



DX Network Services Limited

Carbon Reduction Plan



Commitment to achieving Net Zero

DX is committed to achieving Net Zero emissions by 2050.

The PPN 06/21 carbon scopes and categories disclosed below for FY24 are taken from the business' wider carbon footprint inventory which is inclusive of all scopes and relevant categories. The business' full FY24 carbon inventory was successfully third party verified by a UKAS accredited certification body in October 2024, at a 5% level of materiality, to a limited level of assurance.

Baseline Emissions Footprint

Baseline Year: FY22	
Additional details relating to the Baseline Emissions calculations.	
<p>The FY22 baseline reported has been revised to incorporate improved data quality, methodology and corrections resulting in a 1.8% increase compared to the previously reported value. We recategorised several WTT (Well To Tank) emissions from fuel and energy activities to upstream transport and distribution. In addition, previously omitted delivery and trunking emissions from our logistics division have been calculated, and retrospectively applied to category 4 upstream transport and distribution.</p> <p>Established in 1975, DX operates through two divisions, DX Freight and DX Express. The DX Freight division primarily utilises PAYE drivers and DX leased vehicles, whilst DX Express primarily uses subcontracted vehicles for trunking and focuses on master subcontractors for final mile deliveries. As a result, a significant element of scope 3 emissions relates to subcontracted vehicle movements which are captured in category 4.</p> <p>Emissions are accounted for using a financial control boundary, with the only relevant exclusion a small amount of energy from exchange mailbox locations where the business does not directly pay the utilities. This represents a small element of lighting and heating. These emissions are expected to be immaterial compared to the main business footprint.</p>	
Baseline year emissions:	
EMISSIONS	TOTAL (tCO _{2e})
Scope 1	33,975
Scope 2	1,561 (location based)
Scope 3 (Included Categories)	76,929 3. Fuel and energy related activities – 8,542 (supplementary disclosure) 4. Upstream transport and distribution – 58,939 5. Waste generated in operations – 240 6. Business travel – 90 7. Employee commuting – 9,117 9. Downstream transportation and distribution - 0* *Outbound transport and distribution is purchased by DX as such is included in category 4.
Total Emissions	112,465



Current Emissions Reporting

FY24 is the third year DX is reporting against the PPN 06/21 requirements. In addition to the five mandatory categories, we disclose category 3 Fuel and energy related activities due to the size and relevance to our operations. The complete FY24 DX GHG inventory was third party verified by Interface NRM, a UKAS accredited certification body, at a 5% level of materiality, to a limited level of assurance. The values presented below in accordance with the PPN 06/21 requirements are taken from that verified footprint.

FY24 emissions:	
EMISSIONS	TOTAL (tCO _{2e})
Scope 1	38,995
Scope 2	287 (Market based REGO backed supply, location based emissions 2,236 tCO _{2e})
Scope 3 (Included Categories)	88,275 3. Fuel and energy related activities – 9,499 (supplementary disclosure) 4. Upstream transport and distribution – 63,908 5. Waste generated in operations – 75 6. Business travel – 697 7. Employee commuting – 14,096 9. Downstream transportation and distribution - 0* *Outbound transport and distribution is purchased by DX as such is included in category 4.
Total Emissions	127,557

