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SUSTAINABILITY & ESG REPORT 2024

INTRODUCTION FROM OUR CEO

Sustainability is a core pillar of Menzies Distribution Solutions. Long-term thinking is essential when building a business that's ready for the future. We are committed to doing the right thing and hard-wiring sustainable practices into every aspect of the business. There's always more that can be done. Innovation is a critical part of Menzies' culture, continually learning, looking for ways to refine and streamline the ways in which it works and create a more sustainable future for people, businesses, and the planet. Menzies brings this mentality to the solutions it creates for partners too – making sure they don't have to compromise between people, profit, or the planet.

Focus within Menzies Distribution Solutions is not however solely on environment and CO2 reduction. Like many businesses the company considers broader sustainability plans to embrace all the factors of ESG – Environmental, Social, Governance and these are detailed later in this report.

- Environmental factors include the contribution a company or government makes to climate change through greenhouse gas emissions, along with waste management and energy efficiency. Given renewed efforts to combat global warming, cutting emissions and decarbonising have become more important.
- Social includes human rights, labour standards in the supply chain, any exposure to illegal child labour and more routine issues such as adherence to workplace health and safety. It also includes how well a company is integrated with its local community.
- Governance refers to a set of rules or principles defining rights, responsibilities and expectations between different stakeholders in the governance of corporations. A well-defined corporate governance system can be used to balance or align interests between stakeholders and can work as a tool to support a company's long-term strategy.

At Menzies Distribution Solutions our mission is clear: To redefine the expectations of a supply chain partner for our customers by providing reliable, flexible and sustainable logistics solutions whilst also fostering success for our employees, shareholders and the communities in which we operate.

Menzies Distribution Solutions will be a force for positive change. We work together, always looking to improve - We will transform supply chain challenges with efficient, sustainable services that drive value and create a better future for our customers, colleagues and the environment.

RICHARD MORSON
CEO, MENZIES DISTRIBUTION SOLUTIONS

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2024 HIGHLIGHTS

Scope 1&2 Emissions down 3,000 tonnes 5 % in 2024, 30% Since 2015

CO_2 per KM
down 4 % in 2024, 15% Since 2015

Alternative Fuels
up x 4 since 2023

Accident Rate
down 23% since 2023

RoSPA Gold Awards for 9th successive year

A safer, more sustainable business

Every year Menzies deliver enough card and packaging to cover over 100,000 football pitches

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OUR MISSION, VISION & VALUES

Our mission, vision and values guide our sustainability efforts and ESG initiatives, helping reduce environmental impact and create positive change.

MISSION

"To redefine the expectations of a supply chain partner for our customers by providing reliable, flexible and sustainable logistics solutions whilst also fostering success for our employees, shareholders and the communities in which we operate."

VISION

"Menzies Distribution Solutions will be a force for positive change. We work together, always looking to improve - We will transform supply chain challenges with efficient, sustainable services that drive value and create a better future for our customers, colleagues and the environment."

VALUES

We do it right
We do the right thing, we provide a safe, sustainable service, delivering quality and acting with integrity

We do it better
We challenge ourselves to be the best, We always look to improve. We are innovative and forward thinking

We work together
We understand our mission. We trust each other, we develop and empower our people to deliver the right outcomes

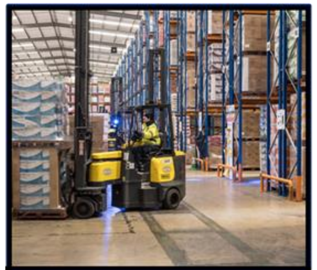
We grow together
We embrace change and seize opportunities to develop as individuals and as a team

We work with passion
We are enthusiastic and committed to our work, each other and our vision. We are determined to excel

BUSINESS OVERVIEW

What we do

A full range of supply chain solutions



Warehousing

Freight Forwarding

Transport

Tankers

- As a well-established logistics business we've always supported our customers through a focus on flexibility and innovation
- Our expertise and commitment to efficient, sustainable logistics puts us at the front of logistics partners for organizations looking to support their customers with reliable, value-added supply chains

Our resources

National Scale
Leading UK logistics business with c.£230m revenue operating from 44 sites with over 1,900 colleagues and 2,100 vehicle assets – We offer full Supply Chain Solutions – Inbound for production, on site, distribution, value-add, Import Export

Modern, high spec fleet
~2,100 vehicle assets (c.400 HGV fleet, c.1,300 trailers, c.230 MHE) with 100% Euro 6 emissions standard Telematics & TMS system driving efficiencies. Increasing use of alternative fuels, EV Trucks

Longstanding customer base
Trusted partner to a blue-chip customer base in key sectors Food, FMCG, Packaging & Media
10+ year relationships with over 50% customers

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OUR ESG FRAMEWORK

Like many businesses, Menzies Distribution Solutions considers broader sustainability plans to embrace all the factors of ESG – Environmental, Social Governance.

- **Environmental** factors include the contribution a company or government makes to climate change through greenhouse gas emissions, along with waste management and energy efficiency. Given renewed efforts to combat global warming, cutting emissions and decarbonizing is become more important.
- **Social** includes human rights, labour standards in the supply chain, any exposure to illegal child labour, and more routine issues such as adherence to workplace health and safety (as detailed above). It also includes how well a company is integrated with its local community.
- **Governance** refers to a set of rules or principles defining rights, responsibilities and expectations between different stakeholders in the governance of corporations. A well-defined corporate governance system can be used to balance or align interests between stakeholders and can work as a tool to support a company's long-term strategy.

ENVIRONMENT

- Climate Risk
- Greenhouse Gas (GHG) Emissions
- Alternative Fuels
- Fleet & Energy Efficiency
- Resource Management
- Waste & recycling
- Environmental Management System

SOCIAL

- Health & Safety
- Working Conditions
- Employee Benefits & Relations
- Diversity & Inclusion
- Human Rights
- Impact on Local Communities
- Charity & Volunteering

GOVERNANCE

- Compliance
- Ethical Standards & Procurement
- Leadership Team Diversity
- Shareholder & Stakeholder Engagement
- Tax & Pay Strategy
- Transparency, Bribery & Corruption
- Data Protection
- Codes of Conduct

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OUR INFLUENCE – UNDERSTANDING THE NEEDS OF OUR STAKEHOLDERS

Understanding the needs of our key stakeholders has never been more important. We have identified some key needs below.

STAKEHOLDER GROUP	ENGAGEMENT REQUIREMENT
Customers	A high level of service underpinned with robust compliance on ESG matters, continual reduction in environmental impact long term collaborative partnerships that reduce risk and develop sustainably. Help customers understand and improve their Scope 3 emissions associated with MDS. Use our logistics/technical expertise to enable that. Become though leaders.
Consumers	Safe products (including food) delivered in perfect condition on safe vehicles that are well driven. Understand and reduce our environmental footprint.
Employees/Staff	Ensure safe and healthy working environments, goods jobs, engagement, effective communication, good working conditions free from discrimination and harassment. Good work environment, fair compensation and appropriate training. Understand and be involved in and support our ESG objectives.
Public and Local Community	Wants our company to hire and retain local workers, and be a good neighbour, maintain good community relationships, focus on road safety, prevent pollution and nuisance, support positive interactions by our employees.
Owners and other investors/ shareholders	Ensure safe, compliant and sustainable operations where risks are managed appropriately and ESG managed effectively.
Government / Regulatory Bodies	Must comply with all applicable regulations and statutes.
Suppliers and Industry Partners	Ensure high ESG standards throughout the supply chain. Proactive partnerships to continually improve ESG standards and performance.
Charity Partners	Charitable giving, fundraising events, support through employee volunteering, specialist logistics and technical support where appropriate.

OUR COMMITMENT TO THE UN SUSTAINABILITY GOALS

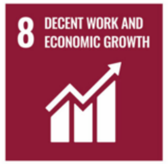
In shaping and referencing our sustainability and ESG strategy we recognise the importance of the UN Sustainable Development Goals.

We aim to reduce our environmental impact, act as a responsible business and make a positive contribution to the communities that we operate in. We expect our suppliers and wider supply chain to also take this approach.

We support all the 17 UN Sustainable development goals but in particular we align our Sustainability and ESG plans to the following:

Fundamental to our ESG plans is our high focus on health and safety as well as our people and wellbeing programmes aim to support the health and wellbeing of our employees and set standards in our wider supply chains.
We have continuously reduced our own accident rates over recent years and we have introduced an ESG Code of Conduct for our suppliers and contractors that requires them to work to high standards of safety.

Our people policies set our standards for a diverse, inclusive and equitable workplace that promotes opportunities for all. We work together and grow together as a diverse workforce.



With our long history we aim to grow as a sustainable business providing good jobs in safe working environments. We do the right thing and set high standards for the work environments on our sites and work in partnership with our customers to ensure safety where we operate on their sites. We work with suppliers who are committed to our sustainability and ESG ambitions.
We have continuously reduced our own accident rates over recent years as we strive for zero harm in line with our ongoing commitment to do it better.

We are committed to a culture of safety and regulatory compliance in our operations. One of our core Values is to do it better. This means we work hard to develop and deploy innovative logistics solutions to help our customers reduce their environmental impacts.
We have deployed a number of innovative solutions with customers to reduce impact, from working across the supply chain to increase vehicle fill (thereby reducing empty running) and also to deploy alternative low carbon fuels into customer operations.

We work hard to reduce energy and material usage and reduce waste in our own operations. We challenge ourselves to do it better. We support our customers to reduce and recover, reuse, or recycle waste materials and deliver efficient supply chains.

We aim to reduce our overall direct Scope 1 & 2 CO_2 emissions to net zero by 2050. We will work to also reduce our Scope 3 emissions within our wider supply chain.
We are a key part of many of our customers Scope 3 emissions, and we work hard with them to reduce their emissions by delivering maximum efficiency and deploying best fit alternative fuels.
We have reduced our own direct CO_2e emission per km travelled by 15% since 2015. From 2023-2024 we increased the amount of alternative fuel we used in our vehicles four-fold thus helping to reduce our own Scope 1 footprint.

One of our core Values is that **We do it right**. This means we are committed to high standards of business governance in our business and from our suppliers. Including, but not limited to, health and safety, and policies against modern slavery,
child labour, bribery, corruption and promoting human rights.

We work together and grow together with our customers in order to help them achieve their sustainability and ESG goals and reduce their impacts. We expect our suppliers and wider supply chain to support our own ambitions.

CLIMATE TARGETS, PERFORMANCE, AND KEY PERFORMANCE INDICATORS

The targets and associated key performance indicators that Menzies Distribution Solutions uses to manage climate related risks follow a decarbonisation plan of **burning less** (relentless focus on efficiency), **burning better** (best fit deployment of alternative fuels and technologies) and offsetting where that is appropriate.

In 2024 our overall Scope 1&2 CO2 footprint was 49,593 tonnes CO2e of which 98% is from vehicle fleet operations. We acknowledge the scale of decarbonising a heavy vehicle fleet, but know it is the right thing to do for our business, our customers, employees and the wider community. Through 2024 we also increased calculations of its wider Scope 3 emissions in line with SBTi methodologies. These have been calculated to 49,372.6 tonnes CO2e for 2024.

The table below compares consumption from last year to this. We are pleased to report a reduction in Scope 1 and Scope 2 CO2 emissions from 2023 to 2024. It is important however that this is reported in context against the background of changing business profiles and operating models. In the main this is driven by a reduction in Scope 1 diesel fuel usage in vehicles. Furthermore, this CO2e reduction has been driven by a number of factors:

- An increase in the proportion of vehicles operating on lower carbon biofuels such as HVO and CNG biomethane.
- The full integration of Newstrade and other operations into the our business where the greatest efficiencies can now be leveraged, maximising fleet utilisation and eliminating empty running as much as is possible.
- Significant investment in the LGV fleet in terms of vehicles and the technologies deployed on them. Resulting in the newest and most efficient LGV fleet we have ever operated.
- Increased use of contractors where appropriate to driver better operational efficiency and flexibility. There is a recorded increase in Scope 3 emissions year on year to account for this.
- Full deployment of specialist integrated planning centres.
- Exit of some inefficient and non-core operations.

