

# Delivering mobility, responsibly

Sustainability Report FY 2022



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# Introduction from the CEO



Through our day-to-day operations, we are constantly assessing our impact upon the environment, society and our industry to ensure that we manage it responsibly, whilst maintaining the highest standards in the governance of our business.



**Martin Ward**  
Chief Executive Officer

## Dear Stakeholder,

I am proud to introduce our maiden sustainability report. It represents an important milestone and our commitment to share our efforts, aims and ambitions in running a responsible business.

As a business we are developing a better appreciation of our ESG risk management and performance. Conducting a materiality assessment bolstered this understanding as it provided valuable insight into the issues most important to our stakeholders. We are in the early phases of taking a more strategic approach to managing and tracking our Environmental and Social performance.

We have had a firmly embedded approach around sustainability across our respective businesses for many years and it is great that we are now talking about these more openly and in a way that demonstrates the value we create for our stakeholders.

The standardisation and harmonisation of our functions, systems and processes has been a key objective since the merger. This process began last year, and we have already made significant progress. Having greater consistency has given us an improved perspective on how we view ESG performance within the business.

We will continue to drive improvements which support our colleagues, engage our customers and create complete EV solutions, particularly as we look to transition our fleet to build resilience for the long term.

Our Scope 3 emissions form the largest component of our carbon footprint through customer use of our vehicles, followed by our upstream supply chain.

As such, a key area of focus is how we maintain our fleet and transition away from internal combustion engine (ICE) vehicles.

We appreciate that this is a strategy which will progress over the next 10 to 15 years.

At present, the market does not offer suitable alternatives to ICE light commercial vehicles (LCV) that meet the requirements of our customers, principally due to lack of carrying or payload capacity and range. We therefore currently remain reliant on procuring the most efficient diesel and petrol LCVs for our fleet.

As a leading mobility solutions provider, we can use our expertise to help customers make the transition to zero emissions vehicles. Foremost, we know that this goes beyond simply buying a vehicle, as EV charging infrastructure plays just as an important role.

Through the acquisition of Charged EV last year, as well as ongoing engagement activities by our marketing team, we have launched our Drive to Zero initiative. This addresses the suitability of EVs for customer fleets and utilises telematics and other forms of data capture to support customers to make an informed decision about the transition.

A keener focus on our own environmental footprint has been facilitated by the engagement of key strategic partners that have provided more detailed insights with the use of data and into where we should focus our efforts.

Utilising this information has helped us assess our Scope 1 and 2 emissions and energy usage, whilst our waste management contractors have supported our objective to divert from landfill and find appropriate recycling options for the materials we use on a daily basis, and we have started to more closely track our water usage across some parts of the business. This is not only driving efficiency in resource use, but also providing oversight on the financial impacts of rising energy costs.

## Introduction from the CEO

We have 6,700 colleagues that perform a breadth of different tasks requiring a multitude of different skillsets. Our job is to support, train, develop and empower our colleagues to make well informed decisions and to ensure that our customers have a great experience.

Significant time has been invested into consolidating our HR function and making sure that internal policies and systems are fit for purpose and able to support the career progression of our colleagues throughout the Group. Alongside this, we continue to promote the highest standards of ethical behaviour and health and safety across our operations.

Redde Northgate is at an early stage in its Group-wide ESG strategy formation, developing the frameworks and reporting systems to be able to monitor key metrics and putting in place the building blocks which will underpin its strategy and reporting.

Our ESG framework defines our approach through four pillars: Experience, Impact, Transition and Governance. We believe it helps us think about how best to address the challenges before us as a business and engage with our colleagues who are key to its successful implementation.

FY 2022 was a year where all parts of the Group delivered a financially robust performance, despite the challenges from supply chain constraints and continuing impacts from COVID-19. That we achieved this while being ever more thoughtful about how we go about our business makes me incredibly proud of the way our teams have responded.

Best regards,

**Martin Ward**  
Chief Executive Officer



# About Redde Northgate

Redde Northgate is a leading integrated mobility solutions provider

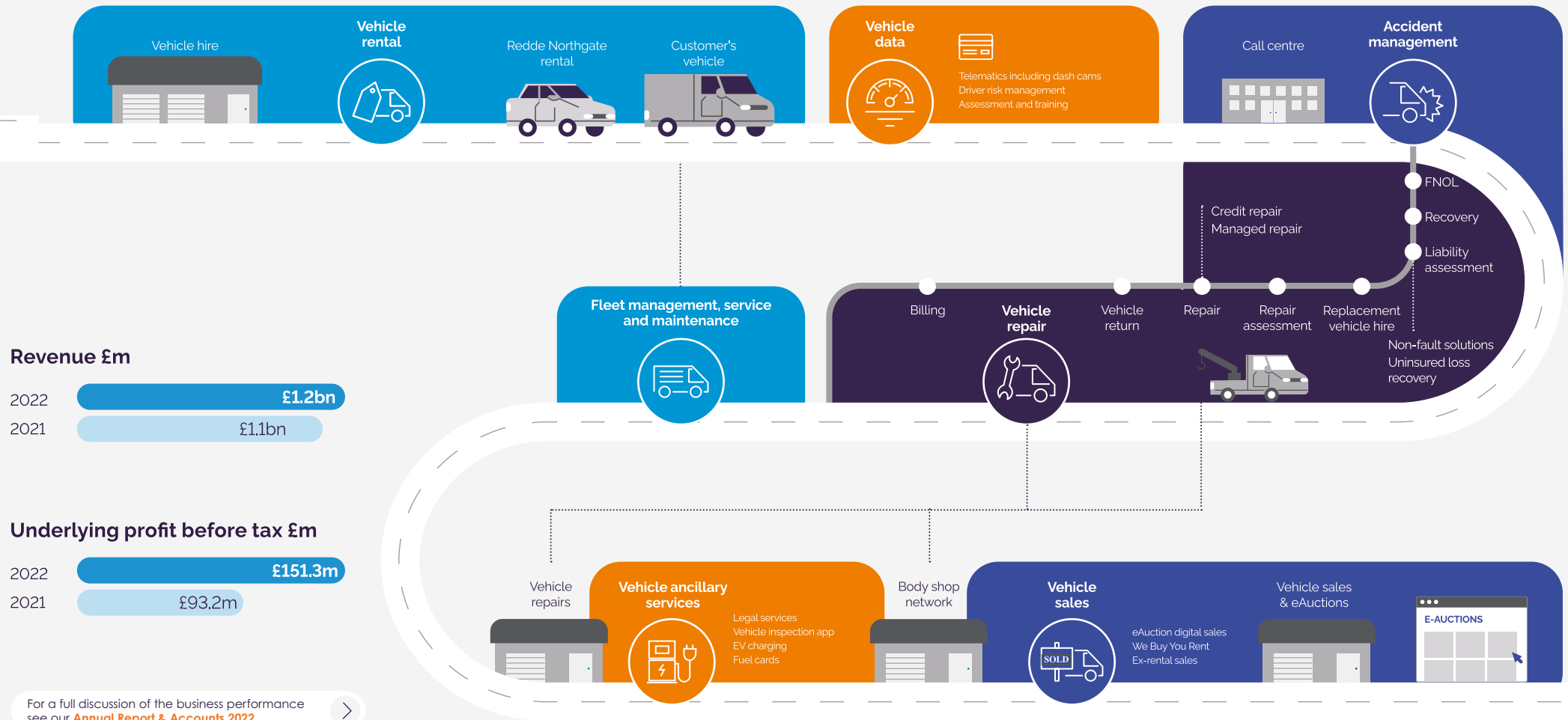
## Key metrics

Vehicles owned  
**126,000**

Vehicles managed  
**600,000**

Sites  
**175**

Employees  
**6,700**



For a full discussion of the business performance see our [Annual Report & Accounts 2022](#)

# Materiality assessment

Best practice ESG strategy and reporting has evolved substantially over the last decade, and more so in recent years, in line with the increase in stakeholder expectations. Understanding and prioritising the issues that matter most to Redde Northgate and our stakeholders enables us to address the most relevant topics.

We undertook a review of industry peers and globally recognised ESG frameworks, including the Global Reporting Initiative (GRI) and MSCI, creating a list of key issues to form the basis of our quantitative survey.

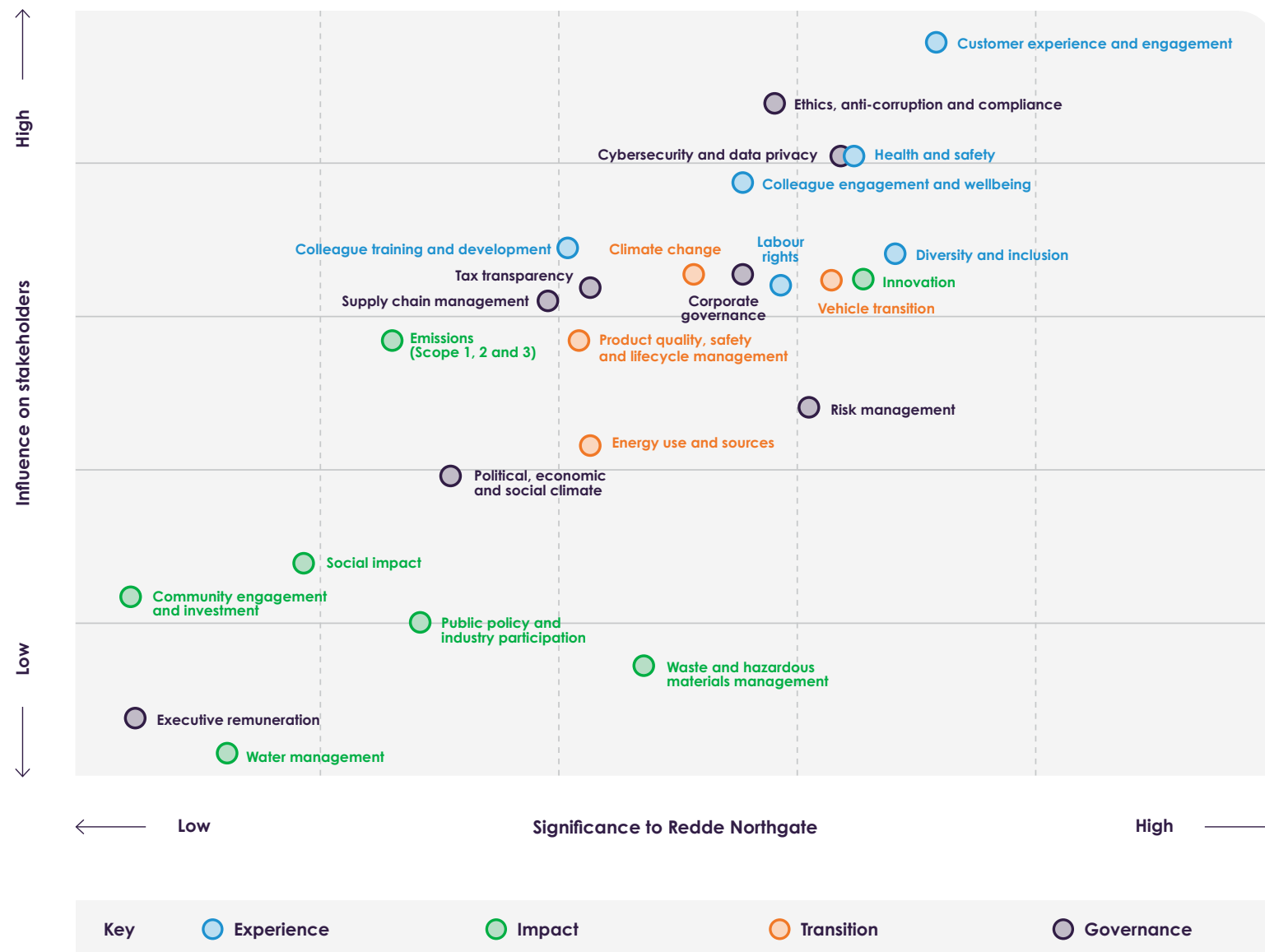
The survey was issued to a broad range of over 140 internal and external stakeholders, complemented by qualitative interviews with 22 subject matter experts from across the Group.

The materiality matrix (as set out opposite) shows the results of our assessment, plotting the significance of these issues to Redde Northgate against their importance to our external stakeholders.

Together this enabled a deeper understanding of the key risks and opportunities and will help define the investment and focus of the business into key areas as we build out our ESG strategy and reporting.

We have since refined our ongoing management and communication of these issues into our strategic framework.

