

Drive to net zero.

ZIGUP plc | Transition Plan

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Enabling the transition to **net zero**.

As a leading integrated mobility solutions provider, we are evolving our services across vehicle rental, recovery and repair to support the shift to a low-carbon economy.



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CEO Foreword

Enabling the transition. ■



As a leading integrated mobility solutions provider, we bring together rental, recovery and repair services to support our customers' mobility needs and keep them moving at the moments that matter most.

Our commitment to making a positive impact is underscored by our dedication to environmental sustainability, and I take great pride in the role ZIGUP plays in enabling mobility while supporting the transition to a low carbon economy.

Most emissions associated with our business occur within our value chain, reflecting how vehicles are sourced, used, and ultimately returned to the market. This means our responsibility is not only to manage our own operations responsibly, but also to use our scale, data and expertise to help customers make informed, lower carbon choices.

Changing markets

Our markets continue to evolve rapidly, with clear long term shifts towards service-led solutions and away from traditional vehicle ownership. At the same time, the shift to electric vans is progressing more slowly than the transition to electric cars. My focus, and that of the leadership team, is on helping customers navigate this complexity in a way that balances environmental ambition with operational reality.

Investing in the transition

This Transition Plan details our value proposition and market context, decarbonisation objectives, and commitment to creating sustainable, long-term value as we move toward a low-carbon economy. This transition will not be linear. Some pathways depend on emerging technologies, regulatory development and growing customer demand to lower their carbon emissions. It is essential that we adapt our approach as conditions change.

We are investing in our people, capabilities and partnerships, decarbonising the areas we can directly control, and working constructively with policymakers and industry associations to remove barriers to progress. By taking a pragmatic, collaborative approach, we believe we can deliver sustainable growth while supporting our customers on their journey to net zero.

Responsibility and accountability

The Executive Committee and I take full accountability for overseeing the implementation of this plan, and we will evaluate progress against it with the same diligence we would apply to any other strategic initiative. Successfully managing this transition requires coordinated action throughout our value chain and engagement from every part of the Group.

Science-based targets

We are committed to our validated science-based targets (SBTs) because they provide a clear, credible framework for aligning our business with our customers' ambition. By anchoring our ambitions in science, we are embedding climate responsibility into the long term strategy and governance of the business.

In this plan, we have translated the SBTs into practical action, giving us confidence that our transition pathway is both ambitious and achievable.

Martin Ward

Chief Executive Officer



Our role in the net zero transition.

Transport emissions account for 25% of domestic emissions in Europe. As a leading integrated mobility solutions provider, we are evolving our services across the vehicle lifecycle to support the shift to a low-carbon economy. As a rental operator and accident repair service, we recognise that most emissions arise from customer needs and choices.

We are a top-three player in all our markets, leveraging our national scale, network, and long-standing expertise to support large corporate fleets and insurance partners in their transitions.

Structural growth drivers

We benefit from structural growth drivers across our business: increasing rental penetration and the shift from ownership to usership are supporting rental business growth, while higher total cost of ownership and the demand for operational resilience are accelerating the shift toward service-led rental solutions. Additionally, traditional rental customers are seeking to outsource more fleet management tasks—such as service, maintenance and telemetry.

Within recovery and repair, insurance companies are also increasingly outsourcing non-core activities, prompting consolidation of body shops into larger groups able to invest in new technologies and cope with more advanced vehicle systems.

Value chain vehicle emissions

Our position within our industry value chains affects our ability to directly influence or control emissions, which are significantly weighted towards Scope 3. The vehicles we purchase, rent to customers, and later sell on are categorised within our Scope 3 emissions, which accounts for 99% of our total value-stream emissions.

Included in the Scope 3 footprint are the tailpipe emissions from customers' use of our vehicles. While greater demand for EVs will result in lower tailpipe emissions for our fleet, its composition is predominantly determined by OEM supply and customer demand.

Embodied emissions refer to all GHG emissions generated across the supply chain up to the point a finished vehicle is sold to ZIGUP. Electric vehicles (EVs) have higher embodied emissions than internal combustion engine (ICE) vehicles. However, any increase in embodied emissions from a growing number of EVs in our fleet could be offset by manufacturers working to reduce their operational emissions to meet the science-based targets they have set.

When we defleet and sell our vehicles, we project the tailpipe emissions of these vehicles from the point of sale right up until the end of their working life; therefore, as the proportion of EVs in our fleet increases, the related emissions from the greater proportion of EVs being sold to customers will also result in these tailpipe emissions decreasing.



Our role continued

Vehicle repair and recovery

In vehicle repair, emissions are primarily driven by energy use in repair centres, particularly in gas-heated paint-drying booths. The selection of recovered 'green' parts, along with the increasing adoption of repair over replacement techniques, supports the move towards the circular economy. For vehicles repaired by our network of repairers, we can encourage the adoption of less carbon-intensive, circular-economy repair practices.

Vehicle recovery is predominantly carried out by larger heavy goods diesel vehicles (HGVs). The uptake of electric HGVs (e-HGVs) remains limited due to cost, range and infrastructure constraints. The use of alternative lower-carbon fuels to decarbonise vehicle recovery operations will be important in the short term.

