

ENVIRONMENTAL



1 Reducing emissions and setting science-based targets to get to net zero

Across our operations we interact with a diverse range of environments and we are committed to reducing our impact on the environment. We seek to deliver to the highest standards of environmental management and protection, truly embedding our Principle of 'be kind' to ensure our impacts are minimised. We take our responsibilities seriously and ensure we are playing our part in the transition to a more sustainable future for all.

Our Group-wide Environmental Protection Working Group (EPWG) is working to conduct a holistic assessment of Babcock's approach to environmental management. We currently have 25 ISO 14001 Environmental Management Systems (EMS) across the organisation which capture over 75% of our global operations, and we have several more EMS seeking accreditation over the coming 12 months. We are committed to ensuring all Babcock operations are to be delivered within an EMS by 2024, delivering advanced environmental training to all relevant employees by 2025 and have set new targets for waste, water and bio-diversity (see page 59).

Babcock Group energy consumption and emissions

		Dec-18	Dec-19	Dec-20	Dec-21
UK / UK offshore					
Scope 1: Direct emissions from owned/controlled operations	tCO ₂ e	74,819	69,450	52,693	42,515
Scope 2: Indirect emissions from the use of electricity and steam	tCO ₂ e	78,903	66,881	52,791	45,069
Scope 3: Emissions – business travel, electric transmission and distribution	tCO ₂ e	18,198	15,265	8,246	7,981
Total emissions	tCO₂e	171,920	151,596	113,730	95,566
Underlying energy consumption used to calculate emissions	kWh	561,818,680	531,968,134	418,292,992	365,816,822
Global (excluding UK / UK offshore)					
Scope 1: Direct emissions from owned/controlled operations	tCO ₂ e	93,333	99,579	110,591	100,644
Scope 2: Indirect emissions from the use of electricity and steam	tCO ₂ e	2,461	6,743	4,569	4,426
Scope 3: Emissions – business travel, electric transmission and distribution	tCO ₂ e	457	410	213	68
Total emissions	tCO₂e	96,251	106,732	115,373	105,139
Underlying energy consumption used to calculate emissions	kWh	391,772,490	417,537,009	459,580,840	417,483,548
Babcock Group total (UK / UK offshore and global)					
Scope 1: Direct emissions from owned/controlled operations	tCO ₂ e	168,152	169,029	163,285	143,160
Scope 2: Indirect emissions from the use of electricity and steam	tCO ₂ e	81,364	73,624	57,360	49,496
Scope 3: Emissions – business travel, electric transmission and distribution	tCO ₂ e	18,654	15,675	8,459	8,050
Total emissions	tCO₂e	268,170	258,328	229,103	200,705
Underlying energy consumption used to calculate emissions	kWh	953,591,170	949,505,142	877,873,832	783,300,370
Underlying energy consumption	GJ	3,432,928	3,418,219	3,160,346	2,819,881
Fiscal year revenue FY19 - FY22	£m	4,474.8	4,428.5	4,182.7	4,101.8
Intensity ratio	tCO₂e/£1m Revenue	59.9	58.3	54.8	48.9

Our emissions data is reported in line with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard under the 'Operational Control' approach. The reporting period for our energy consumption and carbon emissions is the calendar year (01 January to 31 December), this is opposed to financial year as we have previously reported. The transition to calendar year reporting has allowed more time to collate, analyse and report our environmental data, which has improved the accuracy and completeness of our data sets. Figures for UK operations follow conversion factors published by BEIS. Non-UK operations utilise emission factors applicable to the fuel source and location. Appropriate conversion factors have been used to calculate the underlying energy consumption figures. Scope 1, 2 and 3 sources have been divided by the annual revenue to provide the intensity ratio (tCO₂e per £m). Emissions data for prior years have been adjusted to include data unavailable last year, and emission figures for this year include an element of estimated data. Prior year revenue figures have not been restated for removal of pass through revenue, identified in the financial review, to remain consistent with the emissions data recorded in prior years. Certain data, estimated to be immaterial to the Group's emissions, has been omitted as it has not been practical to obtain (including operations in Oman, South Korea and USA). Metering and monitoring improvements are being implemented to capture these data streams. During the reporting period estate rationalisation, strategic divestments, 'low-hanging fruit' energy conservation measures and improvements to our energy management practices have resulted in a reduction of both our carbon baseline and FY22 operational emissions. We are progressing well on our journey to net zero and aim to accelerate our carbon reduction over the coming years.