

# Scope 3 Emissions Calculation Methodology Report

April 2024

## Motorpoint FY23 Scope 1, Scope 2 and Scope 3 Results Summary

Motorpoint Scope 1, 2 and 3 Emissions	Total Emissions	Category	Percentage of Motorpoint Footprint
<b>Total Scope 1 Emissions</b>	1,653		0.44%
<b>Total Scope 2 Emissions</b>	1,013		0.27%
<b>Scope 3 Emissions</b>			
Category 1 – Purchased Goods and Services	12,111		3.25%
Category 2- Capital Goods	1,136		0.30%
Category 3 – Fuel and Energy	120		0.03%
Category 4 – Upstream Transportation	6,731		1.81%
Category 5 – Waste	215		0.06%
Category 6 – Business Travel	120		0.03%
Category 7 – Employee Commute	395		0.11%
Category 8 – Upstream Leased Assets			
Category 9 – Downstream Transportation	174		0.05%
Category 10 – Processing of Sold Products			
Category 11 – Use of Sold Products	349,069		93.65%
Category 12 – End of Life Treatment of Products			
Category 13 – Downstream Leased Assets			
Category 14 - Franchises			
Category 15 - Investments			
<b>Total Scope 3</b>	<b>370,072</b>		<b>99.3%</b>
<b>Total Scope 1, Scope 2 and Scope 3 Emissions</b>	<b>372,738</b>		<b>100.0%</b>

## Scope 3 Categories

### Category 1 – Purchased Goods and Services

Category 1	
Scope 3 Category Description	All upstream (i.e., cradle-to-gate) emissions from the production of products purchased or acquired by the reporting company in the reporting year.
Materiality and Calculation Status	Material and Calculated
Activity Data Source	Total spend on products and services
Emissions Data Source	Spend based approach utilising supply chain emission factors published by the department for environment, food and rural affairs

### Calculation Methodology

The activity data was taken from our internal profit and loss sheet. This details our total spend on non-capital projects, including products and services all utilities by the business. All the individual categories on our profit and loss sheet were considered, and each categories spend was assigned the most appropriate CO<sub>2</sub>/£ conversion factor published by the department for environment, food and rural affairs.

Only one major spend category has been excluded from our calculations, and that is our spend on vehicles brought in to the business. The vast majority of emissions tied to these vehicles is due to the manufacturing emissions that Motorpoint has no control over, and their inclusion would form a heavy weighting of Motorpoint's overall inventory. Due to these emissions already being considered by the scope 1 and 2 emissions of the manufacturers themselves, We see no benefit in tracking these emissions internally.

**Category 2 – Capital Goods**

Category 2	
Scope 3 Category Description	Emissions from final products that have an extended life and are used by the company to manufacture a product; provide a service; or sell, store, and deliver merchandise. Examples include fixed assets, property, and equipment.
Materiality and Calculation Status	Material and Calculated
Activity Data Source	Total capital spend on projects and assets.
Emissions Data Source	Spend based approach utilising supply chain emission factors published by the department for environment, food and rural affairs.

**Calculation Methodology**

The activity data was taken from our internal balance sheet. This details our total spend on capital projects and assets including equipment, furnishings and on-going property related work in progress. As with category 1 all our internal categories of spend were assigned the most appropriate CO<sub>2</sub>/£ conversion factor published by the department for environment, food and rural affairs.

**Category 3 – Fuel / Energy-Related Activities Not Included in Scope 1 or Scope 2**

Category 3	
Scope 3 Category Description	Emissions from the production of fuel and the generation of energy by the reporting company.
Materiality and Calculation Status	Calculated via SECR requirements
Activity Data Source	N/A
Emissions Data Source	N/A

Currently all of our fuel and energy-related activities are included in our scope 1 and scope 2 disclosures.

**Category 4 – Upstream Transportation and Distribution**
**Category 4**

Scope 3 Category Description	Emissions from third-party transportation and distribution services purchased by the reporting company in the reporting year including inbound logistics, outbound logistics and third-party transportation and distribution between a company's own facilities.
Materiality and Calculation Status	Calculated and 1.2% of total footprint
Activity Data Source	Total spend on transport and delivery
Emissions Data Source	Spend based approach utilising supply chain emission factors published by the department for environment, food and rural affairs.

### Calculation Methodology

Despite being consider Not-Material, Category 4 remains a subject that we have relative control over. Reducing internal movements and working with our transport partners to understand their journey to net zero, the emissions from this category are within our control to reduce.

