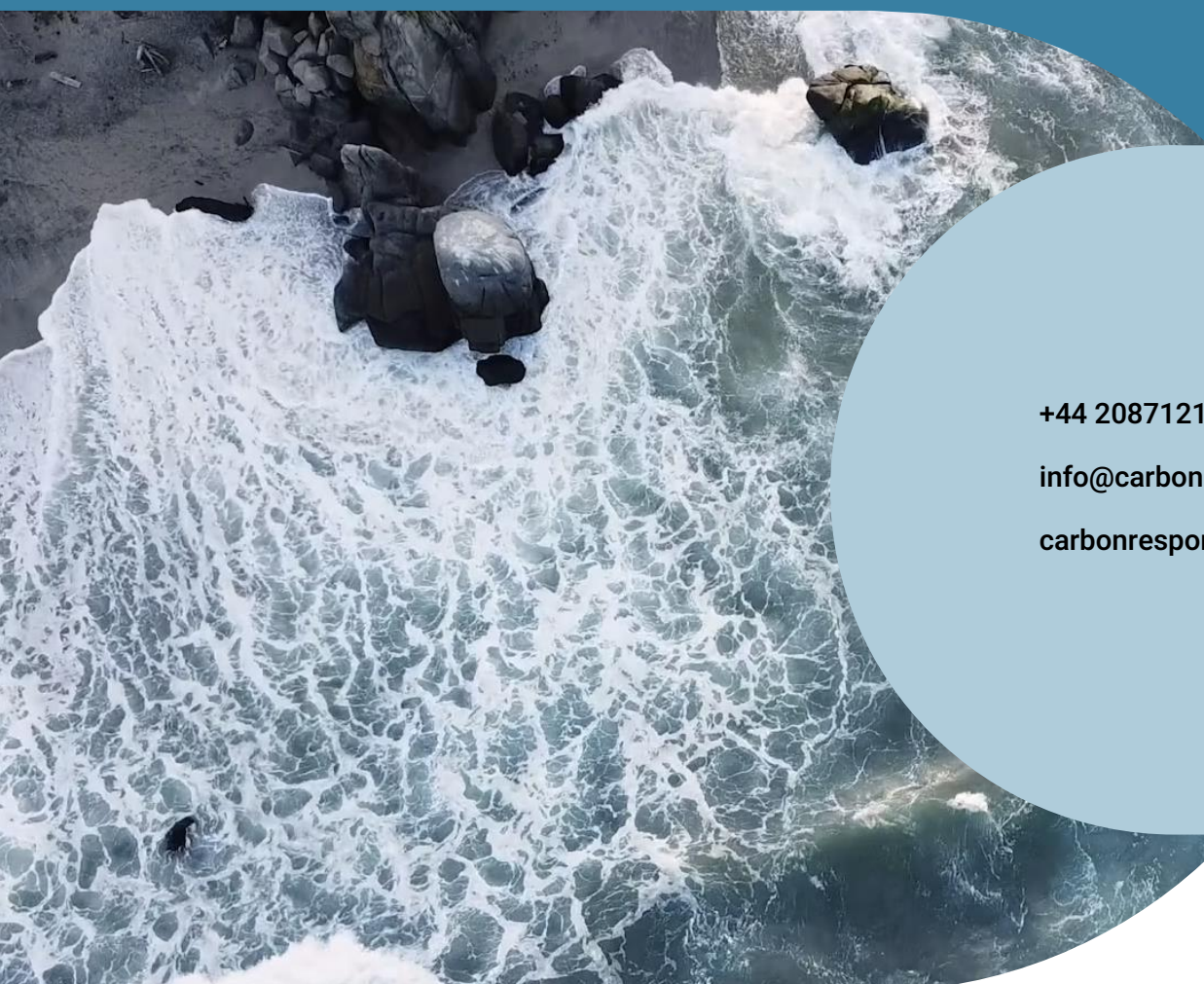


Carbon Emissions Report

Agilico, 01.04.23 - 31.03.24

Issue date

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Overview

Agilico have engaged Carbon Responsible to undertake their third analysis of the emissions from their direct and indirect impacts from operation over a financial year.

This report contains an analysis of Agilico's emissions, data capability and data quality for the financial year FY23-24 (01.04.23 - 31.03.24). In addition to this, a comparison with Agilico's FY22-23 impact is also provided. This analysis aims to improve and expand the impact analysis previously undertaken by Agilico.

Company Information

Agilico Group Limited is a private limited company, incorporated in the UK. Its registered address is Harrison Clark Rickerbys Ellenborough House, Wellington Street, Cheltenham, England, GL50 1YD.

