

****NOTE: This is an IMC Worldwide Ltd legacy document. The *DT Global UK Carbon Reduction Plan 2021 Annual Progress Report* will be published on the DT Global website later in November 2022.**

BECOMING NET ZERO

IMC ROAD MAP TO CARBON NEUTRAL

Supporting Document for the IMC Worldwide Carbon Reduction Plan

September 2021



ABOUT THIS DOCUMENT

This document presents the road map for IMC Worldwide to become a net zero carbon emitter by 2050 as committed to in the IMC Carbon Reduction Plan, published September 2020.

This document supports the IMC Carbon Reduction Plan, providing detail on assumptions and calculations made in support of the CRP and presents discussion and justification for commitments made. This document is published on the IMC Worldwide website.

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TABLE OF CONTENTS

1	The Climate Challenge and our Commitment to Net Zero	1
1.1	The Need for Transformational Action	1
1.2	Definitions	1
1.3	The UK Net Zero Commitment.....	2
1.4	The UNFCCC Race to Zero Campaign	2
1.5	IMC Worldwide Commitment to Net Zero.....	3
1.6	Structure of this report	3
2	IMC Baseline Carbon Footprint Assessment	4
2.1	Choice of baseline year and overview of methodology.....	4
2.1.1	Choice of Baseline Year	4
2.1.2	Extent of Carbon Footprint	4
2.1.3	Methodology.....	5
2.2	Summary of IMC’s Baseline Carbon Footprint.....	5
3	Carbon Reduction Pathway for IMC Worldwide	7
4	Making it Happen	7
4.1	Introduction.....	7
4.2	Transforming how we win and deliver projects	7
4.3	Actions to Implement Carbon Reduction Plan.....	8
5	Annexes	9
5.1	Selection of Metrics for Carbon Footprint Calculation	9
5.1.1	General approach.....	9
5.1.2	International Travel.....	9
5.1.3	Office Utilities and Consumables	10
5.1.4	Commuting to and from the Office.....	10
5.2	Summary and Analysis of Carbon Footprint	11
5.2.1	Baseline Carbon Footprint (2019) and Impact of Covid (2020)	11
5.2.2	Comparison of Carbon Footprints for 2019 and 2020	11
5.2.3	Analysis of Commuting.....	13
5.2.4	Impact of Covid-19	13
5.2.5	The Key Challenge to reduce the carbon footprint of international flights	13
5.3	Selection of Carbon Reduction Pathway.....	14
5.3.1	Introduction.....	14
5.3.2	A3.2 How we distinguish between Carbon Reduction and Offsetting.....	15
5.3.3	Consideration of Carbon Reduction Pathways	15

1 The Climate Challenge and our Commitment to Net Zero

1.1 The Need for Transformational Action

Climate change is the result of greenhouse gas emissions caused by human activity. Unless all countries limit global average temperature increases to less than 1.5°C the risk of impacts are predicted to be largely outside of human control, and will be dangerous and catastrophic.¹

Some increases in temperature, tropical storms, changes in weather patterns and sea level rise are already now inevitable with existing 1°C+ temperature rise. However, the more rapid the reduction to zero carbon (meaning zero greenhouse gas emissions) the greater the chance of the worst climate impacts (disruptions and irreversible natural habitat and renewable resource losses) being avoided.

However, current (voluntary) commitments from the Paris Climate Agreement (many of which are not on track to be met) put us on a track for 3-4°C of temperature increase. The recent IPCC report is the latest to highlight the tragic consequences that this level of temperature rise, let alone what 1.5°C would bring about.²

Therefore, strong action that transforms our patterns of production, consumption and development are needed. Only by limiting future global greenhouse gas emissions by rapidly shifting to zero carbon will it be possible to limit the losses and damages to that which can be managed. Thus, the IPCC refer to this as shifting to “climate resilient development pathways”.³

1.2 Definitions

To avoid confusion the following phrases used throughout this report are defined here:

- **Greenhouse Gas Emissions (GHG)** – generally refers to the emissions of the seven greenhouse gases covered by the Kyoto Protocol. The main contributor is carbon dioxide (CO₂), makes up around 80% of UK emissions. The others are methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulphur hexafluoride (SF₆) and nitrogen trifluoride (NF₃). Other substances also impact on the greenhouse effect of the atmosphere such as ozone, black carbon (negative impact) and water vapour (short term, such as in the contrails of aeroplanes) but are not within the agreed definition of greenhouse gases.
- **Carbon dioxide equivalent (CO₂e)** - is the standard practice of presenting the combined impact of all greenhouse gas emissions as the equivalent impact of them being carbon dioxide emissions. In this report this is generally presented in tonnes.
- **Zero Carbon** – as referred to in a target, technology or plan, is referring to the reduction of all greenhouse gas emissions to zero. Carbon is used as shorthand for carbon dioxide emissions but refers to emissions of all greenhouse gases.

