

Carbon Reduction Plan 2021 Progress Report

**Assessment and Report on Corporate
Greenhouse Gas Emissions for DT Global
International Development UK Ltd in 2021**

November 2022

Document Control

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Acronyms & Abbreviations

CO2	Carbon dioxide emissions
CO2e	Total greenhouse gas emissions expressed as equivalent carbon dioxide emissions
CRP	Carbon reduction plan
EMS	Environmental Management System
GHG	Greenhouse gas emissions
QMS	Quality Management System
t	Tonnes
UNFCCC	United National Framework Convention on Climate Change
Zero Carbon	Refers to the reduction of greenhouse gas emissions to zero. Carbon is used as shorthand for carbon dioxide emissions, but refers to emissions of all greenhouse gases.

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1 Introduction

1.1 About this Document

This assessment reports and assesses the annual progress in reducing the carbon footprint of DT Global International Development UK Ltd (thereafter referred to as DT Global UK) in 2021¹ in line with the the company's Carbon Reduction Plan (CRP). More detail on assumptions and calculations made in this plan are included in the supporting document: *Becoming Net Zero: IMC Road Map to Carbon Neutral* (September 2021).

This CRP affirms the company's commitment in signing up to the United National Framework Convention on Climate Change (UNFCCC) Race to Zero campaign in 2021 to reduce emissions as required by the UK government's Procurement Policy Note PPN 06/21 in June 2021.^{2,3}

The company committed in its CRP to act in two separate ways:

1. As a UK company, with a global footprint, to reduce our own emissions.
2. As leading international development practice, to work to ensure that our work assists in transformative action to eliminate rather than deliver development pathways that continue to lock-in carbon emissions.

This annual report assesses the Company's progress in responding to the first of these two commitments as progress towards its commitment to become a leader in sustainability and commit to net zero carbon by 2050 (Objective 5 of Corporate Strategy, 2021) with interim targets of interim **reductions on 2019 levels of 46% by 2025**, 67% reduction by 2030, 80% by 2035, 87% by 2040 and 92% by 2045.

In accordance with the commitment to encourage others to also make this commitment this report will be published on the DT-Global UK website at <https://dt-global.com/legal/policies>.⁴ The intention is for this assessment to be part of the company's external accountability in how it is changing the way it works to reduce our carbon footprint without compromising our impact or competitiveness by ensuring that the DT-Global culture and brand is synonymous with fighting climate change.

1.2 Structure of this report

The remaining sections of this report are set out as follows:

- Reporting greenhouse gas emissions of DT-Global UK in 2021 (Section 2).
- Reviewing progress against targets and proposed next steps (Section 3).

1.3 DT Global UK

In March 2022, IMC Worldwide Ltd was acquired by DT Global, a leading international development firm, On 23 August 2022, the UK entity legally changed its name from IMC Worldwide Limited to DT

¹ This is for the calendar year from 1st January until 31st December.

² See <https://unfccc.int/climate-action/race-to-zero-campaign>.

³ See <https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts>.

⁴ <https://dt-global.com/>

Global International Development UK Ltd. From this date on, the company does business as DT Global and is branded as such.

2 Carbon Footprint of DT Global UK in 2021

2.1 Extent of Carbon Footprint

The CRP, published in 2021, established a corporate baseline carbon footprint that included the main (ex IMC Worldwide) offices of Redhill, UK; Malaga, Spain and Washington, USA, along with international business travel and commuting footprint.

The commitment in the CRP for 2022 was to extend the reporting of carbon emissions from 2021 in the following ways:

- Extend geographical scope to include overseas project offices (including their office carbon footprint and commuting to/from work)
- Extend the office footprint to include office refurbishment and IT capital expenditure related emissions.
- Extend business travel to include travel associated with overseas project delivery (e.g. in Pakistan, Nepal, Ethiopia).

2.2 Methodology

The scope of this report is for that managed by IMC Worldwide in 2021.

Data collection has been by request from the UK Business Improvement Team to UK, US, Europe (Malaga) and overseas project offices.

The scope has been extended to two overseas offices that had 'regional office status' in 2021; namely Addis Ababa in Ethiopia, and Kathmandu in Nepal.