## Materiality Matrix



# Delivering mobility, responsibly

	Experience	Impact	Transition	Governance
Commitment	Empowering our colleagues and giving them the right tools to deliver industry-leading customer experience.	Minimising our impact on the environment and positively influencing our surrounding communities; supporting innovation in our industry.	Driving the transition to non-ICE vehicles and to embracing the opportunity to tackle climate change.	Maintaining high levels of integrity, transparency and good governance.
Approach	<p>Making Redde Northgate a great place to work for our colleagues, equipping them with the right tools and training, providing a secure and safe working environment, and promoting their wellbeing.</p> <p>Retaining an engaged and highly skilled workforce to ensure the delivery of excellent experiences for our customers.</p>	<p>Assessing our practices and educating our workforce to minimise waste and ensure best environmental practice.</p> <p>Driving innovation and improvements in our industry by sharing our expertise.</p> <p>Working with our local communities to support initiatives which are needed most.</p>	<p>Taking a measured approach to our transition to a non-ICE vehicle fleet, ensuring that we meet the requirements and expectations of our customers.</p> <p>Working with government and industry to ensure the right environment for commercial non-ICE vehicles.</p> <p>Building the skills, services and location-based infrastructure necessary to provide low emission solutions.</p>	<p>Embedding robust training and procedures across the business, ensuring colleagues and suppliers act in accordance with the highest standards of business ethics.</p> <p>Communicating our actions transparently and regularly to keep our stakeholders informed and engaged.</p>
Material Issues	<ul style="list-style-type: none"> <li>● Colleague engagement and wellbeing</li> <li>● Diversity and inclusion</li> <li>● Labour rights</li> <li>● Colleague training and development</li> <li>● Health and safety</li> <li>● Customer experience and engagement</li> </ul>	<ul style="list-style-type: none"> <li>● Emissions (Scope 1, 2 &amp; 3)</li> <li>● Waste and hazardous materials management</li> <li>● Water management</li> <li>● Innovation</li> <li>● Community engagement and investment</li> <li>● Social impact</li> <li>● Public policy and industry participation</li> </ul>	<ul style="list-style-type: none"> <li>● Climate change</li> <li>● Emissions (Scope 1, 2 &amp; 3)</li> <li>● Vehicle transition</li> <li>● Energy use and sources</li> <li>● Product quality, safety and lifecycle management</li> </ul>	<ul style="list-style-type: none"> <li>● Ethics, anti-corruption and compliance</li> <li>● Cybersecurity and data privacy</li> <li>● Risk management*</li> <li>● Corporate governance*</li> <li>● Tax transparency*</li> <li>● Executive remuneration*</li> <li>● Supply chain management</li> <li>● Political, economic and social climate*</li> </ul>

\* For more information on these material issues, please see our Annual Report & Accounts 2022.

## Experience

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

### What we said we would do

- Harmonise and standardise our HR function, policy and practices following the merger and integration of FMG RS across the Group to improve cohesion and deliver our strategy
- Improve our recruitment processes to ensure they are fair and transparent, and to attract more talented individuals
- Elevate our wellbeing support and colleague value offering in response to our 2021 colleague survey
- Continue to innovate and expand our offering in order to meet our customers' evolving needs
- Continue to drive cohesion across the Group with clear and consistent communications

### What we have done

- Centralised our Group HR function and continued standardisation of policies and procedures across the Group
- Expanded our recruitment team and partnered with an Applicant Tracking System to improve the candidate experience
- Boosted our apprenticeship programme to improve career access to our industry and attract award-winning talent
- Expanded our benefits offering and introduced range of measures to support colleague wellbeing
- Enhancing our EV infrastructure and skillset to support the Drive to Zero programme
- Increased cohesion by improving both internal communications and everyone's understanding of our Group strategy
- Achieved an engagement score of 74% in our FY 2022 survey
- Won a number of significant industry awards for our customer service

### What we plan to 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

# Experience

Our brilliant people are essential to our success, and we have a responsibility to ensure that our business is a great place to work, where they can be their very best.

Following the merger in 2020 and the subsequent acquisition of FMG RS, we have been working to ensure harmonisation and standardisation of practices across the Group. In FY 2022 we launched our new Group values and have worked to ensure everyone understands each value, how they help us all deliver our strategy, and how these values should be upheld through day-to-day operations.

Last year, in line with the Focus pillar of our strategy to integrate the businesses, we announced the intention to bolster the Group's Human Resources function, harmonising many of our operating practices in the process. In addition to welcoming a new UK Group HR Director, we rolled out a new UK Group HR and payroll system. This new system has streamlined many of our processes, to the benefit of our workforce and our HR colleagues.

## Engaging with our colleagues

### Internal communications

Colleague engagement was an important focus for us during the year, ensuring that all our colleagues feel confident in our business strategy and their role in our future. Instrumental to this objective has been improving internal communications across the Group.

In FY 2022 we established an integrated Group-wide approach by increasing the capacity of our internal communications team and ensuring that we have a nominated individual aligned to each function and business segment.

It was therefore an objective of our enhanced internal communications team to improve everyone's understanding of the Group strategy – Focus, Drive, Broaden – and what it means to be a part of the enlarged Group. Engaging with teams across the business with a strategic narrative that defined who we are, what we stand for, and our purpose, vision and mission, has enabled all colleagues to gain a better understanding and feel proud of where we are going as a business.

We know leaders are the key to colleague buy-in, so we created a support framework for managers to aid localised discussion around how their roles support our long-term strategic aims, helping to establish a connection to our brands. This was supported by people-focussed collateral, hosted on our intranets to bring the strategy to life.

We saw an uplift of 23% on the prior year for colleagues' understanding of our strategy, the highest improved score in our annual survey.

As the year progressed, we provided regular tangible examples of when and how we had delivered against this strategy. In line with our objective to become a more sustainable and responsible business under the Drive pillar of our strategy, we have also updated the business as and when sustainability initiatives such, as solar, panels at seven sites in Spain were introduced. This enables colleagues to connect with the story and see the change that is taking place.

We will continue to build on this year's progress, connecting our people with our strategy, sharing more examples of our progress,

and by introducing a Group intranet to improve cohesion, transparency and collaboration across our businesses.

### Spotlight Case Study:

*Communicating Group strategy at business unit level*

To successfully deliver our Group strategy, it is important that our colleagues understand the important role that they all play in its delivery.

Across the Group, the strategy was internalised and made uniquely relevant to each business unit. The team at Van Monster focused on making the purpose, strategy, values and vision of the Group mean something to their team, by illustrating how their objectives and deliverables support the delivery of our Group ambitions.

The key to this was leader-led cascade and facilitated sessions where colleagues discussed their understanding of the strategy and values. With this refreshed understanding of the direction and expectations of the Group, colleagues then made suggestions for things they felt could be done better, and Van Monster quickly actioned changes based on this feedback. Van Monster recorded the highest colleague engagement score of all of the businesses in the Group, which speaks to the work done in activating this strategy in a meaningful way to their colleagues.

### Our values – 'Helping us all pull in the same direction'

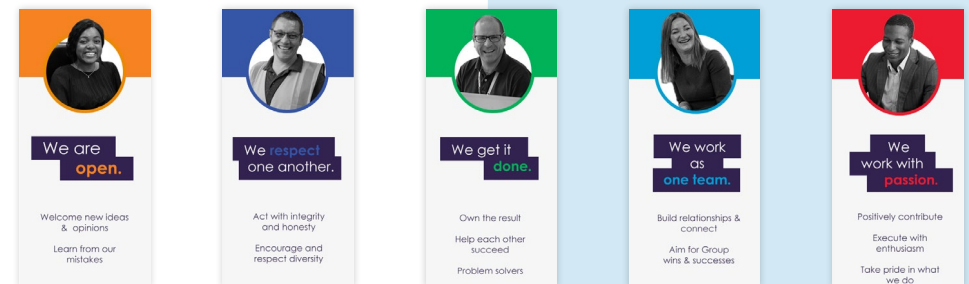
In FY 2022 we launched new Group values: we're open, we respect one another, we get it done, we work as one team, and we work with passion.

We've shaped our new Group values by looking at those existing across each of our businesses, creating new ones that simply build on what we know matters to everyone and that will help us be the Group we want to be. Our new values better reflect what being a part of Redde Northgate really means and how we should collectively act day-to-day.

Following the initial rollout in November 2021, we built a coordinated engagement programme to help provide context for our new values and align them to strategic delivery by providing insights from colleagues across the business and a range of supporting materials, including digital assets and physical posters to be hung in our offices and workshops.

As well as encouraging our colleagues to embrace our values day-to-day, we have integrated them into our recruitment processes, because how we do things is equally as important as what we do.

### Group Values



# Experience

## Engaging with our colleagues

### Listening to our colleagues

As a large Group comprising several business segments with nearly 6,700 colleagues, we recognise the wide-ranging experience and invaluable knowledge our colleagues possess. We are keen to consult our colleagues on not only how the business is run, but also their own perspectives on its strategic direction and how it feels to work for Redde Northgate.

The Employee Engagement Forum (EEF) was established to provide an opportunity for the Board and leadership team to hear direct feedback from colleagues and to increase engagement. The forum is comprised of colleagues representing all the business segments in the UK, and members meet quarterly to discuss key topics and provide feedback to the Board. Listening forums within the business units also feed into the EEF.

We also regularly run local business leadership calls where we seek feedback on important issues from our teams and track colleague feedback through our intranets.

In line with our ambition to become a more sustainable business and reduce our carbon footprint, we launched a Group-wide Environmental Competition. We asked for colleagues' insights into how we can make Redde Northgate a greener business, understanding that many of our people are closer to the practical work we do and will have a better understanding of where improvements and changes can be implemented.

The competition prompted a fantastic response: we received around 400 ideas providing a range of excellent suggestions for reducing our environmental impact. The ideas with the potential to make the biggest impact have been taken to the next stage of consideration by the senior leadership team and will join the extensive list of initiatives already in play.

These include looking at ways to recycle our tyres and considering alternative fuel sources, to office upgrades and a keener focus on waste segregation. As a thank you to our colleagues who proposed these ideas, we awarded a variety of cash prizes to those ideas that will be translated into action.

### Our colleague survey

To measure engagement and gauge sentiment we conduct an annual colleague engagement survey, 'Have Your Say', which covers a broad range of topics including health and safety, personal development, and pay and benefits. 71% of colleagues participated in this year's survey.

The feedback we receive from the survey is critical in shaping our focus for the next year; based on the responses in the previous survey, we put an emphasis on better understanding our Group, health and wellbeing initiatives and expanding training opportunities in FY 2022 which resulted in an engagement score of 74% in our FY 2022 survey.

This year we again have a comprehensive action plan responding to colleague feedback at Group level, supported by local action plans across each business.

### Turning ideas into opportunities

Every day our colleagues have thousands of interactions with our customers. The experience that our colleagues gain during each engagement has the potential to inform and enhance the experience for our customers and clients.

Whilst our colleagues have always introduced new and better ways of doing things, we have formalised the process to add some structure to the way that our colleagues submit suggestions, and to how our management teams consider the merits of each.

In November 2021 Northgate launched the Product Ideas Hub, as a place for colleagues to share their ideas on new products or services they feel should be introduced. Approximately 70 product ideas have been submitted by individuals so far.

### Material Issue in Focus:

#### Colleague engagement

Whilst we conduct a Group-wide colleague engagement survey and respond to feedback from across the different business units, we appreciate that we have a varied value chain and service offering and that our colleagues' interests and concerns vary dependent on roles and locations. We therefore also run colleague engagement measures on a localised basis.

Indicative of this is FMG's approach; the business conducts a bi-monthly pulse survey 'Glimpse' that localises Group considerations whilst also focusing upon matters that are more reflective of FMG's colleagues' specific interests.

At the same time, FMG's colleague forum 'Your Voice' ensures that feedback is listened to, shared and responded to locally, and considered, where needed, at the Employee Engagement Forum run at Group level.

In Spain, the HR team has used technology to great effect, recognising that it is key to unlocking the potential of our colleagues.

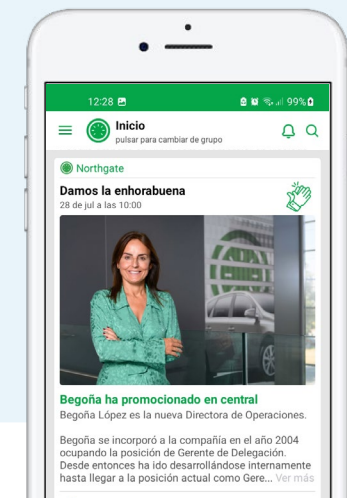
With a workforce wherein the majority are not office-based with readily available access to a computer, the Connect App is accessible to all through their mobile devices.

Colleagues may also pitch the idea to the newly formed Dragons' Lair panel – comprised of senior leadership members – to invest in the idea. Thus far, two people have had their ideas accepted and placed into our product development framework.

Through the app, colleagues can access training, have performance appraisals and create groups for different projects and areas of the business to enable ease of communication. The internal magazine in Spain, 'Inside Northgate', is published on the app as well.

The app ensures colleagues are engaged, informed and feel connected to our business, particularly when they are out on the road and meeting with customers.

The magazine is written by colleagues and published every three months; it highlights prizes for colleagues with the best sales records, talks about cybersecurity in each issue to ensure that everyone is continually considering this risk, and has colleague-focused pieces to enable colleagues to get to know each other.



# Experience

## Promoting colleague wellbeing

We are committed to ensuring that our colleagues feel supported and happy in their place of work and we continue to elevate our offering in this area. Increasing support for colleague health and wellbeing was a key theme from our previous colleague survey.

In response to this feedback, in FY 2022 we introduced our new Benefits HUB which forms the foundation of our colleague wellbeing offering. This is a one-stop-shop for colleagues to access anything from health and wellbeing resources to retail offers.

### Colleague benefits

The new Benefits HUB has broadened the suite of benefits available to appeal to different demographics, geographies and lifestyles, and provides visibility to colleagues of their total reward statement (the value of their benefits alongside their pay).

Colleagues are able to view the majority of their existing benefits, as well as the opportunity to opt into a wide range of other available benefits, including GymFlex memberships, the Cycle2Work scheme, dental, travel, and health insurance and extended life assurance.

The Benefits HUB EXTRA is available as an app through which colleagues can access discounts and retail offers at a wide range of shops and restaurants.

The response from colleagues has been very positive; by the beginning of 2022, around 2,500 colleagues had already explored the additional benefits, wellbeing support and discounts on offer through the app.

We also conducted a Group-wide pay review and made the decision to pay a minimum of £10 an hour, regardless of age and experience, and ahead of the UK living wage of £9.50.

The Group's SAYE scheme is an opportunity for all colleagues to put money aside from their net pay to buy shares in Redde Northgate at a discounted rate and invest in the company. The 2021 scheme will run for 3 years and at the end of the term, colleagues have the option to buy shares at the discounted rate or withdraw the money saved.

