

# The smarter way.

**Sustainability Progress Report** 

### Introduction.

ZIGUP's purpose is to keep people moving smarter. We consistently strive to create sustainable value for all our stakeholders through the provision of responsible and integrated mobility solutions.

Throughout the year, we have made significant strides in establishing the framework for a practical approach to sustainability. This report provides a comprehensive summary of our progress against each of the environmental, social and governance pillars of ESG, ensuring that our stakeholders are well-informed and reassured of our unwavering commitment.

We have established clear and measurable ESG commitments and targets with the goal of integrating these commitments into our business model, operations, and culture. We aim to continuously minimise our environmental impact, promote positive social outcomes, and fulfil our duties as a responsible business.

Martin Ward
Chief Executive Officer





### Overview Sustainability reporting framework

Delivering sustainable outcomes for society



Environment

Reducing environmental impact



Social
Supporting our people
and communities



**Appendices** 

Growing our business

### The smarter way.



**>>** 

As the leading provider of integrated mobility solutions, creating ESG commitments is a crucial milestone on our journey. These commitments will help guide our decision-making and operations to support the transition towards low-carbon mobility.

### Philip Vincent Chief Financial Officer and

Chief Financial Officer and Chai of the Sustainability Committee

### CASE STUDY

### Applying our double materiality assessment

Understanding how an issue affects us internally and externally has helped us create a more effective sustainability framework and report on issues more meaningfully to stakeholders.

By identifying significant ESG issues, we can prioritise the most important concerns and provide greater corporate transparency to our stakeholders.

Read about our material issues in more detail at www.zigup.com/sustainability/engagement-and-materiality



Appendices
Reporting framework map

### Delivering sustainable outcomes for society.

As a leading provider of integrated mobility solutions, we consistently strive to deliver positive environmental, social and economic outcomes to our stakeholders.



## Reducing environmental impact

- EV fleet expertise, capabilities and assets enabling a more orderly transition to low-carbon mobility.
- Maximising the life and efficiency of vehicles through good management, operation, and repair.
- Renting (sharing economy) reduces the consumption of resources and contributes to sustainable development.



- Supporting people in the aftermath of incidents, quickly
- We are closing the automotive sector skills gaps by recruiting and nurturing talent from diverse communities.

getting them back on track.

• Encouraging our people to generate positive social impact in the community.



Enabling customers to outsource to improve their

benefit

efficiency and returns.

- Rental offers greater flexibility, allowing all businesses, especially SME's to expand with less risk.
- As a large employer we are creating significant economic value, investing in the economy's productive capacity.
- Help people to recover losses incurred as a result of vehicle accidents.



5,800 EV & Hybrids on the fleet



+400 Apprentices up

49% since 2023

**1**97,000

Vehicles were repaired after accidents and returned to the road.

£
31m

Non-fault insurance losses recovered for

customers in FY2024

7,900
People employed

£
33.4m
Corporation tax paid

### Sustainability reporting framework.

This report is part of a comprehensive sustainability reporting framework outlining our approach to governing, measuring, and reporting sustainability to our stakeholders.



#### Governance approach

Our governance and management processes ensure clear accountability and responsibility across our organisation. These include Group policies which help guide responsible behaviour.



#### Stakeholder engagement and materiality

How we approach stakeholder engagement and determining material issues, including our double materiality assessment.



Click on the link to view Sustainability Governance on our website



### **Engagement and materiality**

Click on the link to view **Engagement and Materiality** on our website





### Strategy & progress

Click on the link to view

Sustainability Strategy on our website

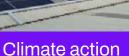
Our annual report outlines ZIGUP's strategic direction, including core competencies, key non-financial metrics, and statutory ESG

Progress against our ESG commitments is contained in this



#### Climate action reporting

The Climate Action section of our website contains information on our Task Force on Climate-related Financial Disclosures (TCFD) and Streamlined Energy and Carbon Reporting (SECR).



Click on the link to view Climate Action on our website



### **Data and disclosures**



The data, disclosures we have gathered to demonstrate the environmental, social, and governance efficacy and sustainability of our operations, aligned with reporting standards.

> See our website for the complete list of data disclosures and reports



### Case studies

All case studies found within our reports can be accessed in full on our website

> Click on the link to view Case Studies on our website



Sustainability strategy

### Delivering a sustainable business, the smarter way.

We have developed a set of Environmental, Social, and Governance (ESG) commitments to reduce our environmental impact, foster positive social outcomes, and uphold our responsibility as a business.



# E

# Reducing environmental impact, the smarter way



Supporting our people and communities, the smarter way



Growing our business, the smarter way

#### Carbon emission reduction

Achieve a 10% absolute reduction in scope 1 and 2 emissions by FY2027



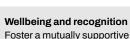
### **Health and Safety**

Work towards the goal of no harm or injuries



#### Resource efficiency

Embed circular economy principles in our operations and procurement



Workplace



### Sustainable value

Reinforce sustainable value creation within our strategy

### Our purpose is to keep people moving smarter.

To achieve this purpose, we need to embrace new technologies and develop smarter ways of working so that we can continue to deliver sustainable value to all our stakeholders.

### **Environmental management**

Reduce environmental impact across our estate



#### Diversity and inclusion

Recruit and nurture talent from diverse communities



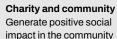
Foster ethical and responsible behaviour across the Group



### Wo

### Working with our suppliers

Work with key suppliers to set sustainability targets





### Customer first

Foster a customer-centric culture to continually improve the customer experience

### Climate change transition

Enabling a just transition towards low carbon mobility



#### Early careers

Invest in the development of an early careers programme

### Stakeholder engagement Maintain accountability by

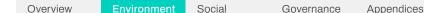
Maintain accountability by reporting on our ESG impacts

