



SOCOTEC

SOCOTEC UK (GROUP) ANNUAL EMISSIONS REPORT 2022

13 CLIMATE
ACTION



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EXECUTIVE SUMMARY



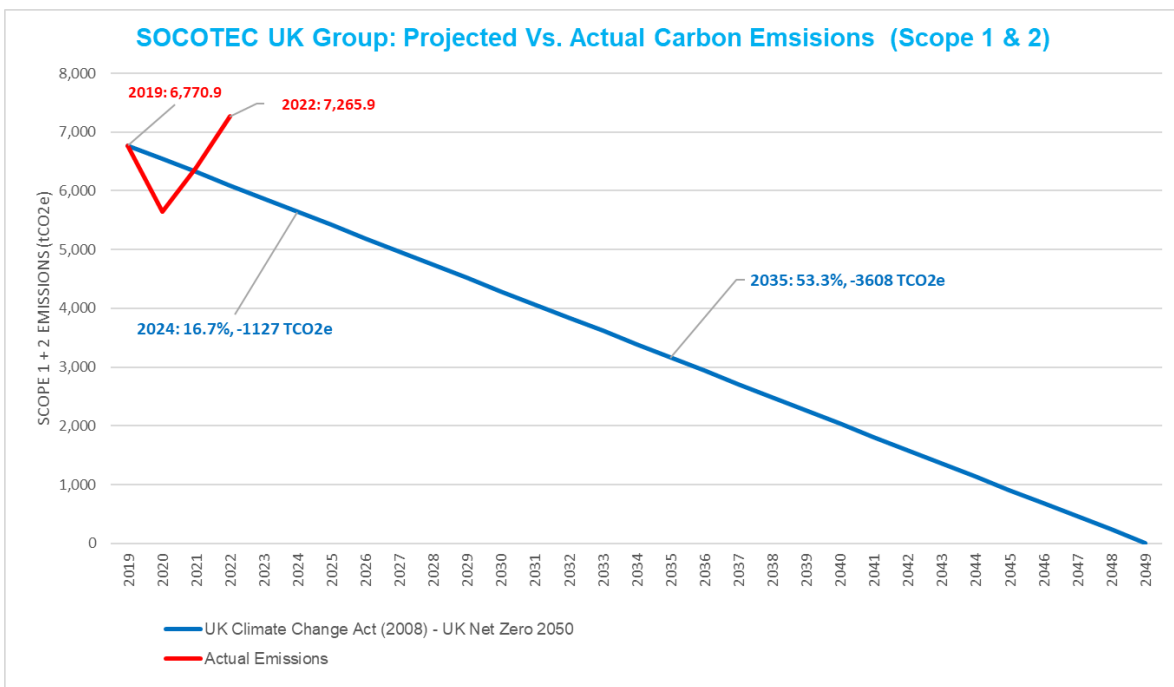
In 2020 we launched our first carbon management plan setting out the direction of travel for carbon reduction on our pathway to 'Net Zero' by 2050. An emissions baseline was established from the 2019 calendar year, representative of pre-Covid19 business operations. To achieve the target trajectory, an average annual reduction of 3.33% over a 30-year period (2020-2050), informs an annual carbon budget and implementation plan. This report offers an overview of our emissions performance and progress against the implementation plan.

2022 Summary

Overall scope 1 & 2 emissions increased 13.5% year on year to 7,266TCO₂ driven by a significant increase in purchase fuels associated with fleet usage to meet client demand. Total emissions during the period represents a 7.3% increase in absolute emissions vs. the 2019 base year. Carbon derived from use of gas and electricity in our buildings has fallen significantly by 32.8% and 50.3% respectively (vs. 2019) attributed to continued increases in building efficiency, property consolidation, purchase of renewable electricity and decommissioning of gas boilers and heaters. Whilst overall emissions increased during the reporting period, TCO₂e per £million turnover continued to decrease falling 5.9% vs. 2021 and 11.5% vs. 2019 base year.

For the first time, 2022 emissions presented includes SOCOTEC UK's Building Control business and our Glastonbury facility which were obtained through acquisition of the former Butler & Young Group and TOR Drilling. This attributes an additional 92TCO₂e (<2%) to our Gross emissions which is not considered to be a significant deviation from our base year levels.

A further three acquisitions were made during the reporting year: April - Base Quantum (SOCOTEC Advisory), December - Quadrant Approved Inspectors and Shore Engineering. Data collection will continue into 2023 to support reporting and emissions disclosures in 2024.





