Sinclair Finance & Leasing Co Ltd — Carbon Reduction Plan 2026

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Prepared in accordance with PPN 006 and the GHG Protocol Corporate Standard

Important Notice This document has been prepared based on information provided by Sinclair Finance & Leasing Co Ltd and publicly available UK guidance current at the time of writing. It does not constitute legal advice. Organisations subject to mandatory reporting obligations (SECR, TCFD, UK ETS, Environment Act) should confirm compliance with their legal advisers or a qualified environmental consultant. Emission factors are sourced from the UK Government's DESNZ/DEFRA Greenhouse Gas Conversion Factors 2025 and must be updated annually.

Section 1 — Executive Summary

1.1 Organisation Overview

Sinclair Finance & Leasing Co Ltd (SFL) is a specialist vehicle finance and contract hire company operating in the United Kingdom. SFL provides a comprehensive range of fleet management and leasing solutions to corporate and public-sector clients, including car and light commercial vehicle (LCV) supply, fleet administration, and end-of-contract vehicle collection. The company operates from its primary site in Wales and has maintained an ISO 14001 certified Environmental Management System.

SFL has been reporting its greenhouse gas (GHG) emissions since 2021 and has progressively improved its data quality, scope coverage, and reduction ambition year on year. This Carbon Reduction Plan (CRP) presents the 2025 reporting year data, sets out SFL's emissions reduction targets, and details the actions being taken to achieve Net Zero by 2050, in compliance with Procurement Policy Note 006 (PPN 006): Taking account of Carbon Reduction Plans in the procurement of major government contracts, issued under the Procurement Act 2023. PPN 006 replaced PPN 06/21 and requires suppliers bidding for in-scope central government contracts (over £5 million per annum, including VAT) to provide a CRP as part of the conditions of participation.

1.2 Commitment Statement

Sinclair Finance & Leasing Co Ltd is committed to achieving net-zero greenhouse gas emissions across Scope 1, 2, and 3 by 2050 at the latest, in line with the UK Government's legally binding net-zero target under the Climate Change Act 2008 (as amended 2019). We will reduce our absolute emissions year on year, publish our progress annually, and take proportionate action across our operations, supply chain, and procurement activities.

1.3 Headline Targets

Target Type	Target Date	Reduction vs 2021 Baseline
Scope 1 & 2 — short-term reduction	2027	30% reduction
Scope 1 & 2 — medium-term reduction	2030	50% reduction
Scope 3 — medium-term	2030	30% reduction
Net Zero (Scopes 1, 2 & 3)	2050 or earlier	~100% reduction

1.4 2025 Reporting Year — Performance Snapshot

Metric	2021 Baseline (tCO_2e)	2023 Reported (tCO_2e)	2025 Reported (tCO_2e)	Change vs Baseline
Scope 1 — Direct emissions	11.20	22.84	24.97	+123%
Scope 2 — Purchased electricity	18.06	13.14	13.27	−27%
Scope 3 — Indirect value chain	168.83	215.65	56.64	−66%
Total Emissions	**198.09**	**251.62**	**94.88**	**−52%**

Note: 2021 Baseline Scope 3 and Total figures have been corrected from those published in the 2024 CRP (original publication contained a calculation error — Scope 3 was understated at 40.313 tCO_2e; the corrected figure is 168.83 tCO_2e, giving a corrected total of 198.09 tCO_2e). All year-on-year comparisons use the corrected 2021 baseline.

1.5 Summary of Key Actions

- Transition of company car fleet to electric and plug-in hybrid vehicles
- ISO 14001 Environmental Management System — certified and maintained
- Solar PV panels installed on all south-facing buildings
- LED lighting with PIR occupancy sensors fitted throughout all sites
- Remote and hybrid working policy in place, reducing commuting and business travel
- Cycle to Work scheme available to all employees
- Transition to green/renewable energy tariff for gas and electricity — planned
- 30-minute energy monitoring to be introduced to target energy waste
- Supplier and customer engagement programme on joint emissions reduction — in development

Section 2 — Our Environmental Commitment

2.1 Board-level Endorsement

This Carbon Reduction Plan has been reviewed and approved by the Senior Leadership of Sinclair Finance & Leasing Co Ltd. The leadership team recognises climate change as a material risk to the organisation's long-term operations, client relationships, and supply chain, and is committed to ensuring this plan is implemented, monitored, and updated at least annually.

