



Corporate Carbon Footprint – 2024

KBR, Inc.
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Summary

ClimatePartner has measured KBR's Corporate Carbon Footprint for 2024 (January - December 2024). In performing these calculations, ClimatePartner has adhered to the *Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (GHG Protocol)*, which is the world's most widely used greenhouse gas accounting standards for companies.

This report provides an overview of the carbon dioxide equivalent (CO₂e) emissions generated by KBR in 2024 for the following GHG Protocol emissions categories and associated business activities:

Scope 1 Emissions:

1. Facility heating;
2. Facility cooling [refrigerant leakage]
3. Facility combustion sources [generator]; and
4. Company-owned vehicles

Scope 2 Emissions:

1. Purchased electricity

Scope 3 Emissions:

1. Category 1: Purchased goods and services
2. Category 2: Capital Goods
3. Category 3: Fuel-and energy-related activities
4. Category 4: Upstream transportation and distribution
5. Category 5: Waste generated in operations
6. Category 6: Business Travel
7. Category 7: Employee Commuting
8. Category 8: Upstream leased assets
9. Category 9: Downstream transportation and distribution
10. Category 10: Processing of sold products
11. Category 11: Use of sold products
12. Category 12: End-of-Life treatment of sold products
13. Category 13: Downstream leased assets
14. Category 15: Investments

Category 14: Franchises were evaluated as part of the emissions assessment and were determined to be irrelevant based on KBR's business operations.

In 2024, KBR's business activities generated a total of 790,872 tonnes of carbon dioxide equivalent (CO₂e) across all scopes of emissions. A similar scope of assessment was completed for KBR's 2023 business activities. Resulting emissions for 2023 activities amounted to 1,079,894 tonnes of CO₂e across all scopes of emissions.

Emissions calculations completed prior to 2023 were limited to Scope 1, Scope 2 emission plus emissions from business travel, and indirect emissions from energy consumption. Emissions

from these categories in 2024 amounted to 74,878 tonnes of CO₂e, which is approximately 10% of total emissions calculated. This is a 49% reduction relative to 2020 and a 4% reduction relative to the 2023 corporate carbon footprint.

Table 1. Summary of Site-Related Emissions and KBR Sites Year over Year

Year	Emissions (t CO ₂)	Sites
2020	144,604	159 ^a
2021	40,706	180 ^b
2022	54,932	154 ^c
2023	78,044	132 ^d
2024	74,878	167 ^e

a - Thirty-six (36) locations were added to the site list for the 2021 evaluation. Based on the years of operation, emissions from some of these locations were also added to the 2020 Recalculation for a total of 159 sites in the baseline re-evaluation. The net difference in site numbers is reflected as 21 additional in 2021.

b - 182 KBR sites were evaluated as part of the 2021 Corporate Carbon Footprint. Emissions or partial emissions for 180 of the 182 locations were able to be calculated based on primary or secondary data.

c - 159 unique lease IDs were reported to be under KBR's operational control in 2022. However, due to lease consolidation, these were considered to be 154 separate facilities.

d - 133 KBR sites were determined to be under KBR's operational control in 2023, including the Heavy Equipment Transport (HET) office. One location was confirmed to be absent of utilities and is omitted from the site count above.

e- 166 KBR sites were determined to be under KBR's operational control in 2024, including the HET office.

An operational control approach was used to determine the system boundaries of the corporate carbon footprint emissions calculation. In 2024, KBR reported operational control over 166 facilities in 13 countries globally versus 133 facilities in 17 countries globally in 2023. Executive suites (e-suites) and virtual offices were omitted from the 2024 system boundaries. See summary table below.

Table 2. Location and Total Lease Area Over Time

Country	2023		2024		Year on Year Change	
	Locations	Sq Ft Occupied	Locations	Sq Ft Occupied	Location Delta	Total Square Ft Delta
Australia	14	163,774	17	595,212	3	431,438
China	1	8,084	1	8,084	-	-
Finland	1	3,444	1	3,444	-	-
Germany	2	14,789	2	14,789	-	-
India	4	158,178	6	202,222	2	44,044
Indonesia	-	-	-	-	-	-
Kazakhstan	-	-	-	-	-	-
Korea	1	5,502	1	5,502	-	-
Netherlands	-	-	-	-	-	-
Oman	1	150	-	-	(1)	(150)
Poland	-	-	1	13,412	1	13,412
Qatar	1	151	-	-	(1)	(151)
Russia	1	388	1	388	-	-
Saudi Arabia	4	131,198	5	153,989	1	22,791
Singapore	1	6,847	3	49,240	2	42,393
United Arab Emirates	8	32,050	12	41,484	4	9,434
United Kingdom ^a	16	501,888	19	548,158	3	46,270
United States	78	2,907,339	97	3,065,040	19	157,701
Total	133	3,933,781	166	4,700,963	33	767,182

a -HET Wing House office area was omitted from 2023 summary, and omitted from 2024 summary for consistency.

Total Global Emissions (metric tonnes CO₂e)

790,872

This amount corresponds to...



... the melting of

2.5 million m²

of Artic ice in
summertime



...

2.5 billion km

driven by car



... the amount of CO₂
sequestered by

66 million

beech trees per year

Company Overview

KBR delivers science, technology and engineering solutions to governments and companies around the world (NYSE: KBR). At the end of 2024, KBR employed approximately 38,000 people performing diverse, complex and mission critical roles in over 29 countries.

In 2024, KBR operated two (2) core business segments – Government Solutions (now Mission Technology Solutions) and Sustainable Technology Solutions. The Government Solutions (GS) Business Segment provides full life cycle support solutions to defense, space, aviation, intelligence, as well as other programs and missions for military and government agencies around the world. The Sustainable Technology Solutions (STS) Business Segment combines KBR's licensed proprietary technologies, equipment and catalyst supply, digital solutions, and associated knowledge-based services, working closely with customers to provide an optimal approach to maximizing their return on investment.

System Boundaries

Organizational Boundaries

ClimatePartner applies the 'operational control' approach when determining which locations, assets, and/or activities must be included within the scope of KBR's corporate carbon footprint. Operational control is considered to apply in all cases where KBR employs its operational policies and procedures within an entity or facility.

Given that KBR's legal entities are often subcontracted to run operations on behalf of its clients, it was essential to identify those operations over which KBR has full operational control. All operations that KBR manages as part of its service provision, but where client's operational policies and procedures applied, are considered to fall outside of the system boundaries of this assessment. ClimatePartner does not follow a financial control or an equity-share approach in this scenario.

It was determined that the following instances are not within KBR's operational control, and therefore, are considered beyond the scope of this assessment:

1. Residential leases.
2. Passthrough agreements, where KBR is linked to a facility by lease agreement only.
3. Joint venture leases, where KBR is not the primary occupant.
4. Executive suites and/or virtual offices, where there is limited KBR presence.

Company vehicles used for internal corporate services are retained within the boundaries of the Scope 1 and Scope 2 calculations. Company vehicles assigned for employee commuting / personal use and company vehicles assigned to specific projects are included in the Scope 3 emissions.

Operational Boundaries

KBR has accounted for its Scope 1, Scope 2, and full Scope 3 emissions related to 2024 business activities. Operational boundaries were set, and business operations classified as follows:

- **Scope 1:** Direct emissions from company facilities (heating, cooling, on-site combustion) and company-owned vehicles.
- **Scope 2:** Indirect emissions from purchased electricity for company facilities and for company-owned electric vehicles.
- **Scope 3:** All other material emissions, including those from:
 - Category 1: Purchased goods and services
 - Category 2: Capital Goods
 - Category 3: Fuel-and energy-related activities
 - Category 4: Upstream transportation and distribution
 - Category 5: Waste generated in operations
 - Category 6: Business Travel
 - Category 7: Employee Commuting

- Category 8: Upstream leased assets
- Category 9: Downstream transportation and distribution
- Category 10: Processing of sold products
- Category 11: Use of sold products
- Category 12: End-of-Life treatment of sold products
- Category 13: Downstream leased assets
- Category 15: Investments

Changes in System Boundaries

KBR emissions calculated prior to 2023 were limited to Scope 1 and Scope 2 emissions plus emissions from business travel and indirect energy consumption emissions. For 2023 emissions, the scope of assessment was expanded to include emissions across Scope 1, Scope 2 and all relevant Scope 3 categories. The 2024 scope of assessment followed the same boundaries and methodologies as the expanded analysis conducted in 2023.

Data Quality and Limitations

Data Sources

KBR's 2024 global emissions calculation relied on a combination of activity data, assumption-based activity data and spend-based data. Activity-based calculation methods apply consumption data (energy/ fuel used, miles traveled, etc.) to a corresponding global warming potential (emissions factor) to determine the resulting emissions, whereas spend-based calculation methods use financial values to determine emissions. Spend-based calculations are generally broader and less accurate. See table below for the calculation methodology used for the 2024 emissions calculation.