No data has been collected from other project offices in other overseas countries as carbon footprint reporting has not yet been integrated into project reporting processes.

The metrics used have been updated from those used in the CRP baseline using the 2022 greenhouse gas reporting conversion factors published by the UK government.⁵

2.3 Summary of DT Global International Development UK Carbon Footprint in 2021

The worldwide carbon footprint for DT Global's UK operations in 2021 is presented in **Table 1** and then compared to the 2019 baseline carbon footprint and 2020 (Covid affected) carbon footprint in **Table 2**.

Office	Flights	Office heating/ electricity	Paper	Commuting	Work travel (land based)	Total
London (UK)	625.70	3.80	0.08	25.39	not known	655.0

⁵ See <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2022>.

Malaga (Spain)	0.28	0.55	0.06	8.56	not known	9.5
Washington (USA)	2.78	-	-	2.11	not known	4.9
Addis Ababa (Ethiopia)	0.00	0.00	0.01	0.63	2.76	3.4
Kathmandu (Nepal)	15.73	2.50	0.13	15.63	not known	34.0
Total	644.50	6.85	0.28	52.32	2.76	706.7

Table 1. Summary 2021 Carbon Footprint (CO2e in tonnes)

UK	Flights	Office heating/ electricity	Paper	Commuting	Total (1)	Employees
2019	1041.74	6.92	1.13	91.93	1141.72	98
2020	431.34	5.01	1.13	27.23	464.72	68
2021	625.70	3.80	0.08	25.39	654.97	53
Spain	Flights	Office heating/ electricity	Paper	Commuting	Total	Employees
2019	49.91	1.18	0.12	4.25	55.47	20
2020	5.56	0.86	0.09	1.12	7.63	16
2021	0.28	0.55	0.06	8.56	9.45	18
USA	Flights	Office heating/ electricity	Paper	Commuting	Total	Employees
2019	61.91	not known		4.07	65.98	6
2020	13.83	not known		1.12	14.95	6
2021	2.78	not known		2.11	4.89	8.4
Nepal	Flights	Office heating/ electricity	Paper	Commuting	Total	Employees
2021	15.73	2.50	0.13	15.63	33.99	67
Ethiopia	Flights	Office heating/ electricity	Paper	Commuting	Total	Employees
2021	0.00	0.00	0.01	0.63	3.40	2

Table 2. Comparison of 2021 Carbon Footprint (CO2e in tonnes) by office with 2019 baseline and 2020 emissions (were measured)

Notes accompanying Tables 1 and 2:

1. Distances for commuting for Malaga office are estimated based on 2020 staff travel survey.
2. Amount of fuel (petrol) consumed for work transport is included in Ethiopia office. The amount of non-flight work travel is not reported so has not been calculated for the other offices.
3. The USA calculation of employee commuting travel takes into accounts of when staff joined/left. For other offices this is based on staff at the end of 2021.
4. Note air travel in 2021 is lower in the USA (in particular) due to the continuation of the Covid-19 lockdown for most of 2021 in the USA.
5. The grid electricity supplied to the offices in Kathmandu and Addis Ababa is almost entirely from renewable energy so is recorded as having no carbon footprint. This is supplemented by the use of LPG for heating in Nepal.
6. All emissions data is from the latest annual GHG emissions conversion factors for the UK as recommended for measuring carbon footprint of business operations (except in the case of electricity generation in different countries). This uses the distance and class of air travel booked from travel agents but does not use the reported carbon footprint from travel agencies as these are not calculated in line with the UK government carbon reporting metrics.

A comparison of the carbon footprint per employee is presented in **Table 3** to enable fairer comparison of carbon footprint as the size of the business has changed from 2019-2021 in different locations.

