

Carbon Reduction Plan

Supplier name: **CitySprint (UK) Ltd**

Publication date: **27th of October 2022**

1. Commitment to achieving Net Zero

CitySprint (UK) Ltd is committed to achieving Net Zero emissions by 2040 – ten years ahead of the Paris Agreement – by drastically reducing the company's absolute greenhouse gas (GHG) emissions by 90% by 2040 and compensating residual emissions (approximately 10%) through carbon capture projects.

2. Baseline Emissions Footprint

Baseline emissions are a record of the greenhouse gases that have been produced in the past and were produced prior to the introduction of any strategies to reduce emissions. Baseline emissions are the reference point against which emissions reduction can be measured.

Baseline Year: 2020
Additional Details relating to the Baseline Emissions calculations.
CitySprint's baseline was first assessed in 2016. The location-based result of 44,161.46 tonnes of CO ₂ e and the market-based result of 43,555.67 tonnes of CO ₂ e, with most emissions (97.7%) falling into the scope 3, which are from couriers who are all sub-contractors. In the original 2016 calculation an average van factor was used for all LGVs, including small vans.
To improve accuracy of emission factors and the scope boundary it was decided to adopt a <u>new baseline</u> in order to set CitySprint 's current commitment aligned with the most ambitious GHG emissions reduction pathway to limit global temperature increases to 1.5°C versus preindustrial levels. The new baseline is 2020, the year with the lowest carbon emission value since 2016.
CitySprint has a simple organisational structure and controls 100% of the assets that it operate, allowing the reporting of all the sources of environmental impact over within our operational

Baseline Year: 2020

Additional Details relating to the Baseline Emissions calculations.

control. For the recording of greenhouse gas (GHG) emissions CitySprint has chosen the “Operational Control” approach as the best method for the reporting. This is due to our standard business structure and business practices. As a result, the reporting boundaries of data collected are:

Scope 1: Fuel combustion Gas (mix of natural gas and biomethane), Owned or Leased Transport (diesel fleet).

Scope2: Consumption of purchased electricity, heat steam and cooling and EV charging outside

Scope 3: Transmission and distribution of energy (Electricity on sites and EV charging outside sites), Leased assets outsourcing and franchising (Sub-contracted courier travel) and business travel (Employee car travel).

Indirect GHG sources that are outside the assessment boundary have been excluded from quantification as it is not technically feasible or cost effective, to include these in the GHG assessment. Specifically, CitySprint has decided not to consider the related emissions to rail, commuting and taxi journeys, and international delivers in their carbon footprint, because that emission represents less than 1% of the total services provided by the company.

*As CitySprint has been purchasing energy from renewable sources, the emissions totals have been split out into Location and market-based columns so that the reduction in emissions is highlighted. The transmission and distribution emissions from the electricity are zero because CitySprint are on a 100% renewable tariff.

Baseline year emissions: 2020

EMISSIONS	TOTAL (tCO2e) location based	TOTAL (tCO2e) market based
Scope 1	97.37 Site gas 303.22 Diesel Fuel	00.00 Site gas 303.22 Diesel Fuel
Scope 2	244.18 Electricity generation	00.0 Electricity generation
Scope 3	30,332.30 Courier journeys 79.22 Cash opt out car travel	30,332.30 Courier journeys 79.22 Cash opt out car travel

Baseline Year: 2020		
Additional Details relating to the Baseline Emissions calculations.		
(Included Sources)	18.08 Employee-owned car travel 21.00 Electricity Transmission	18.08 Employee-owned car travel 00.00 Electricity Transmission
Total Emissions	31,095.38	30,732.83

3. Current Emissions Reporting

Reporting Year: 2021		
EMISSIONS	TOTAL (tCO₂e) location based	TOTAL (tCO₂e) market based
Scope 1	249.10 Site gas 508.66 Diesel Fuel	00.00 Site gas 508.66 Diesel Fuel
Scope 2	223.82 Electricity generation 00.76 Electricity generation for EVS (charging outside the SC)	00.0 Electricity generation 00.76 Electricity generation for EVS (charging outside the SC)
Scope 3 (Included Sources)	32,152.87 Courier journeys 53.40 Cash opt out car travel 22.08 Employee-owned car travel 21.13 Electricity Transmission 00.07 Electricity Transmission (charging outside the SC)	32,152.87 Courier journeys 53.40 Cash opt out car travel 22.08 Employee-owned car travel 00.00 Electricity Transmission 00.07 Electricity Transmission (charging outside the SC)
Total Emissions	32,737.84	32,567.93

4. Emissions reduction targets

In 2019 CitySprint adopted an absolute carbon reduction target of **35% by 2025**, which compares absolute figures in the target year to the base year (2016), decreasing the carbon emissions to 28,311.17 tCO₂e by 2025. In 2021, most of that target was achieved (**24.84% reduction against the 2016 baseline**).

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DPD group UK Limited acquired CitySprint on 11 January 2022. Since then, the companies have worked on an integration plan, which incorporates DPD’s sustainability and decarbonization strategy into CitySprint’s CSR strategy. In order to continue our progress in this integration and to achieve Net Zero, the new baseline of 2020 was adopted to be aligned with following carbon reduction targets.

