

COVID-19 impact is main driver of emissions reduction in 2020

Latest annual data shows significant reductions resulting from a combination of action taken and the impact of COVID-19



The construction industry has made significant progress on climate change since early 2019, when Skanska UK committed to achieving net-zero carbon emissions across our supply chain by 2045. Since then the UK government has committed to our nation achieving net-zero emissions by 2050; and many of our customers, competitors and suppliers have made their own commitments to net-zero. The industry has also responded collectively as well, with the Construction Leadership Council's recent launch of the CO₂nstructZero strategy. We welcome this progress and are collaborating to increase the pace of our industry's journey to net-zero.

Skanska UK is committed to carbon transparency, including the annual publication of our direct and supply chain carbon emissions.

The content of this report is a combination of actual emissions data and estimated data. We also continue to be transparent about our emissions estimation process which is available in this report. In 2020, we saw a significant reduction in both our direct (scope 1 and 2) and supply chain emissions. The main driver of reduced emissions was the impact of COVID-19 which led to reduced office and business travel emissions due to working from home, and reduced construction emissions due to restricted working conditions and periods of site closure.

We are continuing to de-couple emissions from revenue, which is our most significant achievement to date. This is reflected in our improved carbon intensity of 192 (down from 205 in 2019).

2020 highlights

Emissions down

 21%

Total emissions fall by

 73,732 tonnes

Carbon intensity improves to

 192

About this data set

All the emissions data and targets referred to in this document relate to Skanska UK. Our emissions goals are aligned with the Skanska group's global carbon reduction targets. [Net-zero climate target to 2045 | Skanska - Global corporate website.](#)

Turning commitment into action

Having spent time in 2019 understanding and publishing our de-carbonisation targets, our focus now and for the foreseeable future is in turning commitment to action as we continually look to develop low carbon solutions for our clients.

During 2020 we established 6 focus areas which will guide our de-carbonisation action over the next few years, these are:

- Developing the de-carbonisation **skills** of key roles in our business
- Improving the accuracy, transparency and useability of our emissions **data**
- Investing in **digital tools** to help us design out carbon
- De-carbonising our **plant and fleet**;
- Promoting the use of lower carbon **materials**, particularly steel and cement
- Collaborating with our **supply chain** towards net-zero.

Although the impact of COVID-19 has been a driver of reduced carbon emissions during 2021, we have also reported further reductions resulting from industry leading action in the above areas.

Industry leadership

As well as focusing on our own business we have also shared our knowledge across the leadership of our industry, influencing change and actively enhancing the capability of the construction supply chain to meet clients' increasing requirements to achieve low carbon outcomes. Activities include:

- Skanska UK's CEO Gregor Craig is a member of the CLC's ConstructZero Advisory Board, and Skanska UK's Director of Environment, Adam Crossley, is a member of the Programme Board;
- Skanska UK's Director of Environment, Adam Crossley, is a member of the CLC's Green Construction Board and chair of the UKGBC's Contractor's Forum;
- Skanska UK has been represented as members of the Steering Group and Infrastructure Working Group for the UKGBC's Whole Life Carbon Roadmap;
- Skanska UK's Head of Environment (Infrastructure) Chris Hayes was part of the Cambridge Centre for Smart Infrastructure and Construction's working group to develop the Carbon Reduction Code.
- Skanska's thought leadership role and leading voice at COP26.



Gregor
Craig



Adam
Crossley



Chris
Hayes

Skanska UK's carbon targets

Targets include cutting all supply chain emissions generated on our projects.

Net-zero carbon emissions by 2045

Our overall portfolio of projects will be carbon neutral.

Reduce carbon emissions to 50 per cent of the 2010 level by 2030

The target is 223,000 tonnes of CO₂ equivalent gases.

Reduce carbon intensity from 351 to 130 by 2030

Carbon intensity is the level of emissions emitted for each £1 million of revenue, in tonnes of CO₂ equivalent gases.

Skanska UK: direct and supply chain emissions

This table shows our direct emissions, estimated supply chain emissions and the combined total. Direct emissions are those reported through the CEMARS carbon disclosure scheme. This figure does include some indirect emissions, such as business travel.

