

Global Corporate Greenhouse Gas Annual Report 2023

Our FY23 GHG emissions inventory

Introduction

Control Risks is striving to be a credible, sustainable business with robust sustainability practices. We recognise climate change as one of the greatest global challenges of our time and are committed to minimising our climate impact.

The purpose of this report is to provide transparent disclosure of Control Risks' greenhouse gas (GHG) emissions to our stakeholders. We believe that transparency is key in building trust and accountability, and we are committed to sharing our environmental performance openly.

We are proud to take this step toward a greener, more sustainable future, and we invite you to explore the details of our journey towards minimising our carbon footprint as we contribute to a more environmentally responsible world.

We started calculating our global GHG footprint in the FY21 reporting year, initially covering both direct (Scope 1) and indirect (Scope 2) emissions from all activities that we operate. We began calculating GHG emissions of our value chain (Scope 3) in FY22.

GHG emissions are calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard, the WBCSD/WRI GHG Protocol Corporate Value Chain (Scope 3) Standard and the Technical Guidance for Calculating Scope 3 Emissions.

About this report

This report encompasses the GHG emissions data for Control Risks Group Limited (Control Risks) during the fiscal year spanning 01 April 2022 to 31 March 2023 (FY23). Our report assesses all three scopes for our operations in every country where we conduct commercial activities.

Importantly, our FY23 report marks the first full fiscal year since the beginning of the COVID-19 outbreak in which lockdown measures were not in place, providing a more accurate reflection of our emissions.

FY23 GHG emissions

Control Risks' annual GHG emissions for FY23 across all three scopes stand at 26,744 tonnes of carbon dioxide equivalent (tCO₂e). This is based on (location-based) accounting of Scope 2 emissions.

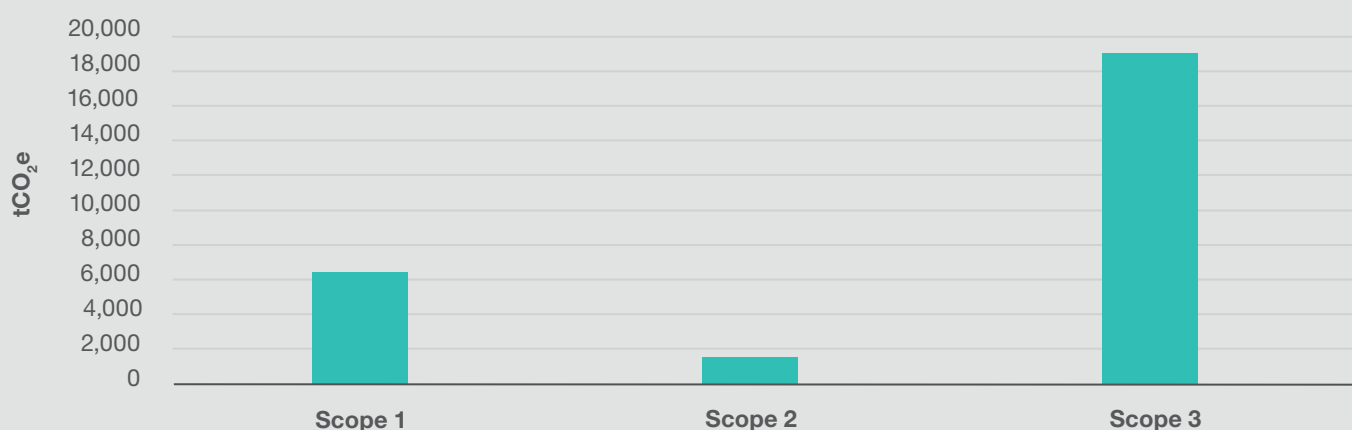
The largest source of emissions is Scope 3, accounting for 71% of the total. Scope 1 emissions account for 24% and Scope 2 for 5% of the total. The breakdown is presented in Table 1 and Figure 1 below.