MEASURED IN TONNES CO2E	2024	2023	2015 (BASELINE)
Scope 1 - Diesel, natural gas, LPG etc.	48,729.4	52,165.6	66,824.9
Scope 2 - Grid electricity *	863.6	912.6	4747.2
Total Gross Scope 1 &2	49,593	53,078	71,572.1
Fleet Direct CO2 per km drive	0.699	0.731	0.819
Scope 3 - business travel	204.9	242.0	
Scope 3 – Subcontractor calculated CO2	29,150.8	15,845.9	
Scope 3 – material usage (packaging)	219.7	1,248.2	
Scope 3 – waste and recycling	865.9	1,375.9	
Scope 3 – well to tank emissions for liquid & gaseous fuels (own)	11,994.8	12,692.8	
Scope 3 – well to tank emissions – subcontractor vehicles	7,141.5	4,393.2	
Scope 3 – Well to tank electricity (generation + T&D)	394.1	599.9	
Total Gross Scope 3	49,372.6	35,556.0	
Total Scope 1,2 & 3	98,965.67	88,634.18	

- The CO2 as stated is location based for all sites which have been on a full renewable green tariff since October 2021

For further details please see table in the appendix

CLIMATE TARGETS, PERFORMANCE, AND KEY PERFORMANCE INDICATORS

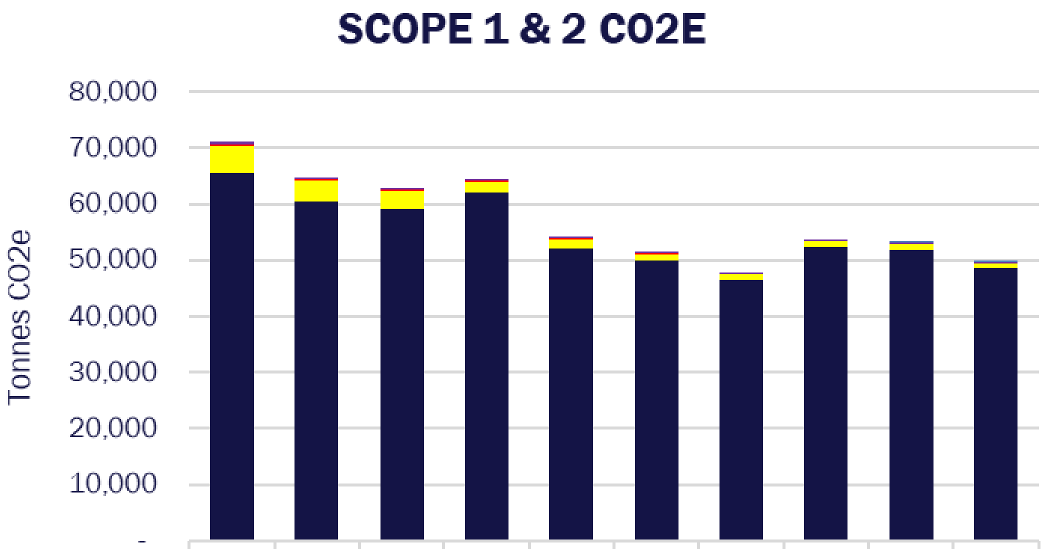
Through our relentless focus on efficiency and adoption of new technology Menzies' fleet has become less carbon intensive over the last 9 years. The business has achieved a 15% improvement in CO2 per km from 2015 to end 2024.

To calculate our CO2e emissions Menzies Distribution Solutions use the Greenhouse Gas Protocol (GHG), and the relevant conversion factors supplied by the UK Government as published by the Department for Energy Security and Net Zero.

- Reported CO2e data comes from various "spend based" and "activity based" sources.
- Direct scope 1 and 2 emissions are calculated from spend based metrics, linked to supplier invoices.
- Indirect Scope 3 emissions are a mix of spend based (e.g. packaging usage) and activity based (e.g. transport subcontractor usage) as is most appropriate for that emission factor.
- Data is collated from various sources by in house resource where conversion calculations are performed.

Other relevant Key Performance Indicators will be further developed over the coming years by the business and will be relevant to the management actions that will directly mitigate climate risks identified above. Some examples of these include:

- Proportion of LGV vehicles operated using low carbon alternatives fuels (e.g. HVO or biomethane CNG).
    - In 2023 around 0.28% of the business total fuel use was a low carbon source,
    - In 2024 this had risen to 1.34%.
    - It is expected that this will grow further through the short – medium term until electrification of LGVs, and/or other fuels such as hydrogen become widespread.



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Bio fuels	-	-	-	-	-	-	-	-	2	8
LPG	471	238	180	146	82	68	65	40	133	90
Natural Gas	426	352	215	142	195	93	71	65	148	69
Electricity	4,747	3,839	3,182	2,014	1,717	1,192	1,078	860	913	864
Diesel	65,56	60,34	59,13	61,90	52,08	49,87	46,38	52,47	51,88	48,56

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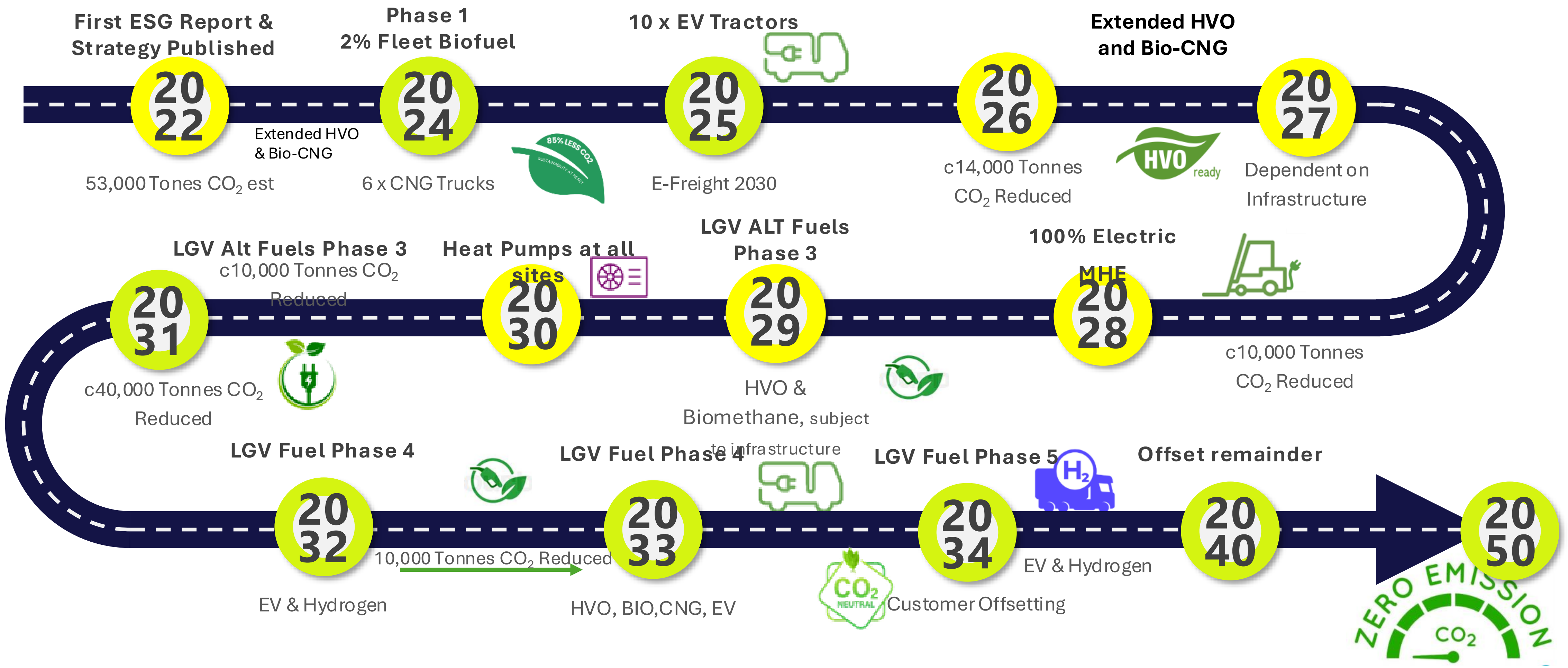
A POTENTIAL ROAD TO DECARBONISATION



SAFETY FIRST

Menzies' Distribution Solutions employees are part of the wider community, and their continued health and safety is the number one priority. Our business' DNA is pointed directly at ensuring compliance with all legal requirements, ensuring all employees, and others affected by business activities, should not suffer detrimental effects to their health and safety, as a result of our activities.

Metrics for 2024, contained in the table below, are a result of our continued commitment to this principle and demonstrates the continuous improvement that has been achieved.

We are really pleased to have received our 9th consecutive RoPSA Gold Medal award in 2025 and also a RoSPA Gold Fleet Safety Award.

MENZIES 2024 HEALTH AND SAFETY PERFORMANCE

AREA	2023	2024	% DIFFERENCE YOY
Total *Accidents	207	158	-23%
Total **RIDDORs-Over 7-Day	14	12	-15%
Total Vehicle Accidents	547	487	-12%

* Employee accidents only.

**Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)

These results are tangible evidence of substantial progress, with the following aspects making a significant contribution towards achieving them:

1. A real, visible, and tangible commitment to the safety and wellbeing of everyone from the Senior Leadership team.
2. A tangible reduction in unsafe behaviours on the road, through a coaching programme, that has led to a reduction in the core accident numbers and an improvement in the Microlise (telematics system) scores and safety ratings, across the business. This fundamental reduction of road risk builds a platform which will allow us to move to the next level.
3. Increasing engagement with employees. A further doubling in the number of safety observations completed.
4. Regular communication to support learning across the whole business.

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THE WAY AHEAD

Despite impressive ongoing results, in 2024, Menzies Distribution Solutions has remained relentlessly focussed on the march towards excellence with stretching safety targets for 2025 and beyond, cascaded to all levels of our business, directly or indirectly. This will continue the drive towards a strategic goal of Zero Harm through safety strategy. Since the de-merger from the former Group business Menzies Distribution Solutions has invested significantly in our SHEQ team resource and systems to continue success as a separate business.

Despite this progress, Safety, as with all other areas of business, cannot stand still, it has to evolve, be dynamic and allow learning from within the business and others.

Our business has started to redefine safety performance with the introduction of enhanced reporting on safety metrics. This measures performance more comprehensively and takes in to account many proactive as well as reactive measures.

We are always seeking to improve and enhance our safety management system to support focus on climate/cultural improvement and relentlessly drive towards the business' ultimate goal.

Menzies Distribution Solutions remains committed and driven to keeping employees, and others safe and healthy, introducing the most up to date thinking to achieve the aim with the results demonstrating the commitment turning to a reality.

DECARBONISATION JOURNEY

Our decarbonisation ambition is a challenge for our business and a lens through which to assess future business decisions and investments. It will guide decision-making over the long term, taking the business closer to the goal using the best fit technologies that evolve. Where relevant we will work in partnership with clients who may contribute to costs of decarbonisation with new vehicle technologies, alternative fuels etc.

Climate
As a responsible business, we will play our part in addressing environmental challenges, in line with the expectations of customers, employees and other stakeholders. Menzies Distribution Solutions intends to continue its carbon reduction approach, linking this with initiatives that focus on innovative improvements that can be made across the business in relation to reducing its carbon footprint. Additionally, the business will seek new opportunities to link in with charities local to its operations, promoting sustainable opportunities within the communities it operates. As we are often a significant part of their footprint Menzies Distribution Solutions will also actively seek ways to support our customers in their own sustainability goals.

With innovations that span fleet electrification, vehicle design, alternative fuels, self-sufficient warehousing, carbon offsetting and revisiting the need for PVC in vehicle livery, we are committed to shaping logistics for the future that directly address the climate change crisis.

