

2022 SYNETIQ Sustainability Report



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Message from Our Leadership



Tom Rumboll, CEO of SYNETIQ

As a business, we understand that climate change is a serious threat, not just to the communities around us but to businesses worldwide too. We believe we must listen to the science and act accordingly. SYNETIQ takes this threat seriously, but also recognises the opportunity for our business to show leadership, make a difference, and to demonstrate that doing the right thing for the planet is the right thing for our clients and our business too. We have set out our plans to become the most sustainable and responsible business in the vehicle recycling industry in “Our Road to Tomorrow” to keep us on track to achieve net zero emissions in line with the recommendations made by climate scientists.



Elisa Caton, Sustainability Manager

We believe strongly in doing the right thing for our planet, for our people, and for our partners. We appointed a dedicated Sustainability Manager in March 2022 who has been busy laying the foundations for our programme of works on sustainability over the coming years and is looking to align our Sustainability Programme with the United Nations Sustainable Development Goals. Our Sustainability Manager has also been leading more of our colleagues through our Carbon Literacy training programme to continue creating and fostering a sustainability-conscious culture at SYNETIQ.

This is our first report on sustainability progress for SYNETIQ, and it will cover the emissions for SYNETIQ Ltd for 2020-21 and 2021-22, and for both SYNETIQ and IAA in the UK businesses for the 2021 calendar year. With the 2022 reporting year we will be joining up with our parent company IAA Holdings, LLC to report together as a global group. We are excited to lead together on sustainability across the global stage.

EXECUTIVE SUMMARY

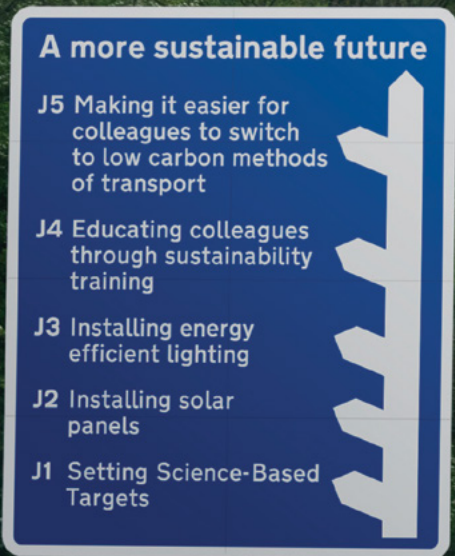
SYNETIQ has produced this report to provide an update on current progress towards our carbon reduction goals, and making sure we're open and transparent in our sustainability reporting to reassure our customers and clients that we take sustainability seriously.

To calculate our greenhouse gas emissions, we have followed the Greenhouse Gas Protocol, collecting data on our energy and fuel consumption for scopes 1 and 2, and our spend data for scope 3. We used BEIS emissions factors to convert this data into greenhouse gas emissions for the legacy SYNETIQ Ltd business in 2020-21 and 2021-22, and for the whole UK business baseline year of 2021. The data will be collated again for 2022 to provide a comparison to our new baseline year, and this will be reported in line with our parent company's reporting requirements.

The SYNETIQ Ltd legacy business achieved a 5.6% decrease in emissions between 2020-21 and 2021-22. The new baseline for the whole UK business is 4,864 tonnes CO₂e for scope 1, 611 tonnes CO₂e for scope 2, and 21,404 tonnes CO₂e for scope 3.

A number of larger and smaller projects were delivered between 2021 and 2022, including two large solar photovoltaic panel installations at two of the largest SYNETIQ sites, as well as the transition from older lighting to LED lighting across our sites which will be completed over the next couple of years.





We've also continued our work on raising more awareness of sustainability and climate change through the delivery of Carbon Literacy training to our colleagues, clients, and local businesses. The low-carbon culture we are encouraging amongst our colleagues has inspired many to take action at home and in the

workplace, with the introduction of projects like a food waste collection trial at our Doncaster site.

We have also introduced an electric vehicle salary sacrifice scheme to make it easier for our colleagues to access an EV, alongside our Cycle2work scheme making the purchase of a brand new bicycle easier too.



Our Workstreams

- Low Carbon Transport
- Low Carbon Estate
- Renewable Energy
- Circularity and Waste
- Carbon Conscious Culture and Behaviour Change
- Offsetting
- Compliance



We introduced our sustainability certificates for clients at the start of 2022, which confirm the carbon savings made by using our green parts compared with a brand-new OEM part and has been a huge success.

We have set out seven workstreams to cover our current and future projects.

1. Low Carbon Transport
2. Low Carbon Estate
3. Renewable Energy
4. Circularity and Waste

5. Carbon Conscious Culture and Behaviour Change
6. Offsetting
7. Compliance

Our Sustainability Programme projects will generally fit into one of these workstreams but will involve input from all areas of the business and will be overseen by our Sustainability Manager. We look forward to providing an update on the projects as we progress.



COMPANY OVERVIEW

About SYNETIQ



SYNETIQ is a leader in the vehicle auction, salvage and recycling market in the UK. The business has a crucial role in keeping vehicles and vehicle parts on the road, for their intended purpose, and when vehicles do reach their end of life, they are recycled to ensure those materials are kept within the economy. Sustainability is therefore naturally at the heart of the values for the business and is a key part of our growth plans over the coming months and years.

As part of our commitment to becoming the most sustainable and responsible business in the vehicle recycling industry, SYNETIQ have pledged to decarbonise business operations and our value chain within our sphere of influence. We recruited a Sustainability Manager in March 2022 to lead on our sustainability strategy and bring our colleagues, clients, and supply chain along on the journey with us. We have

also set out our sustainability goals in Our Road to Tomorrow sustainability plan, which will be expanded upon as we integrate the UK businesses, SYNETIQ Ltd and IAA in the UK, and into the global IAA Holdings, LLC business.

