

reddenORTHGATE

# Sustainable and responsible mobility

Redde Northgate plc  
Sustainability Report 2023

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# Delivering mobility in a responsible and sustainable way

## Highlights of the year

Significant progress made in reducing environmental impact, improving the employee experience and enabling the transition towards low carbon mobility.

Current apprentices in the UK and Spain

270

e-Learning courses completed

39,259

UK&I waste diverted from landfill

99%

EV chargers installed

6,700



### Experience

Empowering our employees and giving them the right tools to deliver industry leading customer experience.

→ Read more on **Experience** – page 12



### Transition

Driving the transition to non-Internal Combustion Engine (ICE) vehicles and to embrace the opportunity to tackle climate change.

→ Read more on **Transition** – page 28

### Governance

Maintaining high levels of integrity, transparency and good governance.

→ Read more on **Governance** – page 7



### Impact

Minimising our impact on the environment and positively influencing our surrounding communities; supporting innovation in our industry.

→ Read more on **Impact** – page 19



# Committed to running a responsible business



This was a year of significant progress on many fronts, where we continued to support customers in reducing the emissions of their fleets whilst enhancing the wellbeing support provided to our people within the business.

## Dear Stakeholder,

I'm very pleased to present our second Sustainability Report, following a year of significant progress on many fronts. We have continued to evolve our understanding of the environmental and social benefit we can provide to society while enhancing the support provided to our people within the business.

A new Group Sustainability Committee was set up in the year, chaired by the Chief Financial Officer (CFO), with separate working groups focused on key aspects such as facilities, mobility and data, and social impact.

Last year we engaged with our stakeholders to inform them of the development of our first materiality assessment. This year we used this enhanced understanding of stakeholder interest, coupled with an evaluation of financial impact to formulate a double materiality assessment. This approach considers what is material to us and what is material to society and/or the planet.

Our work this year has enabled us to get a better understanding of our environmental footprint, set Scope 1 and Scope 2 targets, and enhance our Taskforce for Climate related Financial Disclosures (TCFD) reporting. These targets, which comprise 100% renewable electricity and a 10% reduction in our directly controlled emissions by 2027, sit alongside our existing commitments to reduce waste to landfill and efforts to increase reuse and repair rather than replace and recycle across the Group. We have continued to evaluate our maintenance and repair operations to identify opportunities to reduce environmental impact.

We introduced a new paint scheme in our repair workshops, with significant operational and environmental benefits, with a predicted saving of 40% in carbon emissions, when compared with our previous paint scheme.

For customers, our Drive to Zero programme supported fleet owners in identifying the right strategy and first steps in utilising EVs, or improving their fleet management and driver behaviour to reduce current emissions. We expect this to continue to rise in importance in the coming years with the increase in the number of low emission zones, alongside growing requirements of governmental contracts for the use of EV vehicles; and greater accountability on progress towards net zero targets.

The services we are providing extend well beyond the provision of lower carbon vehicles, encompassing an integrated offering. And we are working to build our internal technical know how and seeking out innovation to help accelerate this key contributor to reducing climate change. We added products such as solar (UK&I) and bundled green energy (Spain) to our charging and e-rental offerings, along with advisory services to help customers negotiate what remains an uncertain regulatory and infrastructure-reliant environment.



**We have developed a better understanding of our environmental footprint, set Scope 1 and Scope 2 targets, and enhanced our TCFD reporting.”**



Within our business, our key people engagement metric scored highly at 74%, and we saw improvements in key underlying areas, such as those seeing the business as providing encouragement for their personal development, and a 91% score for employees feeling they work in a great team.

This reflects the efforts made to support our people throughout their career with us, from learning and development opportunities to enhanced employee benefits and wellbeing support.

We know these are key elements in maximising retention in what is a challenging labour market and have significantly increased the numbers (up over 150%) on our apprenticeship scheme and expanded our recruitment and outreach programmes. We also supported cost-of-living pressures with two targeted payments since December, each to over 4,500 colleagues.

We have continued to invest in various communication channels to enhance employee engagement. Our new corporate and recruitment websites have increased the profile and accessibility of information about the Group to prospective employees.

FY2023 was a year of considerable achievement, with successful delivery of substantial growth in financial performance and progress on our strategic priorities.

Parallel to our financial and operational growth was an improvement in understanding and application of responsible and sustainable business principles, which resulted in positive outcomes across all the three environment, social and governance pillars.

FY2024 will be a year where we will look to seize opportunities to further advance ESG across the Group.

Material progress is expected in many areas, ranging from planning the transition to net zero, developing a more strategic approach to generating social impact and implementing circular economy principles in the management of our materials and resources. All of this will culminate in the establishment of a framework of ambitious and stretching commitments across all the three pillars of ESG.

This framework, and the commitments stated within, reflect the strong belief we have at Redde Northgate that we have an incredibly important role to play, enabling a socially responsible and equitable transition towards a low carbon future.

**Martin Ward**  
CEO

# Delivering sustainable outcomes for society

The Group provides integrated mobility solutions to businesses and consumers.

## Sustainable outcomes

<b>1. Providing efficient low-emission vehicles</b> Providing the cleanest and most fuel-efficient fleet vehicle choices; supporting the transition to low carbon mobility with consulting, EV rental and charging infrastructure.		<b>2. Getting people mobile and supporting them after an incident</b> Supporting people in the aftermath of incidents, quickly getting them mobile again and back on track; seamlessly managing the end-to-end repair and claims process.		<b>3. Ensuring vehicles are clean and safe throughout their life</b> Servicing and repairing vehicles to ensure they are safe to use and maintain their fuel and emission efficiency; prioritising reuse and repair over replacement for damaged vehicles parts.	
<b>Vehicle provision</b> 	<b>Fleet support</b> 	<b>Accident management and claims support</b> 	<b>Replacement vehicles and repair</b> 	<b>Bodyshop repair</b> 	<b>Vehicles disposal</b> 
					

## Key enablers

### People

Highly experienced and motivated employees.



### Nationwide

The scale of our branch and repair networks allows us to respond to customers effectively.



### Reputation

Built on transparency, proven expertise and delivery.



### Financial strength

Our strong balance sheet and financial capability enables us to quickly respond to market opportunities.



### Integrated platform

A market leading end to end platform providing seamless customer service.



# Customers

We keep our customers mobile through meeting their regular mobility needs or by servicing and supporting them when unforeseen events occur.

We are trusted by customers across many sectors and industries, building long term, growing relationships through being trusted for customer excellence and efficiency.

**4.4**  
Trustpilot

**86%**  
Recommended our service

→ Read more about Our Customers in our Annual Report

## Corporates from blue-chip to SMEs

- Renting vehicles to corporate customers from the largest of blue chips through to SMEs
- A broad cross section of industries from support services to infrastructure, construction and logistics
- Fleet management services to corporate fleets ranging from below 25 vehicles to over 1,000
- Incident management to corporate and dealership fleets

## Insurance and leasing

- Working with many of the UK's leading insurers and insurance brokers
- Supporting fleets of many of the largest contract hire and leasing companies in the UK
- Extensive product range from incident management to claims and repair handling
- Providing complete management of an accident and claim across both credit and direct hire and repair

## Public sector

- We are an accredited public sector provider through a number of Framework Agreements
- Providing rental vehicles to many government agencies, NGOs and local councils
- Specialist 'blue light' recovery services to 12 emergency services in the UK
- Support to National Highways on major incident management

## Consumers

- Although principally a B2B provider, we have a number of services and engagement with individual drivers and through retail as well as business channels
- Supporting accident claims handling for individual referrals from our insurance partners
- Disposing of vehicles to retail buyers through retail sites and online auctions
- In Spain, renting vehicles and providing workshop services to retail
- Installation and support for EV charging infrastructure across the UK to retail consumers

## Notable awards won in the year



Domestic Installer of the Year  
Winner 2022



HIGHLY COMMENDED  
ACCIDENT MANAGEMENT  
TEAM OF THE YEAR  
FMG

# Stakeholders

We regularly engage with our stakeholders across a variety of formats, including face to face meetings, surveys and multimedia channels. This dialogue helps to determine our main ESG focus areas, which are reported within the assessment on page 10. This year we have undertaken a double materiality assessment which demonstrates the duality of issues from an internal and external stakeholder perspective.

## People

With 7,400 people across three countries and 175 locations, our colleagues are central to our business performance and our ability to provide customer service. We are focused on attracting and retaining talent in competitive markets, and ensuring colleagues fulfil their potential.

### How we engaged

We promote a transparent, two way communication approach with our colleagues, through townhalls and the new HUB internal comms platform. We also engage in formal communications through an Employee Engagement Forum and annual survey. We are continually looking to develop our team members with appropriate development opportunities.

## Regulators

We look to engage with governments and regulators to maintain a constructive dialogue and ensure we understand an ever-changing landscape for mobility. Policies relating to the EV transition is a key focus, together with operational safety compliance aspects, and personal data handling.

### How we engaged

On policy matters we engage principally through our active participation with industry bodies including British Vehicle Rental & Leasing Association (BVRLA) and Spanish Association for the Development of Electric Transport (AEDIVE).

## Customers & partners

Customers are central to our business; from sole traders, and large multi-national fleet owners to insurance partners, we strive to provide the highest levels of customer service and a flexible range of mobility solutions to keep them mobile and focused on what is important to them.

### How we engaged

We seek to build long-term customer relationships and regularly engage to help identify changing needs and requirements. With recent shortages of vehicles and parts, we have sought to be transparent with customers as to the challenges faced in meeting their needs.

## Communities

We engage with the local communities in each major location we have a presence, including local schools, business groups and community organisations. We seek to have a positive impact on the places in which we operate, and on the environment where we are located.

### How we engaged

We seek out and engage directly with community group leaders and enterprises to determine how we can best support social and environmental projects. This includes the loan of vehicles, volunteering and fundraising activities.

## Suppliers

We seek to build mutually beneficial relationships with all our key supply chain partners, enabling us to focus on every step in our supply chain and to operate efficiently. We have a responsible supplier policy and commit to work in a transparent and consistent way.

### How we engaged

We have engaged on a regular basis, including annual meetings to review our performance and improvement plans. Key suppliers have designated account managers and dialogue increasingly includes reviews of sustainable alternatives for products and adherence to our policies.

## Investors

We are committed to promoting investor confidence and understanding, to enable both equity investors and lenders to make informed decisions. To achieve this we seek regular dialogue with market participants to communicate our strategy and business objectives.