Table 3. Data source and calculation methodology applied

Scope	Category	Sub-Category	Data Source
Scope 1	Direct emissions from company facilities	Refrigerant leakage	Average data
Scope 1	Direct emissions from company facilities	Heat (self-generated)	Fuel-based data
Scope 1	Direct emissions from company vehicles	Vehicle fleet	Fuel-based data
Scope 1	Direct emissions from company facilities	Generator use	Fuel-based data
Scope 2	Purchased electricity for own use	Electricity (stationary)	Average data
Scope 2	Purchased electricity for own use	Electricity (vehicle fleet)	Average data
Scope 3	Purchased Goods and Services/ Capital Goods	Purchased Goods and Services	Spend-based data
Scope 3	Fuel- and energy-related activities	Upstream emissions electricity/ heat	Average data
Scope 3	Upstream/ Downstream Transportations	Upstream/ Downstream Transportations	Spend-based calculation
Scope 3	Waste from Operations	Waste from Operations	Average data
Scope 3	Business travel	Flights	Distance-based
Scope 3	Business travel	Hotel nights	Average data
Scope 3	Business travel	Rental and private vehicles	Fuel-based data
Scope 3	Business travel	Rail	Distance-based
Scope 3	Business travel	Ferry	Distance-based
Scope 3	Business travel	Other Travel-Related Accounts	Spend-based calculation
Scope 3	Employee commuting	Employee Commuting	Average data
Scope 3	Employee commuting	Home office	Average data
Scope 3	Downstream Leased Assets	Leased Assets (Spend)	Spend-based calculation
Scope 3	Investments	Equity and Other Investments	Spend-based calculation

Data Gaps

Primary data is key for a comprehensive and complete carbon footprint assessment. Where primary energy and/or fuel consumption data is not available, secondary data is used. The GHG Protocol defines primary and secondary data as follows:

- **Primary Data:** Data provided by suppliers or other value chain partners related to specific activities in the reporting company's value chain.
- **Secondary Data:** Industry-average data (e.g., from published databases, government statistics, literature studies, and industry associations), financial data, proxy data, and other generic data.

ClimatePartner considers data provided by KBR to be primary data. Secondary data indicates the application of assumption-based activity data.

Table 4. Yearly Ratio of KBR Facility Primary and Secondary Data

Scope, activity	Primary Data 2020	Primary Data 2021	Primary Data 2022	Primary Data 2023	Primary Data 2024	Secondary Data 2020	Secondary Data 2021	Secondary Data 2022	Secondary Data 2023	Secondary Data 2024
Scope 1										
Heating ^a	5%	6%	29%	55%	56%	95%	94%	71%	45%	52%
Cooling (refrigerant leakage) ^b	NA	3%	16%	21%	29%	NA	97%	84%	81%	85%
Vehicle fleet	100%	100%	100%	100%	100%	0%	0%	0%	0%	0%
Scope 2										
Electricity	51%	29%	60%	67%	75%	49%	71%	40%	33%	25%

a – The primary heating data percentage for 2023 and 2024 omits those sites assumed to have electric heating

b – The primary cooling data percentage for 2023 and 2024 is determined based on the aggregated number of facilities that at minimum reported the coolant used. The number of warehouse facilities is excluded.

Facility-Related Data Gaps

Three locations – two in Australia and one in the United States – were reported to receive electricity via on-site renewable energy generation. The consumption of renewable energy at these locations could not be determined so a conservative assumption of 20% renewable energy was applied for these locations. This data gap can lead to an over or understatement of Scope 2 emissions, but the data gap is considered immaterial to the overall emissions.

Limited facilities measure and track heating and ventilation system maintenance, making it difficult for KBR to collect consistent data on potential refrigerant leakage. Other factors contributing to data reporting gaps include:

1. Unregulated reporting requirements (i.e., maintenance reports and/or invoices may not reflect necessary data such as refrigerant type, leakage or top-up amounts)
2. Reluctance of landlords to share records, particularly for government facilities
3. Difficulty in isolating which HVAC units service KBR leased areas, particularly when KBR is not a primary tenant (and may occupy <10% of a facility)

Unless directly provided by the vendor, cooling-related emissions therefore relied upon an area-based calculation, in which the coolant system type and annual leakage rate is assumed. With this approach, the emissions are scaled by the leased area and the refrigerant used. KBR continues to work with landlords to reduce the data gap where possible through increased use of primary data thereby improving the accuracy of estimates.

In 2024, KBR implemented Greenstone/Cority as their internal data collection and facility data management platform, allowing facility managers to enter energy consumption and fuel use data. Select facilities (8 of 166) reported the fuel consumed by emergency generators in addition to primary energy consumption. Generator use was included as facility-related Scope 1 emissions where reported. However, generator use at 95% of facilities is unknown and therefore still considered a data gap.

Scope 3 Emissions Data Gaps

The data granularity available when mapping financial data to appropriate emissions categories could not distinguish between the following Scope 3 categories:

1. Upstream transportation and distribution (Scope 3, Cat. 4) and downstream transportation and distribution (Scope 3, Cat. 9)
2. Upstream leased assets (Scope 3, Cat. 8) and downstream leased assets (Scope 3, Cat. 13)

Related emissions have therefore been consolidated and reported under upstream transportation and downstream leased assets, respectively.

Similarly, spend data associated with Purchased Goods and Service (Scope 3, Cat. 1) and Capital Goods (Scope 3, Cat. 2) could not be differentiated for the 2023 emission inventory. However, the financial data mapping was refined for the 2024 emissions inventory, and these categories are reported separately herein.

Emissions related to processing of sold products (Scope 3, Cat. 10), use of sold products (Scope 3, Cat. 11) and end-of-Life treatment of sold products are contributed by services provided by KBR at client sites. Separation of such activities was not possible for the 2024 reporting period due to current data gathering and reporting approach. Emissions from activities related to these Scope 3 categories are currently included and reported under Scope 3 categories (including but not limited to contracted employee commuting).

Scope 3 emissions – both spend-based and activity-based - are currently assessed at a global level. For the purposes of this report and the 2024 emissions calculation, only certain Scope 3 emissions could be reported based on contributing geography or business unit.

Lastly, in previous reporting periods, emissions for Scope 3 Leased Assets included the fuel consumption reported for leased project vehicles in the United States. This dataset was not available for the 2024 reporting period and has been omitted. This data gap is considered immaterial as this activity-based emissions contributed <0.25% of total corporate carbon emissions in 2023.

Exclusions

Exclusions have been made in the assessment, namely those listed below:

- If not reported, the use of generators or other on-site support equipment was not confirmed, and therefore, fuel consumed by such has been excluded.
- Storage or warehouse locations were excluded from the cooling calculations as the primary data provided only accounted for office and mixed locations, and a plausible proxy for the facility use type could not be established. It is also presumed that warehouse/ storage locations are not temperature controlled.
 - Scope 3 emissions Category 14: Franchises was evaluated as part of the emissions assessment but was determined to not be relevant based on KBR's business operations.

The exclusions noted here are for activities that fall within the calculation system boundaries and do not pertain to those deemed to be outside of KBR's operational control.

Conclusion Data Quality

Improving data quality will generate more accurate calculations, which is important for identifying emissions "hot spots" and determining relevant, effective reduction measures.

As demonstrated in Table 4, KBR continues to improve upon primary data collection for facility electricity. However, Scope 1 emissions for heating and cooling in 2024 predominantly remain based on secondary data. Reducing the number of assumptions will improve the overall data quality.

With the addition of relevant Scope 3 emissions categories in 2023, there are areas to improve the spend-based data quality and data usability. Refined granularity in the spend-based data could provide more useful insights, especially when needing to assess where impacts exist across business units and geographies. While it is the nature of spend-based calculations to provide a broader emissions estimation, ultimately, less reliance on spend-based data will improve overall data quality.

Methodology

Operational Period Adjustments

If site-related primary data was provided for only a portion of the year, the data was extrapolated to calculate the annual consumption value. Consumption data was reported via Greenstone/Cority platform on a monthly basis, allowing for seasonal variability to be factored into extrapolations, where possible.

For locations that were not under KBR operational control for the full year, the calculated consumption was adjusted to reflect only the months of operation. For example, if a KBR lease commenced on July 1, 2024, only 6 months of emissions were attributed to that location. A similar approach was taken for leases that ceased part way through the year. If a lease ceased in its entirety by the end of 2023, that location was not considered as part of the 2024 evaluation.

Scope 1 Emissions Calculations – Heating

Calculation Overview

Emissions from facility heating are accounted for under Scope 1, 'self-generated heat', as KBR's facilities primarily utilize natural gas, which is combusted on site. One site in Russia is presumed to use district heating, which is categorized separately as 'purchased heat' due to combustion occurring off-site. This type of heat is accounted for under Scope 2 emissions.

Heating emissions were calculated using the 2024 natural gas emissions factors published by the United Kingdom's Department for Environment, Food & Rural Affairs (DEFRA).

Assumptions

United Kingdom:

Seven (7) United Kingdom locations confirmed to have no natural gas heating on site and 12 locations confirmed to have natural gas heat. Three (3) locations provided primary consumption data. Primary consumption data was averaged on an annual consumption per area basis and applied to the remaining nine (9) locations where primary consumption data could not be obtained.

In prior years, one location in the United Kingdom obtained biogas heating credits, however, this was not reported to be the case in 2024.

United States:

To ascertain a proxy for heating fuel usage across the United States, ClimatePartner has reviewed the Commercial Buildings Energy Consumption Survey (CBECS) and published by the U.S. Energy Information Administration (EIA). According to this survey, in all census regions except South, most buildings use natural gas as the energy source for primary space heating. Energy source by region is listed below:

- Northeast* - Natural Gas
- Midwest - Natural gas

- South - Electricity
- West - Natural gas

* As noted in the *KBR Corporate Carbon Footprint – 2021* dated August 2022, Delaware has been reclassified for the purposes of this assessment as a Northeastern state to better reflect the state's climate and infrastructure.

