

Carbon Reduction Plan

Supplier name: Arval UK Ltd

Publication date: 23 July 2024

Commitment To Achieving Net Zero

Arval UK recognises that its carbon reduction actions have a part to play in reducing the causes and effects of climate change. Arval UK is committed to achieving Net Zero emissions by 2050.

Baseline Emissions Footprint

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

Scope 1 includes emissions generated from natural gas.

Scope 2 includes emissions from purchased electricity and are reported using the GHG Protocol dual-reporting methodology, stating two figures to reflect the GHG emissions from purchased electricity, using both a location-based method that reflects the average emission intensity of the national electricity grids from which consumption is drawn and a market-based method that reflects emissions from electricity specific to each supply/contract. Where electricity supplies are known to be from a certified renewable source, a zero emissions factor is used, otherwise residual mix factors are used.

Scope 3 includes emissions generated from business travel including air, rail, company-leased vehicles, and employee-owned vehicles.

Note: emissions generated by Arval employees' company vehicles are currently reported under Scope 3. GHG emissions and kWh consumption related to electric vehicles are reported under Scope 2 as charging primarily occurs in the buildings of the group. The measurement of emissions linked to fossil fuel combustion generated by Arval employees' company vehicles are currently assessed to be moved to Scope 1 in future reporting.

Baseline Year: 2019. October 2018 – September 2019	
Additional details relating to the Baseline Emissions calculations.	
<p>The baseline emissions are determined as part of BNP Paribas' environmental reporting requirements which are in line with the Greenhouse Gas (GHG) Protocol.</p> <p>We know data for some of the baseline emissions for scope 3 are missing. We will re-baseline when more data becomes available.</p> <p>The calculations include emissions from Arval UK operations. The reporting criteria from 2019 to 2023 are the same. 2019 was selected as the baseline year as this was the last year where business operations were not impacted by COVID-19.</p>	
Baseline year emissions: October 2018 – September 2019	
EMISSIONS	TOTAL (tCO₂e)
Scope 1 Direct GHG emissions from natural gas	189.61
Scope 2 Indirect GHG emissions from purchased electricity	47.01 (Market-based) 415.66 (Location-based)
Scope 3 – Business Travel (Indirect emissions from business travel including air, rail, company-leased and employee owned vehicles)	471.75
Scope 3 – Upstream transportation and distribution	<p>We do not yet disclose these categories: Emissions are in the process of being measured and will be disclosed if assessed applicable and significant as per the GHG protocol during 2025.</p>
Scope 3 – Waste generated in operations	
Scope 3 – Employee Commuting	
Scope 3 - Downstream transportation and distribution	
Total Emissions	1077.02

Current Emissions Reporting

Reporting Year: October 2022 – September 2023	
EMISSIONS	TOTAL (tCO₂e)
Scope 1 Direct GHG emissions from natural gas	354.22
Scope 2 Indirect GHG emissions from purchased electricity	0 (Market-based) 237.46 (Location-based)
Scope 3 (Indirect emissions from business travel including air, rail, company-leased and employee owned vehicles)	126.47
Scope 3 – Upstream transportation and distribution	We do not yet disclose these categories: Emissions are in the process of being measured and will be disclosed if assessed applicable and significant as per the GHG protocol during 2025.
Scope 3 – Waste generated in operations	
Scope 3 – Employee Commuting	
Scope 3 - Downstream transportation and distribution	
Total Emissions	718.15

Emission Factors used are dictated by the BNP Paribas Group methodology. Scope 1: WRI (2008) GHG Protocol tool for stationary combustion. Version 4.0 GWP from IPCC AR4 (2007). Scope 2: Location-based IEA (CO2 Highlights) 2021 – Données 2019; Market based RE-DISS II; AIB European Residual Mix (2020). Version 1.0 2021-05-31. Scope 3: Air & Road UK DEFRA, Passenger Vehicles 2019. Rail ADEME V21.2.

Emissions Reduction Targets

At a global level, Arval is undertaking a significant amount of analysis and data classification for all aspect of carbon reporting. This carbon reduction plan will be updated in conjunction

with developments as a result of the work underway at a global level, which will include the UK within the global target set, by the end of March 2025 based on 2024 full year data.