In FY 2023 we expect to offer colleagues £500 of free shares (subject to AGM approval), in recognition of their continued hard work and to ensure they benefit from our future success.

We have a multi-layered approach to recognising colleagues for their work. We appreciate that there is no one way to say thank you and we therefore have a number of localised reward and recognition programmes.

At Group level, we launched our Long Service Awards in FY 2022 to provide the opportunity to thank the amazing people who have dedicated much of their career to making the business a success. In the last year alone, we celebrated 92 individuals who have reached 10 years of service, and one individual within FMG RS who made it to 50 years of service!

Length of Service	Awards in FY 2022
10 years	92
20 years	51
30 years	9
40 years	3
50 years	1

We're privileged to have fantastic people who have chosen to work with us for much of their career and who help us retain an incredible amount of skill and experience in our business. Many of these people have forged great relationships with colleagues and customers over many years and I'm delighted we're now able to formally say thank you for their dedication to our business.

**Martin Ward**  
Chief Executive Officer



### Spotlight Case Study: Long service award winner

Ever since 2001, Martin Barney has been working as a Field Engineer, starting out at Fleet Technique and continuing in that role as he moved into Northgate.

As a Field Engineer, Martin has spent his time travelling around the UK working on vehicles including things such as calibration, audits, roadworthy inspections and much more.

**'In my job, no day is the same – I get to be out on the road, meet different customers and work with different people, and that's what I enjoy. It also helps that I have an understanding wife who gets that my role means I'm out and about! I'd also like to mention that over the years I've had immense support from Northgate which is something I both appreciate and value.'** *Martin Barney*

**'I've had the pleasure of working with Martin over the last 20 years, and he's been a dedicated and reliable team member who has served our customers with distinction throughout. His knowledge within the industry is invaluable and his loyalty to Northgate has been unwavering.'** *Keith Dawson, CSC Team Manager*

# Experience

## Promoting colleague wellbeing

### Wellbeing initiatives

The launch of the Benefit Hub has been a key part of our overall wellbeing strategy and to complement this, we have a full calendar of support for wellbeing which aligns with national and international awareness days and events, and which seeks to promote the wide range of support available on the Benefit HUB and training available on our e-learning platform, the Academy.

We deliver a broad array of services for our customers, some of which cannot be delivered by home workers and some that can. Throughout the COVID-19 pandemic it was important to maintain effective communications with our home workers to ensure that they did not feel isolated or unsupported.

We ran webinars on wellbeing and listened and responded to colleagues on having mixed working patterns (be that compressed hours, part time, or flexible working) to make sure everyone felt comfortable in their working environments.

We continue to share self-care suggestions for colleagues and promote positive mental health regularly. Our 'Time to Talk Day' allowed colleagues to attend virtual drop-in sessions held by the HR team, giving colleagues the opportunity to share how they were feeling and any problems they were facing.

Like many businesses, the increase in stress-related health issues led to the introduction of a range of specific and helpful tools available to our colleagues, such as an online and confidential risk assessment.

We also provided a stress awareness session through our Academy and made a stress tool kit available on the website.

We believe our managers are best placed to understand their colleagues' requirements and therefore we make sure they are equipped with the tools to provide the right support. We encouraged all managers to complete the Mental Health Awareness module on our e-learning platform.

This training course gives an introduction to mental health and how it can present itself in the workplace, common mental health problems, their symptoms and effects, and how to support colleagues who are struggling. There is also a manager's toolkit available which can be accessed via the training module to help managers promote positive mental health in their workplace and make adjustments so that colleagues receive the support they require.

We partnered with a leading GP service, UNUM, to offer all colleagues remote access to advice from a medical expert, 24/7, via a free and confidential app. The service provides help on urgent medical conditions, physiotherapy, mental health support and much more..

Our colleagues also have access to professional support through the Employee Assistance Programme, which is available 24 hours a day, 365 days a year.

### Material Issue in Focus:

#### Colleague wellbeing

Complementing our Group-wide approach, the business units have also run activities to support additional local need. NewLaw signed the Time to Change Pledge which is a commitment to changing the way we all think and act about mental health in the workplace.

The Welfare Manager, who provides support for families and the injured people pursuing claims, has extensive experience and has provided counselling services to colleagues

throughout her career. Colleagues receive peer support through the business's Wellbeing Warriors, who can listen to peers within the workplace about any worries they have, and they have trained mental health first aiders.

As solicitors, colleagues also have access to LawCare's helpline support. NewLaw designed the Stress Risk Assessment which was subsequently adopted by the wider Group.



# Experience

## Creating an inclusive and diverse culture

The Group is committed to promoting equality and preventing discrimination at work. We aim to create an inclusive environment, where everyone can contribute their best work and develop to their full potential. We also want to celebrate the fact that everyone is different yet valued and to make sure that every colleague is treated with dignity and respect.

We are improving visibility of our diversity and inclusion baseline through our Take 10 campaign which seeks to encourage colleagues, where they feel comfortable, to disclose information to help us further shape our future diversity strategy.

We are already using this to enhance and harmonise our family-friendly policies in FY 2023.

We have shaped our Group values by looking at those existing across each of our businesses and creating new ones that simply build on what we know matters to everyone and that will help us be the Group we want to be. One of those values is that 'We respect one another' and hold ourselves accountable to act with integrity and honesty and to encourage and respect diversity.

This year we had a focus on technical recruitment in FMG RS and Northgate, which tends to traditionally be filled throughout the industry by men. 88% of new starters in FMG RS were male. There were also more female leavers than male contributing to this fall in the number of women.

In keeping with our aim to create an inclusive and supportive environment to work in, we promote events, festivals and celebrations that are represented within the Group.

During this year's Ramadan, for example, we shared with colleagues insights into the importance of Ramadan and Eid al-Fitr to our Muslim colleagues and how to support them observe and celebrate these historic holidays. We are also proactively ensuring that diversity of our colleague base is represented across all colleague communications.

Inclusivity and making Redde Northgate a great place to start a career is essential to our growth and success. We are aware that parts of our business, such as our body shops and paint shops, have traditionally appealed more to our male colleagues.

In response, we commenced a programme of attending colleges and universities to talk about the opportunities available at Redde Northgate and challenge some of the stereotypes around our industry.

By conducting these visits, as well as running our apprenticeship schemes at FMG RS and Northgate, we hope to broaden the pool of talent we are accessing and encouraging those who might not have considered a career with us to think again.

### Spotlight Case Study: Apprenticeship programme

We have designed our apprenticeship programme at FMG RS to allow us to access a more diverse pool of talented individuals. From our FMG RS Canterbury body shop, Beth Creaser won the Apprentice Paint Technician of the Year Award at the British Bodyshop Awards. This is a fantastic achievement, and even more notable as the industry tends to be male-dominated.

**'Being a paint sprayer has really opened my eyes and made me realise you can have a job which you enjoy. There is a really cheery atmosphere in the workshop and everyone has made me feel a real part of the team which has helped with my confidence massively.'** *Beth Creaser*

**'Beth came to me three years ago, with a passion for cars and interest in the repair industry. She and I agreed that we would try every department to see what she enjoyed the most. It was clear Beth had a talent for refinishing and she's now in the final stages of her apprenticeship. This award is well deserved and really complements the hard work and effort Beth has put in throughout her apprenticeship. I couldn't be more proud.'** *Kevin Hartley, Regional Operations Manager*

### Our workforce

	FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total
UK & Ireland	3,717	1,808	5,525	3,373	1,909	5,282
Spain	808	397	1,205	820	405	1,225
Total	4,525	2,205	6,730	4,193	2,314	6,507

The gender split at a senior management level

	FY 2022			FY 2021		
	Male	Female	Total	Male	Female	Total
Directors	6	1	7	6	1	7
Senior Managers	17	5	22	18	6	24



# Experience

## Creating an inclusive and diverse culture

### Spotlight Case Study:

*International Women's Day*

We are proud to have female role models across the Group. To celebrate these leaders in honour of International Women's Day, we interviewed Kate Sampson, FMG RS Swindon General Manager, and Nicola Edwards, NewLaw Operations Director in Specialist Claims.

#### What does International Women's Day mean to you?

**KS:** It's a day where I can reflect on how proud I am of being a woman and to celebrate the achievements of all women around the world. And on a personal level, a day to recognise the progress I've made in both my career and personal life.

**NE:** I have been fortunate in my career not to feel that my gender has been a consideration. But I'm fully aware this is not the case for all, and IWD reminds us that women of the world want and deserve an equal future, free from stigma, stereotypes and violence; a future that's sustainable and peaceful, with equal rights and opportunities for all.

#### How have you got to the position you're in now?

**KS:** My journey started in a small family-run body shop where I was a Customer Service Advisor dealing with front end claims and customers. Five years later I joined Nationwide Crash Repair (now FMG RS) as a CSA and, coming from a family-run

body shop where every penny felt like it was your own, I was able to bring that mentality with me which helped me get to where I am today. Ten years later, I moved to the Swindon branch as an Assistant Manager and when the position for General Manager became available I applied, and here I am now!

#### What challenges have you faced in your career?

**NE:** Learning to juggle home life with children and engage fully in work presents huge challenges. But it's achievable in this business and I've been lucky enough to be supported in my role and development to Operations Director whilst I worked part-time to make my position and home life work-together.

#### What are you most proud of in your career?

**KS:** Reaching management level and running a profitable and successful body shop, with a great team behind me.

#### What advice would you give to other women?

**NE:** There are a few things that come to mind, but critically, whilst it's important to take advice from those around you, the final decision must feel right for you. I would also say: be brave and take a chance to see where something may take you but remember that not every role takes you to leadership or works out how you imagined, and that's ok. The support of men for women is just as important as women supporting and inspiring women. Support and guidance from men I have worked and work with has been a huge influence, and the three men in my home life have been equally important in shaping me to become the female leader I am today.



# Experience

## Recruiting and developing talent

### Recruitment

The pandemic has altered working practices across the board, and has required the Group to evolve our recruitment processes to ensure we continue to attract excellent candidates.

In response, we expanded our internal recruitment team with specialist capabilities and partnered with a UK Applicant Tracking System (ATS) to better manage and improve the candidate experience. The result has been an increase of over 20% in the number of offers made to candidates that meet our needs.

We brought in a social media specialist to support recruitment via our social media channels; FMG RS' campaign had excellent traction, and they continue to use Facebook in particular to promote employment opportunities.

With our enhanced team, we have increased the number of check-ins we do with new joiners and improved the materials shared at the beginning of each colleague's career with Redde Northgate, so that they are best placed to excel in their roles. Conversely, when individuals do leave the business, we conduct exit interviews to understand and address attrition and implement any changes that would be well received by colleagues.

### Apprenticeships

In FY 2022, we supported over 50 apprenticeships, from workshop placements in our FMG RS and Northgate businesses, to finance apprenticeships in our Group functions. Apprenticeships are a great way to help our business build a talented workforce that is equipped with future-ready skills, whilst also being an opportunity for those looking to upskill or have a career change.

### Training and development

We want to ensure we are giving our colleagues the best opportunities to develop their skillsets, knowledge and experience. We have rolled out an e-learning platform, the Redde Northgate Academy, across the entire Group, improving access to training for all colleagues.

The platform acts as a portal for mandatory training that our colleagues need to complete, and it complements the in-person training that takes place in the workshops and body shops. It also provides a range of additional training opportunities, and each colleague has a profile on the platform which means they have tailored suggestions for courses which will support their individual development.

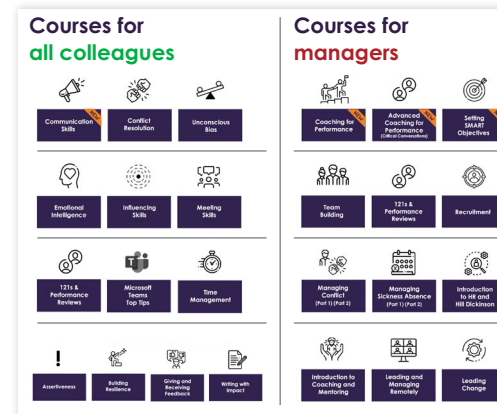
Expanding the available training opportunities was a principal suggestion from the previous year's colleague survey. In response, we introduced over 50 new courses across the Group covering topics such as time management, building resilience and conflict management.

As part of our mission to create a business where all our colleagues can be their very best, we require effective, capable managers.

We are committed to helping our current managers, as well as future leaders, at every level across our business to be prepared and confident to lead from the front. To support this, we ran a series of short online courses covering management skills, as well as adding a number of new courses designed specifically for managers, including team building, managing change, coaching and mentoring.

### Broadening horizons, internally

One of the ways through which we will continue to enhance our integrated mobility solutions is by encouraging the sharing of experience throughout the group. Individuals within the business have an invaluable appreciation for how the Group operates and the solutions we provide. We therefore actively promote greater internal mobility and job opportunities across the enlarged Group as part of our programme to retain and develop key talent. We advertise job vacancies through our internal channels across the Group to give our colleagues the opportunity to take the next step on their career journey or progress into different or more challenging roles.



### Spotlight Case Study: Future proofing FMG RS

One of the challenges we have identified is in recruitment to our workshops and body shops, where the workforce in the sector is aging and there is reduced interest in these roles. As such, we have been keen to introduce young people to the industry and our apprenticeship programme has been an excellent means through which to attract new talent.

In 2022, an apprentice at FMG RS Gloucester won the Apprentice of the Year Award, whilst his mentor won the Apprentice Mentor of the Year Award. This is testament to the enthusiasm of our team members in nurturing talent and the value of our apprenticeship programme as a recruitment channel.