Where electricity is considered the main energy source for heating, it is assumed that heating is included in the electricity consumption data. Therefore, facilities located in the southern United States report a natural gas consumption value of '0', unless primary data was received indicating otherwise.

For sites where natural gas is considered the main heating energy source, and primary data was not provided, ClimatePartner adhered to EIA recommendations and used the average energy intensity ratios from the *Commercial Buildings Energy Consumption Survey (CBECS)* for the respective state.

The methodology and application of assumptions is consistent with the previous reporting year.

Australia:

Four (4) Australian locations reported primary data on natural gas consumption, whereas four (4) Australian locations confirmed no natural gas heating at the facility.

Based on an article published by the Australian Government, electricity is considered as the primary energy source for heating (*Baseline Energy Consumption and Greenhouse Gas Emissions - In Commercial Buildings in Australia*). Therefore, unless reported otherwise, it is assumed that heat use is captured as part of the total electricity consumption and reported under Scope 2 emissions. Electric heating is assumed for nine (9) Australian facilities.

The methodology and application of assumptions is consistent with the previous reporting year.

Germany and Poland:

Natural gas is considered the primary heating energy source in Germany according to the online publication *Verleichswerte für den Energieverbrauch von Nichtwohngebäuden (Comparative values for the energy consumption of non-residential buildings)*. Space area size and average energy intensity provided in this study is used to estimate the total heating energy consumption in KBR's locations in Germany.

The same approach is applied to the facility in Poland as the nearest regional proxy.

The methodology and application of assumptions is consistent with the previous reporting year.

Finland:

Natural gas consumption for the one location Finland is estimated based on energy efficiency statistics for office use published by Sweden's Energy Agency. Swedish data is applied to Finland as a close regional proxy.

The methodology and application of assumptions is consistent with the previous reporting year.

Middle East (Saudi Arabia and United Arab Emirates):

Based on statistics provided by the International Renewable Energy Agency, electricity is considered the primary energy source for heating in the United Arab Emirates (UAE). Due to unavailability of reliable statistics on heating/cooling energy consumption in Saudi Arabia, UAE statistical data is assumed to be representative for the Middle East region. It is assumed that heat consumption for facilities in these countries is included with the total electricity consumption and reported under Scope 2.

The methodology and application of assumptions is consistent with the previous reporting year.

Singapore:

According to statistics published by the Building and Construction Authority (BCA) of Singapore and provided in the BCA Building Energy Benchmarking Report 2014, electricity is considered as the primary energy source for heating in Singapore. It is assumed that the related heat consumption is provided with the total electricity consumption, reported under Scope 2.

The methodology and application of assumptions is consistent with the previous reporting year.

China and Republic of Korea:

Statistics taken from a 2017 study and analysis of office building energy consumption performance in China were applied to determine the natural gas consumption based on the leased area for the one facility in China.

The European office average of primary heating data was applied to estimate the natural gas consumption for one location in Korea. The European office average was determined to be most representative and most consistent with external sources of similar geographies. The Korean location previously reported primary consumption data.

The assumption applied to the Korean location is a deviation from previous methodology, but generally consistent with the application of reasonable consumption. The change in assumption applied is not considered a material difference in this case based on the size of facility.

India:

All six (6) Indian locations within the 2024 scope of assessment confirmed no natural gas use at the respective facilities. No assumption is necessary and therefore, a natural gas consumption of '0' is reported.

A global average of primary heating data was previously applied to Indian facilities for the 2023 emissions inventory. While the resulting emissions will be different, the methodology of applying assumptions in absence of primary data remains consistent with the previous reporting year.

Scope 1 Emissions Calculations – Cooling (Refrigerant Leakage)

Calculation Overview

KBR reported primary data for their facility refrigerants through a combination of three (3) data points:

1. The refrigerant(s) used in given location's cooling systems;
2. The measured leakage volume, which is determined by volume of coolant needed to refill the air conditioning system; or
3. The cooling system charge capacity, which provides the total volume of coolant the air conditioning system contains.

In 2024, primary cooling system data was reported by 25 locations. Supporting documentation was reviewed in conjunction with data provided by managers to verify the legitimacy and accuracy.

United Kingdom:

Ten (10) locations in the United Kingdom reported a measured refrigerant loss of '0'. These data points were considered reliable and verifiable. No coolant-related emissions were therefore accounted for at these locations.

United States:

Four (4) locations in the United States reported data on the refrigerant used and total system capacity. Emissions were determined using the global warming potential of the reported refrigerant and applying an assumed 7% leakage rate to the system capacity, proportioned to KBR's occupied area within a building.

Two (2) locations in the United States reported a measured leakage of a particular refrigerant. Emissions were determined using the global warming potential of the reported refrigerant and the volume released.

The data provided was substantiated through maintenance and/or installation records

Australia:

One (1) location in Australia reported data on the refrigerant used and total system capacity. Emissions for this location were determined using the global warming

potential of the reported refrigerant and applying an assumed 7% leakage rate to the system capacity, proportioned to KBR's occupied area within a building.

Seven (7) locations in Australia reported an estimated leakage of a particular refrigerant. In these cases, facilities estimated and reported leakage volumes based on recommendations from the National Greenhouse Accounts for Australia. Emissions were determined using the global warming potential of the reported refrigerant and the volume released. One location reported confirmation of '0' measurable leakage.

The data provided was substantiated through maintenance and/or installation records

With higher confidence in the data provided in 2024, primary data was used where available to calculate emissions as described above. For the remaining locations, ClimatePartner utilized an internal calculation tool that determines the refrigerant-related emissions based on a set of parameters: 1) the leased area, 2) the refrigerant used, and 3) the type of cooling system.

Refrigerant varieties can have a broad range of global warming potentials (GWP), which is a measure of how much greenhouse gas would be absorbed in the atmosphere and consequently contribute to global warming. Refrigerant GWP values used in the external calculation are sourced from the Intergovernmental Panel on Climate Change (IPCC) and the Climate Change 2021: The Physical Science Basis, Sixth Assessment Report.

Due to inconsistent and incomplete facility responses and the inability to verify the data given, an area-based calculation was conducted for all facilities Scope 1 refrigerant leakage emissions in 2023. While improved data quality in 2024 allowed for use of primary data, the methodology and assumptions applied are generally consistent with the previous reporting year.

Assumptions

ClimatePartner's external calculation assumes a ceiling height of three meters (3 m; or 9.8 feet) which, in conjunction with the facility's areal data, determines the space being cooled and the size of cooling system needed. A variable refrigerant flow (VRF) cooling system was assumed for locations with an occupied area >1,000 square feet, and a multi-split cooling system was assumed for a location with an occupied area <1,000 square feet. A multi-split system was assumed for four (4) locations. Industry research compiled by ClimatePartner's Research and Development team determined such VRF and multi-split systems have an annual leakage rate of 7% and 6%, respectively.

The calculation approach applies the leakage rate to a cooling system capacity to determine the leakage volume. The leakage volume is then multiplied by the refrigerant's GWP to determine the cooling-related emissions. Twenty-four (24) facilities reported the specific refrigerant(s) used in 2024, and twenty-two (22) other facilities reported this data point in over the previous two reporting periods. If a specific refrigerant was unknown, coolant R-410A was assumed to be used, as this is one of the most common cooling agents in commercial systems. Where multiple refrigerants were reported, the contribution from each refrigerant was averaged over the entire lease area.

Also, as noted in the Exclusions, storage or warehouse locations were excluded from the cooling calculations as a plausible proxy for the facility use type could not be established.

Chilled Water Cooling

Six (6) locations in India reported using chilled water as the source of facility cooling. In lieu of refrigerants, which have harmful global warming potentials, chilled water is circulated for temperature control. Electricity used to chill the water is accounted for under Scope 2 – Purchased Electricity and is not considered to be a Scope 1 – Refrigerant-related emission.

Scope 1 Emissions Calculations – Vehicle Fleet

Calculation Overview

Emissions related to vehicles controlled by KBR (i.e., company vehicles) are calculated using either fuel consumption data or the distance travelled by a given vehicle class or vehicle type. Vehicles issued by KBR to employees for commuting or personal use are accounted for under Scope 3 emissions as per GHG protocol.

Company vehicles included in Scope 1 vehicle fleet emissions are limited to ground transport vehicles in the United States, the United Kingdom and Australia. For the 2024 emissions calculation, the fuel and vehicle emissions factors from DEFRA were applied for vehicles in all geographies to maintain consistency across datasets.

Scope 1 Emissions Calculations – Generator Use

Calculation Overview

Emissions related to on-site generator use are calculated using fuel consumption data. Eight (8) facilities reported diesel fuel volumes used in emergency generators during the 2024 reporting period.

DEFRA emissions factors for diesel fuel were applied to consumption values to determine resulting emissions.

Scope 2 Emissions Calculations – Purchased Electricity

Calculation Overview

Seventy-seven percent (77%) of KBR sites within the scope of assessment reported full or partial primary electricity consumption data in 2024. Locations for which primary data was provided comprise 84% of the total lease area being evaluated for this reporting period.

