



Streamlined Energy and Carbon Report

Aico Ltd
Aesbury Road
Morda
Oswestry
SY10 8NR

Annual Report for:

Named Director: (Neal Hooper; Managing Director)

On Behalf of:

Company Board of Directors (named later)

Company Registration Number: 08098450

Baseline Year

Date: 10th February 2021

Report prepared by

Alan Asbury, CEnv, FEI, FIEMA, CMILT, Chartered Energy Manager, EurEM (AEM), MICFM,

MCIWM, ESOS Lead Assessor, MSc, BSc (Hons).



Table of Contents

I.	Objective	2
II.	Scope	2
	Boundaries	
	Time period covered	
III.	Executive Summary	3
IV.	Greenhouse gas emissions	4
	Grouping by ‘scope’	
V.	Measurement and analysis	5
	Baseline year	
	Intensity ratios	
	Target reduction	
	Verification & assurance	
VI.	Responsibilities	8
	Approval and signing	
VII.	Methodology	9
	Energy Consultant	
VIII.	Legislation	11
	Statement of confidentiality	
	SECR Taxonomy	
IX.	Next Steps	12
X.	Caveats	13



Objective

The object of this report is to enable Aico as a company to increase awareness of energy costs at board level and to enable enhanced visibility for key decision makers. Such information will allow them to inform an adoption of energy efficiency measures and opportunities to drive down their emissions and, in doing so, reduce their operational costs and their impact on climate change.

This in turn will provide greater transparency for investors, and other stakeholders, on business energy efficiency and low carbon readiness. It will similarly allow the public to assess the company's actions and assess them against other similar companies using an agreed intensity ratio for direct comparison.

The regulations also aim to create a level playing field among large organisations for energy and emissions reporting. This is to ensure that administrative burdens associated with energy and emissions reporting are proportionate.

Scope

The scope of this report is the (scope 1 & 2) greenhouse gas emissions that result from Aico's business activities along with scope 3 commuting. This is primarily from ownership or operation of the following:

- Buildings
- Industrial or other processes
- Transport

Boundaries

It has been agreed that scope 1 and 2 emissions be assessed along with scope 3 commuting.

Time period covered

The company's financial reporting year is 1st January 2020 to 31st December 2020. This is the reporting period for the company and serves as the baseline year for SECR reporting going forward.



Executive Summary

Organisation description

Aico Ltd is the UK market leader in supply of fire and carbon monoxide detectors and has operated from one main UK site in Oswestry during this reporting period. The company operates a fleet of automobiles. As a company, Aico are pioneering new technologies and offering high quality alarms designed, developed and manufactured at their factory in Shannon, Southern Ireland (Eire). There is currently legislation similar to SECR (known as PSMR) for the Public Sector in Eire but not for commercial companies. It is likely that the operation in Shannon is mandated under the Energy Efficiency Directive (27/EED/2012) Article 8 (known in the UK as Energy Savings opportunities Scheme or ESOS, and in Eire as the Energy Auditing Scheme or EAS)

Aico alarms meet all UK standards with a wide range of sensor types to ensure that every home is protected. They offer expert technical support and advice on alarm selection, siting and installation as well as personalised specification documents and a dedicated installer training scheme. Aico work alongside Local Authorities and Housing Associations to create bespoke specifications and solutions to help create safer environments for tenants. Aico qualifies for SECR reporting due to its staff numbers and turnover.

Current Impact

For details of greenhouse gas emissions for the baseline year see tables on page 6.

Source of Data based report

The report has been compiled from spreadsheets, half hourly data, invoice data, inspection reports and fuel card data. There is a missing invoice for Electricity which has been estimated, private mileage has been extracted from fueling mileage data and deducted from the overall fuel pumped data.

Fugitive Emissions

According to maintenance reports, there have been no fugitive emissions or leaks of F Gases over the reference period or since the building was opened in November 2019.

Trends in impacts should be clear to the reader

Aico's CO_{2e} emissions are around 57% scope 1 fuel and transport based and 31% scope 2 electricity based. Scope 3 commuting accounts for 12%.

Progress against targets

This is a baseline report encompassing the first year of SECR. Consequently, progress against targets cannot yet be measured.

KPIs

Fundamental key performance indicators for the company are employee numbers, sales and turnover figures.



Explain how you are managing your impacts

Aico management processes are fully ESOS Compliant. They used CLS Energy as their external consultant for ESOS Phase 2 which was the first time they were mandated by this legislation. Lee Duffy is responsible for the management of the facilities and Environmental Management. Neal Hooper as Managing Director is ultimately responsible; Lee Duffy reports directly to Neal Hooper.