IMPLEMENTATION PLAN: PROGRESS MADE IN 2022

Optimising Energy Performance of Buildings

During 2022, significant investment in our property and facilities continued as part of our wider strategy to improve efficiency, build business resilience, and provide an improved working environment that makes SOCOTEC a great place to work. As a result, we have made significant progress in reducing carbon emissions from electricity and gas consumption with annual falls of 6.5% (excluding REGO) and 20.7% respectively.

Projects included:

- Refurbishment of our Uxbridge Materials Testing Labs included LED Lighting upgrades, removal of ageing gas-fed heating system and double glazing to the office areas.
- Refurbishment of our Bridgend Materials Testing Labs also included LED lighting upgrades.
- Relocation of our Doncaster hub to a smaller, more energy efficient building that is more suited to business operations.
- Consolidation of the Engineering and Oils business from Doncaster to the main testing facilities and laboratories based at Burton-on-Trent.

Combined, emissions from buildings have been reduced 161.4 TCO₂e year on year, and 619.2 TCO₂e compared to 2019 levels (excluding REGOs) – far exceeding the 201.6 TCO₂e savings we aimed to achieve from optimising energy performance of buildings.

Sustainable Procurement

Despite challenging economic conditions and uncertainty surrounding the wholesale costs of energy within the global and UK energy markets, SOCOTEC UK committed to procurement of 100% renewable electricity with Total Energies. Energy supplied directly to our sites were backed by Renewable Energy Guarantees of Origin (REGO), tariffs from April through to the end of March 2023.

Adopting a renewable tariff part way through the reporting period led to reportable emissions reductions of 307 TCO₂e over Q2-Q4 2022 with further savings anticipated to be made into Q1 2023.

Our commitment to procuring renewable energy into 2023 and beyond places SOCOTEC on track to achieve additional annual savings by 2024.



Adopting Responsible Behaviours

Safe & Fuel-Efficient Driving (SAFED)

In Q2 we launched the SAFED reward scheme which challenges employees each month to improve driving performance across acceleration, braking and cornering. The aim is promoted safer driving behaviours and reduce our environmental impact when travelling to and from clients sites, reducing unnecessary use of fuels. Driving performance is measured through use of telematics and our top drivers are rewarded with £50 Highstreet vouchers each month.

SMART Working

Our SMART working guidance continued throughout 2022 allowing our employees in office-based roles to work from home up to 40% of the time.

The business adapted well to pandemic restrictions and together with investment in our IT capability and infrastructure, this has enabled SOCOTEC to realise a reduction in carbon emissions across our property portfolio, as well as deliver improved work-life balanced and improved staff retention.

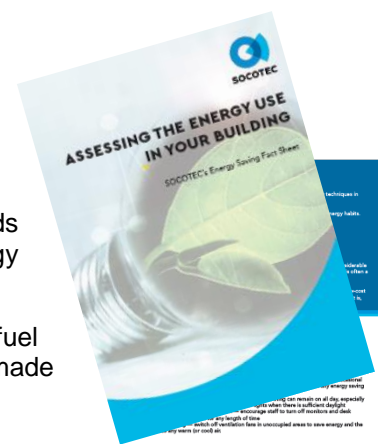
We believe that spending the majority of our time together on sites and in offices helps us to solve problems collaboratively, drives creativity and innovation, strengthens connections and develops relationships, and is critical to maintaining the supportive 'you grow, we grow' culture that is at the heart of our success.

Energy Saving Actions

To support our energy saving agenda and reduce carbon emissions we shared a range of energy saving resources across the business.

With over 50 sites across the UK, there was considerable scope to reduce energy consumption through identifying energy savings opportunities. An energy savings guide and checklist were developed for staff to conduct building walkarounds checking building services, heating, lighting, ventilation and equipment where energy could be wasted.

Toolbox talks and resources on saving energy in the workplace, how to reduce fuel consumption and home energy savings checklist for remote workers were made available across the business.



Fleet Decarbonisation

Gross emissions from fleet increased 27.5% (1,334 TCO₂e) compared to 2021. At the same time, fleet size increased by 10% from 829 in 2021 to 913 in 2022. The increase in emissions from vehicle use now represents 85% of SOCOTEC UK total Scope 1 & 2 carbon footprint.

Fleet is central to our business operations and remains the greatest challenge in our efforts to reach our targets and ultimately carbon 'Net Zero'. A long-term project to install vehicle telematics across the fleet continues and remains an initiative to better measure and manage our fleet performance. SOCOTEC's initial approach is to move towards electrification of fleet as the range of Electric Vehicles (EVs) become more prominent in the market.

However, our fleet make-up is diverse, with operatives having a range of different journey types to support field operations and delivery of testing, inspection and certification services to our clients.