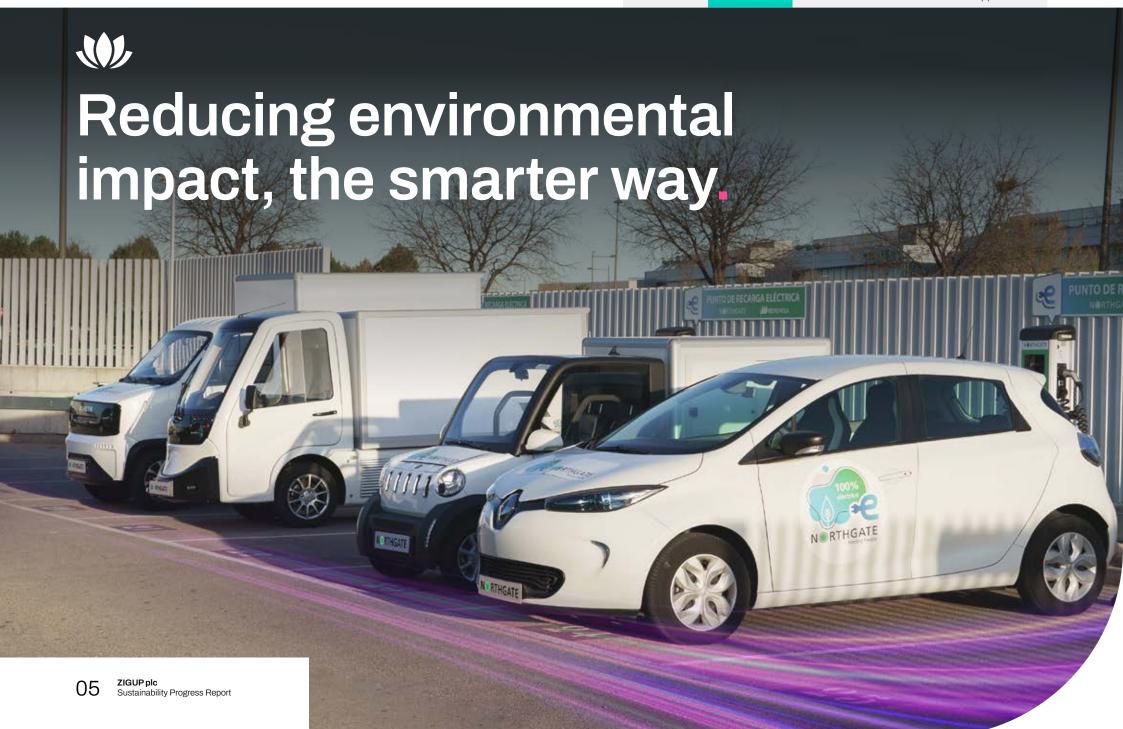


### Technical skills

Invest in vehicle repair training technology and facilities







### **Environmental Stewardship.**

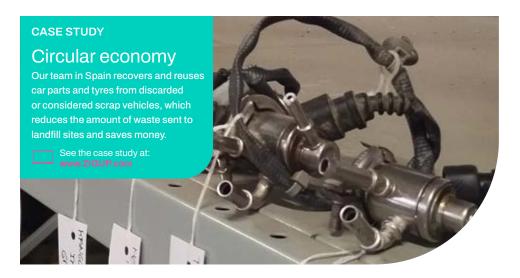
At ZIGUP, we recognise the importance of achieving a balance between the environment, society, and the economy to meet the needs of the present without compromising the ability of future generations to meet their needs.

### Sustainable development

We have implemented controls and procedures to prevent pollution, safeguard biodiversity, minimise waste, and encourage the efficient use of energy, water, and resources. We integrate good environmental governance into our overall business processes and decision-making to ensure we take a long-term perspective on environmental sustainability.

We take a systematic, lifecycle approach to environmental management, ensuring we identify, assess, and mitigate our environmental risks, impacts and consumption.

We are enabling LCV fleet transitions towards low carbon mobility with Industry leading advisory and EV vehicle capabilities as well as turnkey charging installation and management services.



### **Environmental performance**

9%

decrease in vehicle-on-hire tailpipe emissions

FY2024: 837,484 tCO<sub>2</sub>e FY2023: 918,662 tCO<sub>2</sub>e 64%

of the energy we procure is from renewable sources

FY2023: 22%

67%

of our company cars are EVs or Hybrids

FY2023: 65%

90%

of sites have installed low-energy LED lights

FY2023: 65%

99%

of our waste was diverted from Landfill

FY2023: 99%

75%

of our sites have EV charging units installed

The first full year of full Group reporting













### **Environmental commitments**



Drive transformational change across the company to achieve a 10% absolute reduction in scope 1 and 2 emissions by 2027. Ensure that 100% of the electricity we consume is renewable by 2027.

- New, more efficient ICE vehicles and an increasing proportion of EV and hybrid vehicles entering our fleet, along with a reduction in the distances travelled by our use of vehicles in the UK, have resulted in a 15% reduction in Scope 1 and 2 emissions.
- 64% of the electricity we procured across the Group is renewable and 17 solar arrays installed throughout our Spanish branches contributed towards 1,518 MWH of energy being created in FY2024.
- 90% of sites have low-energy LED lights as a result of our continued investment in energy efficiency.
- We implemented an energy monitoring dashboard to direct energy efficiency actions and more energy efficient processes.
- 67% of our employee's company cars are either EVs or Plug-in hybrids, as a result of our company car policy.
- Detailed emission reduction business plans have been developed in Spain.



Embed circular economy principles in our procurement strategy and operations to minimise waste generation and achieve zero waste to landfill by 2025.

- We produced 5,703 tonnes of waste in the UK and Spain, with 99% of this waste diverted from landfill in the UK and 90% in Spain.
- We have developed a Waste and Resource Efficiency Policy to promote the adoption of circular economy principles. Examples of this principle in action are
  - Using plastic fusion welding equipment to repair bumpers rather than replace them.
     In the UK, we have c30 welding units in place with 145 people trained to use them in FY2024.
  - Green Parts; Our Spanish operations recovered c£3m worth of car parts from vehicles in FY2024, up from c£2m in FY2023, an increase of around 50%.
  - · Spend on green parts increased by 68% in the UK.
  - The reprocessing of the oil collected saved c168 tonnes of CO<sub>2</sub>e as all used oil
    collected from ZIGUP sites in the UK is reprocessed into base oil to produce new
    carbon-efficient lubricating oils.

# FY2025: What we plan to do

- Increase the proportion of EVs / Plug-in hybrids company cars to <90% in FY2025.
- Increase the proportion of EV service vehicles in our fleet, progressing towards a target of 15%.
- Transfer the business planning approach for emission reduction in Spain to our UK operations.
- Continue to embed circular economy principles across the Group by working with suppliers to reduce disposable packaging.
- Expand the energy monitoring dashboard we developed in FY24 to include site-by-site level waste performance monitoring of our UK sites.



### **Environmental commitments**



Continually develop our management systems to achieve environmental impact reduction, minimise water consumption and enhance biodiversity, across our estate.

