ZENITH AUTOMOTIVE HOLDINGS LIMITED CARBON REDUCTION PLAN

Supplier name: **Zenith Automotive Holdings Ltd**

Publication date: **16th October 2025**

Executive Summary

Zenith is the UK's leading independent vehicle leasing and fleet management provider. The Group directly funds 75,514 vehicles and has 166,380 vehicles under management, covering cars, light commercial vehicles (LCVs), heavy goods vehicles (HGVs), and specialist vehicles.

We have reduced our scope 1 and 2 emissions by 15.1% during FY25. This was achieved by successfully transitioning our own Zenith employee company car fleet to 100% battery electric vehicles (BEV), and the closure of three vehicle repair workshops in FY25.

Our scope 3 emissions have increased by 4.7% during FY25 because of our use of sold products emissions. This is due to the vehicles we sold into the used market during the year having a higher remaining lifecycle mileage compared to the vehicles we sold in FY24.

This carbon reduction plan outlines Zenith's greenhouse gas (GHG) emissions over the past two financial years including a detailed breakdown of how and why these have changed YOY, and what actions we will take to reduce them moving forwards. It also details our science-based targets initiative (SBTi) validated carbon reduction targets including progress against these, alongside information regarding Zenith's climate-related governance structure.

Information regarding the scope of this plan, the methodology of our emissions reporting, and third party assurance of the figures disclosed in this plan can be found at the end of this document.

Our organisation and people

Zenith Group is the UK's leading independent leasing, vehicle outsourcing, and fleet management provider. We have 166,380 vehicles under management, with 75,514 funded directly by Zenith.

We operate from fourteen locations across the UK, including two main offices in Leeds and Altrincham, eleven rental yards, and one HGV workshop.

We have over 1,250 colleagues and our team includes administration staff, professional services roles such as finance, information technology, marketing, customer service representatives, sales professionals, skilled automotive mechanics, technicians, and welders.

Our greenhouse gas (GHG) emissions

Zenith's emissions across our last two financial years, including the % change year-on-year (YOY) can be seen in the table below.

Our financial year runs from 1st April to 31st March each year.

A more detailed explanation of our emissions including each Scope 3 category within our boundary can be found on pages 7-19.

Category	FY25 (tCO2e)	FY24 (tCO2e)	% change
Scope 1	1,690.3	1,996.6	-15.3%
Scope 2			
Market-based	421.4	566.6	-25.6%
Location-based	617.2	721.5	-14.4%
Scope 3 total	1,132,841.7	1,082,238.9	4.7%
Upstream total	276,975.4	327,764.1	-15.5%
Downstream total	855,866.3	754,474.8	13.4%
Total GHG emissions (Market-based)	1,134,953	1,084,802	4.6%
Total GHG emissions (Location-based)	1,135,149.2	1,084,957.0	4.6%

Our commitment to achieving net zero

Zenith is committed to achieving Net Zero across our total value chain scope 1, 2, and 3 greenhouse gas (GHG) emissions by 2050 at the latest.

Our near-term and long-term net zero carbon reduction targets have been validated as aligned with the Paris Agreement by the science-based targets initiative (SBTi). These underpin Zenith's emissions reduction initiatives, with key actions including enabling customers to transition to ZEVs, promoting transparency within the industry, and engaging with industry bodies and peers on automotive legislation and regulation.

We have set ambitious targets to act as an inspiration to our stakeholders to also take action. We are reliant on industry changes such as decarbonisation of vehicle production, the implementation of zero emission HGV technology, and the decarbonisation of the energy grid to ensure that BEV charging emissions are zero emission to achieve its targets. Further information on our targets can be viewed on the SBTi website - https://sciencebasedtargets.org/companies-taking-action.