We will be as open and transparent as possible about our journey to a more sustainable future, to assure our clients, colleagues and supply chain that we are committed to reducing our impact on the environment, as well as to help other businesses starting out on that journey. We believe that we should collaborate with our whole industry and beyond to tackle climate change; this is a team effort not a race, and only by working together will we all be successful in preventing climate change and making the planet a better place to live, work and study for future generations.

Reporting Requirements and Methodology



The Greenhouse Gas Protocol has been used to guide the calculation of the emissions within SYNETIQ's operational boundary.

The primary operations involve the salvaging, scrapping, sale, and repurposing of end of life (EOL) vehicles and vehicle parts, and the boundary of these operations is within the UK across the SYNETIQ, IAA in the UK, and Motorman businesses.

As a large business headquartered in the UK, SYNETIQ is required to report under the Streamlined Energy and Carbon Reporting (SECR) requirements to UK Government each year alongside

the Director's accounts. The SECR requirements ask us to report energy consumption in kilowatt hours (kWh). IAA in the UK have not been required to report under SECR to date, but, as the UK business fully integrates from the 1st of January 2023, we will be reporting together in future years.

We have collected energy and fuel spend data for scopes 1 and 2, alongside goods/ services spend data for scope 3, including business travel spend, to calculate the emissions associated with our business operations and value chain.





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EMISSIONS



Scope of Emissions

The greenhouse gas emissions scopes are described in Chapter 4 of the Greenhouse Gas Protocol [3] and these definitions are included below, alongside a diagram in figure 1 to illustrate what the three scopes relate to in practical terms for our business.

Scope 1: Direct GHG Emissions

Direct GHG emissions occur from sources that are owned or controlled by the company; for example, emissions from combustion of fossil fuels in owned or controlled boilers, furnaces, and vehicles, and/or emissions from chemical production in owned or controlled process equipment. Direct CO₂ emissions from the combustion of biomass is not included within scope 1, with a preference to report this separately. GHG emissions not covered by the Kyoto Protocol, e.g. chlorofluorocarbons (CFCs), nitrous oxides, and so on, are also not included in scope 1 but may be reported separately as well.

Scope 2: Electricity – Indirect GHG Emissions

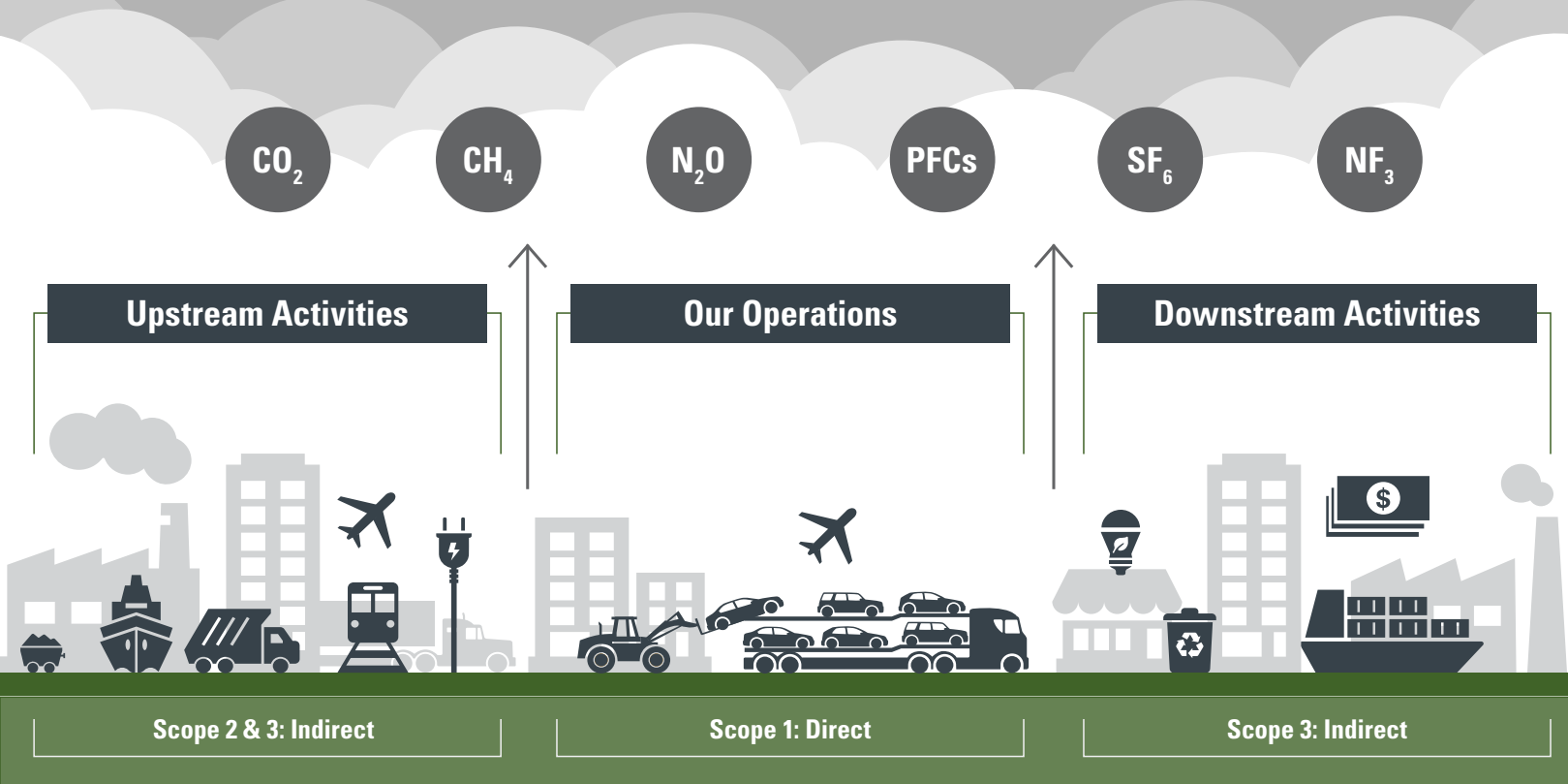
Scope 2 accounts for GHG emissions from the generation of purchased electricity consumed by the company or organisation in question. Purchased electricity is defined as electricity that is bought or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