Table 1: FY23 emissions by scope (location based)

	GHG emissions	
	tCO ₂ e	%
Scope 1	6,484	24
Scope 2	1,430	5
Scope 3	18,830	71
Total	26,744	100

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Figure 1: GHG emissions by scope (FY23)



Purchased goods and services and business travel are the biggest sources of emissions, accounting for 27% (7,224 tCO₂e) and 26% (6,959 tCO₂e) respectively. The vehicle fleet is the third-largest source of emissions, responsible for 16% (4,291 tCO₂e) of the total. All other emissions sources contribute less than 7% of GHG emissions each. The breakdown is presented in Table 2 and Figure 2 below. The top three emissions categories are responsible for just over two thirds of total emissions.

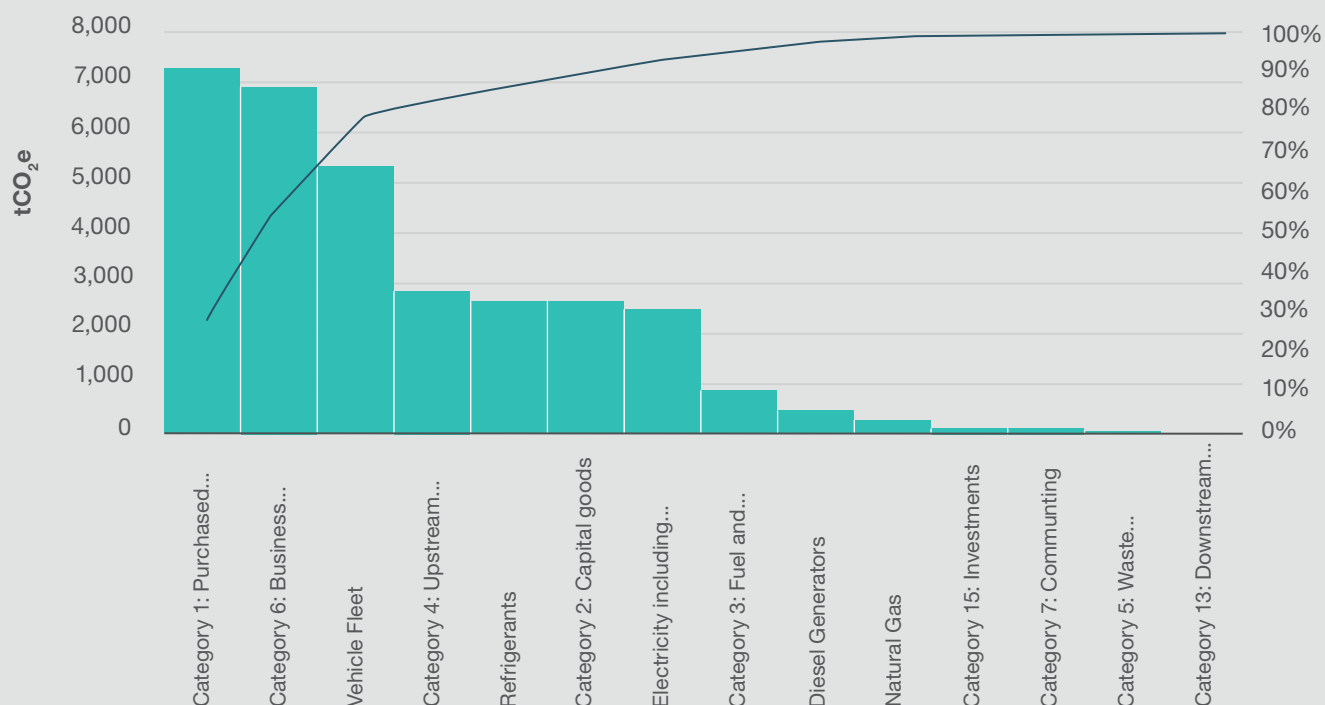
Scope 3 categories were determined by undertaking a relevance and materiality assessment. Those categories identified as relevant and material to Control Risks' operations were included in the assessment.