Menzies Distribution Solutions is committed to implement decarbonisation strategies through real business change and innovations, including ongoing efficiency improvements (burring less), use of renewable energy and alternative fuels (burning better), alongside materials reductions, and other carbon emission elimination strategies. Then taking action to neutralise any remaining emissions with additional, quantifiable, and socially beneficial offsets to achieve net zero Scope 1&2 carbon emissions.

Ensuring Efficiency and Fleet safety
Our focus on efficiency is relentless. Eliminating empty running and maximising vehicle utilisation is one of the most fundamental ways we can reduce our CO2 footprint. As well as utilising planning centres, cross business collaboration, network efficiency and fleet sharing, we also invest heavily in fleet specification to maximise efficiency, including:

High Cube Fleet

- Since 2017 our business has invested heavily in its highly flexible high cubed trailer fleet. In 2017 our fleet was around 52% high cube. By 2021 this reached 98%.
- High cube trailers have around 24% more capacity that a standard curtain sided trailer. This permits greater carrying capacity, particularly for packaging and consumer goods – two of the business' core markets.

Standard High Cube

26 UK pallets

High Cube - LST (Tesco RDC Delivery)

60 UK pallets

DECARBONISATION JOURNEY – HIGH CUBE TRAILERS

Trailer Type	Internal Height	Cubic Capacity
Standard Curtainside	2.5m	87.4m³

26 UK pallets

Trailer Type	Internal Height	Cubic Capacity	M^3 vs Standard	Percentage Increase	CO2 saving @ Ave 100,000 miles
Standard Curtainside	2.5m	$87.4m^3$			
High Cube – 4.75m	3.1m	$108.3m^3$	$20.9m^3$	23.9%	40.0 tonnes

52 UK pallets

Trailer Type	Internal Height	Cubic Capacity	M^3 vs Standard	Percentage Increase	CO2 saving @ Ave 100,000 miles
Standard Curtainside	2.5m	$87.4m^3$			
High Cube – 4.75m	3.1m	$108.3m^3$	$20.9m^3$	23.9%	40.0 tonnes
Longer Semi Trailer High Cube	3.1m	$123.7m^3$	$36.3m^3$	41.5%	89.4 tonnes

60 UK pallets

Trailer Type	Internal Height	Cubic Capacity	m3 Increase vs Retail Reefer	Percentage Increase	CO2 saving @ Ave 100,000 miles
Retail Reefer	2200mm	76.9m3	NA	NA	NA
Standard Curtainside	2500mm	87.4m3	10.5m3	13.6%	20.0 tonnes
High Cube – 4.75m	3100mm	108.3m3	31.4m3	40.8%	60.0 tonnes
High Cube Lifting Roof	3400mm	118.5m3	41.6m3	54.1%	79.6 tonnes
Longer Semi Trailer High Cube	3100mm	123.7m3	46.8m3	60.8%	89.4 tonnes
Longer Semi Trailer Lifting Roof	3400mm	135.7m3	58.8m3	76.4%	112.3 tonnes

2017
58% of trailers high cube.

2021
98% of trailers high cube.

+ 76%
CAPACITY

We have calculated that the increase of high cube fleet has avoided the emission of up to 50,000 tonnes CO2e since 2017

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DECARBONISATION JOURNEY

Menzies Distribution Solutions continues to work hard with our customers and through our specialised planning centres to maximise the utilisation of our vehicle assets. This has been one of the fundamental factors in the ongoing reduction of the business Scope 1 emissions since 2017. Potentially avoiding 50,000 tonnes of CO2 being emitted over the same period through the relentless focus on efficiency.

Longer Semi Trailers

- Menzies Distribution Solutions have been using new longer semi-trailers (LST) for several years under the Government Trial.
- We are now operating 73 LST trailers for several of its customers making us one of the largest operators.
- To aid further operational efficiency, 11 LSTs are also double deck configuration
- With an increased capacity of 35%, the Group can significantly reduce road miles and increase efficiency.
- A lifting roof LST was deployed in 2023, the first in the industry - performance is being monitored under real world conditions to understand how this may be wider used.

Lifting Roof & Double Deck Trailers

- Menzies Distribution Solutions makes best use of double deck trailers in its fleet to maximise fill and take vehicles off the road. These are beneficial for larger and difficult to stack freight.
- We operate 120 Lifting Roof Trailers to further improve load fill. Lifting roof trailers provide an additional 8% capacity gain vs a standard trailer, maximising operational efficiency.

Tanker Innovation

- Menzies Distribution Solutions operates a large fleet of highly specialised bulk tankers for leading food customers.
- Innovation in lighter tankers and other leading technologies means we can increase payload, reducing customer deliveries, and taking out road miles to achieve significant CO2 savings.

We optimise routes through our dedicated planning centres to minimise miles driven and has robust driver monitoring and training programmes to not only reduce emissions and increase efficiency but also improve safety.

Working hard to continually improve driver behaviour makes the our' fleet operations even safer, and less carbon intensive. Our telematics system is actively used to monitor carbon-inefficient and potentially risky activities, such as harsh acceleration or braking, plus it can be used to reduce excess idling. This allows us to deliver tailored coaching to drivers to improve the safety and carbon efficiency of their driving.

INVESTING IN EQUIPMENT – DELIVERING RESULTS

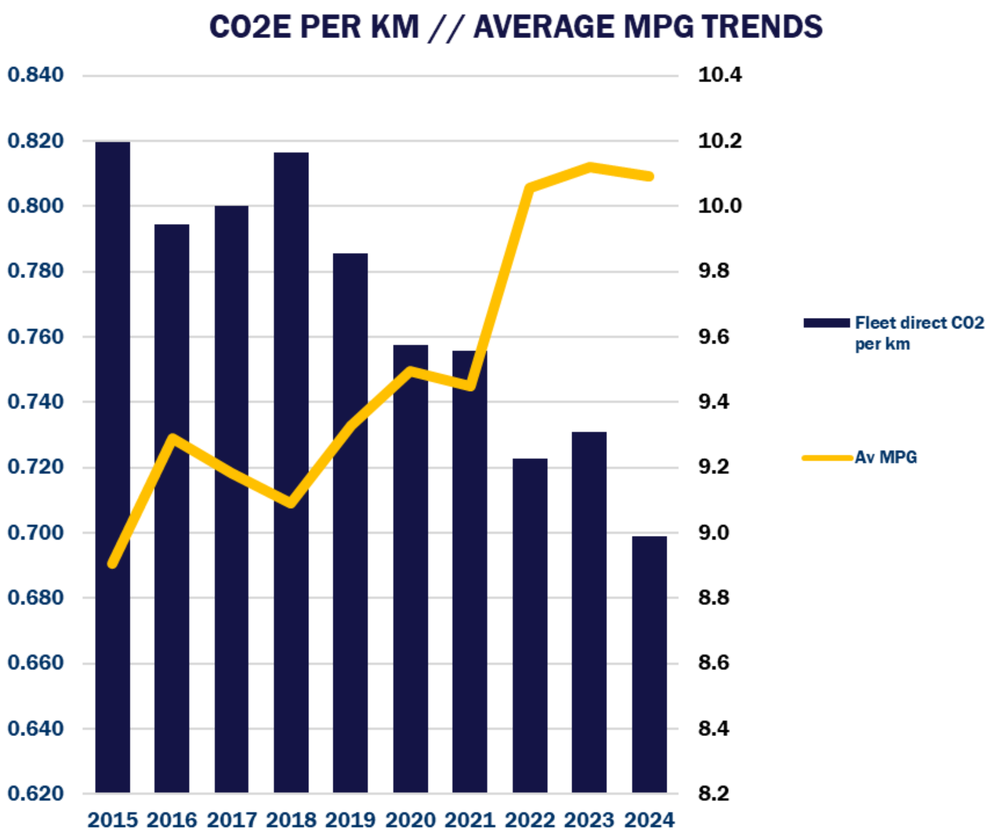
We hold regular meetings with vehicle suppliers, as well as industry bodies, to monitor all new legislation changes that could potentially impact the vehicle fleet. Menzies has a policy that all new vehicle upgrades already meet the requirements of Euro 6E standards, and all replacements will be considered for the best fit alternative fuels, or electrification, where that is appropriate to the operation.

Menzies works with a number of manufacturers to understand what new technologies will be available in the future and how these might integrate with its fleet. The fleet strategy is to evaluate all alternative fuels types and gain first-hand experience of the options available to best meet the needs of the group. Gas, HVO, Biodiesel trials have all been completed and provide solutions for customers where there is an operational fit and supporting refuelling infrastructure. We remain actively engaged with manufacturers regarding EVs, Hydrogen and blended fuels and will aim to trial the technologies as they become commercially and operationally viable.

Vehicle specifications are continually reviewed and technology opportunities actively sought to improve efficiency and safety in operation. Specification inclusions such as automatic engine idling shutdown, aerodynamics packages, efficient cruise control, automated transmissions configured to efficient mode all help ensure the best use to technology to support environmental goals.

All vehicles are replaced every 4 years and are subject to daily checks to ensure roadworthiness, safety and efficiency requirements are met in full, every single day. As LEZ and ULEZ zones are adopted across different areas of the country, working locally as well as nationally to anticipate change requirements and timescales to maintain full compliance.

As a leading logistics provider Menzies is always investing in its vehicle fleet. Over the last two years as part of the Fleet Strategy, the business has gone beyond the normal high standards and engaged in significant capital investment in new technology to assist in reducing risk, to drivers, other road users and the wider community, and identifying ways of making drivers' operational days easier.



Menzies Distribution Solutions safely moves enough liquid chocolate every year to produce bars that would go five times around the world

INVESTING IN EQUIPMENT – DELIVERING RESULTS

The last two years has seen the wide scale deployment of several key technology advancements, and over £20m of investment, on new vehicles that meet the business' specification all of which have positively impacted in a reduction of incidents. Some of the innovations that have been deployed and are now part of our standard specification for LGV vehicles are detailed below:

- A Hazard Warning App as part of a well-established telematics system. This is now fitted to all Menzies vehicles and runs in the background using the telematics system. The app provides an onscreen visual and audible warning as height, weight or width hazards are approached. The location and nature of the hazard is provided, and the direction of travel is taken into account. Alerts cease when a driver re-routes and is no longer on a direct route to a hazard. Providing proactive, real-time alerts to support drivers has been well received.
- Automatic handbrake. As part of the commitment to stop vehicle rollaway, Menzies has always fitted aftermarket warning devices as part of the Standard Specification that provide warnings to drivers should they attempt to leave the cab without applying the handbrake. This has helped reduce risk but is still relying on human intervention and adherence to the alerts given. As an advancement, there is now a system that automatically applies the handbrake, should the driver attempt to exit the cab without applying. Removing the human intervention has enabled a significant risk reduction and is now part of the standard specification for all future LGV vehicles.
- Direct Vision & VRU (Vulnerable Road User) technology – Enhancements have been made to the specification in relation to protecting vulnerable road users. Menzies had a requirement to ensure some of the fleet met the Direct Vision standard for accessing the Greater London area. Having evaluated the technology closely, the decision was taken to fit this to all of the fleet regardless of whether it needs to access the London area. Therefore, going beyond the basic standards. This program has seen to the fitment of additional near side sensor systems, a near side, rear facing camera and audible left turn alerts. Whilst not yet standard fitment across the fleet, Menzies has moved forwards with fitting direct vision windows within the near side door on a proportion of the fleet. This is now standard specification, with excellent feedback received from drivers and customers.

- Electronic Brake Performance Monitoring is a Trailer technology that enables fleet managers to monitor the braking performance of the trailers remotely and in real-time. It captures information from the trailer's electronic braking systems and calculates its performance then enabling automated, real-time alerts should any faults occur whilst the trailer is in transit. Menzies Distribution have committed to a full scale roll out with all 1,500 vehicles planned fitment by 2024.

- Use of "mirror camera" technology on new vehicles. This gives a demonstrable improvement in MPG as well as improving the range of visibility for the driver.