¹ The latest report of the IPCC, summarizing global peer reviewed climate science was published in August 2021. <https://www.ipcc.ch/report/ar6/wg1/>.

² See again, the latest IPCC report. <https://www.ipcc.ch/report/ar6/wg1/>.

³ See <https://www.ipcc.ch/sr15/>.

- **Net Zero** – means to a zero carbon target which may include the offsetting of some residual greenhouse emissions through the removal of greenhouse gases from the atmosphere in the same year. This is basis of the government’s Net Zero target for 2050. Some, most notably the academics of the Cambridge University based UK FIRES research programme into the uptake of sustainable technologies,⁴ have challenged that it is unlikely for such greenhouse gas removal technologies to be available by 2050 so the government target should be for absolute zero, or zero carbon.
- **Carbon neutral** – This is another way of saying Net Zero.
- **Carbon Reduction Plan (CRP)** – refers to the UK government requirement for production of a plan to reduce carbon emissions, of which this is one.
- **Offsetting** either means paying for others to reduce emissions or to absorb CO2 from the atmosphere to balance out the emissions that are emitted.

1.3 The UK Net Zero Commitment

The UK has committed to at least 100% reduction in the UK’s carbon emissions by 2050, as compared to 1990 levels. This is enshrined in UK law. In April 2021 the UK strengthened this target, and now requires its territorial emissions (including international shipping and aviation) to be reduced by 78% on 1990 levels by 2035.⁵

The UK government issued Procurement Policy Note PPN 06/21 in June 2021. This requires all companies procuring contracts of value greater than £5m from central government to establish and implement Net Zero Carbon Reduction Plans.⁶ UK central government is a primary client for IMC and we are therefore required to:

- Confirm commitment to achieving Net Zero by 2050 for IMC’s UK operations.
- Choose a baseline year and provide a baseline carbon footprint covering the scope of emissions identified.
- Set out the carbon and wider environmental management measures in place, including certification schemes or specific carbon reduction measures.
- Thereafter report on our greenhouse gas (GHG) emissions showing our carbon reduction delivery in subsequent years.⁷
- Publish the IMC Carbon Reduction Plan on our website.

1.4 The UNFCCC Race to Zero Campaign

The UNFCCC launched its Race to Zero campaign in January 2021.⁸ This, like the UK government’s new procurement requirements requires those who sign up to **pledge** to reduce emissions in line with 1.5C global warming limit, produce a **plan** of action with 12 months, to **proceed** and take actions, and **publish** a report with the progress and actions against targets each year.

⁴ <https://ukfires.org/absolute-zero/>

⁵ See <https://www.gov.uk/government/news/uk-enshrines-new-target-in-law-to-slash-emissions-by-78-by-2035>.

⁶ See <https://www.gov.uk/government/publications/procurement-policy-note-0621-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts>.

⁷ This should be reported in terms of CO2e (Carbon Dioxide Equivalent) for the all of the greenhouse gases covered by the Kyoto Protocol.

⁸ See <https://unfccc.int/climate-action/race-to-zero-campaign>.

The SME Climate Hub in the UK is bringing together businesses in the line with the Race to Zero Commitment.⁹

1.5 IMC Worldwide Commitment to Net Zero

IMC Worldwide will act in two separate ways:

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

This report responds primarily to the first of these two commitments.

As a responsible organisation, we recognise our role in contributing to climate change. As part of our 2021 Strategy, IMC Worldwide committed to be Carbon Neutral by 2030. Objective 5 of the IMC Corporate Strategy is to become a leader in sustainability and commit to net zero carbon by 2030.

In declaring this commitment, we will produce the IMC Carbon Reduction Plan, taking guidance from the UK Government policy PPN 06/21. We have also signed up to the Race to Zero campaign.

In committing to net Zero by 2030, we recognise that:

- We sign up to the Race to Zero commitment and will promote this commitment to encourage others to also make this commitment.
- We will change the way we work to reduce our carbon footprint without compromising our impact or competitiveness.
- We will adopt Net Zero as part of the IMC culture developing our brand to be synonymous with fighting climate change in the way we are recognised as having a zero tolerance to corruption

1.6 Structure of this report

The remaining sections of the report set out the following:

- Selection of a baseline year and calculation of baseline carbon footprint for IMC (section 2).
- Selection of a carbon reduction pathway for IMC (section 3).
- **Presentation of the carbon reduction implementation plan (section 4).**

This report is supported by 3 appendices that set out the metrics used in the carbon footprint calculation (appendix 1), present the full carbon footprint breakdown and analysis for the UK, US and Europe operations of IMC in 2019 and 2020 (appendix 2) and present the selection of the carbon reduction pathway (appendix 3).

⁹ See <https://smeclimatehub.org/sme-climate-commitment/>.

