
Company:	Babcock International Group plc
Industry:	Aerospace, defense and energy engineering services
Location:	United Kingdom; over 200 locations globally
Client Since:	2015

COMPANY OVERVIEW

Babcock International Group plc is a British multinational corporation headquartered in the United Kingdom, specializing in support services managing complex assets and infrastructure in safety- and mission-critical environments. Although the company has civil contracts, its main business is with public bodies, particularly the U.K. Ministry of Defence and Network Rail. The company has four operating divisions, with overseas operations based in Africa, North America and Australia.

Babcock is listed on the London Stock Exchange and is a constituent of the FTSE 250 index.

SUMMARY

As a corporation working in aerospace, defense and energy engineering services, the Babcock team had taken measures to commit to a more sustainable future through Sustainability and Energy reporting. However, prior to the adoption of Diligent ESG, Babcock struggled to complete comprehensive and accurate reports and the company was unable to collect the high volume of data from disparate sources necessary for their growing reporting needs. Knowing they could not tackle this challenge alone, Babcock researched the ESG reporting market. The team decided to adopt Diligent ESG after a thorough investigation of their options, concluding that Diligent ESG was the most valuable solution in the market.

Babcock leveraged Diligent ESG to transform their static, inefficient reporting system to a robust, cloud-based reporting solution. Enabling Diligent ESG allowed Babcock to reduce their time, money and resources spent on tedious and inaccurate reports, and instead focus on developing and executing the company's Sustainability and Energy Management Goals and future targets.

BACKGROUND

Like many companies, prior to adopting Diligent ESG, the Babcock team faced several challenges compiling its global Sustainability and Energy reporting, with many requirements including Greenhouse Gas (GHG) reporting in the Companies Act.

“We have been using Diligent ESG now for over 18 months and our experience has been outstanding. The attention to detail, the regular calls and the support team regularly going over and above the call of duty to help has been a terrific experience.”

Mike Clarke,
Energy Contracts Manager
Babcock International

Key Reporting Drivers for Babcock International plc:

- Mandatory Greenhouse Gas Emissions (GHG)/Carbon Reporting (MCR)
- Carbon Reduction Commitment (CRC)
 - Energy Savings Opportunity Scheme (ESOS)
 - EU-Energy Efficiency Directive EED: A8 (Multiple Countries)
 - Energy Contracts Management
- Energy, Water, Transport and Business Travel Global Management Reporting by Operating Division, Location and monitoring of site performance against Targets

Key Considerations in Selection of Software Vendor

1. Security and Accuracy: All data must be retained and stored in the EU under EU data protection and confidentiality laws. It must also pass our stringent data restriction and security requirements.
2. Business Case: The business case must show a return on investment within 12 months.
3. Self-Administration: The system must be easy enough for us to manage it ourselves, and to enable us to expand the scope and breadth of reporting without additional costs or fees over the forthcoming years.
4. Training Minimization & Ease of Use: The system must be easy enough for individuals at each location to use regularly for reporting of their own site-specific operations but also to contribute to the divisional and group reporting easily with little training required.

Reporting Challenges for Babcock International

- The volume of data annually has been increasing significantly and has become excessively time-consuming to manage on spreadsheets.
- The vast number of data sources has meant that should Babcock wish to expand their reporting further, they would have to grow the team significantly.
- Investors and Internal Stakeholders are demanding increasingly detailed and complex reports and analysis of the overall greenhouse gas emissions, energy and utility consumption performance toward targets.
- These reports take considerable time to produce and often go through numerous iterations and this process is repeated several times a year.
- The number of reporting demands from the government has increased reporting costs and overhead.
- The complexity of the different reporting methodologies and calculation methods has increased in recent years and requires regular up-skilling and research.
- Keeping reports consistently formatted, despite different data sources and data source format for mandatory and voluntary reporting, has also become increasingly time-consuming.
- The risk of data error is increasing with each passing year, as data from suppliers can often be erroneous and a systematic check on these high volumes of data was required.
- Keeping on top of the data to ensure there are no gaps or anomalies is increasingly difficult.
- The CDP Format changes each year and this also represents a significant cost.
- The business wishes to continue to grow the scope and breadth of its sustainability and energy reporting, and at the same time have detailed analytics for each site centrally and available to all key users.