Often field operatives will travel directly from homes to client sites. Charging solutions and use of EV vehicles will therefore need to balance cost of ownership of vehicle type, suitability of the work tasks and journey type as well as charging solutions at home, on the move and at our facilities whilst minimising 'downtime'.

To further our Fleet Strategy in 2023 SOCOTEC will aim to:

- Review our existing fleet list – to provide a dynamic fleet composition that is fit for purpose throughout SOCOTEC UK.
- Limiting company car offering to vehicles with emission of $\leq 130\text{gCO}_2$ per Km driven, with the aim of reducing average grams CO₂ per km driven.
- Survey key sites to develop a business case for installing EV charging infrastructure at SOCOTEC UK sites.
- Trial use of EV cars, vans, and back-office management systems in areas offering greatest potential to replace conventional fuelled vehicles where existing infrastructure is in place (e.g., London).
- Explore potential collaboration with clients to use their charging infrastructure 'on the job'.

[EV Salary Sacrifice Scheme Launch](#)



In June, we partnered with Zenith to provide a salary sacrifice scheme offering Hybrids and full EVs as an alternative to traditional company cars for employees – targeting both Scope 1 fleet emissions as well as grey fleet. The intention is to build confidence in EV technologies in ways which are affordable in place of conventional fuelled vehicles. By the end of the reporting period, a total of 10 EVs out of the 25 targets had been delivered and are in use. It is anticipated the take up of EVs through salary sacrifice will increase as existing company cars agreements come to an end. Quantifying carbon emissions reduction from use of EVS will become apparent in subsequent reporting years



3. ANNUAL GHG EMISSIONS – 2022

Annual GHG emissions for the activities of SOCOTEC UK (Group) are presented for the 2022 calendar year.

Figures for the Calendar Year:	2019 (Baseline)	2020	2021	2022	YOY % Change vs 21.	% Change on 2019
Scope 1 (TCO₂e)						
Gas	495.4	449.5	420.2	333.1	-20.7%	-32.8%
Transport (Fleet)+	4,758.2	4,150.8	4,845.0	6,179.3	27.5%	29.9%
Total Scope 1 (Gross)	5,253.6	4,600.3	5,265.3	6,512.4	23.7%	24.0%
Scope 2 Emissions (TCO₂e)						
Electricity	1,517.3	1,261.0	1,127.9	1,060.5	-6.5%	-30.1%
Market-Based Reductions (Renewable Electricity)				(307)		
Total Scope 2 (Gross)	1,517.3	1,261.0	1,127.9	753.5	-33.6%	-50.3%
Total of Scope 1 and Scope 2	6,770.9	5,861.3	6,393.1	7,265.9	13.5%	7.3%
Emissions Intensity: TCO₂e per £million	58.2	50.5	54.6	51.5	-5.9%	-11.5%
Scope 3 – Supply & Value Chain Emissions (TCO₂e)						
4. Upstream Transport & Distribution ^(e)	315.5	306.2	638.4		Unavailable	
5. Waste Generated in Operations ^(e)	826.3	929.3	1,849.2		Unavailable	
6. Business Travel	278.0	191.0	288.9	208.8	-27.7%	-24.9%
7. Employee Commuting	2,975.0	2,975.0	1,723	1,858	7.8%	-37.5%

A financial control approach has been taken. Emissions presented include business acquisitions made up to the end of December 2021. Emissions data for acquisitions 2022-present remain to be identified pending full integration and available data.

Calculated GHG emissions have been reported using a Location-based method utilising national grid averages and conversion factors published by BEIS/DEFRA. We have followed the 2019 HM Government Environmental Reporting Guidelines and WRI GHG Protocol Corporate Accounting and Reporting Standard (Revised Edition).

(e) Where calculated emissions are unavailable, estimates have been provided based on screening data using the WRI/Quantis Scope 3 Evaluator for scope 3 categories. The Group is working with internal and external stakeholders to improve data quality and completeness to provide more accurate emissions figures in the future.

Scope 3 emissions associated with 9. Downstream Transportation and Distribution is excluded as transport and distribution of products are paid for by SOCOTEC.

Our Key Figures 2023



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Countries

Austria
Belgium
Colombia
France
Germany
Ireland
Italy
Ivory Coast
Japan
Lebanon
Luxemburg
Madagascar
Mauritius Island
Monaco
Morocco
Philippines
Poland
United Arab Emirates
United Kingdom
United States
Saudi Arabian
Singapore
Spain
Thailand
The Netherlands
Vietnam

7

Platforms



190

Sites in France

including **29** technical training centers and **17** school worksites for Nuclear Training



11 300

People

6 500

Engineers

200 000

Clients

250

External recognitions

1,2Md€

Turnover