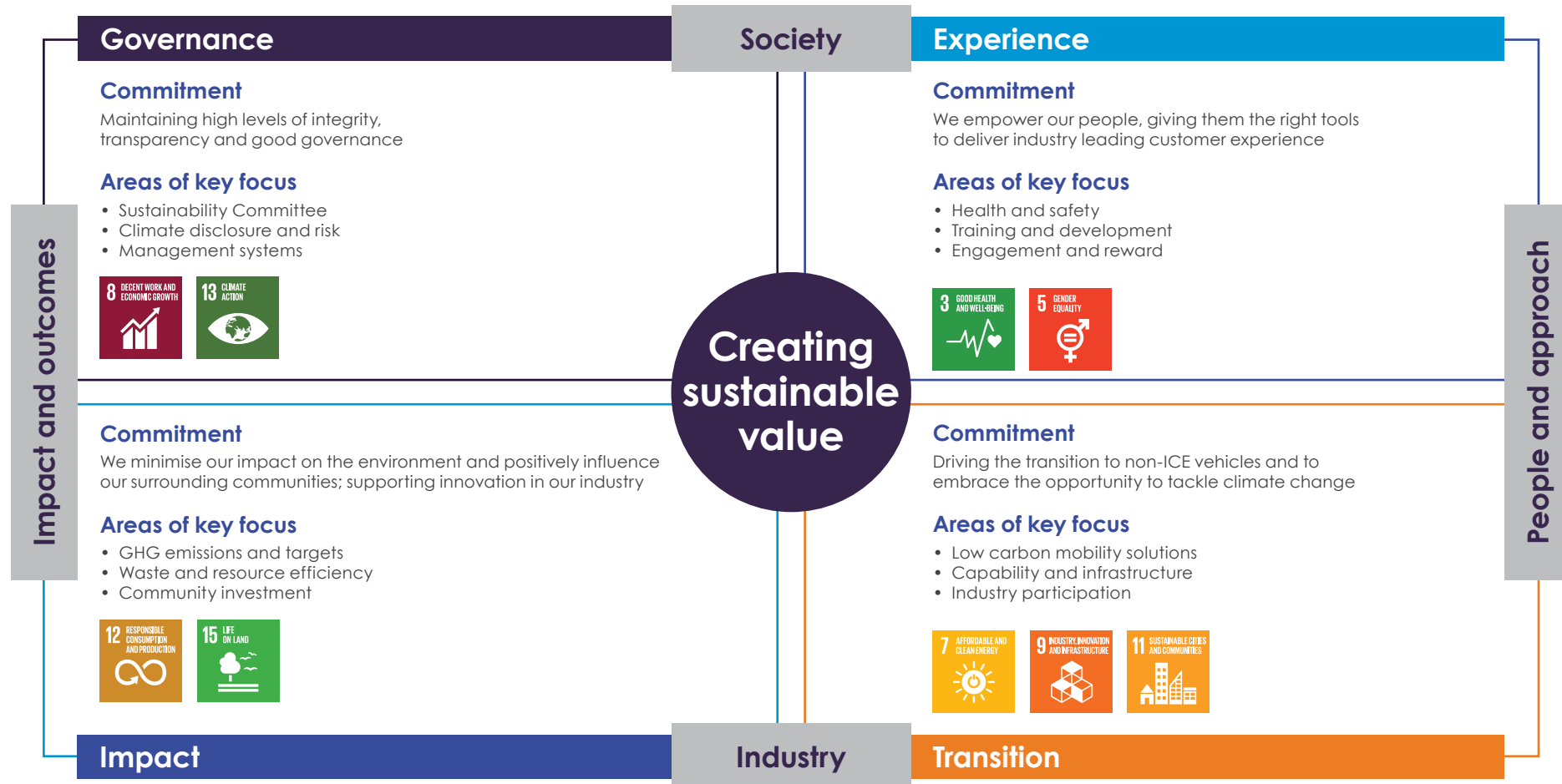
### How we engaged

Our Executive Directors met with over 80% of our major active shareholders in FY2023, and the Chairman of our Remuneration Committee held 14 governance meetings with shareholders and proxy agencies. This was supported by the launch of a new corporate website. We also maintain regular dialogue with lending institutions.



## The pillars of our approach

As a key enabler of the transition towards low carbon mobility we create sustainable value by empowering our people to reduce environmental impact, positively influencing our surrounding communities and by demonstrating industry leadership. Our ESG approach is linked to the UN Sustainable Development Goals and is defined through four pillars: Governance, Experience, Impact and Transition.



# Governance

Maintaining high levels of integrity, transparency and good governance.

## In this section

### What we said we would do

- Form a Sustainability Committee to take responsibility for overseeing the enhancement of Redde Northgate's ESG strategy, policies, and initiatives.
- Measure and report the indirect Scope 3 emissions from our upstream and downstream activities.

→ [Read more about Our Governance in our Annual Report](#)

### What we have done

- Formed a Sustainability Committee which is chaired by the CFO and made up of senior representatives from across various operations and functions of the company.
- We have taken a "whole lifecycle" approach to measuring and reporting the Scope 3 carbon emissions of our value chain.
- We have undertaken a double materiality assessment to better understand the link between inward and outward impacts of an issue as well as report materiality in a more meaningful way to stakeholders.

### What we plan to do

- Work will be carried out to update policies, so they reflect planned enhancements to the ESG framework, expected during FY2024.
- Develop targeted strategies for reducing Scope 3 emissions within an overarching net zero transition plan.



**Leadership and accountability**

The Board of Directors has ultimate responsibility for the Group’s ESG strategy and activities, including oversight of climate-related issues. The Board takes responsibility for the effectiveness of the monitoring of long-term non-financial risks relating to climate and sustainability, which are embedded into the Group’s risk management framework and independently reviewed by the Audit Committee.

The CEO has ultimate responsibility for sustainability and climate change actions, with day-to-day management delegated to the Group Management Boards, comprising business and function heads. The CFO is responsible for the TCFD programme and development of relevant KPIs and the net

zero strategy. Executive functions with oversight and responsibility for other ESG matters include the UK and Ireland General Management Board along with Spain’s Management Board, the Head of ESG, the Head of Group Safety and Environment in the UK&I, and the Director of Development and Sustainability in Spain.

**Embedding our approach to sustainability**

Our governance framework and systematic approach to ESG ensures accountability, transparency, and fairness. Our commitment to sustainability is embedded throughout our business model and strategy. Policies, procedures and management systems play an important role in helping us to manage sustainability risks and opportunities.

No enforcement undertakings or prosecutions have been received by Redde Northgate for breaches of environmental legislation within the financial year.

**Sustainability Committee**

We formed our first Sustainability Committee this year, which is chaired by the CFO and supported by our new Head of ESG. The Committee is made up of senior representatives from across the organisation. The Chair of the Committee acts as a direct link between the Committee and the Board in the delivery of the sustainability programme. The expectation is that the Committee will:

- Evaluate the material issues that impact our ability to create economic, environmental and social value

- Review the approaches adopted to systematically address material risks and opportunities, and propose alternative programmes of activity, to improve social and environmental performance
- Evaluate the degree of progress being made to achieve stated commitments, targets and positive sustainability outcomes.

To support the Committee, we have established four sub-groups to address material social and environmental sustainability issues. The activities of the sub-groups encompass all territories and business operations. The membership of these groups has been taken from functional teams and operational representatives, all of whom are tasked with proposing to the Committee the most appropriate actions we should be taking to deliver against our targets.

Pillar	Governance Forum	Strategic Focus	Chair	FY2024 Priorities
<b>Governance</b>	<b>Sustainability Committee</b>	Strategic oversight of sustainability and ESG	CFO	Formulate and approve a suite of commitments to set out ESG ambitions for the years ahead
<b>Impact</b>	<b>Facilities and Behaviour Group</b>	Reducing the environmental impact of the estate	Group Head of UK Property	Develop energy performance reporting to stimulate action at a site-by-site level
	<b>Facilities and Social Impact Group (Spain)</b>	Reducing the environmental impact of the estate and maximising social impact	Director of Sustainability and Development (Spain)	Input into the development of the net zero transition plan
<b>Experience</b>	<b>Social Impact Group</b>	Maximising social impacts for people and communities	UK Group Head of Learning	Drive-on a more consistent and systematic approach to generating positive social impact
<b>Transition</b>	<b>Data and Mobility Group</b>	Developing a low carbon mobility transition plan	Fleet Services Director (UK&I)	Develop a low carbon mobility transition plan for the Group

## Governance *continued*

### Materiality assessment

#### Double materiality assessment

Last year we engaged with our stakeholders to inform the development of our first materiality assessment. We used this enhanced understanding of stakeholder interest, coupled with an evaluation of financial impact to formulate a double materiality assessment. This approach considers materiality from two perspectives: firstly, the impact on the financial value of Redde Northgate; and secondly, the environmental and social impact on a broad range of stakeholders.

Applying the lens of double materiality enhances the value of this assessment for both corporate reporting and strategy development. Material issues extracted from the assessment are detailed below with these particular examples demonstrating the duality of issues from an internal and external perspective.

#### Double materiality issues in focus

##### Environment

###### Climate change and action

We see significant commercial opportunities for the business in enabling the low carbon mobility transition for customers. Whilst climate change presents us with commercial opportunities, we must acknowledge that our fleet is still predominantly powered by internal combustion engines and is therefore creating significant environmental impact.