Additionally, Arval UK is aiming to reduce its leased fleet average CO₂ g/km by 35% by the end of 2025, as well as 25% of its leased fleet being battery electric vehicles. 78% of Arval UK's own (employee) company car fleet are currently battery electric vehicles and this continues to grow.

Carbon Reduction Projects

Completed Carbon Reduction Initiatives

The following environmental management measures and projects have been completed, or implemented, since the 2019 baseline. The carbon emission reduction in scopes 1, 2 and 3 achieved by these schemes equate to 358.87 tCO₂e. **A 33.3% decrease compared to the 2019 baseline by the end of 2023.**

To align with international compliance and minimize our environmental impact, we have been certified ISO14001 since 2009 and last re-certified in 2021.

- Using the data from the Environmental Management System we offset our operational carbon emissions from 2009 to 2017. Since 2017, BNP Paribas has offset their carbon emissions globally, which includes Arval UK's emissions.
- Introduced in 2019, a new company fleet policy focused on introducing battery electric and hybrid vehicles to the vehicle choice list. In 2020, to encourage the uptake of battery electric vehicles, we enabled employees to change their company car up to 1 year earlier if they switched to a battery electric vehicle. The fleet policy was further updated in early 2023 to only allow battery electric vehicles to be chosen.
- Provide expert consultancy advice, promote and make available a wide range of sustainable mobility solutions, including battery electric vehicles, through multiple manufacturers, e-bikes and e-cargo bikes, plus infrastructure and charging solutions, to support our clients with their own low carbon mobility goals.
- Developed Arval Connect as a decarbonisation driver due to capability to identify the potential to electrify a customer's fleet, the ability to track driver behaviour to improve more efficient eco-driving and thus reduce emissions whilst a vehicle is in use.

We have reduced office carbon emissions within our Head Office based in Swindon, and our other offices in Manchester and Solihull, through a variety of means:

Energy

- All our buildings use 100% REGO backed renewable electricity.
- We installed low-energy lighting and PIR sensors.



- Provided all our employees with laptops reducing standby overnight power demands.
- Implemented hybrid working helping to reduce employees commuting.
- Introduced an employee salary sacrifice scheme encouraging battery electric vehicle adoption.
- Employees have access to electric bikes at each of our sites and to the cycle to work scheme.
- Access to 53 charge points at our offices enabling free charging whilst in the office.

Waste

- We have a zero-to-landfill waste policy.
- Implemented recycling points in all offices, including metal/cans, paper & cardboard and plastic.
- Removed as many single-use plastics from our restaurants as possible.
- Partnered with BNPP 3Step-IT for older IT equipment to be refurbished and re-used, with anything else recycled.
- Office printer paper is 100% recycled and all our client paper is FSC certified.
- Partnered with our restaurant supplier who prioritises local produce, limiting food waste and contributing to a sustainable approach to catering.

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

- Moving to LED lighting within our Head Office and Manchester office
- Moving our Manchester office location to a higher environmentally rated building (based on EPC rating), which will reduce overall operational carbon emissions.
- Continue to promote sustainable mobility for our customers and employees with a full range of options to meet our customers' diverse needs.
- Review options for vehicle movements in life and end of lease to reduce transport miles.
- Increase the scrutiny and interaction with our supply chain, to measure, and then further reduce scope 3 emissions.
- Moving as many of our customers to e-billing and e-invoicing as possible.
- Update our business mobility policy to further promote sustainable transport options and keep journeys to a minimum.

Declaration and Sign Off

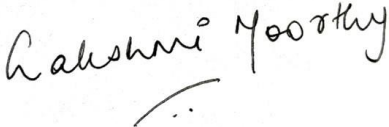
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹. We are required to use the conversion factors detailed within the BNP Paribas Group methodology (see Current Emissions Reporting section for specific details).

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions², where measured, have been reported in accordance with the published reporting standard for Carbon Reduction Plans.

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

Signed on behalf of the Supplier:



Managing Director

23rd July 2024

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

²[emission factors used are dictated by the BNPP Group methodology for Scope 1, 2 and 3 \(business travel\) which are updated and disclosed annually in the Arval UK Director's Report as per SECR requirements.](#)