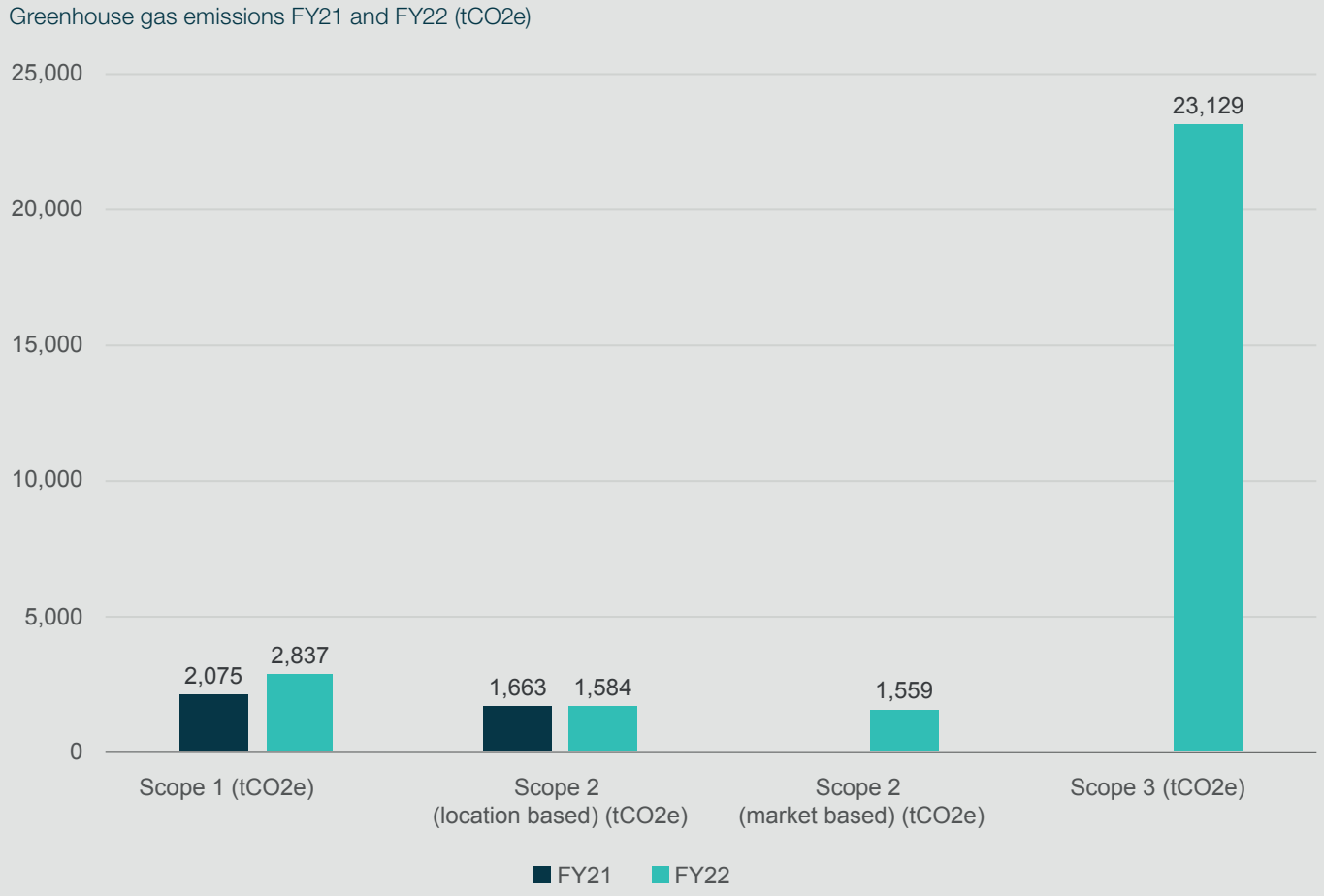
Global Greenhouse Gas Annual Report 2022

Control Risks recognises the need to embed all aspects of sustainability across our business. Climate change is acknowledged to be one of the greatest global challenges of our time and we are working towards minimising our climate footprint and promoting positive and supportive employee engagement. Our focus is to work in a way that considers our impact on the planet and on our stakeholders.

We started calculating our global greenhouse gas (GHG) footprint for the FY21 reporting year, initially covering both direct (scope 1) and indirect (scope 2) emissions from all company activities. We began calculating the GHG emissions of our value chain (scope 3) in FY22.

Our total global scope 1, scope 2, and scope 3 emissions for FY21 and FY22 are set out in the chart below:



Notes

- GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard.
- Scope 1 emissions for FY21 were reduced due to the business impact of the COVID19 lockdowns.
- Location-based scope 2 emissions are calculated for purchased energy based on a grid average factor in the country of use. With its first procurement of renewable electricity for London in FY22, market-based scope 2 emissions are also reported for FY22. The market-based data reflect use of purchased energy from a defined generation source, such as renewable energy. The methodology is set out in the GHG Protocol Scope 2 Guidance.

