



CARBON REDUCTION REPORT

Calendar Year 2025 (baseline 2023)



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1. INTRODUCTION

Arrow County Supplies is committed to environmental sustainability and to achieving Net Zero Carbon across its own operations, while also driving carbon reductions throughout its supply chains.

This Carbon Reduction Report sets out Arrow County Supplies' calendar-year 2025 carbon footprint, using 2023 as the baseline year. We are committed to achieving Net Zero Carbon for Scope 1 and Scope 2 emissions by 2035, alongside a longer-term commitment to achieving Net Zero across all emissions, including Scope 3, by 2050. Engagement with our supply chain will be central to achieving these longer-term objectives and forms a key part of our carbon reduction strategy set out later in this report.

Carbon reporting has been independently undertaken by The Clean Tech Business Group, providing external expertise to support robust, transparent carbon measurement and to inform Arrow County Supplies' ongoing Net Zero journey.

This report has been prepared for Arrow County Supplies, reflecting emissions arising from activities over which the business has full operational control, in accordance with the Greenhouse Gas Protocol operational control approach. During 2025, the legal entity through which Arrow County Supplies operates changed following its integration into the Bunzl Group. While the legal ownership structure changed as part of this process, Arrow County Supplies continues to operate as a distinct business with unchanged operational control over its vehicle fleet, facilities, energy use, workforce activities, and procurement decisions. As a result, the organisational and operational boundary applied for carbon reporting remains consistent with previous reporting periods, and emissions associated with wider Bunzl Group operations are excluded from this report.

Arrow County Supplies' warehousing and head-office operations in Shrewsbury remain unchanged. Previous distribution locations have been consolidated into a Northern Hub in Glasgow and a Southern Hub in Basildon. This consolidation represents a structural and logistical reorganisation rather than a material change in operational scale or activity levels and does not materially affect the emissions profile reported.

2. CARBON REPORTING PROTOCOL

2.1 Reporting Scope and Methodology

We have used an external expert to conduct our carbon measurement and advise on our reduction strategy. The emissions we have measured are:

- Vehicle Fuel – owned vehicles
- Electricity
- Staff Commuting
- Staff Homeworking
- Upstream Goods Mileage
- Hub mileages (incorporated into 'Warehousing', below)
- Warehousing
- Electricity Transmission and Distribution
- Water and sewerage
- Waste
- Office consumables
- IT services

All calculations have been based upon the UK Government Greenhouse Gas reporting conversion dataset 2023 and on DEFRA Table 13 Indirect emissions from the supply chain.

2.2 Annual Reporting Protocol

We will measure our carbon emissions annually, starting from our Baseline Year: 2023.

Subsequent Annual Reports will compare progress against the baseline year and against interim annual targets, per the trajectory stated.

2.3 Carbon Intensity Metric

Our business has ambitious growth plans, reflected in the organisational changes outlined in the Introduction. As the business expands or consolidates, absolute carbon emissions may fluctuate. For example, the introduction of new distribution hubs or the expansion of logistics infrastructure can increase energy consumption and workforce numbers, potentially distorting assessments of progress towards our Net Zero targets when measured in absolute terms.

To ensure a more meaningful and consistent assessment of performance, we therefore adopt an intensity-based metric. Our chosen metric is tonnes of CO₂e per £million of turnover.

Exclusions, assumptions and limitations

This Carbon Reduction Plan has been prepared using the best available data at the time of reporting and UK Government Greenhouse Gas Conversion Factors. Where primary data has not been available, estimates have been applied using industry-standard methodologies. Some Scope 3 emissions are subject to greater uncertainty due to reliance on supplier-level data and will be refined over time as data quality and supplier engagement improve.