**'Not only did our apprentice and his mentor hit the mark, but they have also set a fantastic standard of what can be accomplished with dedication and know-how. I am very proud to have both Lee and Bradley as colleagues and look forward to seeing all our apprentices flourish during their time with FMG RS.'** *Chief Technical Officer at FMG RS*

Furthermore, the vehicle transition poses lots of exciting and interesting opportunities for our business. By transitioning away from ICE vehicles, we will be increasingly introducing electric vehicles to our fleet, and working on EVs requires highly skilled individuals. By creating these roles we look forward to attracting more interest into our sector.

# Experience

## Keeping our colleagues safe

The health and safety of our colleagues, and for anyone else affected by our business activities, is of paramount importance and fundamental to our culture. Underlying strong governance, we have a robust operational approach to health and safety. We have detailed procedures, engagement practices and training to reduce the risk of harm or injury, and processes around investigation of near misses to ensure Group-wide learning.

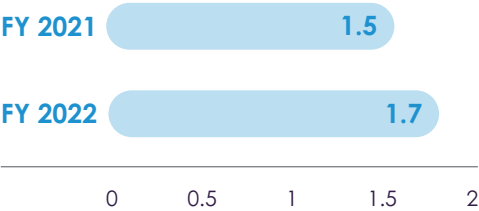
Colleagues are provided with information, instruction and training in health and safety by methods including face-to-face, e-learning and toolbox talks. The Group is committed to monitoring and reviewing performance on a regular and ongoing basis. Our Group Head of HSE is responsible for setting policy and advising the Board; their remit covers the whole Group across all locations, reporting directly to the CFO.

We set exacting standards for our operations because we want to ensure our colleagues arrive home safely every day. We have the internationally recognised ISO 45001 accreditation for Northgate UK&I, NewLaw and Auxillis. All FMG RS sites are BSI accredited, received a 100% pass-rate for the BS 10125 Surveillance Audit Results, and the intention is to have all FMG RS sites ISO 45001 accredited in the next 24 months. We use a third party to conduct annual audits for our accreditations. Having these accreditations ensures a process and level of increased operational diligence that is increasingly important to our customers.

The business is committed to ensuring the safety and wellbeing of colleagues above everything else. We believe that injuries are therefore not inevitable and the only number we find acceptable when it comes to harm and injuries across our Group is zero. Our management teams endorse this philosophy and understand that everyone has a right to work in safe and healthy conditions.

One of the various tools we use to measure health and safety performance across the Group is by recording lost time incidents, which provides an accident frequency rate (AFR)\*.

### Accident frequency rate



\*AFR is calculated as the number of lost time incidents, multiplied by 200,000, divided by the number of hours worked.

There was a slight AFR increase in the year to 1.7 from 1.5 in the previous financial year. This was mainly caused by the increased work volume and activities across the enhanced Group. The increased demand for our services resulted in a 27% increase in working hours across our network. This subsequently meant an increase in working hours in our more hazardous environments, such as in our vehicle repair workshops and vehicle repair body shops.

We monitor the AFR and other performance metrics in health and safety very closely so we are able to identify and react quickly should the need arise.

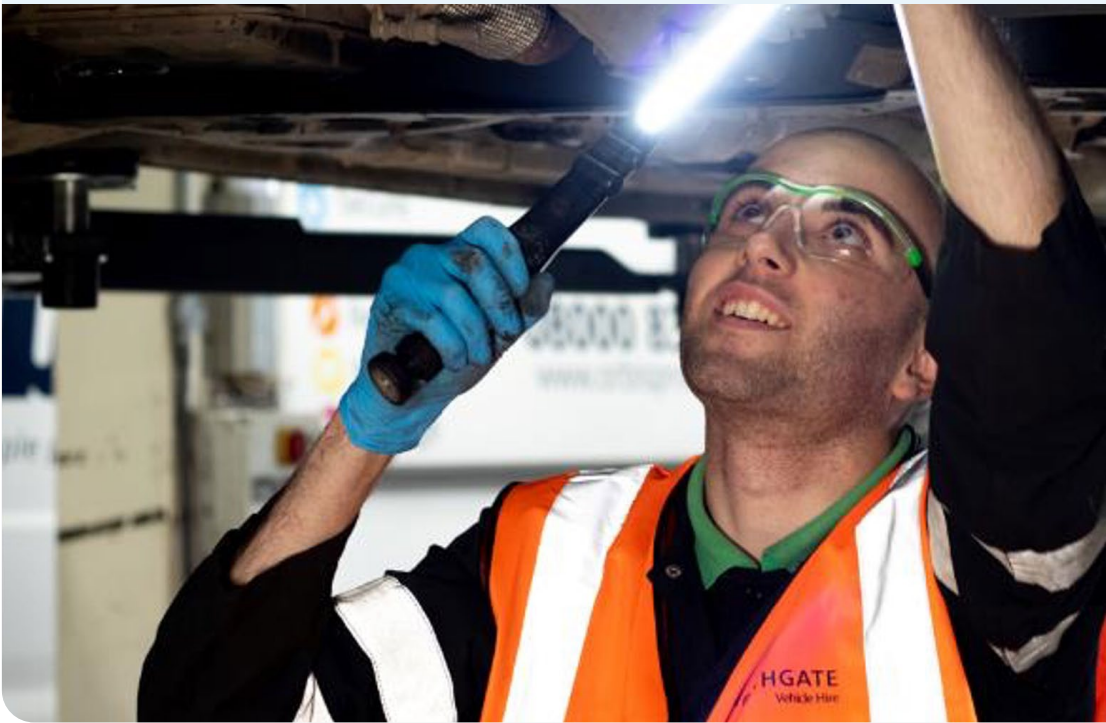
One of many health and safety initiatives we are adopting in FY 2023 will be establishing health and safety committees across the network. The purpose of every health and safety committee will be to encourage and maintain safe work environments. The committees will also give colleagues the opportunity to directly improve health and safety and reduce injuries within the business, whilst enhancing communication between management and colleagues at all levels.

### Material Issue in Focus: Health and Safety

Due to the Group's varied value chain, different parts of the business will have more exposure to health and safety risk than others, and we therefore scale up our scrutiny of practices in light of increased risk. Given the nature of work activities in our workshops and body shops in particular, health and safety is paramount.

The body shop repair industry is subject to the exacting standards set by the Thatcham Times, which sets out the precise steps for dismantling and repairing every part of every vehicle and which all FMG RS sites follow rigorously.

We want to ensure that everyone is aware of these standards and the subsequent expectations for working in body shops. Wherever possible, we introduce new methods and practices to reduce risks where we feel appropriate in accordance with the standards, legislation and operational requirements.



# Experience

## Elevating the customer experience

Customers are at the heart of our business and as such we want to deliver the highest quality service and experience.

By broadening our service offering we can offer integrated mobility solutions to businesses, fleet operators, insurers, OEMs and other customers across the following key areas: vehicle rental, vehicle data, accident management, vehicle repairs, fleet management, service and maintenance, vehicle ancillary services and vehicle sales.

Our broader service offering has meant we have been able to secure larger deals based on the strength of our extended offer. A third of our customers with fleets above 25 vehicles now take more than one service from us, representing around half of our UK vehicle fleet, typically supported from multiple locations.

The Group is now also operating with a greater number of centralised functions which facilitates the ability to manage demand spikes through the network more efficiently and improve responsiveness to meet customer needs. As part of our ongoing improvement programme, we are upgrading several technology solutions in the coming year, which will deliver a common operating platform and a greater ability to digitalise more of our operating processes.

Innovation is key to our growth and the development of new products for our customers. In Spain, we developed and are trialling an AI tunnel that can perform diagnostics on vehicles at a much faster rate than can be done manually.

### Material Issue in Focus: *Innovation and Customer Experience*

We want to ensure our colleagues are best placed to support customers and meet their expectations. Given the breadth of products and services offered by the Group, each business segment will vary in its approach to delivering for and supporting customers.

For example, customer services training is provided to all externally facing teams, but within NewLaw, we have introduced specific training on how to support customers in distress and dealing with grief.

Furthermore, NewLaw has a Welfare Manager who provides support for families and injured people pursuing claims.

This bespoke approach ensures each business can deliver the best results for its customers, whilst still supporting the broader Group strategy.



# Experience

## Elevating the customer experience

In addition to evolving within, the acquisition of Charged EV has enabled the delivery of new products to market and strengthens our integrated EV offering. The more recent acquisitions of GRG and Blakemore extend our product offering further, providing support for blue light agencies and specialist equipment hire for highways agencies.

Customer satisfaction is a cornerstone of our business success, and the 'excellent' satisfaction scores achieved across our businesses from Trustpilot, alongside numerous awards in FY 2022, reflect our focus on delivering value-added mobility solutions across our customer base.

Progression and pay for the sales and customer services teams are linked to their performance and specific KPIs. We have improved the presentation and consistency in appearance of our Northgate workshops, and we are updating and improving our FMG RS body shops, as well as investing in our core office locations.

In FY 2022 we made the decision to no longer track a Net Promoter Score (NPS) as management felt that we were getting more practical feedback via Trustpilot. We are therefore now more closely tracking Trustpilot scores, of which we have individual ones for each of the underlying businesses.

### Material Issue in Focus:

#### Innovation and Customer Experience

In FY 2022 the Group was recognised for its outstanding delivery of products and services, winning a number of significant awards. Auxillis, FMG and FMG Repair Services received Admiral's Supplier of the Year Award in recognition of their commitment to delivering the very best service for Admiral's customers.

Northgate won the Rental Company of the Year 2022 Award at Fleet News Awards for the very first time, beating strong competition to the trophy.

The judges praised our team's commitment to change and innovation, especially products and initiatives we had developed to help customers during the pandemic, and our investment in new branches, training and driving the move to electric.

Other wins included Best Fleet Management and Best Long-Term Van Rental for Northgate at the Business Van Awards, whilst Charged EV won Best Van Electric Charging Point, and NewLaw were Highly Commended for Innovation of the Year at the Modern Law Awards 2022.

**'We're delighted to receive the Rental Company of the Year Award, and this is testament to the hard work, dedication and passion of the whole Northgate team. Every person across our 67 branches is committed to helping our customers operate their fleets in the most efficient way possible. It's fantastic to be recognised by the judges for the exceptional flexibility that we offer, that enables our customers to scale up when they need to and selectively hand-pick only those services required.'** Neil McCrossan, Sales and Marketing Director

To continue to deliver great products and services to our customers, customer engagement is key.

We have a customer forum wherein a number of customers, with both large and small contracts, meet monthly and discuss given topics and any issues they want to bring to the table. The Northgate Customer Collective seeks to capture customer feedback in order to build solutions that meet their needs.

We also established a separate EV forum with customers that are particularly interested in EVs.

We host webinars on specific topics, including new or proposed products, and invite customers to join and share their opinions.

By listening to our customers feedback and opinions we ensure we can meet and then exceed their expectations through our product and service offering.



# Impact

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

## What we said we would do

- Implement initiatives to improve energy efficiency
- Utilise management information to reduce the amount of waste we produce
- Improve awareness among our colleagues for effective waste management practices
- Streamline our processes across the Group
- Have a positive impact on the communities we operate in

## What we have done

- Utilised data and information from our two waste providers in the UK enabling identification of areas to reduce waste
- Installed solar panels at seven sites in Spain, with assessments underway at suitable sites in the UK
- Continued to rollout the installation of LEDs at our sites in the UK, with a significant proportion of the estate complete
- Formed a Carbon Reduction Working Party to oversee and drive forward the Group's continuing efforts in this area
- Introduced online training, toolbox talks, and site-specific collateral on recycling to raise colleague awareness
- Harmonised processes, particularly in our Group functions
- Consolidated our water contracts under one broker to improve oversight of water use in the UK
- Delivered initiatives at a local level to support charities and community organisations

## What we plan to do

- Commit to zero waste to landfill by 2025 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 interim targets for Scope 1 and 2, and identify material Scope 3 exposure in the supply chain

# Impact

## Emissions and energy reduction

As a growing business that continues to diversify its offering, we know that we need to carefully manage our operational footprint and the influence we have on the environment.

We are committed to minimising this impact, putting in place the right controls and procedures that will help reduce our emissions and resource usage.

By assessing our practices and educating our workforce, we can help minimise waste and ensure best environmental practice. There are several actions being taken to directly benefit the places and the communities in which we both live and work, through the careful management of the natural resources we consume.

The focus is on establishing solutions that will support our long-term environmental objectives and which can be rolled out across the majority of our locations.

As an employer with a large workforce and many locations across the UK, Ireland and Spain, we want to have a positive role to play in supporting our local communities, and by driving innovation and improvements in our industry by sharing our own industry expertise.

### Emissions and energy reduction

As a business we have looked extensively at our energy and gas demands and how we might procure cleaner sources of energy. Some of our operations, such as our paint workshops are high energy consumption facilities, while others such as our call centres are significantly lower.

We have programmes in place to identify opportunities to reduce our energy consumption, whether through greater use of LED lighting or management of idle time in workshops and paint shops. In our Spanish operations, seven sites have installed solar panelling, with more planned.

#### Emissions and energy reporting

Set out below are Redde Northgate's energy and carbon reporting metrics as required under SECR. These cover our Scope 1 and Scope 2 emissions and have been independently verified.

#### Reporting and baseline year

We have aligned our reporting and fiscal years, so the information presented covers the period from 1 May 2021 to 30 April 2022. Given the materiality of the change following the introduction of FMG RS emissions data, this year will also replace the year ended 30 April 2021 as the baseline data for subsequent periods, since we do not have the equivalent data to restate the previous baseline.

The material increases in emissions for FY 2022, particularly in relation to Scope 1 emissions, was driven by the inclusion of FMG RS within our reporting boundary for the first time. In its delivery of accident repair services, FMG RS utilises more energy intensive equipment, such as gas-powered ovens and other industrial equipment in its paint and body shops.