Emissions for Scope 2 purchased electricity are calculated using both the market-based method and the location-based method. This dual reporting approach is recommended by the GHG Protocol. For the market-based method, the company provides supplier-specific emission factors for the electricity they purchased. If these specific factors were not available, factors for the residual mix in the country of operation are used. The residual mix is defined as the country's average grid mix with any renewable energy usage removed. If this is unavailable,

the average grid mix of the country is used, incorporating both renewable and non-renewable power generation. The report also states the location-based method, which calculates the average electricity grid mix for the country.

KBR has invested in Renewable Energy Credits (RECs; also known as Energy Attribute Certificate (EACs)) for all global electricity consumption. These credits certify that the specified energy consumption volume was from a verified renewable energy source and the certificate holder can claim that they used renewable energy once the certificate has been retired. The renewable energy contribution is reflected in market-based emissions. Since KBR has invested in RECs to cover all global electricity consumption, the Scope 2 market-based emissions are '0'.

In addition, six (6) facilities in the United Kingdom have entered into a Green Tariff with their power provider, which ensures the energy consumed at these locations is solely from a renewable energy source. One such location had the agreement in place for only half of the 2024 reporting period.

Five (5) facilities in Australia are located where local power providers have committed to supply 100% green energy across the service area.

One location in the United States participates in California's Clean Impact Plus program, which stipulates 50% energy consumed is from renewable sources.

Furthermore, three locations – two in Australia and one in the United States – were reported to receive electricity via on-site renewable energy generation. The consumption of renewable energy at these locations could not be determined so a conservative assumption of 20% renewable energy was applied for these locations.

Assumptions

For the 25% of KBR locations that did not report primary electricity data, secondary data values were calculated. In most instances, primary consumption data from other locations within the same general geography and of the same use type is used as a proxy. In these instances, an energy intensity ratio is calculated on a consumption (kWh) per square foot basis. This energy intensity is applied as a best proxy where only KBR's operational area (lease area) is known.

Where primary data was not available for a geography, or if primary data was determined to be anomalous, external data sources were used to determine the most appropriate secondary data values. The following provides a summary of the electricity calculation approach used for each country and any deviations:

Americas Region

United States:

Sixty-two (62) of 97 United States locations (64%) reported primary electricity consumption data. These locations amount to 79% of the total leased space within the United States for 2024. For the remaining locations, secondary data was applied based on the following:

1. If primary data was available for a facility (or facilities) within a given state, and of a similar use type, primary data was used to calculate an energy intensity ratio (consumption per area) for that state.
2. If a primary data point was not available within a given state, and for a like use type, state-specific energy intensity ratios from the United State's Energy Information Administration (EIA) were applied on an area basis to determine consumption.

The EIA national average for warehouses was applied as state specific information for that given facility use type is not available.

The methodology and application of assumptions is consistent with the previous reporting year.

Asian Pacific Region

Australia:

Primary electricity data was provided for all Australian facilities (17) considered within the scope of the 2024 calculation.

India:

Primary electricity data was provided for all India facilities (6) considered within the scope of the 2024 calculation.

The six (6) Indian locations reported that energy used for facility cooling (including chilled water) was included in the total consumption reported.

China and Korea:

Primary electricity data was provided for the Chinese facility and Korean facility (1 each) considered within the scope of the 2024 calculation.

The energy consumption in China was estimated using external resources for the 2023 emissions inventory. No assumption was necessary in 2024, and this is a deviation from the previous reporting period.

Singapore:

Primary electricity data was provided for the Singapore facilities (3) considered within the scope of the 2024 calculation.

The energy consumption in Singapore was estimated using historic location data for the 2023 emissions inventory. No assumption was necessary in 2024, and this is a deviation from the previous reporting period.

European Region

Germany:

An external resource published on German commercial building energy intensities is used as a secondary data proxy (Comparative values for the energy consumption of non-residential buildings).

The methodology and application of assumptions is consistent with the previous reporting year.

Finland:

An external resource published by Lund University's Department of Energy Sciences on Energy Consumption in Sweden is used as a secondary data proxy ([Energy Consumption in Tertiary Buildings in Sweden](#)). Due to the geographic proximity, the Swedish specific dataset was assumed to be the closest representation of conditions in Finland.

The methodology and application of assumptions is consistent with the previous reporting year.

Poland:

Primary electricity data was provided for the Polish facility (1) considered within the scope of the 2024 calculation.

Russia:

In 2024, the facility use-type for the one Russian location within the scope of assessment was redefined as a warehouse. The global average energy intensity for primary data for warehouses was used as the secondary data proxy to determine consumption of this location.

This change in assumption applied is a deviation from the previous reporting period.

United Kingdom:

Primary electricity data was provided for the United Kingdom facilities (19) considered within the scope of the 2024 calculation.

Middle East Region

Saudi Arabia:

Primary electricity data was provided for three (3) of five (5) KBR facilities located in the Saudi Arabia. The energy intensity average for Saudi Arabia was considerably higher than typical office consumption. While the primary data points were retained, a regional energy intensity average for the Middle East (Saudi Arabia and United Arab Emirates) was applied to fill data gaps.

Assumptions were not needed in the previous reporting period.

United Arab Emirates:

Primary electricity data was provided for the United Arab Emirates facilities (12) considered within the scope of the 2024 calculation.

Scope 3 – Purchased Goods and Services

The methodology and assumptions used in calculating KBR's 2024 Scope 3 – Purchased Goods and Services emissions are generally consistent with those used in the previous reporting period in that a spend-based approach is applied, with the corresponding activity mapped to the financial line-item description.

The financial balances for the 2024 reporting period were combined and categorized collectively, whereas for 2023, this data was disaggregated by separate financial reporting systems. The disaggregated dataset allowed for certain financial activities to be associated with an associated business unit and corresponding geography – primarily ASPIRE Defense Services in the United Kingdom. In the previous emissions inventory, DEFRA spend-based emission factors were applied to financial activity associated with the United Kingdom and Quantis spend-based emission factors were applied to the remaining spend-based data.

In 2024, DEFRA spend-based emission factors were applied to all spend-based calculations as the SIC activity categories allow for more specificity, when compared to the broader Quantis factors.

Calculation Overview

The emissions for Scope 3 - Purchased Goods and Services followed a spend-based calculation approach, which applies an emissions factor specific to financial value. Spend-based emissions factors are specific to financial values and variable based on the currency, year (and inflation value of the currency) and the business activities associated with the financial activity.

For Scope 3 spend-based emissions calculations, 2024 financial balances were summarized via a Greenstone/Cority report output. The account types were used to link the financial value to an activity, as well as to an appropriate Scope 3 emissions category. The activity descriptor was first determined by KBR and later reviewed by ClimatePartner for concurrence.

All financial activities deemed to be associated with the assigned Scope 3 category confirmed were mapped to the SIC activities codes with a corresponding DEFRA spend-based factor. The activity codes were the basis for activity descriptor and therefore mapped closely to the line-item activity assignments.

Assumptions

KBR financial data was provided in British pounds (GBP). Spend-based calculations in 2024 were completed using the DEFRA spend-based factors, and no currency conversion was required. Emission factors were adjusted based on average compounded inflation to be representative of the 2024 reporting period.

Scope 3 – Capital Goods

Calculation Overview

In the previous reporting period, financial activities associated with capital goods could not be distinguished from those related to purchased goods and services. In 2024, KBR refined how

financial account codes were classified and financial activities related to Capital Goods were identified separately.

The emissions for Scope 3 – Capital Goods followed a spend-based calculation approach. Refer to the methodology and assumptions detailed for Scope 3 – Purchased Goods and Services emissions, as the same approach was used for Capital Goods emissions.

Scope 3 – Transportation and Distribution

The emissions for Scope 3 - Transportation and Distribution followed a spend-based calculation approach. Refer to the methodology and assumptions detailed for Scope 3 – Purchased Goods and Services emissions, as the same approach was used for Transportation and Distribution emissions.

Based on the granularity of financial data available, financial activities associated with Upstream Transportation and Distribution could not be distinguished separately from those related to Downstream Transportation and Distribution. Emissions associated with either are therefore reported collectively as Scope 3 – Transportation and Distribution.

Scope 3 – Waste Generated in Operations

The methodology used to determine Scope 3 – Waste Generated in Operations leverages primary data to establish an average waste generated per employee per day, which can then be extrapolated to determine global impacts. The underlying concepts of the methodology remain consistent from the previous reporting period. However, the methodology was refined in 2024 to include region-specific disposal fate percentages – understanding that recycling and incineration technology may be more prevalent in developed areas. In 2023, a simplified approach was applied splitting the disposal fate of non-recyclable material evenly between incineration and landfilling.

Calculation Overview

KBR collected facility waste generation data via Greenstone/Cority in 2024. Twenty-two (22) of 166 locations reported waste generation information.

Those facilities reporting waste generated each collected different details and metrics regarding waste type and waste streams. For 2024 data available, waste generated in operations was categorized generally as “Municipal waste”, “Paper and cardboard waste” and “Other waste”.

Average daily attendance was determined for those facilities reporting waste generation data. Average daily attendance and waste generated were used to establish a weight of waste per employee per working day for each waste category. Waste reported as either wood waste or construction debris was excluded when determining the average employee waste generation. This average ratio was then extrapolated across KBR’s facility headcount of approximately 38,000 employees to determine the amount of global waste generated in operations. Regional

in-office working day assumptions are consistent with those used in determining employee commuting impacts.

Disposal models were applied to account for the variability of waste fate in different regions. The average percentage of waste sent to incineration, landfilling and recycling was determined for ten (10) global regions and applied to the amount of waste generated by employees in that given region.