3. BASELINE YEAR CARBON REPORTING FIGURES: 2023

3.1 Carbon Emission by Source: 2023

Emission Source	2023 Tonnes CO ₂ e	Scope
Vehicle Fuel	564.1	1
Electricity	22.9	2
Staff Commuting	53.5	3
Staff Homeworking	9.7	3
Upstream Goods	457.5	3
Warehousing	30.8	3
Electricity T&D	2.0	3
Water and sewerage	0.8	3
Waste	0.3	3
Office Consumables	10.2	3
IT Services	57.3	3
Professional Services	4.4	3
Capital Assets	383.4	3
Total	1,596.9	

3.2 Carbon Emissions by Scope: 2023

	2023 Tonnes CO ₂ e
Scope 1	564.10
Scope 2	22.94
Scope 3	1,009.89
Total	1,596.94

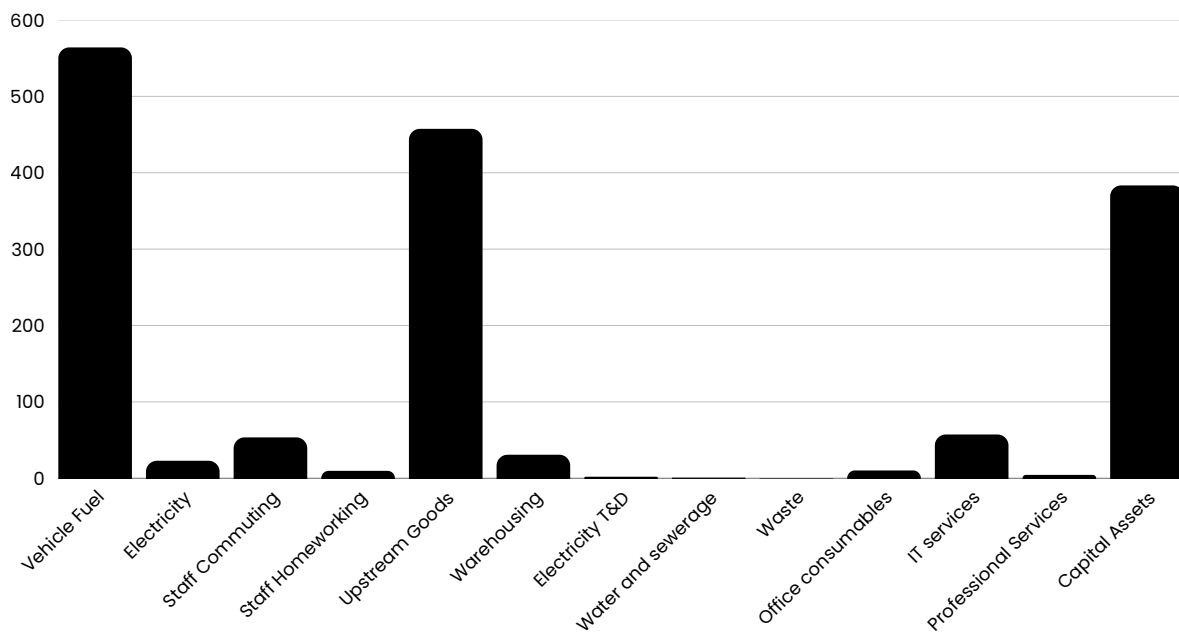
3.3. Carbon Intensity

For this period, our carbon intensity is **67.25 tonnes CO₂e per £m of turnover.**

Intensity	2023 Tonnes / £m
Scope 1	23.76
Scope 2	0.97
Scope 3	42.53
Total	67.25

3. BASELINE YEAR CARBON REPORTING FIGURES: 2023

3.1 Carbon Emission by Source: 2023



3.2 Carbon Emissions by Scope 2023



3. CURRENT YEAR CARBON REPORTING FIGURES: 2025

3.1 Carbon Emission by Source: 2025

Emission Source 2025	2025 Tonnes CO ₂ e	Scope
Vehicle Fuel	409.22	1
Electricity	25.74	2
Staff Commuting	70.66	3
Staff Homeworking	12.3	3
Upstream Goods	654.9	3
Warehousing	12.961	3
Electricity T&D	2.073	3
Water and sewerage	0.834	3
Waste	1.06	3
Office consumables	12.961	3
IT services	43.62	3
Professional Services	7.68	3
Capital Assets	41.37	3
Total	1,401.53	