Greenhouse gas emissions source	Tonnes of CO <sub>2</sub> e		
	FY 2021	FY 2022	2022 Baseline
<b>Scope 1</b>			
Combination of Fuel and operation of facilities	8,311	19,773	19,773
<b>Scope 2</b>			
Electricity, heat, steam and cooling	2,743	4,284	4,284
Intensity ratio: Tonnes of CO <sub>2</sub> e per £m of revenue*	12.6	22.0	22.0
<b>UK emissions – Scope 1</b>	5,333	16,586	16,586
<b>UK emissions – Scope 2</b>	1,691	3,345	3,345
<b>Non-UK emissions – Scope 1</b>	2,978	3,187	3,187
<b>Non-UK emissions – Scope 2</b>	1,052	939	939

\* Revenue (excluding vehicle sales)

Energy consumption	kWh	
	FY 2021	FY 2022
<b>Scope 1</b>		
Combustion of Fuel and operation of facilities	36,507,978	90,844,288
<b>Scope 2</b>		
Electricity, heat, steam and cooling	11,767,089	20,390,430
<b>UK consumption</b>	31,157,869	92,911,260
<b>Non-UK consumption</b>	17,117,198	18,323,458

#### Methodology

We have used Defra's 2020 conversion factors in arriving at the information supplied. An independent, UKAS-accredited, third-party assessor has verified the above data.

#### 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. The Group has used the principles of the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), ISO 14064-1.

# Impact

## Emissions and energy reduction

### Our decarbonisation plans

In FY 2022 we commenced a project to enhance our understanding and collection of emissions data using a location-based methodology. This has started to provide highly valuable insights into our emissions and also gives us the ability to benchmark locations, and identify opportunities for emission reduction through changing behaviour patterns and targeted investment.

This data analysis, which is now reported monthly across our entire estate, will also support our setting of targets and the development of relevant KPIs, an exercise that we plan to undertake in the coming year.

Additionally, as with many businesses, Scope 3 comprises the vast majority of our emissions. With a fleet utilised by our customers, as well as having a large supplier base, we will focus on identifying the material sources of emissions exposure within our supply chain.

Together, these exercises will help to inform our TCFD programme, our CDP submission, and net zero strategy workstreams as we prepare to set meaningful KPIs and targets.

With a new emissions baseline established, a Carbon Reduction Working Party was formed to identify and initiate a series of complementary actions, from colleague education and making improvement into our processes to investment into our properties, workshops and owned fleet to define a decarbonisation strategy.

The team comprises key individuals from across the Group who we believe are best placed to oversee and drive carbon reduction efforts in their area of the business. Our Group Head of HSE, who is leading this initiative, is supported by colleagues from our property and procurement functions, FMG RS's technical director and members of the HSE and sustainability teams in Spain.

### Actions:

There are several behaviours we have identified that could result in reduced energy use. They include lowering the paint booth temperature, using hand blowers and reviewing booth usage when no work is being carried out.

Enhanced HSE induction training provided via our e-learning platform is also going to be launched and will cover energy and emissions management and awareness.

We have engaged with numerous manufacturers to understand how we reduce energy demands and emissions.

Paint booths are a key hotspot for emissions in our operations, and when locations are identified as requiring an upgrade for these booths, we will now use those sites as pilot programmes to test new energy efficient booths.

If successful, the use of these booths will be included in our decarbonisation model and target setting.

We have purchased green contracts for electricity in the UK, and we will be doing the same for our Spanish operations to complement the solar photovoltaic installation programme.

As well as supporting our customers in transitioning their fleets away from ICE vehicles, we are also keen to facilitate this internally.

We have a clear EV infrastructure investment programme for the Group, have begun a programme to install charging points at key sites, and are exploring viable options to switch company vehicles to electric.

### Education

to raise climate change and energy use awareness and foster new operating behaviours across the business

- Rollout Energy Management Toolbox Talk to all sites, focusing on:

- Lighting
- IT and operational equipment
- Heating, ventilation and air conditioning
- Water management
- Materials usage

### Processes

to drive efficiencies and manage our resources more effectively

- Improve equipment maintenance practices across our FMG RS business
- Consolidate waste and water management

### Investment

to create more efficient environments and reduce our energy demands

- Expansion of solar power opportunities across Spanish operating sites
- Continue rollout of LED lights across entire property portfolio
- Installation of smart meters to support Education and Improve Processes
- Continue screening essential and high energy intensity equipment, such as paint booths and bodywork ovens for more efficient alternatives



# Impact

## Waste management

Across the Group, we are committed to both reducing the waste we produce and increasing the amount we recycle. In the UK, our intention is to achieve Zero Waste to Landfill by 2025, and we are working hard to set similar targets in Spain and Ireland. Our approach to waste management is set out in our Waste Minimisation and Recycling Policy Statement (available to view on our website).

Given the breadth of the Group, with operating environments ranging from offices to workshops, we manage a variety of different waste streams, from general office waste such as paper and plastics, to hazardous materials including oil and vehicle batteries from our workshops.

To improve the management and oversight of these varied waste streams at our operations across the UK, we decided to consolidate our waste collection with two waste providers. In addition to competency and ability, our tender process focused heavily on environmental credentials and the ability to provide insightful information to inform and enable a reduction in our impact on the environment.

With the information we receive from our two providers, we now have significantly better visibility and have been able to assess our waste streams and begin implementing improvements. In FY 2022 we increased the amount we recycle, removed general waste skips from a number of sites, and introduced specialist collections for certain items to avoid landfill.

Through our oil waste provider, 100% of the used lubricating oil generated in the servicing of our vehicles is sent to their oil re-refinery and processed back into a base oil to be used in the production of brand-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.

In Spain, we similarly wanted a strategic waste management provider, and therefore centralised the majority of our waste streams with one main contractor. We are working with them to find solutions that align with our aim to reduce our environmental footprint.

Another key element of our approach is educating our workforce about recycling and minimising waste. All colleagues across the Group receive a site-specific induction which includes an identification of waste receptacles, how waste should be segregated, and what type of waste services to use. It is compulsory for all new colleagues to complete relevant health, safety and environmental training modules.

We want this education to be ongoing; in FY 2022 we ran training sessions and toolbox talks with teams about how to better manage waste, and we are committed to strengthening this understanding.

Educating our workforce about correct waste disposal and recycling will support the achievement of our waste reduction goals, and we therefore provide training to improve awareness and keep good practice at the forefront of people's minds.

We established a recycling performance table to introduce healthy competition and ensure we recognise and praise good performance. In order to minimise paper use in Spain, no individual printers are provided, everyone has a printer code, and all printing must be double-sided.

## Water management

To improve oversight of our water use in England, Scotland and Northern Ireland, we have consolidated all the contracts we have together under one provider.

This will enable our water broker to provide us with information to help make better decisions; they will be monitoring water consumption and will be able to identify any high usage that may indicate leaks and thereby improve water conservation.

We have five water recycling units installed at Spanish sites, and one unit in the UK with plans to undertake feasibility studies across the Group for installing more.

### Material Issue in Focus:

#### Waste and Hazardous Materials Management

Data analysis is essential for making informed decisions with the aim of having a positive outcome.

Working with our waste provider and utilising the management information they provide, we have been able to make significant strides in the last year with improving management of our waste streams. Foremost, we have overseen a material increase in recycling rates at our Northgate and Auxillis sites. We have removed general waste skips from 18 Northgate locations, and we are currently reviewing this project for the remaining 20 branches as well as at 12 FMG RS locations.

We installed a new Headlight Recycling Service at the Northgate sites and plan to install this across this FMG RS estate in FY 2023.



# Impact

## Community engagement

We are committed to giving back to the communities we operate in and are engaged with a number of projects and charities at a local level across every business. These include choosing initiatives which reflect the needs of the communities in which we and our people live and work.

For example, FMG are proud supporters of the Forget Me Not charity, supporting families in the Kirklees area, and they also fundraise throughout the year for a colleague whose child has leukaemia, to help with life-saving treatment.

NewLaw raised money for the Spinal Injuries Association by virtually cycling to all the spinal injury units in the UK and ran an event to fundraise for the Believe Organ Donor Support.

In Ireland, Northgate participated again in the 'Shoebox Appeal' for Team Hope, an Irish charity working to help children affected by poverty in Eastern Europe and Africa. The team organised a collection of gift-filled shoe boxes from all offices and Northgate is planning on taking part in Team Hope Shoebox Appeal again this November 2022.

We are members of Darlington Cares, a collective of businesses in the North of England that organises projects to benefit the local community. As part of this initiative, as well as financial support, Redde Northgate colleagues supported the Firthmoor & District Community Association in the construction of the children's playground and have subsequently supported two further schools to transform their outdoor spaces.

Redde Northgate were also recognised as a community champion in Darlington at the All-Party Parliamentary Corporate Responsibility Group (APCRG).

It is clear that Redde Northgate is a highly respected and trustworthy business that takes their community responsibilities seriously. The team go above and beyond to support our local community and they are a credit to the community of Darlington. I am delighted that they have been recognised.

**Peter Gibson**  
Member of Parliament



It was a pleasure to attend the annual awards and great to see our business and our colleagues recognised for their contributions to the Darlington community. It's important for us to continue supporting local community projects and I would like to thank Peter Gibson MP for his recognition of Redde Northgate.

**Brett Hilliard**  
Group Partnership  
Director Redde Northgate

### Material Issue in Focus:

#### Community Engagement and Investment

In Spain, our teams utilised their fleet to support various projects, including loaning vans to the Jarama Group's 'Kilometros por una Buena Causa' (Kilometres for a Good Cause), to Fundación Menudos Corazones (which supports people with congenital heart disease) for a summer camp, to Fundación Altius to support its project donating food to families in project, and to Fundación Madrina which supports vulnerable pregnant women and mothers with young children in at risk situations.

In March this year, we loaned seven vehicles to different associations for the transfer of Ukrainian families in Poland, and have also collected basic necessities and medicines to donate to Ukrainian citizens. We were involved in 'Un Diabético en el Dakar', supporting the first person with type 1 diabetes to participate in the Dakar Rally.

**'We were proud to help "Un Diabético en el Dakar" in such a tough competition and also to give visibility to their project. During the Dakar, these athletes show that with perseverance, great achievements can be made, regardless of the barriers that may appear, including a disease as difficult as diabetes. These values of adaptability and tenacity are present in our DNA and we bring them to every action we take.'** Eduardo González de la Rocha, Commercial and Marketing Director

# Impact

## Public policy and industry participation



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 (British Vehicle Rental and Leasing Association) 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.

During the year, a key area of focus for the committee was to discuss the supply, infrastructure and financing constraints that are limiting the decarbonisation of the UK's commercial vehicle fleet in step with that of passenger cars.

The committee tabled five key issues for the UK government to consider, focusing upon access to financing, ensuring that the supply chain caters to vans and setting van-specific targets for the investment into EV charging infrastructure.

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.



## Transition

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

### What we said we would do

- Broaden our non-ICE vehicle service and product offering to support customers wanting to transition to EVs
- Develop our disclosure in line with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations

### What we have done

- Designed our Drive to Zero tool to guide our customers through the EV transition
- Conducted qualitative scenario analysis as part of the TCFD programme

### What we plan to do

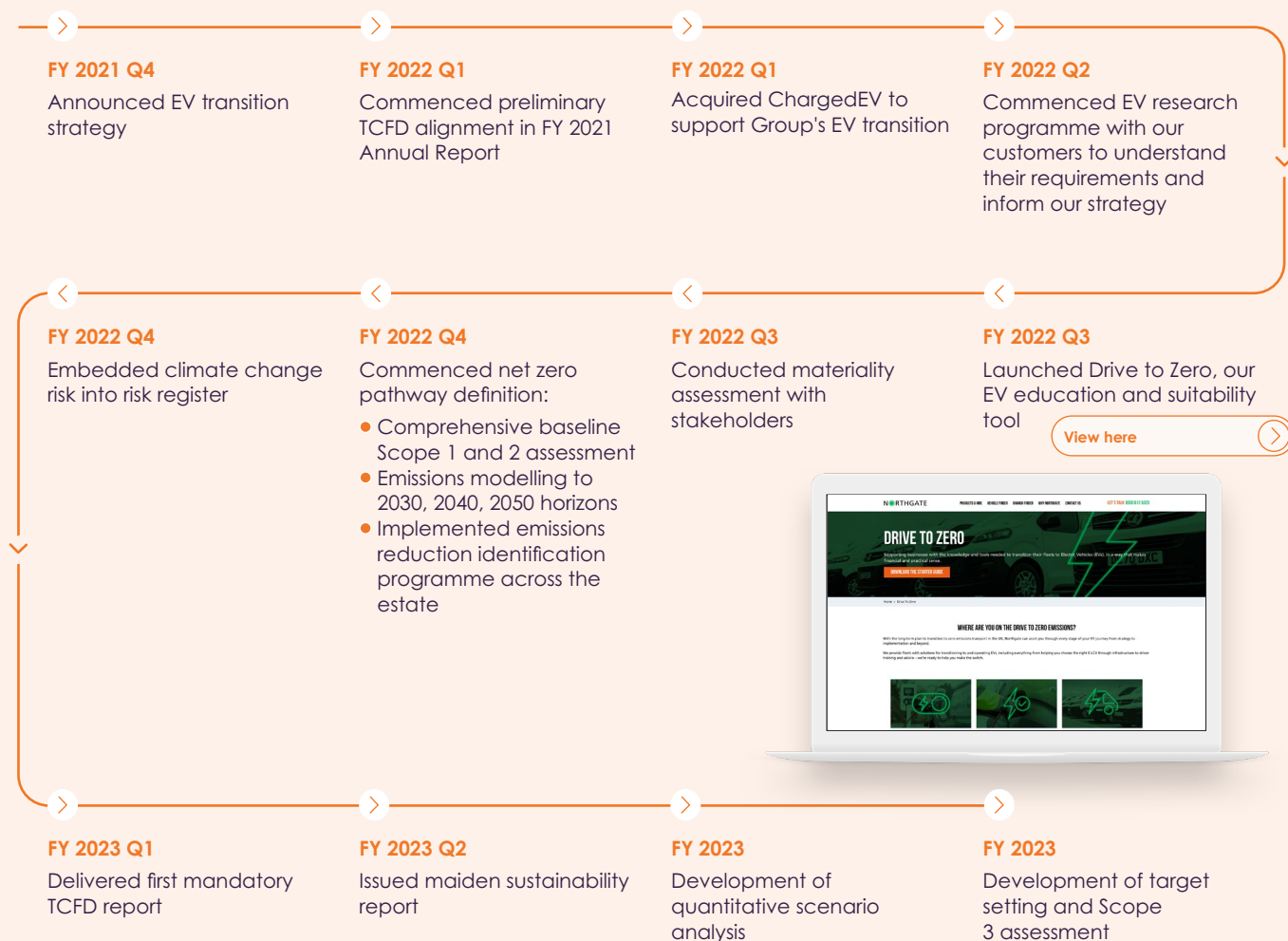
- Continue to increase the availability of suitable non-ICE vehicles for our customers
- Enhance our understanding of our Scope 3 emissions, beyond customer vehicle use
- Maintain strong governance and oversight of climate-related risk

# Transition

## Our journey so far

The following timeline shows how we have approached our adoption of Transition-related activities including the TCFD framework.