Emissions reduction targets

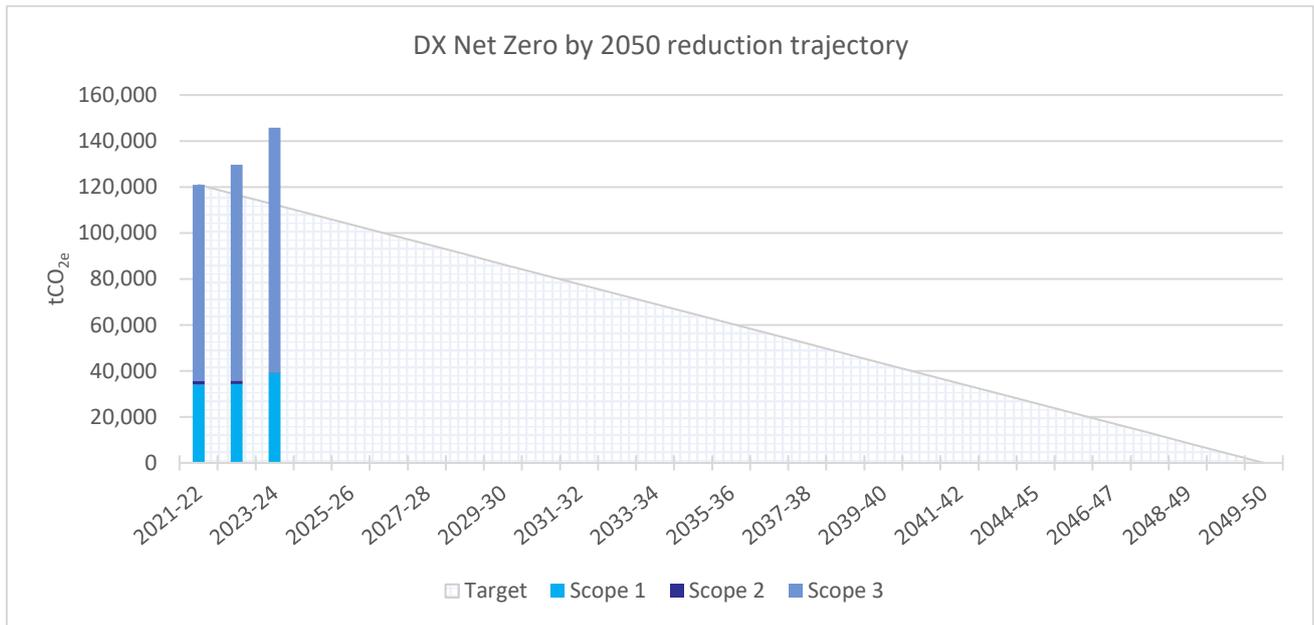
The following carbon targets are established within the business’ Environmental Management System to support our commitment towards Net Zero by 2050. Alongside our growing carbon knowledge and awareness, we have established targets which focus on key business areas that will help drive decarbonisation in parallel with the recent expansion of the business.

Goals	Carbon target	Status	Comments
Maintain scope 2 market-based emissions with a REGO backed renewable electricity supply for the electricity the business directly procures	0 tCO _{2e}	Delivered	REGO backed supply until spring 2026.
Reduce SECR intensity carbon footprint per million revenue by 10% YOY.	85 tCO _{2e} / £million revenue	4.4%	An improvement as a result of increased revenue and decarbonisation activities, however we missed 10%.
Reduce scope 1 tCO _{2e} YOY emissions by 3% by FY25.	1020 tCO _{2e}	Missed	A 16% increase in revenue, 12% fleet increase and 18% in the average item size, led to an 17% increase in diesel ultimately increasing scope 1. Normalised performance against revenue and estate however did improve.
Reduce scope 2 tCO _{2e} YOY emissions location based by 3% by FY25.	60 tCO _{2e}	Missed	16% increase in revenue and 11% growth in the business estate, alongside EV charging led to a 7.7% increase in estate energy.
Longer term action to supplement Net Zero by 2050			
20% reduction across all scores by 2035 based on an FY22 baseline		Monitoring	Currently overall emissions are increasing as a result of significant business growth; we anticipate that regulation and innovation will unlock significant reductions towards the latter years of this target. In addition, the recent growth of HVO within the logistics sector as a decarbonisation solution is likely to play a role in our strategy to decarbonise deliveries.



The below trajectory assumes a fixed annual reduction in carbon to achieve Net Zero by 2050. We acknowledge that it is not currently a realistic trajectory, with industry-wide challenges associated with decarbonising diesel fleets. Overall emissions increased by 12.4% during the year as a result of the aforementioned 16% increase in revenue, increased volume and changing item characteristic with the average item 18% heavier compared to the previous year. This will mean future annual reductions will need to be greater to bring the business back on track for Net Zero by 2050.

DX has expanded its EV and low carbon offerings with 2 million miles completed by these solutions during the reporting year. The company car policy which is phasing out internal combustion engine only vehicles in favour of PHEV and EV is 96% transitioned. Further decarbonisation was achieved through the continued commitment to REGO backed renewable electricity until 2026 for the energy DX directly procures.