- The improvements we have made to our environmental data collection processes enable us to publish UK and Ireland water consumption for the first time (99,749m3).
- We have maintained ISO 14001 certification for Northgate business, FMG and Spain.
- Our Spain business has 7 vehicle wash water recycling units in operation.
- Our business in Spain organised two tree-planting events as part of the Northgate Forests initiative. We planted 3,000 trees in various locations, offsetting a total of 670 tonnes of CO<sub>a</sub>.



Work with key suppliers to ensure they are setting environmental and social sustainability targets and providing us with products or services that can help to reduce our environmental impact.

- We have enhanced our supplier prequalification process, to better address a broader spread of ESG aspects.
- · All new suppliers were screened using the new ESG criteria.
- An MBA student from Durham University undertook a Strategic Business Project focused on sustainable procurement, the findings of which informed our ESG commitments and metrics.
- We developed a suite of performance measurement metrics to target greater recycling at source from our waste contractors.

### FY2025: What we plan to do

- Increase the coverage of ISO 14001 certification to cover Charged EV, Fridge Express and Blakedale.
- · Improve our data collection processes to report on Spain's water consumption.
- Utilise a new online compliance portal to enhance our environmental risk, aspect and impact evaluation and prioritisation.
- Identify opportunities for better integration of ESG into their procurement processes in Spain.
- Monitor and evaluate new waste reduction performance targets for our UK contractors.

### **CASE STUDY**

### Tree planting

Tree planting projects in Spain to promote and enhance biodiversity and offset carbon emissions.

See the case study at:

### CASE STUDY

### Waste oil to base oil: the sustainable approach

Collecting used oil and reprocessing it into a base oil product, which is a key component in producing brand-new lubricating oil, through a circular process.

See the case study at: www.ZIGUP.com



### **Environmental commitments**



Develop a climate change transition plan outlining how we will become net zero by 2050 and enable a just transition towards low carbon mobility, supporting our customers to achieve their net zero aspirations.

- We refined our approach to Scope 3 emission measurement, utilising Green NCAPs
  Life Cycle Assessment methodology to determine embodied vehicle emissions
  more accurately.
- Over 75% of our locations across the Group have EV charging infrastructure in place.
- We increased the proportion of EV/Hybrids in our fleet to 4.5%, with the fleet emissions across all vehicles also reducing by 1.4% to 263gCO<sub>o</sub>/km.
- Northgate UK and Ireland and Spain continued to run educational events to improve customers' knowledge of running EV fleets.
- Northgate UK and Ireland has unveiled a Drive to Zero Platform, enabling customers to assess the suitability of switching to an EV and the associated financial and emission savings.

### FY2025: What we plan to do

- Develop our net zero transition plan, which 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.
- · Deploy a Group-wide carbon literacy training programme.

# Supporting our customers to achieve their net zero aspirations



### **CASE STUDY**

### Smart Changing Infrastructure

Supporting customers throught the installation of smart EV charging infrastructure, user-friendly charging interfaces and effective usage tracking with local charities.

For further details on our website www.ZIGUP.com/case-study/smartcharging

### CASE STUDY

### Drive to zero

We are working with our customers to enable a smooth transition towards lower-carbon mobility. With our end-to-end support, in-house expertise, and capabilities, we provide a broad array of support services to our customers, many of whom have set ambitious net zero targets and are looking for expert support to make meaningful progress.

See the case study at: www.ZIGUP.com/case-study/ DrivetoZero





### Investing in people and skills.

With over 7,900 people across three countries and 184 locations, our continued success is achieved through our people's hard work and dedication.

### Investing in people, skills and community impact

Our people are our key asset, and we have a clear focus on ensuring our business is a great place to work. We have made significant investments in equipping them with the right tools and training, providing a safe and secure working environment, and promoting their wellbeing. This is a testament to our appreciation of their integral role in our success.

We know an engaged and highly skilled workforce delivers consistent and excellent customer service. We also seek to support the communities in which we live and work, as this supports the wellbeing of our people and reflects the importance of the local communities to us.

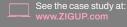
We remain at the forefront of advancing automotive technology through industry-leading technical training, development, and apprenticeship schemes.

We encourage and support our people to generate positive social impact in the communities through volunteering and working in partnership with local charities.

### CASE STUDY

### Technical skills

The increasing skills gaps in the vehicle mobility ecosystem, particularly in repair and maintenance, have shaped our organisational training programmes and support.





### Our people in numbers

7,900

FY2023: 7.400

87,000
Hours of training provided

The first year of full Group reporting

700

**Automotive** technicians

The first year of full Group reporting

300%

Increase for attendance on our short courses

FY2024: 2,200 (UK) FY2023: 480 (UK)

400

Apprentices up 49% from last year

FY2023: 270

75%

Employee engagement score

FY2023: 74%







### Social commitments



Health and safety is our top priority. We continually work towards the goal of no harm or injuries, supporting positive behaviours across our business.

- We continue to operate the occupational health and safety management systems ISO45001 across large parts of our UK operations.
- We had a 7% reduction in our accident frequency rate, dropping from 1.8 in FY2023 to 1.7. This was a result of our continual development of Group health and safety initiatives to promote an ongoing safe working environment.
- We updated our Health and Safety Principles, which are in place to create an environment
  of openness and awareness, to include employee wellbeing and mental health.



 Increase the coverage of ISO 45001 to include Charged EV, Fridge Express and Blakedale.



The mental, social and financial wellbeing of our people is important to us. We are committed to fostering a mutually supportive workplace where our people feel engaged, rewarded and recognised for their efforts.

- We actively promoted our Employee Assistance Programme, which offers 24/7 access to health services, an online GP, counselling, and support services.
- We provided more significant pay increases to colleagues at lower salary levels (between 3% and 9%) and a capped 3% rise at mid- to senior-level levels.
- In the Group's Free Share programme, all employees were provided with £500 of free shares in the Company Share Incentive Plan in FY2024, in addition to the £500 award made in December FY2023.
- We introduced Wagestream, a platform to improve workers' financial well-being by giving
  them access to fair financial services based on flexible pay. In the first month of being
  rolled out, 28% of UK employees enrolled, with 53% of our colleagues who enrolled
  having already set up a savings pot.
- Build benefits signposting within all our processes so that our colleagues understand what is available to them.
- Evolve our colleagues' forums and introduce new ones for topics that are important to them, such as Cancer.

### **CASE STUDY**

### Wagestream

Wagestream is a platform to improve workers' financial well-being by giving them fair financial services based on flexible pay.



See the case study at:



### Social commitments



We recruit and nurture talent from diverse communities, offering progression routes that provide opportunities for all our people to realise their potential.