We have outlined the steps we have taken to date to adopt the TCFD recommendations, as well as the next steps we plan to take in continuing to embed the framework into our business.



# Transition Overview

The transition from internal combustion engines (ICE) through to low carbon or zero-emission vehicles (ZEV) over the coming decades is one of the fundamental energy transitions taking place globally.

It will have a significant impact on countries and corporates achieving the goals set out by the Paris Agreement for limiting climate change and delivering on the responsibility we have to protect the planet and the communities in which we live and work.

For Redde Northgate and many of our vehicle hire customers involved in logistics and transportation, this transition is central to achieving corporate net zero strategies. It has far-reaching consequences across the supply chain and for achieving timeframes for emission reduction milestones.

Our plans to reduce our Scope 1 and 2 emissions are discussed under our Impact pillar but, with emissions from our customers

expected to account for over 95% of our own carbon footprint when recognised as Scope 3 emissions, our own pathway to net zero is defined by the transition to ZEVs for both passenger vehicles and light commercial vehicles (LCV).

At Redde Northgate we see significant opportunities to be a force for positive change and to help define and support our customers as they look to develop strategies to manage such a transition, which remains at its very early stages for LCVs in particular.

Working with the automotive and EV infrastructure supply chain and ensuring pragmatic government approaches to LCV regulation are both going to be key to accelerating such a transition and delivering emission reductions for ourselves and our customers. We are also monitoring the viability of alternative fuel source solutions such as biofuels.

We are already ensuring our passenger vehicle fleet reflects the UK car parc and are growing our EV fleet to ensure we are able to provide such cars as replacement vehicles through our Auxillis network. For Northgate, only a handful of LCV models are currently available in either hybrid or full EV format, and none are currently able to fulfil the range and payload demands of many of our customers.

In FY 2021 we announced our ZEV strategy with the expectation that by the mid-2030s a significant majority of our UK fleet would be EVs, and our entire fleet in the UK and Spain would have exited the supply of ICE-vehicles within the following decade.

This move is in step with the regulations that are being introduced in the UK, Ireland and Spain. However, whilst we are in support of these changes and are working hard to understand the pathway forward, regulatory focus is currently weighted towards personal passenger vehicles.

Meanwhile, gaps remain in legislation regarding commercial vehicles which represent a significant proportion of vehicles in these countries and are Redde Northgate's key product.

In Ireland specifically, while focus on the green agenda in mobility has increased, this is not presently extended to capture electric light commercial vehicles. Further, whilst we are working hard with OEMs to progress this transition, we will be strongly influenced by technology development across the EV supply chain.

Over the past year we have been putting in place the key building blocks of this strategy including our Drive to Zero customer programme. In FY 2023 we intend to set interim targets for Scope 1 and 2, and more clearly define our decarbonisation roadmap to 2050.

## This strategy for managing our EV transition centres around four elements:

Industry engagement	Enhancing EV skills and capabilities	Infrastructure investment	Customer support
<p><b>OEMs:</b> Engaging with broad range of OEMs on their EV plans for LCVs in particular, and technology development for both vehicles and fuels</p> <p><b>BVRLA:</b> Supporting industry lobbying efforts with government departments on regulations which will facilitate the transition to low or zero emission LCVs</p>	<p><b>Skills:</b> Training across business areas on how to manage EV fleet</p> <p><b>Capabilities:</b> Bringing expertise in-house and capability to develop charging infrastructure and consultancy</p>	<p>Charging points at depots: we are installing EV charging points across our estate</p> <p>Kitting out workshops for EV repairs</p> <p>Bringing EVs into fleet</p>	<p>Consulting: we have business analysts and EV experts to support customer fleet strategies</p> <p>Customer infrastructure: installation of EV chargers</p>
Actions in FY 2022	Actions in FY 2022	Actions in FY 2022	Actions in FY 2022
<p>Supporting engagement with OZEV, DfT and BEIS on BVRLA Van Plan proposals</p> <p>Achieving extension to LCV plug-in grant</p>	<p>Acquired Charged EV business</p> <p>Majority of workshop technicians in the UK certified to IMI Level 3 to work on EVs</p>	<p>11 Northgate sites have EV charging units installed</p> <p>Over 50 sets of EV workshop equipment acquired</p>	<p>Consulting: launch of Drive to Zero programme &amp; services</p> <p>Over 6,000 EV charging points installed at customers' premises</p>

# Transition

## Seizing the opportunity – Drive to Zero

Our fleet presents a great opportunity to support the decarbonisation efforts of our customers in UK&I and Spain.

Our ambition is to provide suitable products that support our customers in reducing their carbon emissions and achieving their own net zero targets.

As such we created Drive to Zero to support our customers not only identify electric vehicles to meet their requirements, but also to offer support in managing everything that comes with running an EV.

### Defining our approach

We carried out a customer survey to understand the views and perceptions of the EVs held by our customers and their needs to transition to electric vehicles. This process was invaluable, providing insights to identify and prioritise potential solutions to support our customers adopt EVs in step with their operational demands.

Drive to Zero is focused on 4 key pillars of support:

### Suitability analysis

- We provide analysis on fleet utilisation using telematics data on vehicle journeys. By capturing this information, we can advise our customers on the parts of their fleet that might be suitable to switch to electric power trains.
- We offer commercial models that provide customers with cost visibility that may be incurred through transitioning their current fleet set-up to lower carbon emission vehicles.

### Vehicle rental

- Offering to fleets a choice of low emission vehicles. Whether this be through our modern fleet of diesel vehicles, the majority of which are Euro 6 compliant, or through our growing portfolio of electric vehicles.

### Electric charging infrastructure

- Providing charging infrastructure to fleets to support their electric vehicles. Support can be provided across domestic, commercial or public with a digital onboarding service provided by Charged EV.

### Support & guidance

- Trained technicians within our workshops to support on service and maintenance for any electric vehicles.
- Ongoing charging support as necessary through Charged EV

- On the road support through our partnership with RAC – technicians with the necessary tools to keep electric vehicles on the road and charge up where necessary.
- Online training modules for drivers and fleet management to improve their knowledge on what is needed to transition to an EV fleet and guides on how to drive/charge the vehicles themselves.

### What we're doing next...

Education is essential to enable our customers make informed decisions and start their fleet transition journey. We've focused on providing our customers with tools that simplify this process, which include:

- A platform that consolidates billing and invoices for a business when drivers use charging at home, work or out on the road.
- A platform that analyses current vehicle use and provides advice on how to reduce their carbon footprint. This also includes a questionnaire for individual drivers to assess the feasibility of transitioning to an electric vehicle.
- New payment solutions to help manage the cost of transitioning fleets to lower carbon practices. These include a rental option for EV chargers rather than paying up front.

In addition, we have started to broaden the proposition to include areas beyond EVs such as assessing the viability of biofuel options to customers who are not yet able or comfortable transitioning to full electric vehicles.



**NORTHGATE**  
for all vankind

## ELECTRIC VEHICLES STARTER GUIDE



# Transition

## Task Force on Climate-related Financial Disclosures

The Task Force on Climate-related Financial Disclosures (TCFD) is committed to increasing market transparency on climate-related risks and opportunities. In 2017, the TCFD released climate-related financial disclosure recommendations designed to help companies provide better information to support informed capital allocation.

We are now pleased to adopt the TCFD recommendations as part of our commitment to responsible business and, through our disclosures, enable our stakeholders to better understand our position regarding climate-related risks and opportunities.

Through the processes involved, including climate-related scenario analysis, and better understanding of our footprint and impacts, we are also developing our own capacity to successfully manage and mitigate climate-related risks and ensure we are well positioned to harness climate-related opportunities.

### Governance

Our Board of Directors has oversight of climate-related risks and is informed of climate-related matters that may positively or negatively affect the Group's ability to deliver on strategy.

It has responsibility for reviewing emerging trends and key issues related to ESG matters, including climate change, setting and overseeing the Group's strategy, and governance of ESG matters.

Possessing significant industry experience and long-term planning and analysis capabilities, the Board is well placed to assess these risks and ensure the correct mitigating strategies are in place.

The Board takes responsibility for the effectiveness of risk management and internal control systems.

During the year, climate change-related issues were incorporated into the Group's risk management framework – specifically the Group's principal risks of market, legal and compliance, and access to capital – and are assessed by both the Audit Committee and the Board.

Ultimate responsibility for climate change considerations is held by our CEO, while day-to-day management of these matters sits with the Group Management Board. The CEO is responsible for the Group Strategy, which includes the Zero Emissions Vehicles (ZEV) transition strategy to ensure the business is aware of and prepared and resourced to address market opportunities.

Our CFO is responsible for overseeing the development of our TCFD work programme, working closely with our sustainability consultants.

Our Group Management Board, comprising business and functional heads from across the business in the UK, Ireland and Spain, provides support to our two executive directors. Key figures include Head of Fleet, Head of HSE and Head of Property.

### Strategy

We operate from nearly 175 sites, including workshops, body shops and branches, along with offices and call centres across the UK, Ireland and Spain. This geographical spread presents a range of physical climate and environmental conditions, as well as moderate variances in climate-related maturity across market, technology, policy and legal aspects.

Following the recommendations of the TCFD, we conducted an assessment of our climate-related risks, starting with climate-related scenario analysis to determine what impacts transitioning to a low carbon economy may have, considering different scenarios over the short-, medium- and long-term horizons.

Climate-related risks and opportunities potentially relevant to Redde Northgate were identified and characterised according to the TCFD framework.

A list of risks and opportunities was identified through various workshops and meetings with key personnel from different segments and functions of the business. Tables 2 and 3 on the following pages provide a summary of the risks and opportunities from our assessment deemed to be relevant to the organisation.

These risks and opportunities describe the most relevant potential drivers and impacts that we could face, if the respective risk remained unmitigated, or the opportunity actualised. The climate-related risks and opportunities were divided into different categories as outlined in the TCFD recommendations, and as a Group we considered the key impacts for each category.

- Transitional risks: market, technology, reputational, policy and legal.
- Physical risks: acute and chronic.
- Opportunities: resource efficiency, energy source, products and services, markets, resilience.

Short-, medium- and long-term time horizons were designed to correspond to key operational planning dates (i.e. short term fleet renewal cycle) and regional technology commitments (i.e. ban of sale of ICE vehicles), whilst enabling consideration of longer-term climate-related risks and opportunities that could materialise beyond such horizons.

Time horizons were assigned to climate-related risks and opportunities depending on when they were deemed as most likely to materialise, should the risk remain unmitigated, or the opportunity actualised, and are summarised in Table 1.