##### Social

###### Social mobility and diversity

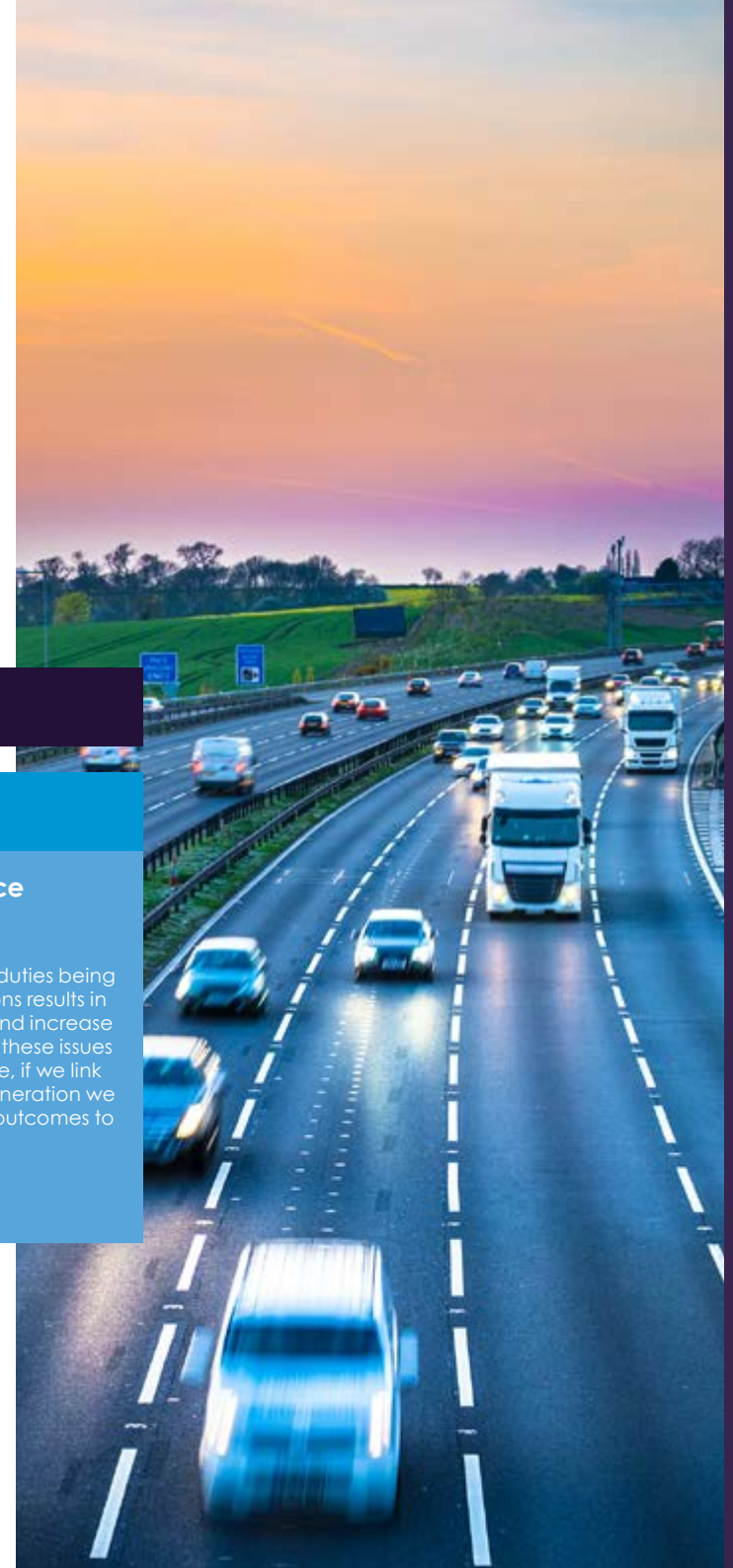
The skills shortage in the vehicle industry is further exacerbated by a lack of gender diversity and under-representation of black and minority ethnic people. Recruiting a more diverse workforce from all backgrounds will help us to address skill shortages and reduce social inequality.

##### Governance

###### Corporate governance and remuneration

The growing number of ESG governance and reporting duties being placed on large organisations results in associated financial costs and increase in corporate risk. Looking at these issues from an external perspective, if we link ESG performance into remuneration we can drive on more positive outcomes to stakeholders and society.

Understanding the link between inward and outward impacts of an issue will help us to develop a more effective ESG framework as well reporting on the issues in a more meaningful way to stakeholders. By identifying financially material issues we are able to advance priorities that are of the greatest concern to us as well as providing greater corporate transparency to our stakeholders.



Materiality assessment *continued*



This approach considers materiality from two perspectives: firstly, the impact on the financial value of Redde Northgate; and secondly, the environmental and social impact on a broad range of stakeholders.

Impact on operations and financial performance		Material issues	Impact on the environment and society	
High	Low		Low	High
<b>Environment</b>				
Investment into EV infrastructure and solutions		<b>Climate change and action</b>		Driving emission reductions across the value chain
Low carbon mobility market growth		<b>Low to zero carbon mobility</b>		Providing low carbon mobility for all
Exposure to rising material and parts costs		<b>Materials and parts</b>		Reducing material yield variance and increasing green part usage
Exposure to landfill tax and hazardous waste costs		<b>Waste, spent oils and packaging</b>		Reprocessing spent oil and diverting waste from landfill
Exposure to rising electricity and water costs		<b>Electricity and water usage</b>		Reducing consumption through efficiency measures
Exposure to rising gas and fuel costs and taxes		<b>Gas and fuel consumption</b>		Increasing electrification of heat and transport
<b>Social</b>				
The financial and reputational impact of accidents		<b>Health and safety</b>		Protecting the safety of our people and customers
Improving mental health and enhancing resilience		<b>Wellbeing</b>		Caring for and supporting our people
Recruitment pool and skill shortages		<b>Social mobility and diversity</b>		Reducing inequality and barriers to opportunity
Productivity loss and customer dissatisfaction		<b>Technical skills and knowledge</b>		Increasing technical skills and carbon literacy to enhance customer value proposition
Employee turnover and replacement costs		<b>Development, recognition and reward</b>		Increasing employee motivation and satisfaction
Forging alliances with local groups and attracting talent		<b>Community and local enterprise mobility</b>		Building trust and supporting SMEs
<b>Governance</b>				
Customer satisfaction and sales volumes		<b>Customer experience and support</b>		Enhancing quality and service to customers
Informing government policy and regulation		<b>Industry participation</b>		Driving forward industry collaboration and innovation
Non-compliance risks and ethical breaches		<b>Ethics and compliance</b>		Responsible business practices
Efficient and effective end to end logistics		<b>Vehicle procurement and supply chain</b>		Working with Original Equipment Manufacturers (OEM) to drive sustainable outcomes
Exposure to legal and regulatory risks		<b>Corporate governance and remuneration</b>		Linking ESG performance to executive remuneration

## Governance continued

### Cybersecurity and data privacy

We have robust processes and procedures in place to keep all financial and personal data safe, secure and private. All employees must complete information security training, and we set a number of rules and procedures in our contact centres to mitigate particular risks.

Our IT function works closely with the business change teams across the Group to assess the proposed and developing projects, and ensure best practice is adhered to. We conduct vulnerability scanning, have rolling penetration testing scheduled across all the businesses in the Group for external facing systems, and conduct penetration testing for any new external system developments before they go live.

Our information security management system identifies the security and policy controls, and ensures the necessary audits are undertaken to evidence our compliance.

### Ethics and anti-corruption

Taking a clear and strong stand on ethical matters is the key to delivering value and building trust amongst our workforce, our clients and all our other stakeholders. We are committed to working responsibly as part of our strategy to deliver value for all stakeholders.

Our Code of Business Conduct sets out the ethical standards that we expect from all our colleagues, and those working on behalf of our business, and we provide clear guidance on behaving responsibly.

This code and our statement of compliance with the Modern Slavery Act 2015 are contained on our website. Compliance training is conducted and tracked through our elearning platform.

### Supply chain

Maintaining a positive relationship with our supply chain is critical to delivering our approach to sustainability, and also fosters a space for innovation. We seek to treat all of our suppliers responsibly and ensure fair engagement practices and payment terms. We actively engage with suppliers to ensure compliance with our code of conduct, which includes provisions on human rights and environmental standards.

Our Group Head of Procurement is building expertise and capacity in the business to raise the quality and control of procurement, drive consistency, reduce risk and build better relationships with our supply chain. A sustainable procurement policy is being developed which will provide greater direction to the incorporation of ESG criteria into procurement processes and performance measurement.

### Diverse, inclusive and fair

We are committed to creating an environment where our people are encouraged to reach their full potential. We foster a diverse, equitable and inclusive culture, building confidence through development and training, and supporting mental health and wellbeing.

### Workforce composition

The composition of our workforce and senior management as at 30 April 2023 is set out here.



	2023			2022		
	Male	Female	Total	Male	Female	Total
UK and Ireland	4,055	2,068	6,123	3,717	1,808	5,525
Spain	846	411	1,257	808	397	1,205
<b>Total</b>	<b>4,901</b>	<b>2,479</b>	<b>7,380</b>	<b>4,525</b>	<b>2,205</b>	<b>6,730</b>

The gender split at senior management level

	2023			2022		
	Male	Female	Total	Male	Female	Total
Directors	5	3	8	6	1	7
Senior managers	32	15	47	17	5	22

The Group has expanded the definition of senior management level in FY2023. The 2022 headcounts have not been adjusted to reflect this new categorisation.

# Experience

Empowering our employees and giving them the right tools to deliver industry leading customer experience.

## In this section

### What we said we would do

- Continue to standardise policies and procedures, embedding them across our Group.
- Listen and respond to colleague feedback and implement initiatives that will continue to enhance both our colleague and customer experiences.
- Increase accessibility to our industry and improve the diversity of our workforce through targeted programmes.
- Launch our Group-wide intranet, creating a single source for information and benefits for the entire workforce.

### What we have done

- Introduced a system-wide approach to health and wellbeing, through the launch of a Wellbeing Strategy.
- A suite of benefits was made available to all our people to help in many areas from new family-friendly policies to an extensive flexible benefits scheme.
- The development of an early careers strategy which shines a light on the vehicle automotive career opportunities available to young people.

### What we plan to do

- Expand our health and safety certifications to other parts of the business.
- Develop a Group-wide recognition scheme and improve the communication of our business strategy to our people.
- Develop a carbon literacy training programme to help our people better understand how they can contribute towards the achievement of our carbon reduction targets.



# 13

## Experience continued

### Safe, secure and healthy

We provide a secure and safe working environment for our people and stakeholders. We have a culture of continual improvement and are always trying to reduce our exposure to health and safety risks to eliminate injuries and health concerns arising from our operations.

Our health and safety policy and strategic framework sets out the Group standards and expectations which our leadership and local management teams adopt. This enables our leadership teams to implement the appropriate levels of control and compliance within their areas of responsibility. Senior leaders across all our operations also ensure they are accessible to their teams to discuss health and safety matters, and maintain a continual dialogue.

We monitor our accident frequency rate (AFR) and other performance metrics in health and safety very closely. This year our AFR was 1.8, which is a slight increase on the prior year AFR of 1.7. An increase in the volume of activity across our workshop and body shops, which are more hazardous in nature than our administration centres, will have contributed to this increase. Nevertheless, we have undertaken an analysis of incidents during this period.

We are accredited to the internationally recognised standards of ISO 45001 Health and Safety Management Systems Standard across Northgate UK&I, New Law and Auxillis. Our plan is to expand this accreditation to other parts of the business over time.

### Wellbeing

We care about the physical and mental health of our people, and have a preventative system-wide approach to health and wellbeing where we all take collective responsibility for wellness. In support of this approach, we launched our Wellbeing Strategy which sets out how we hope to keep everyone in our business physically, mentally, and financially well. The deployment of this strategy was underpinned by a broad programme of wellbeing events, training and support tools.