We project that carbon emissions will decrease over the next eight years to **14.444.43 tCO₂e by 2030**. This is a reduction of 43% against the 2020 baseline. Also, CitySprint aims to reach net-zero by 2040 – ten years ahead of the Paris Agreement – by drastically reducing the company's absolute greenhouse gas (GHG) emissions by 90% by 2040 against the 2020 baseline and compensating residual emissions (approximately 10%) through carbon capture projects. These targets are consistent with the UK Government’s commitment under the Climate Change Act and will play a significant role in the de-carbonisation of the United Kingdom as a whole. Our reduction targets can be seen in Figure A.




	 Sameday delivery (99.7% CS fleet+ SE couriers)	 Company cars (0.3% business travel)	 Buildings (0% energy and heating)
Actual	>1% alternative vehicles (electric vans, car and motorbikes and bikes)	>1% electric vehicles (company and personal cars)	100% renewable resources (100% electricity & 100% biogas)
2025 35% reduction* compared 2016 emissions	10% alternative vehicles (electric vans, car and motorbikes and bikes)	>1% electric vehicles (company and personal cars)	100% renewable resources (100% electricity & 100% biogas)
2030 43% reduction** from a 2020 baseline	47% alternative vehicles (electric vans, car and motorbikes and bikes)	47% electric vehicles (company cars)	100% renewable resources (100% electricity & 100% biogas)
2040 90% reduction** from a 2020 baseline	100% alternative vehicles (electric vans, car and motorbikes and bikes)	100% electric vehicles (company and personal cars)	100% renewable resources (100% electricity & 100% biogas)
	% is related to the current number of vehicles (3,491) in the fleet	% is related to the current number of company cars (67)	% is related to the current number of service centres (33)

Figure A- CitySprint’s absolute carbon reduction targets

Progress against the first 2016 baseline (35% by 2025) and the actual 2020 baseline (43% by 2030) can be seen in the graph below:

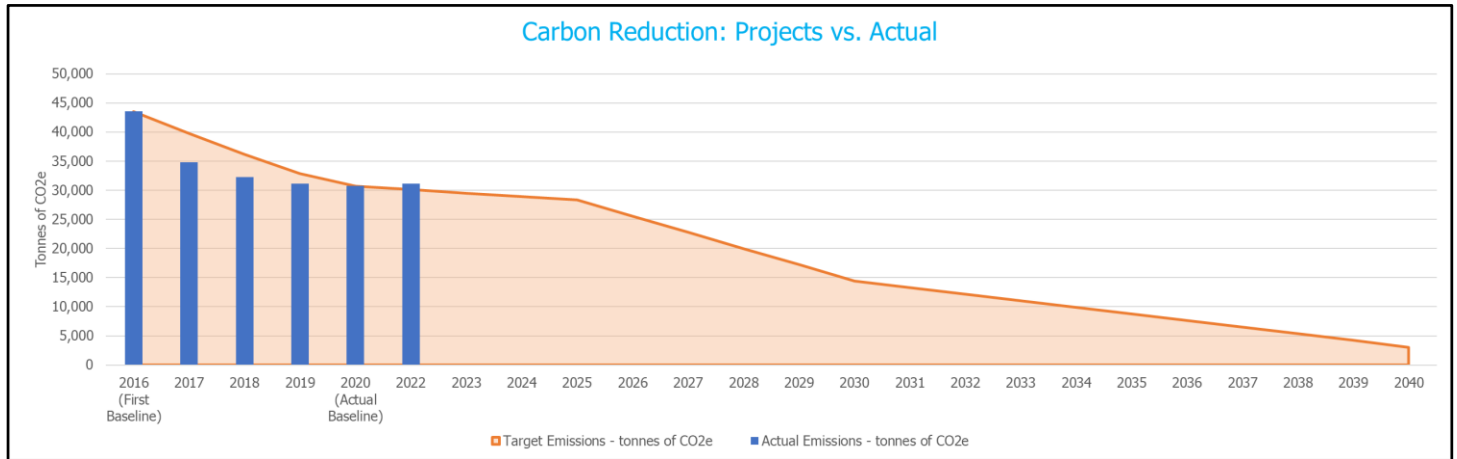


Figure B- CitySprint’s absolute carbon reduction targets

The following environmental management measures and projects have been completed or implemented since the first 2016 baseline. The carbon emission reduction achieved by these schemes equate to 10,817.82 tCO2e, a 24.84% reduction against the first 2016 baseline and the measures will be in effect when performing the contract. The Progress against the targets related to the first 2016 baseline can be seen in Figure B.

The reduction against new 2020 baseline can’t be seen because of the impact of the COVID pandemic in the reduction of the carbon emissions related to business travel and the same day deliver, however the completed and future measures adopted by us will allow us to achieve our objective to be carbon neutral by 2040.