**Table 1: Time horizons**

<b>Short term:</b>	0 – 3 years (up to 2025)	– Redde Northgate operates a three year fleet renewal cycle
<b>Medium term:</b>	3 – 8 years (up to 2030)	– European ICE sale ban by 2030's (e.g. UK)  – 40% renewables share of gross final consumption by 2030 proposed under EU Renewable Energy Directive
<b>Long term:</b>	8+ years (up to 2050)	– Scientifically recognised target year for achieving global net zero emissions to limit end-of-century global temperature rise of 1.5 degrees

# Transition

## Task Force on Climate-related Financial Disclosures

Table 2: Climate-related risks

Risk	Type	Risk description	Potential outcomes	Mitigating activities	Timeframe
Transition: Transitioning to a lower-carbon economy may entail extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.	Policy and Legislation	More stringent reporting obligations demand more resources to remain compliant.	Legal and/or reputational issues, which in turn drive compliance costs and potentially impact cost of capital.	<ul style="list-style-type: none"> <li>Monitoring potential legislative and regulatory changes</li> <li>Committed to net zero by 2050 target</li> <li>Working to define net zero strategy and set progress targets</li> </ul>	Short
		Increased acquisition costs of ZEVs due to policy changes in fuel subsidies driving increased demand for a limited supply of fit-for-purpose light commercial ZEVs.	Increased CapEx in an increasingly competitive market.	<ul style="list-style-type: none"> <li>Engaging with international footprint of ZEV OEMs, expanding supplier base, and considering new market entrants</li> </ul>	Long
	Infrastructure and Technology	Public charging infrastructure is insufficient to adequately support the deployment of ZEVs.	The lack of access to adequate infrastructure will impact demand for ZEVs.	<ul style="list-style-type: none"> <li>Acquired Charged EV to enhance the Group's ZEV offering, recognising that charging infrastructure is a key inhibitor to a timely transition</li> </ul>	Short
		The availability of fit-for-purpose ZEVs, reducing ability to successfully transition in step with current policy.	Lack of fit-for-purpose ZEVs may reduce revenues.	<ul style="list-style-type: none"> <li>Engaging with international footprint of ZEV OEMs, expanding supplier base, and considering new market entrants</li> </ul>	Long
	Market	Higher level of competition in the mobility industry, particularly from start-ups and new business models built to service the green transition.	Increased competition will impact market share and reduce revenues.	<ul style="list-style-type: none"> <li>Marketing our Drive to Zero turnkey product and services offering</li> <li>Engaging with international footprint of ZEV OEMs, expanding supplier base, and considering new market entrants</li> </ul>	Long
	Reputational	Failure to meet internal or external stakeholder climate-related expectations, impacting relations.	<p>Perceived higher risk investment, increasing cost of capital with investors, financial institutions and insurers.</p> <p>Access to financial and human capital, lower colleague retention.</p>	<ul style="list-style-type: none"> <li>Define and communicate our net zero ambitions</li> <li>Continue to enhance our Drive to Zero product offering and enhance non-ICE product suite</li> </ul>	Short to Long
Physical: Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns.	Extreme weather events such as drought, flooding and storms	<ul style="list-style-type: none"> <li>Damage to our properties and vehicles which will incur increased CapEx and insurance costs.</li> <li>Impacts of supply chain disruption from increased severity of extreme weather events may impact operating costs and capex, as well as impact revenue if customer demands cannot be met.</li> </ul>		<ul style="list-style-type: none"> <li>Business continuity and crisis management plans in place</li> <li>Investment and expansion of supply chain</li> </ul>	Long
	Changes in average climate conditions, including rising sea levels, coastal flooding and increased average temperatures	<ul style="list-style-type: none"> <li>Increased operating costs driven by the increased use of climate control systems across our properties, particularly in parts of Spain.</li> <li>Increased maintenance and insurance costs.</li> </ul>		<ul style="list-style-type: none"> <li>Investment into property portfolio</li> <li>Continue investment into solar projects to reduce operating costs and our carbon footprint</li> </ul>	Long

# Transition

## Task Force on Climate-related Financial Disclosures

Table 3: Climate-related opportunities

Opportunity	Description	Progress	
Products and services	Provision of turnkey ZEV and charging solution to simplify the transition for customers	In late 2021, we conducted market research with our customer base to better understand their questions and concerns regarding the transition from ICE to ZEV.  We have since designed our Drive to Zero offering that helps our customers conduct suitability assessments of their fleet to transition to ZEVs where possible. In addition to helping source the vehicle and identify an EV charging point, we offer an aftermarket support and management service, making the move to ZEV as streamlined as possible.	Short to long
	Increased demand in our accident management and repair services	As the potential for adverse weather events increase in frequency, so the potential demand for services provided by Redde, Auxillis, FMG and FMG RS may increase.  Consequently, customer and end-user demand may increase, enhancing revenues.	Long
	Faster access to ZEVs	The Group has invested time researching new OEMs in order to gain access to non-ICE vehicles.  Customers that have established more aggressive net zero plans may be willing to pay a premium to convert their fleet faster, enhancing market share and revenues.	Short to medium
Resource efficiency	Increased energy efficiency across our operating sites	In the UK, we continue to invest in LED lights, which have a positive impact on energy usage to reduce operating costs.  Across our work and paint shops, we are implementing behavioural training programmes to raise energy usage awareness and better operating practices. This will reduce operating costs.	Short to medium
	Increasing renewable energy supply across our operations in Spain	Investing in solar projects across our portfolio in Northgate Spain to reduce operating costs and our carbon footprint.	Short to long

### Scenario analysis

A key recommendation of the TCFD framework is that organisations undertake climate scenario analysis. This process and the outcomes enable a developed understanding of the potential exposure of their businesses, strategy and financial planning to climate-related risks and opportunities.

The development of the scenarios and analysis applied by Redde Northgate was comprised of a three-step process.

We will continue to refine our scenarios and analysis as we develop our understanding of our Scope 3 emissions profile.

We provide more detail of each scenario within Table 4, enclosed within the appendices.

Assess materiality of climate-related risks and opportunities through interviews with key stakeholders



Identify and define a range of scenarios



Assess business impacts



# Transition

## Task Force on Climate-related Financial Disclosures

### Analysis and resilience

Throughout the scenario analysis exercise conducted, no potentially material short-term climate-related risks were identified to have a significant impact on the financial performance of the business.

While risks do exist, Redde Northgate's current strategic actions and progress, as described in Table 2, position the organisation appropriately in terms of adequate mitigation.

The low-carbon transition also presents Redde Northgate with several climate-related opportunities and an early understanding and strategy definition allows the business to ensure opportunities are actualised.

As of today, our products and services broadly fall into the following areas: vehicle rental, fleet management and accident claims and repair services. Whilst there is a carbon footprint associated with each of these areas, we perceive the greatest transition risks sit firmly within our vehicle rental business, given the GHG emissions profile of around 120,000 vehicles used by our customers.

Redde Northgate's Impact and Transition strategic ESG pillars represent our approach to these risks and their management.

Scope 1 and 2 emissions energy reduction, inclusive of our waste and water management, remains our focus as well as our Drive to Zero product and service offering, which targets Scope 3 emissions.

Linked to these pillars, we are updating or developing objectives and targets to identify and reduce our own impacts and at the same time, develop and improve measures to build long-term resilience against the impacts of climate change across the Group.

Given the uncertainty of this transition programme and in particular the role of government regulation and technology/ infrastructure advancement, we recognise the importance of ensuring that we continue to evolve our risk management framework and the scenarios applied to identify and explore climate-related risks.

### Risk management

The Group's Risk Management process captures a variety of climate-related matters, which form part of our Group Risk Register and are shared directly with the Board. With the UK and EU amongst the leading jurisdictions globally seeking to address climate change, we closely monitor existing and emerging regulatory matters that have the potential to impact the Group.

The Board has responsibility for the Group's overall approach to risk management and internal control which includes ensuring the design and implementation of appropriate risk management and internal control systems.

This comprises assessing the effectiveness of these systems, which includes regular reviews to ensure that the Group is identifying, considering and, as far as practicable, mitigating the risks for the business.

### Metrics and targets

Our Group objectives are focussed twofold: reducing our greenhouse gas emissions and utilising renewable electricity on the sites where we have direct control – Scope 1 and Scope 2; and, enabling our customers to transition to ZEVs to reduce their emissions – Scope 3.

This year, we rebased our Scope 1 and 2 emissions to capture the FMG RS sites, acquired in 2021. Working with our energy and water consultancy, we established a framework to consistently collect energy and water data from our operating sites.

This data has enabled us to obtain visibility of our entire Scope 1 and Scope 2 greenhouse gas emissions across the entire Group and we are in the process of identifying reduction targets for our Scope 1 and Scope 2 emissions through our Net Zero Working Group.

We have also started to assess our Scope 3 emissions derived from customer usage of our fleet.

It is our intention in the coming years to publish our Scope 3 emissions as we define our net zero targets, in step with the transition of our fleet.

Our greenhouse gas emissions performance can be found on page 19.

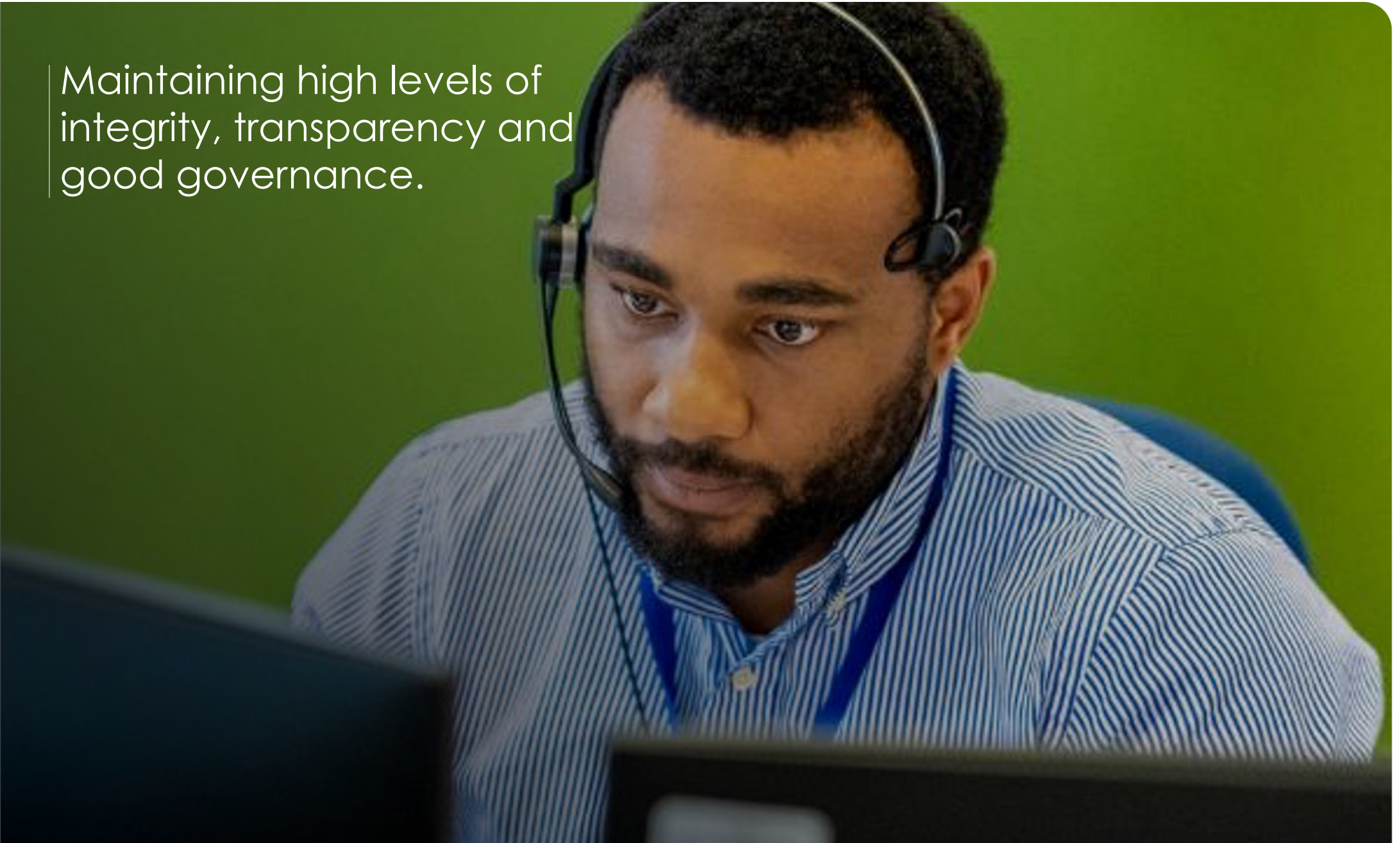
Our TCFD compliance table can be found within the appendices.



## Governance

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Maintaining high levels of integrity, transparency and good governance.



# Governance

Strong corporate governance and effective risk management are vital if we are to remain a sustainable, successful business that brings long-term shareholder value.

To ensure we deliver on our strategy and achieve our objectives, we rely on a comprehensive framework of policies and management systems. These enable us to assess and manage risks effectively, including emerging risks. These are underpinned by our values, Code of Business Conduct and operating standards, all of which are widely understood and adhered to across the Group.

## Board oversight

Our Board of Directors has ultimate responsibility for the Group's ESG strategy and activities, including oversight of climate-related issues. It has responsibility for reviewing best practice and key issues related to ESG strategy and governance, with the CEO reporting on progress against KPIs and targets set.

The Board also 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 and Risk Committee.

This committee report their findings to the Board on a regular basis, and formally at least twice a year.

Further details of our corporate governance activities can be found within our Annual Report, which can be downloaded from our website.

## CEO and management responsibility

Ultimate responsibility for climate change considerations and mitigating actions is held by the CEO, with day-to-day management delegated to the Group Management Board, comprising business and function heads.

Our CFO is responsible for the TCFD programme and development of relevant KPIs and net zero strategy. Given the move to EV and non-ICE vehicles is central to the Group's business as well as supporting our ESG Transition activities, these are managed as part of the Group's corporate strategy and normal business activities.

Executive functions with oversight and responsibility for other ESG matters include the Head of HSE in the UK and Ireland and the Director of Development and Sustainability in Spain. A Head of Sustainability is expected to be hired in FY 2023 who will oversee Group strategy and governance, including the development of an ESG committee, broadening the focus of the current Net Zero Working Group.

## Ethics, anti-corruption and compliance

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 e-learning platform, and is proactively completed by our colleagues.

## Raising issues of concern

Whilst we set clear expectations regarding colleague conduct, we know that issues do rise on occasion and we want our colleagues to feel confident in their ability to raise concerns and speak out against suspected breaches of conduct.

The Group has a formal whistleblowing policy and procedures ensure every colleague has a voice and a means to raise concerns to the Group confidence.

Whistleblower reports are reviewed by the Head of Audit and Risk and the Head of Group Legal, whilst the Chair of Audit Committee holds ultimate responsibility for managing any complaints. Three whistleblower reports were made in FY 2022; none of them were deemed material and all were closed out in the year.



# Governance

## Cybersecurity and data privacy

Our IT infrastructure is central to the efficient and effective operation of the business. As such we have continued to consolidate and centralise our IT platforms. Project Connect aims to move all colleagues onto a single core system so that everyone is working on the same platforms and with the same emails.