2 IMC Baseline Carbon Footprint Assessment

2.1 Choice of baseline year and overview of methodology

2.1.1 Choice of Baseline Year

The baseline year of 2019 has been chosen as the carbon footprint (as with the scale and nature of operations) for 2020 has been severely affected by Covid-19. Data for 2020 has also been collated for comparison purposes.

The carbon footprint has been calculated based on data available for the UK, US and Europe head offices together with all international travel conducted in these years.

2.1.2 Extent of Carbon Footprint

The requirement of the carbon reduction plan is to include scope 1 and 2 and specified scope 3 greenhouse gas emissions in line with the UK government policy PPN 06/21. The limitations of this baseline carbon footprint are established as set out in **Table 1**.

Table 1. Scope of Baseline Carbon Footprint

Area	Description	Baseline Scope
Geographical scope	IMC Worldwide (IMC) is a worldwide business carrying out projects around the world with main offices in Spain (Malaga), UK (Redhill) and the USA (Washington DC). IMC also has small offices, primarily to serve on-going projects in other countries.	Carbon footprint associated with three head offices is the focus of this baseline study. Overseas project offices and project-level emissions will follow in 2022.
Office footprint	Office emissions include scope 1+2 (primarily electricity and heating) and purchases. Electricity and heating (where applicable) are included. Prime carbon emissions in purchases would appear to be a) office refurbishment, b) stationary (primarily paper) and c) IT related capital purchases. The carbon footprint of mail (including DHL) was not included. UK data storage was primarily in-house in 2019 so was reflected in electricity consumption. Use of cloud storage will be reflected in future energy use calculations.	Carbon footprint for electricity, heating and paper use is included for the UK and Europe offices. This will follow for the US office in 2021. Office refurbishment(s) and IT expenditure will follow in 2022.
Business travel	This is in-scope for the government's Carbon Reduction Plan. All international travel is included related to business management and project delivery. This is primarily flights. UK business travel is limited as IMC's projects are primarily overseas.	All flights to/from main UK, Europe and US operations and projects included. Business travel associated with overseas project delivery (e.g. in Pakistan,

		Nepal, Ethiopia) will follow in 2022.
Commuting	Travel to/from work is in-scope for the government’s Carbon Reduction Plan. IMC’s UK office has conducted staff travel surveys for a number of years. This has been undertaken for the Europe and US offices for 2019 and 2020.	Commuting carbon footprint is included for the UK, Europe and US offices.

The calculation of the IMC’s UKs carbon footprint therefore includes the following:

Scope 1 greenhouse gas emissions: there is no onsite combustion of fossil fuels and no business fleet of vehicles at IMC. Amount reported is therefore **Nil**.

Scope 2 greenhouse gas emissions: This includes the electricity used at the IMC Worldwide Redhill offices, which includes the energy used to heat the building. **Included**.

Scope 3 greenhouse gas emissions: This is limited to the items requiring to be reported to the UK government. These are:

- Transport and distribution of products (upstream and downstream). This is treated as **Nil** as IMC operates as a consultancy and does not transport or distribute products as part of its work. Carbon footprint for mail and couriers are not included.
- Disposal and treatment of waste generated. All office paper is recycled. Food waste is composted. Waste is disposed off through office, which is serviced by the owner SES Water. This is treated as **Nil**.
- Business Travel. This is significant. As an international business virtually all business travel is international. All flights have been reported. Transport to/from airports has not been included. Other business travel is minimal (both in quantity and in impact in relation to the air travel) so has not been included. **Included**.
- Employee commuting. This has been calculated on the basis of a staff survey and quantifying the number of days worked at the office and at home each year. The emissions from employee teleworking have not been included. **Included**.

2.1.3 Methodology

Data collection has been by request to the UK, US and Europe offices. Where available, existing data collected as part of the existing Environmental Management System (EMS) have been used (in the UK).

The choice of metrics for the carbon footprint calculation is set out in **Appendix 1**. Analysis was undertaken in Excel and is summarised below.

2.2 Summary of IMC’s Baseline Carbon Footprint

The summary of the carbon footprints for all three IMC head office operations (UK, Europe and US) is included in **Table 2**.

A full breakdown for both 2019 and 2020, together with an analysis of the commuting carbon footprint and the impact of Covid-19 in 2020 is included in **Appendix 2**. The IMC

Worldwide carbon footprint for UK operations is presented in the format required by the UK Government¹⁰, broken down into Scope 1, Scope 2 and Scope 3 emissions in **Table 3**.