Carbon Reduction Projects

Completed Carbon Reduction Initiatives

Below we outline some of the key activities undertaken by the business during the reporting year July 23 to June 24. As a result of our tracked projects, we estimate a carbon reduction in excess of 2,727 tCO_{2e} this includes 2,001 tCO_{2e} benefit from maintaining a REGO backed electricity supply.

- Over £208k invested into delivering 16+ LED efficiency projects. This investment upgraded over 1,400 fittings to modern LED equivalents and/or installed LUX / PIR sensors to automate controls. It is modelled that these projects will eliminate over 103 tCO_{2e} per annum.
- The business committed to a new REGO backed renewable electricity supply for locations where DX is directly responsible for energy. In total 88% of the business' electricity was renewable with the remaining supplied by landlords or EV charging providers.
- The DX company car fleet has been limited to PHEV / EV since 2021 with vehicles being replaced during lease renewals. At present 96% of vehicles have transitioned to cleaner options with the remaining anticipated for replacement by the end of FY25. Since implementation average gCO_{2e} per Km has reduced from 110 to 33.5 gCO_{2e}.
- The 'Van in a box' scheme continued, aimed at improving accessibility to DX compliant, newer, and cleaner vehicles. Since its implementation, the program has facilitated the sourcing of 53 vehicles on



terms which have enabled subcontractors to upgrade their vehicles who may have previously struggled to overcome the entry barriers to upgrade their fleets.

- E. During the operating year the business commenced operations from a newly leased property in Sheffield. This location has a small 13 kWp solar array which has generated approximately 8,700 kW of onsite renewable energy during the year, eliminating 2 tCO_{2e}.
- F. An inefficient air blown heating system was decommissioned at one location saving 522 MWh of gas and eliminating 111 tCO_{2e} from gas combustion. This depot was responsible for 16% of the business annual gas consumption with much of the heat being lost to the atmosphere. Alternative electrical welfare heating was provided through push button controlled infrared heaters and thermostat controlled electric heating where appropriate. This resulted in a slight increase in electricity used for heating however after a depot lighting efficiency project this was negligible in comparison to the saving from reducing gas consumption.
- G. Working with our utility broker we have increased the number of Smart / SMET 2 meters by 16 across our estate. At present 97% of electricity spend is monitored by smart connected meters. An action plan has been established to tackle the next three highest consuming meters in FY25.

Planned Carbon Reduction Initiatives

Into FY25 the business continues to take action to address carbon emissions. Below we outline some key activities the business will be undertaking or investigating to help reduce the footprint of our delivery solutions. We anticipate in delivering these projects more than 63 tCO_{2e} will be eliminated. Early investigation into HVO could provide a substantial 7,100 tCO_{2e} of additional carbon savings if implemented at our central hub in comparison to diesel.

- Three depots are planned for opening in late 2024 which will see an additional 151 kWp of solar commissioned, generating local renewable energy reducing emissions by a combined 38 tCO_{2e} p.a.
- During FY24, the business broke ground on a £12m development at New Stanton Park Ilkeston. This flagship location due to open in FY25 is built to the latest standards and includes LED sensor-controlled lights, and solar supplemented exterior lighting. A 45 kWp solar array is expected to generate 39,190 kW per year reducing annual emissions by 11 tCO_{2e}.
- Over £200k has been budgeted to deliver LED lighting efficiency projects. This investment will also see where appropriate lights linked to LUX and PIR sensors to improve efficiency through day light harvesting and associating consumption with operational activity.
- The DX company car fleet has been limited to PHEV / EV since 2021 with vehicles being replaced during lease renewals. At present 96% of vehicles have transitioned to cleaner options with the remaining anticipated for replacement by the end of FY25.
- The business is continuing to investigate further decarbonisation options for the fleet. This includes replacing diesel for low carbon fuel sources such as HVO at our central hub.



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 approved by the DX (Group) Limited Board of Directors (or equivalent management body).

Signed on behalf of the Supplier:

A handwritten signature in black ink, appearing to be 'Will Wright'.

Will Wright

Chief Financial Officer

Date: 16 December 2024

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>