4.2 Carbon Emissions by Scope 2025

Emissions by Scope 2025	2025 Tonnes CO ₂ e
Scope 1	409.22
Scope 2	25.74
Scope 3	966.76
Total	1,401.53

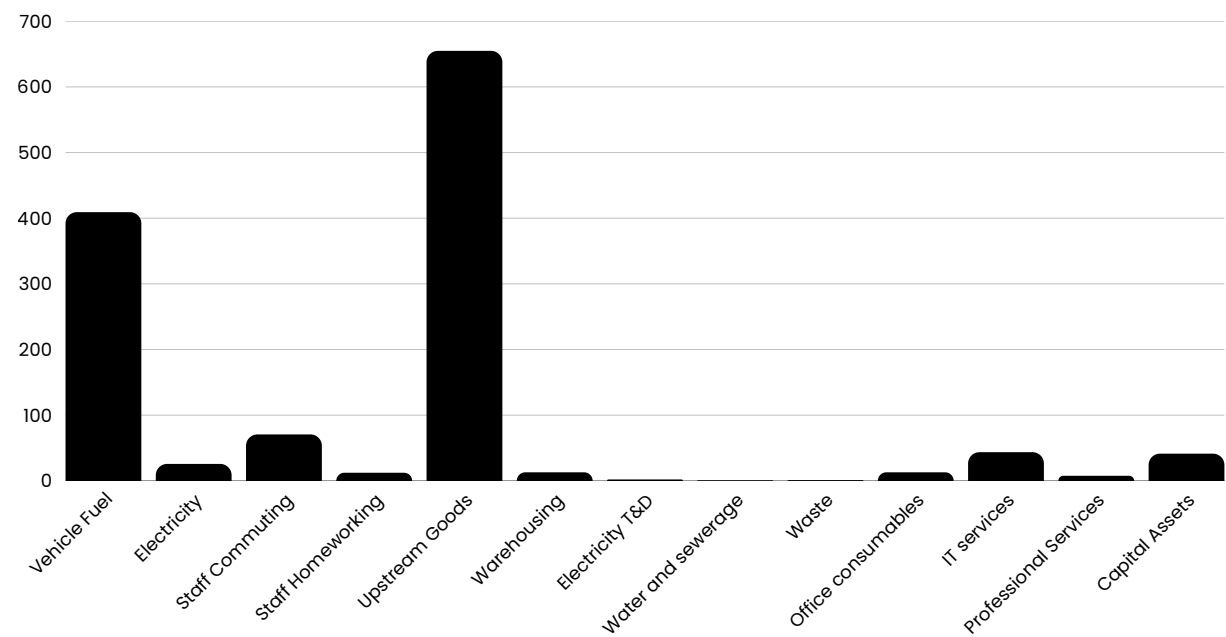
4.3 Carbon Intensity

For this period, our carbon intensity is **47.766 tonnes CO₂e per £m of turnover**.

Intensity	2025 Tonnes / £m
Scope 1	13.947
Scope 2	0.877
Scope 3	32.949
Total – all Scopes:	47.766

4. CURRENT YEAR CARBON REPORTING FIGURES: 2025

4.1 Carbon Emission by Source: 2025



4.2 Carbon Emissions by Scope 2025



5. YEAR-ON-YEAR COMPARISON

5.1 Variance by Source

Emission Source	2023 Tonnes CO2e	2025 Tonnes CO2e	Tonnes change	% change
Vehicle Fuel	564.1	409.22	-154.88	-27.46
Electricity	22.9	25.74	+2.84	+12.4
Staff Commuting	53.5	70.66	+17.16	+32.1
Staff Homeworking	9.7	12.3	+2.6	+26.8
Upstream Goods	457.5	654.9	+197.4	+43.5
Warehousing	30.8	12.961	-17.84	-57.9
Electricity T&D	2.0	2.073	+0.073	+3.6
Water and sewerage	0.8	0.834	+0.034	+4.25
Waste	0.3	1.06	+0.76	+253.3
Office consumables	10.2	12.961	+2.961	+29.0
IT services	57.3	43.62	-13.62	-23.7
Professional Services	4.4	7.68	+3.28	+74.54
Capital Assets	383.4	41.37	--342.03	-89.21
Total	1,596.9	1,401.53	-195.37	-12.2