Concurrently, we are undertaking a project to replace the UK Northgate van rental and fleet management system, with a new system that covers all segments of the business. Our IT function works closely with the Business Change Teams across the Group to assess the proposed and developing projects and establish the IT Team's capacity available to support these projects.

The centralisation of our systems also supports our ability to manage vulnerabilities in data security, as there is improved oversight when all colleagues operate on the same platforms.

All colleagues must complete information security training and we set a number of rules in our contact centres to mitigate risk, including a no phones at desks policy, using whiteboards rather than hard copies of data wherever possible, and using our internal system to track usage if a data breach occurs. We are currently building a dashboard to monitor IT and data security performance.

Through our information security management system we identify the security statements and the policy statements and then the necessary audits to evidence our compliance.

We assess whether sensitive data will be shared in tender documentation and, if then required, send the appropriate questionnaire as part of the tender and involve our InfoSec Manager to ensure no data breaches occur.

A lot of the data gathered by our Sales Teams is stored in our Customer Relationship Management system; this is monitored by the Business Support Team who act as gatekeepers for this information.

We conduct vulnerability scanning, have rolling penetration testing scheduled across all the businesses in the Group for the external facing systems, and conduct penetration testing for any new external system developments before they go live.

## Supply chain management

With a significant number of suppliers and partners at local and Group level, our suppliers are an integral part of our business and value chain.

We are continuing to build 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. This will enable an improvement in monitoring environmental compliance and social matters such as quality control, modern slavery and human rights, and health and safety.

To ensure our procurement teams are best placed to manage these relationships, we are evolving and maturing our approach, seeking to simplify procurement across the Group, integrate with each business segment, and increase control and rigour of the process.

We have focused in the first instance on ensuring that our business segments with the greater perceived levels of supplier risk are fully integrated.

In streamlining our procurement functions by having one for the UK and Ireland that represents all the Group businesses, and one for Northgate in Spain, we can take a more strategic view of the supply chain issues that may affect our business.

This longer-term view enables greater awareness of issues that may impact customer experience and as such we are able to formulate well-informed, timely responses that ensure a continuation of excellent service.

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.

When onboarding new suppliers we make checks on ethical trading, covering modern slavery, and bribery and corruption, and where and when appropriate we will audit suppliers.

In seeking to have a more positive impact on the environment and society, we know that we need to work with like-minded businesses and look to raise standards. Consequently, we are asking more questions of our suppliers and integrating criteria concerning ESG management practices into our RFP and RFI documents at Group level.

The procurement functions will continue to strengthen their presence across the business, in line with the Focus and Drive pillars of our corporate strategy.

### Material Issue in Focus:

#### *Governance and Supply Chain Management*

Providing fleet incident management services, FMG manages every single aspect on behalf of their customers, from First Notification of Loss to Risk Management, Telemetry, Rental, Vehicle Recovery, Non-Fault Hire and Legal Services, all whilst keeping drivers mobile throughout. For our customers, which include emergency services, government-owned businesses, and large insurance companies, it is critical that they keep their own stakeholders and customers safe and are able to rely on our support in responding as quickly as possible to an incident.

In order to meet these customer requirements, FMG maintains exceptionally high standards in governance practices. Whilst aligning to all Group policies, we layer additional elements of compliance into our FMG policies and procedures in order to maintain our BSI accreditations.

Further, we manage a well-established network of high-quality partners to support the delivery of our service. We undertake a range of financial, operational, social, environmental and governance assessments during onboarding and conduct quarterly audits. This ensures that we only work with partners that meet our own operating standards and are therefore able to deliver the level of service we are committed to for our customers.

ISO accreditations held by FMG:

- **ISO 27001** – Information Security Management System
- **ISO 14001** – Environmental Management System
- **ISO 9001** – Quality Management System
- **ISO 22301** – Business Continuity Management System
- **ISO 39001** – Road Traffic Safety Management System

## Appendices

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# Governance

## Global Reporting Initiatives

The table below references the relevant GRI Standards which are referenced in our FY 2022 reporting – including page numbers where they are contained in this Sustainability Report, or identified as being in the FY 2022 Annual Report or company website.

GRI STANDARD	DISCLOSURE	LOCATION
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-1 Organizational details	Redde Northgate plc Northgate Centre, Lingfield Way, Darlington , DL1 4PZ UK, Ireland and Spain
	2-2 Entities included in the organization's sustainability reporting	Auxillis, Charged EV, FMG, New Law, Northgate 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 4 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	<a href="https://reddenorthgate.co.uk/about-us/board-of-directors/">https://reddenorthgate.co.uk/about-us/board-of-directors/</a>
	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 pages 2-3

# Governance

## Global Reporting Initiatives

GRI STANDARD	DISCLOSURE	LOCATION
<b>General disclosures</b>		
GRI 2: General Disclosures 2021	2-23 Policy commitments	<a href="https://reddenorthgate.co.uk/responsible-business/our-csr-policies/">https://reddenorthgate.co.uk/responsible-business/our-csr-policies/</a>
	2-24 Embedding policy commitments	See page 7
	2-26 Mechanisms for seeking advice and raising concerns	See page 33
	2-28 Membership associations	See pages 23
	2-29 Approach to stakeholder engagement	Annual Report
<b>Material topics</b>		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	See page 5
	3-2 List of material topics	See page 5
<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	See pages 29-30
	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 34
<b>Anti-corruption</b>		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 33
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	See page 33
<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

# Governance

## Global Reporting Initiatives

GRI STANDARD	DISCLOSURE	LOCATION
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	See pages 19-20
GRI 302: Energy 2016	302-1 Energy consumption within the organization	See page 19
Water and effluents		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 21
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	See pages 19-20
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	See page 19
	305-2 Energy indirect (Scope 2) GHG emissions	See page 19
	305-4 GHG emissions intensity	See page 19
Waste		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 21
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 14
Occupational health and safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 15
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	See page 15
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	See page 14
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	See page 14
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	See pages 12-13
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	See page 12

# Transition

## Task Force on Climate-related Financial Disclosures

Table 4

Scenario	References	Policy & Legislation	Infrastructure & Technology	Market	Consumer Demand
<b>Rapid Reduction</b>  1.5°C	1. IEA net zero by 2050  2. National Grid 'Leading the Way'	<ul style="list-style-type: none"> <li>▲ Overall Net Zero emissions electricity by 2035 allows RN to source green electricity for EV charging from the grid</li> <li>▼ RN will be subject to strict government controls to restrict emissions output from vehicles</li> <li>▲ RN have easy access to EVs from OEMs due to major increases in zero-emission car and heavy truck sales</li> <li>▼ RN could capitalise on supportive tax incentives to install EV charging operations at sites</li> <li>▼ New legislation imposed to reduce risk of uncontrolled EV charging and rapid demand variations</li> <li>▼ Higher fuel and tax rates cause customers to limit travel to reduce operating expenses – fuel taxes will shift to road and/or charging taxes over time with greater uptake of ZEVs</li> </ul>	<ul style="list-style-type: none"> <li>▲ Wide variety of EVs maintains diversity of vehicle portfolio</li> <li>▲ Widespread charging infrastructure aids in facilitating adoption of EVs</li> <li>▲ Shift to 'mobility as a service' and vehicle rental over vehicle ownership – leverage fleet management services</li> <li>▲ Electrification of fit-for-purpose vans ensures adequate supply of LCVs</li> <li>▲ Opportunities to utilise EVs for demand-side flexibility</li> </ul>	<ul style="list-style-type: none"> <li>▲ High level of competition in the mobility industry, including from new companies or technology, will bring more ZEVs to market</li> <li>▲ Heavy investment into ZEVs and charging infrastructure brings down EV pricing and charging tariffs</li> <li>▲ Increased revenues resulting from increased demand for products and services</li> </ul>	<ul style="list-style-type: none"> <li>▲ Widespread public charging infrastructure maintains consumer demand for EVs</li> <li>▼ Pressure to ensure the fleet has both electric and hybrid vehicles both from consumer demand, and from purchase agreements with OEMs</li> <li>▼ Significant pressure from customer base to reduce their Scope 3 emissions</li> <li>▼ Global supply crunches reduces supply of critical materials, boosting EV prices</li> </ul>
<b>Steady Progress</b>  2-3°C	1. IEA Announced Policies  2. National Grid 'System transformation'	<ul style="list-style-type: none"> <li>▲ Fit-for-55 package proposes ban on ICE vehicle sales by 2035, forcing OEMs to supply EVs</li> <li>▲ 40% renewables share in EU increases options and reduces costs for green supply (PPA, REGO, etc.)</li> <li>▼ Strict fuel economy targets raises cost of vehicles</li> <li>▼ Proposed regulations imposed on utility companies may lead to pass through of costs to customers</li> <li>▼ UK remains ahead of Spain in EV adoption</li> <li>▼ Increased resource requirement to meet stricter regulatory reporting requirements</li> </ul>	<ul style="list-style-type: none"> <li>▲ Average emissions of new cars reduced 55% by 2030 supports greening of RN portfolio</li> <li>▶ Improving cost-effectiveness of EVs brings more EVs to market and reduces costs</li> <li>▶ Adequate grid electricity/reliability supports EV charging</li> </ul>	<ul style="list-style-type: none"> <li>▲ Investment into EVs and charging infrastructure brings down costs of EVs and charge tariffs albeit more slowly than 'Leading the Way'</li> <li>▶ OEM supply of EVs to the rental market is satisfactory</li> </ul>	<ul style="list-style-type: none"> <li>▲ 30% market share of EVs by 2030 brings adequate supply of EVs to market</li> <li>▼ 5% of new sale heavy trucks are EV – insufficient to meet consumer demand indicating need for continued operation of ICE vehicles</li> <li>▼ Pressure from customer base to reduce their Scope 3 emissions will boost rental demand for EVs</li> </ul>
<b>Business as Usual</b>  3+°C	1. IEA Stated Policies  2. National Grid 'Steady Progression'	<ul style="list-style-type: none"> <li>▼ Existing regulation is insufficient to incentivise widespread adoption of electric vans, underpinning need to maintain ICE vans and be subject to higher fuel costs and taxes</li> <li>▲ Stronger targets for offshore wind increase green energy supply and brings down cost of REGOs</li> <li>▲ EU member states lend support to green mobility</li> <li>▲ UK ban on sale of ICE vehicles by 2030 and phase out of hybrids by 2035 increases supply of EVs to market</li> <li>▲ RN must be purchasing ZEV only by 2035 to ensure vehicles maintain standards</li> <li>▼ Opportunity to capitalise on rebates offered by government in support of energy efficiency measures</li> </ul>	<ul style="list-style-type: none"> <li>▼ Lack of charging infrastructure deters customers from selecting EVs</li> <li>▼ Unreliable grids/inadequate capacity prevents EV adoption in emerging economies</li> </ul>	<ul style="list-style-type: none"> <li>▼ OEMs continue to favour sale of EVs to retail market and not rental market</li> <li>▼ Emerging markets remain reliant on second-hand ICE vehicles beyond 2030 until the time lag closes – prevents expansion by RN to new markets</li> </ul>	<ul style="list-style-type: none"> <li>▲ Sale of EVs continues to increase albeit more slowly than 'Steady Progress' and 'Leading the Way'</li> <li>▶ Reduced customer demand for EVs</li> </ul>

# Transition

## Task Force on Climate-related Financial Disclosures

### Compliance with TCFD requirements

In our first year embracing the recommendations set out by the TCFD, we have made good progress identifying, analysing and addressing our climate-related risks and opportunities.

We are in the early stages of this process and in addition to enhancing, expanding and further embedding climate change awareness across Redde Northgate, we have provided commentary relating to the three disclosures where we are undertaking further work before providing detailed disclosure.

Set out below is a cross-referencing table, setting out where we have placed our TCFD disclosures within this report.

TCFD pillar	Recommended disclosures	Disclosed
Governance	a. Describe the Board's oversight of climate-related risks and opportunities.	See page 28
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	See page 28
Strategy	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.	See pages 28-30
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	See pages 29-30
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	This was our first year conducting scenario analysis, during which we focused upon the transitional risks affecting the business. A light physical risk assessment was conducted during the year, the business intends to increase assessment of physical risk potential across portfolio, in addition to considering quantitative scenario analysis. See pages 31 and 37
Risk Management	a. Describe the organisation's processes for identifying and assessing climate-related risks.	See Risk Management section of Annual Report pages 28-34 See page 31
	b. Describe the organisation's processes for managing climate-related risks.	See page 31
	c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	See Risk Management section of Annual Report pages 28-34 See page 31

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## Task Force on Climate-related Financial Disclosures

Continued...

TCFD pillar	Recommended disclosures	Disclosed
	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	See Impact section page 19  See pages 26, 31
	b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.	Given the materiality of Scope 3 emissions derived from customer usage of its approx. 120,000 fleet, the business started to internally calculate and monitor these emissions. The business will continue to work on defining its methodology to capture and report these emissions, in addition to considering an assessment of the remaining upstream and downstream Scope 3 categories.  See Impact section page 19
Metrics and Targets	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	We recognise the importance of setting meaningful targets against which we can chart the progress of our decarbonisation pathway. During the year, the Group rebased its Scope 1 and 2 emissions, following the acquisition of the FMG RS business and established a Carbon Reduction Working Party to identify programmes for investment that will reduce Scope 1 and 2 emissions.  This group is working with an external consultancy to model the impact of these investment programmes and set interim decarbonisation targets based on thorough research and due diligence. The Board and Management team strongly believe that this is the most credible approach to defining the Group's decarbonisation plans.  See page 31

**Redde Northgate plc**

Northgate Centre  
Lingfield Way  
Darlington  
DL1 4PZ

Tel: 01325 467558  
[www.reddenorthgate.com](http://www.reddenorthgate.com)

