



## Assurance Statement

The GHG Emissions Inventory for the *financial year 2020/21* prepared by:

**Ricardo plc**  
**Shoreham Technical Centre, Shoreham-by-Sea, West Sussex, BN43 5FG, UK**

has been verified by Lloyd's Register Quality Assurance Limited in accordance with:

ISO 14064-3:2006<sup>1</sup>

as taking into account the requirements of:

GHG Protocol, 2015

The assurance has been formed on the basis of a reasonable level of assurance and at a materiality of 5%.

Scope of GHG emissions	2020/21 (Tonnes CO <sub>2</sub> e)
Direct GHG emissions (Scope 1)	2,417
Energy indirect GHG emissions (Scope 2) – Location based	3,791
Energy indirect GHG emissions (Scope 2) – Market based	774
Other indirect GHG emissions (Scope 3) [employee air and rail travel]	480

Signed:

Date: 23rd August 2021

Graeme Clayton

On behalf of  
Lloyd's Register Quality Assurance Limited,  
1 Trinity Park, Bickenhill Lane, Birmingham, B37 7ES, United Kingdom  
LRQA reference number: LRQ00003441

This summary is not valid without the full Assurance Statement attached on pages 2 to 4 to which it applies.

<sup>1</sup> ISO 14064:2006 Greenhouse gases — Part 3: Specification with guidance for the validation and verification of greenhouse gas assertions

**Assurance Statement related to  
GHG Emissions Inventory for the financial year 2020/21  
prepared for Ricardo plc  
Shoreham Technical Centre, Shoreham-by-Sea, West Sussex, BN43 5FG, UK**

### **Terms of Engagement**

This Assurance Statement has been prepared for *Ricardo plc*.

Lloyd's Register Quality Assurance Ltd. was commissioned by *Ricardo plc* to assure its *GHG Emissions Inventory for the financial year 2020/21*, (hereafter referred to as "the Inventory").

The Inventory relates to direct GHG emissions and energy indirect GHG emissions *and other indirect GHG emissions limited to employee air travel*.

### **Management Responsibility**

*Ricardo plc* management was responsible for preparing the Inventory and for maintaining effective internal controls over the data and information disclosed. Lloyd's Register (LR)'s responsibility was to carry out an assurance engagement on the Inventory in accordance with our contract with *Ricardo plc*.

Ultimately, the Inventory has been approved by, and remains the responsibility of *Ricardo plc*.

### **LRQA's Approach**

Our verification has been conducted in accordance with ISO 14064-3:2006, '*Specification with guidance for validation and verification of greenhouse gas assertions*' to provide limited assurance that GHG data as presented in the Inventory have been prepared in conformance with *Ricardo plc*'s own data handling and calculation methodology, which is developed taking into consideration, "The Greenhouse Protocol – A Corporate Accounting and Reporting Standard (revised edition, Jan 2015)".

To form our conclusions the assurance engagement was undertaken as a sampling exercise and covered the following activities:

- conducted site visits to the Corporate office of *Ricardo plc* at the following locations, and reviewed processes related to the control of GHG emissions data and records:
  - Shoreham Technical Centre, UK
  - Leamington Spa Technical Centre, UK
- And a remote site visit to the following location
  - Ricardo Prague, CZ
  
- interviewed relevant staff of the organization responsible for managing GHG emissions data and records; and,
- verified, on a sampling basis, the historical GHG emissions data at a primary data level for the financial year 2020/21.
- verified the emission factors used with the source reference and confirmed their appropriateness.
- verified the emission factors applied for market-based Scope 2 emissions.

### **Level of Assurance & Materiality**

The opinion expressed in this Assurance Statement has been formed on the basis of a reasonable level of assurance and at a materiality of 5%

### **LR's Opinion**

Based on LRQA's approach, the total direct GHG emissions and energy indirect GHG emissions and other indirect GHG emissions limited to employee air travel. Disclosed in the Report as summarized in Table 1 below are materially correct and that the Report has been prepared as taking into account the requirements of: GHG Protocol, 2015, except for the following qualification(s): emissions have been expressed as tCO<sub>2</sub>e only, emissions of individual gases have not been identified.