- We've created a wealth of learning opportunities with comprehensive learning pathways and a resource library boasting over 144 courses for self-directed learning.
- In the UK, 34 short courses were developed and run by internal training facilitators, attended by approximately 2,220 people.
- 87,000 hours of training provided to our people across the Group.
- We continued to advance our in-house leadership programme, creating 5 development pathways.
- The annual employee satisfaction survey shows that 74% of our employees believe their managers support their personal development and career aspirations, a 4% increase from over the last 2 years.
- We have evaluated our recruitment and development processes to promote inclusivity, including reviewing job ads, redesigning interviews, and expanding training programs.



Encourage and support our people to generate positive social impact in the communities, through volunteering and working in partnership with local charities.

- We've written a Community Impact and Social Value Policy to guide the projects we support for the best outcomes for people, communities, and the environment.
- We delivered over 300 volunteering hours to help transform Stanhope Park, as part
  of Darlington Cares, a local initiative dedicated to improving the community. We were
  honoured for this work with a Contribution to the Environment award.
- Northgate Spain collaborated with AÚNA Distribución in the "Kilometers for a Good Cause" initiative, using one of its KBC vans to support the event and raise c£16,000 for the Phelan-Mcdermid Children's Foundation.

### FY2025: What we plan to do

Develop targeted recruitment strategies aimed at reaching more diverse talent pools
using the principles set out in a new Equity, Diversity and Inclusion policy.

Communicate the Employee Volunteering and the Community Impact policies across
the Group, offering our people guidance on the projects they should support to achieve
the best outcomes for people, our communities, and the environment.

### CASE STUDY

### A commitment to talent development

We are committed to recruiting and nurturing talent from diverse communities. Our learning and development program balances technical and behavioural training to drive business growth and enhance customer service.

See the case study at: www.ZIGUP.com

### **CASE STUDY**

### Darlington CARES

Coordinating resources and support to address Darlington's community needs and improve the local environment.

See the case study at:



### Social commitments



Continually invest in developing and promoting an early careers programme that attracts young people to our industry and provides them with an inspiring and rewarding career.

- Our apprentice and trainee numbers in the UK, Ireland, and Spain have increased to 403, up 49% from last year.
- Our apprentice retention rate was 90%, significantly higher than the national average.
   A testament to the effectiveness of our training and support programs.
- We obtained £810,860 from the Apprentice Levy in FY24, a 66% increase from last year.
   The expertise of our UK Learning and Development team enabled us to maximise our drawdown from the Levy.
- We developed a Chartered Management Institute mentor training programme in the UK and trained 300 mentors.
- We won two apprentice awards: the North Yorkshire Large Apprentice Employer of the Year and the North East HR & D Excellence in Apprenticeships Award.



Stay at the forefront of automotive advancements by continually enhancing the expertise of our technicians and investing in vehicle repair technology and facilities.

- We have undertaken and coordinated over 2,000 days of technical training at our UK IMIapproved training centres and in Spain..
- We continue to invest in UK technical training facilities, having installed Advanced Driver Assistance Systems (ADAS) calibration equipment in Goole to train vehicle repair technicians and created a dedicated EV training room.
- 2,900 people completed EV Awareness e-Learning training.
- This year, 175 technicians were trained to level 3 in IMI EV and hybrid vehicles across the UK, covering 95% of technicians in the UK rental business.
- In FMG RS 151 technicians completed BS10125 kitemark reaccreditation courses.

### FY2025: What we plan to do

- Strengthen the strategic promotion of ZIGUP's early careers programme to encourage the next generation of vehicle technicians into the industry.
- Implement an early careers recognition programme to celebrate achievements, showcase growth, and highlight positive contributions.
- Increase the deployment level 4 training across the organisation, enabling our technicians to work on high-voltage live electric/hybrid vehicle systems and components.
- Continue to advance our organisational-wide technical capabilities, undertaking structural aluminium vehicle repair training and educating our technical teams on hydrogen fuel technologies.

#### CASE STUDY

### **Apprentices**

Plugging the skills gap by investing in the next generation of vehicle technicians in the automotive repair and maintenance sector.

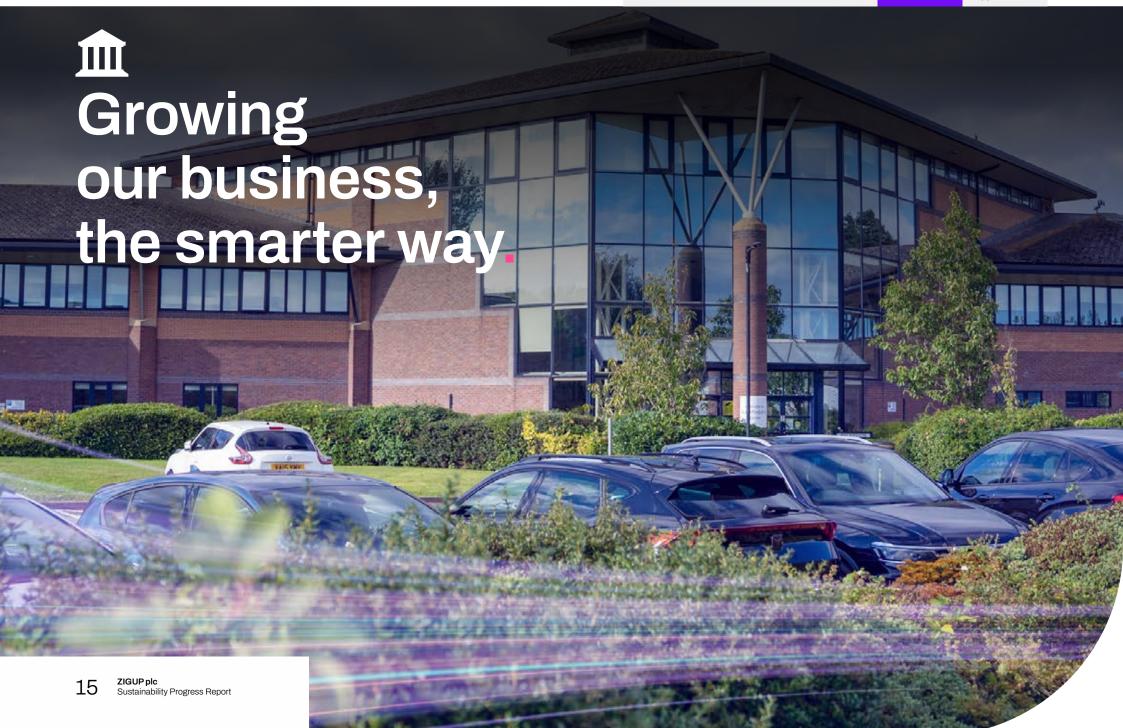
See the case study at: www.ZIGUP.com

#### CASE STUDY

### Training centres

Investing in our automotive repair and maintenance technical training facilities to ensure we remain at the forefront of advancing automotive technology.