Monthly reporting and analysis of employee absence data identified that mental health issues was the primary reason for absence. In response to this we ran resilience and mental health webinars for managers. This course helped managers gain an awareness of mental health problems and develop skills for leading more resilient teams.



### Keep well

- Signed Mind's, a mental health charity, 'Time to change pledge.'
- Built a network of wellbeing champions.
- Provided additional support to managers.
- Provided free flu vaccinations.



### Get well

- Provided ongoing support through occupational health services.
- HR Support from prevention through to treatment.
- Provided early intervention support for absences.



### Be well

- Funded an Employee Assistance Programme (EAP) which offers free third-party support to specialists who can help manage our people's health and wellbeing, and that of their families. The EAP also provides access to remote GPs, mental health advice, physiotherapy, money and wellbeing support.



## Experience *continued*

### Supporting our people

As the economic situation continued throughout FY2023, it was important that we gave our people extra help where we could, to lessen the impact. We were able to set aside a significant investment to provide financial support for our teams to help ease some of the financial pressures many were experiencing because of the rise in the cost of living.

### Flexible benefits and support

A suite of benefits was made available to all our people to help in many areas from new family-friendly policies to support those on maternity and paternity leave, to the introduction of an enhanced annual leave policy to an extensive flexible benefits scheme. A popular flexible benefit was the Techscheme where 354 colleagues took advantage of this benefit. Launching in December, the scheme gives our people up to 12% off the cost of tech, paying nothing upfront and then repaying the cost interest-free straight from their salary for 12 months.



**↑ +6%**

Increase in employee satisfaction related to pay

**↑ +7%**

Increase in employee satisfaction related to benefits

### Providing extra support for our people in difficult times

In December we awarded our people with £500 of free shares, making everyone a shareholder so we could all benefit from our Group's future success.



To address the unprecedented cost-of-living challenges our workforce faced, we made cost-of-living payments in December 2022 and April 2023.



Significant pay increases focused on colleagues at lower salary levels (9-12%) increases, with the lowest paid still receiving 50p above the National Living Wage (NLW).



All colleagues who were on zero hours contracts were offered permanent contracts, with improved benefits.



# Promoting the industry to young people

The longer-term future growth plans of Redde Northgate will require a strong pipeline of young people wanting to pursue careers in the vehicle automotive industry.

We have developed an early careers strategy to shine a light on the vehicle automotive career opportunities available to young people at schools and colleges. The strategy has focused workstreams:

- Apprentice Provider Partnerships
- Professional Services Partnerships and Event Attendance
- Digital Events
- Award Sponsorship.



## Digital Early Careers Event

We hosted a Digital Early Careers Event, in partnership with Spark, enabling us to broadcast an engaging and relatable early careers story to 1,600 schools and 4,000 students.

Four of our current apprentices were featured with a video of their work experiences.

Spark Careers is an app that connects students and young people, through their schools and colleges, with businesses, giving them direct access to some of the UK's major employers.

## Partnerships

THE CAREERS & ENTERPRISE COMPANY

### The Careers & Enterprise Company

The Careers & Enterprise Company (CEC) was set up by government in 2015. Its mission is to help every young person to find their best next step. They are the national body for careers education in England, supporting schools and colleges to deliver modern, 21st century careers education. We have partnered with the CEC to give us full national reach to schools and colleges to raise the awareness of our early careers apprenticeship opportunities and educate students on the vocational route into their career.



### Youth Friendly Employer

We signed the Youth Employment UK Charter who support young people into employment. The Good Youth Employment Charter was co-created with young people and a range of partners by Youth Employment UK in 2012. By signing the Charter we are encouraged to work to the following five Principles of Good Youth Employment:

- Creating opportunity
- Recognising talent
- Fair Employment
- Developing people
- Youth voice.

### Care Leaver Covenant

We signed the Care Leavers Covenant which provides support for care leavers aged 15 to 35. This affiliation gives visibility of our early careers opportunities to young people who come from a care setting and also provide them with a direct link to the Learning and Development (L&D) Talent Team to discuss our opportunities.



# Growing our technical talent pool

There is a shortage of skilled vehicle technicians in the automotive repair and maintenance sector. They are in high demand with growing competition in the employment market for their services. To address the challenge of skills shortages, we have invested heavily in advancing our technical capability and capacity across the Group.

This includes strengthening our technical talent value proposition to ensure we recruit and retain the best in the industry. We strongly believe that high quality and rewarding apprenticeships and trainee experiences will reduce the number of internal vacancies and secure a pipeline of talent to support our ambitious business growth plans.

An Apprenticeship Hub, located on our internal learning platform, provides a wealth of information on how an apprenticeship can help boost our people's skills to grow their career with us.

## Mentoring apprentices

To support the transition of young people into the workplace and in passing on skills and experience.

## Knowledge and skills rewards

Creating an environment where they are encouraged to learn and become more confident vehicle engineers.

## Technician forums

To allow sharing of experience and suggesting opportunities for improvement.



Watch our Apprentices video



**↗ 270**

current apprentices in the UK and Spain

**↗ 25**

existing colleagues enrolled onto apprenticeship programmes

**↗ +56%**

increase in money invested from the UK Digital Apprenticeship Account

**↗ 28**

short courses provided including the addition of eight new courses this year

# Investing in the development of our people

We want all our people to feel they can give their best, using their unique skills and talents to deliver our strategic aims. We completed a Group-wide training needs analysis that enabled us to define development pathways consisting of 18 proposed development solutions.

These solutions ranged across all levels of the Group from early careers right up to senior leadership.

In FY2023, our enhanced Learning and Development (L&D) function:

↗ 30

new eLearning Academy course developed, taking the total to 109 live eLearning courses

↗ 6,458

learning hours of trainer facilitated interventions delivered

↗ 39,259

eLearning courses completed

↗ 77

average Net Promoter Score for courses completed

↗ 72%

of respondents to our employee engagement survey believe that their manager encourages and supports their development and aspirations, this was up 2ppt from the prior year



157

apprentice mentors now trained

## Mentoring apprentices

The value of mentoring in supporting an apprenticeship programme is increasingly being recognised for its value in supporting the transition of young people into the workplace and in passing on skills and experience.



**Throughout my apprenticeship I had support from my mentor to learn many different skills and broaden my knowledge."**

Liam Shipp  
Apprentice Painter



**Liam's attitude towards his apprenticeship and work has always been great from start, he is happy to take on any task given to him."**

Daryl Head  
Senior Painter and Apprentice Mentor to Liam

# 18

## Experience *continued*

### Carbon literacy training

We need to help our people better understand how they can contribute towards the achievement of the carbon reduction targets that we have set. We will look to provide guidance and support to our people so that they can better understand the carbon costs and impacts of our operations, activities and services.

A key element of our carbon net zero transition plan will be the development and delivery of a carbon literacy training programme in FY2024, covering key management levels of the Company. This training will be part of a broader remit to embed ESG into all areas of the Company, from training and development to performance measurement and management review.

### Connecting, listening and learning

The opinions of our people count so we are always looking to engage with them to maintain a positive environment and employment experience. The Employee Engagement Forum, which is chaired by a senior member of the Group Management Board, helps the senior leaders to understand the views of the workforce and to ensure

feedback between the workforce and the Board on an ongoing basis. This provides the Board with indepth insight into how culture is embedded across our Group, and any issues that need to be addressed.

The opinions of our people count so we are always looking to engage with them to create a more positive working environment and employment experience. Over 5,700 of our people completed an engagement survey, giving the business a 74% overall satisfaction rating.

Feedback from the employee engagement survey reflected the following key themes: the value that colleagues put to the significant benefits enhancements they had received in the year, leadership support and a positive culture, confidence in the Group, its business and its opportunity for growth and pride in the services that we provide to customers.

The survey results highlighted the measurable progress we are making. We intend to make further progress further in the next financial year by extending the learning and development offer, to support the individual needs of the businesses and facilitate career progression and employee retention.



### Employee Engagement Survey



Culture

67%

listening and introducing new things like more management training to drive better conversations between colleagues and managers saw this response grow by 14ppt from last year



Feeling valued

68%

the suite of benefits we made available to our people helped to increase this score by 8ppt from last year



Teamwork and Trust

91%

of our people feel that they work for a great team and are trusted to do their job, improving a further 2ppt from last year



Customer service

85%

of our teams feel proud of the service they provide to our customers, a 1ppt rise on last year

# Impact

Minimising our impact on the environment and positively influencing our surrounding communities; supporting innovation in our industry.

## In this section

### What we said we would do

- Commit to zero waste to landfill by FY2025 in the UK and continue to work with our providers in Spain and Ireland to achieve similar where conditions allow.
- Implement strategies to reduce our environmental footprint and improve the efficiency of our operations.
- Set targets for Scope 1 and 2, and identify material Scope 3 exposure in the supply chain.

### What we have done

- We have made good progress towards the 2025 target of zero waste to landfill with 99% of our UK&I waste being diverted from landfill this year.
- Set absolute Scope 1 and 2 targets, along with a target to procure 100% renewable energy.
- Mapped out and reported Scope 3 emissions across the value stream.
- Trialled plastic welding of bumpers to reuse rather than replace and increased our use to green parts.
- Introduced a new paint scheme in our repair workshops, with significant operational and environmental benefits.
- Invested £400,000 installing low energy LED lighting to 65% of our estate.
- Working in partnership with Iberdrola, c.£340,000 has been invested to install solar arrays at nine of our Spanish sites, saving c.232 tonnes CO<sub>2</sub>e a year.
- Planted 2,000 trees in four forests throughout Spain's national territory, offsetting 500 tonnes of carbon.

### What we plan to do

- Develop a transition plan outlining a pathway to achieve our carbon targets in the medium term and becoming net zero in the long term.
- Develop a waste and resource efficiency policy which promotes the adoption of circular economy principles.
- Develop a community volunteering policy to encourage greater employee involvement in charity work and increase the social value we generate.



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



15 LIFE ON LAND



# Managing environmental impact

We continue to make progress reducing our environmental impact and investing in local communities.

Waste control and reduction is a central part of our ISO 14001 accredited environmental management system which is regularly audited to ensure we are continually improving practice across our workshops, repair centres and offices.

We aim to promote more effective waste segregation to increase reuse and recycling, and to reduce the volume of waste sent to landfill.

