

## Arnold Clark Sustainability Policy – Summary Statement

At Arnold Clark, we are committed to ensuring our group of companies consider the social, economic, and environmental tenets of sustainability throughout all aspects of our business operations.

It is a priority for us all to be conscious of our actions and their consequences today if we are to safeguard our futures of tomorrow. This is why sustainability is on our boardroom agenda and why our Chief Executive & Group Managing Director personally leads our organisational sustainability initiative “Sense”: A Sustainable Environment for Nature, Society, and the Economy. Our objective is to conduct our business in a responsible way that positively impacts the world around us, while identifying, reducing, and mitigating any negative impacts so we can preserve and improve the quality of life for future generations.

Arnold Clark has established a Sustainability Office and a working group of senior staff members from various key departments within our organisation. This is to ensure that our Sense initiative takes account of all activities across the entire business and to be certain that our strategy is comprehensively communicated, implemented, embedded, measured and managed throughout the Group.

We have utilised various tools to establish Sense as a sustainability strategy which is suitable for our business. We have:

- determined our legal and compliance obligations.
- performed a materiality assessment exercise identifying, defining, and prioritising sustainability focus areas
- conducted internal assessments (using the knowledge and expertise of our industry and operations) to highlight and identify ‘hot-spot’ areas of risk and opportunity which will be prioritised for action within Sense.
- taken training and advice from qualified consultants.
- measured our present GHG emissions, waste generation, and energy consumption using SECR and ESOS.
- developed climate, customer, and employee focus teams.
- started developing a TCFD-compliant sustainability framework that encompasses governance, strategy, risk and opportunity management, metrics, and targets

Arnold Clark appreciates that sustainability is not a destination but a continuous endeavour: a long and winding road with several significant junctions to be navigated en route. We have designed a roadmap to help prepare for the end of new ICE vehicles sales in 2030, through to carbon neutrality, and then net-zero in 2050. The roadmap incorporates our short, medium, and long-term goals which we believe are ambitious without being unachievable. Our goals are to reduce Group emissions by at least a third every decade over the next 30 years to reach net-zero. Progress against our roadmap is measured and monitored to establish levels of success. Adjustments are made, as appropriate, to account for achievements and changes in best practice, legislation, technology, or operational processes.

We aim to continually improve our sustainability performance in:

- ✓ **Social endeavours** – *focused on people* – maintaining and enhancing our positive impacts in areas relating to:
  - fostering and recognising a culture of sustainable behaviours amongst our people
  - employee welfare
  - fair remuneration
  - F.I.R. equality practices
  - customer care and satisfaction
  - community engagement and support
  - fundraising and philanthropy
  - training and apprenticeship schemes
  - support of key workers and essential services
  - responsible purchasing and supply chain relations
  - other responsible practices as opportunities present themselves

# Arnold Clark

- ✓ **Environmental endeavours** – *focused on the planet* – identifying, measuring, reporting, mitigating, reducing and eliminating (where possible) all negative impacts of our business including our GHG emissions and waste material; protecting and conserving natural resources such as air, water, and land; continually evaluating our transport and estate infrastructures with a view to adopting innovative sustainable technologies; conducting supply chain due diligence; partnering with universities to carry out research on the sustainability of our operations, and working with stakeholders to improve environmental performance.
  
- ✓ **Economic endeavours** – *focused on prosperity* – our colleagues, communities, customers, and supply chains all need financial prosperity to maintain and improve their lives; therefore, it is essential to safeguard and grow our Group balance sheet if we are to:
  - protect our employees' jobs, incomes, and futures
  - support UK public infrastructure and services through payment of all applicable corporate taxes and National Insurance contributions
  - continue to recruit staff and apprentices from the local communities in which we operate
  - keep making charitable donations to good causes through our Arnold Clark Community Fund
  - carry on supporting and giving back to communities through sponsorship opportunities
  - provide customers with value for money, and quality services & products
  - contribute to our suppliers' economic sustainability by remunerating for goods and services promptly and in full.

This Sustainability Policy Statement and associated documents/information are available on our website at <https://www.arnoldclark.com/sustainability> so all interested parties may familiarise themselves with our intentions, activities, and achievements.

This statement is approved by the Arnold Clark Board of Directors, is reviewed annually, and is communicated to everyone working within our Group of Companies.



E Hawthorne  
Chief Executive & Group Managing Director

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