Table 2: Location-based GHG emissions for FY23

Scope	Emissions source	GHG emissions	
		tCO ₂ e	%
Scope 1	Stationary combustion	475	2
	Refrigerants	1,718	6
	Vehicle Fleet	4,291	16
Scope 2	Electricity including purchased cooling	1,430	5
	Category 1: Purchased goods and services	7,224	27
	Category 2: Capital goods	1,715	6
	Category 3: Fuel and energy-related activities	889	3
	Category 4: Upstream transportation and distribution	1,833	7
Scope 3	Category 5: Waste generated in operations	33	<1
	Category 6: Business travel	6,959	26
	Category 7: Commuting	88	<1
	Category 15: Investments	89	<1
Total		26,744	100

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Figure 2: Main sources of emissions



Control Risks' operations take place across 38 offices, 11 representations and four sites, allocated across four regions. These comprise three geographic regions – APAC, AMER and EMEA – and one service line, High Risk Managed Services (HRMS). HRMS operates across high-risk locations in Africa, Europe, Latin America and the Middle East. While HRMS is a global business rather than a region, it has been separated in the regional breakdown as it is responsible for a significant share of overall emissions. This is largely due to the HRMS vehicle fleet, which in January 2023 exceeded 370 vehicles.

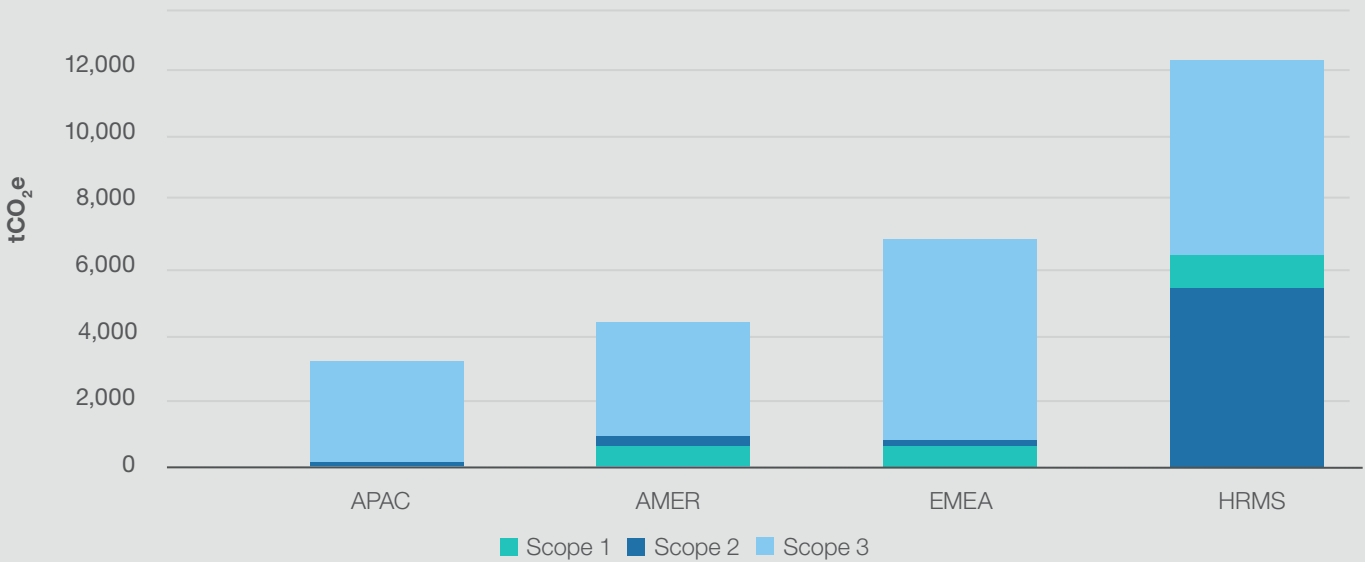
Based on this classification, HRMS and the EMEA region account together for 71% of total GHG emissions (see Table 3 and Figure 3).

