

# Carbon Reduction Plan

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

Publication date: **25<sup>th</sup> of October 2023**

## 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.

<b>Baseline Year: 2020</b>
<b>Additional Details relating to the Baseline Emissions calculations.</b>
CitySprint's baseline was first assessed in 2016. The location-based result of 44,161.46 tonnes of CO <sub>2</sub> e and the market-based result of 43,555.67 tonnes of CO <sub>2</sub> 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 <b>new baseline</b> 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 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 operates, 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).

Scope 2: 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
<b>Scope 1</b>	97.37 Site gas 303.22 Diesel Fuel	00.00 Site gas 303.22 Diesel Fuel
<b>Scope 2</b>	244.18 Electricity generation	00.0 Electricity generation
<b>Scope 3</b>	30,332.30 Courier journeys 79.22 Cash opt out car travel	30,332.30 Courier journeys 79.22 Cash opt out car travel

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

### 3. Current Emissions Reporting

<b>Reporting Year: 2022</b>		
<b>EMISSIONS</b>	<b>TOTAL (tCO<sub>2</sub>e) location based</b>	<b>TOTAL (tCO<sub>2</sub>e) market based</b>
<b>Scope 1</b>	130.83 Site gas 530.01 Diesel Fuel	00.00 Site gas 530.01 Diesel Fuel
<b>Scope 2</b>	210.91 Electricity generation 09.60 Electricity generation for EVS (charging outside the SC)	00.0 Electricity generation 09.60 Electricity generation for EVS (charging outside the SC)
<b>Scope 3 (Included Sources)</b>	27,111.56 Courier journeys 813.74 EcoSpeed journeys 102.30 Cash opt out car travel 39.43 Employee-owned car travel 19.10 Electricity Transmission 00.87 Electricity Transmission (charging outside the SC)	27,111.56 Courier journeys 813.74 EcoSpeed journeys 102.30 Cash opt out car travel 39.43 Employee-owned car travel 00.00 Electricity Transmission 00.87 Electricity Transmission (charging outside the SC)
<b>Total Emissions</b>	<b>28,968.36</b>	<b>28,607.51</b>

### 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 tCO<sub>2</sub>e by 2025. By 2022, CitySprint had already achieved a significant 34% reduction

against the 2016 baseline. The company envisions successfully attaining the 35% reduction target in 2023, two years ahead of the original schedule. Due to this performance, the targets were recalibrated, advancing the achievement year from 2025 to 2023. As a result, beginning in 2024, the company will concentrate exclusively on a set of long-term objectives.

DPD Group UK Limited acquired CitySprint on January 11, 2022. Since the acquisition, the companies have been working on an integration plan that incorporates DPD's sustainability and decarbonization strategy into CitySprint's CSR strategy. To further our progress in this integration and reach the goal of Net Zero, we have adopted a new baseline of 2020, aligning with subsequent carbon reduction targets.

We project that carbon emissions will decrease over the next eight years to **14.444.43 tCO<sub>2</sub>e 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 decarbonisation of the United Kingdom as a whole. Our reduction targets can be seen in Figure A.




	 <b>Sameday delivery</b> (99.7% CS fleet+ SE couriers)	 <b>Company cars</b> (0.3% business travel)	 <b>Buildings</b> (0% energy and heating)
<b>Actual</b>	<b>2% alternative vehicles</b> (electric vans, car and motorbikes and bikes)	<b>&gt;1% electric vehicles</b> (company and personal cars)	<b>100% renewable resources</b> (100% electricity & 100% biogas)
<b>2023</b> 35% reduction* compared 2016 emissions	<b>10% alternative vehicles</b> (electric vans, car and motorbikes and bikes)	<b>&gt;1% electric vehicles</b> (company and personal cars)	<b>100% renewable resources</b> (100% electricity & 100% biogas)
<b>2030</b> 43% reduction** from a 2020 baseline	<b>47% alternative vehicles</b> (electric vans, car and motorbikes and bikes)	<b>47% electric vehicles</b> (company cars)	<b>100% renewable resources</b> (100% electricity & 100% biogas)
<b>2040</b> 90% reduction** from a 2020 baseline	<b>100% alternative vehicles</b> (electric vans, car and motorbikes and bikes)	<b>100% electric vehicles</b> (company and personal cars)	<b>100% renewable resources</b> (100% electricity & 100% biogas)

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. The environmental management measures and projects described on item 5.1 have been completed or implemented since the first 2016 baseline. The carbon emission reduction achieved by these schemes equate to 14,934 tCO<sub>2</sub>e, a 34% reduction against the first 2016 baseline. While the progress against new 2020 baseline equates to 3% or 969 tCO<sub>2</sub>e.

