise the use of energy-saving technologies such as LED lighting, energy-efficient heating, and low-carbon office appliances. Our office is regularly assessed for opportunities to further reduce energy consumption through upgrades and process improvements. 2. Transitioning to Renewable Energy: We are actively transitioning to renewable energy sources for our office and remote working operations. By working with energy suppliers that offer 100% renewable electricity, we

ensure that our energy consumption is sourced sustainably, thus reducing Scope 2 emissions from purchased electricity. 3. Remote Working: With eight employees working remotely, we have reduced the need for commuting, which contributes to a decrease in transportation-related Scope 1 emissions. Employees are encouraged to use energy-efficient devices and adopt sustainable practices, such as switching off equipment when not in use and minimizing heating and cooling requirements in home offices. 4. Green Fleet Initiatives: For any business-related travel, D3A prioritises the use of energy-efficient vehicles and public transport. Additionally, we are exploring options to transition to electric vehicles (EVs) for any future fleet purchases or employee travel. 5. Monitoring and Reporting: We closely monitor our energy consumption and emissions, ensuring that we have accurate data to track our progress over time. This data is used to identify areas for improvement and ensure that we are meeting our emissions reduction targets. By implementing these measures, D3A is making significant strides in reducing its Scope 1 and Scope 2 emissions, ensuring that our operations are as sustainable as possible. We are committed to continuous improvement and regularly review our strategies to ensure we are taking meaningful action toward mitigating climate change.

3.8 Describe the calculation methodology and comment on the data accuracy, including any tools/methods used to calculate.*

Used Normative Business Calculator

Scope 3 emissions

4.1 Have you measured any of your scope 3 emissions?

Yes

4.1.1 Total scope 3 emissions

67.6 metric tons CO₂e

Supply chain related - upstream emissions

4.1.2 Purchased goods and services

16 metric tons CO₂e

4.1.3 Capital goods

22 metric tons CO₂e

4.1.7 Business travel

22.4 metric tons CO₂e

4.1.8 Explain how you are taking action to reduce emissions from your value chain.

D3A Defence Ltd recognizes the importance of addressing emissions across its entire value chain (Scope 3 emissions), not just those from direct operations (Scope 1 and Scope 2). By reducing emissions from the value chain, D3A aims to align with sustainability goals, reduce environmental impact, and demonstrate leadership in responsible business practices. Below is an outline of the key actions D3A is taking to minimize emissions across its value chain:

a. Supplier Engagement and Collaboration

D3A understands that emissions from suppliers can constitute a large portion of Scope 3 emissions. To reduce these emissions, D3A is taking the following actions:

- **Sustainable Sourcing:** D3A will work with suppliers to ensure they meet sustainability standards and prioritize suppliers that use renewable energy and energy-efficient practices. This includes selecting vendors that have their own carbon reduction strategies in place, particularly those in high-emission sectors like manufacturing, logistics, and IT.
- **Supplier Carbon Footprint Reduction:** D3A will encourage suppliers to disclose their carbon footprint and set their own emissions reduction targets. The company will work closely with them to share best practices and assist in reducing emissions in the supply chain, with a preference for those that are ISO 14001 certified or adhere to similar environmental standards.
- **Low Carbon Products and Services:** When selecting products, D3A will favour low-carbon, energy-efficient options, and incorporate sustainability criteria into procurement decisions. This includes prioritizing products made from recycled materials, energy-efficient machinery, and services with low emissions.

b. Carbon Footprint of Purchased Goods and Services

D3A recognizes that many emissions stem from the goods and services it purchases. The company will take the following actions:

- **Sustainable Transportation:** D3A is working to minimize emissions from the transportation of goods and services. This involves prioritizing local suppliers to reduce transportation distances, and encouraging suppliers to adopt low-carbon transport options such as electric or hybrid vehicles and rail transport where feasible.
- **Optimised Packaging:** D3A is committed to reducing packaging waste and working with suppliers to ensure that minimal packaging is used, especially non-recyclable packaging. This is part of an ongoing strategy to reduce the environmental impact of purchased goods.
- **Eco-friendly Office Supplies:** D3A will ensure that office supplies and equipment are sourced from companies that follow sustainable practices, including offering energy-efficient electronics and eco-friendly consumables. This extends to promoting a circular economy where products are reused, recycled, or upcycled.

c. Business Travel and Employee Commuting

Emissions from business travel and commuting are significant contributors to Scope 3 emissions. D3A will implement strategies to reduce these emissions:

- **Reducing Air Travel:** D3A will prioritise virtual meetings and video conferencing to reduce the need for air travel. When travel is necessary, the company will seek to use more energy-efficient transport options and offset the carbon emissions from flights.
- **Encouraging Low-Carbon Commuting:** D3A will incentivise employees to use public transportation, bicycle commuting, and carpooling. The company will also encourage the use of electric vehicles (EVs) by offering charging stations at the office and promoting the use of EVs through a green travel policy.
- **Work-from-Home Policy:** D3A encourages employees to work from home where possible, significantly reducing emissions from commuting and office-based

operations. This policy will continue to be supported by flexible work arrangements and remote collaboration tools.