5.1 Variance by Scope

	2023 Tonnes CO2e	2025 Tonnes CO2e	Tonnes change	% change
Scope 1	564.10	409.22	-154.88	-27.45
Scope 2	22.94	25.74	+2.8	+12.2
Scope 3	1,009.89	966.76	-43.13	-4.27
Total	1,596.94	1,401.53	-195.59	-12.2

5.3 Variance by Carbon Intensity

Emission Source	2023 Tonnes / £m	2025 Tonnes / £m
Vehicle Fuel	23.76	13.95
Electricity	0.97	0.88
Staff Commuting	2.25	2.41
Staff Homeworking	0.41	0.42
Upstream Goods	19.27	22.32
Warehousing	1.3	0.44
Electricity T&D	0.09	0.07
Water and sewerage	0.03	0.03
Waste	0.01	0.04
Office consumables	0.43	0.44
IT services	2.41	1.49
Professional Services	0.19	0.26
Capital Assets	16.15	1.41
Total	67.25	47.77

Intensity by Scope	2023 Tonnes / £m	2025 Tonnes / £m
Scope 1	23.76	13.947
Scope 2	0.97	0.877
Scope 3	42.53	32.949
Total	67.25	47.766

6. CARBON REDUCTION PLAN AND TRAJECTORY

Scope 1 and 2 Emissions

Our journey to achieving Net Zero Carbon reduction within our own operations by 2035 is focussed on our two main emission areas, and on actions we can take quickly.

6.1 Priority Reduction Areas

Fuel Use in Company Vehicles

This is our largest single emissions area in Scopes 1 and 2, accounting for 100% of our Scope 1 emissions.

Our strategy for reducing this emission header is to replace existing diesel-powered commercial vehicles with battery-electric equivalents at their normal replacement cycle, continuing until 2035 for commercial vehicles, and by 2030 for our passenger cars.

Fuel use in Company Vehicles	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Commercial Vehicles	558	434	388	365	356	321	283	226	134	115	76.4	57.1	0
Passenger Vehicles	6.2	3.02	20.4	16.32	12.26	8.16	4.08	0	0	0	0	0	0
All Vehicles	564.2	437.02	409.22	381.32	368.26	329.16	287.08	226	134	115	76.4	57.1	0

The commercial vehicle progress in line with the reduction trajectory. The passenger vehicles fuel usage does shows an increase against the planned trajectory, but the remainder of the period between now and 2035 allows sufficient time to achieve the original planned reductions.

We have not modelled the carbon impact of increased electricity use from Electric Vehicle adoption. EV charging emissions are expected to decline in line with UK grid decarbonisation, but grid-average emission factors are applied in the interim.

Electricity Use

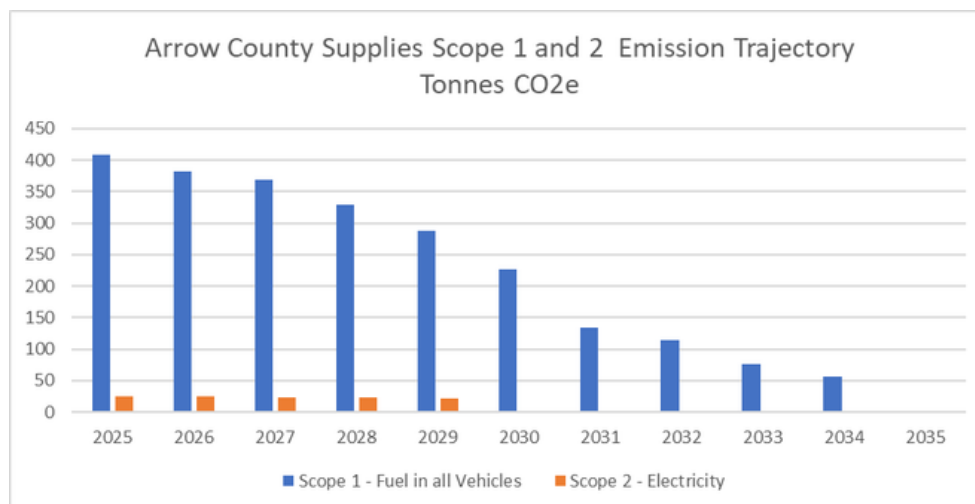
Electricity use is our second largest single area of Scope 1 and 2 emissions.

