



# Arnold Clark Carbon Reduction Plan 2023

**Supplier name:** Arnold Clark Automobiles Limited and all subsidiary companies

**Publication date:** 30th June 2024

Published in compliance with UK Government Cabinet Office requirements.

## Commitment to achieving net zero

Arnold Clark Automobiles Limited (SC036386) is committed to achieving net zero emissions by 2050.

This commitment also applies to, and is adopted by, our UK-based subsidiary companies: Arnold Clark Finance Limited (SC039597), Arnold Clark Insurance Services Limited (SC192797), Assure Alarms Limited (SC139217), Bumblebee EV Limited (SC637826), Central Car Auctions Limited (SC042129), GTG Training Limited (SC290157) and ID Computer Software Limited (SC331676). All subsidiary companies are 100% wholly owned by Arnold Clark Automobiles Limited.

***Arnold Clark***

## 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.

### Baseline year, Jan - Dec 2021: in line with Arnold Clark's trading year and published Annual Accounts report

#### Additional details relating to the baseline emissions calculations.

Arnold Clark's baseline year for emissions measurements and recording is 2021.

During that period, our Streamlined Energy and Carbon Reporting (SECR) disclosed figures for our Scope 1 and Scope 2 emissions. Our organisation had not assessed our Scope 3 emissions in 2021, nor were there any legal or compliance obligations for us to report Scope 3 emissions. Consequently, we do not have Scope 3 emission figures to submit for our baseline of 2021.

Scope 1 and Scope 2 emissions figures for our baseline year of 2021 were independently calculated and quantified by experienced, qualified energy and carbon consultants. Emissions figures quoted were calculated on a market-based approach.

#### ADDENDUM as of JUNE 2023

The emissions reported for our baseline year of 2021 have been re-stated since the publication of our CRP in 2022. This was following the appointment of a new energy and carbon consultant, who, following a methodology and data review of our 2021 reports, recommended some adjustments.

A reduction in Scope 1 emissions was made to account for fuel sold to customers. The emissions from the combustion of this fuel are not our responsibility and therefore these have been deducted from our emissions reporting. This has reduced our 2021 baseline Scope 1 emissions by 7,372 tCO<sub>2</sub>e.

A slight adjustment to Scope 2 emissions was included in line with improved methodologies and reporting advice from our consultants. This sees a nominal increase of 766 tCO<sub>2</sub>e included within our 2021 baseline Scope 2 emission figures.

No change was made to Scope 3 as no data was available in 2021.

The adjustments cumulatively result in our 2021 baseline total emissions being reduced by 6,606 tCO<sub>2</sub>e and re-stated as 40,092 tCO<sub>2</sub>e.

### Baseline year emissions: 2021

Emissions	Total (tCO <sub>2</sub> e)
Scope 1	30,268
Scope 2	9,824
Scope 3 (Included Sources)	Our organisation had not assessed our Scope 3 emissions in 2021, nor were there any legal or compliance obligations for us to report Scope 3 emissions. Consequently, we do not have Scope 3 emission figures to submit for our baseline of 2021.
<b>Total emissions</b>	<b>40,092</b>

## Current emissions reporting

Reporting year: Jan – Dec 2023	
In line with Arnold Clark’s trading year and published annual accounts report.	
Emissions	Total (tCO <sub>2</sub> e)
Scope 1	28,971*
Scope 2	10,343*
<b>Scope 3</b> (Included sources) 4. Upstream transportation and distribution 5. Waste generated in operations 6. Business travel (excluding grey fleet) 7. Employee commuting	27,511** The Scope 3 value quoted includes emissions for four of the requisites five categories stipulated within the UK Cabinet Office Technical Standard for Completion of CRPs. The Group has chosen not to disclose any emissions for Scope 3 Category 9 in line with the technical guidance provided by the Green House Gas Protocol that states that it is only applicable to “transportation providers, distributors, and retailers” and not the individual consumer (our primary customer) which is optional.
<b>Total emissions</b>	66,825

\*As disclosed in Arnold Clark Automobiles Limited Annual Report 2023.

