

CASE STUDY:

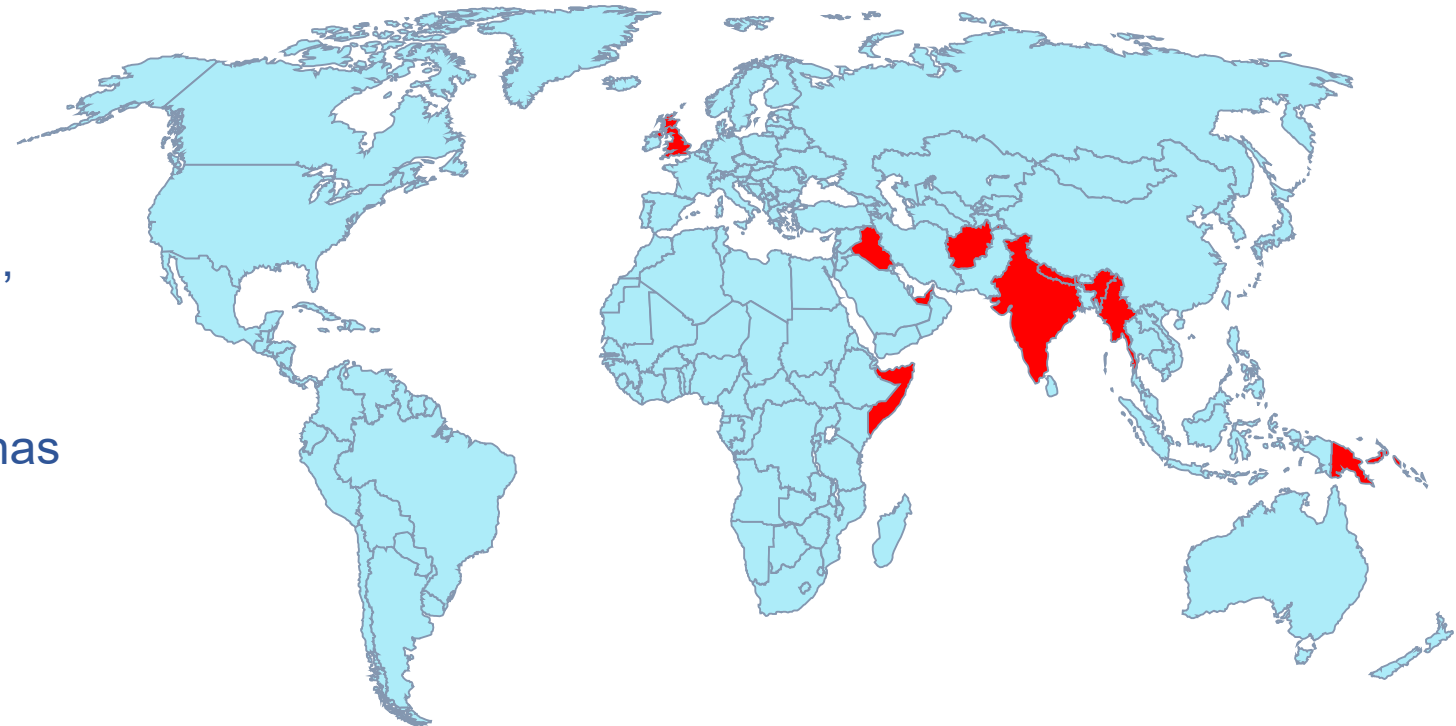
IDG Security - emissions accounting using the E-Liability approach by a small service company

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Introduction



- IDG is a private security company (PSC) providing armed guards, unarmed guards, close protection, explosive detection dogs (K9), and other risk management services in high threat locations
- Head office is split between Dubai & London
- 2800 staff
- Projects in Afghanistan, Iraq, Myanmar, Somalia, and further offices in Singapore, India, & Nepal
- We like to use local personnel and Gurkhas
- Our core client is the United Nations



Why?



- Personal - conviction of the owner and senior managers
- ESG - we have an active charitable Foundation (the 'S'), but wish to ensure completeness
- Commercial - interest in improving our delivery, potential as a competitive edge
- Commercial - introducing standards that deny opportunities for being undercut
- Nobody asked us to do this, and no client requires it. But the UN is our client, and they are the leading authority on demanding change. We take this as direction!

“Climate chaos has begun. You can stop it getting unimaginably worse. And protect those communities on the frontline. Keeping the promise of the Paris Agreement. Please, do it.”

UN Deputy Secretary-General

Remarks at the opening of the Pre-COP28, 30 October 2023

The context?



- Afghanistan...
- Largest single business unit, therefore most impact
- Complex jurisdictional challenges
- Logistically and operational complex: >25 operating locations, central country hub (Kabul)
- 'Colourful' local suppliers, some international ones
- 1700 staff, of which 600 are international working on rotations: staying on our sites for long periods (months)



The problem?

- Despite our intent, we were not able to get going
- Near impossible to develop a practical plan of action for measuring emissions
- The range of standards, agencies, bodies, approaches, acronyms... is bewildering and off putting. Doing it ourselves looked daunting.
- Contracting a specialist consultancy is expensive. Additionally, 'outsourcing' means it is not internalised, learned, and adopted
- ... the E-Liability Institute's approach proved critical



What did we do?

- E-Liability approach: ‘twin ledger’ and accounting principles and practices
- CFO, Lucy Hymas, was lead
- Finance team implemented it. Managers in country cooperated.
- Used a line-by-line copy of the internal finance model
- Financial records (such as receipts) were all available already
- The key pinch point was in assigning a CO2e value to our activities
- This was done through research on publicly available data, and selecting the most appropriate data for each line item. It varies in accuracy, but the line-by-line approach allows minimisation of error

Challenges?



- Upstream 'Scope 3' emission calculations were tricky
 - Afghan tradesmen were not interested in calculating their emission data for us!
 - But, they were happy to give us the information that allows us to calculate it for them
- Carving out time from the day job
 - Ours is not a service where distractions are tolerable
 - Effort was required in getting senior staff to understand and 'buy in', and to manage the workload so it was unobtrusive. It takes time.



What did we learn?

- We have a baseline assessment for our Afghanistan emissions for the year
- It is accurate, comprehensive, and enlightening
- It took time, but used existing resources and evidence, and was not expensive
- It was relatively easy
- It was surprising! We assumed international flights would be our greatest factor, but it was food
- It enables action – reduction plan
- It is a sound baseline to show improvement in future years
- The concept of the ‘twin ledger’ is easily understood, and is actionable



What are we doing next?

- Carbon reduction plan
- Flights & food obvious priorities
- Initiatives under development :
 - Procurement rules balancing ‘dollar cost’ and ‘carbon cost’
 - ‘Twin ledger’ *budgets and targets* for managers
 - Training to all levels: the ‘marginal gains’
- And finally...
 - We support our client - an accurate, comprehensive summary of ‘Scope 3’ emission

Issues to be resolved?

- Emission model is commercial very sensitive.
- What do we do with our remaining carbon liabilities? Merely pass them on?
- Will it afford us any advantage?
- Should we persevere when there are no penalties for doing nothing?
- Will we see a client 'demand signal' for good emission management?
 - If yes, how would this work?

...but imagine what could be done...!



Thank you