The activity data was taken from our transport and delivery category on our profit and loss sheet. The road transport emissions factor published by the department for environment, food and rural affairs was used to convert our total spend to a tCO<sub>2</sub>e figure.

### Category 5 – Waste Generated in Operations

Category 5

Scope 3 Category Description	Emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater.
Materiality and Calculation Status	Not-Material (less than 0.5% of inventory), Calculated
Activity Data Source	CO2e of solid waste disposal generated by our third party waste broker Go Green. Wastewater figures have been taken from our water invoices for each site.
Emissions Data Source	Go Green's calculation method utilises the DEFRA guidelines for GHG conversion for our solid waste. Wastewater conversion factors were also taken from the DEFRA guidelines and calculated internally by Motorpoint.

### Calculation Methodology

From a solid waste perspective, our business wide disposal is managed by our partner Go Green. As part of their service, Go Green calculate the GHG emissions of our waste disposal on a monthly basis. Their methodology for calculation is based on the DEFRA guidelines for GHG conversion, and uses the published conversion factors to generate our tCO2e for waste.

Wastewater is tracked internally and based on our invoiced quantities of waste water from our utilities providers. The DEFRA GHG conversion factors for waste water are used to calculate our emissions from our sites.

### Category 6 – Business Travel

Category 6
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Scope 3 Category Description	Emissions from the transportation of employees for business related activities in vehicles not owned or operated by the reporting company.
Materiality and Calculation Status	Not-Material (less than 0.5% of inventory), Calculated
Activity Data Source	Mileage taken from our employee expense system as well as flight data linked to the managers conference.
Emissions Data Source	CO2e for mileage calculated using the DEFRA guidelines for GHG conversion. Flight data input into a digital emissions calculator operated by Carbon Footprint LTD.

### Calculation Methodology

The vast majority of business travel conducted within the business is tracked via personal mileage expenses. Upon completion of a journey our employees register their milage via our Concur online portal. This portal allows us to pull of a report of our total mileage across all employees. Our emissions have been calculated using the medium petrol vehicle conversion factor published by DEFRA. This category has been chosen as it will likely reflect the majority of vehicles driven by our employees, even over estimating emissions of diesel cars have been utilised.

The FY23 managers conference took place abroad, with a total of 8 round trips performed. The flight information was recorded and by using Carbon Footprint’s online calculator we have come to the tCO2e for each flight. The emission factors utilities by the calculator are informed by DEFRA’s publications, and also includes DEFRA's recommended Radiative Forcing factor for higher emissions driven by high altitude flights.

### Category 7 – Employee Commute

<b>Category 7</b>	
Scope 3 Category Description	This category includes emissions from the transportation of employees between their homes and their worksites.
Materiality and Calculation Status	Not-Material (less than 0.5% of inventory), Calculated
Activity Data Source	Total employees along with UK average commuting mileage published by the UK Department for Transport statistics
Emissions Data Source	CO2e for mileage calculated using the DEFRA guidelines for GHG conversion.

### Calculation Methodology

Due to this category not being material to our scope 3 inventory, we have opted to calculate it using industry average data. We have taken the annual commuting mileage figure published by the UK Department for Transport statistics and calculated the total mileage for our people based on our total headcount. The total mileage figure has then been converted to tCO2e using DEFRA's guidelines for GHG conversion. Should future estimates indicate that this category could become material to our inventory, we will explore a more robust method of calculating not focused on UK averages.

### Category 8 – Upstream Leased Assets

<b>Category 8</b>	
Scope 3 Category Description	Emissions from the operation of assets that are leased by the reporting company as lessees, that are not already included in the reporting company's scope 1 or scope 2 inventories.
Total Scope 3 Emissions (tCO2e)	N/A
Materiality and Calculation Status	Calculated via SECR requirements
Activity Data Source	N/A
Emissions Data Source	N/A

Currently all of our emissions from the operation of our leased assets is captured as part of our scope 1 and scope 2 disclosures.

### Category 9 – Downstream Transportation



<b>Category 9</b>	
Scope 3 Category Description	This category includes emissions that occur from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company. Outbound transportation and distribution services that are purchased by the reporting company are excluded from category 9 and included in category 4.
Total Scope 3 Emissions (tCO2e)	N/A
Materiality and Calculation Status	Calculated via category 4
Activity Data Source	N/A
Emissions Data Source	N/A

All transportation of products is captured via Category 4 of our scope 3 inventory, as well as our business fuel usage captured under our SECR requirements.