As a major logistics provider Menzies Distribution Solutions operates all over the UK and its fleet drives over 120,000 miles every day. The focus on road safety has a direct bearing on these communities that are passed through daily by helping to reduce accidents and also reduce wider impacts, e.g. environmental. The skills drivers gain as professional drivers don't stop when they get in their car to drive home. By fostering a great road safety, and safety culture in general Menzies Distributions gives all employees the skills and tools they can use away from work.

BEST FIT ALTERNATIVE FUELS

When it comes to alternative fuels for combustion engine vehicles, particularly LGV's, Menzies Distribution Solutions acknowledges there are a range of different options, some more suited to specific operations than others. Through partnerships with our supplier base, we can work with customers to deploy LPG, LNG, Biomethane and HVO fuelled vehicles where they are the best fit for that customer and operation.

In the more immediate term Menzies Distribution Solutions has successfully introduced Hydrotreated Vegetable Oil (HVO) into a number of customer operations. As a sustainable fuel source with a lower carbon footprint than diesel, HVO is capable of reducing CO_2 emissions by c. 90% according to its manufacturers. It can be used as the primary fuel source for the vehicle or used in conjunction with diesel to improve CO_2 emissions without change to the existing engine or additional maintenance of the vehicles. The HVO fuel used is from the business' main fuel provider and is fully certified as sustainable sourced.

Through 2024 our usage of HVO increased by around 24% and is calculated to have avoided over 700 tonnes of CO_2e emission in the year.

Through 2024 we have added to the business a CNG (compressed natural gas) biomethane fuelled tractor unit fleet across a number of different customer contracts. 6 vehicles were deployed full time in 2024 to allow further ongoing evaluation and development of this low CO_2 technology.

In 2023 around 0.28% of the business total commercial vehicle fuel use was a low carbon source, (e.g. HVO or biomethane CNG). In 2024 this had risen to 1.34%.

In 2024 we deployed a new company car policy including only BEV and PHEV vehicles. This has helped us achieve a 23% reduction in CO_2 per mile of our company cars. We have invested in car charger at a number of our key sites and plan to roll out more. We will further evolve our car policy as EV technology progresses in this space.

Menzies DISTRIBUTION

"By integrating this CNG tractor unit into our fleet, servicing Board 24's key customers like The Cardboard Box Company, we are not only taking tangible steps to reduce CO_2 emissions but also actively supporting our customers' dedication to greener practices.
It showcases our dedication to reducing our environmental impact and underscores our role as a responsible partner in our customers' sustainability journeys. It's an actionable step towards a cleaner, more sustainable future that we can all be proud of."

Karl Mason, Preston Board 24 MD

Liam Ely, Class 1 Driver using CNG unit

"I'm glad to be able to be apart of this with Menzies, we often hear about drivers reluctance to use alternative fuels, from experience this is a really positive step and something we should all be able to get behind, moving from diesel to CNG was no where near as daunting as some think, its good to see this unit come on board, and hopefully we start to see them in use more often."

Menzies DISTRIBUTION

THE FUTURE'S ELECTRIC

In 2023 Menzies Distribution Solutions was delighted to announce its participation in the UK Government's zero emission HGV and infrastructure demonstrator programme as part of the eFREIGHT 2030 consortium.

With funding provided by the Department for Transport in partnership with Innovate UK, the UK's national innovation agency, eFREIGHT 2030 will receive £49.2 million in government support, which will help unlock an expected £500 million of private investment in electric vehicles and charging hubs across the UK by 2030.

eFREIGHT 2030 is comprised of 11 operators, 3 truck manufacturers, a recharging infrastructure manufacturer and supporting telematics and data analysis providers. As part of the project Menzies will be deploying to run ten 42 tonnes electric tractor units and install three 1 megawatt infrastructure platforms suitable for charging six vehicles at a time. These will be deployed into operations in 2025 and will provide a route for MDS to gain significant knowledge in this exciting new technology.

The announcement of funding for the eFREIGHT 2030 consortium came as the Government published its zero-emission vehicle mandate, setting out the percentage of new zero emission cars and vans that manufacturers will be required to produce each year towards 100% zero emission vehicle sales from 2035.

A GREENER TRAILER

As part of its continuous programme to reduce carbon emissions Menzies Distribution Solutions has teamed up with TRAILAR to pilot the use of solar technology on its vehicles. TRAILAR are global leaders in solar transport solutions, committed to more sustainable transport and achieving zero emissions sooner through the integration of solar and data driven technology.

Thin solar panels will be fitted to the roofs of selected Menzies vehicles. Only 3 mm thick, the panels will provide clean energy for electrical components, including tail-lifts, lights and radio. Traditionally a vehicle creates electrical energy via its on-board alternator and the burning of fuel. Energy supplied via the solar panels and used by the vehicle will reduce fuel consumption and associated emissions. Sensors will monitor the vehicles' electrical characteristics, calculating the energy and carbon savings delivered.

As for the rest of the fleet, Menzies is ensuring every aspect is as sustainable as it can be. Improvements to vehicle design have made bodywork more aerodynamic and the introduction of air deflectors has reduced vehicle drag by 30% and increased fuel efficiency by 10-15%.

Menzies' fuel partner offers carbon offsetting with initiatives including; tree plantation schemes, avoided deforestation programmes, solar and wind power and the fuel itself has special additives to reduce harmful engine deposits that impact on air quality. Menzies' entire diesel fleet is Euro 6 compliant, meeting the toughest and lowest emissions limits in history, along with the criteria for Low and Ultra-Low Emissions Zones and the UK's Clean Air Zones.

PROTECTING THE ENVIRONMENT

As well as taking steps to reduce carbon emissions, Menzies Distribution Solutions recognises the importance of taking the necessary steps to protect the environment around its operations and test the effectiveness of response should the worst happen.

Our Environment and Sustainability Policy recognises that being socially responsible enhances the Company’s overall value and commits to minimise its impact on the environment by:

- Acting as a good neighbour within the communities where it operates.
- Identifying any significant impact that our activities have on the environment.
- Documenting, implementing, and maintaining an Environmental Management System.
- Raising environmental awareness.
- Conserving energy, seeking to reduce waste, preventing pollution, and minimising the use of fossil fuels.
- Maintaining an open dialogue with all stakeholders ensuring that operations are performed in a safe, ethical, and efficient way.
- Encouraging suppliers and contractors to develop sustainable practices.
- Taking all essential measures to prevent pollution whilst handling hazardous materials.
- Meeting or exceeding relevant legislative requirements.
- Communicating policies, procedures, and audit performance.
- Setting and regularly reviewing environmental objectives, targets, and continual improvement.

CLEANER TRANSPORT, CLEANER NETWORK

The business have introduced smart LED lighting into its new sites and has actively retrofitting older sites. This combines ultra-efficient LEDs with advanced motion sensing control equipment to slash the energy usage on lighting by around 70%.

The Group installed solar panels on the roof of its Wakefield site. These are now generating around 200,000 kWh of renewable energy per year. This is used to power the site during the day and return any surplus to the grid. This helps avoid over 42 tonnes of CO_2 emissions a year. We are currently evaluating other sites for potential solar installations.

Menzies DISTRIBUTION

SOCIAL & COMMUNITIES

The business aims to be a good neighbour and a responsible employer. Sustainability goes further than just environmental impact, with a significant employee base and network serving multiple communities across the UK, Menzies Distribution Solutions recognises its responsibility and commitment to people, and playing a good role in the community.

Menzies Matters

COMMUNITY & CHARITY

Throughout 2024 the business played a significant role in the communities it operates within. Through a dedicated CSR Committee, **Menzies Matters**, and employee suggestions, the business supported countless charities, local sports teams and other good work that included initiatives as diverse as knife crime workshops, employee supported initiatives in Uganda, hygiene banks, Air Ambulances and an older people walking group. Many of our site also routinely support local food banks to contribute towards food and other items especially around Christmas. Menzies frequently collaborate with our customers on charity and community initiatives so that the impact is even greater. Menzies have also continued our support for the Standing Tall Foundation though 2024.

In 2024, the Menzies began to have an even bigger impact through the introduction of a business-wide volunteering policy, enabling employees to take paid time to help charities that matter most to them.

We hosted a Cycling Safety Event in partnership with the Children's Air Ambulance, where 180 children from New Swannington Primary School in Leicestershire joined us to learn about road safety awareness and key safety points around HGV vehicles.

Julie Johnson, School Business Manager, commented "It was absolutely fantastic! The children loved every minute of it, and the buzz around the school was wonderful. The hi-vis vests were a huge hit - some children wore them all day, a few showed up to breakfast club still wearing them, and we suspect a couple even went to bed in them! A great event that was so well received by everyone".

With Health and Safety being at the heart of our business, we're proud to launch an initiative that helps young people understand the importance of safe practices and empowering them to carry those values forward.

GOOD JOBS & EQUAL OPPORTUNITIES

Menzies Distribution Solutions aims to create a workforce and Leadership Team that is reflective of the communities where employees, customers and suppliers live and work. Menzies is committed to being a responsible and inclusive employer, doing whatever possible to have a positive impact. The Group has been providing good jobs and equal opportunities to local people for generations, making sure those in the communities in which network locations are based have the job security and stability that helps them to thrive. Menzies Distribution Solutions cares for its employees' wellbeing and offers a variety of support programmes for those who need.

We are committed to challenging the 'norms' of the logistics industry, running campaigns aimed specifically at encouraging women and young people into the industry and all it has to offer. As signatories of the Armed Forces Covenant and holders of an MoD Employers' Recognition Scheme Award, Menzies is a Forces friendly organisation supporting the employment of veterans, reservists, cadets, and those with family members actively serving. Menzies will do whatever it can to continue working like this for many more generations to come, making Menzies an employer of choice.

Wellbeing and Safety are fundamentally linked.
What we have in place right now:
EAP, Health Shield Mental Health First Aiders
Wisdom app, Standing Tall Foundation support

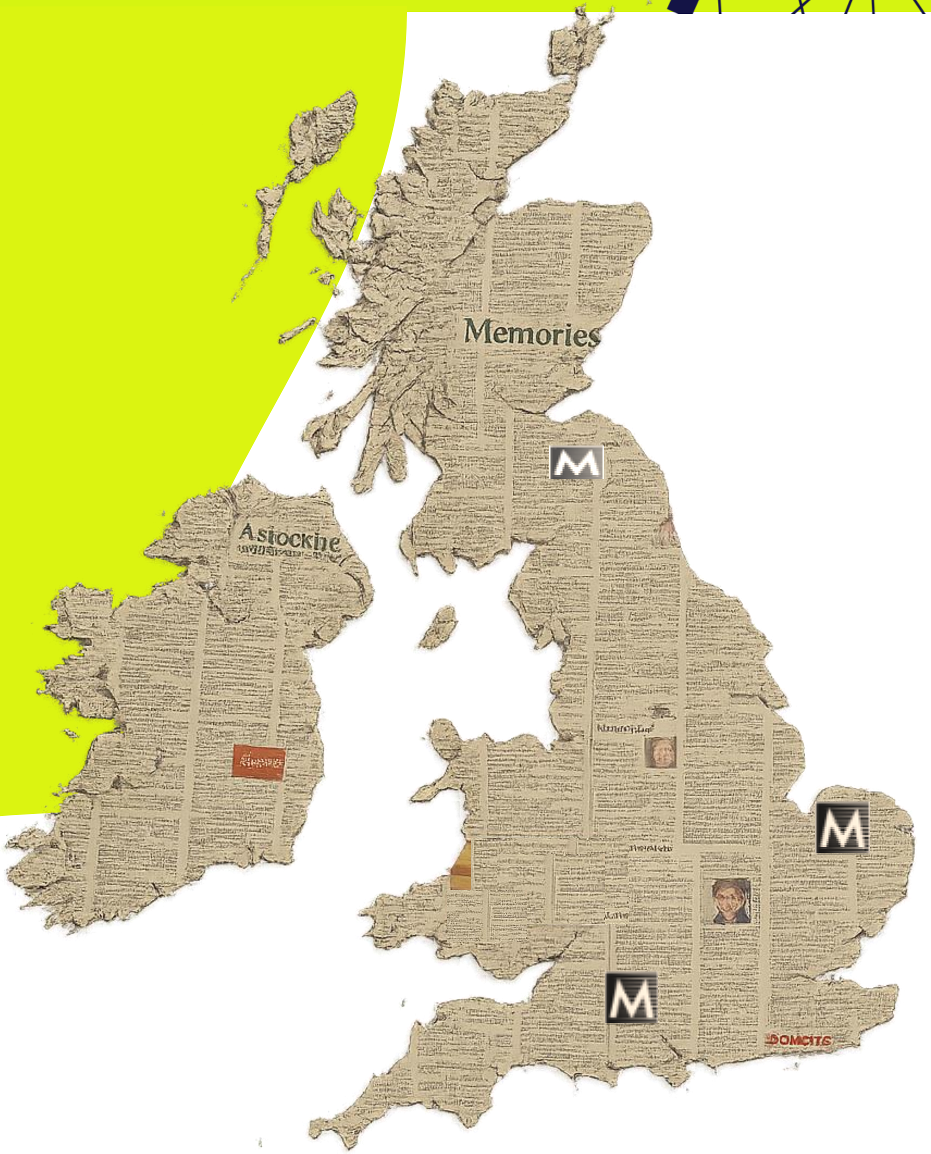
Mental Health First Aider
MHFA England

STANDING TALL FOUNDATION.

wisdom wellbeing

Menzies
DISTRIBUTION

Menzies reliably deliver over 1 billion newspapers and magazines from printers to distributors every year



OUR PEOPLE

At Menzies, we know our people are our greatest asset. That's why we are committed to being a responsible and inclusive employer, doing whatever we can to have a positive impact.