2.2 Policies, Standards and Management Systems

Policy / Standard	Status	Notes
Environmental Policy	In place	Reviewed annually; supports ISO 14001 EMS
ISO 14001 Environmental Management System	Certified	Maintained and audited annually
Streamlined Energy & Carbon Reporting (SECR)	Monitored	Reported as part of annual carbon footprint process
PPN 006 Carbon Reduction Plan	Compliant	Reviewed annually; published on the company's UK website
Carbon Literacy Training	In place	Eco Champions trained; senior management included

2.3 Alignment with UK Legislation and Policy

This Carbon Reduction Plan has been prepared in accordance with the following UK legislative and policy framework:

- Climate Change Act 2008 (as amended 2019) — net-zero by 2050 for the UK
- Procurement Act 2023 and the Procurement Regulations 2024 — the regime under which CRPs are requested as a condition of participation
- Procurement Policy Note 006 (PPN 006) and its Technical Standard for Completion of Carbon Reduction Plans — Carbon Reduction Plans for suppliers to in-scope central government contracts (replacing PPN 06/21)
- Streamlined Energy and Carbon Reporting (SECR) Regulations 2019 — monitored for applicability
- UK Net Zero Strategy: Build Back Greener (HM Government, October 2021)
- Powering Up Britain (DESNZ, March 2023)
- Environment Act 2021 — broader environmental duties and obligations

Section 3 — Baseline Emissions Footprint

Baseline emissions are a record of greenhouse gases produced prior to the introduction of any strategies to reduce emissions. The baseline is the reference point against which all future emissions reduction will be measured.

3.1 Methodology

Emissions have been calculated in accordance with the GHG Protocol Corporate Accounting and Reporting Standard (World Resources Institute / World Business Council for Sustainable Development) and the PPN 006 Technical Standard for Completion of Carbon Reduction Plans. The organisational boundary has been set using the operational control approach. Emissions are from SFL's UK operations and are expressed as tonnes of carbon dioxide equivalent (tCO_2e), calculated using the UK Government's conversion factors, which account for the greenhouse gases named by the Kyoto Protocol.

Emission conversion factors are sourced from the UK Government DESNZ/DEFRA Greenhouse Gas Conversion Factors for Company Reporting (2025 edition). Prior year calculations used the 2023 edition factors.

3.2 Baseline Year

Baseline Year: 1 January 2021 – 31 December 2021

2021 was the first year that Sinclair Finance & Leasing Co Ltd performed an in-depth carbon report with detailed analysis, as the company had not previously maintained a formal carbon and climate change reporting policy. Accordingly, 2021 has been adopted as the baseline year.

> Important correction: The 2024 CRP publication contained a calculation error in the 2021 baseline data. Scope 3 was understated at 40.313 tCO_2e; the corrected figure is 168.83 tCO_2e, giving a corrected baseline total of 198.09 tCO_2e. All subsequent reporting and targets are calculated against this corrected baseline.

3.3 Baseline Emissions Summary (2021 — Corrected)

Scope 3 reporting covers the five categories required by PPN 006 (Categories 4, 5, 6, 7 and 9).