Scope 3: Other Indirect GHG Emissions

Scope 3 is an optional reporting category that allows for the treatment of all other indirect emissions. Scope 3 emissions are a consequence of the activities of the company, but which occur from sources not owned or controlled by the company. Some examples of scope 3 activities are extraction and production of purchased materials; transportation of purchased fuels; and use of sold products and services, both upstream and downstream of the organisation's operations.

Figure 1

Diagram showing activities falling within each of the three scopes of emissions reporting for SYNETIQ (adapted from Greenhouse Gas Protocol [1]/New Zealand Business Council for Sustainable Development [2])



SCOPE 1: DIRECT EMISSIONS

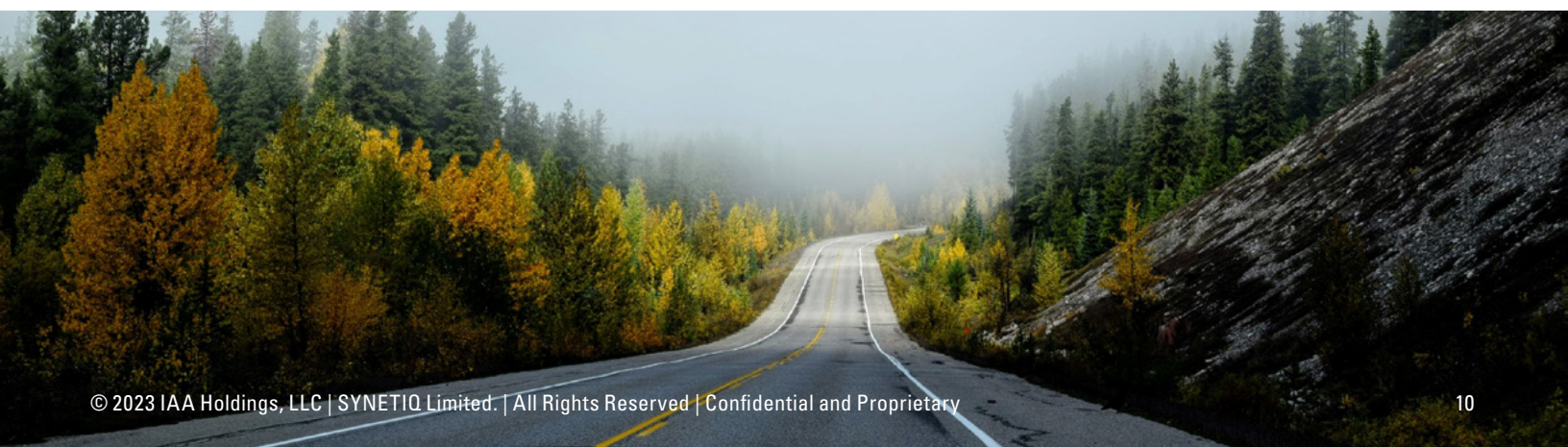
- Mobile combustion: Diesel consumed in our fleet, including HGVs, delivery vans, forklift trucks, and company cars
- Stationary combustion: Gas consumed in our buildings
- Refrigerants

SCOPE 2: INDIRECT EMISSIONS

- Electricity consumed in our buildings and workshops, plus yard lighting

SCOPE 3: INDIRECT VALUE CHAIN EMISSIONS

- **Category 1:** Purchased goods and services
- **Category 2:** Capital assets
- **Category 3:** Fuel and energy related activities, including electricity transmission and distribution losses
- **Category 4:** Upstream transport and distribution
- **Category 5:** Waste generation
- **Category 7:** Employee commuting
- **Category 8:** Upstream leased assets
- **Category 9:** Downstream transportation and distribution
- **Category 10:** Use of sold products
- **Category 11:** End-of-life treatment of sold products



Tracking Emissions Over Time

We currently have SYNETIQ emissions data going back to the 2020/2021 financial year for comparison purposes. Going forwards we are aligning to the reporting year for our

parent company, IAA Holdings, LLC, which will be the calendar year January through to December, and 2021 will be the carbon emissions baseline year for the UK business.

Carbon Emissions

For the SYNETIQ Business (2021/22 Financial Year)

As a separate entity prior to the acquisition of SYNETIQ Ltd by IAA Holdings, LLC, the legacy SYNETIQ business had calculated the baseline and first year of greenhouse gas emissions in the financial years of 2020/21 and 2021/22, respectively. The emissions across all three scopes are shown in the bar chart below.

Overall, across the full three emissions scopes, SYNETIQ Ltd achieved a 5.6%

reduction in carbon emissions between 2020/21 and 2021/22.

For the Whole UK Business (2021)

Going forwards we are aligning to the reporting year for our parent company, IAA Holdings, LLC, which will be the calendar year January through to December, and 2021 will be the carbon emissions baseline year for the UK business. We have calculated this new baseline for our Science-based Targets initiative submission and for future comparison, and the data is included below.