Table 2. Carbon Footprint Summary for IMC Operations (2019)

IMC UK	Flights (1)	Electricity	Gas	Paper (2)	Commuting (3)	Total
	Tonnes CO2e					
UK	1041.7 (4)	6.92	0.00	1.13	91.9	1141.7
Europe	49.91	1.18	0.00	0.12	4.25	55.47
US	61.91	to completed in future years			4.07	65.98

Table 3. IMC UK operations 2019 carbon footprint report to UK Government

Emissions	Total (tCO ₂ e) – 2019	Total (tCO ₂ e) – 2020
Scope 1	0.0	0
Scope 2	6.9	5.0
Scope 3 (as required)	1133.6 (1041.7 business travel, 91.9 commuting)	458.6 (431.3 business travel, 27.2 commuting)
Total Emissions	1140.6	463.6

¹⁰ See

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/991625/PPN_0621_Technical_standard_for_the_Completion_of_Carbon_Reduction_Plans_2_.pdf

3 Carbon Reduction Pathway for IMC Worldwide

A *carbon reduction pathway* is the combination of an end goal (the UK government's is zero carbon by 2050) and interim targets for carbon reduction, including up to 2025.

IMC will adopt a carbon reduction pathway with interim targets for GHG emission reduction from the **2019** baseline carbon footprint of:

- 46% by 2025;
- 67% by 2030;
- 80% by 2035; and
- to reduce emissions by 100% by 2050

IMC accepts that offsetting schemes do not reduce IMC's actual carbon footprint, so should not be counted within its carbon reduction plan. The rationale for selection of this carbon reduction target and our position on offsetting as part of wider corporate carbon *management* strategy is presented in Appendix 3 of this report.

IMC will publicise its carbon reduction commitment on its website and social media, including our commitment to be part of the UNFCCC Race to Zero Campaign and in stating how our commitment aligns to Surrey's Climate Strategy.

4 Making it Happen

4.1 Introduction

Much is made of the need to measure emissions, to set targets, and to track progress. But a shift to zero carbon requires the way we do business to change.

IMC accepts that, whilst in some areas reducing carbon will deliver savings in others it will come at a cost and will require changes to how we operate. This requires Board level ownership that results in tangible changes in our decision-making and business strategy. This will affect our office management and commuting, but the greatest changes will be in the number of flights taken, and what these are prioritised for.

4.2 Transforming how we win and deliver projects

This Carbon Reduction Plan must change how IMC does business. As well as reducing our own carbon emissions IMC is committed to reducing the direct and indirect emissions in the countries where we work through the outcomes of our projects.

IMC Worldwide must change its decision-making processes and business strategies to deliver the scale of carbon reduction in our agreed Carbon Reduction Plan. Reduction of greenhouse gas emissions will impact on our business decision-making and budgets. It will affect our choices of how we run offices, staff projects and travel between these as these are our key direct carbon emissions that we will need to manage down going forwards.

4.3 Actions to Implement Carbon Reduction Plan

The following action that will assist in the delivery of this Carbon Reduction Plan have already been taken:

- New hybrid working policy and updated IMC's corporate strategy to institutionalise working practices that reduces the carbon footprint through more flexible and remote working during the Covid-19 pandemic.

The following key actions are agreed to provide the overall framework to deliver our Carbon Reduction Plan going forward:

1. Transport and Accountable Carbon Monitoring and Reporting.

- Publicly Report and monitor IMC's corporate carbon footprint on an annual basis and link this to business processes to ensure that the commitments made in this Carbon Reduction Plan are exceeded.
- Extend baseline reporting in 2022 to include all corporate operations including in-country project scope 1,2,3 in-line with government action.

2. Deliver Carbon Reduction across the business

- Mainstream carbon reduction processes into IMC's environmental and quality management procedures.
- Introduce carbon awareness and management training for all staff (including project staff) such as that delivered by the Carbon Literacy Project¹¹.
- Mainstream internal business processes, including procurement of business travel and integration of carbon budgets into project lifecycle.
- Reflect carbon emissions reduction commitments in employee policies.
- Develop IMC strategy for delivering carbon neutral projects.

Draft proposals for delivering these carbon reductions through the production of this Carbon Reduction Plan have been used to draft a Carbon Reduction Implementation Plan. This will be developed to guide the transformation of the business to deliver carbon reduction in at least the following areas:

- Office management, procurement and incentives to reduce employee consumer carbon footprint.
- Specific action-plan to target reduction in carbon footprint of international flights.
- Relate carbon reduction commitment to our corporate values.
- Adopt different ways of organising internationally, building on lessons learnt from Covid-19 and recent project delivery.
- Adopt different ways of delivering projects, including reduction of short-term overseas trips.
- Further measures to embed hybrid and global-local working on projects as standard.
- Introduce Project Carbon budgets for the whole project lifecycle, including carbon reduction in new project opportunities and project delivery.
- Extend and institutionalise carbon footprint monitoring in future years.

¹¹ <https://carbonliteracy.com/>

5 Annexes

5.1 Selection of Metrics for Carbon Footprint Calculation

5.1.1 General approach

For consistency the UK published conversion factors for greenhouse gas reporting¹² have been used to compute the baseline carbon footprint in the UK and all international flights. The same metrics have been used to determine the carbon intensity of all international travel. The US and European operations, and project offices (from 2022) use the same metrics for international flights but local metrics for electricity use and in-country travel where available.