Emissions Category	Total (tCO_2e)	% of Total
Scope 1 — Direct emissions (fleet fuel, gas heating)	11.20	5.7%
Scope 2 — Purchased electricity (location-based)	18.06	9.1%
Scope 3 — Cat. 4: Upstream transportation & distribution	Included below	—
Scope 3 — Cat. 5: Waste generated in operations	Included below	—
Scope 3 — Cat. 6: Business travel	Included below	—
Scope 3 — Cat. 7: Employee commuting	Included below	—
Scope 3 — Cat. 9: Downstream transportation & distribution	Included below	—
Total Scope 3 (all included sources)	168.83	85.2%
TOTAL EMISSIONS (Scope 1 + 2 + 3)	**198.09**	**100%**

Section 4 — Current Emissions Reporting

Reporting Year: 1 January 2025 – 31 December 2025

4.1 Emissions Summary

Emissions Category	Baseline 2021 (tCO_2e)	2023 (tCO_2e)	2025 (tCO_2e)	Change vs Baseline
Scope 1 — Direct emissions	11.20	22.84	24.97	+123%
Scope 2 — Purchased electricity	18.06	13.14	13.27	−27%
Scope 3 — Included sources (all cats)	168.83	215.65	56.64	−66%
Total Emissions	**198.09**	**251.62**	**94.88**	**−52%**

4.2 Scope 3 Breakdown — 2025

Scope 3 Category	2025 (tCO_2e)	Data Source / Method
Cat. 4 & 9: Upstream & downstream transport (vehicle deliveries & collections)	7.13	Vehicle delivery mileage × fuel type × DESNZ 2025 factors
Cat. 5: Waste generated in operations	33.09	Waste contractor records (NHI, plastic, cardboard) × DESNZ 2025
Cat. 5: Water usage (first reported 2025)	0.08	Cubic metres consumed × DESNZ 2025 water factor (0.1913 $kgCO_2e/m^3$)
Cat. 6: Business travel	0.00	Mileage records (all company vehicles electric/hybrid; zero fuel-based business travel recorded)
Cat. 7: Employee commuting	16.33	Employee survey × annual mileage × vehicle type emission factor
Total Scope 3	**56.64**	

4.3 Commentary on 2025 Performance

Total emissions for 2025 are 94.88 tCO_2e, representing an approximate 52% reduction against the corrected 2021 baseline of 198.09 tCO_2e.

Section 5 — Emissions Reduction Targets

In order to fulfil SFL's commitment to net zero and to comply with PPN 006, the following emissions reduction targets have been adopted. These targets will be reviewed and updated at least annually, in line with changes in the organisation's operations and UK Government policy.

5.1 Short, Medium and Long-term Targets

Horizon	Target	Deadline	Notes
Short-term	30% absolute reduction in Scope 1 & 2 vs 2021 baseline (target: 20.50 tCO_2e)	2027	Requires gas reduction and renewable energy procurement
Short-term	Transition to 100% renewable electricity tariff (REGO-backed)	2027	Eliminate Scope 2 market-based emissions
Medium-term	50% absolute reduction in Scope 1 & 2 vs 2021 baseline	2030	Equivalent to approx. 14.63 tCO_2e
Medium-term	30% reduction in Scope 3 vs 2021 baseline (target: ≤118.18 tCO_2e)	2030	Fleet mix shift, waste reduction, supply chain engagement
Long-term	Net-zero Scope 1 & 2 emissions	2045 or earlier	Without reliance on carbon offsets
Long-term	Net-zero Scope 1, 2 & 3 emissions	2050 at the latest	Residual emissions offset via credible UK schemes only

5.2 Approach to Carbon Offsetting

SFL's primary approach to achieving net zero is through direct emissions reductions across Scope 1, 2, and 3. Carbon offsetting is viewed as a last resort for residual emissions only and will not be used as a substitute for making real reductions. Where offsets are eventually required, SFL will only purchase from credible, independently verified schemes (e.g. Woodland Carbon Code, Peatland Code, Verified Carbon Standard, Gold Standard).