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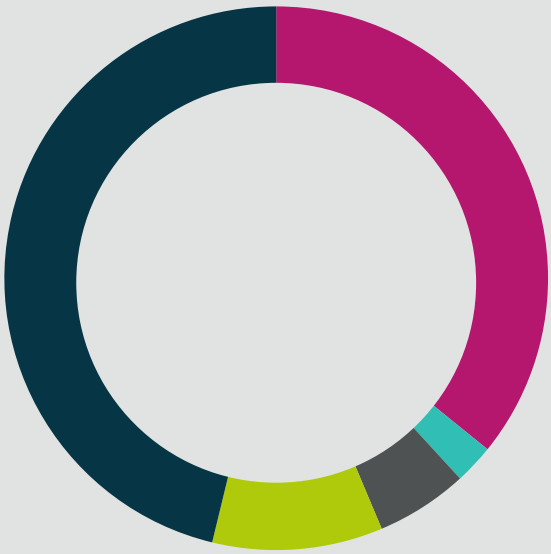
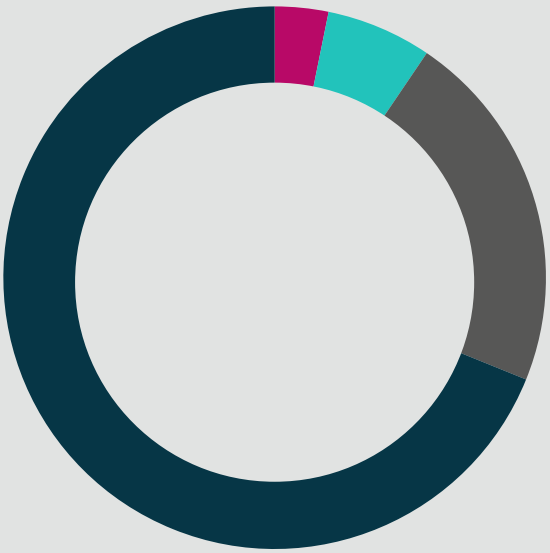
Our vehicle fleet and purchased energy are the primary contributors to our scope 1 and scope 2 emissions.

Breakdown by emission source (tCO2e)



- **1,584 tCO2e** Purchased energy (location based) (36%)
- **104 tCO2e** Natural gas (2%)
- **242 tCO2e** Diesel generators (6%)
- **448 tCO2e** Refrigerants (10%)
- **2,043 tCO2e** Vehicle fleet (46%)

Breakdown by region* (tCO2e)



- **141 tCO2e** APAC (3%)
- **278 tCO2e** AMER (6%)
- **957 tCO2e** EMEA (22%)
- **3,045 tCO2e** HRMS (69%)

Note

*HRMS is Control Risks' High Risk Managed Services business which delivers a range of security services in high-risk locations such as Iraq and Mozambique. Whilst it is a global business rather than a region, it has been separated in the regional breakdown as it is responsible for the majority of emissions. This is largely due to the HRMS vehicle fleet which, on 31 March 2022, exceeded 360 vehicles.

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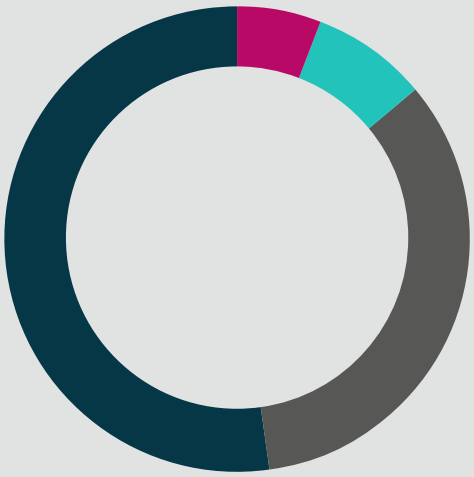
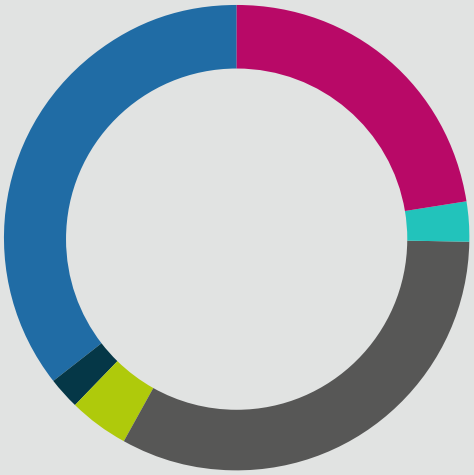
Business travel and purchased goods & services are our primary contributors to our scope 3 emissions.