See the case study at: www.ZIGUP.com



# Maintaining high levels of integrity, transparency and good governance.

### Leadership and accountability

Our Board of Directors proactively shapes the Group's ESG strategy and activities. They provide oversight of climate-related issues and ensure that the best practices, emerging trends, and key issues related to ESG strategy, governance, and risk management are considered and acted upon.

The CEO and CFO, along with the other members of the Executive Committee, are responsible for setting the strategic direction of the ESG approach and monitoring its execution, including climate-related strategic objectives. The CEO holds executive accountability, while the CFO, as the Chairman of the Sustainability Committee, has a delegated responsibility.

The CFO acts as a bridge between the Sustainability Committee and the Executive Committee, which reports to the Board, ensuring the Board is well-informed about key environmental, social, and governance issues. Other key roles in managing ESG matters include the Group Head of ESG, the Head of Group Safety and Environment in the UK, and the Director of Development and Sustainability in Spain.

### Sustainability committee and working groups

The Sustainability Committee draws on the diverse expertise of cross-functional teams from various business units and functions. Their advice and contributions were instrumental in shaping the ESG commitments of the Group, a testament to our collaborative approach to sustainability strategy development

### The Employee Engagement Forum

Chaired by a senior member of the Executive Committee, met twice during the year and discussed the results of the colleague survey, the significant progress the Group has made, including in reward, learning and development, our apprenticeship programmes and supporting the mental health and wellbeing of our workforce.

Much of the engagement this year undertaken with colleagues centred around the Group's refreshed strategic framework, for example, a leadership event was held at which colleagues were invited to hear the Executive Committee present and discuss the refreshed strategic framework and purpose, new corporate brand, and corporate name.

Since the leadership event, employee engagement centered around the refreshed strategic framework has included internal roadshows, town halls and team sessions, seeking to ensure our people had the opportunity to understand better their role in delivering the refreshed strategic framework and our refreshed purpose.

### Refreshed strategic framework

Our businesses operate in markets undergoing significant structural change and benefit from secular trends such as greater outsourcing, connectivity and a growing focus on sustainability and low-carbon energy transition. It is an exciting time for the automotive and mobility sectors.

The new strategic pillars of Enable, Deliver and Grow provide a framework for the business to embrace opportunities both externally and internally, and ensure they are aligned to our strategic vision as the leading provider of integrated mobility solutions delivering customer service excellence.

Alongside a growing focus on sustainability throughout automotive and mobility supply chains, this framework will help us deliver greater value to customers and grow our business capabilities responsibly.

Read more about our three strategic pillar on pages 16 and 17 of the FY2024 Annual Report.







### **Governance commitments**



Ensure effective Board oversight of ESG matters, including integration into strategic decision-making processes and risk management.

- · The Board reviewed and evaluated the new ESG commitments for final approval.
- Commissioned an externally facilitated evaluation of the Board and its committees in compliance with the UK Corporate Governance Code.
- The CFO is responsible for supervising the company's efforts to address climate change, leading the Sustainability Committee, and providing the Board with regular updates on the strategic implementation of ESG.
- The company adopted the recommendations of the 2023 Parker Review to increase
  the participation of ethnically diverse colleagues at the Executive Committee level and
  among their direct reports.
- The Board assessed the Group's risk management approach and conducted in-depth reviews of the principal risks.

See page 91 of the FY2024 Annual Report for more details on Board activities.



Reinforce sustainable value creation within our strategy, linking this to remuneration targets and outcomes.

- As a testament to our unwavering commitment to long-term value creation, sustainability goals were again integrated into the CEO and CFO's FY2024 annual bonus targets.
   25% of the CEO's and the CFO's bonuses were tied to strategic/non-financial objectives, including:-
- · Energy efficiency improvements and EV Charging infrastructure
- · Scope 1 and 2 GHG emission reduction
- · Maintaining organic growth through branch extensions
- · Developing new strategic pillars
- In addition to featuring in the CEO and CFO's bonus targets, sustainability goals were also incorporated in senior business leaders' objectives.

### FY2025: What we plan to do

- The Board has approved a 2023 Parker Review-related target of achieving 10% ethnically diverse representation at the Executive Committee level and their direct reports by FY2027. The Nominations Committee will monitor progress towards this target annually.
- In FY2025, the Committee will continue reviewing succession plans for the Board to make sure the Board continues to operate effectively and add value to the Group.
- Develop an approach that facilitates the translation of the ESG commitments into individuals' annual performance objectives and development plans.



### **Governance commitments**



Build trust with stakeholders through an operating environment and compliance framework that fosters ethical and responsible behaviour across the Group.

- The Sustainability Committee met on six occasions in the year. Key outcomes of the committee included the approval of ESG commitments, policies covering environmental and social matters, and support for developing a communication and engagement plan.
- We developed a Group Policy Framework and updated key ESG policies to support a more unified approach to governance.
- The Group has a formal whistleblowing policy and procedures ensuring every employee
  can have a voice and a means to raise concerns to the Group. The Chairman of the
  Audit Committee is responsible for managing any reports; in FY2024, no matters were
  identified as sufficiently material to be escalated for their attention.
- The Financial Conduct Authority (FCA) Consumer Duty came into force in July 2023.
   We undertook training across appropriate parts of our organisation and enhanced our management information to view customer outcomes better and drive continuous improvement.



 Publish revised governance policies for Antibribery and Corruption and Whistleblowing, with supporting communication and mandated training programmes.



Communicate clearly and effectively with customers to ensure we understand their needs and expectations. Foster a customer-centric culture that continually improves the customer experience and drives positive outcomes.

