

# CARBON REDUCTION PLAN

Supplier name: Zenith

Publication date: 31 August 2022

## COMMITMENT TO ACHIEVING NET ZERO

**ZENITH IS COMMITTED TO ACHIEVING NET ZERO EMISSIONS BY 2050.**

## BASELINE EMISSIONS FOOTPRINT

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Our emissions as detailed below have been verified by an independent third party, Carbon Footprint. The verification undertaken by Carbon Footprint Ltd was conducted in accordance with ISO 14064-3 (2019): Greenhouse gases- part 3: 'Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements.' This was to a limited level of assurance, as defined by the ISO 14064-3 standard. A verification plan (including sampling) was devised at the preliminary stages of the assessment to guide the verification process.

In conformance with the ISO 14064-3 standard, the following activities were undertaken:

- Initial review of the GHG documentation and methodologies, including historical GHG data for the period **1st April 2021 to 31st March 2022**.
- Remote auditing activities, involving discussions with staff from Zenith regarding:
- Scope of calculation (including appraisal boundaries).
- Input data sets, any missing data, estimations made and assumptions.
- Calculation methodology and conversion factors used.
- Quality control procedures.

<b>Baseline Year:</b> 2022	
<b>Additional Details relating to the Baseline Emissions calculations.</b>	
<p>Our Scope 3 emissions does not include the carbon generated by:</p> <ul style="list-style-type: none"> <li>• The manufacture of the vehicles we procure</li> <li>• The mileage driven in the vehicles by our customers</li> <li>• The service, maintenance and repair of the vehicles.</li> </ul> <p>We are currently calculating these to enable our Net Zero targets to be validated by SBTi by October 2023 at the latest.</p>	
<b>Baseline year emissions: 01 April 2021 – 31 March 2022</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e) 4,675.68</b>
<b>Scope 1</b> (Natural Gas, LPG, owned transport)	3,219.58
<b>Scope 2</b> (Purchased electricity)	1,114.73
<b>Scope 3</b>	<p><b>Total - 341.37</b></p> <p><b>Upstream transportation and distribution - 185.35</b></p> <p>We have currently only calculated the emissions from the T&amp;D of our electricity and gas that we use. We are currently calculating the emissions generated by the production of the vehicles we purchase and will publish these in next year's disclosure and CRP.</p> <p><b>Waste generated in Operations - 19.07</b></p> <p><b>Business Travel - 139.96</b></p> <p>This includes rail, flight and road travel plus hotel stays.</p> <p><b>Employee Commuting - 0</b></p>



	<p>We are working to calculate the emissions generated by our employees commuting however these will have reduced per employee due to implementing an agile working policy.</p> <p><b>Downstream transportation and distribution - 0</b></p> <p>We are working to calculate the emissions generated by the use of the vehicles we own by our customers and will publish these in next year's disclosure and CRP.</p>
<b>Total Emissions</b>	4,675.68

## CURRENT EMISSIONS REPORTING

<b>Reporting Year: 2022 (01 April 2021 - 31 March 2022)</b>	
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e) 4,675.68</b>
<b>Scope 1</b>	3,219.58
<b>Scope 2</b>	1,114.73
<b>Scope 3 (Included Sources)</b>	<p><b>Total - 341.37</b></p> <p><b>Upstream transportation and distribution - 185.35</b></p> <p>We have currently only calculated the emissions from the T&amp;D of our electricity and gas that we use.</p> <p>We are currently calculating the emissions generated by the production of the vehicles we purchase and will publish these in next year's disclosure and CRP.</p> <p><b>Waste generated in Operations - 19.07</b></p> <p><b>Business Travel - 139.96</b></p> <p>This includes rail, flight and road travel plus hotel stays.</p> <p><b>Employee Commuting - 0</b></p> <p>We are working to calculate the emissions generated by our employees commuting however these will have reduced per employee due to implementing an agile working policy.</p> <p><b>Downstream transportation and distribution - 0</b></p>



	We are working to calculate the emissions generated by the use of the vehicles we own by our customers and will publish these in next year's disclosure and CRP.
<b>Total Emissions</b>	4,675.68

## EMISSIONS REDUCTION TARGETS

We will have carbon reduction targets in place by October 2023 at the latest as part of our commitment to SBTi's business ambition for 1.5 degrees. These will cover our Scope 1, Scope 2 and Scope 3 emissions and will include short, medium and long-term targets. Our commitment can be seen here - <https://sciencebasedtargets.org/companies-taking-action>.