We will work closely with our vehicle recovery and repair network, encouraging them to develop carbon-reduction plans. These efforts will support the insurance sector's decarbonisation journey.

The transition to electric light commercial vehicles (eLCVs)

Current EU and UK policy frameworks envisage the phase-out of new petrol and diesel van sales by 2035. The transition to eLCVs is progressing much more slowly than the transition to electric cars. Multiple factors are impacting the adoption of eLCVs, including higher production costs, insufficient public charging options for vans, and limited off-street home charging.

Although there are concerns about the operational suitability of eLCVs, the range and payload capacities of eLCVs continue to improve, and we anticipate that these vehicles will increasingly meet the diverse needs of fleets.

Many public sector organisations have established ambitious goals to transition their fleets to all electric vehicles. Additionally, private-sector companies engaged in public-sector work are compelled to implement similarly ambitious carbon reduction initiatives.

ZIGUP can leverage its breadth of resources, industry-leading advisory and EV capabilities to improve both financial and environmental outcomes for customers, helping them navigate evolving emissions regulations while ensuring their vehicle choices continue to meet operational needs. By investing in our people, infrastructure and services, and using vehicle telemetry data and driver feedback, we help fleet managers understand how their vehicles are used, which routes they take, and whether switching to electric vehicles is practical for their business.

Working with the industry

As a market leader with longstanding experience across all aspects of owning and managing vehicle fleets of all sizes, we also know we have a voice and a role to play in ensuring policymakers, our industry and customers find the most efficient and effective mobility solutions, which will require collaboration ranging across regulation and technical innovation to infrastructure and fleet management.

We support industry-backed sustainability initiatives, such as ARIES (Accident Repair Industry Environmental Standard), a UK-based, sector-specific sustainability framework designed to help vehicle bodyshops measure, report, and reduce carbon emissions. As part of BVLRA's initiatives to support eLCV adoption, we have been actively advising the UK Government on regulatory measures to help promote the transition.



We have developed industry-leading advisory and EV capabilities to meet the low-carbon mobility challenge."



Our transition journey so far.

We've invested in our fleet, operations, and our people to empower our customers on their own journeys to lower emissions. We've also successfully reduced our own operational emissions and continued to improve our sustainability governance and reporting, setting a solid foundation for achieving our climate goals.



Operational emission reduction

An increased adoption of renewable electricity, along with our initiatives to enhance energy efficiency and improve fleet logistics and data tracking, has led us to surpass the 10% absolute carbon-reduction target, achieving a 29% reduction in emissions in FY2026 compared to FY2022, and achieve an 8% reduction compared to FY2025.

We have significantly enhanced our energy and value stream emission reporting and further strengthened governance led by the Sustainability Committee.



Advancing the transition to lower-carbon mobility

Our award-winning Drive to Zero programme has gained momentum year after year, as customers seek to incorporate our diverse range of e-LCVs into their fleets.

In FY2024, we launched an EV consultancy service to assist fleet managers with data-driven analytics and targeted driver surveys, which support their transition plans. Alongside the ongoing development of our EV support services, we continue to adapt to automotive innovation by continually enhancing our technicians' expertise and investing in vehicle repair technology and facilities.



Decarbonising vehicle accident repair

The insurance sector's journey toward decarbonisation has emphasised sustainability as a crucial factor for cost control and for winning and retaining contracts.

In recent years, we have worked diligently to align ourselves with industry sustainability goals. We have placed a stronger emphasis on repair rather than replacement, utilising plastic welding techniques. Additionally, we are increasingly using green parts, both of which contribute to reducing lifecycle emissions. Governance has improved with better energy reporting and the formation of an environmental impact group that reports into the Group Sustainability Committee.

Climate metrics – Progress through FY2026

Operational emissions

29%

Scope 1 and 2 emission reduction
FY2022–2026

99.9%

of electricity used at our sites is renewable

Lower-carbon mobility

9,600

Number of EV and hybrid vehicles in fleet

99.5%

of UK company cars are either EV or hybrid

Decarbonising accident repair

6%

Improvement in repair intensity in FY2026

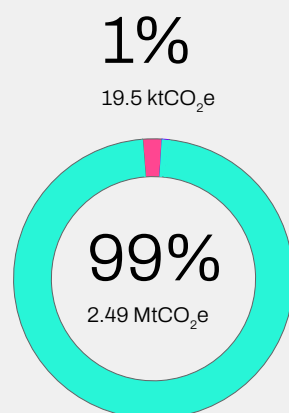
The repair intensity metric expresses carbon emissions per accident repair in our bodyshops.



Transition plan at a glance.

We have developed industry-leading advisory and EV capabilities and are investing in our people, infrastructure, and services to meet the low-carbon mobility challenge.