We had a 4% increase in overall UK&I waste volume collected; this was mostly driven by an increase in metal being collected across the estate. We carried out an optimisation project reviewing schedules and collection configurations. This helped reduce unnecessary general waste provisions, whilst instigating a number of other initiatives including the provision of vehicle bumper racks and headlight bins at 41 of our sites.

This resulted in a 25% reduction in general UK&I waste being sent to landfill and an overall 3% increase in on-site recycling compared with the previous 12 months.

We have set a target to achieve zero waste to landfill by FY2025; overall, 99% of the waste collected by our UK contractor was diverted from landfill. 59,000 tyres were collected and reprocessed as fuel for use in the cement industry. Through our oil waste provider, 100% of the used lubricating oil generated in the servicing of our vehicles is sent to their oil refinery and processed back into a base oil to be used in the production of new lubricating oils.

The waste generated in our workshops, such as used oil filters and oil-contaminated waste, is collected by our waste provider and sent to specialist facilities. There it is broken down into component materials which are then utilised in either the production of new products or in a waste-to-energy process.

Last year we consolidated all our UK&I water management contracts under one provider to improve oversight of our water use.

This year we have established a Facilities and Behaviour Working Group which reports to the Sustainability Committee. The purpose of this group is to identify and evaluate opportunities to reduce the environmental impact of our estate, instigating projects to reduce waste, energy and water consumption.

## Re-using vehicle parts

We have worked closely with organisations in the UK to increase the use of green parts. Green parts are recovered from damaged vehicles and their use provides a more sustainable solution, not only in helping to reduce carbon emissions but also helping us mitigate against the current supply challenges. The reuse of vehicle parts in Spain results in over €2.4m saved; fleet vehicles that are involved in accidents have the parts, that are still in excellent working order removed and reused on other vehicles in the fleet.

  
99%  
of UK&I waste diverted  
from landfill



## Case study

# Reuse rather than replace

Insurance companies have set themselves ambitious environmental targets and are engaging with their supply chains to get their support in achieving targets, e.g. waste reduction. This year we generated c.653 tonnes of plastic waste, a significant proportion of which was plastic bumpers. In support of insurance companies aims and to reduce plastic waste volumes we have commenced a plastic welding trial at two of our vehicle repairs sites.

Plastic welding is used to repair bumpers rather than replace them which reduces waste and material consumption. Following a successful completion of the trial, we are implementing a wider rollout programme which not only includes purchasing more of the welding equipment but also working with the manufacturer to carry out training for our operatives. We have also improved our internal reporting processes to better measure the benefits and reduced environmental impact of the equipment's use.

## Circular economy principles

The procurement of green parts along with repairing bumpers are good examples of practising circular economy (CE) principles as they minimise our use of the world's resources, cuts waste and reduces carbon emissions. In FY2024 we will develop a waste and resource efficiency policy which will aim to further reduce the environmental and social impacts of our operations and consumption by encouraging greater use of CE principles. The CE principles that will feature in this policy will promote:

- The elimination of waste and pollution by designing and configuring our operations and processes so that we avoid generating waste and harmful substances
- Keep products and materials in use by extending their lifespan, repairing, reusing, or recycling them.

## New paint scheme

We have introduced a new paint scheme in 62 repair workshops, with significant operational and environmental benefits. The formulation of this new paint, when compared with the old paint system halves bake/drying times from 40 minutes down to 20 minutes. The new paint scheme also requires much lower baking temperature, from the 70-60°C to 40°C, when compared with the old paint system.

The faster curing time and reduced baking temperature of the new paint results in a predicted saving of 40% in carbon emissions, when compared with our previous paint scheme.

Going forward, we plan to measure in-use energy/carbon reduction of the new paint scheme, working closely with the supplier, to maximise the operational and environmental benefits it should bring.

## Investing in renewable energy

51 kWp installed at our Getafe HQ site in January 2023

In FY2023, working in partnership with Iberdrola, c.£340,000 has been invested to install solar arrays at nine of our Spanish sites. This is in addition to seven sites that already had solar photovoltaic (PV) arrays installed in FY2022 and amounts to 473 kWp of incremental renewable solar energy that we are now able to generate. The estimated annual CO<sub>2</sub>e savings from these seven installed arrays is expected to be 232 tonnes.



**40%**

predicted saving in carbon emissions compared with our previous scheme





## Community investment

We are committed to giving back to the communities where we operate and support businesses local to our operations. We have provided ongoing support throughout the year to St. Teresa's Hospice, who provide palliative and end-of-life care and support in South Durham & North Yorkshire. This includes providing the free use of two vans. Blakedale became a member of Greener Highways last year whose aims are to aid with education and the implementation of sustainable initiatives, products, services and operations across the highways sector. As an active member, Blakedale sponsor a stretch of a busy local road where they carry out regular litter picking duties.



**At Northgate we seek to minimise the environmental impact of our activity, and Northgate forests allow us to contribute to this with a direct benefit for the environment."**

**Aurora Asensio,**  
Marketing Manager of  
Northgate Spain



## 2,000 trees planted

To commemorate the International Day of Forests, celebrated every 21 March, Northgate joined Bosquia Nature to plant during this March more than 1,000 native trees, including ash, birch, laurel, oak and walnut trees in key areas of Gijón and Bilbao. In total, Northgate has planted 2,000 trees in four forests throughout the national territory, adding the two new plantations to those already carried out in Madrid and Girona.

## Energy saving

We are developing further programmes to reduce our energy consumption. We have invested c.£400,000 in FY2023 into installing LED lighting at our offices, depots and repair facilities. 65% of Redde Northgate's UK sites now have full LED lighting, as do all main office buildings. The plan is to further increase that number in FY2024 to 90%.

The Energy Savings Opportunity Scheme (ESOS) is UK energy legislation for meeting the EU Energy Efficiency Directive. ESOS compliance requires an energy audit of all our operational energy consumption, by December 2023. To meet this requirement, we are planning to undertake on-site energy assessments throughout the UK and Spain. The expectation is that these assessments will help to inform the development of our net zero transition plan by providing a list of opportunities of energy efficient improvements, across the estate.

**7 65%**

of Redde Northgate's UK sites  
now have full LED lighting

## Playground Project at The Coleridge Centre, Skerne Park

We worked closely with the MP for Darlington to lend our support to the following initiative



Having supported earlier projects, the team at Redde Northgate are once again delighted to support the build of the new play area in Skerne Park. Many of our team live and work around Darlington and this is a great way for us to give back to our local community. Projects like this make such a difference and seeing the joy when children first see their new space always inspires us to do more.”

**Martin Ward**  
CEO



## Community Champion

### Recognition as a Community Champion

On 1 August 2022, we were shortlisted as a Community Champion in the House of Parliament. Group Partnership Director, Brett Hilliard, attended the event.

## Community investment and volunteering policy

As a responsible and sustainable company, we are committed to investing in people and communities. As part of this wider commitment, we encourage our people to donate time and skills during work hours to tackle social and environmental issues and deliver a positive community impact.

Whilst we encourage volunteering in the Company, it's important that we develop a strategic approach to community investment with our volunteering programme being a key delivery mechanism for this investment strategy. In FY2024 we will develop and deploy a community investment and volunteering policy structured around 'Business in the Communities' – five key principles of Community Investment:

### Identify the social issues

That are most relevant to our business and most pressing to the communities we work with.

### Work in partnership

With our communities leveraging our combined expertise for mutual benefit.

### Plan and manage our activity

Using the most appropriate resources to deliver against our commitments.

### Inspire and engage

Our people, customers and suppliers to support our activity and get involved.

### Measure and evaluate

The difference that our activity has in the community and on our business.

# Energy and carbon reporting

## Reporting and baseline year

We have aligned our reporting and fiscal years, so the information presented covers the FY2023 period from 1 May 2022 to 30 April 2023. Following the introduction of FMG RS emissions data in FY2021, FY2022 was considered a suitable year to establish as our baseline year and we have subsequently used FY2022 as the starting point for our emission reduction targets.

## Analysis

Our absolute Scope 1 emissions grew by 13%, which is due to an increase in our fleet size and a larger number of vehicles being repaired in our workshops, which use gas for heating and operations. Our Scope 2 emissions reduced by 3%. The ongoing LED lights rollout programmes along with the increasing proportion of renewable energy available in the electricity networks accounted for the reduction in Scope 2 emissions.

In the reporting year our revenue, excluding vehicle sales, grew by 22% whilst our emission intensity dropped by 8%. 134g/CO<sub>2</sub> is the average fuel economy of our total fleet. We have started to measure this average to report on the year-on-year increases in the provision of more fuel efficient and low emission vehicles.

Considerable work has been undertaken this year to evaluate the contributory elements of our total GHG footprint for all three emission scopes. This work produced a more complete picture of our value stream emissions (Scope 3) and enabled the setting of absolute carbon reduction targets for Scope 1 and Scope 2 emissions (read more on pages 25-27).

The new Sustainability Committee will be focusing their efforts in the next few months on developing and deploying a comprehensive transition plan to achieve our carbon reduction targets and help progress our carbon net zero journey.

## Consolidation approach and organisational boundary

We have derived the emissions data presented using the operational control approach, required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have included each facility under operational control within the figures. The Group has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1.

## Methodology

We have used Defra's current conversion factors in arriving at the information supplied. The GHG data has been verified by an independent, UKAS-accredited, third party assessor.



	Current reporting period May 22 -Apr 23	Previous reporting period May 21 -Apr 22	Baseline reporting period May 21 -Apr 22
<b>Greenhouse gas (CO<sub>2</sub>e) emission source</b>			
Scope 1 – Combustion of fuel and operation of facilities	<b>22,829</b>	19,773	19,773
Scope 2 – Electricity, heat, steam and cooling	<b>4,165</b>	4,284	4,284
Revenue (£m)	<b>1,337</b>	1,094	1,094
Intensity ratio: Tonnes of CO <sub>2</sub> e per £m of revenue	<b>20.2</b>	22.0	22.0
Non UK emissions – Scope 1	<b>5,041</b>	3,187	3,187
Non UK emissions – Scope 2	<b>1,011</b>	939	939
UK emissions – Scope 1	<b>17,788</b>	16,586	16,586
UK emissions – Scope 2	<b>3,154</b>	3,345	3,345
<b>Energy consumption</b>			
	<b>2023 (kWh)</b>	2022 (kWh)	2022 (kWh)
Scope 1 – Combustion of fuel and operation of facilities	<b>100,186,831</b>	90,844,288	90,844,288
Scope 2 – Electricity, heat, steam and cooling	<b>20,799,832</b>	20,390,430	20,390,430
Non UK consumption	<b>25,604,336</b>	18,323,458	18,323,458
UK consumption	<b>95,382,328</b>	92,911,260	92,911,260

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## Impact continued

### Decoupling emissions from business growth

The analysis of GHG emissions, along with the modelling of expected business growth, has enabled us to set two interrelated targets, with the approach used informed by a science-based target methodology. In addition, we undertook an assessment of over 15 peer group companies to evaluate the range of emission reduction targets being set in our industry.