5.1.2 International Travel

Flights have been calculated based on the full carbon footprint including an up-lift for contrails, re-routing and other greenhouse gas affects in accordance with the UK government (BEIS) guidance, which states:

Users should generally use the ‘including indirect effects of non-CO2 emissions’ factors, which incorporate a 90% increase in CO2 emissions to approximate the indirect impact of non-CO2 emissions from aviation (such as water vapour, contrails and NOx). If the user’s historical data do not include these indirect effects, then they should re-baseline their historical dataset to include the effect going forward. However, users should be aware of the significant scientific uncertainty surrounding the quantification of these impacts. If organisations do not wish to include the indirect effects, then they should continue to select the ‘Direct effects from CO2, CH4 and N2O emissions only’ factors.

The distance travelled is calculated by adding the airline distances received from travel agents used, and calculated where the distance is absent. Care is taken to ensure that return flights are included in the calculation.

In general all flights are considered to either be domestic, short-haul (within Europe) or long-haul. All of the US office flights are clearly long haul.

The vast majority of flights are economy class. Where flights are identified as economy-premium, business or first class the carbon emissions will be uplifted are set out in **Table A1**, drawn from the BEIS (2021) emission factors:

Table A1. Flight greenhouse gas metrics	Economy Class (kgCO2e/km)	Economy Premium (multiplier)	Business Class (multiplier)	First Class (multiplier)
Short haul (within Europe)	0.151	N/A	1.5	1.5
Long haul (treat as most flights, including multi-stage flights)	0.148	1.6	2.9	4
International (not used as not clear how to distinguish from long-haul)	0.141	1.6	2.9	4

¹² BEIS (2021) Greenhouse gas reporting: conversion factors 2021.
<https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>.

Domestic flights (note 63% uplift on short-haul)	0.246
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5.1.3 Office Utilities and Consumables

For the UK these metrics are drawn from the latest UK published greenhouse gas emission factors:

- Electricity use - 0.21233 kgCO₂e/unit of electricity used. The average carbon intensity for electricity production is used, unless the electricity is purchased from a specific electricity supplier with lower carbon intensity.
- Gas use (for heating) - 2.02135 kgCO₂e/cubic metre
- Paper use - 919.39628 kgCO₂e/tonne of paper production. This is applied to consumption of office grade paper used in printers and photocopiers only. This is based on a box containing 2,500 sheets of 80gsm office paper weighing 12.2kg.¹³ This equates to the CO₂ footprint of paper as being 0.044866 tonnes CO₂e/10,000 sheets of paper. A reduction for use of recycled paper has not been included in the baseline carbon footprint.

5.1.4 Commuting to and from the Office

The carbon footprint for commuting to the office in the IMC head offices in the UK (Redhill), Europe (Malaga) and US is calculated by surveying the most common mode of transport, number of days/year commuting and the distance (by recording postcode) of the staff member from the office. This enables the mode of transport, average distance of commute and carbon footprints for commuting to be compared between the offices.

The metrics used for the baseline use UK government metrics (2021) for business travel, based on the average car, and assuming public transport is train travel (some of the shorter commutes use bus travel, and in some cases it is a mix). Walking and cycling is assumed to have zero carbon footprint.

¹³ See <https://www.amazon.co.uk/Everyday-Paper-80gsm-reams-Sheets/dp/B016U5NPG4>.

5.2 Summary and Analysis of Carbon Footprint

5.2.1 Baseline Carbon Footprint (2019) and Impact of Covid (2020)

Table A2, **Table A3** and **Table A4** summarise the Carbon footprint of the IMC UK, Europe and US operations in 2019 (baseline) and through the coronavirus pandemic in 2020.

Table A2. Carbon Footprint Summary for IMC UK operations (201-2020)

IMC UK	Flights (1)	Electricity	Gas	Paper (2)	Commuting (3)	Total
	Tonnes CO2e					
2019	1041.7 (4)	6.92	0.00	1.13	91.9	1141.7
2020	431.3 (5)	5.01	0.00	1.13	27.23	464.7

Notes

1. Assumes all flights are long-haul.
2. Assume paper is the same as that calculated in 2017. Flights calculated assuming all are economy class (so slightly lower) in 2018.
3. In at least one case, a staff member commutes from home to the UK on a weekly basis by flight. This alone accounts for 9.4 tonnes of CO2e for the commuting carbon footprint in 2019 and this single staff members commute represent around 9% of the all of commuting carbon footprint.
4. Flights for 2018 are conservative, as they did not include any uplift for economy plus, business and first class flights.
5. In 2019 economy plus, business and first class flights accounted for an additional 73.6 tonnes of CO2 emissions – comparable to all of commuting travel.
6. Total reported for UK baseline is as follows: scope 2 (electricity consumption) – 6.9 tonnes; scope 3 (business travel and employee commuting) – 1124.2 tonnes

Table A3. Carbon Footprint Summary for IMC US operations (2019-2020)

IMC US	Flights	Electricity	Gas	Paper	Commuting	Total
	Tonnes CO2e					
2019	61.91	to completed in future years			4.07	65.98
2020	13.83	to completed in future years			1.12	14.95

Notes.