A competitive tender and procurement process was initiated and Diligent ESG was invited to tender on the back of a recommendation from another Diligent ESG client.

THE SOLUTION

Key Reasons for Choosing Diligent ESG

- Diligent ESG met 95% of the tender requirements with the standard product, and were willing to include the remaining 5% of functionality on their software development roadmap at no additional cost, with input from the Babcock team into the specifications of that 5%.
- During the impressive presales process, Diligent ESG carried out a demonstration of the product where they were able to show the upload, cleaning and processing of 1.5 million rows of energy data in less than one minute.
- This demonstration with live data on the Diligent ESG system was very reassuring regarding the ease of use and the capability of the system to handle the high volume of data required.
- A trial account was made available for two weeks to over 30 users, and all users reported a very intuitive user experience.
- The pricing was mid-range of all the vendors we met; however, in terms of value for money, the capability was on par with the vendors at the upper pricing range and significantly better on the implementation timelines.
- As the Babcock group organization structure changes occasionally, being able to move various sites, meters and activities from one group or division to another quickly and easily was a very impressive feature.
- The “can-do, will-do” positive attitude of the Diligent ESG people was also very refreshing, and their expertise on the subject matter was identified as a key benefit on top of the software.
- The Diligent ESG Quick Connect feature was a very impressive feature to see in action, and with Babcock IT security restrictions, this allowed for easy data automation without a large and time-consuming IT project.

Setup and Implementation (Duration: 10 Weeks)

- It should be noted that due to the scale and complexity of the Babcock organization, this implementation was unusually long by comparison to typical implementations.
- The project team consisted of an account manager, a project manager and two data analysts, while two senior software developers were assigned for the bespoke development requirements.
- A regular weekly standing call was scheduled and the project action log was reviewed at each meeting, with a second report tracking progress toward the planned schedule and progress toward the loading of all activity data.
- The most time-consuming part of the process was to gather the historical data and from that to compile a list of the facilities, matched with the meter numbers, as well as to identify optimal sources for that data going forward for the Quick Connect Data Automation.
- With simple letters of Authority, the Diligent ESG team were able to assist Babcock in this process by liaising with suppliers and data providers directly on their behalf.
- The organizational structure covering all global operations was uploaded and the reporting/organizational structure was finalized. The Diligent ESG migration tools then matched the locations to the unique meter numbers for automated energy, vehicle registration numbers for automated fleet and transport data automation, employee badge numbers for business travel, and cost and project centers for car hire and other business travel and energy-related data automation.
- One of the dozens of suppliers wasn't set up as an automated feed for considerable time later, as their systems were incapable of providing the required data in a consistent daily file. In the interim, the Diligent ESG data team carried out this task at no extra charge.
- Following the definition of the operational and organizational boundaries, the business activities, key performance metrics and targets were set up in the system prior to the data migration commencing.

Data Migration (Duration: 2 weeks)

The data migration was a considerable undertaking, but the Diligent ESG migration team — using the Diligent ESG migration toolkit — made the entire operation systematic and removed any opportunity for human error.

The data to be migrated came from a wide variety of spreadsheets, supplier statements and raw supplier invoice data going back up to five years for some suppliers and activities.