We recognise that a team consists of diverse individuals; we are therefore committed to equality of opportunity, diversity and to zero tolerance of discrimination. Striving to ensure that the work environment is free of harassment and bullying and that everyone is treated with dignity and respect is an important aspect of ensuring equal opportunities and diversity and inclusion in employment. We aim to create a workforce and Leadership Team that is reflective of the communities where we live and work, the customers we serve and the suppliers we work alongside.

We've been providing good jobs and equal opportunities to local people for generations, making sure those in the communities in which we're based have the job security and stability that helps them to thrive. We care for our employees' wellbeing and offer a variety of support programmes for those who need it. We're also challenging the 'norms' of the logistics industry, running campaigns aimed specifically at encouraging women and young people into the industry and all it has to offer.

As signatories of the Armed Forces Covenant and holders of an MoD Employers' Recognition Scheme Award, we're a Forces friendly organisation supporting the employment of veterans, reservists and those with family members actively serving. We'll do whatever we can to continue working like this for many more generations to come, making Menzies an employer of choice.

HUMAN RIGHTS

We are committed to promoting human rights and conducting business ethically and with integrity at all times.

We oppose any activity that involves the deprivation of an individual's liberty by another in order to exploit them for personal and/or commercial gain. We expect our supplier base to follow the same principles.

We are members of SEDEX covering a number of our sites and we have used SMETA 4 pillar audits to validate our current ethical controls.

MENZIES DISTRIBUTION SOLUTIONS ARE COMMITTED TO THE ETHICAL TRADING INITIATIVE (ETI) BASE CODE

Ethical Trading Initiative

Employment is freely chosen

Slavery and bonded labour are totally unacceptable. Almost 21 million people are victims of forced labour.

Freedom of association and the right to collective bargaining are respected

Tens of thousands of workers lose their jobs every year for attempting to form or join a trade union or improve working conditions. Some even lose their lives.

Working conditions are safe and hygienic

An estimated 2.3 million people die every year from work-related accidents and diseases.

Child labour shall not be used

168 million children work to support their families, missing out on education and often damaging their health. This reinforces the cycle of poverty.

Living wages are paid

Roughly half the world's population still lives on two dollars a day. If people can't feed their families on an adult's wage, they may send their children to work.

Working hours are not excessive

Long working hours are the norm for most of the world's workers. This damages people's health and undermines family life.

No discrimination is practised

Women and certain minorities are often confined to the lowest-paid jobs with no access to training or promotion.

Regular employment is provided

Most workers can be laid off when it suits the employer. This fuels poverty and insecurity and drives down wages.

No harsh or inhumane treatment is allowed

Few workers have protection against physical, verbal or sexual abuse in the workplace.

GOVERNANCE

Menzies Distribution Solutions is compliant with all legislation and committed to maintaining an open dialogue with all stakeholders, ensuring that operations are performed in a safe, ethical, and efficient way and all policies are in place.

Menzies Distribution Solutions is committed to preventing acts of modern slavery and human trafficking from occurring within the business and supply chain and imposes the same high standard on suppliers.

On this basis, the business will regularly evaluate the nature and extent of exposure to the risk of modern slavery, and wider human rights risks, and will ensure all suppliers adhere to the Modern Slavery Act 2015 and other relevant legislation. The business will continue to enforce a strict code of conduct for its employees and suppliers. The four key commitment areas for our suppliers and employees are:

- Putting Safety First
- Environmental Responsibility
- Social Responsibility
- Conducting Business with Integrity and Fairness

ETHICAL STANDARDS AND PROCUREMENT

SUPPLIER CODE OF CONDUCT FOR ETHICAL TRADING, SAFETY & SUSTAINABILITY

Menzies Distribution Solutions suppliers are required to acknowledge the significance of social, environmental and ethical matters in their conduct and work towards improving standards and performance in these areas. We encourage and expect the adoption of responsible behaviour through our suppliers supply chains

DATA SECURITY

COMMITTED TO PRIVACY AND RESPECTING THE RIGHTS OF INDIVIDUALS WITH REGARD TO PERSONAL DATA

GDPR related policies in place include: Data Protection, Policy, Data Breach Policy, Privacy Policy, Employee Privacy Policy,

PAY AND TAX STRATEGY

WE ARE FULLY COMMITTED TO FULL COMPLIANCE WITH TAX LEGISLATION

Menzies Distribution Solutions recognises its responsibility to contribute to the wider economy in which we carry out our business, this includes paying the right amount of tax at the right time. We have Financial Crime and Competition Compliance Policies in place to ensure we conduct all of our business in an honest and ethical manner and minimise the risk of being exposed to financial crime.

TRANSPARENCY, BRIBERY & CORRUPTION

ZERO TOLERANCE APPROACH TO BRIBERY AND CORRUPTION. ENSURING THERE IS TRANSPARENCY IN OUR BUSINESS AND IN OUR APPROACH TO TACKLING MODERN SLAVERY

Related polices include: Anti-Bribery and Corruption, Anti-Slavery and Human Trafficking Policy

QUALITY

Menzies Distribution Solutions places a high focus on compliance. The quality of the services we deliver to our clients is fundamental to our operating model. We operate an integrated SHEQ (Safety, Health, and Environment & Quality) across all our sites that is designed to meet the requirements of all major international standards including ISO 9001, ISO 14001, ISO 45001, BRCGS Storage and Distribution.

We operate a network of dedicated food and consumer warehousing for ambient goods, and a specialist food tanker fleet. Menzies Distribution Solutions provides safe, secure and reliable food and ingredients delivery nationwide for some of the world’s most recognisable brands.Our BRCGS Global Standards Storage and Distribution certification provides assurance to our customers that the products we handle remain safe, legal and of high quality. The standards specifically cover our logistics operations dealing with food, packaging and consumer products. We are delighted to have received accreditation 10 sites certified with the top AA grade. Compliance to the strict BRCGS standards is nothing new Menzies Distribution as we have held certification at our key sites for over 15 years. In addition, we hold Organic Storage licences with the Soil Association at four sites.

We operate a suite of Standard Operating Procedures that gives a consistent approach across our sites to how we ensure the safety, quality and legality of the goods that our customers entrust us to store, handle and distribute. These cover all the fundamental areas of hygiene, pest control, security, traceability, vehicle and equipment control, training and facility management. Our food safety management system is based on a robust HACCP approach. Our security procedures are founded on the TACCP/VACCP models as well as drawing best practice from TAPA standards.

All this is combined with recent accreditations from the Fleet Operator Recognition Scheme (recognising exemplary best practice in safety, efficiency and environmental protection), Logistics UK’s Van Excellence scheme (focused on compliance and best practice) and the successful implementation of the ISO 9001:2015 quality assurance standard at our Norton and Avonmouth sites, the awards and certifications demonstrate our commitment to continual improvement across our operations. In particular at our Norton and Avonmouth sites our ISO 9001 certification is fundamental to our operations with a key client for the storage and handling of a wide variety of equipment and materials into the UK MoD and brings in enhanced processes for inspection and checking of goods alongside the expected security standards.

GOVERNANCE FOR ASSESSING AND MANAGING CLIMATE RISKS

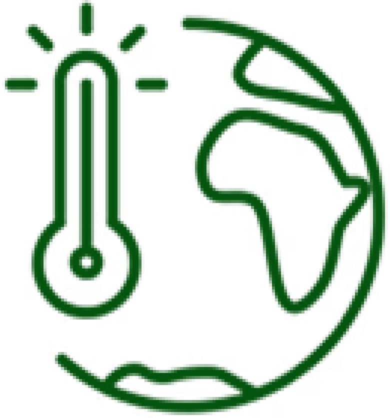
The Board and Leadership Team of Menzies Distribution Solutions have overall responsibility for assessing, managing and responding to climate risks and opportunities relevant to the business. Overall, the CEO and COO are responsible for setting and directing the business strategy and response to climate risks and opportunities. The owners and investors in the business also sit on the Board and play a role in shaping our approach to the assessment of and management of climate risks and opportunities.

Climate risks and opportunities is integrated into the overall business Enterprise Risk Management (ERM) approach within Menzies Distribution Solutions . A corporate risk register is updated and reviewed annually. Further to that relevant risks and opportunities are discussed by the Board and Senior Leadership Team the at least quarterly (linked to the Operational Board Meetings below). These reviews also include the ongoing management of climate risks and opportunities and progress regarding actions identified and relevant company objectives. In 2024/25 this has been supplemented by the climate risk scenario analysis that is included within this report. Going forward these scenarios will be fully integrated into the corporate risk register as part of ERM.

The Board and Leadership team are supported by specialists in the SHEQ Team (Safety, Health, and Environment & Quality) as well as the technical expertise in the Fleet team (98% of Menzies' direct CO_2 emissions are from vehicles).

- SHEQ Team advise on and support with compliance, strategy development and monitoring and reporting.
- The Fleet Team take the lead on the procurement, deployment, and safe operation of vehicles, including new and existing technologies, telematics, vehicle safety systems, alternative fuels, energy procurement and electrification.
- The Operations and Development team are responsible for supporting operators on relevant compliance matters on sites, and the deployment of energy efficiency measures on site (e.g. LED lighting), and the installation of on-site renewable energy generation e.g. solar.

The CEO Chairs an Operational Board that meets at least quarterly to review ESG and Climate Risks as part of its wider agenda, and opportunities as well as wider obligations and requirements. This group also reviews and guides strategy and management actions. The Operational Board includes the above specialists and other key personnel relevant to the wider Business ESG and climate strategy. Relevant output from these meetings is subject to review and discussion with the Board and senior leadership team,



All these functions work closely with the Leadership Teams and Operational teams. Underpinning this is the relentless drive for efficiency and safety in operations that is the day-to-day responsibility of operational teams in all business areas As a responsible business, Menzies DistributionSolutions continually takes steps to reduce environmental impact and contributions to global warming through its Net Zero by 2025 Ambition. Further to this the business recognises that climate change will likely present risks in the coming years, these include:

- Physical risks from the increased likelihood of extreme weather events such as flooding, high winds, extreme temperatures, and sea level rise. These have potential to cause disruption to the physical business operations (and those of customers and suppliers) both locally and on a national scale. The national network of operating centres allows Menzies to respond to localised events and help ensure continuity of service to customers by utilising the wider network.
- Transitional risks from increased compliance costs, changing legislation and fuel, energy, waste disposal and raw materials costs for Menzies and also its customers and suppliers.
- Liability risks should Menzies fail to comply with relevant legal requirements including pollution incidents from its operations.