1. Office is sub-let and shared so it is difficult to calculate. Will be reported in future years.

Table A4. Carbon Footprint Summary for IMC Europe operations (2019-2020)

IMC Europe	Flights	Electricity	Gas	Paper	Commuting	Total
	Tonnes CO2e					
2019	49.91	1.18	0.00	0.12	4.25	55.47
2020	5.56	0.86	0.00	0.09	1.12	7.63

5.2.2 Comparison of Carbon Footprints for 2019 and 2020

Breakdowns of the carbon footprint for the three country head offices are presented below. This highlights the overall dominance of international travel (90-94% of carbon footprint in 2019) and also the significance of commuting travel (6-8% of carbon footprint in 2019). Thus

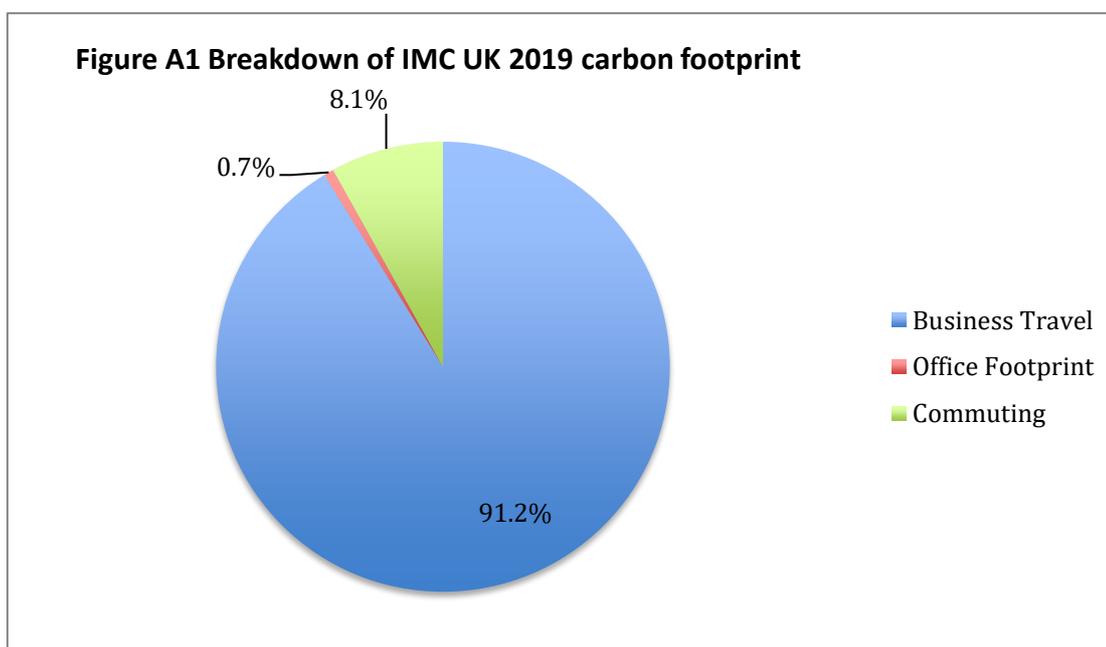
travel together accounts for 97.7% of the IMC UK and 99.3% of the IMC Europe footprints in 2019.

Table A5. Comparison of Carbon Footprint 2019-2020 - IMC UK

	2019	2020
Flights	91.2%	92.8%
Electricity/Gas	0.6%	1.1%
Paper	0.1%	0.2%
Commuting	8.1%	5.9%

Note. Comparison assumes the same paper use – the level calculated for 2017.

Figure A1 below compares the scale of these types of emissions in 2019.



This highlights that for IMC business travel and commuting are by far the most significant part of the corporate carbon footprint.

Table A6. Comparison of Carbon Footprint 2019-2020 - IMC Europe

	2019	2020
Flights	90.0%	72.9%
Electricity/Gas	2.1%	11.3%
Paper	0.2%	1.2%
Commuting	7.7%	14.7%

Table A7. Comparison of Carbon Footprint 2019-2020 - IMC US

	2019	2020
Flights	93.8%	92.5%
Commuting	6.2%	7.5%

Note. Breakdown for IMC US only includes flights and commuting as data was not available for office operations to compute the overall carbon footprint.

5.2.3 Analysis of Commuting

Table A8 compare statistics on commuting between the 3 offices. **Table A9** compares the breakdown by mode of transport for IMC UK in 2019 and 2020.