Figure 2

Chart showing the greenhouse gas emissions for the 2020/21 and 2021/22 financial years for SYNETIQ, Ltd.

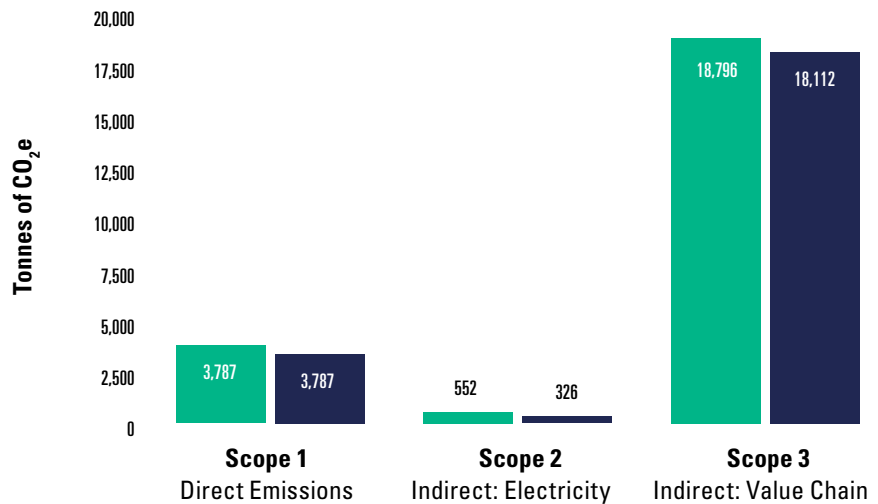
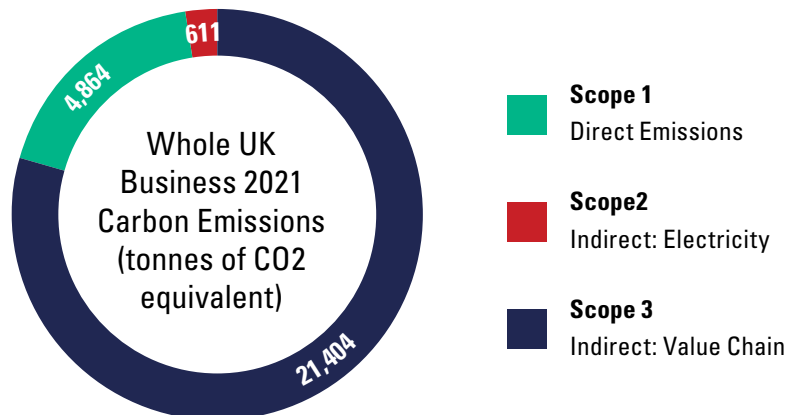


Figure 3

Pie chart showing the greenhouse gas emissions for the calendar year 2021 for the whole UK business of SYNETIQ an IAA company (includes SYNETIQ, Ltd and IAA in the UK)





Projects Delivered

We're pleased to be able to report back on a few of our projects from 2021/22 and the current calendar year.

Transport

On transport, we're making efforts to make our journeys more efficient – making use of our expanded network of sites across the

UK as a result of the integration of SYNETIQ with the IAA in the UK business. We're using better route planning software to enhance this, and make sure our vehicles are transporting when they are as full as feasible for the route and load being taken.