Assumptions

Disposal calculation methodologies follow the cut-off by classification approach, which aligns with recommendations of the GHG Protocol and IPCC. Following this approach, emissions related to the recycling of waste (collection, transport, sorting and processing of waste) are allocated to the outcome of that waste stream - the subsequent useful life of the recycled material. Hence, the reporting company, KBR, does not need to account for any emissions from the recycling process, and the emissions related to recycling are '0'.

Non-recycled waste – any waste sent to incineration or landfilling - will result in emissions following the cut-off by classification methodology. The emissions for non-recycled waste generation also include those emissions created when transporting the waste. The disposal model used assumes an average distance to disposal to be 25 kilometers.

Scope 3 – Business Travel

The methodology and assumptions used in calculating KBR's 2024 Scope 3 – Business Travel emissions are consistent with those used in the previous reporting period.

Calculation Overview

KBR's 2024 Scope 3 - Business travel emissions were calculated through a combination of activity-based data (95%) and spend-based data (5%).

Travel by Air

Flight class (economy, premium economy, business and first) and flight distance category (long-haul, short-haul) are considered in the calculation of emissions associated with air travel. The sub-trip distance is used to determine the applicable flight distance category, and this category is applied to the total trip distance. Emission factors provided by DEFRA are used to calculate emissions.

In 2024, a radiative forcing index (RFI) of 2 was applied to air travel to account for the high altitude that airplanes reach during the cruising phase, causing emissions to occur higher in the earth's atmosphere compared to all other human-made greenhouse gas emissions. An RFI of 2 was similarly used in the 2023 emissions inventory.

Emissions from were reclassified under Scope 3 - Business Travel for this reporting period. The emissions associated with KBR's flight service membership were determined based on the fuel consumption data provided by the third-party operator. A Fuel Recovery Factor has been included by the service provider to account for ground fuel burns in addition to fuel consumed

in flight. It was determined that fuel consumed was more comprehensive than the flight mileage reported, and therefore, used as the basis for calculating emissions.

Business Travel and Hotel Stays

Hotel star ratings are considered when calculating emissions from hotel stays. Although not all hotels are given a star rating in data collection, the following star ratings are assumed:

- 5-star rating: Marriott, Hilton, Shangri-la, Hyatt, Intercontinental
- 4-star rating: Radisson, Accor

All other hotels are rated as 'unknown'.

In addition to the accommodation rating, emissions related to hotel stays were determined based on the duration of stay and the hotel location.

Hotel expenses classified as "leisure" were omitted from analysis. The methodology and assumptions applied are consistent with the previous reporting year.

Business Travel by Road

Fuel consumption or distance data are used to calculate emissions from business travel by road. Where only taxi expense data was available, distance traveled was estimated from total reported fares.

The methodology and source of assumptions applied are consistent with the previous reporting year. Currency conversion rates used were updated to reflect the 2024 reporting period, and the distance per fare assumptions utilized the most contemporary data available from sources previously used.

Other Business Travel Contributions

Consistent with the previous reporting period, it was determined that certain financial activity would be associated with Scope 3 - Business travel emissions. These activities included food and restaurant-related travel expenses, as well as use of reservation services. Financial activities determined to have activity-based data were omitted from consideration as to avoid double counting the emissions contribution.

The spend-based calculation approach for business travel activities followed the same methodology and assumptions detailed under Scope 3 – Purchase Goods and Services.

Scope 3 – Employee Commuting

The methodology and assumptions used in calculating KBR's 2024 Scope 3 – Employee Commuting emissions are consistent with those used in the previous reporting period (with one exception noted below). The external resources and values used as the basis for the activity-based assumption model remained consistent between 2023 and 2024.

In 2023, employee commuting statistics were reported for all employees based in the United Kingdom. In 2024, this data was not available, and the assumption model detailed below was also applied to the United Kingdom headcount.

Calculation Overview

KBR's 2024 Scope 3 – Employee Commuting emissions were determined through activity-based calculations. Employee Commuting emissions are separated into emissions generated from KBR employees travelling to and from a KBR location, and those emissions generated when employees work remotely (i.e., teleworking). 73% of Scope 3 – Employee Commuting emissions were from daily employee travel with 27% from teleworking.

Emission factors published by DEFRA are used to calculate the travel-relation portion of Scope 3 – Employee commuting emissions. As detailed further below, the employee commuting activity-data relied primarily on conservative mode-of-transport and distance assumptions.

Assumptions

KBR provided data on the number of employees by country – approximately 38,000 employees across 48 countries. This employee headcount included internal (corporate) employees as well as those employees assigned to contracted projects.

External research was conducted by ClimatePartner to determine area-specific statistics on:

1. Average commute distances;
2. Average commute times, where distances were not available;
3. Mode of transportation used in commuting; and/or
4. Teleworking days.

An assumption-based model for employee commuting and teleworking days was built based on the external research compiled.

Regional averages were calculated based on data gathered and applied where country-specific assumptions could not be assigned. Regional or country-specific assumptions were applied for the number of days commuting, the mix of transportation methods and the distance travelled per employee for a round-trip commute. For employees commuting to work in the United States, state-specific commute distances were assumed whereas a country-specific mix of transportation modes was used for non-US and non-UK locations.

An emissions factor was applied based on the type of transport used for the portion of employees commuting the given distance and the number of days commuting. Emissions specific to each mode of transport were aggregated when multiple modes of transportation were assumed in each geography. For any locations with less than 10 total employees, it was assumed that all employees commuted via car.

It was assumed that KBR employees, on average, work 5 days a week and 48 weeks annually, to reasonably account for holidays and paid time off. This assumption was applied to global employees outside of the United Kingdom. An assumption of 220 working days was used for employee commuting within the United Kingdom, based on country-specific data available on workplace absences.

Scope 3 – Leased Assets

In 2023, KBR's Scope 3 Leased Asset emissions were determined through a combination of activity-based and spend-based data. The activity-based data pertained to fuel consumed by leased project vehicles in the United States. This dataset was not available for the 2024 reporting period and has been omitted. This data gap is considered immaterial as this activity-based emissions contributed <0.25% of total corporate carbon emissions in 2023.

Calculation Overview

The 2024 emissions for Scope 3 – Leased Assets followed a spend-based calculation approach. Refer to the methodology and assumptions detailed for Scope 3 – Purchased Goods and Services emissions, as the same approach was used for Leased Assets emissions.

Based on the granularity of financial data available, financial activities associated with Upstream Leased Assets could not be distinguished separately from those related to Downstream Leased Assets. Emissions associated with either are therefore reported collectively as Scope 3 – Leased Assets.

Scope 3 – Investments

The methodology and assumptions used in calculating KBR's 2024 Scope 3 – Investments emissions are consistent with those used in the previous reporting period.

Calculation Overview

KBR's 2024 Scope 3 – Investments emissions were calculated following a spend-based approach.

KBR provided financial information on their equity investments, managed investments, debt investments, project financing and those classified as other investments. Other investments included pension funds available to qualified employees outside of their standard benefits. KBR reported no investment activity in 2024 related to their managed investments, debt investments or project financing.

The 2024 revenue from equity investment and pension funds were retained for the spend-based emissions calculation. Equity investment values were adjusted based on KBR's ownership percentage.

Similar to other spend-based calculations, KBR's 2024 investment activities were assigned an industry descriptor, which could be linked to a spend-based emissions factor. KBR provided industry assignments for equity investment accounts. Other investments were noted to be pension funds and therefore were considered as "Insurance, reinsurance and pension funding services".

Assumptions

ClimatePartner's internal methodologies for investment-related emissions follow DEFRA industry codes and spend-based emissions factors. Investment revenue was provided in USD

and later converted to GBP using the annual average conversion rate in order to align with the spend-based factors available. Emission factors were adjusted based on average compounded inflation to be representative of the 2024 reporting period.

2024 Corporate Carbon Footprint Results

Results Summary

In 2024, KBR's business activities generated a total of 790,872 tonnes of CO₂e, 99% of which were Scope 3 emissions. Scope 3 – Investments and Scope 3 – Purchased Goods and Services contribute the largest share of the company's reported carbon footprint at 47% and 39%, respectively.

This is the second reporting period in which KBR has measured all material Scope 3 emissions. In the previous reporting period, Scope 3 – Purchased Goods and Services (which included Capital Goods) represented 62% of total emissions.

Table 5. 2024 Emissions by Scope and Sub-Category

	[t CO ₂ e]	[%]
Scope 1	5,145	1%
Direct emissions from company facilities	5,041	1%
Refrigerant leakage	1,524	0%
Heat (self-generated)	3,466	0%
On-site combustion (generators)	50	0%
Direct emissions from company vehicles	104	0%
Vehicle fleet	104	0%
Scope 2	-	0%
Purchased electricity for own use (market-based)	-	0%
Electricity (sites)	-	0%
Electricity (vehicle fleet)	-	0%
Purchased heating, steam, and cooling for own use	-	0%
Purchased heat	-	0%
Purchased cooling	-	0%
Scope 3	785,727	99%
Purchased Goods and Services	305,316	39%
Capital Goods	1,102	0%
Fuel- and energy-related activities	2,128	0%
Upstream emissions electricity	1,519	0%
Upstream emissions heat	573	0%
Upstream emissions vehicle fleet	25	0%
Upstream combustion	12	0%
Upstream/ Downstream Transportations	769	0%
Waste from Operations	3,775	0%
Business travel	67,606	9%
Other Travel-Related Accounts	3,317	0%
Flights	53,291	7%
Hotel nights	5,209	1%
Rental and private vehicles	5,752	1%
Rail/ Ferry	38	0%
Employee commuting	27,103	3%
Employee Commuting	19,857	2%
Home office	7,246	1%
Leased Assets	3,629	0%
Leased Assets (Spend-based activities)	3,629	0%
Investments	374,300	48%
Overall results	790,872	100%
Electricity (Location Based in t CO ₂ e)	23,758	3%

Primary and secondary data available for Scope 1 and Scope 2 emissions allowed for the division of these emissions measurements into specific regions and countries. See Table 6 below. The data available at the time of this reporting period did not allow for Scope 3 emissions to be allocated to specific regions.