Statement on risks and opportunities

Aico are aware of their impacts on the environment and have invested heavily in the sustainable build of their new premises in Oswestry as well as investing in a large proportion of their fleet to become plug-in hybrid electric (PHEV) vehicles.

Greenhouse gas emissions

These are the gases, accepted as predominantly responsible for the greenhouse effect and consequent global climate change. This so-called 'basket' of gases was agreed at the Kyoto summit in 1997 which was ratified in 2005 by 192 countries around the world including the UK. The Kyoto Protocol extends the 1992 United Nations Framework Convention on Climate Change formulated at the Earth Summit in Rio.

There are seven gases in this basket although for this legislation, only the original Kyoto 6 are included:

1. Carbon dioxide (CO₂),
2. Methane (CH₄),
3. Nitrous oxide (N₂O),
4. Hydrofluorocarbons (HFC) aka F Gas
5. Perfluorocarbons (PFC) aka F Gas
6. Sulphur hexafluoride (SF₆).
7. Nitrogen trifluoride (NF₃)

Each gas is weighted by its global warming potential (GWP) – the higher this number, the more damaging are its effects in terms of global warming. Carbon Dioxide (CO₂) is equal to the arbitrary figure of 1. However, it is because it is in such abundance, accounting for 81% of total UK GHG emissions, that it is of major significance).

Figures are aggregated to give total greenhouse gas emissions in CO₂ equivalents (CO_{2e} also known as greenhouse gases or GHGs).



The sources of greenhouse gas emissions that this report is based upon are as follows:

Scope 1	Road Diesel
Scope 1	Road Petrol
Scope 1	Mains Gas
Scope 1	F Gases (Fugitive Emissions)
Scope 2	Electricity
Scope 3	Commuting

Grouping by ‘scope’

Greenhouse gas emissions are identified as one of three groups, known as scopes. These relate to their means of control:

Scope 1: Direct emissions - GHG from the Company’s owned buildings/assets – such as gas or fuel where the company has direct control over its purchase and consumption.

Scope 2: Indirect (e.g. GHG emissions from other organisations that produced the electricity, district heat, steam or cooling that the Company bought to use but has little or no control over.

Scope 3: Other indirect emissions – GHG emissions as a consequence of the Company’s actions (e.g. commuting, grey fleet)

Exclusions: All other sources have been excluded as these are scope 3 emissions. Such exclusions include grey fleet, water and waste.

Measurement and analysis

As can be seen below, scope 1 transport emissions are the dominant emissions source at 116.2 tonnes of CO_{2e}.

This is followed by scope 2 electricity emissions at 81tonnes of CO_{2e}.

These are followed by emissions from scope 1 purchased mains gas at 30.87 tonnes of CO_{2e}, scope 3 commuting amounts to 30.55 tonnes CO_{2e}. Scope 1 renewable energy generated on site equates to 2.26 tonnes CO_{2e} saved and scope 1 F gas leakage amount to 0 (zero) tonnes CO_{2e} from A/C units on site.

Refrigerant gases used across sites are R410A. These have a global warming potential of 2,088 (or 2,088 time more damaging in the atmosphere than CO₂). Independent inspections have taken place during 2020 and make note of no fugitive emissions, leakages or refills.

Source	Total (tCO2e)	CO2 (tonnes)	CH4 (tonnes)	N2O (tonnes)	HFCs (tonnes)	PFCs (tonnes)	SF6 (tonnes)
Emissions from combustion of gas (Scope 1).	30.87	30.81	0.04	0.02	N/A	N/A	N/A
Fugitive emissions (Scope 1).	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Emissions from combustion of fuel for transport purposes (Scope 1).	116.20	0.00	0.00	0.00	N/A	N/A	N/A
Emissions from purchased electricity (Scope 2 location based)	81.00	80.36	0.21	0.43	N/A	N/A	N/A
Renewables (Solar PV)	2.26	2.24	0.01	0.01	N/A	N/A	N/A
Commuting (Scope 3)	30.55	0.00	0.00	0.00	N/A	N/A	N/A
Direct CO2 emissions from Biogenic	Not used	Not used	Not used	Not used	Not used	Not used	Not used
Total gross tCO2e based on above	260.88	249	0.52	1.26	0	0	0

This can be viewed by scope types as follows:

Energy Consumed	Scope	kWh	Tonnes CO2e	%age CO2e
Mains Gas	1	167,356	30.87	11.8
Transport Fuel	1	490,556	116.20	44.5
Electricity	2	316,915	81.00	31.0
Commuting	3	140,235	30.55	11.7
Renewables	1	8,829	2.26	0.9
Fugitive Emissions	1	0	0.00	0.0
Total		1,123,890	260.88	100.0

And by scopes specifically as below:

Scope	kWh	Tonnes CO2e	%age CO2e	%age split kWh
Scope 1	666,741	149.33	57	59
Scope 2	316,915	81.00	31	28
Scope 3	140,235	30.55	12	12
Total	1,123,890	260.88	100	100



Baseline year

The baseline year for Aico is their most recent financial year following the commencement of this legislation on 1st April 2019. The reference year is 1st January 2020 to 31st December 2020. Aico's total CO_{2e} emissions for the year as seen above amounts to 260.88 tonnes of CO_{2e}.

Intensity ratios

Aico have elected to use scope 1 and 2 and commuting fleet scope 3* CO_{2e} (tonnes) by annual turnover for 2020. They have chosen the metric as this is a common business metrics for the industry sector.

As such the figures are:

Tonnes of scope 1, scope 2 and 3* CO_{2e} per £ of turnover x0.0000017 tonnes or 0.0017kg

Aico have not purchased carbon offsets as the Company are focused on delivering tangible and meaningful local measures to actively reduce their carbon (CO_{2e}) emissions.

Energy Efficiency

Details of objective and timeframe: During our baseline year (Calendar Year 2020), we have seen an improvement in our energy efficiency through the relocation of staff from our old office site in Oswestry to our newly and sustainably built site in Morda, Oswestry. The new site in Morda, occupied from November 2019, benefits from high quality air handling units with direct drive EC fans and variable speed drives, sealed windows, bris soleil, movement-controlled LED lighting, an effective BMS system, a 32-module (10kWp) solar array to the roof. The build was carried out to high standards. On 3rd February 2021, Aico UK formally committed to a 10-year Carbon Zero Plan with CLS Energy (Consultancy) Ltd with a target of 2030.

Verification & External assurance

Aico have gathered all required data and contracted the services of CLS Energy (Consultancy) Ltd to collate, assess and deliver this assessment and as such, it is an independent assessment.



Responsibilities

1. The names of the persons who, at any time during the financial year, were members of the LLP; and
2. the name of the designated member signing the report in accordance with section 419.
 - Neal Hooper
 - Brendan Barry
 - Michael Byrne
 - James Duignan
 - Michael Guinee
 - Matthew Small
 - Steven Trafford

Summary

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of transport is 116.20 tonnes CO_{2e}.

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the consumption of fuel for the purposes of commuter transport is 30.55 tonnes CO_{2e}.

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from activities for which the company is responsible involving the combustion of natural gas is 30.87 tonnes CO_{2e}.

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from the purchase of electricity by the company for its own use, including for the purposes of transport is 81.00 tonnes CO_{2e}.

The annual quantity of emissions savings in tonnes of carbon dioxide equivalent resulting from the generation of electricity on site by the company for its own use, is 2.26 tonnes CO_{2e}.

The annual quantity of emissions in tonnes of carbon dioxide equivalent resulting from fugitive emissions 0.00 tonnes CO_{2e}.

A figure, in kWh, which is the aggregate of the annual quantity of energy consumed from activities for which the company is responsible involving the combustion of gas or the consumption of fuel for the purposes of transport (including commuting) and the annual quantity of energy consumed resulting from the purchase of electricity by the company for its own use, including for the purposes of transport is 1,123,890kWh or 260.88tonnes of CO_{2e}.

The methodologies used to calculate the information disclosed above have been ISO 14064 and the Greenhouse Gas Protocol. Government conversion factors have been used throughout.



At least one ratio which expresses the company’s annual emissions in relation to a quantifiable factor associated with the company’s activities. These intensity ratio x0.0000017 tonnes of CO_{2e} per £ of turnover.

Approval and signing

This energy and carbon report has been approved by the Company Board of Directors (LLP members) and signed on behalf of all the directors (LLP members) by a designated director (member) below.

Name: Neal Hooper

Position in company: Managing Director

Signature.....

Date.....

Methodology

Guidance followed in the production of this report have been ISO 14064 and the Greenhouse Gas Protocol. Relevant government conversion factors have been used throughout.

