

Carbon reduction plan

November 2021 (meets PPN 06/21)

Wincanton

Contents

Commitment to achieving net zero	2
Baseline emissions footprint	3
Carbon reduction projects	5
Declaration and sign off	7
Appendix 1	8

Commitment to achieving net zero

Supplier name: Wincanton Holdings Limited trading as Wincanton

Publication date: November 2021

Commitment to achieving net zero: Wincanton is committed to achieving net zero emissions by 2040

Wincanton is committed to exercising our high standards of environmental responsibility throughout our operations and, through our industry leading innovation programme, to minimise our environmental impacts - we are great people delivering sustainable supply chain value. We have set ambitious goals to achieve net zero by 2040 and have already taken many strides to ensure that we achieve this target by minimising our waste, improving our fleet, and making carbon reduction solutions available to each of our customers. We plan to continue to reduce our emissions and are confident that we will meet our targets both interim and long term, helping our customers to achieve theirs.

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 documented below to reduce emissions. Baseline emissions are the reference point against which future emissions reduction can be measured.

Baseline year: Wincanton financial year 1 April 2019 to 31 March 2020

NOTE: This target is our third carbon target period. We started with “10% reduction by 2016 from a 2010 baseline”, which we achieved. Then completed “a 5% reduction by 2020 from a 2016 baseline” and have now set a long-term target based around our net zero aspirations.

Additional details relating to the baseline emissions calculations

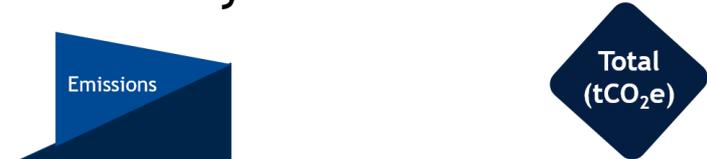
Our carbon emission information is prepared with reference to the Carbon Disclosure Standards Board (CDSB) Framework 1.1 and the GHG Protocol Corporate Standard for company reporting using “operational control”.

Carbon factors are per Defra conversion factors for company reporting 2019, with both electricity generation and distribution emissions included as scope 2 emissions. For all UK mainland operations where we have the supply contract, we purchase ‘green tariff’ electricity that complies with the market-based scope 2 reporting requirements of the GHG protocol. However, we have reported electricity use at UK grid average emissions for the purposes of this Carbon Reduction Plan and our Annual Report(s).

This baseline footprint is the same as that published in Wincanton Annual Report 2020 (AR20), restated in AR21 and restated here to reflect the disposal in Sep/Oct 2020 of our containers and workshop businesses. The AR21 and post disposal restatements have been provided with the post disposal figure being the baseline we will work from.

Current Emissions Reporting (next table) has also been provided as per AR21 and restated for disposal of containers and workshop businesses.

Baseline year emissions



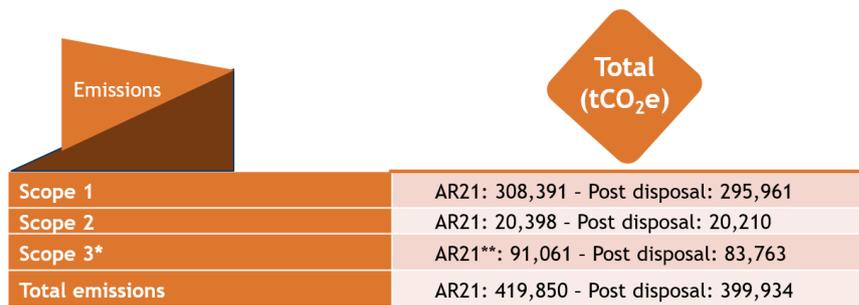
Scope 1	AR21: 324,357 - Post disposal: 297,202
Scope 2	AR21: 23,229 - Post disposal: 22,872
Scope 3*	AR21**: 92,493 - Post disposal: 77,495
Total emissions	AR21: 440,079 - Post disposal: 397,569

* Preferred scope 3 emissions categories are business travel; downstream emissions; upstream emissions; waste; and employee commuting. See Appendix 1 for explanatory notes

**Scope 3 emissions are calculated each year but have not, to date, been included in our Annual Reports - “AR21” indicates timing i.e. FY 2019-20 emissions published in June 2021.

Current emissions reporting

Reporting year: 1 April 2020 to 31 March 2021 (Defra 2020 carbon factors)



Emissions reduction targets

In order to continue our progress to achieving Net Zero, we have adopted the following carbon reduction targets.



