# Arnold Clark Carbon Reduction Plan 2025

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

**Publication date:** 26th June 2026

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. We will refer to Arnold Clark Automobiles Limited and associated subsidiary entities collectively as 'Arnold Clark' throughout this report.

## 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: 2021 (Jan - Dec) |
| --- |
| Arnold Clark's baseline year for emissions measurements and recording is 2021.<br>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 year.<br>Scope 1 and Scope 2 emissions (location-based) figures for our baseline year of 2021 were independently calculated and quantified by experienced, qualified energy and carbon consultants. |

| Baseline year emissions: 2021 | |
| --- | --- |
| **Emissions** | Total ($tCO_2e$) |
| **Scope 1** | 30,268 |
| **Scope 2** | 10,852 |
| **Scope 3**<br>(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. |
| **Total emissions** | 41,120 |

## Current emissions reporting

| Current reporting year: 2025 (Jan – Dec) | |
|---|---|
| **Emissions** | Total (tCO2e) |
| **Scope 1** | 28,830** |
| **Scope 2** | 8,854* |
| **Scope 3**<br>(Included sources)<br>4. Upstream transportation and distribution<br>5. Waste generated in operations<br>6. Business travel (excluding grey fleet)<br>7. Employee commuting<br>9. Downstream transportation and distribution | 43,120 |
| **Total emissions** | 80,804 |

*As disclosed in Arnold Clark Automobiles Limited Annual Report 2025.

**In the FY25 Annual Report, the disclosure of Scope 1 emissions included 520 tCO2e relating to grey fleet. These are reported within Scope 3 above for CRP purposes.

## Emissions 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. 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 in our carbon reduction projects section, 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.

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:

- Strengthening our in-house capabilities through our subsidiary Bumblebee EV Limited. This enables us to offer home electric vehicle ('EV') chargers at the point of sale, helping to remove a key barrier to electric vehicle adoption.
- Continuing in-house training of our employees to ensure they have sufficient knowledge to support and provide advice to customers on alternatively fueled vehicles (AFVs) and the use of our Arnold Clark Charge network. We also provide other relevant sustainability training, such as waste management procedures.
- Expanding our sustainable product offerings through the construction and development of our own EV charging network (Arnold Clark Charge), which continued during 2025 with an additional £10m of capital investment, taking our total investment to date to £19m. Our network is fully available to members of the public via app bookings, Pay & Go (contactless) and through numerous roaming partners. We have 59 operational sites, with a further 10 under construction, enabling customers to pre-book a charging slot in a safe and monitored environment and allowing them to avoid any charging anxiety with their EV.

We project that our Scope 1 and 2 carbon emissions will decrease over the next five years to 26,728 $tCO_2e$ by 2030. This is a reduction of 35% against our 2021 baseline. We do not currently have any interim targets for our Scope 3 emissions.

# Carbon reduction projects

## Completed carbon reduction initiatives

The following environmental management measures and projects have been completed or implemented since the 2021 baseline. The carbon emission reduction achieved by these schemes equates to 3,436 tCO2e, an 8% reduction against the 2021 baseline, and the measures will be in effect when performing the contract.

## LED lights

We have sought to implement LED lighting and smart sensors across our sites. LED lights are energy efficient, consuming up to 90% less energy and lasting 50 times longer than traditional incandescent lighting. This transition not only contributes to substantial energy savings but also reduces our overall environmental impact. Additionally, smart sensors 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. We have continued to make good progress with this initiative throughout 2025 and intend to continue LED installations where possible across our estate.

## Destratification fans

Recognising the impact that the heating and cooling of large retail spaces has on our environmental footprint, we are installing destratification fans across applicable sites. These fans work by equalising the temperature throughout our spaces, pushing warm air down from the ceiling to where it is needed at the lower 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. In 2025, we successfully installed destratification fans at an additional 25 sites.

## Rooftop solar PV

We have continued to implement rooftop solar PV installations where possible. These installations allow for the capture and immediate use, and/or storage and future use, of green renewable electricity on site. This provides a decarbonised energy source to support our operational requirements and lowers operational costs. In 2025, we successfully commissioned rooftop solar PV at 10 sites.

## Heat control locking covers

As part of our ongoing review of energy usage across our estate, during 2025, we identified high out-of-hours energy usage at a number of our sites. In order to lower both energy use and operational running costs, we have introduced heat control locking covers ('lock boxes') at 12 sites on a trial basis. The lock boxes prevent thermostat tampering and ensure heating timers are set correctly to reflect operating hours. We will expand the use of lock boxes across our sites with high out-of-hours energy use.

## Company cars

In addition to these site-based initiatives, Arnold Clark has also embarked on progressively electrifying our company car fleet, aligning with the government's zero-emission vehicle (ZEV) mandate requirements. This transition to electric vehicles (EVs) represents a positive step forward in reducing our Scope 1 emissions, deceasing our reliance on fossil fuels and contributing to the global effort against climate change. In 2025, we increased the percentage of EVs in our company car fleet by a further 7% compared to 2024.

## Future carbon reduction initiatives

We have established a strategy, set out in the table below, for trialing low carbon alternatives. This enables us to understand the feasibility and impact of these alternatives on a small scale by piloting at selected sites. Where these trials are successful, decisions can be taken as to the appropriateness and timing of widescale deployment across the Group. The initiatives discussed above will continue to be implemented across other areas of our estate in future periods. These actions form part of the Group's commitment to playing its part in our society's drive towards achieving a Net Zero economy.

| Emission source | Short term (0-3 years) | Medium term (4-10 years) | Long term (over 10 years) |
|---|---|---|---|
| **Heating and powering of our estate** | Rooftop solar power generation to produce low- carbon power on site.<br>Destratification fans to improve heating and cooling efficiency.<br>LED lighting and smart sensors to reduce energy consumption and provide better controls over the use of lighting systems, further reducing energy consumption.<br>Localised building controls for heating, cooling, and lighting systems to prevent unnecessary usage and energy waste and optimise comfort levels within branches. | Procurement of electricity produced from renewable sources or onsite solar PV installations.<br>Electrification of heating at branches to reduce consumption of carbon-based fuels. | Transitioning of our bodyshop equipment to electric in order to electric to reduce natural gas consumption. |
| **Fuel used in our operations** | Electrification of our company car fleet to reduce business travel and commuting emissions. | Transition of our internal van fleet to alternative fuel vehicles to reduce the use of diesel. | Decarbonisation of our vehicle transporter fleet to reduce the use of diesel. |

## Declaration and sign-off

This Carbon Reduction Plan has been completed in accordance with PPN 006 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 has been reported 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 Board:

Mr. R. Borrie

Chief Executive Officer

**Date: 26th June 2026**

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