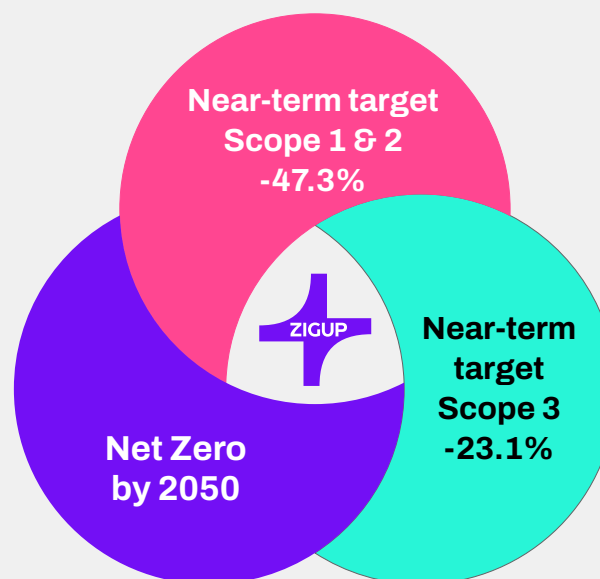
The start point.



FY2024 Emission baseline

- **Scope 1 and 2**
Operational energy and fuel consumption
- **Scope 3**
Predominantly the purchase, rental and sale of the vehicle fleet

Our ambition.



Achieve near-term science based target FY2024–FY2035

47.3% reduction in Scope 1 and 2 emissions
23.1% reduction in Scope 3 vehicle emissions for leased assets and use of sold products.

SBTi define 'near-term' as a target within 5–10 years of target submission.
Full Scope 3 target breakdown provided on page 9.

Actions and enablers.

Reduce our operational emissions

Lower emissions by switching to eLCVs, utilising renewable fuels and renewable gas for our energy-intensive processes.

Decarbonise accident response and repair

Decarbonise vehicle recovery and repair operations through lower-carbon energy and fuels.

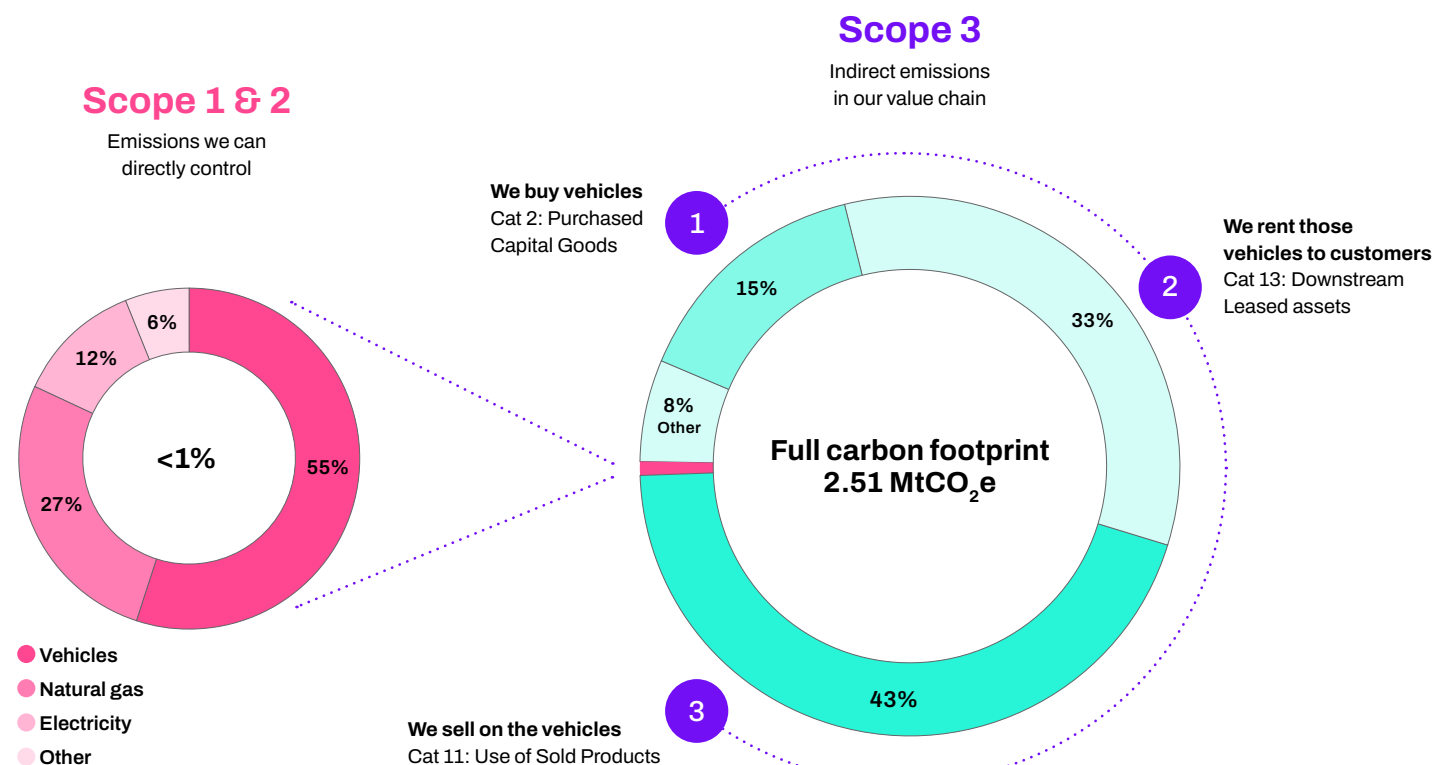
Enable the transition to low-carbon mobility

Utilise our industry-leading advisory and EV capabilities to enable customers to lower the emissions of their fleet.