SCIENCE BASED TARGETS

DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

THE NET ZERO STANDARD

APPROVED NET-ZERO TARGETS

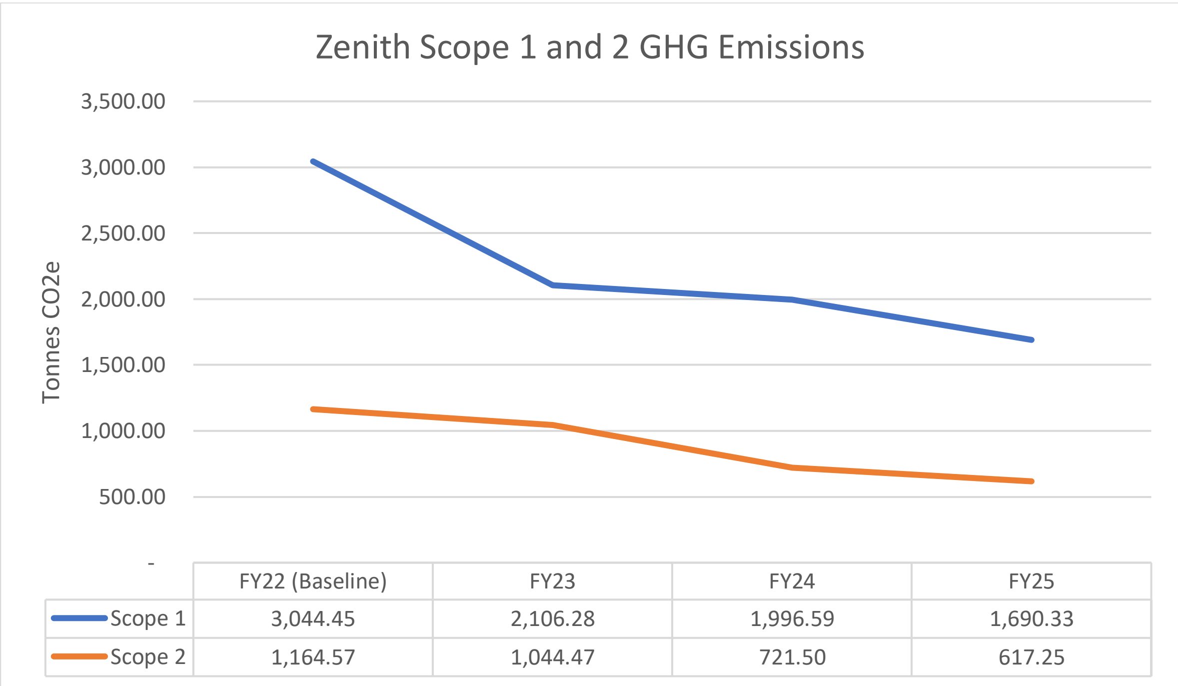
Our carbon reduction target progress

We are on schedule to achieve our scope 1 and 2 targets, both near-term and long-term. This is mainly due to successfully transitioning our own Zenith employee company car fleet to 100% BEV. We are currently behind schedule for our scope 3 targets. Our scope 3 targets are ambitious and we are reliant on wider industry changes to reduce our total GHG emissions. This includes manufacturers' decarbonising vehicle production, the emergence of viable zero emission HGV technology and the decarbonisation of the energy grid to ensure that BEV charging emissions are zero.

Scope	Timeframe	Target	FY25 Progress versus baseline year
Scope 1 and 2	Near-term	To reduce our absolute Scope 1 and 2 GHG emissions 47.5% by 2030 from a FY2022 base year.	45.2% reduction
Scope 1 and 2	Long-term	To reduce our absolute Scope 1 and Scope 2 emissions by 90% by FY2050 from a FY2022 base year.	
Scope 2	Near-term	To increase active annual sourcing of renewable electricity from 21.2% in FY2022 to 100% in FY2030.	62% of electricity from renewable sources
Scope 3	Near-term	To reduce scope 3 GHG emissions by 51.6% per funded vehicle by FY2030 from an FY2023 base year.	4.2% increase
Scope 3	Long-term	To reduce our total Scope 3 emissions 90% by FY2050 from a FY2023 base year.	2.4% increase

1. Scope 1 and 2

We have reduced our scope 1 and 2 emissions by 45.2% since FY2022. This is mostly due to two reasons. Firstly, we have successfully transitioned our Zenith employee company car and salary sacrifice scheme to 100% battery electric vehicle (BEV) from internal combustion engine (ICE). This has significantly reduced our transport-related emissions within scope 1. Secondly, we closed three vehicle workshops based in England at Leeds, Skelmersdale, and Aldridge. This has reduced our facilities-related emissions from gas, electricity, and HVAC refrigerant across scope 1 and 2.