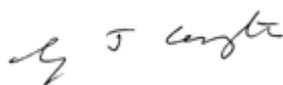
### **LR's Recommendations**

*Ricardo plc should:*

- Improve the transparency of data collection at a site/source level, as data tends to be aggregated prior to entry into the reporting system, better documentation of sources and methodologies is recommended.
- A system of controls should be adopted by the organisation in order to minimise the risk of misstatements within the inventory prior to external audit.
- Obtain evidence of conformance to Scope 2 quality criteria for all sites.
- Adopt a transparent base year recalculation methodology

*Signed*

*Dated: 23rd August 2021*



Graeme Clayton

On behalf of  
Lloyd's Register Quality Assurance Limited,  
1 Trinity Park, Bickenhill Lane, Birmingham, B37 7ES, United Kingdom  
LRQA reference number: *LRQ00003441*

**Table 1. GHG Attestation for Ricardo plc Report and Accounts FY 19/20**

**Notes:**

Table layout subject to improvement and is the version labelled 'Final Draft attestation COB 11 Aug'

Base year was verified by LR in 2020

**Statement starts**

Greenhouse gas emissions

	FY 2020/21	FY 2019/20 baseline
<b>Emissions - tCO<sub>2</sub>e</b>		
Scope 1 – Gas (methane based) usage	777	1,053
Scope1 - Diesel usage	555	2,597
Scope 1 – Gasoline usage	381	693
Scope 1 – Other emissions	703	0
Scope 1 - Total	2,417	4,343
Scope 2 – Location based	3,791	4,981
Scope 2 – Market based	774	2,016
Scope 3 – Air travel	477	3,967
Scope 3 – Rail Travel	3	No data
Total – Location based (Scopes 1 and 2)	6,208	9,324
Total – Market based (Scopes 1 and 2)	3,191	6,359
Total – Location based (Scopes 1,2,3)	6,688	13,291
Total - Market based (Scopes 1,2,3)	3,671	10,326
Scope 3 - Air travel base line	N/A	6,015
<b>Intensity Measures</b>		
(tCO <sub>2</sub> e per employee)		
Scope 1(n)	0.83	1.42
Scope 2 – Location based	1.31	1.63
Scope 2 – Market based	0.27	0.66
Scope 3 - Air travel	0.17	1.30
Total – Location based (Scopes 1 and 2)	2.14	3.05
Total – Market based (Scopes 1 and 2)	1.10	2.08
Total – Location based (Scopes 1,2,3)	2.30	4.36
Total - Market based (Scopes 1,2,3)	1.26	3.38
<b>Electricity consumption MWh</b>		
Electricity consumed (all sources)	15,742	17,455
Renewable energy consumed	14,296	12,973
Percentage of renewable electricity used	91%	74%

- The operational control test is applied to determine if an emission is within Scope.
- The inventory has been compiled according to the GHG Protocol and internal procedures with the exception that individual gases are not reported. Our GHG emissions for FY20/21 have been verified by Lloyds Register in accordance with ISO 14064–3:2006, 'Specification with guidance for validation and verification of greenhouse gas assertions'.
- The base year is FY2019/20, as this as the first year where data was verified. Where necessary previous year data has been restated to improve quality. Some data includes estimates, which may be updated at a later time when more accurate data is available.
- Emission factors used for fuels and UK location-based electricity are based on UK BEIS/DEFRA conversion factors for 2021. Electricity emissions factors used for location-based calculations are the most recent confirmed IEA factors for the country. Electricity emissions factors used for market-based calculations where renewable electricity is not supplied are the most recent year GWP residual mix factors from aib-net.org for countries in Europe and UK and location based for other countries
- Air and rail travel emissions are calculated by Susterra using bespoke factors that take account of route, class of travel, airline and aircraft type.
- Other Scope 1 emissions now include refrigerants used to top up cooling and air conditioning plants, fire extinguishants such as FM200 and sulphur hexafluoride (SF6) associated with switchgear.
- SECR: Our UK operations are our biggest consumer of electricity, which is our only UK scope 2 emission source, where we directly procure electricity from renewable sources for our largest sites. 97% of our renewable electricity (13,843 tCO<sub>2</sub>e) and 10% of our non-renewable electricity (150 tCO<sub>2</sub>e) are consumed in UK. The UK contribution to our scope 1 emissions is 90% of our total scope 1 emissions (2,417 tCO<sub>2</sub>e).
- we plan to increase our disclosures as we adopt science-based targets during FY21/22 and increase focus on scope 3 emissions. This will include baseline measurement and increasing the reporting as we are able to measure more categories of scope 3 emissions. We anticipate reporting Scope 3 categories 1, 2, 4, 5, 7, 9, 10, 11 & 12 starting from FY22/23 and have no Scope 3 emissions in Categories 3, 13, 14 or 15. Category 8 emissions are included within our scope 1 and scope 2 reporting
- our triggers for baseline recalculation would be and acquisition or disposal which changed head count by +/- 10% - this did not occur in the current or previous year

### **Statement ends**

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