## CARBON REDUCTION PROJECTS

### Completed Carbon Reduction Initiatives

We can provide accurate projections for our carbon emission reduction initiatives following our SBTi target validation. However we have already implemented the following management measures and projects, with all being in place prior to the baseline calculation.

Whilst we have yet to calculate our total scope 3 value chain emissions, we expect that the majority of our carbon emissions will be due to leasing petrol and diesel vehicles to our customers. For this reason, we have established the following targets and initiatives to begin reducing the emissions caused by this activity prior to calculation.

EVI00 target – Transition the funded fleet for our corporate customers to battery electric vehicle only by 2030. We are currently calculating the annual emissions generated by our customer's fleet and will be able to evidence the carbon emissions avoided by leasing battery electric vehicles over traditional internal combustion engine (petrol and diesel) following calculation. At the time of our commitment in 2020, our funded fleet was 48,000 vehicles and using the current UK emissions conversion factor plus each car driving 12,000 miles per year would result in carbon emissions reductions of 161,585,280 tCO<sub>2</sub>e. We will be able to provide more accurate projections on the carbon emissions reductions following the calculation of our total Scope 3 value chain emissions and SBTi target validation.

SBTi commitment – Committed to the Business Ambition for 1.5 degrees in October 2021. Targets will cover our Scope 1, Scope 2 and Scope 3 emissions and will be validated by SBTi by October 2023 at the latest. This will lead to a 100% reduction against our 2022 baseline by 2050.



Green Financing – Issued the UK vehicle leasing sector’s largest Green Bond in January 2022, totalling £475 million. This Green Bond issue includes the commitment to spend the proceeds on battery electric vehicles. In the period from the Green Bond issue (28 January 2022) to the end of the 2022 financial year (31 March 2022), we have purchased 1,595 vehicles totalling £60.2 million. This has led to the avoidance of 2,717 tCO<sub>2</sub>e due to leasing electric vehicles compared to petrol and diesel.

Our head office is located at Kirkstall Forge, Leeds. We moved to this office in 2017 in part due to its environmental credentials. The building was awarded BREEAM outstanding in both Construction and in Operation, the first office in the UK to achieve this. We have also implemented an electric-vehicle only company car policy for Zenith employees and have supported a number of our customers to do the same. We are also a certified Carbon Neutral organisation and have committed to maintaining this each year. We achieve this by offsetting our direct Scope 1, Scope 2 and operational Scope 3 emissions across the Group by supporting carbon reduction, avoidance and sequestering projects. We will only offset those emissions that we cannot reduce and this is therefore a secondary part of our plan, nonetheless it will be an element of our carbon reduction plan.

Further information on the steps we have taken to reduce our carbon emissions and environmental impact can be seen in our annual report here - [https://www.zenith.co.uk/wp-content/uploads/2022/08/Zenith\\_Automotive\\_Holdings\\_Limited\\_Annual\\_Report\\_2022.pdf](https://www.zenith.co.uk/wp-content/uploads/2022/08/Zenith_Automotive_Holdings_Limited_Annual_Report_2022.pdf)

In the future we hope to implement further measures such as:

By October 2023, we will have short, medium and long-term carbon reduction targets in place validated by SBTi. These targets will cover our Scope 1, Scope 2 and Scope 3 emissions and we will be engaging with our stakeholders to communicate our targets and identify opportunities for collaboration to achieve them. We are currently calculating our total Scope 3 value chain emissions, including the emissions generated by the manufacture of the vehicles that we procure, the mileage driven in them by our customers and their service, maintenance and repair by our supply chain. This will enable our carbon reduction targets to be accurate and realistic.



## DECLARATION AND SIGN OFF

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard<sup>3</sup>.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

## SIGNED ON BEHALF OF THE SUPPLIER:



Mark Phillips (CFO)  
Date: 31 August 2022

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<sup>1</sup><https://ghgprotocol.org/corporate-standard>

<sup>2</sup><https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

<sup>3</sup><https://ghgprotocol.org/standards/scope-3-standard>