We already employ best practice principles in our use of electricity, turning lights and appliances off when not required, operation 100% LED lighting (including light/motion sensor controls) and using the best available and most energy-efficient equipment in our office and warehouse facilities.

We have identified on-site solar generation as a key opportunity with the potential to significantly reduce our electricity-related emissions, including the ability to generate electricity in excess of our current operational requirements. Our projections indicate that installing a suitable solar PV system by 2030 is expected to substantially reduce emissions associated with electricity consumption. While the installation has not yet been completed, this initiative remains an integral part of our planned carbon reduction pathway and is reflected within our ongoing monitoring and reduction reports. Our 2025 performance data shows a close and achievable alignment with the reductions projected for 2030, as outlined above.

Planned / Actual Emissions - Priority Areas	2025	2026	2027	2028	2029	2030
Current Vehicle Fuel (no action)	409.2	409.22	409.22	409.22	409.22	409.22
Current Electricity (no action)	25.74	25.74	25.74	25.74	25.74	25.74
Planned Vehicle Fuel	390.9	357.9	325	292	259	226.14
Planned Electricity	22.94	22.94	22.94	22.94	22.94	0

6.2 Scope 1 and 2 Emissions Reduction Trajectory



7. SCOPE 3 EMISSIONS REDUCTION

Scope 3 targets are inherently uncertain, but directional reduction targets and engagement milestones are appropriate.

Staff Commuting

We will facilitate the uptake of electric vehicles and increase active travel by our employees by:

- Installing additional EV charge points in our staff parking area.
- Promote the cycle-to-work scheme.

Primary Product Suppliers

As is evident, our greatest carbon emission arises from the production and distribution of the products we sell. We have a stepped approach to engaging our supply chain:

- **By end 2026:** Survey all product suppliers to assess whether they report carbon emissions, including the ability to provide product- and quantity-specific data.
- **By end 2027:** Engage with suppliers unable to report emissions to communicate the importance of supporting Arrow County Supplies' Net Zero Carbon objectives.
- **By end 2028:** Begin incorporating the presence of supplier Carbon Reduction Plans into purchasing decisions.
- **By 2030:** Use comparative product-level carbon emissions data to inform purchasing decisions.

Minor Product and Service Suppliers

For this category of supplier, we take the same five-year approach as for our primary suppliers, commencing 2030 and continuing throughout the period until 2035.

8. ACTION PLAN SUMMARY

In 2027 – Continue the process of decarbonising our vehicle fleet, to be fully complete by 2030 for passenger vehicles and by 2035 for commercial vehicles.

In 2027 – Enhance customer ESG reporting by incorporating carbon emissions data at a per-delivery level, enabling us to provide robust, actionable insights that support reduced delivery frequencies and, in turn, lower fuel use and associated carbon emissions—the largest contributors to our Scope 1 and 2 emissions.

By end 2027 – Engage our primary suppliers in reporting carbon and ultimately making purchasing decisions based upon reported carbon emissions.

By 2030 – Install a rooftop solar PV array capable of generating 115,000 kWh of electricity per year.

9. DIRECTOR'S SIGNATURE

Signed



Position Managing Director

Date 27th April 2026



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