The start point.

We have selected FY2024 as our baseline and will monitor progress towards our targets against these emissions. This analysis helps us to identify our major emission sources and where to prioritise action. Although the majority of our emissions relate to our value chain (in common with many other organisations), it is important that we reduce emissions within Scope 1 and 2, which are under our direct operational control.



Scope 2: Market-based factors used for electricity
 Scope 3: Cat 2 - Purchased vehicles are 99% of CAPEX emissions; Cat 11 - Sold vehicles are 89% of sold product emissions. The remainder relates to the sale of vehicle chargers.
 Other categories includes Cat 1, 3 and 4 with remaining categories excluded as not material.

The single biggest unifying factor in the reduction of our value stream emissions is our customers' choice of vehicles.

We buy vehicles

Cat 2: Purchased Capital Goods

We purchase vehicles annually for customer fleets and replacements. Vehicle manufacturing includes raw material extraction, parts production, and assembly. EVs currently have higher production emissions due to battery manufacturing but this may be mitigated by manufacturers' reduction efforts, going forward.

We rent vehicles to customers

Cat 13: Downstream Leased Assets

Vehicle use produces emissions from fuel or electricity. As electric commercial vehicles (LCVs and HGVs) become more available, their adoption will rise, reducing emissions. We will ensure our fleet remains aligned with the market shift to EVs.

We sell on the vehicles

Cat 11: Use of Sold Products

When we defleet and sell our vehicles, we project their tailpipe emissions from the point of sale through to the end of their working life. As the share of EVs in our fleet rises, the overall tailpipe emissions from sold vehicles will decrease.



Our ambition.

ZIGUP are committed to achieve net zero by 2050 and have set ambitious targets to support our net zero commitment. The Science Based Target initiative has validated ZIGUP's near-term science-based emissions reduction target. We have set science-based targets because they provide a clear, credible framework for aligning our business with our customers' ambition.

By anchoring our ambitions in science, we are embedding climate responsibility into ZIGUP's long-term strategy and governance.

47.3%

Reduction in Scope 1 and 2 emissions
FY2024–FY2035

23.1%

Reduction in Scope 3 cat 11 and 13 vehicle emissions
FY2024–FY2035



Our operations (Scope 1&2)

ZIGUP commits to reduce absolute Scope 1 & 2 GHG emissions 47.3% by FY2035 from a FY2024 baseline year.

Our value chain (Scope 3)

ZIGUP commits to reduce absolute well-to-wheel Scope 3 Category 11 and 13 vehicle GHG emissions 23.1% by FY2035 from a FY2024 baseline year, as follows:

- 29.4% reduction from the use of sold products (vehicles)
- 36.7% reduction from downstream leased assets, covering Light Duty Vehicles (i.e. passenger cars)
- 10.8% reduction from downstream leased assets, covering Light Commercial Vehicles

Other key metrics

We will monitor operational metrics which are indicative of our progress towards our emission reduction goals:

- % of low-emission vehicles in the total fleet
- % of renewable electricity generated/procured
- % of green gas procured
- % company cars BEV/PHEV
- Hire fleet efficiency (gCO₂/km)
- Energy efficiency of accident repair (gCO₂e/repair)



Actions and enablers.

Action one:

Reducing our operational emissions

We have successfully transitioned our company cars in the UK to EV and Hybrid. The next step is to reduce emissions from operational vehicles by switching to eLCVs or using lower-carbon fuels, like Hydrotreated Vegetable Oil (HVO). Most of our electricity needs in Spain are met through roof-mounted solar panels, while we will continue to purchase renewable electricity in the UK and Ireland. We also aim to reduce energy consumption in our facilities by selecting more energy-efficient equipment, providing colleague training, and improving our energy monitoring systems.

[Discover more](#)

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Action two:

Decarbonising accident response and repair

Vehicle accident recovery and repair is carbon-intensive and difficult to reduce in the short term. We aim to decarbonise our vehicle repair operations by using lower-carbon energy sources and fuels until more viable technologies become available. Additionally, we manage large networks of external vehicle recovery and accident repair suppliers. We will work closely with these networks to coordinate a program that encourages our suppliers to establish and implement their own carbon reduction targets and plans.

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Action three:

Enabling the transition to low carbon mobility

We are recognised as a trusted adviser to customers embarking on their drive towards net zero. We will continue to build on our expertise that enables fleet customers to transition to low-carbon mobility.

As a leader in vehicle fleet management, we remain committed to supporting policymakers and the industry in developing low-carbon mobility solutions through collaboration and engagement.

[Discover more](#)

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Our transition pathway.

We are reducing our Scope 1 and 2 emissions by transitioning to electric vehicles, utilising renewable fuels and energy, and enhancing energy efficiency across our sites.