Reporting Period

01.04.23 - 31.03.24

Organisational Boundary

Agilico have used the financial control approach. The majority of emissions impact comes from their own offices, premises and staff. It also includes significant impacts from activities that are not owned by the company, but over which it exerts financial control.

Mandatory greenhouse gas emissions reporting and SECR

As of 1st April 2019, large unquoted companies including Agilico are required to meet the mandatory Streamlined Energy and Carbon Reporting regulation introduced by the UK government. Agilico is required to report their Scope 1 and 2 emissions as part of mandatory GHG reporting and SECR, plus the Scope 3 emissions from the use of third-party vehicles. However, other Scope 3 sources such as travel, hotels, electricity and fuel well-to-tank, and electricity transmission and distribution are also included for completeness.



Quantification and Reporting Methodology

Data collection and analysis has strictly followed the GHG Protocol Corporate Accounting and Reporting Standard. The World Resources Institute (WRI) and the World Business Council for Sustainable Development (WBCSD) developed the standard to promote standardised global carbon accounting methodologies and as such, the GHG Protocol Standard is one of the recommended methodologies under SECR guidelines. UK Government's 2022 emission factors, generated by DEFRA, have been used to quantify all emissions. Agilico's data inputs have been reviewed and processed by Carbon Responsible Limited.

All data, calculations, conversion factors and estimations are included in the workbook entitled Agilico FY23-24 Workbook that accompanies this report summary. The figures relate to the required elements of Scope 1, 2 and 3 emissions alongside optional Scope 3 elements.

Baseline Year

Agilico's financial year FY23-24 is their third financial year of measurement. Data quality and completeness have improved over the past few years, and Agilico acquired Capital Documents Solutions during their 2022-2023 financial year, meaning that the increase in the reported emissions is due to this acquisition and the improved completeness rather than increase in emissions. As a consequence, they will use FY23-24 as their baseline year and revise in line with further improvement in their reporting framework.

Targets & Reduction Strategy

Agilico have not set forward reduction targets for their business at this time. They will set an emissions reduction target aligned with Net Zero using FY23-24 as their baseline.

Emission Scopes

In accordance with mandatory GHG reporting, Scope 1 (direct emissions) and Scope 2 (indirect emissions from purchased electricity, heating and cooling) are required to be reported. It is not mandatory to report Scope 3 (indirect emissions from all other operational activity), excluding the emissions impact from third party vehicle use for business travel under SECR. However, Agilico continues to report on key Scope 3 emission categories in order to provide a more complete picture to stakeholders and investors.

CO₂e represented in metric tonnes of carbon dioxide equivalent (tCO₂e) and related energy (kWh) totals are as follows:

Table 1 Energy Consumption (kWh) by Scope

	FY22-23 Energy Consumption (kWh)	FY23-24 Energy Consumption (kWh)	% Change in Global Energy Consumption (kWh) from FY22-23
Scope 1¹	2,284,442	1,810,113	-20.76%
Scope 2²	554,650	595,901	+7.44%
Scope 3³	494,268	229,018	-53.67%
Total Energy consumption	3,333,360	2,635,032	-20.95%



¹ Scope 1: Direct energy consumption from owned/controlled operations

² Scope 2: Indirect energy consumption from the use of purchased electricity, steam, heating and cooling

³ Scope 3: Other indirect energy consumption

Table 2 GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) by Scope

	FY22-23 GHG Emissions (tCO ₂ e)	FY23-24 GHG Emissions (tCO ₂ e)	% Change in Global GHG Emissions (tCO ₂ e) from FY22-23
Scope 1⁴	739.94	503.20	-31.99%
Scope 2⁵	109.88	121.35	+10.44%
Scope 3⁶	311.24	220.23	-29.24%
Total Emissions	1161.07	844.78	-27.24%



⁴ Scope 1: Direct emissions from owned/controlled operations

⁵ Scope 2: Indirect emissions from the use of purchased electricity, steam, heating, and cooling.