5. Carbon Reduction Projects

5.1. Completed Carbon Reduction Initiatives

The environmental management measures and projects that have been completed or implemented since the first 2016 baseline are: CitySprint was awarded ISO 14001 in 2007 and has retained this standard ever 14 years. 2007 was also the year we started providing clients with carbon emissions reports for the first time. In 2010 we switched to 100% sustainable electricity, and 2018 saw the introduction of Hydrogen fuel cell vehicles into our fleet, and E cargo bike deliveries to Central London. In 2019 we switched to 100% sustainable gas eliminating emissions from our estate. The recent switch to online meeting has seen a 12% reduction in emissions from the travel to meetings.

CitySprint acknowledges that it must drive change and innovate to reduce our impacts to zero, while still providing a high-quality service. To guarantee the achievement of the absolute reduction target, the following carbon reduction sub-targets are also adopted.

➔ CitySprint's electric vehicle strategy

CitySprint have a well-defined strategy since 2018 to minimise the impact of fuel use and transition to electric vehicles. Our reliance on fossil fueled vehicles is being reduced through increased use of alternative transport solutions/ low-emission vehicles, such as electric vans, electric cars, electric motorbikes, and cargo bikes. CitySprint will have purchased over 200 green vehicles by the end of 2023. However, CitySprint is developing a project to transfer a higher percentage of CitySprint's fleet to EVs and Hybrid vehicles to retain the resilience and flexibility of services that our clients demand and provide an infrastructure that supports these vehicles..

Since the launch of our emission-free fleet, we have travelled a total of 2.75 million miles – this is the equivalent of over 110 trips around the planet and a saving of over 650 tonnes of CO₂. In 2021 we travelled 408k green miles which will be increased to 730,000 green miles by the end of 2022.

The options of electric vehicles utilisation are constantly under review and as new models are introduced and usable range continues to increase CitySprint will continue to re-assess if options exist to extend their use across more routes during the lifetime of the contract.

➔ Energy performance

CitySprint switched electricity in 2010 and gas in 2019 to 100% renewable sources, eliminating emissions from our estate. Since then, all servicescentres across the UK have been powered by 100% renewable energy. CitySprint has a program to reduce energy use by 5% per annum by increasing the efficiency of our equipment and infrastructure and reducing wasted energy. This includes the switch to LED lighting, increased insulation, higher efficiency equipment and a program to raise awareness of energy use, and how to reduce wasted energy. Eg, avoiding leaving lights, heating and cooling running when not required.

➔ Optimising vehicle use

We are increasing efficiencies of every journey by optimising vehicle use and ensuring that due consideration is given to allocating where it is most efficient, where impact can be most reduced, where routes are optimized switching routes from Diesel vans to electric vehicles and Cargo bikes, and empty return journeys are held at the lowest possible levels.

We use Paragon our innovative route planning software we complete a thorough overview of requirements to discuss how and where route improvements and innovations could be implemented to reduce costs and carbon emissions.

- Promotion of environmental awareness

All colleague's complete environmental awareness training in their induction process. Besides that, CitySprint couriers are being trained to recognise the impact that their behaviours and habits can have on the environment. This is delivered through one-to-one Energy Efficiency Training in partnership with the Energy Savings Trust's eco-driving scheme, resulting in a fuel saving of up to 10% per driver.

5.2. Future Carbon Reduction Initiatives

In the future our efforts to transition to net zero will span three key areas:

1. Same-day delivery: Electrifying our same-day delivery fleet by increasing the share of alternative transport solutions/ low-emission vehicles, such as electric vans, electric cars, electric motorbikes, and cargo bikes into the current fleet to 47% by 2030 (100% in 2040).

To guarantee the program will succeed CitySprint is acquiring electric vehicles for the fleet and studying alternatives to engage self-employed couriers to uptake EVs. We are also studying alternatives to installing charging points at servicecentres and subsidising the installation of home charging points at employed and self-employed couriers' homes.

2. Company cars: Electrifying the fleet of company cars by increasing the share of electric vehicles to 47% by 2030 (100% in 2040). CitySprint will launch a plan to introduce an Electric Vehicle salary sacrifice scheme, supporting colleagues to uptake EVs, and helping the transition to electric vehicles.

3. Buildings: CitySprint intends to keep purchasing renewable energy to power 100% of company buildings and drive towards more energy efficiency. In addition, an energy efficiency campaign to raise colleagues' awareness of the need to save energy is being designed.

Declaration and Sign Off


This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard¹ and uses the appropriate Government emission conversion factors for greenhouse gas company reporting².

Scope 1 and Scope 2 emissions have been reported in accordance with SECR requirements, and the required subset of Scope 3 emissions have been reported in accordance with the published reporting standard for Carbon Reduction Plans and the Corporate Value Chain (Scope 3) Standard³.

This Carbon Reduction Plan has been reviewed and signed off by the board of directors (or equivalent management body).

Signed on behalf of the Supplier:



Natasha Marques
Corporate Social Responsibility Manager
Date: 27th of October 2022

¹<https://ghgprotocol.org/corporate-standard>

²<https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting>

³<https://ghgprotocol.org/standards/scope-3-standard>