FY2024–2026 Performance to date

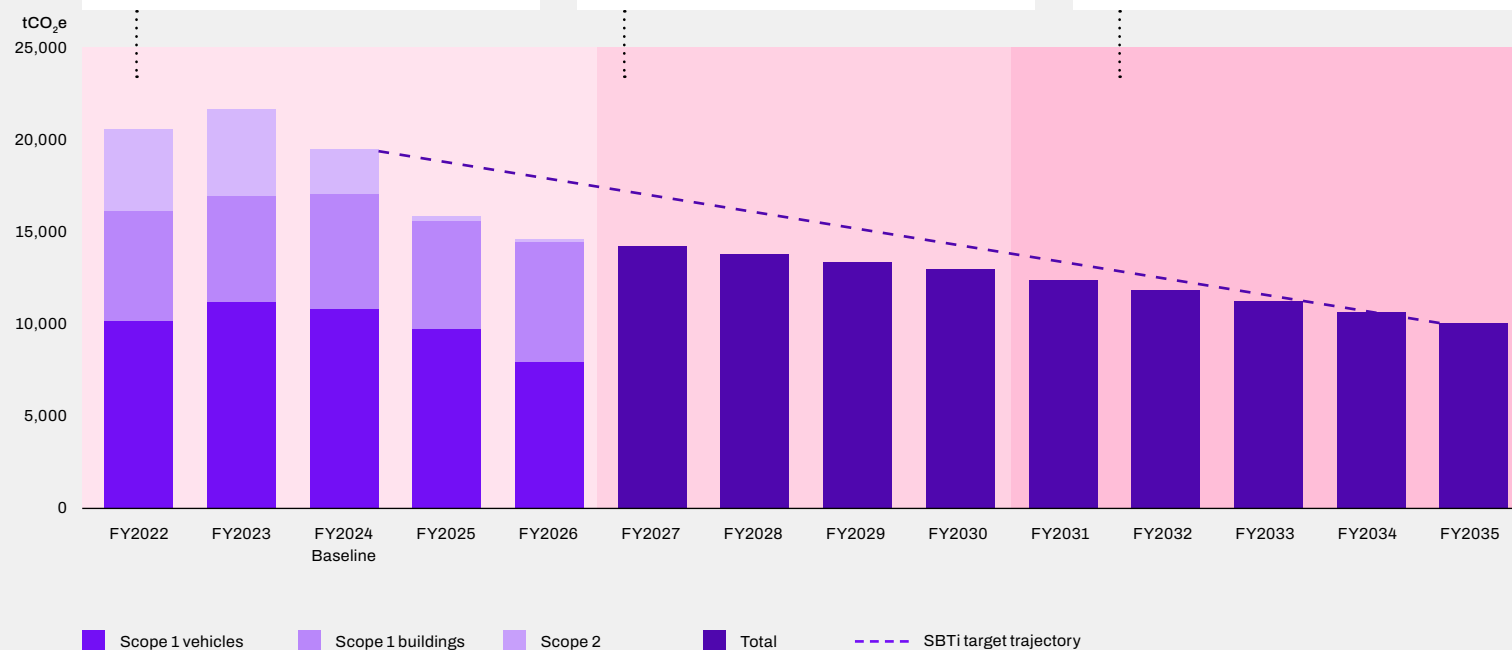
- 99.9% renewable electricity at all sites
- 99.5% EV/PHEV in UK
- Energy efficiency programme across our estate
- 29% reduction since FY2022, and 25% reduction from our FY2024 baseline

FY2027–2030 Emission reductions

- Maintain 100% renewable electricity at all sites and introduce green gas
- Transition to EVs for service vehicles and transporters wherever appropriate
- Trials and adoption of renewable fuels in hard-to-abate areas such as vehicle repair and HGV operation

FY2031–2035 Emission reductions

- Full decarbonisation of the UK grid
- Increasing transition to EVs across all vehicles
- Increasing utilisation of renewable fuels in hard to abate areas such as vehicle repair and HGV operation



FY2036–2050 Emission reductions

- Continuing technology advances and adoption of low carbon solutions by our business and our clients
- Full decarbonisation of the electricity grid in all geographies where we operate
- Full phase out of ICE vehicles
- Utilisation of future fuels such as hydrogen
- Maintaining a focus on reducing emissions, alongside exploring carbon removals to achieve net zero by 2050

Note: Emissions shown for FY2022 to FY2026 reflect the GHG emissions as reported in our Annual Report and Accounts. Emissions for FY2027 onwards are based on projections, using a number of assumptions about the implementation of our transition plan.

Reducing our Scope 1 and 2 emissions

Implementing reductions.

We are reducing our Scope 1 and 2 emissions by transitioning to electric vehicles, utilising renewable fuels and energy, and enhancing energy efficiency across our sites.

Scope 1 and 2 baseline footprint (FY2024)

Our vehicle emissions arise from working vehicles (service vehicles, transporters), company cars, and moving the client fleet between locations. Approximately 70% of our natural gas emissions relate to our accident repair business.

FY2024 (baseline)	Emissions (tCO ₂ e)	% of Scope 1 and 2
Vehicles	10,785	55%
Natural gas	5,246	27%
Electricity (market-based)	2,412	12%
Other fuels	898	5%
Refrigerants	119	1%
Total	19,460	



Vehicle electrification

What we aim to do

We have successfully transitioned our UK company car fleet to electric and hybrid vehicles.