Table 3: Breakdown of emissions by region (tCO₂e)

	APAC	AMER	EMEA	HRMS	Total
Scope 1	48	451	533	5,542	6,484
Scope 2	147	264	191	828	1,430
Scope 3	3,007	3,516	6,312	5,995	18,830
Total	3,202	4,231	7,036	12,275	26,744
Scope 1 + Scope 2	195	715	724	6,280	7,914
S1 & S2 % contribution to total emissions	6	17	10	51	

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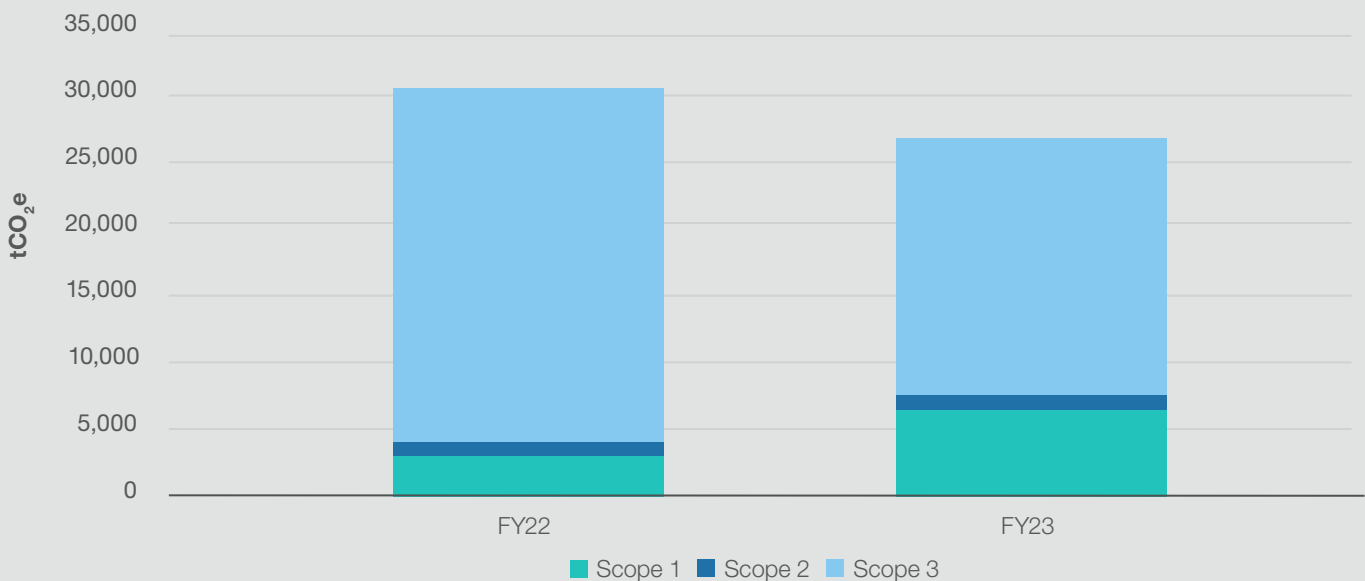
Figure 3: Breakdown by region



Comparison with previous year

Compared with FY22 (01 April 2021 to 31 March 2022), overall GHG emissions declined by 12%. This is due to reduction in Scope 3 emissions (notably a reduction in business travel) by 28% or almost 7,500 tCO₂e. Despite this, Scope 1 and Scope 2 emissions together increased by just over 3,800 tCO₂e. Scope 1 increased by 138% and Scope 2 by 6%. This is based on a comparison with recalculated GHG emissions for FY22. Recalculation was due to errors in the past inventory calculation and reclassification of emissions sources. Previously year vehicle fleet was incorrectly classified as scope 3.