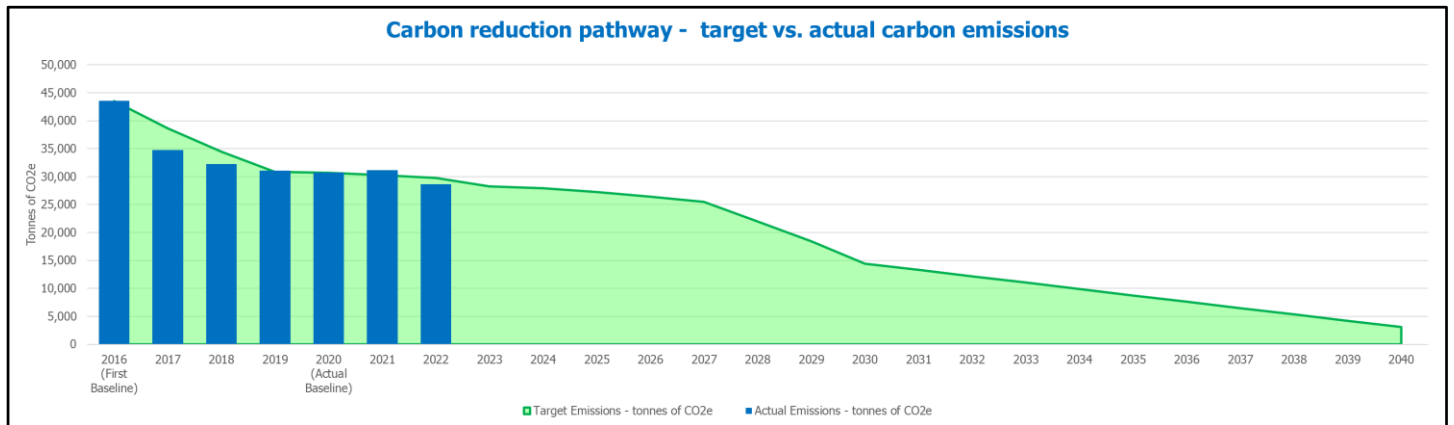


Figure B- CitySprint’s absolute carbon reduction targets

## 5. Carbon Reduction Projects

### 5.1. Completed Carbon Reduction Initiatives

CitySprint has successfully implemented several environmental management measures since the initial baseline in 2016. Notable achievements include:

- **ISO 14001 Certification:** The company achieved ISO 14001 certification in 2007, and this high standard has been consistently maintained for the past 14 years.
- **Carbon Emissions Reports:** In 2007, CitySprint introduced the practice of providing clients with comprehensive carbon emissions reports, contributing to increased transparency and awareness.
- **Transition to Sustainable Electricity and Gas:** In 2010, CitySprint made the significant shift to using 100% sustainable electricity and gas, aligning with its commitment to reducing its carbon footprint.
- **Introduction of Hydrogen Fuel Cell Vehicle:** 2018 witnessed the introduction of Hydrogen fuel cell vehicles into the company's fleet, along with the launch of E-cargo bike deliveries in Central London, both of which promote eco-friendly solutions.

- **Online Meetings:** The recent transition to online meetings has yielded substantial results, resulting in a 12% reduction in emissions related to travel for meetings.

- **Sustainable Development Goals:** CitySprint's targets and ambitions support the Sustainable Development Goals in different ways, accordingly to the different impacts of the business. For example, regarding our ambitions towards our colleagues, there is the support of good health and wellbeing, alongside with good education. Inside communities, there is the development of partnerships for the achievement of the goals. Inside backing business, our ambitions support Decent work and economic Growth and Responsible Consumption and Production. While in our environmental end, we support sustainable cities and communities, and climate action. These objectives sets the bar for the future and designs the strategies that builds our company

- **Carbon Neutral Commitment:** Starting from the beginning of 2022, CitySprint initiated carbon offsetting efforts to cover Scope 1, 2, and 3 carbon emissions. These initiatives involve the utilization of Certified Emissions Reductions (CER) offsetting programs, which were sourced through Carbon Neutral Britain. CitySprint offers Offset and Carbon Neutral Certification on a quarterly basis for customers who wish to receive it. The certification confirms the company's commitment to offsetting emissions and provides transparency to customers.

These initiatives reflect CitySprint's unwavering commitment to environmental responsibility and the reduction of its carbon footprint, 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

Since 2018, CitySprint has been executing a well-defined strategy to minimize the environmental impact of fuel use and transition to electric vehicles. Our commitment to reducing reliance on fossil-fueled vehicles has led to an increased use of alternative transport solutions and low-emission vehicles, including electric vans, electric cars, electric motorbikes, and cargo bikes. CitySprint plans to incorporate over 180 green vehicles into its fleet by the end of 2024.