Our next priority is reducing emissions from our UK operational vehicles by shifting to eLCVs. We have various types of vehicles to meet operational needs, from transporting our fleet to different locations to servicing customer vehicles at their sites and depots.

How we will do it

As the operational vehicles we currently use come up for replacement, we will transition from diesel powertrains to electric.

The expectation is that most of these diesel operational vehicles will be replaced by eLCVs by 2030.

Dependency

Fit-for-purpose eLCVs are available, with their range and capabilities meeting operational needs. In addition, sufficient and suitable commercial and domestic charging infrastructure is spread throughout our operating territories to service our needs.

If fit-for-purpose eLCVs aren't available, we will need to increase our use of low carbon fuels to reduce associated emissions.



Alternative fuels

What we aim to do

The vehicles we use in the UK for mobile accident repair have specific operational requirements that the current eLCVs available cannot meet. In Spain, the charging infrastructure is not as developed as in the UK, and our vehicle fleet here is moved between various sites using heavy goods vehicle (HGV) transporters.

For accident repair in the UK and mobile servicing vehicles and HGV transporters in Spain, the best option at present to reduce emissions is to switch to lower carbon fuels, such as HVO.

How we will do it

We have begun trialling the use of HVO in the UK and Spain for our service vehicles and transporters that are not yet suitable for electrification. Our plan involves gradually increasing the volume of alternative fuels used over the next five to ten years, until such time that eLCVs become operationally viable or other lower-carbon technologies become more commercially viable for HGVs.

Dependency

We depend on nationwide access to HVO or other suitable low carbon fuels in both the UK and Spain, with this fuel consistently priced on favourable commercial terms, now and in future years.

Reducing our Scope 1 and 2 emissions continued



Alternative energy

What we aim to do

In recent years, we have transitioned to nearly 100% renewable electricity. For our Spanish operations, this electricity is generated by roof-mounted solar panels located at our branches and offices.

Vehicle accident repair centres in the UK utilise predominantly natural gas powered booths to dry paints and primers. In the short term, we will look to decarbonise these operations and replace natural gas with lower-carbon, 'green' gas.

How we will do it

We will continue to generate and purchase renewable electricity to fulfil our operational requirements.

In the short term, we will phase in the use of green gas in the UK, incrementally increasing the volume purchased each year. In the medium term, we anticipate that we will still need green gas to support our emission reduction objectives, as lower-carbon alternatives such as electric booths are prohibitively expensive. We will keep abreast of innovations in paint technologies, such as improved formulations and booths that reduce energy usage.

Dependency

Sufficient volumes of green gas are available in the UK to meet our needs, and its price remains relatively stable.



Energy efficiency

What we aim to do

When opening new sites, or improving existing, consideration is taken to utilise new or more efficient technology to reduce energy consumption, such as electrical heating, solar panels and LED lighting.

We will continue implementing energy efficiency measures across all our sites, focusing on upgrading heating systems, reducing the energy demand of paint booths, and enhancing our monitoring technology and processes.

How we will do it

When old heating systems and paint booths are approaching the end of their life, we will replace them with more energy-efficient equivalents. For paint booths, we may seek to refurbish them if upgrades offer 20-30% energy savings, rather than replace them.

We have developed energy monitoring dashboards to improve visibility and understanding of energy consumption. The next step is to leverage these dashboards to enhance engagement, accountability, and action.

Dependency

Delivering sustained reductions in energy consumption and emissions requires a concerted effort across all level of the organisation coupled with strong leadership and governance.



Training and communication

What we aim to do

We aim to drive behaviour change throughout our organisation, helping our employees understand how they can contribute to our climate goals.

We rolled out foundation-level Carbon Literacy Awareness training across the UK and Ireland to enhance understanding of climate change and offer practical ways to reduce our carbon footprint at work and home.

How we will do it

Enhance foundational training for managers and leaders, equipping them with the skills and knowledge to drive meaningful change.

Develop engaging communication programs to enhance understanding, involvement, and alignment with climate goals throughout the organisation.

Dependency

The training and communication developed must link climate action to organisational purpose and real-world outcomes, with visible support from senior leaders essential to drive credibility and influence.

Reducing our Scope 3 emissions

Supporting our customers.



Vehicle electrification

What we aim to do

Many of our corporate clients have carbon reduction targets and are exploring electric options for their commercial vehicle fleets. A strong carbon-reduction strategy is essential for them to win tenders.

Every fleet requirement is different, and so we offer a range of e-LCVs and, more recently, micro-mobility e-vehicles.

How we will do it

We begin by understanding each customer's fleet, operations, and decarbonisation goals. By listening to their needs, we offer tailored guidance on electric vehicle options and charging solutions.

Our Drive to Zero hub uses telematics data to provide insights into journey patterns and vehicle usage, enabling customers to make informed decisions. By aligning our solutions with their strategies, we foster better business and decarbonisation outcomes.

We engage fleet managers and drivers through EV open days that enable expert guidance and hands-on experience of the latest models.

Dependency

ZEV mandates and CAFE legislation are key drivers of OEM technology development, increasing the suitability of eLCVs.