		Average CO2e per employee (tonnes)		
Office	Year	Flights	Commute	Total
UK	2019	10.63	0.94	11.65
	2020	6.34	0.40	6.83
	2021	11.81	0.48	12.36
Office	Year	Flights	Commute	Total
Spain	2019	2.50	0.21	2.77
	2020	0.35	0.07	0.48
	2021	0.02	0.48	0.53
Office	Year	Flights	Commute	Total
USA	2019	10.32	0.68	11.00
	2020	2.31	0.19	2.49
	2021	0.33	0.25	0.58
Office	Year	Flights	Commute	Total
Nepal	2021	0.23	0.23	0.51
Office	Year	Flights	Commuting and Work Travel	Total
Ethiopia	2021	0.00	1.70	1.70

Table 3. Average Carbon Footprint per Employee in 2021 (CO2e in tonnes)

A breakdown of the overall carbon emissions by type of emission area (air travel, office heating and electricity, paper consumption, commuting and work related land transport (in Ethiopia only for 2021) is included in **Table 4** below. This shows the dominance of the company's carbon footprint in its business-related air travel, which accounted for 91% of reported carbon emissions in 2021.

All (2021)	Flights	Office heating/ electricity	Paper	Commuting	Work travel (land)	Total
Breakdown (overall):	91.2%	7.4%	0.04%	1.0%	0.4%	100.0%

Table 4. Breakdown of 2021 Carbon Footprint by Area (CO2e in tonnes)

The carbon footprint of UK operations, presented in the format required by the UK government, broken down into scope 1, scope 2 and scope 3 emissions is presented in **Table 5**.

Emissions	Total (tCO2e in 2021)
Scope 1	0
Scope 2	3.80
Scope 3 (as required)	651.10
Total	654.90

Note: Scope 3 emissions includes business travel and commuting.

Table 5. IMC UK Operations 2021 Carbon Footprint Report to UK Government

3. Carbon reduction progress in 2021

3.1 Progress against action plan in Carbon Reduction Plan

Table 6 summarises progress against the table of actions agreed to implement the Carbon Reduction Plan in September 2021.

Theme	Actions	Progress
1. Carbon Monitoring and Reporting.	1.1 Publicly report and monitor corporate carbon footprint annually. Link this to business processes to ensure CRP commitments are exceeded.	Reported. Not linked to business practices yet.
	1.2 Extend baseline reporting in 2022 to include all corporate operations including in-country project scope 1,2,3 in-line with government action.	Partially complete.
2. Deliver Carbon Reduction across the business.	2.1 Mainstream carbon reduction processes into IMC's QMS and EMS.	Ongoing.
	2.2 Introduce carbon awareness and management training for all staff (including project staff) such as that delivered by the Carbon Literacy Project ⁶ .	None in 2022.
	2.3 Integrate carbon budgets and reporting into internal business processes, including procurement of business travel and into project lifecycle.	Not complete.
	2.4 Reflect carbon emissions reduction commitments in employee policies.	Not complete.
	2.5 Develop IMC strategy for delivering carbon neutral projects.	Not complete.
3. Produce Carbon Reduction Implementation Plan to guide transformation of in key areas.	3.1 Office management, procurement and incentives to reduce employee carbon footprint.	None yet.
	3.2 Specific action-plan to reduce carbon footprint of international flights.	Not complete.
	3.3 Relate carbon reduction commitment to our corporate values.	Now link to DT-global values.
	3.4 Adopt different ways to organise internationally, building on lessons learnt from Covid-19 and project delivery.	Link to DT-global strategy.
	3.5 Adopt different ways to deliver projects, including reducing short-term overseas trips.	No progress.
	3.6 Further measures to embed hybrid and global-local working on projects as standard.	No progress.
	3.7 Introduce Project Carbon budgets for the whole project lifecycle, including carbon reduction in new project opportunities and project delivery.	Not started.
	3.8 Extend and institutionalise carbon footprint monitoring in future years.	Not a requirement for 2022.

Table 6. Action Plan to implement Carbon Reduction Plan. Source: Becoming Net Zero – IMC Road Map to Carbon Neutral (September 2021).

⁶ <https://carbonliteracy.com/>

3.2 Internal actions to implement Carbon Reduction Plan

A working group has been formed at DT-Global UK office in Redhill to integrate carbon reduction targets and reporting into corporate systems. It is understood that the initial focus for this working group will be to integrate carbon reduction into the project lifecycle via the Business Improvement team.