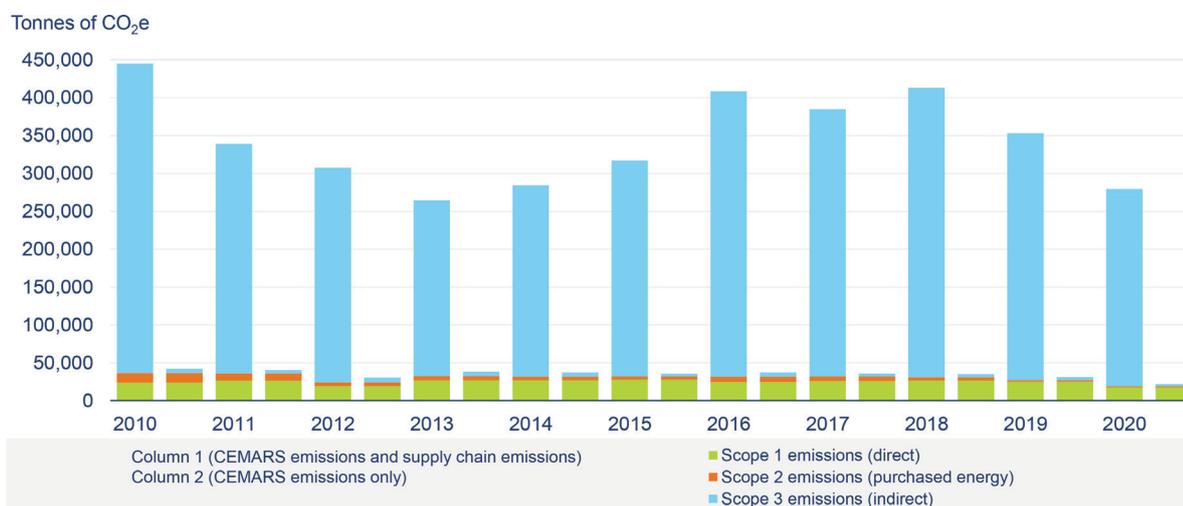
Our data shows that supply chain emissions are 10 times higher, on average, than direct emissions. We believe this shows that the construction industry needs to be more transparent about its emissions. This transparency is essential if the industry is realistic about reducing emissions.

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Direct	42,327	40,616	30,589	38,282	37,276	35,454	37,263	35,668	35,035	31,172	21,936
Supply chain	402,686	298,421	276,795	226,158	247,231	281,429	371,070	349,215	378,332	321,854	257,358
Total	445,013	339,037	307,384	264,440	284,507	316,883	408,333	384,883	413,367	353,026	279,294

Skanska UK: total carbon emissions, including supply chain, broken down by source

This chart shows the importance of estimating all scope 3 emissions. Existing approaches focus mainly on reporting direct emissions. However, where most of the work is done by the supply chain, this is not such a good fit for large construction companies.

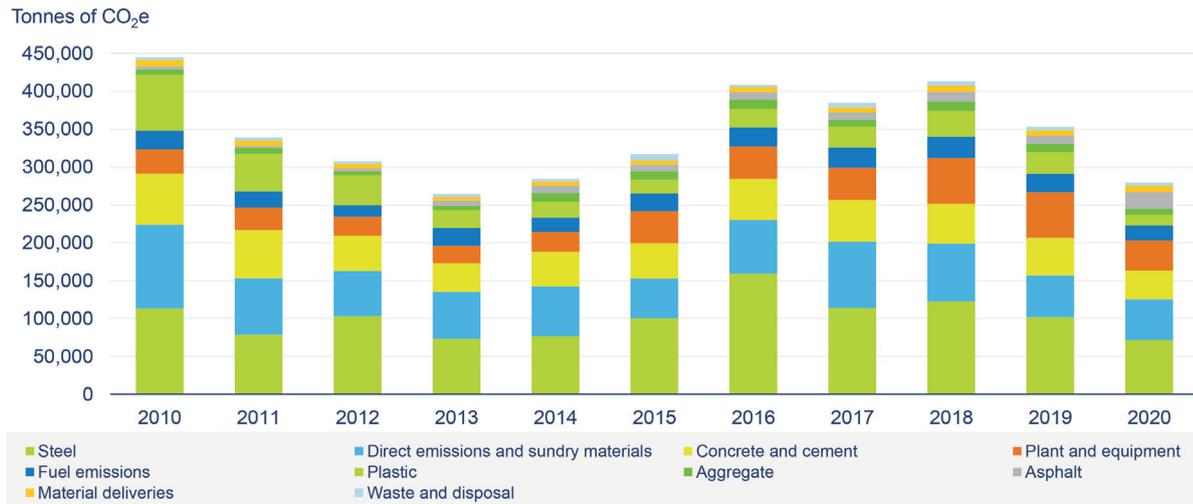
This chart breaks down our emissions into the scopes used by the greenhouse gas protocol, the international standard for measuring emissions. The left column for each year shows the total amount of both direct and supply chain emissions. The column on the right shows the emissions Skanska UK report under the CEMARS scheme.