- Historical data for five years across scope 1, 2 and 3 emissions from 20 countries worldwide.
- The data was uploaded from meter data, meter readings, energy invoice data and energy supplier statements. Where duplicate data was available for the same meter, the Diligent ESG data streams function was enabled to allow the migrators to load all sources of data while avoiding double-counting, but at the same time facilitating a comparison of each data source against the other to identify potentially erroneous entries of billing errors (e.g., invoice kwh consumed vs. meter data kwh consumed for same period vs. supplier statement).
- The data migration was completed within schedule and an audit for the data migration commenced, which involved comparing the outputs of the previous CRC and Mandatory Carbon reports against the Diligent ESG system. Some differences were evident due to an increased level of accuracy in the Diligent ESG system when compared to standard Excel and a difference in calorific value methodologies.
- The migration was thorough and the migration audit report explicitly outlined the differences and the reasons why and where savings and recommendations were identified.

Training

Training took two forms:

- Administrative Training:
 - Initial introductory training took place via Webex to give the administrators an introduction to the software to assist with the migration and setup and configuration process.
 - Administrator training took place at Diligent ESG office in Limerick, Ireland over two days, with all administrators in attendance.
- Data Entry User Training:
 - Training took place in London and Rosyth, Scotland, as well as on Webex for remote users. This was a three-hour session.

All users across all divisions attended a one-hour webinar introduction to the system ahead of their individual training sessions. This Webex set out the plan and what to expect over the training and forthcoming initial user period. It introduced the support and help functions.

Some one-on-one sessions were scheduled as a result of the training, as certain sites had additional requirements and specific challenges that were unknown to the project team during procurement.

THE RESULTS

Following the implementation and training, the software had met all of its objectives.

- Instant reports available to management by location and rolled up by division, cost center and group level were scheduled for sending at regular intervals to key stakeholders.
- The software was producing instant and accurate CRC, ESOS, Energy and Mandatory Greenhouse Gas Emissions Reports for submission to the Environment Agency and other regulatory bodies.
- Management were comfortable with adjusting the system on their own to add locations, close disposed sites, add metrics and upload/input supplementary data as required.

Pleasant Surprises of Working with Diligent ESG:

- It was possible to automate 80% of the data directly from suppliers, which was in excess of the 50% data automation promised during the sales process.
- The remaining 20% of data, which was input by Babcock team members and compiled from business travel data from a small travel agent, was transformed and loaded monthly by the Diligent ESG data team.
- The team was pleasantly surprised by the document repository's tagging feature, which facilitated ISO 14001 and 50001 compliance at some locations, as well as providing a robust evidence and audit pack for mandated reporting.

- The Data Streams function allowed users to add all sources of data available, without the concern of double-counting. This not only ensured cross-checking between data sources, but also provided a robust storage location for such data going forward.
- Management continued to be impressed by the Diligent ESG technical team, who regularly welcomed their suggestions and requests for features that can make life easier, and delivered such minor enhancements free of charge within a couple of months.
- Email reminders to individual data entry team members were a welcome reminder to keep on top of things.

Key Benefits:

- The cost of utility and sustainability reporting was cut significantly, while at the same time the team's capability to expand its reporting brief without any additional resources was a major milestone and benefit.
- The globally coordinated and centralized Sustainability Reporting and Interactive dashboards ensured that management was able to respond instantly to requests from colleagues and external stakeholders for information on their climate change impact and their energy and sustainability credentials.
- Aligned all global operations and sites to the Company's Sustainability and Energy Management Goals and future targets.
- Enabled engagement at all locations to be higher than ever before.
- Provided a comprehensive centrally managed data capture and processing platform for each site, as well as at divisional, regional and corporate level.
- Robust Risk Control around the accuracy, consistency and reliability of Sustainability Data inputs and results.

“From implementation, training, project management, through to the pleasant user interface of the software, working with Diligent ESG has been a very pleasant experience. I now have all the reports I need for executive management, the business development team, investors and other stakeholders with just a few clicks. With the Diligent ESG dashboards and reports easily at hand, I have more time now to focus on projects that will deliver significant energy and cost reduction across the business.”

**John Mathias,
Sustainability Engineer
Babcock International**

For more information or to request a demo, contact us today:

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