

July 2022

HTLL Carbon Reduction Strategy

“Delivering Mutual Value.”



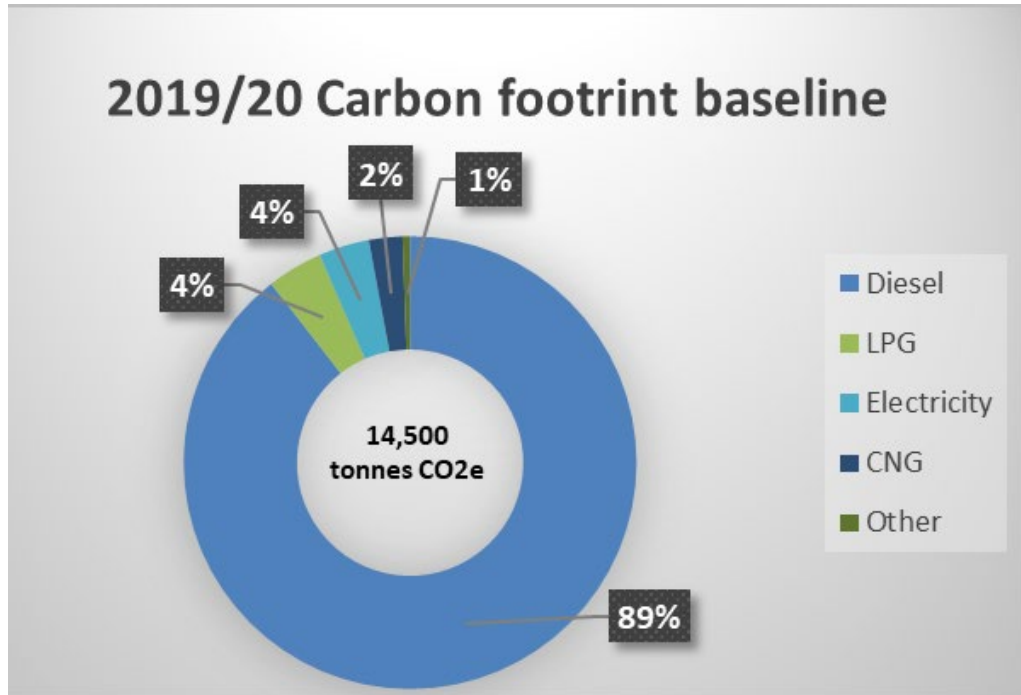
Our Approach

- We recognise the need to take responsibility for reducing our carbon emissions in line with the Government's Net Zero target of 2050.
- Although we have been at the forefront of sustainable logistics for many years, we recognise that we must continue to adapt and change the way we operate in order to achieve the carbon reduction required
- We are fully committed to achieving Net Zero as soon as practicable and were one of the first logistics companies to sign up to Logistics UK's Route to Net Zero Pledge
- Our philosophy is to make substantial financial investments now in the infrastructure and resources required so that we can accelerate our transition to a Net Zero logistics provider as soon as possible
- Our aim is to take positive action now so that we can reduce our emissions with immediate effect and maximise the amount of carbon saved from our own operations

This is our strategy and road map to 2030, which will put us on a clear trajectory to achieve Net Zero by 2045.