Table 6. 2024 Scope 1 and Scope 2 Emissions by Country

	Scope 1 [t CO2e]				Scope 2 [t CO2e]			Scope 1 & Scope 2
	Heating	Fuels/ Vehicles	Cooling	Total	Electricity	District Heating	Total	Total
Americas	1,907	12	1,170	3,088	-	-	-	3,088
USA	1,907	12	1,170	3,088	-	-	-	3,088
APAC	53	48	61	162	-	-	-	162
Australia	20	3	38	61	-	-	-	61
China	17	-	3	20	-	-	-	20
India	-	45	-	45	-	-	-	45
Singapore	-	-	20	20	-	-	-	20
South Korea	16	-	0	16	-	-	-	16
EMEA	1,506	95	294	1,895	-	-	-	1,895
Finland	1	-	0	1	-	-	-	1
Germany	34	-	6	41	-	-	-	41
Poland	12	-	2	14	-	-	-	14
Russia	1	-	-	1	-	-	-	1
Saudi Arabia	-	1	57	58	-	-	-	58
United Kingdom	1,458	94	211	1,764	-	-	-	1,764
UAE	-	-	17	17	-	-	-	17
Total	3,466	154	1,524	5,145	-	-	-	5,145

Note: The emissions presented above are market-based emissions and reflect the purchase of RECs and use of green electricity and renewable heating gas.

The United States contributes the most significant volume of emissions to KBR's Scope 1 and Scope 2 emissions, as the source of 55% of heating emissions and 77% of fugitive coolant emissions. Fifty-nine percent (58%) of locations considered within the 2024 scope of calculation are in the United States, and those locations alone comprised 65% of the global lease area.

Analysis by Scope of Emissions

In 2024, KBR reported operational control over 166 facilities in 13 countries globally. The 2024 calculation vastly followed similar methodologies and assumptions as the prior reporting period.

KBR's use of Greenstone/Cority has improved the data quality for facility information used in the 2024 emissions inventory, however. For example, facilities in India confirmed no natural gas heating use in 2024. Previously, there was uncertainty around utility use, and this was filled with assumptions. In 2023, natural gas heat assumption for India represented 30% of total heating related emissions.

Figure 1. Total Emissions Comparison Year over Year

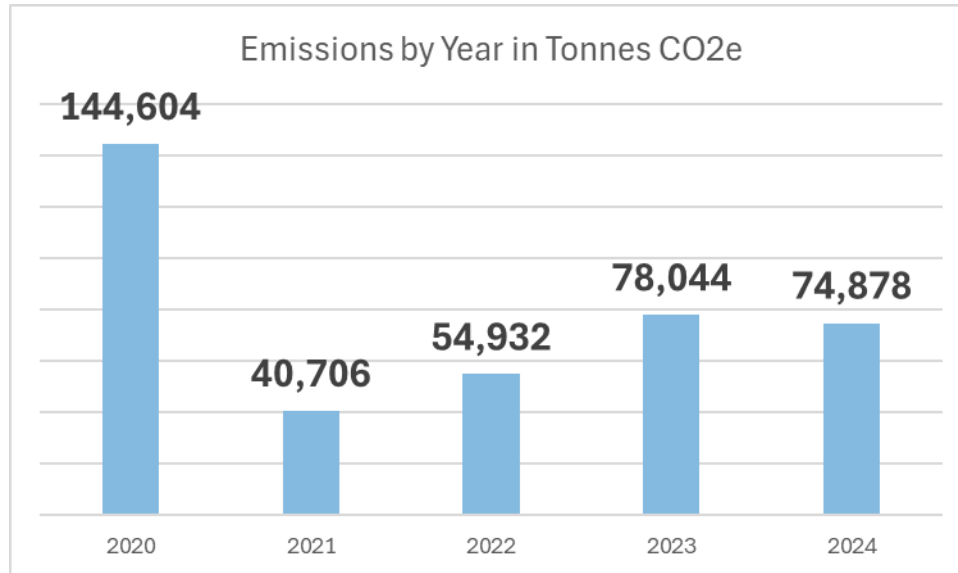


Figure 1 data is limited to only those emissions scopes and categories assessed in previous years.

Facility-related consumption (heating, cooling and electricity use) has increased over the last three reporting periods. The combined heat and electricity energy consumption per leased area was 15.9 kwh per square foot in 2024 whereas the same calculated ratio was 13.3 and 11.5 in 2023 and 2022, respectively. In 2024, KBR decided to purchase renewable energy certificates (RECs; also known as energy attribute certificates (EACs)) to cover all purchased electricity consumption globally. The retirement of RECs negated 23,758 tonnes CO₂e of Scope 2 market-based emissions from KBR's corporate carbon footprint. 2024 is the second consecutive year in which KBR has committed to having 100% renewable energy.

See Insert A for more details on the global emissions breakdown per category and changes year over year.

Insert A – Year over Year Net Difference and Relative Change Analysis

	2020 Baseline Recalculation		2021 CCF		2022 CCF		2023 CCF		2024 CCF		Change Y23/Y24		Change Y20/Y24	
	[kg CO2e]	[% of Overall]	[kg CO2e]	[% of Overall]	[kg CO2e]	[% of Overall]	[kg CO2e]	[% of Overall]	[kg CO2e]	[% of Overall]	Net Difference [kg CO2e]	Relative Change (%)	Net Difference [kg CO2e]	Relative Change (%)
Scope 1	6,513,308	5%	6,426,444	16%	8,601,769	16%	5,745,884	1%	5,144,746	1%	(60,099)	-10%	(1,560,569)	-21%
Direct emissions from company facilities	6,461,402	4%	6,385,025	16%	8,035,771	15%	5,615,856	1%	5,040,505	1%	(673,591)	-10%	(1,440,897)	-22%
Refrigerant leakage	2,287,057	2%	2,104,860	5%	5,026,522	9%	1,253,548	0%	1,524,209	0%	270,661	22%	(762,849)	-33%
Heat (self-generated)	4,194,345	3%	4,278,165	11%	3,009,249	5%	4,360,308	1%	3,466,438	0%	(893,870)	-21%	(727,907)	-17%
On-site combustion (generators)	-	0%	-	0%	-	0%	-	0%	49,859	0%	0	0%	71,333	217%
Direct emissions from company vehicles	32,906	0%	43,419	0%	566,017	1%	131,948	0%	104,239	0%	(27,708)	-21%	71,333	217%
Vehicle fleet	32,906	0%	43,419	0%	566,017	1%	131,948	0%	104,239	0%	(27,708)	-21%	71,333	217%
Scope 2 (Market-based)	33,014,232	23%	1,114,971	3%	1,353,247	2%	-	0%	-	0%	0	0%	(33,014,232)	-100%
Purchased electricity for own use (market-based)	32,972,716	23%	1,047,810	3%	1,349,202	2%	-	0%	-	0%	0	0%	(32,972,716)	-100%
Electricity (vehicle fleet)	32,972,716	23%	1,047,810	3%	1,349,202	2%	-	0%	-	0%	0	0%	(32,972,716)	-100%
Electricity (vehicle fleet)	41,516	0%	67,161	0%	4,045	0%	-	0%	-	0%	0	0%	(41,516)	-100%
Purchased heating, steam, and cooling for own use	41,516	0%	67,161	0%	4,045	0%	-	0%	-	0%	0	0%	(41,516)	-100%
Purchased heat	41,516	0%	67,161	0%	4,045	0%	-	0%	-	0%	0	0%	(41,516)	-100%
Purchased cooling	-	0%	-	0%	-	0%	-	0%	-	0%	0	0%	0	0%
Scope 3	105,075,238	73%	33,164,187	81%	44,976,428	82%	1,074,148,072	136%	785,227,414	99%	(288,420,659)	-27%	680,652,176	648%
Purchased Goods and Services/Capital Goods	-	0%	-	0%	-	0%	673,074,995	89%	306,418,405	39%	(366,656,589)	-54%	306,418,405	-76%
Fuel- and energy-related activities	8,877,578	6%	3,470,424	9%	1,497,075	3%	7,564,854	1%	2,127,558	0%	(5,437,296)	-72%	(6,750,020)	-82%
Upstream emissions electricity	8,449,421	6%	3,058,063	8%	1,214,097	2%	6,759,549	1%	1,518,542	0%	(5,240,968)	-78%	(6,930,880)	-82%
Upstream emissions heat	411,288	0%	392,370	1%	236,643	0%	773,629	0	572,551	0	(201,078)	-26%	161,283	47%
Upstream emissions vehicle fleet	18,888	0%	19,991	0%	46,335	0%	31,716	0%	24,775	0%	(6,941)	-0%	7,886	47%
Upstream combustion	-	0%	-	0%	-	0%	-	0%	11,691	0%	0	0%	-	-
Upstream/Downstream Transportations	-	0%	94,190	0%	-	0%	2,515,002	0%	789,180	0%	(1,726,822)	-69%	789,180	-
Waste from Operations	-	0%	374	0%	-	0%	3,100,045	0%	3,774,890	0%	674,845	22%	3,774,890	-
Business travel	96,197,661	67%	27,660,319	68%	43,479,363	79%	64,733,029	8%	67,609,986	9%	2,872,969	4%	(26,569,663)	-30%
Other Travel-Related Accounts	-	0%	-	0%	-	0%	4,866,325	1%	3,317,034	0%	(1,549,290)	-26%	3,317,034	-39%
Flights	87,312,644	60%	20,386,633	50%	30,733,399	56%	50,924,518	6%	53,290,506	7%	2,365,968	5%	(34,022,138)	-26%
Hotel nights	4,325,944	3%	4,785,121	12%	4,898,560	9%	5,174,349	1%	5,251,804	1%	34,238	1%	882,643	20%
Rental and private vehicles	4,553,046	3%	2,526,201	6%	8,022,588	15%	4,145,182	1%	5,751,804	1%	1,606,612	39%	1,188,758	26%
Rail/ Ferry	3,364	0%	3,364	0%	24,808	0%	22,646	0%	38,066	0%	15,420	68%	32,039	532%
Employee commuting	6,027	0%	1,918,880	5%	-	0%	27,022,265	3%	27,102,821	3%	80,536	0%	27,102,821	-
Home office	-	0%	-	0%	-	0%	20,005,649	3%	19,856,667	3%	-148,983	-1%	19,856,667	-
Downstream Leased Assets	-	0%	-	0%	-	0%	7,016,636	1%	7,246,154	1%	229,519	3%	7,246,154	-
Project Vehicles	-	0%	-	0%	-	0%	13,073,274	2%	3,628,700	0%	(9,444,573)	-72%	3,628,700	-
Other Leased Assets	-	0%	-	0%	-	0%	2,631,420	0%	3,628,700	0%	1,000,000	38%	3,628,700	-
Investments	-	0%	-	0%	-	0%	10,441,853	1%	3,628,700	0%	(6,813,420)	-65%	3,628,700	-
Overall results	144,603,779	100%	40,706,602	100%	54,931,464	100%	1,079,893,876	137%	790,871,199	100%	(289,021,717)	-27%	646,268,380	447%
Electricity (Location Based in kg CO2)	32,056,283		26,367,091		20,704,267		22,170,964		23,758,323		1,587,358	8%	(8,297,961)	-26%