- Northgate UK produced a 'Customer First' charter with a supporting delivery programme.
   The initiative, led by a team of 'Customer First' champions, included training, process improvement workshops, and an award scheme aimed at recognising and rewarding excellence in customer service.
- The Customer Experience rating across the Group was 4.2 (-0.2pt, FY2023) with the Recommend our service at 89% (+3ppt, FY2023).
- While the Group customer experience score reduced marginally, it was pleasing to see an increase in score within UK&I from 3.9 to 4.7 following the launch of the Customer First initiative.
- Northgate Spain received the Excelente quality endorsement stamp from the Madrid Government. The seal is awarded to companies committed to excellence in management, innovation, environmental and social sustainability, and customer satisfaction.
- Northgate UK will expand its customer touchpoint surveys to cover all points in the customer journey. This will enable them to monitor, maintain, and accelerate their efforts to manage customer satisfaction and proactively address dissatisfaction.
- Our Spanish operation will create specific business-to-business (BTB) and business-tocustomer (BTC) journeys, identifying all contact points service lifecycle.



### **Governance commitments**



Engage with our stakeholder groups to deliver long-term value aligned with their expectations. Maintain accountability by reporting on the inward and outward financial, social and environmental impacts of our operations.

- ZIGUP, as an active member of the UK industry body BVRLA, supported the launch of their 2024 Zero Emission Van Plan, which included an ask of Government to increase fiscal support for e-vans.
- Spain produced its first State of Non-Financial Information report, referred to as EINF, in which
  they provided information about their performance in non-financial aspects, such as environmental
  sustainability, social responsibility, and diversity and inclusion.
- The use of 3rd party sustainability assurance was expanded to cover Group Scope 3 carbon emissions and the EINF report in Spain.
- For the fourth year running, the Group conducted its employee 'Have Your Say Survey'. 82% of our people
  indicated their belief that the Group is in a strong position to succeed and grow, and 87% of our people were
  proud of the services they provide to our customers.
- The Employee Engagement Forum, chaired by a member of the Group Management Board, met twice
  during the year and discussed the results of the colleague survey, reward, learning and development, our
  apprenticeship programmes and supporting the health and wellbeing of our workforce.

### FY2025: What we plan to do

- Conduct a thorough double materiality assessment to determine which sustainability issues are most important to ZIGUP and our stakeholders from both internal and external perspectives.
- Develop and deploy an ESG data collection and reporting platform, which will help us meet increasing mandatory corporate reporting requirements.
- Continue to expand the scope of Sustainability Assurance across the Group to cover a greater breadth of ESG data and information.

### **Industry engagement**



### **CASE STUDY**

### A voice for our customers and industry

ZIGUP is highly active member of the UK industry body, BVRLA, with a key voice on issues around commercial vehicle regulation, including the 2022 Van Plan and 2024 launch of the ZEV Van Plan. This has helped shape government approach to infrastructure and support for energy transition in particular, representing views from our customers and the industry as a whole.

See the case study at:

### **CASE STUDY**

### Bringing the electric vehicle value chain together

We are working with the Business Association for the Development and Promotion of Electric Mobility to brings the entire electric vehicle value chain together.



Appendix Overview Environment Social Governance Appendices

### Global Reporting Initiative and the Corporate Sustainability Reporting Directive

The table below references the relevant GRI Standards and the ESRS reporting standard used to meet the requirements of the EU CSRD, which are referenced in our FY2024 reporting – including page numbers where they are contained in this Sustainability Progress Report or identified as being in the FY2024 Annual Report.

ESG Disclosure Framework				
GRI Disclosure 2021		European Sustainability Reporting Standards (ESRS)		
Identifier	Description	Identifier	Corresponding ZIGUP ESG Commitment Reporting Lo	Reporting Location
General Disclosures				
General Disclosures 2021, 2-2	Entities included in the organization's sustainability reporting	ESRS 1 5.1; ESRS 2 BP-1 §5 (a) and (b) i	Stakeholder engagement	Auxillis, Charged EV, FMG, New Law, Northgate, Blakedale, Van Monster, Principia Law and FMG RS
General Disclosures 2021, 2-3	Reporting period, frequency and contact point	ESRS 1 §73	Stakeholder engagement	FY2024 Annual Report, page 206
General Disclosures 2021, 2-4	Restatements of information	ESRS 2 BP-2 §13, §14 (a) to (b)	Stakeholder engagement	Annual Report
General Disclosures 2021, 2-5	External assurance	See external assurance requirements of Directive (EU) 2022/2464	Stakeholder engagement	FY2024 Annual Report, page 106 SECR and Scope 3 Data.
General Disclosures 2021, 2-6	Activities, value chain and other business relationships	ESRS 2 SBM-1 §40 (a) i to (a) ii, (b) to (c), §42 (c)	Stakeholder engagement	FY2024 Annual Report, page 7, 30 and 31
General Disclosures 2021, 2-9	Governance structure and composition	ESRS 2 GOV-1 §21, §22 (a), §23; ESRS G1 §5 (b)	ESG Oversight	FY2024 Annual Report, page 92
General Disclosures 2021, 2-10	Nomination and selection of the highest governance body	Not covered	ESG Oversight	FY2024 Annual Report, page 100
General Disclosures 2021, 2-11	Chair of the highest governance body	Not covered	ESG Oversight	FY2024 Annual Report
General Disclosures 2021, 2-12	Role of the highest governance body in overseeing the management of impacts	ESRS 2 GOV-1 §22 (c); GOV-2 §26 (a) to (b); SBM-2 §45 (d); ESRS G1 §5 (a)	ESG Oversight	FY2024 Annual Report, page 94
General Disclosures 2021, 2-14	Role of the highest governance body in sustainability reporting	ESRS 2 GOV-5 §36; IRO-1 §53 (d)	ESG Oversight	FY2024 Annual Report, Page 92
General Disclosures 2021, 2-15	Conflicts of interest	Not covered	Responsible culture	FY2024 Annual Report, page 97
General Disclosures 2021, 2-16	Communication of critical concerns	ESRS 2 GOV-2 §26 (a); ESRS G1 G1-1 AR 1 (a); G1-3 §18 ©	Responsible culture	FY2024 Annual Report, page 87 to 89
General Disclosures 2021, 2-17	Collective knowledge of the highest governance body	ESRS 2 GOV-1 §23	ESG Oversight	FY2024 Annual Report, page 94 and 95
General Disclosures 2021, 2-18	Evaluation of the performance of the highest governance body	Not covered	ESG Oversight	FY2024 Annual Report, page 100
General Disclosures 2021, 2-19	Remuneration policies	ESRS 2 GOV-3 §29 (a) to (c); ESRS E1 §13	Sustainable value	FY2024 Annual Report, page 108 to 122
General Disclosures 2021, 2-20	Process to determine remuneration	ESRS 2 GOV-3 §29 €	Sustainable value	FY2024 Annual Report, page 122
General Disclosures 2021, 2-21	Annual total compensation ratio	ESRS S1 S1-16 §97 (b) to ©	Sustainable value	FY2024 Annual Report, Page 118
General Disclosures 2021, 2-22	Statement on sustainable development strategy	ESRS 2 SBM-1 §40 (g)	Stakeholder engagement	FY2024 Annual Report, page 66
General Disclosures 2021, 2-23	Policy commitments	$\label{eq:esrs2gov-4} ESRS 2 \ GOV-4; \ MDR-P \S 65 \ (b) \ to \ (c) \ and \ (f); \ ESRS S1 S1-1 \ \S 19 \ to \ \S 21, \ and \ \S AR \ 14; \ ESRS S2 S2-1 \ \S 16 \ to \ \S 17, \ \S 19, \ and \ \S AR \ 16; \ ESRS S3 S3-1 \ \S 14, \ \S 16 \ to \ \S 17, \ and \ \S AR \ 11; \ ESRS S4 S4-1 \ \S 15 \ to \ \S 17, \ and \ \S AR \ 13; \ ESRS \ G1 \ G1-1 \ \S 7 \ and \ \S AR \ 1 \ (b)$	Responsible culture	https://www.zigup.com/governance/policies/
General Disclosures 2021, 2-24	Embedding policy commitments	ESRS 2 GOV-2 §26 (b); MDR-P §65 (c); ESRS S1 S1-4 §AR 35; ESRS S2 S2-4 §AR 30; ESRS S3 S3-4 §AR 27; ESRS S4 S4-4 §AR 27; ESRS G1 G1-1 §9 and §10 (g)	Responsible culture	FY2024 Annual Report, page 80
General Disclosures 2021, 2-26	Mechanisms for seeking advice and raising concerns	ESRS S1 S1-3 §AR 32 (d); ESRS S2 S2-3 §AR 27 (d); ESRS S3 S3-3 §AR 24 (d); ESRS S4 S4-3 §AR 24 (d); ESRS G1 G1-1 §10 (a); G1-3 §18 (a)	Responsible culture	FY2024 Annual Report, page 96 Whistleblowing Policy - https://www.zigup.com/governance/policies/
General Disclosures 2021, 2-28	Membership associations	ESRS 1 §11	Stakeholder engagement	FY2024 Annual Report, page 30
General Disclosures 2021, 2-29	Approach to stakeholder engagement	ESRS 2 SMB-2 §45 (a) i to (a) iv; ESRS S1 S1-1 §20 (b); S1-2 §25, §27 (e) and §28; ESRS S2 S2-1 §17 (b); S2-2 §20, §22 (e) and §23; ESRS S3 S3-1 §16 (b); S3-2 §19, §21 (d) and §22; ESRS S4 S4-1 §16 (b); S4-2 §18, §20 (d) and §21	Stakeholder engagement	FY2024 Annual Report, page 30