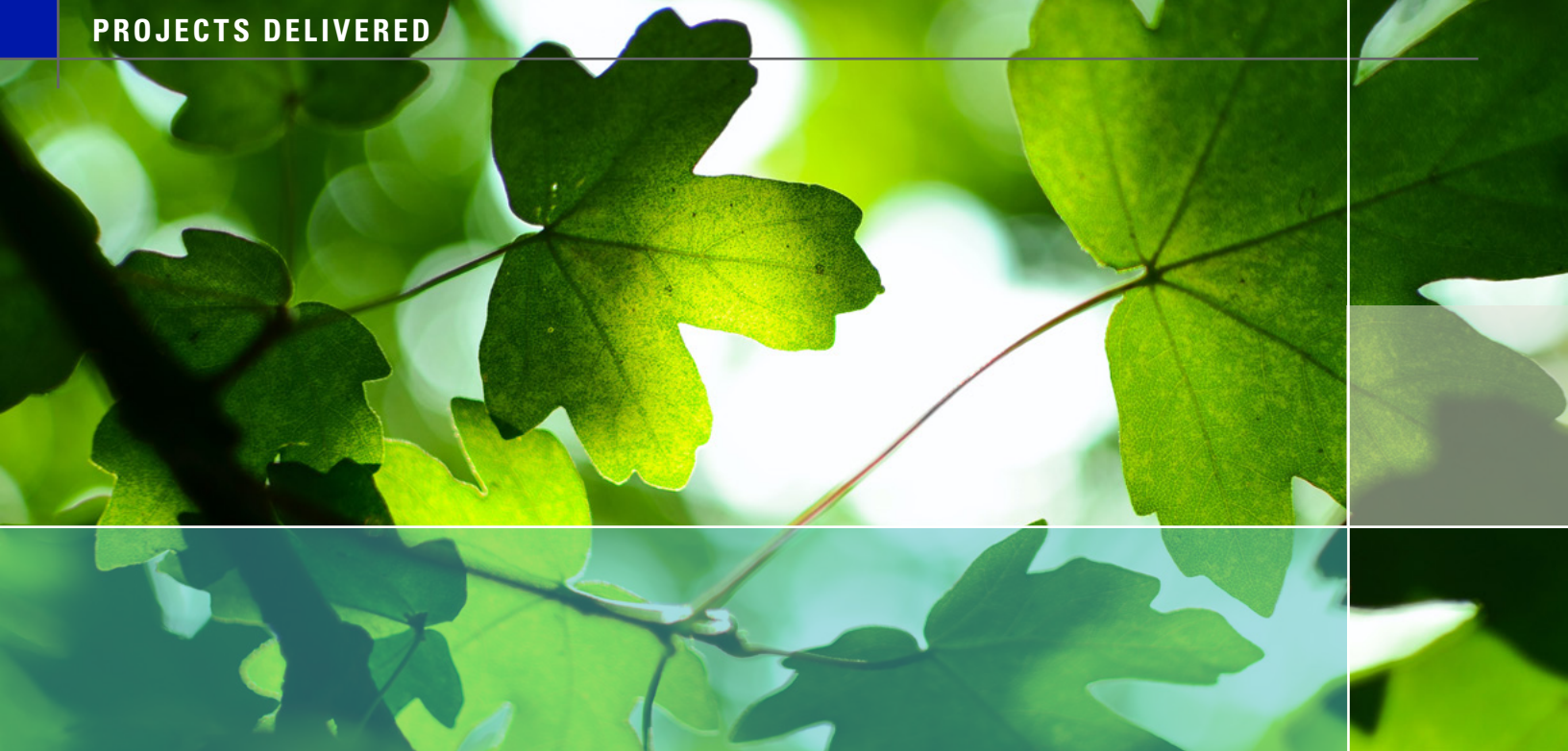


Our UK Locations

1. Glasgow
2. Addiewell
3. Carlisle
4. Armagh
5. Teesside
6. Hull
7. Huddersfield
8. Doncaster (Head Office)
Doncaster, Church Lane
Doncaster, Planet Road
9. Doncaster, Sandtoft
10. Winsford
11. Hixon
12. Peterborough
13. Bury St Edmunds
14. Gloucester
15. Bristol
16. Newbury
17. London
18. Warley (Smart Hub)
19. Canvey Island
20. Truro
21. Channel Islands

Parts Collection Available

- Doncaster
- Gloucester
- Winsford



Carbon Literacy Training

We've also been working hard to encourage our colleagues to make more sustainable choices and make that choice easier for them too. In 2021 we rolled out Carbon Literacy training across our workforce and trained our senior management team alongside other interested colleagues, and in 2021 we trained a total of 185 SYNETIQ colleagues. In June 2021 we achieved Bronze Carbon Literate Organisation status, with Silver achieved just a few months later in November 2021. We also took part in the first ever Carbon Literacy Action Day on the 1st of November 2021, which coincided with the start of the UN Conference on Climate Change (COP26) held in Glasgow.

We delivered training to partner organisations in our value chain as well as businesses in the locality of our main sites. To date in 2022 we have trained and accredited an additional 84 colleagues, including colleagues at IAA in the UK.

Lasting Change

We're supporting our colleagues with their training by helping to implement some of their brilliant sustainability ideas, for

example, removing plastic cups from water fountains, changing our water fountains to be mains-fed instead of using plastic water containers, introducing food waste collections at our Doncaster site.

We've also started to reduce the number of printers we have in the business, encouraging teams to go "paperless" where possible. In addition to the Cycle2work scheme we already provide for our colleagues, we have also introduced an electric vehicle salary sacrifice scheme through Octopus EV, giving colleagues lots of options for changing to a more sustainable mode of transport to get to and from work and to go about their daily lives.

Client Training

Our clients have shown ever increasing interest in our sustainability plans and service offering, and at the start of 2022 we introduced a sustainability certificate for clients to demonstrate the carbon emissions that were avoided as a result of using our green parts for vehicle repairs instead of buying brand new OEM parts.

Our Colleagues Making an Impact

I use washing machine tab boxes as storage boxes for bits and bobs.

I use glass pudding pots to make candles in and then top it off with a Pringle lid.

I use washing machine tab boxes as storage boxes for bits and bobs.

I sort out my clothes and use a local clothes bank to donate them to.

I reuse paper bags as a liner for our little compost caddy.

I shop with Morrisons because each time they deliver, they take away your single use plastic bags for recycling.

I take empty toiletries to The Body Shop for their recycling point.

I collect crisp packets and send them to a lady in Leeds who makes them into blankets for the homeless.

I have a dedicated recycle bin in our house.

I've ordered more recycling bins from the council.

I collect our used contact lenses and packaging and take them to our local Boots Opticians for recycling.

I use my "used" coffee grounds in the garden.

I buy refill bags for home items (hand wash).

I turn empty toilet roll tubes into tunnels for my hamster.

Future Plans

We have set out our Sustainability Programme into seven workstreams to allow us to track our progress against specific targets within the larger target of achieving net zero. The projects identified for 2023 fall into the below workstreams. Whilst we recognise that decarbonising our operations and value chain is the ultimate

goal, we are also committed to offsetting our emissions using verifiable projects within the UK.

We are working with a number of organisations who can provide carbon offsets through the Woodland Carbon Code scheme, which will allow us to offset our emissions within the boundaries of the UK.



Conclusion

SYNETIQ has produced this report to provide an update on current progress towards our carbon reduction goal open and transparent in our sustainability reporting to reassure our customers and clients that we take sustainability seriously.

We have started to make great strides towards our sustainability goals. The SYNETIQ Ltd legacy business achieved a 5.6% decrease in emissions between 2020-21 and 2021-22. The new baseline for the whole UK business is 4,864 tonnes CO₂e for scope 1, 611 tonnes CO₂e for scope 2, and 21,404 tonnes CO₂e for scope 3.

A number of larger and smaller projects were delivered between 2021 and 2022, including two large solar photovoltaic panel installations at two of the largest SYNETIQ sites, as well as the transition from older lighting to LED lighting across our sites which will be completed over the next couple of years.