Our Carbon Footprint

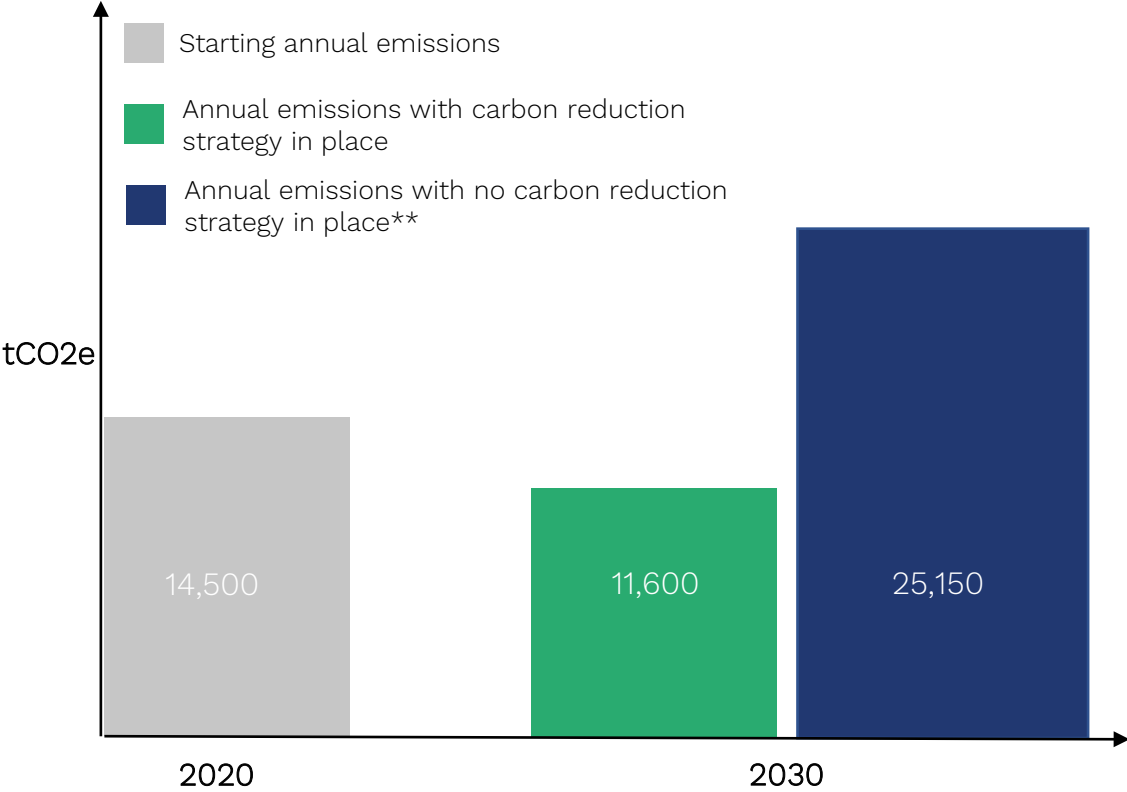


- All figures and targets relate to scope 1 and 2 emissions. In accordance with latest guidance
- We have chosen 19/20 as our baseline year as it is the most recent dataset.

In our baseline year 2019/20 we produced approximately 14,500 tonnes of carbon dioxide equivalent (CO₂e). This is where our emissions came from:

- 90% of our emissions were from the 5.1 million litres of diesel used to power our fleet of 150 HGVs.
- 4% of our emissions arose from the LPG used in our warehouse MHE equipment.
- 3.6% came from the electricity used to power our warehouses and offices. All our warehouses are ambient, so lighting uses the most energy.
- 2.4% is from the CNG used to refuel our five gas trucks.
- 1% are from other sources:
 - Gas used in office boilers for heating
 - Business travel
 - Air conditioning

Our Targets



*All figures and targets relate to scope 1 and 2 emissions.

**If we did nothing our emissions would increase due to continued business growth - We are forecasting a 5% year on year business growth

Our Targets:

- Net Zero by 2045
- Reduction of annual CO2e emissions by 20% by 2030*
- Reduction of fleet CO2e emissions per km by 46% by 2030*



Action Plan to 2030

We have three themes that underpin our carbon reduction strategy:

1. Switch from fossil fuels to renewable biofuels

- Switch all bunkered diesel used to refuel our HGV fleet to HVO renewable diesel, which represents 45% of our total fuel use
- Use a minimum of 40% bioLPG in our MHE such as forklift trucks
- Investigate opportunities to operate bioCNG/bioLNG HGVs in our fleet

2. Maximise use of renewable energy

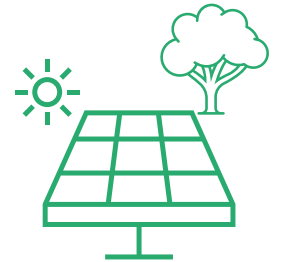
- Purchase renewable energy through REGO backed good quality green tariffs (on owned sites)
- Meet 50% of electricity demand from renewable energy generated on-site (on owned sites)
- Negotiate green electricity supplies on leased sites

3. Accelerate uptake of zero emission vehicles

- Install EV charge points at all owned sites by 2025
- Require 100% of new pool cars to be plug-in by 2025
- Require 75% of new company cars to be plug-in by 2025
- Participate in research and trials on zero emission HGVs such as hydrogen and battery electric technologies

What Happens After 2030?

- The majority of our fleet is comprised of 44 tonne tractor units, which are more difficult to switch to zero emission technologies
- Many manufacturers are producing battery or fuel cell demonstration vehicles and early production models and the Government has announced funding for on-road trials of zero emission HGVs to commence from 2022
- The Government has stated that sales of new HGVs from 2040 must be zero emission, so manufacturers will need to provide suitable technologies by this date
- Once we have switched over to zero emission HGVs across our entire fleet, there will still be some residual emissions across our business operations that we cannot eliminate, so we will invest in good quality carbon offset schemes to ensure we can deliver our Net Zero promise by 2045
- We will review this strategy in 2025 and update our action plan and targets in light of any technological advancements and other commercial/operational considerations



Our progress so far and onwards Journey to Net Zero



2022: Hydrotreated Vegetable Oil (HVO) roll out in Andover