ESG Disclosure Framework					
GRI Disclosure 2021		European Sustainability Reporting Standards (ESRS)			
Identifier	Description	Identifier	Corresponding ZIGUP ESG Commitment	Reporting Location	
Material Topics					
Material topics 2021, 3-1	Process to determine material topics	ESRS 2 BP-1 §AR 1 (a); IRO-1 §53 (b) ii to (b) iv	Stakeholder engagement	Double materiality hyperlink	
Material topics 2021, 3-2	List of material topics	ESRS 2 SBM-3 §48 (a) and (g)	Stakeholder engagement	Double materiality hyperlink	
Material topics 2021, (Economic performance) 3-3	Management of material topics	ESRS 2 SBM-1§ 40 (e); SBM-3 §48 (c) i and (c) iv; MDR-P, MDR-A, MDR-M, and MDR-T; ESRS SI S1-2 §27; S1-4 §39 and AR 40 (a); S1-5 §47 (b) to (c); ESRS S2 S2-2 §22; S2-4 §33, §AR 33 and §AR 36 (a); S2-5 §42 (b) to (c); ESRS S3 S3-2 §21; S3-4 §33, §AR 31, §AR 34 (a); S3-5 §42 (b) to (c); ESRS S4 S4-2 §20, S4-4 §31, §AR 30, and §AR 33 (a); S4-5 §41 (b) to (c)		Double materiality hyperlink	
Material topics 2021, (Economic performance) 201-1	Direct economic value generated and distributed,	Not covered	Sustainable value	FY2024 Annual Report, page 38 to 51	
Material topics 2021, (Economic performance) 201-2	Financial implications and other risks and opportunities due to climate change	ESRS 2 SBM-3 §48 (a), and (d) to (e); ESRS E1 §18; E1-3 §26; E1-9 §64	Climate change transition	FY2024 Annual Report, page 69	
Material topics 2021, (Economic performance) 201-3	Defined benefit plan obligations and other retirement plans	Not covered	Sustainable value	FY2024 Annual Report, page 152	
Material topics 2021, (Economic performance) 201-4	Financial assistance received from government	Not covered	Sustainable value	FY2024 Annual Report, 137 to 192	
Material topics 2021, (Market presence) 3-3	Management of material topics	ESRS S1 S1-10 §67-71 and §AR 72 to 73	Customer first	FY2024 Annual Report, page 32	
Material topics 2021, (Procurement practices) 3-3	Management of material topics	ESRS G1 G1-2 §12	Working with our suppliers	FY2024 Annual Report, page 30	
Material topics 2021, (Anti-corruption) 205-2	Communication and training about anti-corruption policies and procedures	d ESRS G1 G1-1 §7; G1-3 §16 and §18 (a) and §24 (b)	Responsible culture	FY2024 Annual Report, page 80	
Anti-corruption					
Anti-corruption 2016, 205-3	Confirmed incidents of corruption and actions taken	ESRS G1 G1-4 §25	Sustainable value	FY2024 Annual Report, page 96	
Tax					
Tax 2019, 207-1	Approach to tax	Not covered	Sustainable value	FY2024 Annual Report, page 103 https://www.zigup.com/governance/policies/	
Tax 2019, 207-2	Tax governance, control, and risk management	Not covered	Sustainable value	FY2024 Annual Report, page 103 https://www.zigup.com/governance/policies	
Tax 2019, 207-3	Stakeholder engagement and management of concerns relate to tax	d Not covered	Sustainable value	FY2024 Annual Report, page 103 https://www.zigup.com/governance/policies	
Energy					
Energy 2016, 302-1	Energy consumption within the organization	ESRS E1 E1-5 §37; §38; §AR 32 (a), (c), (e) and (f)	Carbon emission reduction	FY2024 Annual Report, page 77	
Energy 2016, 302-4	Reduction of energy consumption	ESRS1§AR16.	Carbon emission reduction	FY2024 Annual Report, page 77	
Energy 2016, 302-5	Reductions in energy requirements of products and services	ESRS 1 §AR 16.	Climate change transition	FY2024 Annual Report, page 77	