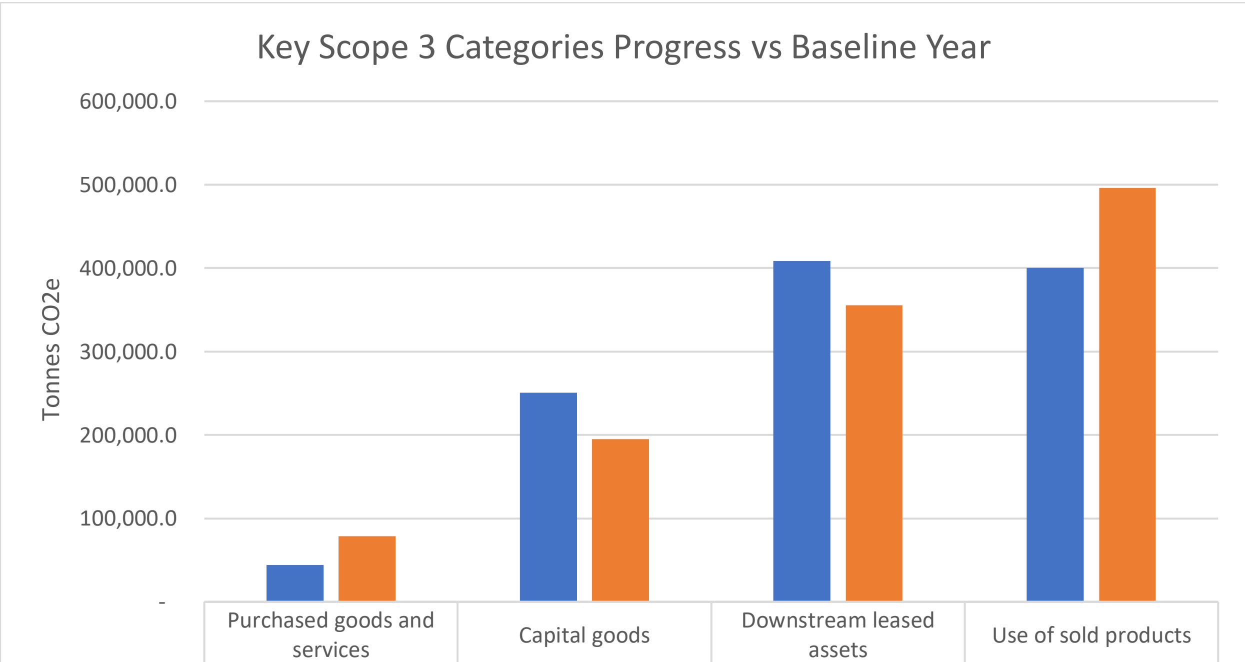
	FY22 (Baseline)	FY23	FY24	FY25
Scope 1	3,044.45	2,106.28	1,996.59	1,690.33
Scope 2	1,164.57	1,044.47	721.50	617.25

2. Scope 3

Over 99% of Zenith's total scope 3 emissions come from just four categories. These categories follow the lifecycle of the vehicle and our ownership of it. Our progress in reducing these four key categories vs our baseline year emissions can be seen in the infographic below.

Our use of sold products emissions increased by 21% YOY, this was due to there being a higher remaining lifecycle mileage of the vehicles sold in FY25 compared to FY24.

Our downstream leased assets emissions has increased due to the total annual mileage of our funded fleet vehicles increasing by c2million YOY.



	Purchased goods and services	Capital goods	Downstream leased assets	Use of sold products
FY23	43,976.9	250,786.3	408,376.0	400,019.6
FY25	78,677.5	195,340.2	355,418.7	496,267.1

