


NSG

legacy management

ENERGY AND CARBON REPORT

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1 INTRODUCTION

As NSG Limited (NSG) is classified as a large unquoted company under the definitions set in Section 465 and 466, Chapter 15 of Companies Act 2006, it needs to comply with the new government legislation implemented by The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 ("the 2018 Regulations") on Streamlined Energy and Carbon Reporting (SECR).

To fulfil this, we have measured our UK energy and greenhouse gas emissions as classified within Scope 1, Scope 2 and mandatory element of Scope 3 of the Streamlined Energy and Carbon Reporting (SECR) regulations, which are presented in tables 1 and 2 as these are material to our organisation's activities.

We are not reporting non-mandatory elements of Scope 3 energy and GHG emissions as these are not material to our organisation.

2 ORGANISATIONAL AND OPERATIONAL BOUNDARIES OF THE COMPANY

NSG's structural and operational boundaries are the same. NSG currently operates from eleven premises (seven locations) in the UK:

- Scientia House, Chorley
- Fortuna Court, Reading
- Juno House, Reading
- Achilles House, Reading
- Youngs Yard, Reading
- Eagle Tower, Cheltenham
- Westlakes Lakes Science Park, Whitehaven [moved from Phoenix Court, Cleator Moor during year]

The company's head office is located at Scientia House Matrix Park Chorley Lancashire PR7 7NB.

The energy consumed by all sites has been quantified and included in the NSG SECR Year 2 report.

3 ENVIRONMENTAL PERFORMANCE

NSG decided to follow and adapt, for SECR reporting, a widely recognised Greenhouse Gas Reporting Protocol – Corporate Standard methodology. As at 31 March 2024 the Company’s energy usage and associated carbon emissions for the SECR year 2, 1 April 2023 to 31 March 2024 were as follows:

Table 1: Total energy consumption and associated greenhouse gas emissions from Scope 1, Scope 2 and Scope 3 for SECR Year 1 & 2 reporting periods.

		SECR Year 1 Reporting Period 2022			
Energy Type:		Energy Use (kWh)	% Split (kWh)	Emissions (tCO ₂ e/yr.)	% Split (tCO ₂ e)
Combustion of Gas	(Scope 1)	377,363	35.46%	68.9	31.13%
Electricity	(Scope 2)	331,621	31.16%	64.1	28.99%
Transport	(Scope 3)	355,178	33.38%	88.2	39.88%
Total	(Scope 1, 2 and 3)	1,064,162	100.00%	221.2	100.00%
		SECR Year 2 Reporting Period 2023			
Energy Type:		Energy Use (kWh)	% Split (kWh)	Emissions (tCO ₂ e/yr.)	% Split (tCO ₂ e)
Combustion of Gas	(Scope 1)	277,763	28.77%	58	26.64%
Electricity	(Scope 2)	241,397	25.00%	49	22.66%
Transport	(Scope 3)	446,338	46.23%	109	50.70%
Total	(Scope 1, 2 and 3)	965,498	100.00%	215.9	100.00%

Note: Columns may not always add up due to rounding of numbers.

4 INTENSITY RATIO

Intensity ratios compare emissions data with an appropriate business metric or financial indicator. This allows a comparison of energy efficiency performance over time and with other similar types of organisation. NSG has chosen to compare overall energy consumption and associated emissions against the annual turnover figure. For the Company SECR Year 2 reporting period, this is the 2022/23 financial year annual turnover.

During the period, NSG turnover and headcount increased. Despite this growth, measures put in place to reduce gas and electricity usage and corresponding emissions achieved overall reductions.

In a basic data comparison, it appears that these reductions were almost entirely offset by an increase in business travel. However, the intensity ratio demonstrates an over 25% decrease in energy consumption and 20% reduction in associated GHG emissions.

Table 2 Intensity Ratio - Energy consumption and associated GHG emissions per the annual turnover

Reporting Year	Total Energy Consumption (kWh)	Total GHG emissions (tCO₂e)	Annual turnover (£)	Intensity Ratio (kWh/ £100,000 of turnover)	Intensity Ratio (tCO₂e/ £100,000 of turnover)
SECR Year 1	1,064,162	221.2	54,121,000	1,966.26	0.409
SECR Year 2	965,498	216	67,901,000	1,421.92	0.318

Energy intensity ratios are calculated and presented as advised by the Department for Energy Security and Net Zero (ESNZ) recommendations.

5 ENERGY EFFICIENCY ACTIONS

The following environmental management measures and projects have been completed or implemented during our SECR Year 2 reporting period.

- Continued upgrade of new IT equipment.
- Management of site facilities under the ownership of NSG – this has manifested itself through the continued closure of offices on Fridays as well as mandates for employees to spend more time working from home where possible and encouraging those coming into work to use more public transport or cycling. Additional measures at Scientia House included:
 - changing the timers on the heating/hot water systems from constant to interval heating
 - reduced usage of the workshop heaters over winter to better correlate with working hours/areas together with a slight adjustment in temperature

The increased remote working has also enabled NSG to grow without the need for more facilities.

- Installation of electric vehicle (EV) charging points at Scientia House to support and encourage the use of EVs.
- Introduction of electric company cars and electric company vans.
- Introduction of sustainability team and creation of sustainability plan.

6 METHODOLOGY

The methodology used for determining energy and carbon emissions comes from a number of sources of GHG emissions:

- Natural gas used for building space heating (Scope 1)
- Electricity used for lighting, heating, ventilation and air conditioning (HVAC), and the operation of office equipment (Scope 2)
- The use of vehicles for business travel (Scope 3)

The energy consumption for our sites has been calculated from various sources, including utility invoices and meter readings, and in cases where these were not available, from industry benchmarks and floor area based on the Building Energy Efficiency Survey report for non-electrically heated offices published by the Department for Business Energy and Industrial Strategy (BEIS). Where possible, electricity consumption from our sites was determined from invoices. Where invoices used estimated readings, consumption was determined from monthly meter readings taken by our staff. Electricity consumption for Achilles 4B was calculated from actual readings for 11 months and pro rata for a full year. Where consumption was estimated in SECR Year 1 due to limited actual readings on invoices, the final figures were used as the baseline figures for SECR Year 2.

The energy consumption and associated GHG emissions from all our sites have been included in the NSG SECR Year 2 report.

Transport emissions were calculated based on the mileage covered during business trips using both company cars and personal vehicles (referred to as the "grey fleet"). Accurate carbon dioxide equivalent emissions calculations were ensured by utilising information on vehicle fuel types and engine sizes.

Greenhouse gas emissions have been calculated using the UK Government approved and published conversion factors for company reporting, 2023