d. Circular Economy and Waste Management

D3A is committed to reducing emissions associated with waste and the lifecycle of products:

- **Waste Reduction Strategy:** D3A promotes zero-waste practices across the organisation. This includes reducing the generation of waste through recycling, reuse, and composting. The company also seeks to reduce emissions associated with waste transportation by working with recycling providers that minimise their carbon footprint.
- **Product End-of-Life Management:** D3A ensures that products and equipment used in its operations are disposed of responsibly. This includes working with partners that ensure proper recycling or reuse of electronic and office equipment, as well as promoting the use of products that have extended lifecycles and minimal environmental impact.

e. Data and Reporting: Transparency and Accountability

D3A will continue to improve transparency in its operations, reporting, and supply chain management:

- **Carbon Footprint Reporting:** D3A is committed to measuring and reporting emissions across its value chain, ensuring transparency about its Scope 3 emissions. The company will publish regular updates in line with best practices such as the Greenhouse Gas (GHG) Protocol and Science Based Targets Initiative (SBTi).
- **Engagement with Stakeholders:** D3A will involve its stakeholders, including customers, employees, and shareholders, in sustainability initiatives, encouraging them to adopt low-carbon practices. The company will also collaborate with industry groups and forums to share insights and best practices for reducing emissions.

f. Education and Awareness for Employees and Partners

D3A understands that reducing emissions from its value chain requires collective effort, and as such, the company will:

- **Employee Training:** Provide training for all employees on sustainable practices, energy efficiency, and reducing emissions in their day-to-day work.
- **Supplier Engagement:** Engage regularly with key suppliers to ensure they understand D3A's sustainability expectations and to help them reduce emissions.

Through these actions, D3A Defence Ltd aims to reduce emissions from its value chain, contributing to global climate goals and ensuring that its supply chain partners and stakeholders are actively involved in this process.

4.2 Have you asked any of your suppliers to set a net zero target (either voluntarily or as a requirement)?

No

4.3 Have you communicated your commitment and actions to any of your customers?

Yes

4.4 Describe the calculation methodology and comment on the data accuracy and any tools used to calculate your scope 3 emissions.

D3A Defence Ltds Scope 3 emissions were calculated using a normative business calculator that integrated exact figures from accounting data with standard emission factors for various activities. While the methodology employed is considered robust and aligned with industry standards, there are inherent limitations due to missing data or reliance on estimates for certain categories. The company remains committed to improving data accuracy, engaging with suppliers to gather better data, and refining our emissions reduction strategy over time.

Climate Solutions (optional)

5.1 Do you classify any of your existing goods and/or services as a climate solution?

No

Management, Strategy and Climate Risk (optional)

6.1 What governance processes do you have in place for your climate strategy? Choose as many as are applicable.

Governance process in place, person is responsible for climate

6.1.1 Please describe their position and responsibility.

D3A has established governance processes to oversee and implement our climate strategy, with dedicated responsibilities at the board level. The Head of Communications & Support Services is responsible for the climate strategy, ensuring alignment with overall business goals and monitoring progress toward emissions reductions and sustainability objectives.

6.1.2 Is this person (or another at executive and board level) also responsible for climate risk?

Yes

6.2 Have you started to identify and assess your company's climate risks and opportunities?

Yes - we have identified both climate risks and opportunities

6.2.1 Where are the climate risks you've identified?

Both operations and value chains

6.2.2 How are you managing these climate risks? Choose as many as are applicable.

We've quantified the amount and percentage of assets or businesses activities vulnerable to climate risk

6.2.3 Provide any additional comments or context on your climate risks:

We are managing our climate risks through the following actions:

- We've started to prioritise climate risks: We have begun identifying and assessing the most pressing climate risks that could impact our operations, focusing on the areas where they may have the greatest impact.
- We've mapped the impact of our climate risks over time (short, medium, and long term horizons): Our climate risk assessments take into account the potential effects

of climate change on our operations, ensuring that we are prepared for both immediate and future challenges.

- We've assessed these risks against revenue of the company: As part of our risk management strategy, we evaluate the potential financial impact of climate risks on our business activities to ensure we are addressing them in a way that minimises disruption to revenue generation.
- We've identified plans for adaptation to mitigate these risks: We have developed strategies and plans to address climate risks, including energy efficiency improvements, shifting to renewable energy sources, and reviewing our supply chain for climate resilience.
- We've integrated these adaptation plans into business practices: We are embedding climate risk adaptation measures into our day-to-day business operations, ensuring that climate resilience is part of our long-term planning and decision-making processes.