Zenith's emissions – A deep dive

A detailed breakdown of our scope 1, 2, and 3 emissions, including each scope 3 category within our boundary, can be seen in the table below.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Scope 1	Gas boilers and HVAC refrigerant top-ups at Zenith sites. The mileage driven in internal combustion engine (ICE) Zenith employee company cars and our mobile service units (MSUs).	1,690.3	1,996.6	-15.3%	We have zero remaining ICE vehicles on the Zenith employee company car and salary sacrifice scheme due to successfully transitioning these vehicles to 100% BEV. Closure of English Zenith-operated commercial workshops during FY25.	Ongoing delivery of energy efficiency measures identified during our ESOS Phase III audit.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Scope 2 - Market-based	The generation of electricity at Zenith sites. The mileage driven in battery electric vehicle (BEV) Zenith employee company cars. This method uses the average emissions intensity of the UK national grid.	421.4	566.6	-25.6%	Closure of English Zenith-operated commercial workshops during FY25. Ongoing decarbonisation of the UK electricity grid has slightly reduced the charging emissions for Zenith employee company car and salary sacrifice scheme BEV vehicles.	Re-negotiation of the energy tariffs at Zenith sites where renewable energy is not in place. Ongoing delivery of energy efficiency measures identified during our ESOS Phase III audit.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Scope 2 - Location-based	The generation of electricity at Zenith sites. The mileage driven in battery electric vehicle (BEV) Zenith employee company cars. This method uses our specific contractual arrangements with utility providers for electricity, such as Renewable Energy Certificates (RECs).	617.2	721.5	-14.4%	Closure of English Zenith-operated commercial workshops during FY25. Ongoing decarbonisation of the UK electricity grid has slightly reduced the charging emissions for Zenith employee company car and salary sacrifice scheme BEV vehicles.	Continued decarbonisation of the UK energy grid. If the UK achieves 100% renewable grid by 2035 then our emissions for this category will be 0. Ongoing delivery of energy efficiency measures identified during our ESOS Phase III audit.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Scope 3 total	All indirect related emissions from our upstream and downstream value chain. Everything that suppliers do on our behalf and everything that customers do in products that we sell or lease to them.	1,132,841.7	1,082,238.9	4.7%	Our upstream emissions have reduced whilst downstream have increased, specifically in use of sold products. See this category for further information.	Priority focus is on our four largest categories: • Purchased goods and services • Capital Goods • Use of sold products • Downstream leased assets
Upstream total	Total emissions related to our procurement of goods and services – i.e. vehicle manufacture, and vehicle service, maintenance, and repair (SMR).	276,975.4	327,764.1	-15.5%	Reduction in capital goods emissions.	Improvement in data capture and emissions factors to drive supplier and customer engagement, specifically around purchased goods and services and capital goods.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Purchased goods and services	The service, maintenance, and repair of our vehicles by vehicle bodyshops and garages. The professional services supplied to Zenith.	78,678	75,071.7	4.8%	We are currently using spend factors to calculate the majority of service, maintenance, and repair (SMR) work on Zenith vehicles by suppliers. This means that as we grow as a business, and spend more operationally, this category of emissions will increase.	Ongoing work to identify opportunities to use industry-average of supplier-specific factors for: • Vehicle repairs • Vehicle servicing • Tyres • Glass

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Capital goods	The embodied carbon of the vehicles from production by the manufacturers.	195,340	249,886.4	-21.8%	We delivered fewer vehicles in FY25 YOY resulting in lower embodied carbon emissions.	Ultimate ambition to provide customers with information on embodied carbon during vehicle selection. We are awaiting on all manufacturers disclosing embodied carbon figures before progressing with this.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Fuel-and-energy-related activities (not included in Scope 1 or 2)	The well-to-tank (WTT) and transmission and distribution (T&D) for the gas and electric usage reported within scope 1 and 2.	558	684.0	-18.5%	The reductions in our Scope 1 and 2 emissions noted above also lead to a reduction in the WTT (well-to-tank) and T&D (transmission and distribution) related to our gas and electricity usage at our sites.	See Scope 1 and 2 rows above.
Waste generated in operations	All waste from Zenith sites. The total loss vehicles from accident, fire, and water damage.	181	242.1	-25.3%	Closure of English Zenith-operated commercial workshops during FY25 saw a reduction in total annual waste from Zenith sites.	Review of waste streams and engagement with our waste management providers to identify process improvements.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Business travel	Zenith employee travel by any method for the purpose of work.	106	113.9	-6.6%	We had fewer hotel stays booked by Zenith employees in FY25.	Carbon Literacy training delivery to educate colleagues on impact of different transport methods. Continued use of Microsoft Teams where appropriate for supplier and customer meetings.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Employee commuting	Zenith employee commuting to and from their contracted workplace. Zenith employee home-working related emissions.	2,113	1,766.0	19.6%	We are currently using estimates for this category based on employee distance from their home address to the contracted Zenith site. We then merge this data with the UK census data on individual commuting methods. In FY25, colleagues are based further away from their contracted Zenith site, thus increasing the assumed commuting miles.	Long-term ambition to survey colleagues regarding commuting methods to enable more accurate calculation.
Downstream total	Total emissions from the distribution of Zenith goods and services.	855,866.3	754,474.8	13.4%	Use of sold product emissions and downstream leased assets.	Continued support for customers to transition to ZEV and the introduction of a secondary leasing product.