⁶ Scope 3: Other indirect emissions (upstream & downstream Scope 3) energy consumption

Table 3 GHG emissions (metric tonnes of carbon dioxide equivalent – tCO₂e) by SECR emission category

		FY22-23 GHG Emissions (tCO ₂ e)	FY23-24 GHG Emissions (tCO ₂ e)	% Change in Global GHG Emissions (tCO ₂ e) from FY22-23
Scope 1	Stationary combustion ⁷	152.64	135.44	-11.27%
	Mobile combustion ⁸	378.75	282.14	-25.51%
	Fugitive emissions ⁹	208.56	85.62	-58.95%
	Process emissions ¹⁰	-	-	-
Scope 2	Electricity, heat, steam, and cooling emissions ¹¹	109.88	121.35	+10.44%
Scope 3	Mobile combustion ¹²	122.58	56.61	-53.82%
	Other emissions ¹³	188.66	163.62	-13.27%
Total Emissions		1161.07	844.78	-27.24%

⁷ Stationary combustion of fuels in stationary equipment such as boilers, furnaces, turbines, heaters, incinerators, flares, generators etc

⁸ Scope 1 mobile combustion: combustion of fuels in transportation devices such as automobiles, trucks (including fork-lifts), buses, trains, airplanes, boats, ships, barges, vessels, etc; or those, such as mobile plant or cranes, used for construction or excavation activities.

⁹ Fugitive emissions: intentional and unintentional releases, such as equipment leaks from joints, seals, packing, gaskets, as well as fugitive emissions from coal piles, wastewater treatment, pits, refrigerants, cooling towers, gas processing facilities, etc.

¹⁰ Process emissions: emissions from physical or chemical processes such as CO₂ from the calcination step in cement manufacturing, CO₂ from catalytic cracking in petrochemical processes, PFC emissions from aluminium smelting, etc.

¹¹ Emissions from the generation of electricity, heat, steam, and cooling that is consumed by the reporting company.

¹² Scope 3 mobile combustion: combustion of reimbursed fuels in leased, employee owned, or rented vehicles.

¹³ Upstream and downstream Scope 3 emissions – not mandatory to report for SECR.

Consumption and Emissions

Agilico emitted a total of 844.78 tonnes of CO₂e across its offices for all Scopes (including Scope 3 which is not mandatory to report). Scope 1 accounted for 60% of their total emissions, while Scope 2 and 3 accounted for 14 and 26 percent of the total reported emissions, respectively. As a proportion of the total emissions, the biggest source of emissions was mobile fuel combustion (282.14 tCO₂e, 33% of the total emissions), followed by stationary fuel combustion (135.44 tCO₂e, 16% of the reported emissions), electricity (117.22 tCO₂e, 14%), fuel well-to-tank (96.05 tCO₂e, 11%), refrigerants (85.62 tCO₂e, 10%) and third-party vehicle use (56.61 tCO₂e, 7%). All other sources contributed 4% or less of the total emissions each. Full details are provided in Appendix Table 1.

Overall, Agilico's reported GHG emissions decreased by 27.24% compared to FY22-23 (-316 tCO₂e). This was driven by a decrease in both Scope 1 and 3 emissions (-31.99% and -29.24% respectively) and was only minimally compensated by a slight increase in Scope 2 emissions (+10.44%).

As mentioned previously, Scope 1 emissions have gone down 31.99% since FY22-23 (-236.74 tCO₂e). This is driven by a significant decrease in the emissions for the three SECR Scope 1 categories: stationary fuel (natural gas), mobile fuel (non-electric company vehicles) and fugitive emissions (refrigerant top-ups). The decrease in natural gas emissions (-11.27%, -17.20 tCO₂e) is primarily due to the closure of some offices and the opening of more efficient ones (with better EPC rating). Decrease in FTE (-17%) also contributed to this decrease in emissions and is the primary reason behind the reduction in mobile fuel emissions (-96.60 tCO₂e, -25.51%), together with the gradual replacement of company vehicles with hybrid or fully electric ones. The emissions from refrigerant top ups have decreased by 58.95% (-122.94 tCO₂e). Refrigerant top-ups are not needed every year for every AC unit, fridge or freezer, so part of this decrease might not reflect an actual decrease in refrigerant usage. However, the closure of some inefficient offices has likely contributed to this reduction in refrigerant top-up emissions.

Scope 2 emissions have increased by 10.44% since FY22-23 (+11.47 tCO₂e). This is due to a 7.44% increase in the energy consumption (+41,250 kWh), and the fact that the UK grid emission factor for 2023 is 7% higher than the 2022 factor due to more energy coming from non-renewable sources. The increased usage of electric vehicles is partially responsible for the increase in electricity usage (+3,494 kWh, +20.77%), but most of the increase in electricity consumption is attributable to the increase in electricity used in Agilico's offices (+37,757 kWh, +7.02%). A 7% increase in electricity consumption might occur as the result of minor company changes such as more employees working in the office or could be the result of the transition from gas to electric heating in the new offices.

