

The background image for the report cover is a high-angle photograph of a large concrete dam. The dam is situated in a deep, forested valley. A reservoir of blue water is visible behind the dam, and a road or railway track runs along the side of the dam. The sky is overcast with grey clouds.

# Dialight Greenhouse Gas Report for Scope 1 and 2 emissions and Water Extracted

**Reporting period: FY-22**

## **Reporting Period**

This report has been prepared for the financial year ended 31 December 2022.

## **Report Purpose**

This report has been prepared to show electricity used, water withdrawn from public water services “water”, the Scope 1 & Scope 2 emissions and the intensity ratios derived from these. This report has been prepared on [27 April 2023] after the publication of the 2022 Annual Report, dated 3 April 2023. Limited Assurance has been obtained over key sustainability metrics as reported in the Data section below. Data will vary between the Annual Report and this report, due to the application of emission factors published subsequent to the Annual Report publication date and any adjustments during the verification process.

## **Basis of reporting**

The report is prepared in line with Reporting Criteria, which is available at: [www.dialight.com/sustainability/policies-governance/](http://www.dialight.com/sustainability/policies-governance/) under the sub-heading **ISAE 3410 – GHG Inventory**

## **Consistency**

This report is prepared on a consistent basis with the calculations for 2021 and there has been no change in boundaries or methodology.

## **Limited Assurance**

We have engaged KPMG LLP with providing an independent limited assurance opinion over selected metrics highlighted on this webpage with the symbol  $\diamond$ , in accordance with ISAE (UK) 3000 and ISAE

3410. The limited assurance report is available in the appendix to this report, and we recommend that it is read in full.

## Data

The actual data is as follows:

Absolute numbers	Unit of Measure	2022	2021	Movement
Electricity used	GWh	12.1	11.0	(1.1)
Water extracted	Megalitres	14.2	14.6	0.4
Emissions impact	Co2	2022	2021	Movement
Scope 1 emissions from combustion of fuel	Tonnes	1,663	1,188	(475)
Scope 2 emissions from purchased electricity (location based)	Tonnes	4,876	4,377	(499)
<b>Total</b>	<b>Tonnes</b>	<b>6,539</b>	<b>5,565</b>	<b>(974)</b>

Intensity Ratios	Unit of Measure	2022	2021	Movement
<b>Revenue*</b>	<b>£m's</b>	<b>169.7</b>	<b>131.6</b>	<b>29%</b>
<b>Consumption per £ of revenue</b>				
Scope 1	Tonnes/£m revenue	9.8	9.0	(9%)
Scope 2	Tonnes/£m revenue	28.7	33.3	14%
<b>Scope 1 &amp; 2</b>	<b>Tonnes/£m revenue</b>	<b>38.5</b> ◊	<b>42.3</b>	<b>9%</b>
Electricity	MWh/£m revenue	71.2	83.6	15%
Water	Kilolitre/£m revenue	83.9	110.9	24%

\* Per audited financial statements in 2022 Annual Report

Movement in brackets are adverse and those without brackets are favourable



## **Independent Limited Assurance Report of KPMG LLP to Dialight plc**

KPMG LLP (“KPMG” or “we”) were engaged by Dialight plc (“Dialight”) to provide limited assurance over the Selected Information described below for the year ended 31 December 2022.

### **Our conclusion**

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report’s intended use.

### **Selected Information**

The scope of our work includes only the information included within ‘Dialight Greenhouse Gas Report for Scope 1 and 2 emissions and Water Extracted’ (“the Report”) on the Dialight website at [www.dialight.com/sustainability/policies-governance/](http://www.dialight.com/sustainability/policies-governance/), under the sub-heading Greenhouse Gas (GHG) and Water Extracted Reporting for the year ended 31 December 2022 marked with the symbol ◊ (“the Selected Information”) and also listed in Appendix 1.A.

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed elsewhere on Dialight’s website for the current period or for previous periods unless otherwise indicated.

### **Reporting Criteria**

The Reporting Criteria we used to form our judgements are Dialight’s Reporting Criteria as set out on the Dialight website at [www.dialight.com/sustainability/policies-governance/](http://www.dialight.com/sustainability/policies-governance/), under the sub-heading Greenhouse Gas (GHG) and Water Extracted Reporting (“the Reporting Criteria”). The Selected Information needs to be read together with the Reporting Criteria.

### **Inherent limitations**

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time. The Reporting Criteria has been developed to assist Dialight in producing the Report. As a result, the Selected Information may not be suitable for another purpose.

### **Directors’ responsibilities**

The Directors of Dialight are responsible for:

- designing, operating and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

### **Our responsibilities**

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria and to report to Dialight in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.



### **Assurance standards applied**

We conducted our work in accordance with International Standard on Assurance Engagements (UK) 3000 *Assurance Engagements other than Audits or Reviews of Historical Financial Information* ("ISAE (UK) 3000") issued by the Financial Reporting Council and, in respect of the greenhouse gas emissions information included within the Selected Information, in accordance with International Standard on Assurance Engagements 3410 *Assurance Engagements on Greenhouse Gas Statements* ("ISAE 3410"), issued by the International Auditing and Assurance Standards Board. Those standards require that we obtain sufficient, appropriate evidence on which to base our conclusion.

### **Independence, professional standards and quality management**

We comply with the Institute of Chartered Accountants in England and Wales ("ICAEW") Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. The firm applies International Standard on Quality Management 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Summary of work performed**

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- conducting interviews with Dialight's management to obtain an understanding of the key processes, systems and controls in place over the preparation of the Selected Information;
- selected limited substantive testing at the head office location over location-level Selected Information, including agreeing a selection of the Selected Information to corresponding supporting information;
- considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- recalculating the intensity metric, dividing total emissions by revenue, as reported in the Annual Report;
- performing analytical procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio; and
- reading the narrative within the Report with regard to the Reporting Criteria, and for consistency with our findings.



The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

**This report's intended use**

Our report has been prepared for Dialight solely in accordance with the terms of our engagement. We have consented to the publication of our report on the Dialight website for the purpose of Dialight showing that it has obtained an independent assurance report in connection with the Selected Information.

Our report was designed to meet the agreed requirements of Dialight determined by Dialight's needs at the time. Our report should not therefore be regarded as suitable to be used or relied on by any party wishing to acquire rights against us other than Dialight for any purpose or in any context. Any party other than Dialight who obtains access to our report or a copy and chooses to rely on our report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, KPMG LLP will accept no responsibility or liability in respect of our report to any other party.

*KPMG LLP*

**KPMG LLP**

Chartered Accountants  
London,  
27 April 2023

The maintenance and integrity of Dialight's website is the responsibility of the Directors of Dialight; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on Dialight's website since the date of our report.



## Appendix 1.A Selected Information

The Underlying Selected Information that constitutes the Selected Information are listed below. The information in this Appendix needs to be read together with the attached limited assurance report and the Reporting Criteria.

<b>Underlying selected data</b>	<b>Selected information</b>
KPI 1: Scope 1 and 2 emissions intensity FY22 (tonnes CO <sub>2</sub> e/ £m revenue)	38.5
KPI 2: Water intensity (water usage in kilolitres/ £m revenue)	83.9