Figure 4: FY23 and FY22 GHG inventory



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Our environmental stewardship

We are undertaking a number of activities to help us reduce our environmental impact and we have identified four key areas of environmental focus where we are committed to monitoring, evaluating, and reviewing our performance:

- **Reducing greenhouse gas emissions.** We are increasing energy efficiency, procuring renewable energy and undertaking energy audits across our sites. We have purchased more fuel-efficient vehicles that will reduce fuel consumption by 15-20%. We are also continuing with Scope 3 assessment in order to minimise our supply chain emissions.
- **Reducing workplace waste.** We are cutting consumption and increasing recycling of office materials. We are promoting new environment and climate awareness-raising activities across our international office network. These include a “plastic-free July” and other waste reduction initiatives, as well as promoting lower-carbon forms of travel.
- **Promoting environmental sustainability.** We engaged a third-party provider to complete a deep dive materiality assessment of our material sustainability topics to develop a focused and ambitious strategy by engaging internal and external stakeholders to deliver a positive impact across their direct spheres of control. We have also achieved ISO14001 certification.
- **Employee and supplier engagement.** We are briefing our UK employees and suppliers on our environmental commitments. We are also responding to our clients’ requests by providing them with our CDP responses.

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 conducted a materiality assessment, and we will use this and our GHG emissions calculation to produce an emissions reduction plan and set a science-based net zero target.

Streamlined energy and carbon reporting

FY23 GHG emissions profile

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 GHG emissions, intensity ratio and information relating to energy efficiency action for its UK operations.

This covers the period 01 April 2022 to 31 March 2023 (FY23).

Table 4: Energy and GHG emissions profile for Control Risks’ UK operations FY23

Category	Emissions	Units
Total energy use	989,791	kWh
Scope 1 GHG emissions	43	tonnes CO ₂ e
Scope 2 GHG emissions (location based)	157	tonnes CO ₂ e
Total Scope 1 and Scope 2	200	tonnes CO ₂ e
GHG emission intensity (Scope 1 and Scope 2)	0.45	tCO ₂ e/per UK employee

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GHG emissions data are 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; and 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 2022 UK Government (DEFRA/BEIS) GHG Conversion Factors for Company Reporting emission factors.