Scope 3 emissions have gone down substantially since FY22-23 (-91.01 tCO₂e, -29.24%). This is primarily driven by a 53.82% decrease in the emissions from the use of third-party vehicles (-65.97 tCO₂e), and by the decreased fuel well-to-tank emissions (-29.99 tCO₂e, -23.79%), which is a direct consequence of the reduction in Scope 1 emissions from stationary and mobile fuels. The use of third-party (employee) vehicles has reduced as a result of a decrease in FTE (-17%) and of the introduction of a travel policy to encourage employees to travel less and with lower emitting vehicles.

Intensity

Two intensity metrics have been calculated for Agilico’s emissions, one based on full-time equivalent employees and one on revenue. Intensity metrics are a useful way to assess changes in emissions within a growing company, as whilst absolute emissions increase, the impact per chosen unit can reduce. Reporting intensity metrics are also a requirement of UK SECR reporting. In comparison to FY22-23, the FY23-24 emissions per FTE have decreased by 11.97% (from 2.47 to 2.17 tCO₂e/FTE). Similarly, the FY23-24 emissions per £100,000 of revenue have decreased by 29.92% (from 1.83 to 1.28 tCO₂e/£100,000 revenue). Both changes are primarily driven by a decrease in the total emissions (-27%), but changes in revenue (+4.14%) and FTE (-17.20%) also contributed to the change in these intensity metrics.

Table 4: Intensity Metrics – total emissions per £100,000 of revenue and per FTE

	FY22-23	FY23-24	% Change From FY22-23
Revenue (£m)	63.57	66.20	+4.14%
FTE	471	390	-17.20%
Carbon Intensity per £100,000 (CO ₂ e/£100,000)	1.83	1.28	-29.92%
Carbon Intensity per FTE (CO ₂ e/FTE)	2.47	2.17	-11.97%

Renewable electricity

Agilico has generated 40,807.5 kWh of renewable electricity within the reporting period. Although it is not a requirement of SECR to report on renewable energy generation, this demonstrates Agilico’s commitment to sustainability. Agilico have not exported any electricity to the UK grid; it is not possible for them to distinguish electricity that has been used in their premises from electricity that has been wasted. They will look to collect this data next year, and more importantly to purchase some batteries or electric vehicles to store surplus electricity to prevent waste.

Table 5: Total electricity consumed – purchased from grid, generated from owned/controlled sources and exported to the UK electricity grid

	Total electricity (kWh)
Total electricity purchased for own use or consumption (kWh)	-
Renewable electricity generated from owned or controlled sources (kWh)	40,807.5
Renewable electricity exported to the grid (kWh)	0



Data Estimations & Exclusions

Overall, approximately 49.68% of Agilico's total emissions generated based on estimation (419.67 tCO₂e). Best endeavours have been undertaken by Agilico to provide the required data, however in some cases data was not available for reporting. Full details are provided in Appendix Table 2.

Where actual data was not available, data have been estimated in line with GHG and SECR reporting guidelines. Accepted estimation methodologies have been applied where data was incomplete or inexact. All estimations have been calculated using company-specific, actual data, with no proxy data used. Where input data was found to be inappropriate or missing, estimations have not been made in the absence of actual data.

Where verifiable data is not available, organisations may estimate data by:

- Direct comparison¹⁴;
- Pro-rata extrapolation¹⁵;
- Benchmarking¹⁶.

Energy Efficiency Actions

Agilico have implemented the following energy efficiency actions during their financial year 2023-2024 with the aim of reducing their corporate emissions:

- Closure of some offices and opening of more efficient offices (with better EPC rating).
- Replacement of inefficient diesel vehicles belonging to Capital Documents Solutions with new hybrid or electric vehicles (Agilico is on track to have a 100% electric or hybrid fleet by the end of 2024)
- Reduction of travel emissions by encouraging employees to only travel when necessary, and travel with less emitting modes of transport such as electric vehicles or trains.

¹⁴ Direct comparison means using figures from another comparable time to fill the gap (for example the same day/week/month in another year).

¹⁵ Pro-rata extrapolation means using figures available for one period to get average consumption figures for a shorter period. For example, an organisation may use the average day rate of energy use for 1 April 2019 to 25 April 2019 to estimate the energy used between 26 and 30 April 2019.

¹⁶ Benchmarking means using data for one asset or activity as a proxy to estimate the data for another asset. For example, an organisation may use the annual energy use of one retail outlet to estimate how much energy another retail outlet uses, particularly if they are similar size, age, or build. When calculating energy consumption from transport activities, organisation may reasonable estimations based on verifiable data (e.g. expenditure) in cases where they do not have actual usage data (e.g.. litres).