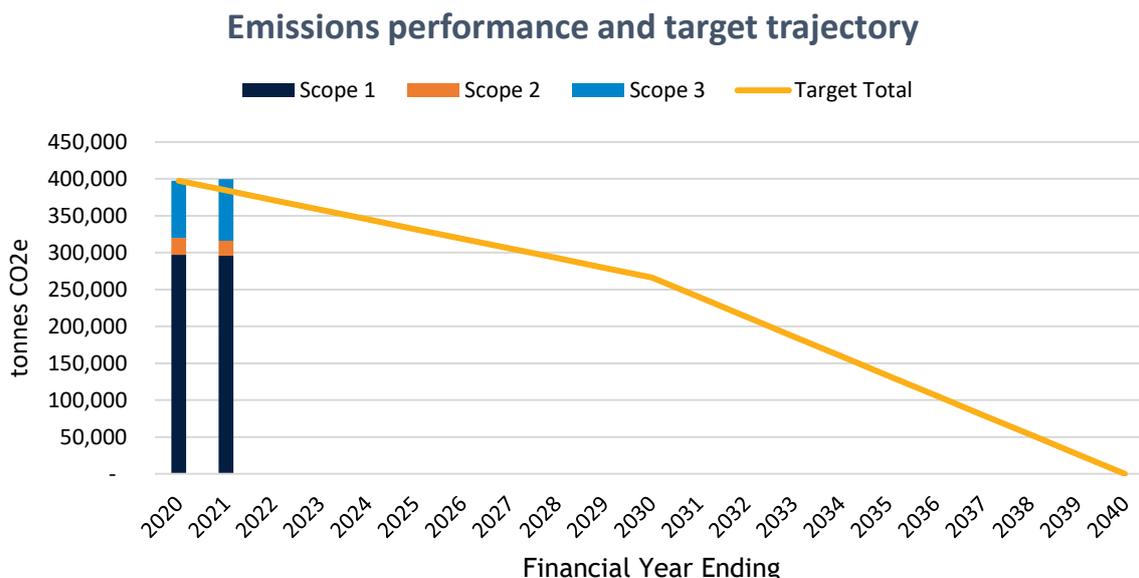
33%
decrease

We anticipate 257,216 tCO₂e decrease in emissions by 2030.

We project that total carbon emissions will decrease over the next ten years to **257,216 tCO₂e** by 2030. This is a reduction of 33%. We anticipate that as the freight transport carbon reduction ecosystem matures and technology and infrastructure become more widely available and economically viable, we will see reductions of a further 67% by 2040 which is our net zero target date. We anticipate that any remaining residual emissions in 2040 will be offset using appropriate, authentic carbon credits. We may use carbon credits before this for selected customers, sectors or sites where net zero operation is feasible.

Please note that for now we are using a simple linear target trajectory but as the technology timelines mature, we may be able to forecast the target trajectory more accurately.

Progress against these targets can be seen in the graph below:



Carbon reduction projects

Completed carbon reduction initiatives

For the current year, after restatement for the disposal of our non-core containers and workshop businesses our underlying revenue grew 5.6%, which will tend to increase our emissions by a similar figure. In fact, our total emissions grew by 2,365 tCO₂e, a 0.6% increase compared to baseline, meaning that our overall carbon intensity reduced from 359 to 341 tCO₂e/£m revenue as a result of the measures listed below.

Our target is an absolute one, however, and to achieve it, we will need to do more than continuously improve efficiency and our plans are to utilise electrification and alternative fuels to achieve the emissions reductions we have committed to. Wincanton has held the Carbon trust Standard since 2010, which has required us to demonstrate carbon reductions year on year for the past ten years. We also have an environmental management system in place that is available to all operations and is certified to ISO14001 giving us a solid platform to achieve our goals.

The initiatives below have been or can be implemented on all customer contracts relevant to the technology measure and is not an exhaustive list. The diversity of the Wincanton contract portfolio means that not all carbon reduction initiatives are effective in all applications - the appropriate and effective measures will be implemented for a particular contract working collaboratively with the customer.

Many of our initiatives are in the area of fleet and transport technology because emissions from transport make up over 85% of our total carbon emissions. We continue to invest in our fleet typically replacing 15-20% of our fleet each year. 98% of the vehicles we operate are Euro VI and when we upgrade these, we ensure we include the latest engine variants and fuel saving features such as adaptive cruise control; automatic braking; predictive power train control, etc. We have fitted most of our vehicles with vision-enabled telematics and established an industry leading driver assessment and coaching programme to keep our drivers firmly in the “green” performance zone which results in the best fuel efficiency.