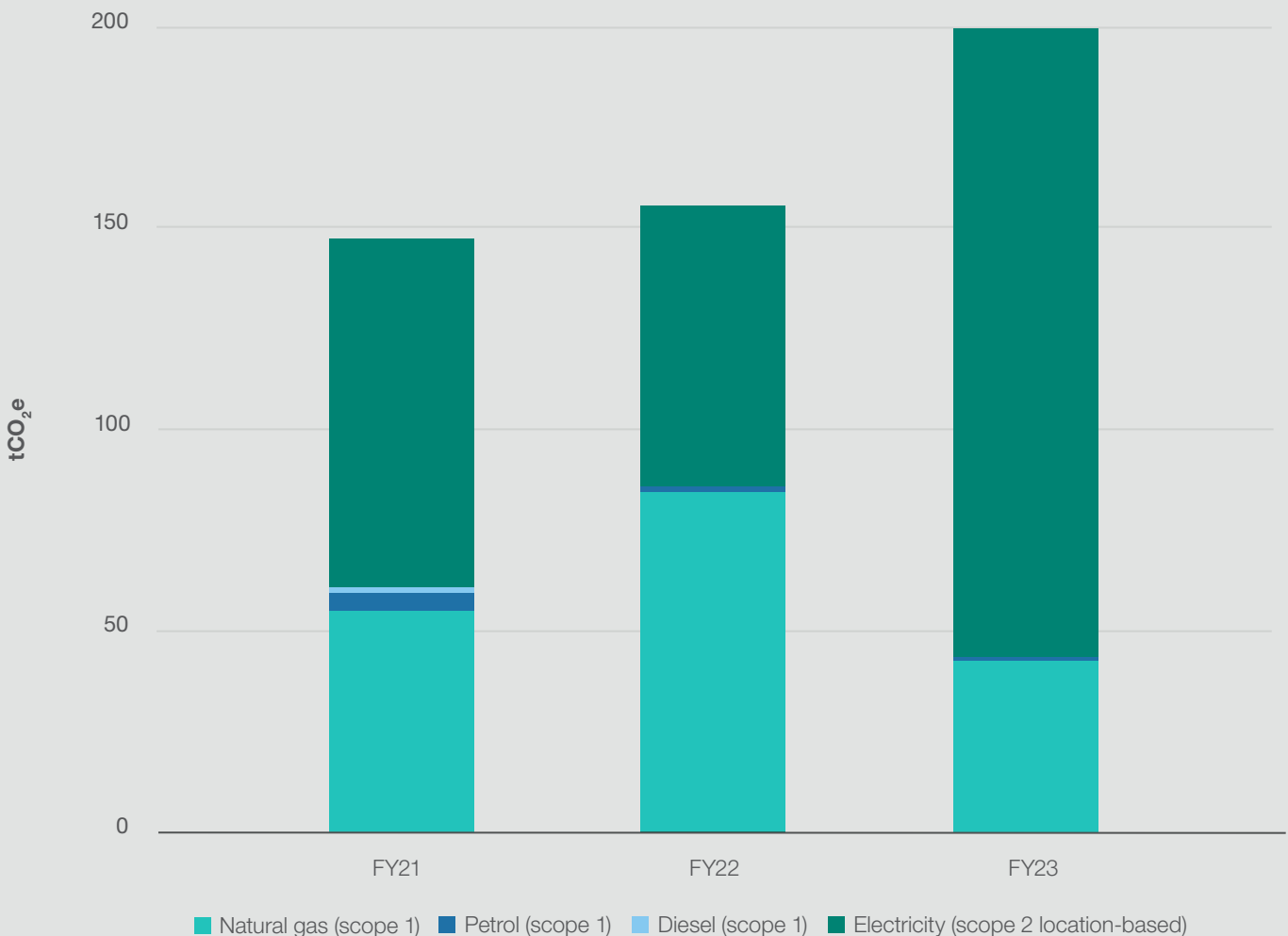
Scope 2 electricity emissions have been reported as location based. Control Risks' organisational reporting boundary is based on operational control.

Our energy efficiency efforts

We continue to procure 100% green energy at our London HQ.

We have not made any other significant improvements related to energy management because we are planning to move to a BREEAM-accredited office by the end of June 2024. We will be relocating to the 6th floor of the Wells-Fargo building, 33 King William Street. This will significantly reduce our London office energy consumption.

Figure 5: FY21, FY22 and FY23 comparison of Control Risks' UK Scope 1 and 2 emissions



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Compared with FY22, Scope 1 and 2 emissions have been increased by 24% (Table 5), while emissions per FTE were increased by 18% (Table 6).

Table 5: FY21, FY22 and FY23 comparison of Control Risks' UK energy consumption and associated GHG emissions

UK energy source	FY21		FY22		FY23	
	Energy consumption (kWh)	GHG emissions (tCO ₂ e)	Energy consumption (kWh)	GHG emissions (tCO ₂ e)	Energy consumption (kWh)	GHG emissions (tCO ₂ e)
Scope 1						
Natural gas	313,743	58.5	434,550	79.3	219,375	40.1
Petrol	21,734	5.5	-	-	-	-
Diesel	5,374	2.5	4,574	1.1	11,546	2.8
Scope 2						
Electricity	358,562	77.2	415,807	80.4	758,870	157.1
Total	699,413	143.7	854,931	160.8	989,791	200.0

Table 6: FY21, FY22 and FY23 comparison of Control Risks' UK GHG Intensity

	FY21	FY22	FY23
Number of employees	391	424	445
GHG intensity (CO ₂ e/employee)	0.42	0.38	0.45