From the starting point of our FY2022 baseline, we are committed to using 100% renewable electricity and to an absolute Scope 1 and Scope 2 emission reduction target of 10% by 2027.

The absolute GHG emission reduction target is ambitious when considered in the context of our growth plans, along with the limited availability of EV and hybrid commercial vehicles.

### From targets to action

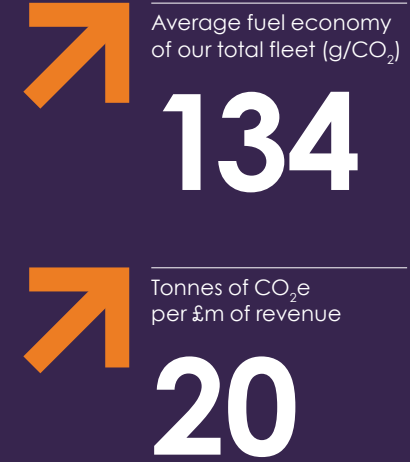
We are committed to the ambitions and targets we have set and to the role we want to play in a more sustainable future. Achieving a 10% absolute reduction target in Scope 1 and 2 by 2027 will require transformational change across the entire organisation.

A detailed net zero transition plan is being developed that will set out the principles we will follow and the mitigating actions we will take to respond to the global call to action to tackle climate change. The plan will provide our stakeholders with a clear pathway to achieving our targets.

The transition plan will detail how we intend to work closely with our supply chain to utilise low-embodied carbon products and seek opportunities to reduce operational and vehicle related emissions.

Moving to a low carbon future needs the right people in Redde Northgate, with the right skills, knowledge, passion and motivation to deliver. The transition plan will summarise the learning pathways contained within a carbon literacy training programme that will help our people better understand how they can contribute towards the achievement of the targets.

The Sustainability Committee and the supporting sub-groups will play a pivotal role in setting operational level sub-targets which will measure the impacts of emission reduction activities. We are finalising work on a separate GHG Management Plan which will prescribe the processes and systems we will use to accurately capture and report on fuel, energy, and emissions data.



# Measuring the carbon footprint of our value chain

Developing a Scope 3 footprint is a vital step towards effectively managing our emissions-related risks and opportunities, and reducing value chain GHG emissions.

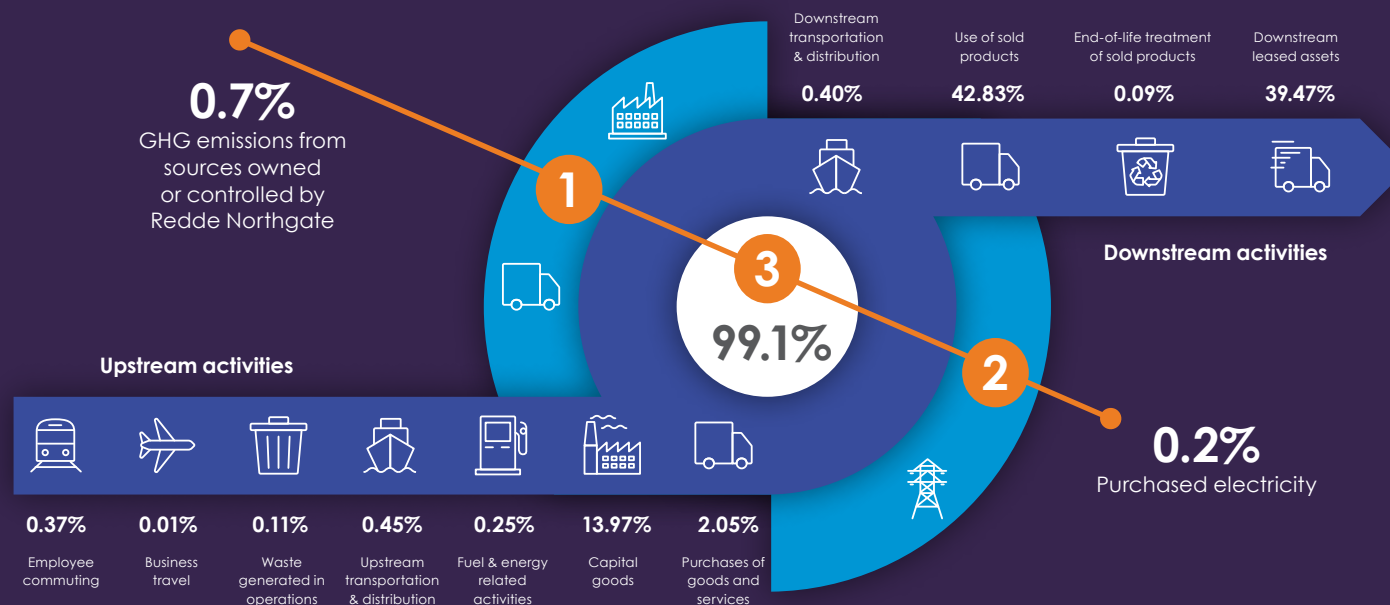
Working closely with environmental consultants we have taken a "whole lifecycle" approach to determining the carbon emissions of our value chain. Developing this footprint provides clarity on relative risks and opportunities for reduction within our Scope 3

emissions compared with our direct Scope 1 and Scope 2 emissions.

We believe that this will help us to prioritise our reduction efforts, guide our corporate procurement decisions and improve our reputation through disclosure to interested stakeholder groups. These include customers and investors, who themselves are looking to improve their full value chain emissions reporting.

Our analysis of our FY2022 emissions identified that Scope 1 and Scope 2 emissions made up just under 1% of our total value chain emissions with the balance resting in Scope 3, both upstream and downstream.

## GHG emissions across our value chain



## Key Scope 3 Categories

97% of our emissions sit within 3 categories

**c.14%**

### Category 2 – Capital goods

The embodied emissions within the vehicles we purchase, coming from the extraction of the raw materials used and from within the vehicle manufacturing processes.

How calculated: Information provided from automotive OEMs or estimates from Defra and consultants on vehicle production process emissions.

**c.43%**

### Category 11 – Use of sold products

The expected emissions from the fleet vehicles we dispose of throughout the rest of their life with subsequent owners through to scrappage.

How calculated: Derived from our knowledge of the age and mileage of a sold vehicle when compared with the expected operational life of a typical vehicle in that category.

**c.40%**

### Category 13 – Downstream leased assets

The tail-pipe emissions from our vehicle fleet when being driven by customers.

How calculated: We look at the miles travelled by our vehicles when out on rent or as a replacement vehicle while a customer's car is off the road.

# Value stream GHG emission analysis and reporting

We support our customers through a network and diversified fleet of 130,700 owned and leased vehicles. We provide vehicles from a very broad range of automotive manufacturers to give our customers the greatest choice, with a growing number of EV and hybrid models, supporting customers' energy transition actions.

To complement our customer-focused efforts, we believe as market leaders it is incumbent on us to achieve best practice automotive value stream GHG emission analysis and reporting.




The work we are doing to enhance the understanding and accuracy of our Scope 3 inventory can also contribute to the automotive sector body of knowledge and informing industry decision making and planning on the transition towards low carbon mobility.



In FY2024 we intend to enhance our understanding of the Scope 3 footprint.

Developing our understanding and data quality will require extensive engagement with both internal and external stakeholders to enhance the accuracy, transparency, and management of our three key Scope 3 categories, which represent c.97% of the total.

## Enhance accountability, transparency and management

Scope 3 Categories	Key stakeholders	Engagement plans
 <b>Capital goods</b>	<b>Industry associations</b> <b>Vehicle manufacturers</b>	Work with industry colleagues to obtain better information on manufacturing process emissions for different categories of vehicles from OEMs.
 <b>Use of sold products</b>	<b>Industry associations</b> <b>Industry data providers</b>	Seek more accurate information for each of UK and Spain on typical vehicle lifecycles by specific sub-categories.
 <b>Downstream leased assets</b>	<b>UK and Spain fleet operations</b>	Further improve our data quality and ability to monitor mileage and detailed emissions across the fleet by vehicle sub-type.

# Transition

Driving the transition to non-ICE vehicles and to embrace the opportunity to tackle climate change.

## In this section

### What we said we would do

- Continue to increase the availability of suitable non-ICE vehicles for our customers.
- Enhance our understanding of our Scope 3 emissions, beyond customer vehicle use.
- Maintain strong governance and oversight of climate-related risk.

### What we have done

- Continued to expand our range of e-LCV's with 12 UK and 16 Spanish models available and over 4,700 vehicles on fleet.
- Formed an alliance with Iberdrola, Spain's largest utility service provider to accelerate the electrification of industrial vehicle fleets.
- Installed 6,700 EV chargers for consumers and commercial clients.
- Ran a programme of EV open days where customers can experience current and future fleet EVs and better understand our Drive to Zero services.
- For our second TCFD report, we built on our 2022 scenario analysis to incorporate site-level physical risk exposure analysis, to further explore potential risks to the business over short, medium and long term.
- Established a Sustainability Committee and supporting sub-committees to improve oversight and governance of climate change mitigation measures.