Section 6 — Carbon Reduction Action Plan

6.1 Completed Initiatives (since 2021 baseline)

The following measures have been completed or are fully operational:

Initiative	Scope Addressed	Status
Transition of company car fleet to electric and plug-in hybrid vehicles	Scope 1 / Cat. 7	Complete
Electric and hybrid courtesy cars provided to clients	Scope 1	Complete
New efficient gas boiler installed (2021), replacing outdated system	Scope 1	Complete

Initiative	Scope Addressed	Status
LED lighting with PIR occupancy sensors fitted throughout all sites (2020/21)	Scope 2	Complete
Solar PV panels installed on all south-facing buildings	Scope 2	Complete
Air conditioning efficiency improvement programme introduced	Scope 2	Complete
EV charging points increased across site	Cat. 7	Complete
Aligning working hours to enable car sharing	Cat. 7	Complete — ongoing
Video conferencing (Teams / Zoom) adopted to reduce business travel	Cat. 6	Complete — ongoing
Cycle to Work scheme offered to all employees	Cat. 7	Complete
Online e-sign documentation to minimise paper and courier use	Cat. 5	Complete
Replacement PCs with gold-standard energy efficiency; IT recycling	Scope 2 / Cat. 5	Complete
Carbon literacy training and Eco Champions programme (incl. senior management)	All scopes	Complete — ongoing
ISO 14001 Environmental Management System certified	All scopes	Certified

6.2 Planned and Future Initiatives

Action	Owner (Role)	Target Date	Expected CO_2e Saving	Status
Switch gas and electricity to green/renewable energy tariff (REGO-backed electricity; green gas where available)	Senior Leadership Team	2027	Est. 13+ tCO_2e/yr (Scope 2 elimination)	Planned
Introduce 30-minute interval energy monitoring across all sites to identify and eliminate waste	Senior Leadership Team	2026	TBC — target 10–15% gas reduction	Planned
Launch ‘Switch it Off’ campaign and signage across all sites	Senior Leadership Team	2026	TBC	Planned
Staff education programme on energy and carbon reduction	Senior Leadership Team	2026–2027	N/A (behaviour change)	Planned
Engage top-10 suppliers on their own net-zero commitments and CRP status	Senior Leadership Team	2027	N/A (Scope 3 Cat. 1 reduction pathway)	Planned
Online document management system to eliminate remaining paper processes	Senior Leadership Team	2026	TBC	Planned
Explore feasibility of onsite solar PV expansion and/or battery storage	Senior Leadership Team	2028	TBC	Under review
Assess and report Scope 3 Category 1 (purchased goods and services) emissions	Senior Leadership Team	2027	TBC — improve reporting completeness	Planned

Section 7 — Governance and Monitoring

Review, Update and Publication

This Carbon Reduction Plan will be reviewed and updated at least annually, and within six months of the end of the reporting period, as PPN 006 requires. A revised version will be published on the Sinclair Finance & Leasing Co Ltd UK website no later than February each year, following approval by the Senior Leadership team and sign-off by the Head of Business. The link will be placed in a prominent position on the website homepage.

This plan may also be updated in the event of: significant organisational change; acquisition or merger; material change to the emissions baseline; or revision to the PPN 006 Technical Standard or UK Government guidance.

Section 8 — Declaration and Sign-Off

This Carbon Reduction Plan has been completed in accordance with PPN 006 and the associated Technical Standard for Completion of Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Protocol Corporate Standard, and use the appropriate Government emission conversion factors for greenhouse gas company reporting (DESNZ/DEFRA 2025 edition).

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

This Carbon Reduction Plan has been approved by the Head of Business.

Signed on behalf of:	Sinclair Finance & Leasing Co Ltd
Signature:	
Name:	Thomas Jenkins
Role / Position:	Head of Sinclair Finance & Leasing Co Ltd
Date of sign-off:	27/02/2026
Publication date:	February 2026

Appendix A — Emission Factor References

Source	Detail
DESNZ/DEFRA Conversion Factors — version used	2025 (for 2025 reporting year)
DESNZ/DEFRA Conversion Factors — prior version	2023 (used for 2023 reporting year)

Key 2025 factors applied:

Factor	Value
Natural gas combustion	0.18457 $kgCO_2e/kWh$
UK grid electricity (location-based)	0.17489 $kgCO_2e/kWh$
Petrol / diesel vehicles (average car)	0.27368 / 0.27979 $kgCO_2e/km$
Plug-in hybrid (petrol/diesel average)	0.12465 $kgCO_2e/km$
Battery electric vehicle	0.00000 $kgCO_2e/km$ (at point of use)
Water supply and treatment	0.19130 $kgCO_2e/m^3$

Reference	Link
GHG Protocol Corporate Standard	https://ghgprotocol.org/corporate-standard
GHG Protocol Scope 3 Standard	https://ghgprotocol.org/standards/scope-3-standard
UK Government Conversion Factors	https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting
PPN 006 and Technical Standard for Completion of Carbon Reduction Plans	https://www.gov.uk/government/publications/ppn-006-taking-account-of-carbon-reduction-plans-in-the-procurement-of-major-government-contracts

Appendix B — Data Sources and Assumptions

Scope / Category	Data Source	Method	Data Quality
Scope 1 — Natural gas	Energy bills / meter readings	Actual kWh consumption × DESNZ 2025 gas factor	High
Scope 1 — Vehicle fuel (fleet)	Fuel card records (Fuel Genie) + expense claims	Actual fuel expenditure; converted via average vehicle factor	Medium–High
Scope 2 — Electricity	Energy bills / smart meter data	Actual kWh × DESNZ 2025 UK grid location-based factor	High
Scope 3 Cat. 4 & 9 — Upstream/Downstream transport	Delivery data (fleet orders spreadsheet)	Vehicle count × average mileage × fuel type emission factor	Medium
Scope 3 Cat. 5 — Waste	Waste contractor records	Weight by stream × DESNZ 2025 waste emission factors	Medium
Scope 3 Cat. 5 — Water	Water utility bills / meter readings	Cubic metres × DESNZ 2025 water factor	High
Scope 3 Cat. 6 — Business travel	Expense claims / fuel card	All company vehicles electric/hybrid; zero additional fuel expenditure recorded	High
Scope 3 Cat. 7 — Employee commuting	Employee mileage survey (annual)	Daily commute miles × vehicle type × 48 working weeks	Medium

Appendix C — Glossary of Terms

Term	Definition
tCO_2e	Tonnes of carbon dioxide equivalent — the standard unit for measuring greenhouse gas emissions, accounting for the global warming potential of all gases.
Scope 1	Direct emissions from sources owned or controlled by the organisation (e.g. gas boilers, owned/leased vehicles, refrigerant leakage).
Scope 2	Indirect emissions from purchased electricity, heat, or steam. Reported on both a location-based (UK grid average) and market-based (contracted tariff) basis.
Scope 3	All other indirect emissions in the value chain, including purchased goods and services, business travel, employee commuting, waste, and transportation.
GHG Protocol	The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard — the globally recognised framework for measuring and reporting GHG emissions.
SECR	Streamlined Energy and Carbon Reporting — mandatory annual reporting of energy use and carbon emissions for large UK companies under the Companies Act.
PPN 006	Procurement Policy Note 006 — requires suppliers bidding for in-scope major UK central government contracts (over £5 million per annum including VAT, under the Procurement Act 2023) to provide a Carbon Reduction Plan as a condition of participation. It replaced PPN 06/21.
SBTi	Science Based Targets initiative — a framework for companies to set emissions reduction targets in line with climate science (1.5°C pathway).
Net Zero	A state in which greenhouse gases emitted into the atmosphere are balanced by removal, resulting in no net increase in atmospheric GHG concentration.

Term	Definition
REGO	Renewable Energy Guarantee of Origin — a certificate confirming electricity has been generated from a renewable source.
ISO 14001	An international standard for Environmental Management Systems, providing a framework to protect the environment.
DESNZ/DEFRA	UK Government departments (Department for Energy Security and Net Zero / Department for Environment, Food & Rural Affairs) that publish the annual GHG conversion factors.
NHI	Non-Hazardous Industrial waste stream.