We are utilising “green”, low rolling resistance tyres where appropriate, are introducing “mirrorless” vehicles that provide some aerodynamic benefit, and, where appropriate, we use light-weighted trailers, double decks and LSTs to optimise load fill.

We are implementing a new, cloud-based transport planning system that is a multi-year project that will provide significant benefits in vehicle utilisation, routing and loading across our diverse portfolio over the coming years.

On the warehouse side we have completed various projects to upgrade to sensor-controlled LED lighting across our portfolio and continue to upgrade lighting at every opportunity e.g. when we add a new customer site to our portfolio. Warehouse energy efficiency, waste reduction and packaging projects are regularly included on sustainability plans across the business and are led by our operations in conjunction with the customer.

We continue to evaluate, trial and adopt, when appropriate, alternative fuels including electric vehicles, biomethane, HVO and hydrogen and we anticipate significant collaborative investment in electric and alternative fuelled vehicles and infrastructure. Initially, over the next 5 - 10 years, we expect this will be in biomethane and HVO for heavier trucks and electrification of smaller, rigid vehicles. In 5 - 10 years and onwards we believe that heavier HGVs with electric and hydrogen fuel cell drive trains will begin to be commercially available and will begin to achieve scale after 2030. In the shorter term, we are on course to have an all-electric company car fleet by 2026 supported by charging infrastructure at the appropriate sites.

With respect to our scope 3 emissions we make efforts to reduce these through the sub-contract, sustainable procurement and travel policies that we deploy. As an example, for

colleague commuting we have recently partnered with an online journey booking service to address the needs of 500 colleagues across 5 customer locations. To date we have had a total of 142,260 “rides” booked through the platform, 75,796 of these rides have eliminated the need for a car. We hope that the success of this model will lead to deployment at other operational sites, regardless of size, leading to measurably reduced commuting emissions.

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 Wincanton:



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Ian Keilty

Chief Operating Officer

12/11/21

Date:

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>

Appendix 1

Scope 3 emissions explanatory notes



Business travel - Air and rail travel included. Taxi, bus, tube and hotel emissions are excluded. Hire car and company car business travel is included in scope 1 emissions.



Downstream transportation and distribution - Wincanton are not a product company. We are a supply chain services company and as such the downstream limit of our emissions is often the delivery point of our customers' product(s). However, we use sub-contract road freight, rail freight and ferries to meet our service obligations to our customers and have included estimated scope 3 emissions from these sources.



Upstream transportation and distribution - Wincanton are not a product company. We are a supply chain services company and as such the upstream transportation and distribution to the warehouse facilities we manage is owned by our customers or their suppliers and we get involved only if they award that business to us, in which case the associated emissions will be included in the scope 1 emissions figure. Where we are awarded this work, we may use sub-contract road freight; rail freight and ferries to meet our service obligations and have included estimated scope 3 emissions from these sources in our "downstream" calculations. We have not included any emissions from the manufacture or construction of the transport and property assets that we utilise either upstream or downstream.



Waste - Wincanton manages its waste very closely; sends zero waste to landfill; and has made long term target commitments for minimising and recycling residual waste. Much of the waste materials we handle results from decisions made by our customers and they and Wincanton both measure waste in terms of weights and types rather than converting it to scope 3 emissions. We believe the effectiveness of our waste programme is better served by maintaining waste as a physical commodity rather than assigning an emissions impact. However, for the purposes of this carbon reduction plan, we have used our annual waste quantity and the Defra 2020 and 2021 carbon factors to estimate the associated scope 3 emissions for each year. These are transport only and do not include waste processing emissions in the calculation process which is still under consideration and development.



Employee Commuting- Wincanton has over 160 operating locations and the nature of the contract supply chain sector means that these locations are often defined by our customers' and their distribution networks. 25 of the sites we operate host approximately 65% of Wincanton colleagues. Although we cannot change the location of our sites easily, Wincanton encourages the use of car sharing, cycling and public transport but does not track their impacts nationally but only at local site level when colleagues wish to do so to drive specific project evaluation or a sustainability initiative. Employee travel to work is featured in many site sustainability plans as a scope 3 emission reduction opportunity but is not measured in an aggregate form for the company. However, for the purposes of this carbon reduction plan, we have used our end of year FTE figure for 2019-20 and 2020-21 to estimate our employee commuting emissions from UK average figures on employment and emissions provided by ONS and CBI. Wincanton will develop a more scalable calculation methodology over time.