Breakdown by region (tCO2e)



- **1,476 tCO2e**
  APAC (6%)
- **1,808 tCO2e**
  AMER (8%)
- **7,909 tCO2e**
  EMEA (34%)
- **11,936 tCO2e**
  HRMS (52%)

Breakdown by scope 3 emission category** (tCO2e)



- **7,454 tCO2e**
  Category 1: Purchased Goods & Services (32%)
- **921 tCO2e**
  Category 2: Capital Goods (4%)
- **1,181 tCO2e**
  Category 3: Fuel & Energy Related Activities (46%)
- **1,295 tCO2e**
  Category 4: Upstream Transportation & Distribution 6%)
- **684 tCO2e**
  Category 5: Waste Generated in Operations (3%)
- **11,488 tCO2e**
  Category 6: Business Travel (50%)
- **17 tCO2e**
  Category 13: Downstream Leased Assets (0%)
- **89 tCO2e**
  Category 15: Investments (0%)

Note: ** Scope 3 categories were determined by undertaking a relevance and materiality assessment. Those categories identified as relevant and material to Control Risks' operations were included in the assessment.

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Environmental Stewardship

We are exploring a wide range of opportunities to reduce our emissions. We have promoted new environment and climate awareness-raising activities across our international office network. These include "plastic-free July" and other waste reduction initiatives, as well as promoting lower-carbon forms of travel. Control Risks is progressing with ISO14001 accreditation for our UK operations and is developing a global carbon management plan.

Control Risks has identified three key areas of environmental focus, and is committed to monitoring, evaluating, and reviewing its performance in these areas across all operating locations. These three areas are:

- Reducing workplace waste by cutting consumption and increasing recycling of office materials.
- Shrinking greenhouse gas output by increasing energy efficiency, procuring renewable energy and reducing the carbon intensity of our operations.
- Promoting environmental sustainability in our employee, supplier, leasing and contractor relationships. In this context, Control Risks will brief its employees and suppliers on its environmental commitments.

Undertaking projects such as materiality analysis, energy audits across our sites and calculating our Scope 3 emissions highlights our commitment to understand our current state. This will allow us to improve the effectiveness of our efforts to reduce our carbon footprint across the value chain.

Emissions reductions target

Control Risks is committed to achieving net zero emissions by 2050, in line with the UK government's legally binding target. In 2023, we will use our GHG emissions calculation and materiality assessment to produce an emissions reduction plan and set a science-based net zero target.

Streamlined energy and carbon reporting

In compliance with the UK government policy on Streamlined Energy and Carbon Reporting (SECR) requirements for large, unquoted companies (The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018), Control Risks Group Limited has calculated the energy use, associated underlying greenhouse gas (GHG) emissions, intensity ratio and information relating to energy efficiency action for its UK operations.

This covers the period 01 April 2021 to 31 March 2022.

Table 1: Energy and GHG emissions profile for Control Risks UK operations FY22

	FY22
Total energy use	854,930 kWh
Scope 1 GHG emissions	80.43 tonnes CO2e
Scope 2 GHG emissions (location based)	80.41 tonnes CO2e
Total scope 1 and scope 2	161 tonnes CO2e
GHG emission intensity (scope 1 and scope 2)	0.38 tCO2e/per UK employee

GHG emissions data is calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard. Energy consumption figures were obtained from the corporate management system, utility management company records, mileage records, site-level billings, meter readings and mileage expense reports. These consumption figures were converted into tonnes of carbon dioxide equivalent (tCO2e) and kWh where necessary, using the 2021 UK Government (DEFRA/BEIS) GHG conversion factors for company reporting emission factors. Scope 2 electricity emissions have been reported according to location. Control Risks' organisational reporting boundary is based on operational control.

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Energy efficiency efforts

In the UK in FY22, Control Risks continued its energy efficiency initiatives by replacing halogen spotlights with LED spotlights. There are plans to replace all the existing light fixtures to LED light fixtures in the coming year. Control Risks has also implemented a switch to 100% green energy via its building management and the following initiatives were implemented:

- Motion-activated PIR sensors have been installed throughout the open plan area and in kitchens and washrooms.
- All meeting room TVs automatically revert to standby every evening.
- Building air handling and conditioning is only operational during working hours.
- Further efficiencies have been obtained via employee behaviour management

In response to the recommendations in a recent energy audit, Control Risks has increased the set-point temperature of the air-conditioning units in the server room in order to reduce energy consumption. Control Risks has also engaged ERM to undertake a deep dive assessment of its material sustainability topics: this will lead to the development a focussed and ambitious strategy to engage internal and external stakeholders, achieving a positive impact across their direct spheres of control.

Table 2: FY21 and FY22 comparison of Control Risks' UK energy consumption and associated GHG emissions

	FY21		FY22	
UK energy source	Energy consumption (kWh)	GHG emissions (tCO2e)	Energy consumption (kWh)	GHG emissions (tCO2e)
Natural gas (scope 1)	313,743	58.5	434,550	79.32
Petrol (scope 1)	21,734	5.5	-	-
Diesel (scope 1)	5,374	2.5	4,574	1.10
Electricity (scope 2 location-based)	358,562	77.2	415,807	80.41
Total (scope 1+scope 2)	**699,413**	**144**	**854,930**	**161**

Table 3: FY21 and FY22 comparison of Control Risks' UK GHG Intensity

	FY21	FY22
Number of employees	391	424
GHG intensity (CO2e/employee)	0.42	0.38