\*\* As calculated with the assistance of CFGI Limited.

## Emissions reduction targets

In order to continue our progress to achieving net zero, we have adopted the following carbon reduction targets.

The UK Government has confirmed its ambition to see the end of sales of new petrol and diesel cars in the UK by 2035. New measures will require businesses to commit to a net zero emissions target by 2050 before they can bid for major public sector contracts.

Our Group Roadmap to Net Zero has been designed to achieve our Scope 1 and 2 emission reduction targets of a one-third reduction by 2030, a two-third reduction by 2040, and net zero by 2050 (2045 in Scotland) versus our 2021 baseline. These timescales reflect our ability to utilise existing technologies to reduce our emissions associated with heating and powering our estate in the short to medium term. It also recognises that reducing our transport emissions will require further technological advancements, especially as the geographical footprint of the Group continues to grow, meaning we will only see meaningful transport-related emissions reduction in the medium to longer term.

To achieve this, we are looking to reduce the environmental impact of our business through our sustainability programme, SENSE (Sustainable Environment for Nature, Society and the Economy), which focuses on the decarbonisation of our operations, the reduction of our waste, and the improvement of our water use efficiency. In our material climate-related risks and opportunities tables, we have determined a series of metrics we will use to measure and monitor our climate-related risks and opportunities over the years. As we are at the start of our journey, we will be aiming to collect this data in future periods and thereafter report annually on each risk against the metrics identified.

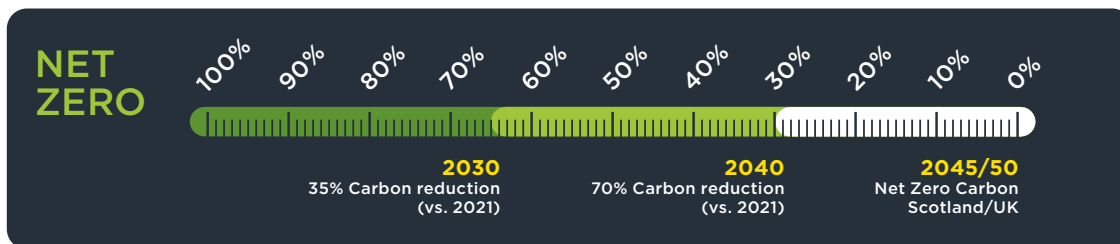
Most of our Scope 1 and 2 emissions are associated with heating and powering our estate and the use of fuel in our operations. To achieve our net zero targets, we have established a programme, set out below, for trialling low-carbon alternatives by first understanding the feasibility and impact of these alternatives on a small scale by piloting at selected sites, with a view to facilitating a widescale deployment across the Group in the coming years where trials for carbon alternatives are successful.

Our targets will be reviewed, and near-term targets issued as the feasibility of decarbonising activities are determined.

**Additionally, one of our core strategic objectives is ‘Providing a sustainable product choice for our customers, while reducing our environmental impact.’ To achieve this, we are:**

- Working with our manufacturer partners to provide increasingly sustainable choices for our customers.
- Expanding our education of the public on the benefits and viability of AFV through our Innovation Centres and dedicated Electric Car Centres.
- Expanding our sustainable product offerings through the construction and development of our own EV charging network, Arnold Clark Charge, which commenced in the year. This will result in over 500 EV fast chargers being available for use across our branch network, from Inverness to Southampton, allowing our customers to pre-book a charging slot and avoid any charging anxiety with their EV.
- Enhancing our in-house ability to supply EV home chargers through the acquisition of Bumblebee EV Limited. This additional capability allows us to offer customers the option of a home EV charger at the point of sale of the EV, removing a potential sale impediment.

We project that our Scope 1 and 2 carbon emissions will decrease over the next five years to 29,177.72 tCO<sub>2</sub>e by 2028. This is a reduction of 27%. We do not currently have any interim targets for our Scope 3 emissions.



Net zero illustration for Scope 1 and 2 only.