The weighting customers place on ESG commitments against market pressures, such as fuel and energy costs. For public sector organisations, this could also mean focusing on resilient solutions that ensure financial savings and sustainability benefits.



Consultancy support

What we aim to do

Commercial vehicles are utilised in various ways, so eLCVs must fulfil a broader range of operational requirements than electric cars.

This includes balancing payload capacity, battery weight, and the ability to accommodate specialised modifications, such as tippers, traffic management vehicles, and towing systems.

How we will do it

Our UK Drive to Zero Hub provides customers with a comprehensive platform for analysing journeys and vehicle use data derived from telematics and driver survey feedback. This tool empowers customers to identify the vehicles and drivers best positioned to transition to eLCVs.

We provide guidance on managing the complex dynamics of public and private vehicle charging, along with online apps and billing systems, to help customers determine optimal charging solutions.

We support UK and non-UK customers in utilising grant funding for vehicle electrification and charging, and in Spain, we have strategic agreements with leading utilities for preferential green energy supply rates.

Dependency

Continuing improvements in vehicle suitability to commercial needs to support broader client adoption of eLCVs. Charging infrastructure continues to expand in the UK and Spain.

The adoption of eLCVs is highly dependent on overcoming negative driver perceptions, which are frequently driven by persistent myths and misinformation.



Fleet management

What we aim to do

The efficiency of ICE vehicles continues to improve, and the way a fleet is driven and managed can contribute to emissions reductions.

Over-specified vehicles waste fuel due to excessive weight, while under-specified vehicles work harder, resulting in increased fuel burn, wear, and downtime. Choosing the right commercial vehicle is essential for optimising operational performance, improving fuel efficiency, and reducing emissions.

How we will do it

We provide valuable insights for fleet management through telemetry services that detail vehicle routes, utilisation, and driver behaviour, helping clients select optimal vehicle specifications for fuel efficiency and emission reduction.

Additionally, we offer driver safety and efficiency training, along with advice on low-carbon fuel options. Our product specialists continuously enhance efficiency through tools such as interactive dashboards for real-time reporting.

Dependency

The collection of representative, balanced and accurate fleet management data to inform decision making and judgements.

Reducing our Scope 3 emissions continued



Vehicle embodied carbon

What we aim to do

All vehicles have emissions associated with their manufacture, and electric vehicles have higher embodied carbon due to battery manufacture. We aim to reduce our Scope 3 emissions arising from embodied carbon. However, the in-use emission reductions achieved from transitioning from ICE to electric vehicles far outweighs the higher embodied carbon from their purchase.

How we will do it

At publication, 90% of the vehicles we purchase are manufactured by companies who have set science-based targets, which we expect to lead to reductions in embodied emissions over time.

We will monitor the published life cycle analysis of vehicles to determine the progress being made by manufacturers to decouple emissions from manufacturing processes.

In the short term, an increase in embodied carbon emissions is to be expected as we increase our purchases of electric vehicles. However, increased purchasing of electric vehicles should be viewed as a positive indicator of the transition to low-carbon mobility.

Dependency

Decarbonisation of electricity grids in geographies where our vehicles are manufactured.



Vehicle recovery

What we aim to do

We will work with our large network of external vehicle recovery operators (VROs) to decarbonise recovery operations. These operations are predominantly carried out by larger HGVs.

The uptake of electric HGVs is slow due to multiple factors, including high costs, limited range, and the suitability of charging infrastructure.

How we will do it

The shift to eHGVs will incur significant costs for VROs. Therefore, utilising alternative lower-carbon fuels to decarbonise recovery operations will be crucial in the short term.

We will work closely with the VROs, supporting them in developing carbon-reduction targets and plans focused on improving their data collection and analysis processes, as well as increasing the adoption of alternative lower-carbon fuels in the short to near term.

Dependency

The VROs will rely on a nationwide, stable supply of HVO and other alternative, lower-carbon fuels, priced on favourable commercial terms, now and in future years.



Vehicle repair network

What we aim to do

We procure a wide variety of goods and services across our businesses. In particular, we manage a large network of external accident repair suppliers. We aim to reduce carbon emissions from our supply base by encouraging our key suppliers to establish and implement their own carbon reduction targets and plans.

How we will do it

Work with industry peers to engage key suppliers on emissions reductions, such as through the ARIES programme for vehicle repairers. We will work closely with these networks to coordinate a program that encourages our suppliers to establish and implement their own carbon reduction targets and plans.

Develop our supplier engagement to update our suppliers on our climate action plans and set expectations for supplier activities.

Further develop tools, processes and knowledge within our procurement teams to consider sustainability in their supplier selection.

Dependency

No single organisation can tackle the challenge of decarbonising accident repair alone; thus, industry-wide collaboration through shared learning, technology advancement, and consistent management frameworks is essential for accelerating the transition.

Decarbonising vehicle lifecycle.

We are an enabler of the energy transition for UK businesses and their corporate fleets, and we are experts in supporting repairs for new, complex electric vehicles.

Our longstanding industry expertise provides us with the understanding and broad perspectives on the challenges faced in making this transition.