5 principles are observed during the production of this report:

1. Consistent methodologies have been used to allow for meaningful comparisons of environmental impact data over time.
2. Data has been recorded in CO_{2e} (greenhouse gas emissions) utilising government conversion factors
3. Any changes to the data, changes in the organizational boundary, methods, or any other relevant factors are to be documented following this baseline.
4. Environmental impacts
5. Situations that may trigger or require a change in baseline year



Organisational Chart

To the best of our knowledge, based on the work undertaken in the course of this audit, the information in the Directors' Report:

- Is consistent with the financial statements
- Has been prepared in accordance with applicable legal requirements
- Contains no material mis statements.

Energy Consultant

Name: **Alan Asbury**, CEnv, FEI, FIEMA, CMILT, Chartered Energy Manager, EurEM (AEM), MICFM, MCIWM, ESOS Lead Assessor, MSc, BSc (Hons).

Position in company

Director

Signature

Date.....10th February 2021.....



Legislation

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 has implemented the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR) which come into force on 1 April 2019.

The legislation affects:

- quoted companies (Listed on the stock exchange);
- large unquoted companies (including charitable companies);
- large Limited Liability Partnerships (LLPs)

The qualifying conditions are met by a company or LLP in a year in which it satisfies two or more of the following requirements:

1. Turnover £36 million or more
2. Balance sheet total £18 million or more
3. Number of employees 250 or more

For Large company's inclusions are:

Registered companies that meet any two of the above thresholds

Limited Liability Partnerships (LLPs)

Unregistered companies are incorporated companies not formed or registered under the Companies Acts or under any other public general Act of Parliament (for example, companies formed under private Acts of Parliament, Royal Charters and letters patent).

Charitable companies where turnover is taken as a reference to the charitable company's gross income, as defined for its jurisdiction of registration, or operation.

Taxonomy

The Streamlined Energy & Carbon Reporting (SECR) Taxonomy

The SECR taxonomy is an addition to the FRC Taxonomies suite to reflect the new reporting requirements for energy and carbon data introduced on 1st April 2019. The new requirements apply to all large companies and LLPs as well as to all listed companies and supersede Mandatory Greenhouse Gas Reporting which has been in force since 2013.



While **it is not mandatory** to tag SECR data, Government is keen to enable companies that file their annual reports digitally to be able to report their SECR data in the same way to ensure the same level of transparency is available to external users.

The taxonomy is standalone to enable it to be used with other accounting taxonomies in the FRC taxonomy suite.

A feedback statement relating to the consultation is available [here](#).

For more information see:

<https://www.frc.org.uk/accountants/accounting-and-reporting-policy/xbri-frc-taxonomies>

Exemptions

Where an organisation is a low energy user (see below) it is not required to make the detailed disclosures of energy and carbon information. Instead, it must state, in its relevant report, that its energy and carbon information is not disclosed for that reason. A low energy user consumes less than 40,000kWh over the reporting period. In this case, the company exceeds this low energy use threshold.

Exclusions

In **exceptional circumstances**, where the directors or members consider the disclosure of the energy and carbon information would be **seriously prejudicial** to the interests of the organization. The relevant report must state that the energy and carbon information is not disclosed for that reason.

Statement of confidentiality

The information used to create this document shall not be shared with other parties without client's agreement.

Next Steps

Having produced this first year of data for SECR, Aico now has a legitimate baseline. We have been careful to work with the company to select an appropriate intensity ratio in order that this is comparable and a relevant measure for the company.



It is strongly recommended that the Company conduct a representative sample of site audits for the second year of SECR to allow us to establish:

- Where the significant energy users are
- Through metering and fleet assessment, what controls and savings can be made
- What technologies are appropriate to reducing energy use and costs
- The optimal route towards zero carbon
- A profiling exercise conducted on the fleet and fleet managers to ascertain potential areas for improvements
- A forensic assessment of telematics and a comprehensive approach to fleet savings

Caveats

Whilst every effort is made to ensure the appropriateness of the Streamlined energy and Carbon Reporting (SECR) process to meet the needs and requirements of BEIS, it is recognised that SECR is a new piece of legislation and as such, neither CLS Energy (Consultancy) Ltd or its associates can be held responsible for omissions of data or analysis where this was not made available to us or was not readily or suitably available for the purposes of checking and analysis.

Responsibility for any penalties that may be applied by Government, BEIS or its agents remain entirely with Aico Ltd. Similarly, any liability upon CLS Energy (Consultancy) Ltd, or its associates are limited in their entirety to the quoted fee agreed for this piece of work.

This document and its layout are the property of CLS Energy (Consultancy) Ltd and must not be copied, replicated, shared, adapted or otherwise used without the express written authority of a director of CLS Energy (Consultancy) Ltd.