1 - Upstream emissions for fuel and energy related activities are calculated based on factors specific to indirect energy emissions and losses.

2 - Employee commuting and operational waste were only calculated for the United Kingdom prior to 2023

3 - Rental car use and business travel by car were consolidated into one reporting category for 2022. The values for 2020 and 2021 have been updated similarly for comparability.

Scope 1

Heating

Scope 1 heating-related emissions in 2024 were 21% lower when compared to the 2023 reporting year.

The decrease in heating-related emissions can be attributed to several possible factors:

1. Increased primary data - In 2024, 56% of facilities deemed to have natural gas heating reported consumption values. These facilities represent 71% of occupied area for those locations considered to have natural gas heating in 2024.
2. Geographic Influences – KBR had an increased presence in areas less reliant on natural gas heat. The 2024 facility inventory saw the occupied area in Australia more than triple. Australian facilities comprised 13% of occupied area in 2024 but contributed <1% of heating emission.
3. Improved Data Quality – In 2023, natural gas heat assumption for India represented 30% of total heating related emissions. As noted above, facilities in India confirmed no natural gas heating use in 2024 through Greenstone/Cority. Therefore, these heat-related emissions have effectively been removed from the 2024 inventory.

Refrigerant

In 2023, the Scope 1 refrigerant leakage emissions calculation primarily relied on the area-based assumptions. The 2024 methodology to determine the Scope 1 refrigerant emissions relied on a combination of primary data reported by facilities and assumptions applied to the occupied area. Improved data quality, through additional review of substantiation documents allowed for use of primary data in conjunction. However, the methodologies remain generally consistent.

In 2024, fugitive refrigerant emissions for 86% of office locations in the scope of assessment, representing 61% of occupied office space, were still determined using the occupied area-based approach.

Resulting emissions in 2024 showed a 22% increase compared to the previous year. However, considering the occupied office area increased by 20% from 2023, the emissions per area remain relatively flat year over year.

Scope 2

Electricity

The global electricity consumption in 2024 was 57,693 megawatt hours (MWH). This is a 10% increase from 2023 consumption (52,381 MWH).

The 2023 and 2024 scope of assessment included 48 locations which 1) maintained consistent leased areas, 2) had consistent operational periods and 3) reported primary electricity consumption. There was an average decrease in consumption of 2% across these locations, where other variables remained consistent. This shows that consumption remains generally consistent in the long-term leases KBR operates.

KBR's occupied area increased by 20% from 2023 to 2024. Newly added locations and increased primary data (to a lesser degree) are driving an increase in electricity consumption.

Six (6) locations in India reported use of chilled water as the source of facility cooling. The electricity needed to cool water for circulation is accounted for under Scope 2. In 2023, only four (4) locations reported chilled water consumption. Locations reporting chilled water use represent approximately 4.5% of total energy consumption in 2024. Despite the increased number of locations reporting chilled water in addition to general electricity use, the contribution from chilled water remains consistent from the previous reporting period.

As noted previously, KBR committed to have 100% of purchased electricity consumption in 2024 be sourced via renewable energy – whether through green PPAs, on site renewable power generation or retirement of RECs. This resulted in '0' emissions globally for the Scope 2 purchased electricity market-based emissions.

Scope 3

Spend-Based Calculations

Scope 3 emissions derived through spend-based calculations - excluding investments - contributed 39% of Scope 3 emissions and overall emissions. Investment-related emissions separately accounted for another 47% of the overall emissions.

As noted previously, the spend-data was previously disaggregated by the financial reporting systems in use. In 2024, KBR refined their assessment of financial account descriptions, and all financial data was summarized and reported via Greenstone/Cority.

Emissions derived from spend-based data changed notably when compared to the previous year. Changes in Scope 3 spend-based emissions can be attributed to a combination of the following:

1. Changes in the total value of financial activity attributed to Scope 3 categories (normalized for inflation).
2. Changes in how general ledger account descriptions were assigned to corresponding activities – as different activities have different impact per financial spend.
3. Changes in the underlying emission factor data set. Quantis spend-based emission factors used for the 2023 inventory were generally broader and more conservative, whereas the DEFRA data set allows for more specificity when assigning emissions to spend-based activities.

Refer to Table 7 below for the change in contributing spend values and corresponding change in emissions by Scope 3 category. Aside from "Other Travel Related" activities, the change in emission is primarily linked to the change in the financial value reported.

Spend-based emissions collectively comprise 87% of KBR's 2024 corporate carbon footprint. In 2023, spend-based emissions accounted for 90% of total emissions.

Table 7. Spend-based activity comparison – 2023 to 2024

	Change in Spend Amount Reported	Change in Emissions
Purchased Goods and Services/ Capital Goods	13% decrease	54% decrease
Upstream/ Downstream Transport	48% decrease	69% decrease
Other Travel Related	7% increase	26% decrease
Leased Assets	42% decrease	65% decrease
Investments	50% increase	32% increase

Trends in spend-based emissions will be assessed in subsequent reporting periods, as KBR continues to refine the approach to evaluating and assigning financial accounts to spend-based activities.

Business Travel

Emissions from business travel accounted for 9% of Scope 3 and overall emissions. 79% of Business Travel emissions are due to flight-related emissions. In 2023, flight-related emissions similarly constituted 79% of Business Travel emissions. Gross emissions from flights grew by 5%, however.

The predominant ticket class remained 'economy' in 2024, at approximately 91% of tickets purchased. 80% of KBR flights were economy class in 2023, showing a significant commitment to lowering flight-related impacts.

Use of personal or rental vehicles for business purposes increased in 2024, with corresponding emissions increasing by nearly 40%. Personal and rental vehicle use is the second highest contributor to Scope 3 Business Travel Emissions, behind air travel. Personal and rental vehicle use emissions are 10% of flight emissions comparatively, however.

Employee Commuting

Employee commuting emissions amounted to 3% of overall emissions. Employee travel to and from an office represented 73% of the Scope 3 Employee Commuting emissions, with the remainder being those emissions from remote working.

As noted in the methodology, employee commuting emissions predominantly relied on an assumption-based model of activity data. The external data used to devise assumptions showed the average U.S. commute was a longer distance, when compared to other countries. Public transport and other shared commuting methods were used more frequently in international countries, whereas personal vehicle use was the most common mode of transport in the United States. Emissions generated from personal vehicles are significantly greater than those created when the same distance is travelled via train or other public transport.