6.3 Have you integrated climate and/or nature into your company mission statement or shareholder agreements? If yes, describe how.

Yes

D3A has integrated climate and nature considerations into our company mission and practices in the following ways:

- **Incorporating Sustainability into the Mission Statement:** Our mission statement includes a commitment to sustainability, which reflects our dedication to addressing climate and nature-related challenges. By embedding these values into the core of our business, we ensure that our operational and strategic decisions align with the global goals for climate action and environmental preservation.
- **Embedding Sustainability in Shareholder Agreements:** We are working towards including climate and nature-related objectives within our shareholder agreements, ensuring that our stakeholders are aligned with our environmental goals. This might include requiring certain sustainability metrics, such as carbon reduction targets or compliance with environmental regulations, to be met as part of the overall governance framework for the company.
- **Long-term Climate Commitments:** Our company prioritises climate resilience in both short-term and long-term goals, ensuring that any actions we take not only address immediate challenges but also contribute positively to long-term environmental health. This focus is reflected in our governance and reporting systems, where both climate and nature-related performance are consistently tracked, evaluated, and reported to shareholders. By actively integrating these principles, we are ensuring that climate and nature protection are not just peripheral considerations but central to how D3A operates and grows.

6.4 Have you taken actions this year outside of your emissions to accelerate climate progress?

Yes

D3A Defence Ltd has undertaken several initiatives this year to advance climate progress beyond emissions reduction:

- **Veteran Community Engagement:** As a veteran-owned and operated company, D3A actively supports the wider veteran community. The team has participated in various events, including running, cycling, and volunteering, to raise funds for charitable causes. Each year, the company sponsors a charity from the Armed Forces and Veteran community, demonstrating a commitment to social responsibility.

- **Employee Well-being Programs:** D3A prioritises the health and well-being of its employees by providing access to a confidential Employee Assistance Programme. This program offers 24/7 telephone advice, face-to-face counselling, and a suite of online tools. Additionally, all employees receive private healthcare benefits, including mental health coverage for themselves and their families. The company also conducts annual "Managing Stress" awareness training to support mental health.
- **Environmental Awareness and Training:** D3A educates and encourages employees to reduce single-use plastic and waste. All employees undertake annual environmental awareness training to promote sustainable practices. The company acknowledges climate risks and is building resilience into its assets and supply chain wherever possible. As a small to medium-sized enterprise (SME) with predominantly remote employees, D3A has implemented impactful changes, such as encouraging the use of reusable coffee cups and water bottles during travel and using environmentally friendly, biodegradable cleaning products. The main office utilises renewable energy, further demonstrating the company's commitment to environmental sustainability. These actions reflect D3A's dedication to integrating sustainability into its operations and fostering a positive impact on both the environment and the communities it serves.

Results, Challenges and Outlook *

7.1 Provide any additional comments or context on your annual results and progress from previous years.*

D3A Defence Ltd has made significant strides in advancing its climate and sustainability goals over the past year. Our focus has been on improving energy efficiency, reducing emissions, and integrating sustainable practices into every aspect of our operations. Key achievements include:

- **Progress in Reducing Emissions:** Through our efforts to reduce Scope 1 and Scope 2 emissions, we have continued to streamline our operations, leveraging energy-efficient technologies in both our office and remote work environments. We've also ensured that our energy suppliers are committed to renewable energy sources, contributing to a reduction in our carbon footprint.
- **Employee Engagement and Awareness:** This year, D3A reinforced its commitment to sustainability by increasing employee awareness through targeted training and development programs. Our staff is actively engaged in efforts to reduce waste and improve resource efficiency, with a strong emphasis on minimizing the environmental impact of their day-to-day activities.
- **Partnerships and Collaboration:** D3A has fostered new partnerships with sustainability-focused organizations and participated in local environmental initiatives, furthering our efforts to contribute to climate action in the broader community.
- **Climate Risk and Opportunity Assessment:** We began the process of mapping our climate risks and opportunities, setting the foundation for a more comprehensive climate resilience strategy. This includes identifying key vulnerabilities within our supply chain and business operations, and developing plans for adaptation.
- **Ongoing Commitment to Innovation and Sustainability:** D3A has also focused on innovation by exploring emerging technologies that will help us achieve further sustainability goals. This includes investments in green technologies for simulation

services and support, and exploring new ways to reduce our environmental impact through sustainable practices in our value chain.

In summary, D3A has made notable progress towards our climate strategy, with a clear commitment to reducing emissions, engaging employees in sustainability efforts, and identifying opportunities for further growth in our environmental impact. Moving forward, we will continue to build on these successes, strengthening our climate action plan and embedding sustainability into the heart of our business operations.

7.3 Has there been any third party validation of the data submitted in this report?

No