Table A8. Comparison of Commuting between UK, US and Europe head offices (2019)

	2019	
	Average (km)	Average (Tonnes CO2e)
IMC UK	44.22	1.02
IMC US	18.78	0.68
IMC Europe	8.21	0.21

Table A9. Comparison of IMC UK commuting (2019 and 2020)

Mode	2019		2020	
	Ave. distance	Ave/employee	Ave. distance	Ave/employee
	Km	tCO2e/year	Km	tCO2e/year
walking/cycling	9.7	0.00	8.1	0.00
public transport	52.3	0.65	57.8	0.22
car	30.3	1.53	39.1	0.63
air	684.5	9.43	684.5	2.46
Overall average		1.02		0.40

5.2.4 Impact of Covid-19

Covid-19 reduced the scale of flights and commuting to the office. As a percentage, the reduction in flying was greater in Europe, whilst the reduction of commuting was greater in the UK. This is set out in **Table A10**.

Table A10. 2020 Carbon Footprint for Travel: 2020 compared to 2019

	UK	US	Europe
Flights	41.4%	22.3%	11.1%
Commuting	29.6%	27.4%	26.4%

5.2.5 The Key Challenge to reduce the carbon footprint of international flights

This section highlights the critical nature of overseas flights, and to a lesser extent the distance and mode of transport of travel to work in reducing IMC Worldwide’s carbon footprint going forward. Therefore flights and commuting are key areas where IMC must

agree targets and measures to deliver the carbon reduction action plan for IMC Worldwide going forward this is set out in the recommendations in section 3.

This in particular highlights that IMC Worldwide will not be able to deliver substantial changes in its carbon footprint, let alone zero carbon, just doing business *better*: it needs to do things fundamentally *differently*. This requires a transformation in how we do business, and how we measure success.

Research led by Professor Julian Allwood at Cambridge University, in investigating how the UK might reach zero carbon, explored the challenge in some technologies to reach zero carbon. This includes air travel, which currently underpins how IMC does business. Allwood et al (2019)¹⁴ conclude, with regard to flying that, *“Although there are lots of new ideas about electric planes, they won’t be operating at commercial scales within 30 years, so zero emissions means that for some period, we’ll all stop using aeroplanes.”*

Addressing climate change, whilst carrying out international development, will therefore necessitate fundamental changes in how IMC is organised geographically, how projects are governed and how they are delivered. This must be the focus on the IMC Carbon Reduction Plan going forward.

5.3 Selection of Carbon Reduction Pathway

5.3.1 Introduction

It is the **cumulative** GHG emissions emitted from now until 2050 that determine IMC’s climate impact up to that date. Therefore selection of a carbon reduction pathway, then set out short-term and medium term interim targets for carbon reduction is required as part of the government requirements for establishing a Carbon Reduction Plan.

To comply with the government requirements and international climate agreements it is important to commit to rapid reductions in GHG emissions as soon as possible. Therefore carbon reduction targets are treated as the minimum reductions required not as an aspirational target.

In considering an appropriate carbon reduction target for IMC it worth noting that 92% of IMC’s global reported emissions in its 2019 baseline are flights (see **Figure 1** in **Appendix 2**). Since 1990 whilst UK territorial emissions fell by 43% between 1990 and 2018,¹⁵ the UK’s overall transport emissions rose 11%, driven in part by a 124% increase in aviation emissions.¹⁶ It was also worth noting here that these are targets for internal carbon reduction by IMC, so therefore should not include offsetting of GHG emissions as set out in the sub-section below.

¹⁴ Allwood, J., Azevedo, J., Clare, A., Cleaver, C., Cullen, J., Dunant, C., Fellin, T., et al. (2019). Absolute Zero. <https://doi.org/10.17863/CAM.46075>.

¹⁵ The reduction is much less if the carbon footprint of international transport and imports are included: Department for Business, Energy & Industrial Strategy (BEIS) (2020) [‘Final UK greenhouse gas emissions national statistics: 1990 to 2018’](#), Data Tables, Tables 3 and 8.

¹⁶ Essex, J, and Sims, P (2020) [‘Infrastructure Requirements for Zero Carbon: Why we can’t build our way out of the climate emergency’](#). Green House Think Tank.

5.3.2 How we distinguish between Carbon Reduction and Offsetting

Offsetting is sometimes deployed as part of a carbon *management* plan, to pay for carbon to be reduced elsewhere, rather than carbon reduction internally by the business concerned. Whilst it may be part of a corporate climate strategy it does not actually reduce the carbon footprint of the organisation, and is not within the scope of this carbon reduction plan as required by UK Government.

Should IMC choose to offset some of our carbon emissions rather than actually reduce them then we would be failing to meet our emission reduction targets (i.e. planning to fail) so is likely to fall foul of the Race to Zero commitment (see above) and the UK government's ambitions. Instead, certified offsetting schemes may be chosen as a means of IMC reducing its net emissions to zero *after* its carbon reduction, to become net zero as a company earlier.