### What we plan to do

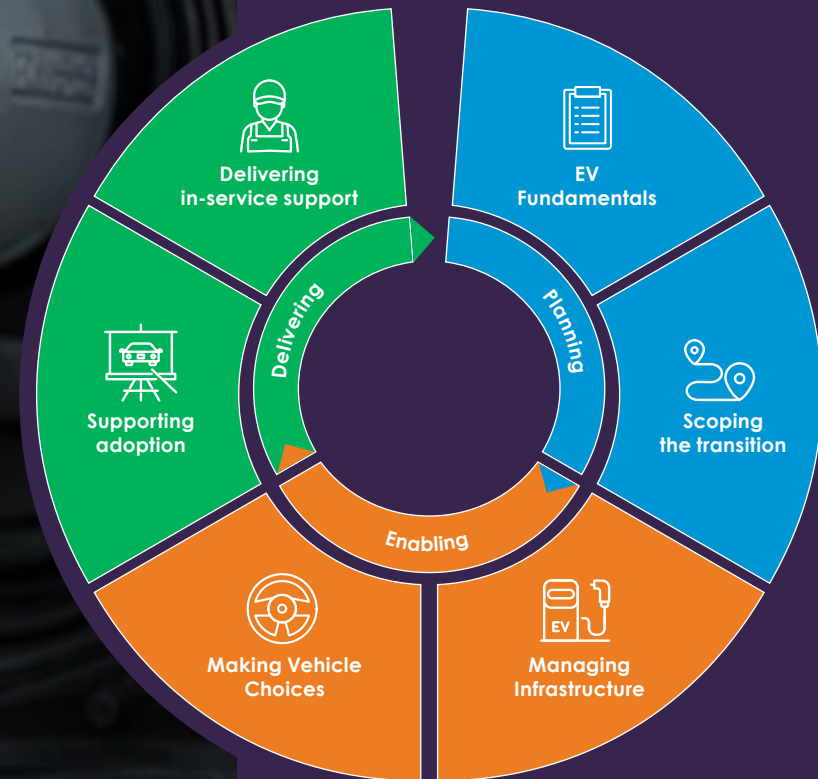
- Enhance our EV sustainability consulting proposition to support customers to better understand their options for EV adoption.
- Develop relationships with a broader range of OEMs who are embracing new technology to support the transition for Light Commercial Vehicle (LCV) fleets.
- Increase the bundling of EV vehicle and charging solutions, move into commercial installations, and to add solar installations for consumers and commercial clients.
- Continue the installation of charging points across our Spanish and UK operating location to promote sustainable mobility and facilitate the penetration of electric vehicles.
- Continue to develop our oversight of climate risks by developing metrics to forecast the potential financial impacts of climate change.



# Drive to Zero: reducing customer emissions

**We are working with our customer to enable a smooth transition towards lower carbon mobility.**

With our end to end support, in-house expertise and capabilities we are providing a broad array of support services to our customers, many of whom have themselves set ambitious net zero targets and are looking for expert support to make meaningful progress.



An end-to-end suite of EV services to power your EV fleet journey



## Transition continued

Since 2016 transport has become the UK's largest emitting sector of GHG emissions. In the EU, road transport is the biggest emitter in the EU's transport sector and accounts for nearly three-quarters of transport-related GHG emissions.

Given this context, moving away from ICE to EVs or other mobility solutions is vital in the transition towards becoming a low carbon society.

The services we are providing extend well beyond the provision of lower carbon vehicles, encompassing an integrated offering and we are working to build our internal technical know how and are seeking out innovation to help accelerate the transition away from ICE.



# 4,700

EVs and hybrids on fleet

# 10,000

Northgate UK telematic units in service

## Planning



### EV Fundamentals

Web-based information on all things EV, providing essential knowledge for educated decision making. Building implementation plans for progressing EV across a fleet.



### Scoping the transition

We support customers in analysing their journeys and suitability to transition over to EVs. Using telematics we have analysed over 2,000 vehicles across UK customers.

## Enabling



### Making fleet choices

We continue to expand our range of available EVs and hybrids in line with market expectations. We now have 12 UK and 16 Spanish models available including specialist transport management and refrigerated vehicles.



### Managing infrastructure

With an industry-first vehicle and charging rental bundle, we continue to seek ways to remove barriers, both operationally and commercially, for customers on their transition journeys.

## Delivering



### Driver training

We continue to offer free driver training at the point of a vehicle being delivered. So far over 550 free training courses have been provided to our customers.



### Delivering in-service support

All of our workshops have team members trained and able to support in the servicing and maintenance of EV's.

### Transition to e-LCVs

The market for non-ICE vehicles has been impacted by supply chain constraints. The current range of e-LCVs have limited range and payload capabilities. This limits e-LCV real-world usability within a commercial fleet. These limitations are compounded by the challenge of limited access to overnight charging for many commercial vehicle drivers and the size of in-journey EV charging bays, many of which are configured for cars, not long wheelbase vans. As a result of these limitations and challenges, customers are more focused on understanding their options for adopting EVs, rather than significant scaling up within their fleets.

### New technologies

Next-generation technology, in particular from newer market participants, does however offer greater range and flexibility potential for fleet users, and e-LCV adoption is expected to grow significantly in the coming years as these come to market. We are working to develop relationships with a broad range of current and new OEMs, who are embracing new technology to support the transition to e-LCVs fleets.



# Vehicle charging infrastructure



Our ChargedEV business in the UK specialises in the supply and installation of electric vehicle charging equipment into both homes and workplaces. ChargedEV manage the whole process, offering a full turnkey solution consisting of supply, installation, groundworks, maintenance and aftercare.

In FY2023 they installed 6,700 chargers. Included in this total is 219 charging points installed at most of Redde Northgate operating locations and offices in the UK.

ChargedEV has won a number of new referral partners and supply contracts, as well as broadening its propositions and reach, including supporting a Northgate bundled EV and charging solution. This includes moving into commercial installations and adding solar installations for consumers and commercial clients to its product range.



The full range of management systems, tailored to support van operator customers offered by ChargedEV, along with a Trustpilot rating of 4.7 (excellent) resulted in the Company winning a 2023 Business Vans Award.

**6,700**  
EV chargers installed in FY2023

**12,000**  
EV chargers installed since ChargedEV joined the Group

# Working in partnership with Iberdrola

We have formed a partnership with Iberdrola, Spain's largest utility company. This partnership is aimed at promoting green mobility and helping Northgate in its decarbonisation process. This partnership has started to deliver:

- Bundling our EVs and Iberdrola's electric chargers with public charging services already in place
- Promoting our EVs to Iberdrola employees and customers
- Managing the second phase of installing solar panels in our branches
- Providing a renewable energy contract for the energy we use at our facilities
- Undertaking energy efficiency benchmarking and action planning for our estate and operations.

Within the framework of its Sustainable Mobility Plan, Northgate Spain has opened a hub with 44 charging points at its offices in Getafe. The plan is to install more than 140 charging points across our Spanish operating location in FY2023 and FY2024, to promote sustainable mobility and facilitate the penetration of EVs.

The initiative represents a great increase in the network of public charging points in the region, since these new charging points are available to any electric vehicle user, as well as to the Company's own customers and employees.



**At Northgate we wanted to be pioneers by sharing our network of chargers, to facilitate electrification for any user with this hub of 44 charging points."**

**Teresa Romo,**  
Director of Development and Sustainability at Northgate Spain



**We intend to accompany our customers in the transition from combustion to electric vehicles, and with this agreement we can do it in an integral way and with the greatest guarantee of service. This alliance with Iberdrola will allow us to accelerate the electrification of industrial vehicle leasing fleets."**

**Jorge Alarcón**  
CEO of Northgate Spain



**At Iberdrola we want to help our customers in the decarbonisation and transition to a sustainable economy. Agreements like this with Northgate help us to continue advancing in this direction and reinforce our position within the sustainable mobility sector."**

**Luis Buil**  
Global Director of Smart Solutions at Iberdrola

# Technical excellence

Building capacity and capability



**Achieving the IMI approved training centre status means we're able to meet the future needs of the motor industry more effectively by having the ability to provide IMI accredited technical training."**

**Steve Coble**  
Northgate UK Head of Workshops

Vehicle technology is advancing at a rapid pace. We have moved towards increased electrification of drive trains and a greater proliferation of advanced driver assistance systems (ADAS). There is growing competition in the employment market for skilled technicians who are in high demand in the automotive repair and maintenance sector.

To address the challenge of automotive technical advancement and skill shortages we have invested heavily in advancing our technical capability and capacity, across the Group.

This investment culminated in Milton Keynes (Northgate) getting Institute of the Motor Industry (IMI) approved training status, adding to the approved status of the Goole facility (FMG RS). This has enabled us to design, develop and deliver accredited IMI technical training which will play a pivotal role in upskilling our motor vehicle technicians in electric/hybrid vehicle system repair and replacement.

## Optimising vehicle use and fleet management

Northgate Spain launched an updated telemetry solution which allows customers to optimise vehicle use and fleet management. With the new update, a large number of measurements and information of the driver or the vehicle can be accessed from the platform in an easy and intuitive way, such as route optimisation. The updated platform now better supports EVs by providing updates to fleet teams on charging status along with help locating the nearest charging points.

## Industry engagement

We have Board level representation on UK&I and Spanish industry bodies, BVRLA and AEDIVE. Working alongside these bodies we are engaging with Government departments, providing insight into the most effective methods to drive decarbonisation, through focus areas, legislation, and taxation mechanisms.

## Technical training at Redde Northgate and FMGRS

Technicians trained	Training programme
240	IMI Level 3 award in electric & hybrid vehicle system repair and replacement
114	Fundamental electrics
74	Advanced braking
26	High voltage safe working

# Industry engagement

As a Group, we value industry association participation as we believe it is important to contribute to discussions that drive innovation in our sector as a whole and encourage our colleagues to take an active role.

The BVRLA is the UK trade body for companies in the sector, which campaigns to ensure that regulation and legislation is fair and supportive of commercial growth by engaging with local and national authorities, as well as the UK government to advise on policy. Redde Northgate is represented by our Fleet Director, Tim Bailey, who sits as Chair of the Commercial Vehicle Committee.

Redde Northgate have played an instrumental role in developing the BVRLA's "Van Plan". The intent and direction stated in the plan stimulated Central Government and the Office of Zero Emission Vehicles (OZEV) to direct significant funds towards plug-in van grants. These grants will help, in part, to address the development lag for eLCVs compared to electric cars.

More broadly, the BVRLA are continuing to provide guidance and advice to Central Government and the OZEV on the most effective methods to accelerate decarbonisation and the transition towards low carbon mobility. Other parts of the Group are active members of their local trade associations such as the Society of the Irish Motor Industry (SIMI) and FENEVAL in Spain.

## Truck Mounted Attenuator Technical Alliance (TMATA)

TMATA is a group set up by the main four UK crash cushion distributors, which includes Blakedale. The group was formed with the support of National Highways with the aim being that all crash cushions are inspected to a uniform standard by trained and certified engineers.

Blakedale, working alongside peers, have supported the development of a consistent and common standard of inspection and maintenance for Impact Protection Vehicles (IPVs). This included promoting consistent levels of appropriate competency of the engineers and technicians carrying out regular inspections, and that it is to an acknowledged common standard.



## Northgate, on the Board of Directors of AEDIVE

Teresa Romo, Director of Development and Sustainability Northgate Spain, was appointed to the AEDIVE Board of Directors.



