

Sustainability continued

Green sourcing

As green energy generation is not viable at all Group facilities, we source our UK energy needs directly from renewable power providers. Following a review of the previous approach to energy procurement, the Group has centralised the procurement of gas and electricity for our UK activities. Switching to renewable power is a simple method to lower our carbon footprint, benefit the environment and demonstrate our commitment to sustainable business practices.

Engie has been selected as the Group's UK energy provider and since April 2020 committed to purchasing its power for UK operations in a responsible manner, and we have commenced a three-year process to transfer all energy supply contracts to Engie.

Engie offers 100% UK generated renewable power from certified renewable sources and is fully certified as zero carbon emissions by UK Renewable Energy Guarantees of Origin ('REGOs'), providing complete traceability of the energy it supplies to the Group.

Responsible consumption**Energy consumption and emissions**

The Group's activities can be summarised as largely manufacturing/assembly operations, combined with

office-based research, product development and other commercial functions, where we essentially receive materials and products from suppliers, assemble them into product and dispatch to customers.

The primary impact on the environment is the consumption of the normal business energy sources such as heating and power. The Group has undertaken significant steps to reduce its consumption as described above through both internally generated and purchased renewable energy.

The Group is committed to identifying and assessing environmental risks, such as packaging waste, arising from its operations. Waste management initiatives are encouraged and supported by the Group and materials are recycled where practicable. Local management teams are committed to good environmental management practices and are responsible for implementing the necessary initiatives to meet their local obligations. Each facility participates in recycling paper, plastic, cardboard and wood from pallets and continues to focus on minimising energy consumption through the efficient use of heating and lighting. The Group's usage of water is minimal and relates to cleaning, bathrooms and staff refreshments.

As the Group does not use its own logistics or freight, its primary direct energy usage and related CO₂ emissions arise from its facilities.

Carbon emissions

We recognise the impact that greenhouse gas emissions have on our environment. We are committed to reducing our emissions and will review appropriate, accredited targets over the coming year. As this is the Company's first year reporting its emissions in this manner, we intend to use the information below as our baseline for the purpose of our SECR reporting.

AB Dynamics plc energy consumption and emissions

UK (AB Dynamics plc and Anthony Best Dynamics Limited)		Baseline 2020
Scope 1: Direct emissions from owned and/or operated facilities (combustion of fuels and operation of facility)	tCO ₂ e	138,808
Scope 2: Indirect emissions from the use of electricity or steam (electricity, heat, steam and cooling purchased for own use)	tCO ₂ e	132,22
Scope 3: Business travel (air, vehicle emissions)	tCO ₂ e	204,289
Total emissions	tCO ₂ e	511,317
Total underlying energy consumption	kWh	1,168,699
Revenue	£m	61.5
Intensity ratio	tCO ₂ e/£m	8,314

The figures above include AB Dynamics plc and Anthony Best Dynamics Limited (a large unquoted company). The Group's other subsidiaries in the UK and overseas fall outside the remit of the Streamlined Energy and Carbon Reporting requirements (SECR). Source data (meter readings) has been used wherever possible; where this is not available this has been supplemented by billed data and a small element of estimated data. Appropriate conversion factors have been used to calculate the underlying energy consumption figures. Scope 1, 2 and 3 sources have been divided by the annual revenue to provide the intensity ratio (tCO₂e per £m). Certain data, estimated to be immaterial to the Group's emissions, has been omitted as it has not been practical to obtain (use of certain types of public transport: buses/tubes/rail). Metering and monitoring improvements are being implemented to capture and improve the Company's data streams.