Our Drive to Zero programme is enabling more customers to integrate EVs into their fleets, supported by our EV consultancy service, which provides data-driven insights and driver engagement.

We are also investing in advanced repair technologies, while aligning with the insurance sector's decarbonisation goals and frameworks.

Case study Supporting e-LCV fleet rollouts

The support we provided to a large commercial fleet in their e-LCV transition.

[Click to learn more](#)

Case study The power of telematics

Discussing our new Spanish telematics and analytics programme.

[Click to learn more](#)

Case study Accident repair and ARIES

Vehicle damage repairs, for cars and LCVs, including structural, aluminium and body repairs.

[Click to learn more](#)

Case study EV transition consultancy

How our new EV consulting service supports UK fleet transition.

[Click to learn more](#)

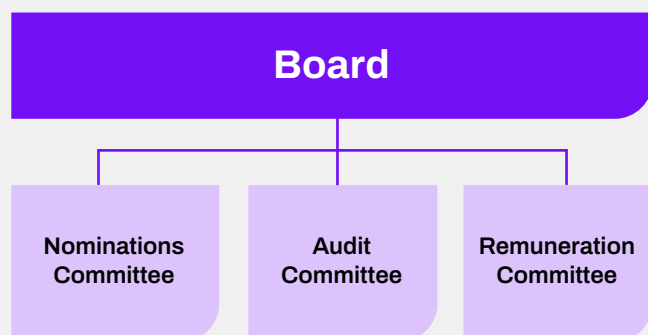
Accountability.

Climate change management is embedded within our existing governance framework, with clear accountability across the Board, the Executive Committee, and the Management Boards.

The Executive Committee oversees the delivery of our climate goals within an approved Transition Plan. Ongoing progress and any material updates are reviewed through established governance processes.

The CEO holds ultimate accountability for climate-related matters, with day-to-day management delegated to the Group Management Boards. The CFO, as Chair of the Sustainability Committee, has delegated responsibility and ensures effective reporting to the Executive Committee and Board.

The Sustainability Committee, supported by cross-functional working groups focused on fleet and carbon-intensive repair operations, assesses climate risks and proposes mitigation actions across all territories.



Monitors the transition plan.

Board - Review the Plan

Responsible for ensuring ZIGUP's long-term strategy is resilient in a low-carbon transition. They review the Plan and ensure it is credible, deliverable, financed and transparently reported to investors and other key stakeholders.

Nomination Committee

Ensures there is sufficient climate literacy on the Board to challenge senior executives effectively.

Audit Committee

Monitors the integrity of climate-related disclosures and data reporting through internal and external assurance.

Remuneration Committee

Responsible for incentivising and monitoring performance against climate targets and approving related remuneration.



Delivers the transition plan.

Executive Committee – Oversight of Plan delivery

Translates the climate strategy into a credible, operational Transition Plan and quantifies the Group wide impacts on cost and revenue.

Ensures accountability and responsibility are operationalised throughout ZIGUP.

Group Management Boards

Assigning clear ownership at senior management levels to deliver carbon reduction objectives.

Group Risk Committee

Identifying, assessing, and reporting climate-related risks and material impacts.

Sustainability Committee

Supporting the development of a systematic and collaborative approach to climate action.

Transparency.

Carbon Reporting and Assurance

We seek to enhance our climate disclosures through improved year-on-year reporting. This includes reviewing our data collection processes and our calculation methodology. At publication, our climate reporting was aligned with the UK Climate-Related Financial Disclosures Guidance (TCFD).

Within our annual report we present emissions data required under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We follow the principles of the GHG Protocol Corporate Accounting and Reporting Standard, ISO 14064-1 and apply operational control to define our organisational boundary.

Every year an independent, UKAS-accredited, third-party assessor verifies our GHG data. Verification includes Scope 1 and 2, and Scope 3 categories 2 (vehicles only), 3, 11 and 13, representing >95% of our footprint. Our assurance reports are available within the Sustainability section of our website.

Forward-Looking Cautionary Statement

This transition plan contains forward-looking statements, including statements regarding our climate-related ambition, targets, and carbon-reduction actions, as well as the anticipated impacts of climate-related risks and opportunities.

Forward-looking statements rely on current expectations, assumptions, estimates, and scenarios, including considerations of future UK and EU climate policies and regulations, market conditions, customer behaviour, the availability and performance of vehicle technology, the transition of the energy system, and the rate of decarbonisation across the economy. Because these assumptions carry inherent uncertainty, they may not always be accurate.

The achievement of our science-based targets, including our net-zero aim, is subject to significant uncertainties and external dependencies. Actual results and outcomes may differ materially from those expressed or implied in forward-looking statements due to a range of factors, including changes in policy, regulation, vehicle technology costs and deployment, OEM constraints, financing conditions and actions taken by third parties.

The transition plan reflects our current strategy and intentions and may be updated over time to reflect changes in external conditions, material risks and opportunities, data quality, methodologies, and governance processes. ZIGUP undertakes no obligation to update or revise forward-looking statements except where required by law.





ZIGUP plc

Northgate Centre
Lingfield Way
Darlington
DL1 4PZ

www.zigup.com

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