ESG Disclosure Framework				
GRI Disclosure 2021		European Sustainability Reporting Standards (ESRS)		
Identifier	Description	Identifier	<ul> <li>Corresponding ZIGUP ESG Commitmen</li> </ul>	Reporting Location
Water and effluents ener	rgy			
Water 2018, 303-3	Management of material topics	ESRS E2 §AR 9 (b); E2-1 §12; E2-2 §16 and §19; E2-3 §20; ESRS E3 E3-1 §9; E3-2 §15, §17 to §18; E3-3 §20	Environmental management	Sustainability Progress Report, page 8
Water and Effluents 2018, 303-3	Water withdrawal	E3 covered by ESRS 1 §AR 16	Environmental management	Sustainability Progress Report, page 8
Biodiversity				
Biodiversity 2016, 304-3	Habitats protected or restored	ESRS E4 E4-3 §28 (b) and §AR 20 (e); E4-4 §AR 26 (a)	Environmental management	Sustainability Progress Report, page 8
Emissions				
Emissions 2016, 305-1	Direct (Scope 1) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (a); §46; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; AR §43 (c) to (d)	Carbon emission reduction	FY2024 Annual Report, page 77
Emissions 2016, 305-2	Energy indirect (Scope 2) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (b); §46; §49; §50; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 40; §AR 45 (a), (c), (d), and (f)	Carbon emission reduction	FY2024 Annual Report, page 77
Emissions 2016, 305-3	Other indirect (Scope 3) GHG emissions	ESRS E1 E1-4 §34 (c); E1-6 §44 (c); §51; §AR 25 (b) and (c); §AR 39 (a) to (d); §AR 46 (a) (i) to (k)	Climate change transition	FY2024 Annual Report, page 77
Emissions 2016, 305-4	GHG emissions intensity	ESRS E1 E1-6 §53; §54; §AR 39 (c); §AR 53 (a)	Carbon emission reduction	FY2024 Annual Report, page 77
Emissions 2016, 305-4	Reduction of GHG emissions	ESRS E1 E1-3 §29 (b); E1-4 §34 (c); §AR 25 (b) and (c); E1-7 §56	Resource efficiency	FY2024 Annual Report, page 77
Waste				
Effluents and waste 2016, 306-1	Waste generation and significant waste-related impacts	ESRS 2 SBM-3 §48 (a), (c) ii and iv; ESRS E5 E5-4 §30	Resource efficiency	Sustainability Progress Report, page 7
Effluents and waste 2016, 306-2	Management of significant waste-related impacts	ESRS E5 E5-2 §17 and §20 (e) and (f); E5-5 §40 and §AR 33 (c)	Resource efficiency	Sustainability Progress Report, page 7
Effluents and waste 2016, 306-3	Waste generated	ESRS E5 E5-5 §37 (a), §38 to §40	Resource efficiency	Sustainability Progress Report, page 7
Effluents and waste 2016, 306-4	Waste diverted from disposal	ESRS E5 E5-5 §37 (b), §38 and §40	Resource efficiency	Sustainability Progress Report, page 7
Supplier Environmental Assessment 2016, 308-1	New suppliers that were screened using environmental criteria	ESRS G1 G1-2 §15 (b)	Working with our suppliers	Sustainability Progress Report, page 7
Employment				
Employment 2016, 401-1	New employee hires and employee turnover	ESRS S1 S1-6 §50 ©	Wellbeing and recognition	FY2024 Annual Report, page 32 to 36

ESG Disclosure Framework				
GRI Disclosure 2021		European Sustainability Reporting Standards (ESRS)	Corresponding ZIGUP ESG Commitment	
Identifier	Description	Identifier	- Corresponding ZIGOP ESG Commitment	Reporting Location
Occupational Health and Safety				
Occupational Health and Safety 2018, 430-1a	Occupational health and safety management system	ESRS S1 S1-1 §17; §20 (c); S1-2 §27; S1-4 §38; §39; §AR 40 (a); S1-5 §44; §47 (b) and (c); ESRS S2 §11 (c); S2-1 §14; §17 (c); S2-2 §22; S2-4 §32; §33 (a) and (b); §36; §AR 33; §AR 36 (a); S2-5 §39, §42 (b) and ©	Health and safety	Sustainability Progress Report, page 7
Occupational Health and Safety 2018, 403-4	Worker participation, consultation, and communication on occupational health and safety	ESRS 1 §AR 16	Stakeholder engagement	Sustainability Progress Report, page 12
Occupational Health and Safety 2018, 403-4	Worker training on occupational health and safety	ESRS 1 §AR 16	Health and safety	Sustainability Progress Report, page 12
Occupational Health and Safety 2018, 403-9	Work-related injuries	ESRS S1 S1-4, §38 (a); S1-14 §88 (b) and (c); §AR 82	Health and safety	Sustainability Progress Report, page 12
Occupational Health and Safety 2018, 403-8	Workers covered by an occupational health and safety management system	ESRS S1 S1-14 §88 (a); §90	Health and safety	Sustainability Progress Report, page 12
Training and education				
Training and education 2016, 404-1	Average hours of training per year per employee	ESRS S1 S1-13 §83 (b) and §84	Diversity and inclusion	FY2024 Annual Report, page 32 to 36
Training and education 2016, 404-2	Programs for upgrading employee skills and transition assistance programs	ESRS S1 S1-1 §AR 17 (h)	Diversity and inclusion	FY2024 Annual Report, page 32 to 36
Diversity and equal opportunity				
Diversity and Equal Opportunity 2016, 405-1	Diversity of governance bodies and employees	ESRS 2 GOV-1 §21 (d); ESRS S1 S1-6 §50 (a); S1-9 §66 (a) to (b); S1-12 §79	ESG Oversight	FY2024 Annual Report, page 34
Local communities			<u> </u>	
Local communities 2016, 413-1	Operations with local community engagement, impact, assessments, and development programs	ESRS S3 S3-2 §19; S3-3 §25; S3-4 §AR 34 ©	Charity and community	Sustainability Progress Report, page 12



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