#### **Category 10 – Processing of Sold Products**

<b>Category 10</b>	
Scope 3 Category Description	Emissions from processing of sold intermediate products by third parties (e.g., manufacturers) subsequent to sale by the reporting company. Intermediate products are products that require further processing, transformation, or inclusion in another product before use.
Total Scope 3 Emissions (tCO2e)	N/A
Materiality and Calculation Status	Not applicable, Not Calculated
Activity Data Source	N/A
Emissions Data Source	N/A

Motorpoint stock is processed internally after purchase. There is no third party processing of our products prior to purchase.

#### **Category 11 – Use of Sold Products**

<b>Category 11</b>	
Scope 3 Category Description	This category includes emissions from the use of goods and services sold by the reporting company in the reporting year, over the products expected lifetime.
Materiality and Calculation Status	Material, Calculated
Activity Data Source	Vehicles sold during financial year
Emissions Data Source	Average emissions per mile for sold vehicles multiplied by UK average mileage and multiplied by the average

### Calculation Methodology

Use of products sold is our largest category both from a scope 3 perspective, and in regards to our total business wide emissions. Due to this being our largest and therefore most material category, significant effort has been made to calculate our emissions here as accurately as is possible. The activity data source comes from our total units sold in the reporting year, excluding fully EV vehicles. For each of these vehicles we take the kgco2/km value and generate an average figure based on all our sold units. From a mileage perspective we have taken the UK average annual mileage figure published by the department for transport statistics. With average mileage and average emissions per mile, we are able to calculate the average annual tCO2 for a vehicles sold by Motorpoint.

The other consideration as part of this category is that the emissions for a products expected lifetime are required. Vehicle manufacturers such as Toyota and Mercedes-Benz calculate their own category 11 emissions based on a product lifetime of 10 years. Based on the product lifespan indicated by manufactures, and the average Motorpoint vehicle being sold at 3.5 years old, we have opted to disclose 6.5 years of emissions for each vehicle.

### Category 12 – End-Of-Life-Treatment of Products Sold

<b>Category 12</b>	
Scope 3 Category Description	Includes emissions from the waste disposal and treatment of products sold by the reporting company (in the reporting year) at the end of their life. This category includes the total

	expected end-of-life emissions from all products sold in the reporting year.
Total Scope 3 Emissions (tCO <sub>2</sub> e)	N/A
Materiality and Calculation Status	Not applicable, Not calculated
Activity Data Source	N/A
Emissions Data Source	N/A

We have classified this category as not applicable to our inventory. The emissions linked to the recycling of and disposal of vehicles is out of the scope of our business. We have no control over the material make-up and recyclability of the vehicles we sell, and as such do not have the ability to reduce or impact these emissions in any way.

### Category 13 – Downstream Leased Assets

Category 13	
Scope 3 Category Description	This category includes emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities in the reporting year that are not already included in scope 1 or scope 2.
Total Scope 3 Emissions (tCO <sub>2</sub> e)	N/A
Materiality and Calculation Status	Not applicable, Not calculated
Activity Data Source	N/A
Emissions Data Source	N/A

Currently Motorpoint do not act as lessor for any assets.

### Category 14 – Franchises

Category 14	
Scope 3 Category Description	Emissions from the operation of franchises not included in scope 1 or scope 2. A franchise is a business operating under a license to sell or

	distribute another company's goods or services within a certain location.
Total Scope 3 Emissions (tCO <sub>2</sub> e)	N/A
Materiality and Calculation Status	Not applicable, Not calculated
Activity Data Source	N/A
Emissions Data Source	N/A

Currently Motorpoint do not offer any franchise agreements for the sale of our products.

### Category 15 – Investments

Category 15	
Scope 3 Category Description	This category includes scope 3 emissions associated with the reporting company's investments in the reporting year, not already included in scope 1 or scope 2. This category is applicable to investors (i.e., companies that make an investment with the objective of making a profit) and companies that provide financial services.
Total Scope 3 Emissions (tCO <sub>2</sub> e)	N/A
Materiality and Calculation Status	Not applicable, Not calculated
Activity Data Source	N/A
Emissions Data Source	N/A

Currently Motorpoint do not have any relevant investments that are not already captured via other categories.