## Carbon reduction projects

### Completed carbon reduction initiatives.

The following environmental management measures and projects have been implemented during 2023. The carbon emission reduction achieved by these schemes will help us to reduce our Scope 1 and 2 emissions to 26,060 tCO<sub>2</sub>e by 2030, a 35% reduction against the re-stated 2021 baseline and the measures will be in effect when performing the contract.

#### LED lights

As part of our ongoing commitment to sustainability and environmental responsibility, Arnold Clark has taken significant steps to reduce our Scope 1 and 2 greenhouse gas emissions across our branches nationwide. Our journey towards a sustainable future is marked by strategic investments in energy-efficient technologies and practices that not only reduce our carbon footprint but also enhance our operational efficiencies.

The first key measure we have sought to implement is the widespread installation of LED lighting and Passive Infrared Sensors (PIRs) across our sites. LED lights are energy efficient, consuming up to 75% less energy and lasting 25 times longer than traditional incandescent lighting. This transition not only contributes to substantial energy savings but also reduces our overall environmental impact. Additionally, PIRs ensure that lights are only in use when needed, further optimising energy consumption by eliminating wasteful usage in unoccupied spaces or during times when natural sunlight provides sufficient lighting.

#### Destratification fans

Secondly, and recognising the impact that the heating and cooling of large retail spaces has on our environmental footprint, we have started to install destratification fans across our branches. These fans work by equalising the temperature throughout our spaces, pushing warm air down from the ceiling to the occupied levels. This results in a more comfortable environment for both customers and employees while significantly reducing the need for excessive heating or cooling, thereby cutting down on energy consumption and associated emissions.

#### Building Energy Management Systems

A third initiative of our emissions reduction strategy is the implementation of Building Energy Management Systems (BEMS) which we successfully prototyped at two branches during 2023. BEMS allow for centralised control of our buildings' heating, ventilation, air conditioning (HVAC), and lighting systems, ensuring they operate only when necessary and at optimal efficiency. This not only reduces energy use and emissions but also lowers operational costs, supporting our commitment to environmental stewardship and financial sustainability.

In addition to these branch-based initiatives, Arnold Clark has also embarked on actively electrifying our company car fleet, surpassing the Government's Zero Emission Vehicle (ZEV) mandate requirements. This transition to electric vehicles (EVs) represents a significant step forward in reducing our Scope 1 emissions, decreasing our reliance on fossil fuels, and contributing to the global effort against climate change.

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

As part of our future journey to net zero, Arnold Clark has devised a strategy to cover our different business streams. Some of our intentions are detailed below:

Emission source	Short term (up to 2025)	Medium term (2026 - 2035)	Long term (2036 - 2050)
<b>Heating and powering of our estate</b>	<p>Rooftop solar power generation to produce low- carbon power on site.</p> <p>Battery storage to capture additional low-carbon rooftop solar power.</p> <p>Voltage optimisation to reduce power waste.</p> <p>Destratification fans to improve heating and cooling efficiency.</p> <p>Centralised building energy management systems to reduce out-of-hours energy waste.</p>	<p>Procurement of low carbon electricity through Purchase Power Agreements or other market mechanisms.</p> <p>Transition from gas to electric powered heating for our workshops.</p>	<p>Transitioning of our bodyshop equipment to electric to reduce natural gas consumption.</p>
<b>Fuel used in our operations</b>	<p>Electrification of our company car fleet to reduce business travel and commuting emissions.</p>	<p>Transition of our internal van fleet to alternative fuel vehicles to reduce the use of diesel.</p>	<p>Decarbonisation of our vehicle transporter fleet to reduce the use of diesel.</p>

## Declaration and sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standards 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 and use the appropriate government emission conversion factors for greenhouse gas company reporting.

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 as no data was available for 2021. Future Scope 3 reporting will be in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors.

Signed on behalf of the Supplier:



Mr. E. Hawthorne  
Chief Executive & Group Managing Director

**Date: 28th June 2024**

If you would like to access this document online, it is available at:  
[www.ArnoldClark.com/sustainability/carbon-reduction](http://www.ArnoldClark.com/sustainability/carbon-reduction)