Where IMC Worldwide does choose to offset carbon, it should be *in addition* to the efforts through its carbon reduction plan. This should be aligned with the following four principles:

- **Additionality.** That any carbon offset should not be paying for improvements that would have occurred anyway.
- **Timeliness.** That any carbon reduction occurs within the same accounting year, not at some point, possibly, in the future.¹⁷
- **Appropriate Cost.** The real cost of fossil fuel reduction is expensive – because it requires moving away from a cheap polluting fuel to more expensive alternatives that in many cases have yet to be scaled up.¹⁸
- **Location.** Offsetting should be in the country where the business decision is made: UK, US or Spain as it is the UK, US or Spanish carbon footprint that IMC's business, including its international flights, relate to.

In some ways offsetting could be seen as outsourcing the problem. Instead we aim for IMC to deliver real carbon reduction through ownership and buy-in that changes how we operate.

5.3.3 Consideration of Carbon Reduction Pathways

Four options for carbon reduction pathways are considered here:

1. Adopt UK government pathway to zero carbon by 2050.
2. Adopt Surrey Climate Strategy pathway to zero carbon by 2050
3. Adopt UK government pathway to 2050, but with a 2019 baseline.
4. Determine a carbon reduction pathway leading to zero carbon by 2030

These options are compared before recommending a carbon reduction pathway below.

5.3.3.1 Option 1. UK government minimum legal requirement

IMC opts for interim targets that align directly with the government's minimum legal requirements for carbon reduction on 1990 levels: 50% reduction by 2025, 65% by 2030, 79% by 2035, 88% by 2040, 96% by 2045. Applied to the 2019 baseline (based on UK carbon emissions having fallen from 898 MtCO_{2e} in 1990 to 520 MtCO_{2e} in 2019) these would be represented as 14% by 2025, 39% by 2030, 63% by 2035, 80% by 2040 and 93% by 2045.

¹⁷ For example, planting trees will typically only start to absorb carbon 10-15 years after being planted, and will only represent increased carbon storage in the biosphere if this represents increased forest cover.

¹⁸ Bill Gates notes that 'Most offset programmes cost about \$10 for each ton of carbon averted. I'm paying about \$400 per ton.' (see <https://www.ft.com/content/c11bb885-1274-4677-ba05-fcbac67dc808>).

This option is **not recommended** as it lacks ambition and leaves major culture change and business transformation to a later date.

5.3.3.2 Option 2. Surrey County Council carbon reduction plan

IMC's head office is based in Surrey, which has matched the UK government's climate ambition locally. Surrey County Council contracted Leeds University to develop a carbon emissions reduction pathway such that Surrey remains within its fair share of the remaining global carbon budget to stay within the 1.5°C target. This has interim targets for Surrey as a whole to reduce emissions across Surrey from **2019** levels by: 46% by 2025; 67% by 2030; 80% by 2035; and to reduce emissions by 100% by 2050 (Surrey County Council (2020)).¹⁹ The Surrey targets are intended for all Surrey businesses. IMC could adopt these Surrey targets.

5.3.3.3 Option 3. Government carbon reduction trajectory with 2019 baseline

IMC opts for interim targets that align directly with the rates of carbon reduction in Option 1, but instead apply these to the 2019 baseline: 50% reduction by 2025, 65% by 2030, 79% by 2035, 88% by 2040, 96% by 2045.²⁰ This is more ambitious than the UK government's minimum legal requirements are less than this trajectory and similar to the trajectory of Option 2.

5.3.3.4 Option 4. Carbon reduction plan in line with IMC corporate commitment

That IMC commits to be zero carbon by 2030 in line with its corporate agreement. An interim target of 67% reduction by 2025 is considered. This is noted as a more ambitious plan than the UK government and by Surrey County Council and notes that the majority of IMC's carbon footprint is in flights, which are not currently able to zero carbon unless they are avoided.

5.3.3.5 Summary

These four options are summarised in the **Table A11** below:

Table A11. Reductions on 2019 baseline for different carbon reduction pathways.

	Interim GHG emission reduction targets					Commentary
	2025	2030	2035	2040	2050	
1	14%	39%	63%	80%	93%	Not recommended because it lacks ambition.
2	46%	67%	80%	87%	92%	Selected as it is based on a global fair climate budget calculation and reflects IMC's role as a responsible international development company.
3	50%	65%	79%	88%	96%	Noted as similar to Option 2.
4	67%	100%	100%	100%	100%	Difficult to deliver with current IMC project commitments as it would require IMC to phase out the use of flights by 2030.

Option 2 is recommended as a balance between ambition and achievability.

¹⁹ Surrey County Council (2020) Surrey's Climate Change Strategy. www.surreycc.gov.uk/_data/assets/pdf_file/0003/225615/Surreys-Climate-Change-Strategy-2020.pdf

²⁰ Sixth Carbon Budget: Charts and Data in the Report. www.theccc.org.uk/publication/sixth-carbon-budget/.