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Appendix Table 1

Appendix Table 1 Detailed emission output for FY23-24

Scope 1 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Stationary fuel combustion	135.44	16%	667,243	0.4%
Mobile fuel combustion	282.14	33%	1,142,869	100.0%
Fugitive emissions	85.62	10%	-	0.0%
Process emissions	-	-	-	-
Total Scope 1	503.20	60%	1,810,113	56.2%

Scope 2 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Electricity UK	117.22	14%	575,585	1.7%
Electricity non-UK	-	-	-	-
Heat, steam and cooling	-	-	-	-
Owned electric vehicles	4.14	0%	20,316	100.0%
Total Scope 2	121.35	14%	595,901	5.1%

Scope 3 in Metric Tonnes CO2e	tCO2e	% of Total		
		Emissions	kWh	Estimated %
Upstream Scope 3 Emissions				
Category 1: Purchased goods & services	0.15	0%	-	16.7%
Category 2: Capital goods	-	-	-	-
Category 3: Fuel & energy related activities not included in Scope 1/ 2	132.96	16%	0	55.8%
Category 4: Upstream transportation & distribution	-	-	-	-
Category 5: Waste generated in operations	3.14	0%	-	1.0%
Category 6: Business travel	83.98	10%	229,018	67.4%
Category 7: Employee commuting	0.00	-	-	-
Category 8: Upstream leased assets	-	-	-	-
Downstream Scope 3 Emissions				
Category 9: Downstream transportation & distribution	-	-	-	-
Category 10: Processing of sold products	-	-	-	-
Category 11: Use of sold products	-	-	-	-
Category 12: End-of-Life treatment of sold products	-	-	-	-
Category 13: Downstream leased assets	-	-	-	-
Category 14: Franchises	-	-	-	-
Category 15: Investments	-	-	-	-
Total Scope 3	220.23	26%	229,018	59.4%

Net Emissions	844.78		2,635,032	49.7%
Tonnes CO2e per £100,000 of revenue	1.28	-	-	-
Tonnes CO2e per FTE	2.17	-	-	-

Appendix Table 2

The following table contains information on data estimation and exclusion. For each GHG category, the data capability column informs on whether the majority of the data has been measured, invoiced, estimated, or excluded in this emissions analysis. The following columns contain information on the estimation type (direct comparison, pro-rata extrapolation, or benchmarking) and any reasons for exclusion.

Scope	GHG Category	Type	Data Capability	Estimation Type	Reason for Exclusion
1	Stationary fuel	Fuel consumption	Measured		
	Mobile fuel	Company owned vehicles	Estimated	Benchmarking	
	Fugitive emissions	Refrigerants	Measured		
	Process emissions	Process emissions	Excluded		Not applicable
2	Electricity consumption	Electricity grid	Measured		
	Electricity consumption	Electric vehicles	Estimated	Benchmarking	
	Heat & Steam consumption	Heat & steam	Excluded		Not applicable
3.1	Purchased goods & services	Water supply	Estimated	Pro-rata	
	Purchased goods & services	Material use	Excluded		Not available
3.2	Purchased goods & services	Supply chain	Excluded		Not available
	Capital goods	Capital goods	Excluded		Not available
3.3	Fuel & energy related activities not included in Scope 1 and 2	Electricity T&D and WTT	Measured		
	Fuel & energy related activities not included in Scope 1 and 2	Fuel WTT	Estimated	Benchmarking	
3.4	Upstream Transportation & Distribution	Freight (upstream)	Excluded		Not available
3.5	Waste generated in operations	Water treatment	Estimated	Pro-rata	
	Waste generated in operations	Waste disposal	Measured		
3.6	Business travel	Third-party vehicle use	Estimated	Benchmarking	
	Business travel	Business travel	Measured		
	Business travel	Hotel stay	Measured		
3.7	Employee commuting	Employee commuting	Excluded		Not available
3.8	Upstream leased assets	Upstream leased assets	Excluded		Not applicable
3.9	Downstream transportation & distribution	Freight (downstream)	Excluded		Not applicable
3.10	Processing of sold products	Processing of sold products	Excluded		Not applicable
3.11	Use of sold products	Use of sold products	Excluded		Not applicable
3.12	End-of-Life treatment of sold products	End-of-life treatment of sold products	Excluded		Not applicable
3.13	Downstream leased assets	Downstream leased assets	Excluded		Not applicable
3.14	Franchises	Franchises	Excluded		Not applicable
3.15	Investments	Investments	Excluded		Not applicable
Other	Other	Biogenic emissions or other non-mandatory emissions	Excluded		Not applicable