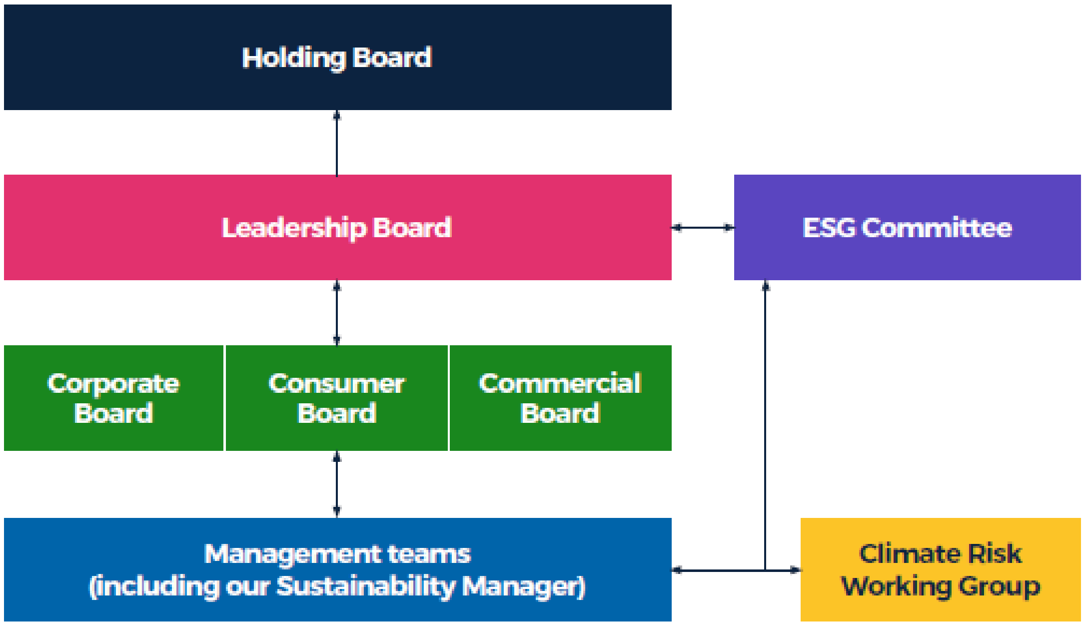
Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Downstream transportation and distribution	The delivery, collection, and movement of Zenith vehicles to and from our customers. The breakdown assistance provided to Zenith customers by our suppliers.	3,723	4,335.9	-14.1%	The fewer cars purchased in FY25 resulted in fewer vehicle deliveries. Furthermore, we saw an increase in customers extending their lease in FY25 which avoided collection emissions.	Engagement with delivery, collection, and movement agents to more fully understand their processes and identify opportunities for efficiency measures.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Use of sold products	The remaining lifecycle emissions of once-owned Zenith vehicles after the point we sell them.	496,267	407,582.4	21.8%	There was a higher remaining lifecycle mileage of the vehicles sold in FY25 compared to FY24.	Launching a secondary leasing product will result in the vehicle remaining within Zenith's ownership for more of its lifecycle. This will reduce this category emissions but likely increase our downstream leased asset emissions. The gradual transition of our fleet to zero emission vehicles, such as BEV, alongside the decarbonisation of the UK energy grid will also reduce these emissions.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
End-of-life treatment of sold products	The final disposal of previously-owned Zenith vehicles at the end of their life.	457	990.6	-53.8%	Fewer vehicles were sold in FY25 resulting in lower emissions for this category.	Vehicle manufacturers responsibility to improve the circularity of their vehicles which will result in lower end of life disposal emissions.
Downstream leased assets	The mileage driven by our funded fleet vehicles by our customers.	355,419	341,565.9	4.1%	The total mileage of our funded fleet vehicles has increased by c2million YOY.	The gradual transition of our fleet to zero emission vehicles, such as BEV, alongside the decarbonisation of the UK energy grid, will also reduce these emissions.