We've also continued our work on raising more awareness of sustainability and climate change through the delivery of Carbon Literacy training to our colleagues, clients, and local businesses. We introduced our sustainability certificates for clients at the start of 2022, which confirm the carbon savings made by using our green parts compared with a brand-new OEM part and has been a huge success.

Moving forwards, we have set out seven workstreams to cover our current and future projects: Low Carbon Transport, Low Carbon Estate, Renewable Energy, Circularity and Waste, Carbon Conscious Culture and Behaviour Change, Offsetting, and Compliance. Our Sustainability Programme projects will generally fit into one of these workstreams but will involve input from all areas of the business and will be overseen by our Sustainability Manager. We look forward to providing an update on the projects as we progress.

References

- [1] World Resources Institute,
 "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard - Revised Edition,"
 March 2004. [Online].
 Available: <https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>.
 [Accessed 2022].
- [2] The New Zealand Business Council for Sustainable Development,
 "The Challenge of Greenhouse Gas Emissions,"
 August 2002. [Online].
 Available: https://www.sbc.org.nz/wp-content/uploads/2022/07/Climate_Change_Guide.pdf.
 [Accessed 12 January 2023].

For more information, please get in touch with our Sustainability Manager, Elisa Caton on elisa.caton@synetiq.co.uk

Appendix

Assumptions and Exclusions

Some assumptions and exclusions were made during the process of calculating our greenhouse gas emissions, and these are detailed below.

ASSUMPTIONS AND DETAILS OF METHODOLOGY

SCOPE 1 – REFRIGERANTS		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Scope 1 – Refrigerants	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> The leakage of refrigerants from; In-use refrigeration and air conditioning equipment is estimated using assumptions by SYNETIQ's former Head of HSEQ. From SYNETIQ owned vehicles is deduced from the number of vehicles remaining on SYNETIQ's fixed asset register at the end of the reporting period (01/03/2022). From depolluted vehicles estimates were based on internal records of the number of vehicles depolluted on SYNETIQ worksites. Anthesis consultancy work carried out on IAA UK's behalf. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> The global warming potential of refrigerants were obtained from the BEIS (2021) database. 	<p>The number of units of refrigeration and air conditioning equipment on SYNETIQ sites was estimated from the data collected for the 2020-2021 financial year analysis and the records of purchases and disposal of equipment within the fixed asset register for FY 2021-2022.</p> <ul style="list-style-type: none"> It is assumed that HFC 134A is the sole refrigerant used within domestic refrigeration. Similarly it is assumed that R410A is the sole refrigerant used across all air conditioning equipment. Annual leakage rates for both refrigeration and air conditioning equipment have been based on those reported for 'domestic refrigeration' and 'small air conditioning equipment' reported in the UK Government SECR guidance document.
Overall rating of the data quality of reported emissions		Good
SCOPE 1 – MOBILE COMBUSTION		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Scope 1 – Mobile Combustion	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Primary data on Litres of diesel used across all SYNETIQ sites. Primary data received from SYNETIQ on staff reimbursement for travel expenses. IAA UK fuel card data. IAA UK gas oil invoices. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emissions Factors for mobile combustion and the use of diesel, gas oil, petrol were obtained from the BEIS (2021) database. 	<ul style="list-style-type: none"> Using an assumption of 50% of expenses spent on transportation and SYNETIQ reimburse company car mileage at a rate of £0.11 per mile, from this total miles in company cars was able to calculated i.e. expenses divided by reimbursement rate. The resulting total mileage in company cars was then applied to the appropriate emission factor (Cars by size – Average car). Fuel card and invoice data were multiplied by emissions factor to obtain emissions figures.
Overall rating of the data quality of reported emissions		Very Good
SCOPE 1 – STATIONARY COMBUSTION		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Scope 1 – Stationary Combustion	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Primary activity data was provided via invoices on the consumption of Natural gas and Propane. Anthesis consultancy work carried out on IAA UK's behalf. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Natural Gas and Propane emissions factors were obtained from the BEIS (2021) database (1). 	<ul style="list-style-type: none"> The emission factors were applied to the corresponding Natural Gas and Propane consumption figures to calculate total emissions.
Overall rating of the data quality of reported emissions		Very Good

SCOPE 2 – ELECTRICITY: MARKET AND LOCATION BASED		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Scope 2 – Electricity	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> kWh of electricity used per SYNETIQ site was provided via an Excel spreadsheet. Anthesis consultancy work carried out on IAA UK's behalf. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Electricity emissions factors were obtained from the BEIS (2021) database. 	<p>Location based approach</p> <ul style="list-style-type: none"> Electricity consumption data in kWh was applied against the relevant emission factor. <p>Market based approach</p> <ul style="list-style-type: none"> For each of the sites details were provided on the provider of electricity e.g. EDF. Via Google searches the emission mix (and resulting emission factor) were identified for each provider. Using this information the factor could be applied and total emissions calculated.
Overall rating of the data quality of reported emissions		Good
UPSTREAM SCOPE 3 – CATEGORY 1 PURCHASED GOODS AND SERVICES		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 1 – Purchase goods and services	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> IAA UK and SYNETIQ's spend in £ sterling on goods and services. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emission factors for spend on goods were obtained from the Econometrica (2012) emissions factors database (2). These factors were inflation adjusted for 2021 using inflation rates sourced from the Bank of England (3). 	Each spend category code was associated with an appropriate emission factor. This calculation excluded spend on packaging and cleared vehicles, as these are covered separately.
Overall rating of the data quality of reported emissions		Good
UPSTREAM SCOPE 3 – CATEGORY 2 CAPITAL GOOD		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 2 – Capital assets	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> The data aggregated the spend on capital goods into 8 distinct types: Plant & Machinery, Furniture & Fixtures, Motor Vehicles, Car Storage & Engine Racks, Improvements to Site, Computer Hardware, Projects and Other. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emission factors for spend on capital goods were obtained from the Econometrica (2012) emissions factors database (2). These factors were inflation adjusted for 2021 using inflation rates sourced from the Bank of England (3). 	The spend on each Capital asset category code was associated with an appropriate emission factor to estimate the associated emissions.
Overall rating of the data quality of reported emissions		Good
UPSTREAM SCOPE 3 – CATEGORY 3 FUEL AND ENERGY RELATED ACTIVITIES		
Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 3 – Fuel and Energy related activities	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> The quantities of fuel (diesel, gas and propane) and energy (electricity) purchased in the reporting year were obtained from IAA UK and SYNETIQ's records. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emission factors were obtained from the 2021 greenhouse gas reporting conversion factors published by BEIS (1). 	The GHG emissions from the extraction, production and transportation of fossil fuels used own operations were determined by multiplying the amount of purchased fuels by their respective cradle-to-gate CO ₂ e emission factors.
Overall rating of the data quality of reported emissions		Very Good