PROCESS FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE RISK AND OPPORTUNITIES

Integration within Enterprise Risk Management

Climate related risks and opportunities are identified as part of a wider business risk register as part of Menzies Distribution Solutions ERM approach. These are then evaluated by the Board and Leadership team. Climate and other relevant ESG risks are identified by relevant subject matter experts and fed into the risk register for review and action by the Board and Leadership team as relevant. This review forms part of the wider enterprise risk management framework within the business. The risk register is reviewed, updated, and assessed annually. In 2024/25 this has been supplemented by the climate risk scenario analysis that is included within this report. Going forward these scenarios will be fully integrated into the corporate risk register as part of ongoing ERM.

Identification of Risks

Risks and opportunities are identified and assessed using a variety of methods. Relevant subject matter experts undertake horizon scanning, engage with relevant stakeholders (including customers and suppliers), They will also engage in relevant external forums and with relevant trade and professional bodies (e.g. Logistics UK, CILT, IEMA, IOSH) as well as maintaining own professional development and technical competencies.

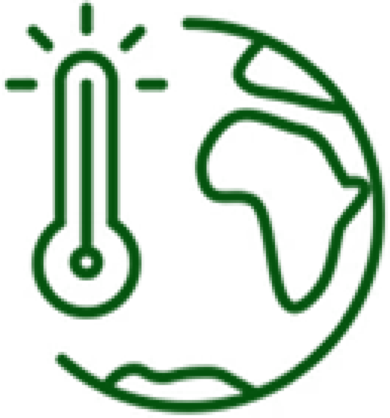
As operations across different subsidiaries are similar in nature, face similar risks from climate change, and operate in the same geographical areas, these assessments are currently only conducted at Menzies Distribution Solutions Group level to cover all subsidiaries.

Assessment of principle Climate Risks and Opportunities

In this assessment the following are used to define level of risk and the expected timescales of impacts and opportunities:

Risk ratings:

- Low risk – some short-term disruption to own or client operations.
- Medium risk – significant disruption to own or client operations.
- High Risk – severe and long-term disruption to own or client operations.



Risk ratings have been determined by internal subject matter experts who form part of the Operational Board. The following were considered in the assessments: likelihood of risk occurring, financial impact, operational and service provision impact, the businesses level of exposure to the risk, geographical location of operations, and qualitative factors including reputational impact.

Timescales:

- Short term – 1-4 years (2025-2029)
- Medium term 4-10 years (2029-2035)
- Long term 10+ years (2035+)

PROCESS FOR IDENTIFYING, ASSESSING AND MANAGING CLIMATE RISK AND OPPORTUNITIES

Timescales are considered based on alignment to wider business factors. For example, fleet replacement cycles, whereby new vehicles are deployed, are typically 3-4 years. This also links to the business general operational planning (short term). The business net zero ambition and current UK government ambitions to phase out internal combustion engine vehicles is currently beyond 10 years (long term). It is also considered that there will be greater physical climate risks in the longer term.

Menzies Distribution Solutions will continue to increase its assessment of, understanding of, and planning for climate related risks going forward. The business' direct operations in the UK are most likely to be affected by the localised impacts of extreme weather – flooding, wind, heat. Like other business in the sector, Menzies Distribution Solutions faces potential risks in both its own and customers' wider supply chains that it cannot directly influence or control. These include (but not limited to), higher fuel, energy and materials costs if global supply chains are disrupted by climate change events. Such disruption may be as a direct result of climate change events (e.g. major flooding or wildfire), or as a result of geopolitical instability brought about by climate change factors.

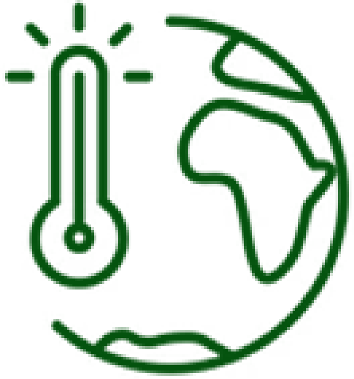
The current evaluation of the key impact scenarios is summarised in the following table. Both warming scenarios of 1.5C (transitional) and 4C (a worst-case scenario) were considered so as to give a breadth of view of severity, and timescales of impact. Assessments are qualitative based on current business knowledge. Menzies Distribution Solutions seeks to mitigate these risks with the indicated measures.

Management of Climate risks and opportunities

Management of Climate risks, opportunities and the wider ESG strategy is delegated by the Board and Senior Leadership team to the relevant specialists, other relevant personal (e.g. Human Resources, Communications, and Legal) and the Operational Management teams who are responsible for activities at sites. Management actions and activities in relation to mitigating or capitalising on climate risks and opportunities are fed back into the Operational Board for review, and then on to the Board and Leadership team as required.

Relevant members of the Operational Board will provide updates to the group on their area of specialism, this will include relevant operational matters as appropriate. Management action monitoring will include (but not limited to):

- Head of Fleet, Procurement and Operational Systems– monitoring and supporting actions taken to decarbonise vehicle operations through efficiency, trailer technology, systems and telematics, alternative fuels, electrification and new and emerging technologies. Monitoring and supporting energy procurement and alternative (renewable) energy provision to sites.
- Operations Director and Development Director –ensuring energy efficient measures being deployed in sites.
- Head of Quality & ESG – tracking CO2e reduction, target setting and reporting and wider compliance matters. Ensures relevant H&S compliance and reporting as part of ESG and also driver performance as it relates to road safety and ESG
- General Counsel – monitoring and supporting ESG compliance matters and also the business' wider CSR agenda, in particular activities linked to community and charity.
- Director of Strategy & Marketing – ensuring internal and external communications around ESG and climate related risks, opportunities and progress are appropriate and consistent.



RESILIENCE TO CLIMATE RISK

At the time of this report the Board and Leadership Team of Menzies Distribution Solutions are confident that the current controls, mitigations and processes detailed in the above matrix are suitable and sufficient to address the foreseeable risks and opportunities of potential climate exchange. However, the business acknowledges that climate risks and opportunities may present sooner, or more severely, than currently expected (particularly under a 4C warming scenario). As such a dynamic approach to risk and opportunity management will be maintained within the business. As such this risk matrix will be reviewed at least annually.

Menzies Distribution Solutions works closely with customers and key suppliers to ensure a quick and effective response to any business interruption events (localised and more widespread), including those that may be caused by climate change.

Climate change does also present Menzies Distribution Solutions with opportunities as well as risks, some of these are described in the table above. As a business primarily focused on logistics and distribution of goods, Menzies Distribution Solutions works tirelessly to provide the most efficient, lowest impact solutions to help customers get their goods to market, safely and efficiently. The business works hard to help customers optimise their supply chains in particular within shared user networks. Menzies Distribution Solutions are often a significant part of customers' own Scope 3 CO_2 emissions and are ideally placed to help clients reduce their impacts through efficiency, use of technology, alternative fuels and collaboration with shared use of facilities and vehicle for maximum efficiency.

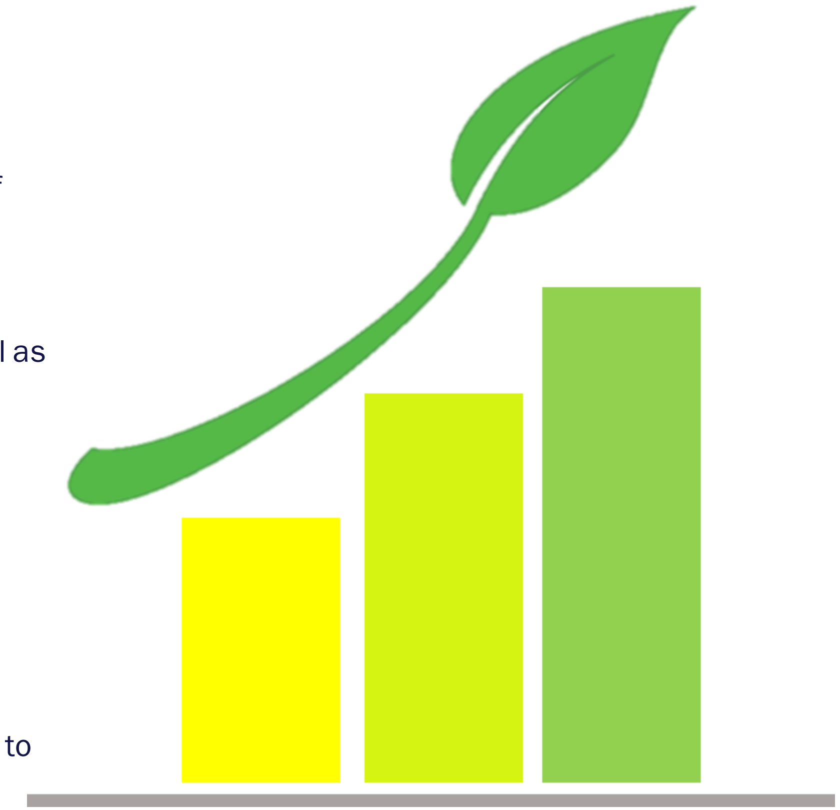
Menzies Distribution recognises the potential it has to help customers adapt to any climate change impacts through support of their supply chains, regular review of operations, capabilities and contingencies.

REPORTING COMPLIANCE

During 2024, Menzies Distribution Solutions continued to engage the services of an independent third party to report on carbon footprint under Streamlined Energy and Carbon Reporting (SECR) requirements. This gave the Group full visibility and an independent assessment as to progress in reaching set-out long-term goals and progress year on year.

The objectives of the independent assessment included:

- Limited verification to ISO 14064-3 standard that the Greenhouse Gas (GHG) statement was reliable and of sufficient quality for reporting purposes.
- Support to meet the requirements for Streamlined Energy and Carbon Reporting (SECR).
- Assistance in creating clear and focused internal reporting – covering energy and carbon in detail for ESG reporting, annual reports and tracking towards Menzies Distribution Solutions s 2050 strategic goal, as well as measuring progress in implementing Energy Savings Opportunity Scheme (ESOS) energy improvements. Menzies have commenced all required works and assessments under ESOS Phase 3.



The assessment covered Menzies Distribution Solutions UK operations and the following sources of GHG emissions was within the scope of the verification:

- Scope 1 (direct): natural gas, company commercial vehicle fuel, LPG and gas oil.
- Scope 2 (indirect): purchased electricity. This includes electricity transmissions and distribution.
- Scope 3 (other indirect): business travel (air, rail, personal car, taxi).

The Group, recognising its carbon footprint responsibilities, has implemented various measures and initiatives to further reduce energy consumption and its GHG emissions.

To demonstrate this, since 2021, 100% of the business electricity supply is on a green fully renewable energy tariff. This means the bulk of every KW of electricity the business' use is from a sustainable source.