In 2023, KBR reported a global head count of 34,000 whereas in 2024, roughly 38,000 global employees were reported – representing a 12% increase. Emissions related to Scope 3 Employee Commuting decreased by 1% due to a combination of:

1. A decrease in primary data. In the previous reporting period, primary data for a subset of employees in the United Kingdom was available, whereas in 2024, the assumption-based model was applied to all employees in the United Kingdom. United Kingdom-based employees represented 12% of 2024 total headcount.
2. Decrease in proportion of employees in longer-commuting areas, including the United States.

Recommendations

Based on the Corporate Carbon Footprint assessment, ClimatePartner recommends the following initiatives and actions to improve KBR's carbon footprint:

Data Quality

As stated in previous assessments, primary data is key for comprehensive and complete carbon footprint measurement. It allows you to accurately track the emissions over time and draw insightful conclusions to develop effective climate action and carbon reduction strategies. The following actions are recommended to improve primary data quality:

- **Primary energy consumption and coolant use data collection from sites:** Continue to educate facility managers and/or inform energy providers of the annual collection of consumption data. Continue to communicate with and gain cooperation from non-disclosing facilities.
- **Employee engagement:** Continue and enhance communication of the importance and goal of the carbon footprinting process to all employee stakeholders frequently to help to improve engagement in the data collection process.
- **Limit reliance on spend-based data:** Spend-based calculations determined 88% of KBR's 2024 corporate carbon footprint, and 90% of KBR's 2023 corporate carbon footprint. Spend-based methods are broad and imprecise. As availability and quality of data collection processes improve, using activity data to the extent feasible instead of spend data will better refine the emissions data.
- **Global commuting surveys:** Employee commuting relied upon external research and an assumption-based activity model. Increasing primary data for employee commuting can refine future insights and recommendations, consider conducting a global commuting survey.

Recommendations for reducing emissions impacts across different KBR activities are provided below:

Electricity

- **Energy efficiency measures:** KBR can also focus on implementing energy efficiency measures such as installing LED lighting, replacing old equipment, or switching appliances.

Heating

- **Office average temperatures:** Implementing a lower average temperature in your offices allows you to reduce emissions rapidly. On average you reduce 6 percent of CO₂e emissions per degree. Pairing this policy with staff training on better behaviors, e.g., "windows open = heating off" can be effective. Installation of smart thermostats and timers for your central heating system to regulate the heating during non-working hours is another useful method to decreasing unnecessary usage.
- **Building insulation:** For buildings you own or where you have strong relationships with landlords, inquire about the insulation of the buildings. Old buildings can be retrofitted by thermal renovation.

- **Low carbon energy:** Implementing lower carbon energy sources will reduce emissions. Wood pellets and biogas are lower-emitting alternatives to natural gas. In previous years, locations in the United Kingdom have entered into biogas purchase agreements. Consider whereas gas purchase agreements might be a viable option to reduce reliance on natural gas.
- **Switch to electric:** Emissions from electric-based heating can be counterbalanced through the purchase of renewable energy credits. Consider where converting to electric heat sources may be possible. Air and ground-source heat pumps can also drive substantial emission reductions.

Vehicles

- **Green fleet:** Increase the ownership/use of electric, or hydrogen powered vehicles and ensuring that any new vehicle purchases are green.
- **Infrastructure:** Consider installing infrastructure onsite to encourage the charging of company cars at KBR facilities so that KBR has control over the type of electricity used and resulting emissions. KBR could also provide eco-driving training for staff to improve the efficiency of journeys made by car.

Employee Commuting

- **Incentivize public transit:** Implementing employee commuting programs to encourage use of public transit, where available, will reduce reliance on personal vehicles and reduce contributing emissions.
- **Virtual work policy:** Instituting a remote-work policy and/or virtual meeting policy so an in-person presence is required under certain guidelines can limit employee commuting and associated emissions.

Business Travel

- **Opt for rail:** Continue to encourage employees to travel by train even if this means longer travel times. Travelling by train virtually always comes out better than by air, and often by a lot.
- **Flight type choices:** Consider choosing economy class over business or first class (for example, one passenger's flight on business class might have an impact that is 2-3 times higher than that of an economy class flight). Direct flights, even if more expensive, should be preferred over flights with many connections as these often have a much higher carbon footprint.
- **Broader travel policies:** Consider where broader travel policies around hotel accommodations – such as specifying acceptable hotel chains – or rental vehicle use – such as specifying acceptable vehicle class – could be deployed to encourage lower emission options.

Appendix

Climate action

A holistic climate action approach is based on the following principle: avoid unnecessary emissions, reduce existing emissions, and offset unavoidable emissions. Therefore, a Corporate Carbon Footprint, updated on a yearly basis, is an important tool for companies and organizations that seek to identify their emission mitigation and reduction potentials as well as track the effectiveness of their climate action measures over time.

Companies, processes, or products can contribute to climate action through financing international carbon offset projects. Since greenhouse gases are evenly distributed throughout the atmosphere, it is considered that their concentration across the world is the same. Therefore, those emissions that cannot be avoided locally, can mathematically be offset through emission reduction activities in another part of the world. This offset is rendered possible by carbon offset projects.

Methodology

Reporting standard

The GHG Protocol is the internationally recognized standard for greenhouse gas accounting at the corporate level. It was developed by the World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD).

It defines five fundamental principles for carbon footprint measurement:

- **Relevance.** The principle of relevance requires that all major emission sources are taken into consideration when measuring corporate carbon footprint. The report should be informative and useful in internal and external decision making.
- **Completeness.** The principle of completeness requires that all relevant emission sources within the boundaries are addressed and included.
- **Consistency.** To facilitate the comparison of the results over time, accounting methods and boundaries must be documented and kept for the record. Any changes in the methodology and/or boundaries must be reported, explained and justified.
- **Accuracy.** Discrepancies and uncertainties that may occur during the calculation and measurement process should be reduced as much as possible to make sure that the results are accurate and provide solid data for stakeholder decisions.
- **Transparency.** The results should be presented in a transparent and comprehensible manner.

Process

The following steps define the carbon footprint measurement process:

- Definition of goals
- Definition of boundaries
- Data collection
- Carbon footprint calculation

- Documentation of results

Goals. Corporate carbon footprint helps to identify the largest emission sources within the company and along the upstream and downstream value chain. Thus, it may form a basis when developing a climate action strategy in which targets, measures and responsibilities for the reduction of greenhouse gas emissions are defined. It is advised to track the progress regularly and revise (as well as adjust, if needed) the goals set.

Definition of boundaries. Carbon accounting requires a clear definition of the inventory boundaries, including both organizational and operational boundaries.

The organizational boundaries describe the organizational unit and the timeframe which the Corporate Carbon Footprint applies to. System boundaries can be defined based on the company's operational or financial control or according to its equity share (for most companies, the system boundaries based on either operational or financial control are identical).

Greenhouse Gas Protocol defined three categories ("Scopes") to classify various emission sources. They form the basis of every corporate carbon footprint:

- **Scope 1.** Scope 1 includes all CO₂e emissions that the company can control (direct carbon emissions): emissions generated by the combustion of fossil fuels (mobile and stationary), chemical and physical processes, and use of refrigerators and/or air conditioning equipment.
- **Scope 2.** Scope 2 represents indirect carbon emissions from purchased electricity, steam, district heating and cooling. All emissions that are generated by fossil fuel combustion controlled by external energy providers fall under this category as well. A separate category for these emissions allows us to avoid double counting when comparing CO₂ emissions from different companies.
- **Scope 3.** All remaining CO₂ emissions that cannot be directly managed by the company are included in Scope 3 (other indirect carbon emissions). These are all CO₂ emissions that are related to products and services used or processed by the company. The emissions directly generated through the use of sold products and services are also included in this scope.

According to the Greenhouse Gas Protocol, the calculation of CO₂ emissions is mandatory for Scope 1 and Scope 2 but voluntary for Scope 3.

Data collection and emission calculation

Generated emissions are calculated using scientifically determined emission factors. The data collected for carbon footprint measurement is classified as primary and secondary. Primary data is collected at the source and applies to a specific activity. Secondary data is obtained by processing and modelling the primary data (e.g., using lifecycle analysis databases such as ecoInvent or GEMIS). For example, when calculating CO₂ emissions of energy consumption, both primary and secondary data is used.

Greenhouse Gases disclosure

Corporate Carbon Footprints report the emissions in CO₂ equivalents (CO₂e). It means that in addition to CO₂, the calculations also address the other six greenhouse gases regulated by the Kyoto Protocol: methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs) and nitrogen trifluoride (NF₃). These gases are converted to the global warming potential value of CO₂ and represent CO₂ equivalents (CO₂e). These equivalents are usually referred to as carbon emissions or CO₂.

Improving Lives

About ClimatePartner

ClimatePartner is a solution provider for climate action: it combines tailored consulting services with a software-as-a-service (SaaS) platform for company and product carbon footprints. ClimatePartner helps companies calculate and reduce their CO₂ emissions, as well as offset unavoidable emissions, enabling them to become carbon neutral. This is then communicated through interactive digital labelling.

ClimatePartner was founded in Munich in 2006. Today, it has over 500 employees across offices in Munich, Boston, Barcelona, Berlin, Essen, Vienna, Milan, Zürich, London, The Hague and Stockholm, and works with more than 3,000 companies in over 35 countries.

Publisher

ClimatePartner LLC
501 Boylston Street
10th Floor, c/w WeWork
Boston, MA 02116
United States of America
info@climatepartner.com
www.climatepartner.com

Customer

KBR Inc.
601 Jefferson Street
Houston, TX 77002
United States of America

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