UPSTREAM SCOPE 3 – CATEGORY 4 UPSTREAM LOGISTICS

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 4 – Upstream Transport	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> The total number of cars collected from SYNETIQ sites, by subcontractors were retrieved from internal records. Assumptions on the average distance travelled by subcontractors to collect and the types of vehicles used were provided by SYNETIQ’s Transport Compliance Manager. N.B IAA UK use only their own fleet for upstream logistics so this is covered in their scope 1 emissions. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emission factors were obtained from the 2021 greenhouse gas reporting conversion factors published by BEIS (1). 	<ul style="list-style-type: none"> The total distance travelled by subcontractor vehicles were extrapolated based on the number of vehicles collected and assumed average round trip of 51 miles – at the high-end of the estimates of SYNETIQ’s Transport Compliance Manager. The total distance travelled was allocated to different subcontractor vehicles classes breakdown of each collection vehicle type was also provided (in % share of car collections), which divided up the collection process by three vehicle types; 3.5-7.5t, 15-19t and 26t, detail was also provided on the average number of cars collected by vehicle size e.g. a 26t vehicle collects 6 cars on average. From the above data, calculations were able to be made about the total distances travelled by each truck type. From this relevant emission factors could be applied to each mile travelled by each truck type. Monthly distances travelled was multiplied by the associated 2021 BEIS emission factors.

Overall rating of the data quality of reported emissions **Good/Fair**

	Technology	Time	Geography	Completeness	Reliability
Activity data	Very Good	Very Good	Good	Fair	Good
Emission factors	Good	Very Good	Good	Good	Good

Percentage of emissions calculated using data obtained from suppliers or other value chain partners **0%**

UPSTREAM SCOPE 3 – CATEGORY 5 WASTE

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 5 – Waste Generation (Waste removed and received)	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Primary data provided by SYNETIQ’s on ‘waste removed’ and ‘waste received’. Specific details were provided on the disposal/recovery route, the amount of waste (tonnes), the type and state of the waste, as well as the final destination of the waste. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emissions factors were obtained from the tab entitled ‘Waste Disposal’ from the BEIS Greenhouse gas reporting conversion factors for 2021. 	<ul style="list-style-type: none"> Data was provided by material type, and divided up based on whether it was either ‘received’ at the site or ‘removed’ from the site. The split of waste by EoL route was then aggregated and total GHG emissions calculated by applying the corresponding emission factor. Tonnages by waste disposal method were applied to the corresponding emission factor. In agreement with IAA UK, a proxy based on electricity consumption at SYNETIQ salvage sites was used to determine waste data for IAA UK sites.

Overall rating of the data quality of reported emissions **Good**

UPSTREAM SCOPE 3 – CATEGORY 5 WASTEWATER AND WATER SUPPLY

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Scope 1 – Water Supply	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Water bills from SYNETIQ sites. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emissions factors were obtained from the BEIS (2021) database (1). 	<ul style="list-style-type: none"> Information on the water consumption across SYNETIQ's sites was incomplete, with water meters only providing consumption in monthly intervals. To estimate the quantity of water consumed throughout the reporting period, average daily consumption factors were derived for each water meter and extrapolated to cover the entire reporting period. The consumption estimates were then multiplied with the appropriate BEIS emission factor for water supply to estimate the carbon footprint of the water consumption. In agreement with IAA UK, a proxy based on electricity consumption at SYNETIQ salvage sites was used to determine data for IAA UK sites.

Overall rating of the data quality of reported emissions **Good**

UPSTREAM SCOPE 3 – CATEGORY 6 BUSINESS TRAVEL

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 6 – Business travel	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Business expenses data from SYNETIQ staff for the reporting period. These expenses cover food, travel and accommodation. Ross Dunbar (Finance Business Partner) advised that it could be assumed that 50% of all business expenses was for transport, and that all expenses would be assumed to be for car usage. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Conversion factors for travel were taken from BEIS' 2021 GHG Conversion Factors. 	<p>The GHG emissions associated with the transportation of all SYNETIQ staff for business-related activities were calculated as follows:</p> <ul style="list-style-type: none"> Amount spent on business expenses was provided, with the assumption that 50% of this total cost was for transportation. The data didn't stipulate how much of the business journeys were carried out in company cars versus employees private cars. Therefore the % split across company car and personal car was assumed to be the same for this financial year as last i.e. 1.4% of spend was for fuel use in company cars. SYNETIQ reimburse company car mileage at a rate of £0.11 per mile, from this total miles in company cars was able to calculated i.e. expenses divided by reimbursement rate. The resulting total mileage in company cars was then applied to the appropriate emission factor (Cars by size – Average car).