Customers have also been able to benefit from the sustainable delivery options we offer them, which help them to reduce their own carbon footprint, helping them to meet their internal scope three emission reduction targets.

CitySprint is also actively working on a project to shift a higher percentage of our fleet to electric and hybrid vehicles. This transition aims to maintain the resilience and flexibility of services

demanded by our clients while establishing the necessary infrastructure to support these environmentally friendly vehicles.

Since the launch of our emission-free fleet, we have collectively traveled a total of 3 million miles. To put this into perspective, it's equivalent to over 120 trips around the planet, resulting in a significant saving of over 710 tonnes of CO2 emissions. In 2022 alone, we traveled 553,000 green miles, a number that is expected to increase to 730,000 green miles by the end of 2023.

The options for utilizing electric vehicles are continuously under review, and as new models are introduced and usable ranges increase, CitySprint will remain committed to re-assessing existing options, with the goal of expanding their use across more routes.

#### ➔ Energy performance

In 2010, CitySprint made a significant commitment to sustainability by switching to 100% renewable sources for both electricity and gas. This move effectively eliminated emissions from our estate. Since then, all service centers across the UK have been powered by 100% renewable energy.

CitySprint has also implemented a program aimed at reducing energy consumption by 2% annually. This program focuses on enhancing the efficiency of our equipment and infrastructure, as well as minimizing wasted energy. Initiatives include transitioning to LED lighting, improving insulation, employing higher efficiency equipment, and launching an awareness program to educate employees about energy usage and how to prevent wasted energy. For instance, this includes practices such as turning off lights, heating, and cooling systems when they are not required. These collective efforts demonstrate CitySprint's commitment to reducing its environmental impact and promoting sustainability.

#### ➔ Optimising vehicle use

CitySprint is committed to improving the efficiency of every journey by optimizing vehicle use. The company places a strong emphasis on allocating resources where it can have the most significant impact in reducing its environmental footprint. This strategy includes route optimization, the transition from diesel vans to electric vehicles and cargo bikes, and minimizing empty return journeys.

To facilitate these initiatives, CitySprint relies on innovative route planning software known as Paragon. With the assistance of Paragon, the company conducts a comprehensive analysis of requirements, exploring opportunities for route improvements and innovative solutions. The ultimate aim is to reduce both costs and carbon emissions, aligning with the company's dedication to sustainability and environmental responsibility.

### ➔ Promotion of environmental awareness

CitySprint places a strong emphasis on environmental awareness and training. All City Sprint's colleagues complete environmental awareness training as part of their induction process. Thus, CitySprint couriers receive training to understand the impact of their behaviors and habits on the environment. In 2022, this one-to-one Energy Efficiency Training, conducted in partnership with the Energy Savings Trust's eco-driving scheme, resulted in a significant fuel saving of up to 10% per driver.

CitySprint has also launched a Sustainability Competition among Service Centers. This competition awards the most sustainable service center every quarter, with judging based on various criteria, including sustainability initiatives, energy rates, and recycling figures. The winners are recognized with a certificate and voucher.

Additionally, the company releases annual brochures for suppliers, customers, and colleagues and actively reports to specific sustainability initiatives, such as the Carbon Disclosure Project (CDP) and Ecovadis, showcasing its commitment to responsible practices.

CitySprint offers open webinars on relevant themes. An example is the "Working Together on the Path to Net Zero" webinar held in June. Additionally, CitySprint's CSR Managers are available to deliver individual sessions for customers seeking in-depth information on the company's CSR strategy.

These initiatives collectively demonstrate CitySprint's commitment to sustainability, environmental responsibility, and transparent communication with stakeholders.

## 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 service centres 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

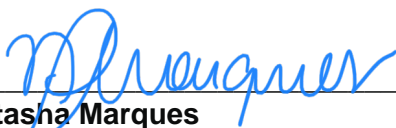
This Carbon Reduction Plan has been completed in accordance with PPN 06/21 and associated guidance and reporting standard for Carbon Reduction Plans.

Emissions have been reported and recorded in accordance with the published reporting standard for Carbon Reduction Plans and the GHG Reporting Protocol corporate standard<sup>1</sup> and uses the appropriate Government emission conversion factors for greenhouse gas company reporting<sup>2</sup>.

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) Standard<sup>3</sup>.

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: 25<sup>th</sup> of October 2022

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

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

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