Category	What Zenith activity produces these category emissions?	FY25 (tCO2e)	FY24 (tCO2e)	% Change vs FY24	Key reasons for change	Looking ahead
Total GHG emissions	Total value chain emissions across Scope 1, 2, and 3.	1,135,149.2	1,084,957.0	4.6%	Increase in our use of sold products and downstream leased assets emissions.	Continued support for customers to transition to zero emission vehicles, such as BEV. However, we are reliant on industry changes to reduce our total GHG emissions. This includes manufacturers' decarbonising vehicle production, the emergence of viable zero emission HGV technology and the decarbonisation of the energy grid to ensure that BEV charging emissions are zero.

Carbon Management



At a management level, our Sustainability Manager is responsible for leading the design, delivery, and reporting arms of our management of climate-related risks and opportunities, and our wider sustainability strategy. This includes responsibility for calculating and monitoring of our GHG emissions.

We have a clear environmental governance structure in place with our Executive Committee and CEO being ultimately accountable for climate change and the environment.

They have devolved responsibilities to the ESG Committee and our Sustainability Manager, who leads the design, delivery, and reporting arms of our sustainability plan, including climate change management.

Beneath the ESG Committee sits our Climate Risk Working Group with responsibility for identifying, assessing, and managing climate-related risks and opportunities.

Further information on our ESG and climate-related governance structure and processes can be found within the Task Force for Climate-Related Financial Disclosures (TCFD) section of our 2025 financial year annual report here - https://www.zenith.co.uk/results-policies/annual-report-2025/.

Scope

This carbon reduction plan refers to Zenith Group's total value chain emissions. As such, it applies to the Group companies listed below.

- Zenith Vehicle Contracts Limited
- Provecta Car Plan Limited
- Leasedrive Limited
- ZenAuto Limited
- Contract Vehicles Limited
- Contract Vehicle Fleet Services Limited
- Contract Vehicles Rentals Limited
- Zenith Remarketing Limited

Methodology

Zenith emissions are calculated in line with the greenhouse gas (GHG) protocol standards. We use the the following as a guide to set our organisational boundary and calculate our emissions:

- GHG protocol: A corporate accounting and reporting standard
- GHG protocol: Corporate value chain (Scope 3) Accounting and Reporting Standard

Third-party assurance

Our baseline and current year emissions have been verified by an independent third party, Carbon Footprint.

The verification undertaken by Carbon Footprint Ltd was conducted in accordance with ISO 14064-3 (2019): Greenhouse gases- part 3: '*Greenhouse Gases: Specification with guidance for the verification and validation of greenhouse gas statements*'.

This was to a limited level of assurance, as defined by the ISO 14064-3 standard. A verification plan (including sampling) was devised at the preliminary stages of the assessment to guide the verification process.

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

- Initial review of the GHG documentation and methodologies, including historical GHG data for the period 1st April 2024 to 31st March 2025.
- Remote auditing activities, involving discussions with staff from Zenith regarding:
    - Scope of calculation (including appraisal boundaries).
    - Input data sets, any missing data, estimations made, and assumptions.
    - Calculation methodology and conversion factors used.

- Quality control procedures.

Furthermore, our baseline year emissions were analysed by science-based targets initiative (SBTi) as part of our target validation review completed during FY2025.

Declaration and Sign Off

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

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

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

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

SIGNED ON BEHALF OF ZENITH AUTOMOTIVE HOLDINGS LTD:

Mark Phillips (CFO) 16th October 2025

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[1] https://ghgprotocol.org/corporate-standard
[2] https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
[3] https://ghgprotocol.org/standards/scope-3-standard

Declaration and Sign Off

BEV – Battery electric vehicle

GHG – Greenhouse gas emissions

HGVs - heavy goods vehicles

LCVs - light commercial vehicles

PPN 06/21 – UK Procurement Policy Note 06/21: Setting out clear standards and templates for organisations to publish Carbon Reduction Plans to provide goods or services with a contract value above £5 million to the UK public sector

SECR – Streamlined energy and carbon reporting is a UK regulation requiring organisations to disclose their energy use and carbon emissions in annual reports.

ZEV – Zero emission vehicle