Overall rating of the data quality of reported emissions **Fair**

UPSTREAM SCOPE 3 – CATEGORY 7 EMPLOYEE COMMUTING

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 7 – Employee Commuting	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> Primary data was collected from 39 members of SYNETIQ staff and 147 members of IAA UK staff through a Microsoft Forms online employee commuting questionnaire. It was shared internally with staff via a weekly newsletter. IAA UK held data on commuting for all staff. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emissions factors were obtained from the 2021 BEIS Greenhouse gas reporting conversion factors. 	<ul style="list-style-type: none"> The employee commuting questionnaire was shared with all SYNETIQ staff via the company's weekly newsletter. It was shared for at least 3 separate weeks. Six questions in total were asked, which asked staff to state their most commonly used form of transport to work, the distance of their commute and the average number of days per week the journey is made. Additionally, employees were asked to provide details on the fuel type of their vehicle and which SYNETIQ site they work at. The fuel-based method was combined with the distance based method with all respondents providing information on the fuel they use to commute as well as the distance travelled. From this a specific emission factor could be applied to each distance travelled by each type of vehicle/method of public transport. The commuting patterns of SYNETIQ employees have been extrapolated from survey answers from 7.2% of staff, to give an estimated tCO₂e for the entire company. This method assumes that the commuting patterns of those surveyed is the same as those not surveyed.

Overall rating of the data quality of reported emissions **Good**

UPSTREAM SCOPE 3 - CATEGORY 9 DOWNSTREAM TRANSPORTATION AND DISTRIBUTION

Methodologies and data use	Description of the types and sources of data used to calculate emissions	Description of the methodologies, allocation methods, and assumptions used to calculate emissions
Category 9 – Downstream transportation and distribution	<p>Activity data (primary data):</p> <ul style="list-style-type: none"> The number of part deliveries and collections, split by courier as well as customer collection and van delivery. This data was provided via Excel spreadsheet by Gavin Wood (Group Inventory Pricing & Stock Control Manager). N.B this category is not applicable to IAA UK. <p>Emissions factors (secondary data):</p> <ul style="list-style-type: none"> Emission factors were taken from BEIS' 2021 'Government conversion factors for company reporting of greenhouse gas emissions'. 	<ul style="list-style-type: none"> For each of the parts collected/delivered by courier it is assumed that the round trip journey is 75 miles. This distance can then be applied to the number of parts, with a total travel distance calculated. The resulting distance is then broken up by vehicle type, e.g., HGV, Van and Car The appropriate emission factors are then applied to each to calculate the GHG impact.
Overall rating of the data quality of reported emissions		Good/Fair

Footnote

1. UK Government Department of Business, Energy and Industrial Strategy. Greenhouse gas reporting: conversion factors 2021: full set (for advanced users). [Spreadsheet] London : s.n., 2021.
2. Econometrica (2021). Available at: <https://www.emissionfactors.com/>
3. Statista (2022). United Kingdom: Inflation rate from 1986 to 2026. Available at: <https://www.statista.com/statistics/270384/inflation-rate-in-the-united-kingdom/>



Exclusions

Scope 1 – Refrigerant: Leakage during the servicing of SYNETIQ owned vehicles

Excluded – not assessed

The leakage of refrigerant during the maintenance of SYNETIQ owned vehicle is excluded from this analysis, based on the availability of data to undertake these calculations and the presumed materiality of this emission source. In future reporting SYNETIQ will seek to quantify and report these emissions.

Scope 1 – Refrigerant: Leakage during onsite disposal - Depolluted vehicles

Excluded

The leakage of refrigerants during onsite disposal of depolluted vehicles is excluded from this analysis due to the high uncertainty associated with the data and limited influence SYNETIQ has over these emissions. Further tests are to be carried out to enable SYNETIQ to report these emissions more accurately in the future.

CAT 1 – Purchased vehicles/vehicles cleared

Excluded

SYNETIQ has decided to omit both category 1 and category 11 emissions from cleared vehicles from its scope 3 accounting, due to the limited influence the company has over these emissions and the risk that their inclusion would present to the key business objectives of the scope 3 analysis.

CAT 11 – Use of sold products

Excluded

SYNETIQ's position in the value chain for vehicles - far downstream from the original equipment manufacturers – means the company has limited ability to directly influence the upstream emissions of the vehicles it clears or the in-use emissions of the vehicles and parts that it sells back

onto the market. Furthermore, because of the large size of category 1 and category 11 emissions in comparison to all other scopes, it is thought their inclusion would undermine two of the key business goals contained within the scope 3 analysis, namely: To identify GHG reduction opportunities, set reduction targets and track performance. To identify GHG "hot spots" and prioritise reduction efforts across the value chain.

Further work is on-going into how SYNETIQ can better capture and understand these emissions for future analysis.

CAT 10 – Processing of sold product

Excluded – not assessed

Within the constraints of this analysis, it was not possible to engage with downstream actors to collect relevant scope 1 and scope 2 emissions information. However, attempts were made to find relevant emissions factors or LCA data through a literature review, which would allow for a basic emissions screening exercise to be completed. Unfortunately, no information was found that would enable a screening exercise that could be considered a relevant or accurate estimate of the carbon impacts of the processing of sold parts and vehicles.

Category 10 emissions have therefore been excluded from this analysis for the following reasons;

- Data limitations mean that the likely accuracy of any estimates, would not be sufficient to fulfil the intended business objectives of the scope 3 analysis.
- In the near-term it is thought unlikely that SYNETIQ will be able to meaningfully influence downstream stakeholders to reduce their emissions.

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