**AEDIVE incorporates manufacturers of electric vehicles and components, manufacturers of charging points, charging operators and installers, renting, shared mobility and energy storage companies, which will help us, together with the more than 200 companies that make up the association, to boost our activity at a crucial moment to consolidate electric mobility in Spain."**

Arturo Pérez de Lucía,  
General Director of AEDIVE

# TCFD

## In this section

### Introduction

A full disclosure of climate-related risks and opportunities for Redde Northgate, in accordance with the 11 TCFD disclosure recommendations was included in the Annual Report. The TCFD disclosure included in the Annual Report followed on from the voluntary disclosure contained in last year's Annual Report. Our latest TCFD disclosure builds on the previous years and now quantifies the impact of climate-related opportunities for our business. Through our disclosures, we seek to improve transparency and facilitate discussions with stakeholders on this key issue. This report details an enhanced understanding of our emissions footprint and impacts; together with the measures necessary to respond to and manage climate-related risks and to harness opportunities in what is an uncertain global emissions future.

### TCFD Performance Dashboard

The TCFD performance dashboard outlines the actions we have taken following the first TCFD report in FY2022. Redde Northgate, along with many other organisations, is on a journey towards fully aligned and complete TCFD reporting, consistent with emerging best practice. The expectation is that by improving TCFD disclosures we can develop a clearer understanding of the optimal business model required to succeed in a low carbon economy.

[→ Read more on TCFD in our Annual Report](#)

				Further development needed	On-track
				●	●
Standard	Disclosure	Status	2024 Next steps		
<b>Governance</b>	A Sustainability Committee has been formed with the first session held in April.	●	The Sustainability Committee's focus for the first half of the year will be agreeing the mitigation actions necessary to deliver the carbon reduction targets. The committees, longer-term role will be to evaluate the degree of progress being made towards achieving the targets and the continuing suitability of mitigation actions being taken.		
	ESG training, including climate change, was delivered by an external provider to the Board.	●	Update ESG policies, including the policy on climate change, to reflect the new carbon reduction targets that have been set. The revised policy will summarise actions to manage both the physical and transitional risks for our business, while also seeking to maximise the business opportunities from advancing towards low carbon mobility.		
	A Head of ESG was appointed to lead on sustainability and climate change.	●	Develop a new approach to ESG and climate change action, including a broad spread of non-financial targets and metrics. A framework will be developed in FY2023 containing a suite of ESG commitments which will reinforce Redde Northgate position as a sustainable and responsible business.		
<b>Strategy</b>	Undertaken a double materiality exercise to link financial and environmental impact.	●	Moving to a low carbon future needs the right people in Redde Northgate, with the right skills, knowledge, passion and motivation to deliver. We will be developing a carbon literacy training programme to improve the decarbonisation knowledge and skills of our people. The programme will provide guidance and support to our people so that they can better understand the carbon costs and impacts of our operations, activities and services.		
	Sustainability sub-groups have been formed to develop the climate change mitigation strategy and approach.	●	A net zero transition plan is being developed that will set out the principles we will follow and the mitigation actions we will take to respond to the global call to action to tackle climate change. The plan will provide our stakeholders with a clear pathway to achieving our targets.  Undertake site energy assessment to inform the transition plan and meet our obligations under the Energy Savings Opportunity Scheme (ESOS). Additionally, we will be developing energy performance reports for all offices and branches, with the expectation being that this reporting will help drive a culture of energy efficiency and carbon reduction, throughout the Company.		
<b>Risk management</b>	Physical risks were assessed for operating location throughout UK&I and Spain.	●	Assess the continuing suitability of business continuity plans to address issue such as heatwave and floods.		
	Transition risks were explored by applying IEA's Net Zero by 2050 scenario and National Grid decarbonisation scenarios.	●	Develop, with the support of the sub-groups, a suite of ESG metrics to measure and report on transition risks. These metrics, including both financial and non-financial measures, will be reported within corporate ESG scorecards to support decision making.		
<b>Metrics and targets</b>	Absolute emission reduction targets set for Scope 1 and Scope 2.	●	Communicate and operationalise the targets throughout the Group.		
	Upstream and downstream Scope 3 GHG emissions mapped and reported.	●	Continue evaluation of Scope 3 data to work towards the setting of a Scope 3 reduction target within the next two to three years. The expectation is that enhancing our Scope 3 reporting capability will equip us with the knowledge and expertise necessary to fully support our customers carbon reporting and decarbonisation modelling.  Finalise the GHG Management Plan to prescribe the process and systems for effective GHG emission data gathering.		
			An internal review of the monitoring and reporting procedures outlined within the plan will be carried out annually to ensure accuracy and compliance. The plan will also be subject to review and verification and a third party.		



# Appendices

## In this section

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- Global Reporting Initiative
- Sustainability Disclosure Topics and Accounting Metrics

## Appendix A – GRI Table

### Page 13 Appendix – Global Reporting Initiative

The table below references the relevant GRI Standards which are referenced in our FY2023 reporting – including page numbers where they are contained in this Sustainability Report, or identified as being in the FY2023 Annual Report.

Standard	Disclosure	Location
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organisational details	Redde Northgate plc Northgate Centre, Lingfield Way, Darlington, DL1 4PZ UK, Ireland and Spain
	2-2 Entities included in the organisation's sustainability reporting	Auxillis, ChargedEV, FMG, New Law, Northgate, Blakedale, Van Monster, Principia Law and FMG RS
	2-3 Reporting period, frequency and contact point	Annual Report
	2-4 Restatements of information	Annual Report
	2-5 External assurance	Annual Report
	2-6 Activities, value chain and other business relationships	See page 3 and Annual Report
	2-9 Governance structure and composition	Annual Report
	2-10 Nomination and selection of the highest governance body	Annual Report
	2-11 Chair of the highest governance body	Annual Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Annual Report
	2-14 Role of the highest governance body in sustainability reporting	Annual Report
	2-15 Conflicts of interest	Annual Report
	2-17 Collective knowledge of the highest governance body	Annual Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report
	2-19 Remuneration policies	Annual Report
	2-20 Process to determine remuneration	Annual Report
	2-21 Annual total compensation ratio	Annual Report
	2-22 Statement on sustainable development strategy	See page 6

## Appendix A – GRI Table *continued*

Standard	Disclosure	Location
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-23 Policy commitments	Annual Report
	2-24 Embedding policy commitments	See page 8
	2-26 Mechanisms for seeking advice and raising concerns	See page 11
	2-28 Membership associations	See page 35
	2-29 Approach to stakeholder engagement	See page 5
<b>Material topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See page 10
	3-2 List of material topics	See page 10
<b>Economic performance</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report
	201-1 Direct economic value generated and distributed	Annual Report
	201-2 Financial implications and other risks and opportunities due to climate change	Annual Report
	201-3 Defined benefit plan obligations and other retirement plans	Annual Report
	201-4 Financial assistance received from government	Annual Report
<b>Market presence</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report
<b>Procurement practices</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 11
<b>Anti-corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 11
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	See page 11
<b>Tax</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	Annual Report
GRI 207: Tax 2019	207-1 Approach to tax	Annual Report
	207-2 Tax governance, control, and risk management	Annual Report
	207-3 Stakeholder engagement and management of concerns related to tax	Annual Report

## Appendix A – GRI Table *continued*

Standard	Disclosure	Location
<b>Energy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 24
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	See page 24
	302-4 Reduction of energy consumption	See page 24
	302-5 Reductions in energy requirements of products and services	See page 29
<b>Water and effluents energy</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 20
<b>Emissions</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See page 24
	305-2 Energy indirect (Scope 2) GHG emissions	See page 24
	305-4 GHG emissions intensity	See page 24
<b>Waste</b>		
GRI 3: Material Topics 2021	306-1 Waste generation and significant waste-related impacts	See page 20
	306-2 Management of significant waste-related impacts	See page 20
	306-3 Waste generated	See page 20
	306-4 Waste diverted from disposal	See page 20
<b>Employment</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 12
<b>Occupational health and safety</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 13
GRI 403: Occupational Health and Safety 2018	403-4 Worker participation, consultation, and communication on occupational health and safety	See page 13
	403-5 Worker training on occupational health and safety	See page 13
	403-9 Work-related injuries	See page 13
	403-8 Workers covered by an occupational health and safety management system	See page 13

## Appendix A – GRI Table *continued*

Standard	Disclosure	Location
<b>Training and education</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 17
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	See page 17
	404-2 Programmes for upgrading employee skills and transition assistance programmes	See page 17
<b>Diversity and equal opportunity</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 11
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See page 11
<b>Local communities</b>		
GRI 3: Material Topics 2021	413-1 Operations with local community engagement, impact, assessments, and development programmes	See page 22

## Appendix B – Sustainability Disclosure Topics & Accounting Metrics

### Page 14 Appendix – Sustainability Disclosure Topics & Accounting Metrics

The following table discloses our performance against the criteria set by the Sustainability Accounting Standards Board (SASB). Our disclosures are based on the specific criteria set out for Car Rental and Leasing.

This is the first year of publication in line with SASB standards and represents our commitment to quality, transparent disclosure, and evolution of our ESG reporting. We are committed to continually developing and expanding our SASB reporting.

SASB Topic/Metric	Our approach and performance	Code	Notes/references
<b>Sustainability disclosure topics &amp; accounting metrics</b>			
Percentage of rental fleet vehicles rated by NCAP programmes with an overall five-star safety rating, by region	This is new metric we are capturing information on. Based on a small sample of around 7,500 vehicles in our fleet c.65% are have NCAP 5 rating, with c.26% being rated as 4 and the remaining being 3 or 1	TR-CR-250a.1	The largest proportion of our fleet is light commercial vehicles where the NCAP rating systems does not apply  The introduction of a new Group wide data system in FY2024 will enable us to capture more complete data on the NCAP vehicle ratings of the cars in our fleet
Number of vehicles recalled	We do not currently capture and report this information	TR-CR-250a.2	
Rental day-weighted average rental fleet fuel economy, by region	134g/CO <sub>2</sub>	TR-CR-410a.1	This is the first year of measuring fleet emission averages
Fleet utilisation rate	93% was our average vehicle utilisation	TR-CR-410a.2	
<b>Activity metrics</b>			
Average vehicle age	The average age of the fleet was 36 months at the end of the year which was six months higher than at 30 April 2022	TR-CR-000.A	The increase in the average age of the fleet was due to managing the fleet to mitigate impacts of the restricted market supply reducing both purchases and vehicles sold
Total available rental days	We do not currently capture and report this information	TR-CR-000.B	
Average rental fleet size	We have Vehicle hire (UK&I) 50,800 Vehicle hire (Spain) 61,400 Insurance Mobility Services (UK) 18,500, totalling 130,700 vehicles	TR-CR-000.C	

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