APPENDIX – ASSESSMENT OF CLIMATE RELATED RISKS AND OPPORTUNITIES

HAZARD	SCENARIO	POTENTIAL IMPACT WITHOUT MITIGATION	ANTICIPATED TIMESCALES	MITIGATION MEASURES & POTENTIAL IMPACT WITH MITIGATION
PHYSICAL RISKS				
Higher (or lower) air Temperatures and humidity	More cooling (or heating) of Facilities, vehicles and offices needed.	Increased energy and fuel bills across entire estate. Impact will depend on global warming scenarios i.e. for 1.5C warming is anticipated to be low, however for 4C warming it will be higher. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Medium – long term** Dependent on speed that future climate change occurs and also warming scenario considered. Expected to be lower impact in UK in the medium term and/or under a 1.5C warming scenario but potential to be greater impact in the long term and/or under a 4C warming scenario	Menzies operations are designed for high energy efficiency; hence this impact will be reduced. Deployment of alternative fuels and solar self-generation where possible and appropriate. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*
Higher (or lower) air Temperatures and humidity	Reduction of productivity of employees e.g. through temperature related fatigue.	Productivity reduced. Operational costs increased e.g. through extra staffing or extra measures to mitigate. *Low risk in UK for most of year in both a 1.5C and 4C warming scenario*	**Short – Long term** Expected to be lower impact in the UK in short term and/or under a 1.5C warming scenario but potential to be greater impact in the long term and/or under a 4C warming scenario	Strong SHEQ culture to address issues locally and support employees. Support to operations from the facilities function for temporary heating or cooling as required. *Low risk in UK for most of year in both a 1.5C and 4C warming scenario*
Higher (or lower) air Temperatures and humidity	Emergence of new diseases: Employees and/or their families/dependents getting ill. Onerous control measures may be needed for example social distancing, increased hygiene and PPE as experienced during the Covid-19 pandemic	Loss of productive working hours. Severe operational / service impacts in the event of large scale or sustained employee absences from the workplace. Cost impacts of extra hygiene / screening / PPE procurement *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Medium – long term** Dependent on the speed that future climate change occurs and also warming scenario considered. Expected to be lower impact in the medium term and/or under a 1.5C warming scenario but potential to be greater impact in the long term and/or under a 4C warming scenario. However, as the Covid-19 pandemic demonstrated new diseases can develop and spread rapidly with little warning. So this is hard to assess with confidence.	Strong SHEQ culture. Business continuity planning. Strong experience of maintaining safe ongoing operations throughout Covid-19 pandemic. Good supplier relations e.g. for PPE and sanitising supplies. *Low risk in UK for in both a 1.5C and 4C warming scenario*
Sea level rise as a result of ocean warming and melting of polar ice / glacial ice	Flooding of and / or total loss of business buildings and plants as well as severe disruption to transport routes. None of the business' operational sites are currently understood to be in an area at high risk of sea level rise.	Business interruption with impact on service, potential damage to clients' goods, increased risks of injury to employees or members of the public (e.g. on the road). Costs to relocate or protect property. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Long term** Dependent on speed that future climate change occurs and also warming scenario considered. Expected to be lower impact in the short term and/or under a 1.5C warming scenario but potential to be greater impact in the long term and/or under a 4C warming scenario.	Strong SHEQ culture. Monitor weather alerts and issue guidance to business. Business continuity planning through a flexible network of sites. Emergency call out procedures are in place for physical interventions such as sandbags etc. Continual review of property strategy with regards to optimal site locations for operational efficiency and risk management – including climate risks such as sea level rise where locally appropriate. *Low risk in UK for in both a 1.5C and 4C warming scenario.*

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HAZARD	SCENARIO	POTENTIAL IMPACT WITHOUT MITIGATION	ANTICIPATED TIMESCALES	MITIGATION MEASURES & POTENTIAL IMPACT WITH MITIGATION
Heavy rainfall	Flooding and/or landslides damage buildings operated by the business and as well as transport routes.	Business interruption with impact on service, potential damage to clients' goods, increased risks of injury to employees or members of the public (e.g. on the road). Costs to re-route vehicles or replace/ repair damages. *Medium risk in a 1.5C and 4C warming scenario.*	**Short – Medium term** For the businesses current operations that are all located in the UK this is a likely scenario and already some experiential evidence of these types of weather events becoming more frequent and severe in the UK climate. Expected to be lower impact in the short term and/or under a 1.5C warming scenario but potential to be greater impact in the medium-long term and/or under a 4C warming scenario.	Strong SHEQ culture. Monitor weather alerts and issue guidance to business. Business continuity planning through a flexible network of sites. Emergency call out procedures are in place for physical interventions such as sandbags etc. *Low risk in UK for in both a 1.5C and 4C warming scenario.*
Extreme heat / Droughts	Wildfires damage to business' facilities and offices (or those of suppliers and service providers) Water shortage affecting operations.	Business interruption with impact on service, potential damage to clients' goods, increased risks of injury to employees. Costs to relocate or protect property. Current operations are not heavy users of water other than for "domestic" purposes. . *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Medium – Long term** For the business' current operations that are all located in the UK this is a low-likelihood scenario in the short term and/or under a 1.5C warming scenario but potential to be greater impact in the medium-long term and/or under a 4C warming scenario.	Strong SHEQ culture. Monitor weather alerts and issue guidance to business. Fire Risk assessment and control programmes at sites. Business continuity planning through a flexible network of sites. Consideration given to known risks as part of property strategy with regards to optimal site locations for operational efficiency and risk management – including climate risks such as wildfire or water scarcity where locally appropriate. *Low risk in UK for in both a 1.5C and 4C warming scenario.*
Severe storms	Damage to infrastructure (buildings, plants, utilities). Risks to vehicle operations during high winds (especially LGVs).	Business interruption with impact on service, potential damage to clients' goods, increased risks of injury to employees or members of the public (e.g. on the road). Costs to "stand down" or re-route vehicles or replace / repair damages. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Short – Medium term** For the business' current operation that are all located in the UK this is a likely scenario and already some experiential evidence of these types of weather events becoming more frequent and severe in the UK climate. Expected to be lower impact in the short term and/or under a 1.5C warming (limited change from current status) scenario but potential to be greater impact in the medium-long term and/or under a 4C warming scenario.	Strong SHEQ culture. Monitor weather alerts and issue guidance to business. Robust guidance to operations regards activities and "stand down" in severe weather. Menzies acquire and maintain buildings to suitable standards. This is backed up by specialist contractors for any repairs (e.g. wind damage) and maintain good relationships with landlords and insurers to remediate any issues quickly. Business continuity planning through a flexible network of sites. Emergency call out procedures are in place for physical interventions such as sandbags etc. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*

HAZARD	SCENARIO	POTENTIAL IMPACT WITHOUT MITIGATION	ANTICIPATED TIMESCALES	MITIGATION MEASURES & POTENTIAL IMPACT WITH MITIGATION
Severe storms	Damage to premises of suppliers, customers and service providers and the transport routes	Business interruption with impact on service, potential damage to clients' goods, increased risks of injury to employees or members of the public. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Short – Medium term** For the business' current operation that are all located in the UK this is a likely scenario and already some experiential evidence of these types of weather events becoming more frequent and severe in the UK climate. Expected to be lower impact in the short term and/or under a 1.5C warming scenario but potential to be greater impact in the medium-long term and/or under a 4C warming scenario.	Close working relationships with suppliers and customers. Business continuity planning through a flexible network of sites. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*
Volatility of fuel, energy and material costs	Volatility of fuel, energy and /or material costs as a result of geopolitical instability outside of the UK as a result of factors brought about by climate change.	Increased energy and fuel bills across entire estate. Impact will depend on global warming scenarios i.e. for 1.5C warming is anticipated to be low, however for 4C warming it will be higher. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*	**Medium – long term** Dependent on speed that future climate change occurs and also warming scenario considered. Expected to be lower impact in the short and/or under a 1.5C warming scenario but potential to be greater impact in the medium to long term and/or under a 4C warming scenario	Close working relationships with suppliers and customers. Adoption of fuel efficient and low energy use solutions as part of own decarbonisation plans helps reduce exposure. *Low risk in a 1.5C scenario* *Medium risk in a 4C scenario*
TRANSITIONAL AND LIABILITY RISKS AND OPPORTUNITIES				
Poor Climate / ESG performance / control resulting in reputational damage	Reduced ability to win or retain business if perceived not to be a well performing business in relation to climate and ESG matters e.g. through not meeting own or external climate targets, by being involved in significant pollution incident or other adverse ESG factor.	Reduction in revenue. Reduction in profit. Significant brand / reputational damage. *Medium risk in a 1.5C and 4C scenario*	**Short – Long term** Potential risks of this nature will exist through all timescales. Potential to be more significant in the medium-long timescale as net zero targets are expected to be achieved. In the longer-term risk may continue to develop if climate change outcomes worsen.	Operational Board reviews ESG and Climate Risks and makes recommendations to the Board of Directors Enterprise risk management in place – risk register with oversight and review by Board and Senior Leadership Teams. Decarbonisation plans, net zero by 2050 ambition. *Low risk in a 1.5C and 4C scenario*

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HAZARD	SCENARIO	POTENTIAL IMPACT WITHOUT MITIGATION	ANTICIPATED TIMESCALES	MITIGATION MEASURES & POTENTIAL IMPACT WITH MITIGATION
Restricted supply of and/or cost increases on alternative fuels /; new vehicle technologies	Increased take up of alternatives fuels limits availability and increases costs. For example – increased industry wide usage of HVO or Biomethane fuels whereby demand outstrips supply and increases price. For example – Grid capacity at local sites is not capable of supporting significant EV charging infrastructure needed for commercial fleets of vans and/ or LGVs	Increased costs to business to deploy sustainable solutions. Slowdown of the business' decarbonisation plans. *Medium risk in a 1.5C and 4C scenario*	**Short – Medium term** Potential risk in the short to medium term as more operators adopt decarbonisation strategies for vehicle fleets (e.g. alternatives fuels and electrification). Risk anticipated to reduce in the longer term as decarbonisation options become more widespread, standardised and also improve in terms of capability (for example EV range and charging speeds)	Strong relationships with suppliers including fuel, utilities and vehicle manufactures. Scale of the business allows for early access too new technologies. Appropriate involvement in Industry / Trade body and other forums to ensure own business and sector needs are adequately presented to Government and other stakeholders, and to stay abreast of industry trends and competitor activity with respect to alternative fuels and EV's. Ensure that any new facilities have sufficient electricity system capacity for expected future needs, ensure that electrical supply capacities at existing sites are maintained. Work with specialist energy broker to ensure proactive planning / response to current and future energy needs and challenges. Close collaboration with landlords with regards to projects to reduce site energy usage (e.g. LED lighting) and assist with renewable energy generation (e.g. solar) *Low risk in a 1.5C and 4C scenario*
Strong regulation	The government levy CO2 taxes with no mechanisms to recover back cost increases (e.g. from customers) or to mitigate cost impact of any taxation	With total CO2 emissions of 140,000 tonnes for scope 1, 2 and scope 3 this could result in significant additional costs to the business. *Medium risk in a 1.5C and 4C scenario*	**Short – Medium term** Potential risk in the short to medium term if internal decarbonisation plans do not progress. Risk anticipated to reduce in the longer term as decarbonisation become more embedded and Net Zero ambition realised.	Significant improvement of energy efficiency of Menzies' own operations. Substitution of fossil fuels with sustainable energies. Appropriate involvement in Industry / Trade body and other forums to ensure own business and sector needs are adequately presented to Government and other stakeholders, and to stay abreast of industry trends and competitor activity with respect to alternative fuels and EV's. *Low risk in a 1.5C and 4C scenario*
Strong regulation	Ban of certain technologies (e.g. fuelling vehicles with fossil fuels) or materials would force us to use more expensive alternatives and or may increase demand for and costs of, alternative fuels, vehicles, technologies etc. This risk presents if Government targets change to be earlier / stricter.	Increased costs to business to deploy new / future sustainable solutions such as alternative fuels (e.g. HVO) that have a price premium of EVs that are expensive to purchase and require expensive charging infrastructure. *Low risk in a 1.5C and 4C scenario*	**Short – Medium term** Potential risk in the short to medium term if internal decarbonisation plans do not progress. Risk anticipated to reduce in the longer term as decarbonisation become more embedded decarbonisation plans n realised.	Pro-active utilisation of sustainable technologies and alternative fuels. Significant improvement of energy efficiency of Menzies' own operations. Substitution of fossil fuels with sustainable energies. Appropriate involvement in Industry / Trade body and other forums to ensure own business and sector needs are adequately presented to Government and other stakeholders, and to stay abreast of industry trends and competitor activity with respect to alternative fuels and EV's. *Low risk in a 1.5C and 4C scenario*