Skanska UK total emissions, including supply chain, broken down by source

Our estimates show that over 75 per cent of our emissions are related to the materials that we use in our projects, where we look at total emissions by source.

Steel, concrete and cement, together with the use of plant and equipment, are all significant contributors to the total level of emissions.



Skanska UK: estimate of carbon intensity, including the supply chain

This chart shows that our carbon efficiency is continuing to improve. Overall, our activities produce fewer emissions than they did in the past.

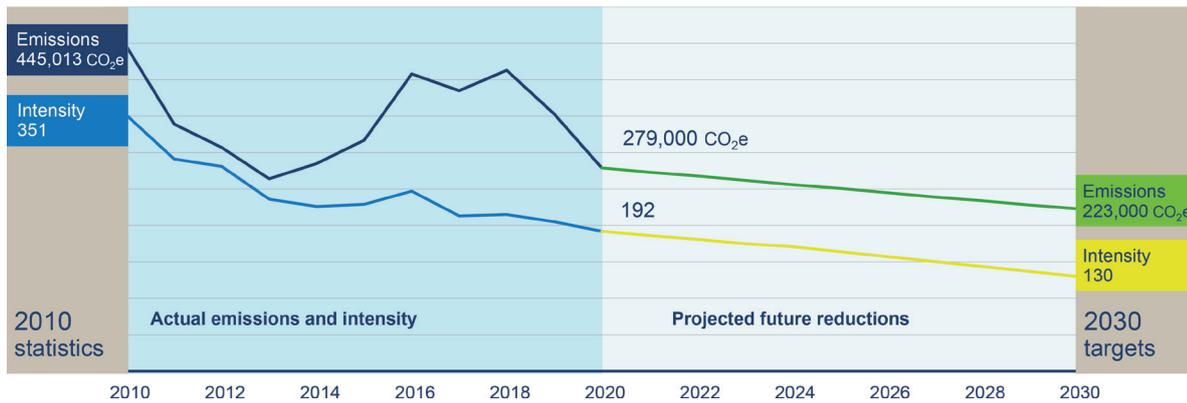
It is important to measure carbon intensity, because rises or falls in an organisation's emissions level can be caused by increases or decreases in revenue.



Projection of estimated carbon emissions and intensity to 2030, including the supply chain

Whilst we expect emissions to fluctuate in future years, we predict and overall downward trend. We are still on course to meet our 2030 targets.

Through a detailed understanding of our emissions, we have been able to analyse how to cut them effectively.

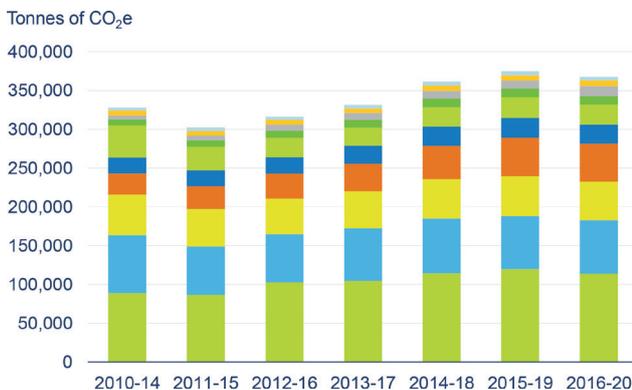


Five-year rolling rates

The cyclical nature of the construction industry means that using annual figures on their own can be misleading. We use five-year rolling rates to smooth out distortions.

The increases in rolling rate emissions are linked to rises in the amount of work and our revenue. However, our rolling rate carbon intensity is still falling.

Rolling rate carbon emissions, with supply chain



Rolling rate carbon intensity, with supply chain