An internal progress meeting (April 2022) considered the need for a programme of work that supports us in achieving our targets through:

1. **Reduce Carbon Footprint of Employee Commuting by:** living closer to work, travel to work less often, travel to work by public transport or walking/cycling, reviewing office location, promote hybrid/remote working and adopting carbon/climate accounting.
2. **Tackle Business Travel** (presumably amount of air travel) **from project selection to project delivery by:** build on lessons from Covid-19 and adopting carbon/climate accounting
3. **Adapt Systems and Processes by:** exploring carbon impact in project selection, establishing project carbon budgets, introducing carbon reduction awareness training (as well as existing commitments to monitor annual improvements and to publicly report performance)

However, it is not clear that this has been progressed significantly.

- The **carbon footprint of employee commuting has risen** in all IMC offices in 2021. A new hybrid working policy and updated corporate strategy aimed to institutionalise working practices that reduces the carbon footprint through more flexible and remote working during the Covid-19 was introduced in 2021. However, whilst many staff now commute to the office less often, this saving has been lost as there has been a tendency for staff (new and existing) to live further away from the office in the UK. This includes a significant increase in long-distance travel to visit the office on an infrequent basis, including using international flights.
- There has been a **significant increase in the carbon footprint of air travel for business in 2021**. The actions agreed to tackle air travel and to adapt systems and processes have not been progressed since the baseline carbon footprint and reduction plan was agreed and published in September 2021. This is should be targeted as a key priority going forward, that addresses the central issue of reducing air travel as set out in **Box 1**.

Box 1. Importance of Taking Action to Reduce Air Travel

One of the key areas to progress going forward is to initiate a plan to reduce the air travel emissions of DT Global UK, to build on the practice of delivering projects more remotely during the Covid-19 pandemic and to shift to use more in-country based staff (and less short-term international inputs) for project delivery. This is specifically identified as action 3.2 above but is central to the successful delivery of a number of the items in the agreed action plan above (2,3-2.5, 3.1, 3.4 – 3.7). **Table 7** highlights the need for employee policies to limit air travel and to centralise procurement procedures.

For example, recruitment opportunities usually state that employees should be available for overseas travel. This is an attractive component of the sector, but is potentially counter productive to our carbon reduction plan, where air travel is our primary footprint. This may need to be reviewed to manage expectation. Similarly, contracts for employees and contractors require travel to be on economy class to limit corporate carbon emissions, but this can be negotiated at the request of the traveller if they are willing to cover the difference in cost. Business class travel increased air travel carbon emissions by 30% in 2021.. As well, ensuring central procurement processes are the only means of booking flights would help maintain control over flight bookings and manage our footprint (noting that 4% of UK business class flights were not reported centrally). This would be covered by action 3.1.

	Total (tCO2e)	% uplift
Footprint of flights booked via travel agents (inc. business class flights)	600.52	
Calculation of what emissions of flights would be if all booked at economy	464.48	
Footprint of flights booked via expenses/claimed direct to accounts (inc. business class flights)	25.19	4.0%
Calculation of flights booked via expenses/claimed direct to accounts if all economy	17.61	
Total flights footprint	625.70	
Total flights footprints if all economy	482.09	
Footprint of Business class flights (uplift)	143.61	29.8%

Table 7. Analysis of impact of business class travel on UK booked flights in 2021

3.3 Next Steps

The following three next steps are proposed:

1. Allocate roles, responsibilities and internal budget and prioritise the implement the actions in the Carbon Reduction Plan

This should aim to make a tangible impact from early in 2023. This could start with a plan to reduce air travel emissions, which as explored in **Box 1**, which would require many of the actions in the Carbon Reduction Plan (see **Table 6**) to be addressed in a collective manner.

2. Complete the 2022 annual assessment of the carbon reduction plan earlier in 2023.

This should be undertaken in parallel to completion of the corporate accounts so these can be published together. This should include the roll-out of carbon reporting to all projects and project offices. **Quarterly board reporting of carbon emissions** should commence from Q1 of 2023.

3. Integrate DT Global UK carbon reduction plan with wider DT Global net zero plans

. DT Global US formally committed to developing science-based target aligned with the Science-Based Target Initiative Criteria (SBTI) in June 2021 and is committed to improving the way it does business by adopting environmentally friendly operational and procurement practices at the corporate home office and field office levels. To support this, DT global is seeking to establish a working group with representatives from other DT Global offices and operations to coordinate, share lessons and collectively target our corporate net zero targets..