HAZARD	SCENARIO	POTENTIAL IMPACT WITHOUT MITIGATION	ANTICIPATED TIMESCALES	MITIGATION MEASURES & POTENTIAL IMPACT WITH MITIGATION
Compliance with Government net zero and own emissions targets	Increasing regulatory reporting and compliance with standards becoming mandatory. Compliance costs could impact business costs. Potential for reputational damage for failure to meet climate change demands and commitments	Increased costs to business comply. Reputational and brand damage if targets and obligations not met. *Low risk in a 1.5C and 4C scenario*	Short – Medium term Potential risk in the short to medium term if internal decarbonisation plans do not progress. Risk anticipated to reduce in the longer term as decarbonisation become more embedded and decarbonisation plans realised.	Climate Strategy overseen by CEO and COO with support from internal subject matter experts. Internal Operations Board monitor ESG progress and also external factors and stakeholder requirements. Appropriate involvement in Industry / Trade body and other forums to ensure own business and sector needs are adequately presented to Government and other stakeholders. *Low risk in a 1.5C and 4C scenario*
Opportunity to increase business / market share through delivery of low Carbon impact logistics solutions to customers	Menzies are often a significant part of customers' own Scope 3 CO2 emissions and are ideally placed to help clients reduce their impacts through efficiency, use of technology, alternative fuels and collaboration with shared use of facilities and vehicle for maximum efficiency	Opportunity – may involve cost to implement depending on solution and client. Low risk to implement, not contingent on warming scenarios. Some risk of not gaining or maintaining business if not proactive in partnership with clients.	Short – Medium – Long term Opportunities to help customers reduce their own Scope 3 will be present and will evolve over the short – medium and long term	Business development, account management and operation teams build and maintain close relationships with, and understanding of, customers business so that initiatives to reduce emissions are identified and deployed where possible. These range from efficiency based / continual improvement activities to adoption of alternative fuels or electrification. Low risk to implement, not contingent on warming scenarios. Some risk of not gaining or maintaining business if not proactive in partnership with clients.
Opportunity to increase business / market share through solutions that help customers reduce, eliminate or recover and recycle waste	The operating model means Menzies are well placed to help customers deploy initiatives to reduce / eliminate / recovery or recycle waste are identified and deployed where possible. These range from efficiency based / continual improvement activities and reverse logistics to alternative packaging, DMR waste collections alongside retail deliveries and recovery of cover mount magazine items for re-use.	Opportunity – may involve cost to implement depending on solution and client. Low risk to implement, not contingent on warming scenarios. Some risk of not gaining or maintaining business if not proactive in partnership with clients.	Short – Medium – Long term Opportunities to help customers reduce waste and / or increase recovery, reuse and recycling will be present and will evolve over the short – medium and long term	Business development, account management and operation teams build and maintain close relationships with, and understanding of, customers business so that initiatives to reduce / eliminate / recovery or recycle waste are identified and deployed where possible. These range from efficiency based / continual improvement activities and reverse logistics to alternative packaging,. Low risk to implement, not contingent on warming scenarios. Some risk of not gaining or maintaining business if not proactive in partnership with clients.

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EMISSIONS DETAIL

	Unit	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Scope 1 emissions											
Natural Gas	KWh	5,791,932	4,991,267	3,503,935	2,718,770	3,267,989	2,200,044	2,049,264	1,665,139	801,118	384,141
LPG	Litres	311,928	158,123	119,382	96,201	54,077	43,512	41,820	25,960	85,460	57,707
Diesel (Litres)	Litres	25,373,078	23,104,906	22,743,886	23,563,443	20,077,045	19,590,784	18,462,182	20,514,374	20,653,491	19,325,966
Diesel (Gallons)	Gallons	5,581,291	5,082,363	5,002,950	5,183,227	4,416,327	4,309,365	4,061,108	4,512,526	4,543,128	4,251,113
HVO fuel	Litres	-	-	-	-	-	-	-	-	54,935	232,935
Biomethane CNG	kgs									4,233	29,074
Red diesel	Litres	100,000	100,000	100,000	100,000	100,000	100,000	104,399	4,135	-	-
Scope 2 emissions		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Combined Electricity consumption	KWh	10,271,081	9,317,354	9,051,603	7,114,505	6,716,741	5,114,496	5,075,459	4,448,465	4,406,906	4,216,350
Scope 3 - Subcontractors, etc		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
MDS Subcontractors apportioned miles (LGV)	miles								10,406,178	12,371,504	23,936,785
Subcontractors approtioned CO2	kg CO2e								13,410,690	15,845,856	29,150,751
Total Subcontractors	kg CO2e								13,410,690	15,845,856	29,150,751
Intensity measures		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fleet size					618	467	435	425	623	607	
Total kms driven	kms	86,607,795	82,402,817	140,728,000	144,456,319	73,221,282	71,665,444	67,112,357	75,076,101	70,988,048	69,451,611
Total miles driven	miles	53,855,721	51,241,566	49,977,346	51,235,685	45,538,313	44,567,775	41,945,223	46,922,563	44,367,530	43,407,257

Carbon		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Scope 1 emissions											
Natural Gas	kg CO2e	534,161	459,197	322,362	249,923	300,590	202,261	187,672	151,977	147,661	69,049
LPG	kg CO2e	470,818	237,979	179,672	146,135	82,338	67,677	65,118	40,422	133,072	89,858
Fleet diesel total	kg CO2e	65,561,496	60,341,466	59,137,741	61,899,752	52,082,063	49,878,723	46,383,093	52,472,487	51,882,890	48,562,093
Red diesel	kg CO2e	258,390	261,163	260,016	262,694	259,411	254,603	262,285	10,387	-	-
MDS HVO fuel	kg CO2e									1,955	8,288
MDS Biomethane CNG	kg CO2e									22	151
Total Scope 1 (kg CO2e)	kg CO2e	66,824,865.1	61,299,804.0	59,899,791.2	62,558,503.7	52,724,401.3	50,403,264.3	46,898,166.8	52,675,273.4	52,165,599.6	49,157,817.7
Total Scope 1 (tonnes CO2e)	tonnes CO2e	66,824.9	61,299.8	59,899.8	62,558.5	52,724.4	50,403.3	46,898.2	52,675.3	52,165.6	49,157.8
Scope 2 emissions		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Electricity consumpion	kg CO2e	4,747,191	3,839,216	3,182,181	2,013,903	1,716,799	1,192,394	1,077,672	860,244	4,406,906	4,216,350
Transport Scope 2 - PHEV cars											3,788
Transport Scope 2 - BEV cars											5,632
Total Scope 2 (tonnes CO2e)	tonnes CO2e	4747.2	3839.2	3182.2	2013.9	1716.8	1192.4	1077.7	860.2	912.6	882.4
Scope 3 - Business Travel, Subcontractors, upstream		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business Travel	tonnes CO2e								176.7	242.0	204.9
Subcontractor calculated CO2	tonnes CO2e								13,410.7	15,845.9	29,150.8
Waste disposal and recycling	tonnes CO2e								1,685.5	1,375.9	865.9
Material Use (packaging)	tonnes CO2e								610.4	1,248.2	219.7
Well to tank emissions for fuels (own)	tonnes CO2e								12,570.0	12,692.8	11,995.0
Subcontractor calcualated well to tank	tonnes CO2e								3,702.2	4,393.2	7,141.5
Well to Tank Electricity (generation + T&D)	tonnes CO2e								224.6	220.2	210.3
Total Scope 3 (Tonnes CO2e)									32,380.0	36,018.2	49,788.0
Total CO2 tonnes (Scope 1 & 2)		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total CO2 MDS Scope 1+2		71,572.1	65,139	63,082	64,572	54,441	51,596	47,976	53,536	53,078	50,040
Total Scope 1, 2 & 3									85,915.50	89,096.34	99,828.19
Intensity factors		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fleet direct CO2 per km		0.819	0.794	0.800	0.816	0.786	0.757	0.756	0.723	0.731	0.699
Average MPG		8.907	9.289	9.182	9.089	9.327	9.496	9.448	10.057	9.766	10.090

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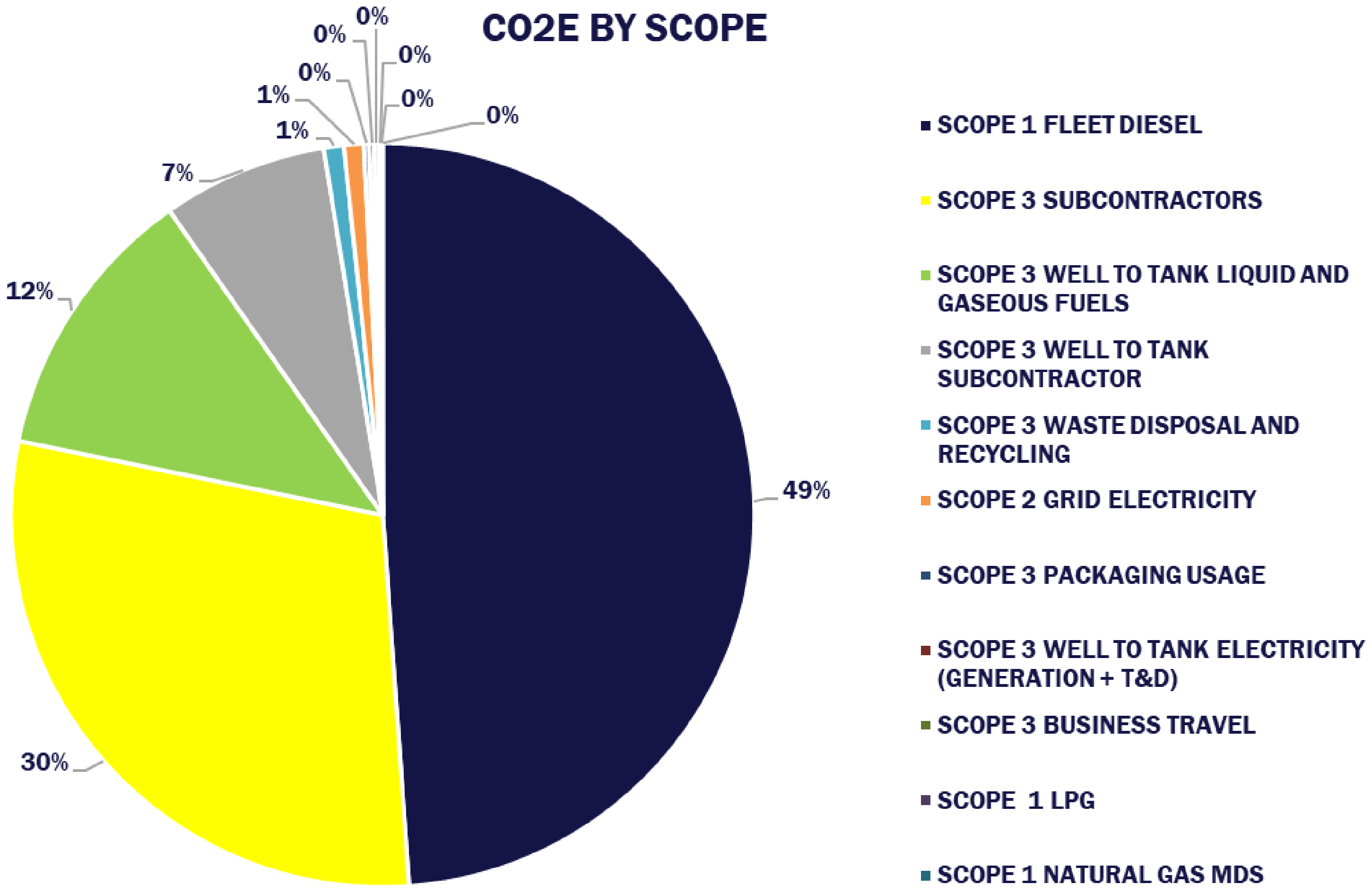
EMISSIONS DETAIL



Despite difficult ongoing market conditions, the business has demonstrated exceptional resilience and flexibility to deliver strong financial results. We are proud to improve our health and safety performance, and the health and safety of our colleagues remains at the heart of everything we do. Through 2025, we remain focussed on rethinking supply chains for our customers to delivery material cost and carbon reductions. I would like to thank our colleagues who continue to go above and beyond to deliver for our customers.

RICHARD MORSON, CEO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WE DO IT RIGHT
WE DO IT BETTER
WE WORK TOGETHER
WE GROW TOGETHER
WE WORK WITH PASSION